



WEEKLY REPORT

WEEK 48 - December 4, 2022

This week, the outcry and protests about COVID-zero limitations in China were front and center. There have been reports of violent protests in a number of Chinese cities, including Guangzhou, a major manufacturing hub. The demonstrations have been Beijing's greatest challenge in decades. The world has followed an entirely different course as it awaits the Chinese government to release restrictions so that the market can return to normalcy.

It will be challenging to forecast how this will unfold in the next months and how it will affect commodity markets. Last Friday, the price of oil decreased by 3.8%, but by the end of the week, it had increased as China implemented stricter COVID restrictions against the backdrop of declining fuel demand. All of this, however, could be a dress rehearsal for future instability, which will eventually manifest in other commodities, particularly steel.

Positively, for the first time since 2015, the Chinese government has authorised developers to acquire real estate properties using funds generated from the sale of shares to domestic investors. In this, developers will have greater access to financing while the debt levels of the sector are maintained. This will aid the sector, which has been under stress and boosts confidence. Long-term, the most significant effect will be on the steel industry, which has lacked direction.

China's zero-COVID policy has a big influence on the manufacturing sector, resulting in a decline in metal prices. The domestic demand in real estate has also been damaged, and the micro-boost to support the faltering economy can only result in a short-lived metal price rally. Long-term viability requires the current state of consumer confidence in demand, which is at an all-time low.

Dry Bulk

Despite being a busy month in terms of volumes, November has been particularly difficult for major bulkers. Although the start of November has historically been quite quiet in terms of rates, there appears to be a lack of urgency translating into the present softness in spot Capesize prices. The excessive caution reflects both prior downturns and a lack of triggers that may tighten the present loose supply/demand balance.

China, the most important demand center for dry bulk, is still experiencing a very fragile commodity recovery, while the rest of the world, which has provided significant support over the last two years, is now confronted with a rapidly slowing economy. This makes many market players anxious about the future.

It is becoming ever trickier to construct a more positive scenario based on current data.

Capesize:

When the Bank of China revealed liquidity initiatives, prospects for a recovery in steel demand surged and turned positive. Steel prices in China climbed as a result of rising demand. Rising steel prices also boost steel mills' steel production margins, which increases iron ore demand. However, market swings at the moment are based on market perception rather than real supply, and demand are projected to continue for the time being. At closing, most routes saw a slight decline apart from Brazil r/v, settling higher at US\$10,075 a day. Meanwhile, Pacific r/v slipped to US\$ 10,850's region.

Panamax / Kamsarmax:

Due to sluggish coal traffic, both basins saw a decline, while South America and USG grain improved in the second half of the week. Temperatures in the Northern Hemisphere remain milder than average, and coal consumption remains slow, while inventories in key importing nations remain high. Argentina's "soy dollar" policy will return again between November 28 and December 31, with a soybean exchange rate of 230 pesos per dollar. We may likely see an uptick in market activity in the region towards the end of the year. Levels across saw improvements on Friday. Pacific r/v settled higher in the region of US\$ 11,500's range while T/A closed at US\$ 14,500's. F/H also saw levels climb to US\$23,000 a day.

Supramax / Ultramax:

Supramax saw a minor rise as the Pacific compensated for the Atlantic's inactivity. In terms of freight rates, the influx of fresh demand for USG is rather modest. Despite the continuation of the Black Sea grain export deal, new trade volume has been lost owing to delays in vessel search. The Pacific, on the other hand, saw prices on significant routes such as Indonesia and the PNW set competitively compared to Panamax, and demand for additional cargo continues to recover as Supramax continues. While T/A saw gains at week's closing at US\$18,700 a day, Pacific r/v fell slightly, closing at US\$ 9,150's.

Handysize:

This week's Pacific Handy markets were relatively calm, with prompt enquiries falling but cargo remaining ample. Inter-Pacific levels fell to the US\$ 8,000's range, while Pacific r/v slipped to around US\$8,845 a day. The Atlantic saw some activity, but rates remained depressed, closing T/A levels around the region of US\$12,000 a day.

Dry Bulk - S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AQUATAINE	CAPE	181,725	2010	JAPAN	24.0	BRAVE MARITIME
CHS SPLENDOR	CAPE	170,000	2006	JAPAN	15.5	UNDISCLOSED
LOWLANDS COMFORT	KMAX	81,845	2016	CEBU	26.0	UNDISCLOSED
DL CARNATION	KMAX	81,805	2014	CHINA	18.8	UNDISCLOSED
NORD VIRGO	KMAX	80,915	2014	JAPAN	27.5	GREEK BUYERS
NAVIOS ALDEBARAN	PANAMAX	76,529	2008	JAPAN	14.0	UNDISCLOSED
ITALIAN BULKER	UMAX	63,482	2017	JAPAN	27.0	DAO SHIPPING
SEASTAR HARRIER	HANDY	39,804	2022	JAPAN	20.9	JAPANESE BUYERS
TS BRAVO	HANDY	38,896	2015	CHINA	17.0	EUROPEAN BUYERS
MELINA	HANDY	28,418	2009	JAPAN	11.0	UNDISCLOSED

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	61	52	35	28	13
KAMSARMAX	82,000	34	37	30	22	10
SUPRAMAX	56,000	32	35	27	18	7
HANDY	38,000	28	27	23	16	5

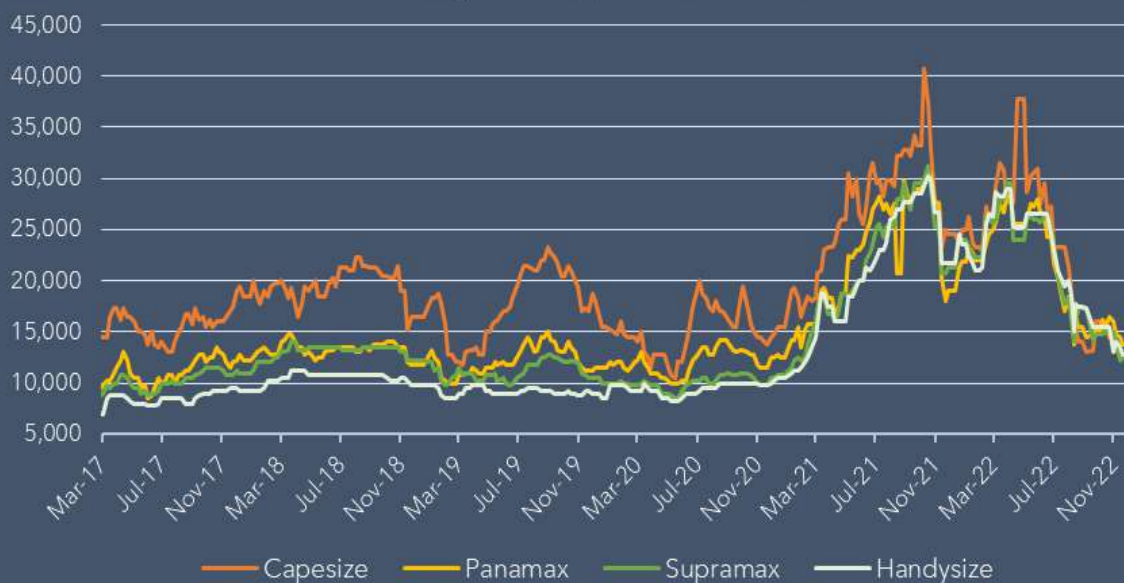
**(Amount in USD million)*

Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,324	1,242	3,171	+6.60	-58.25
BCI	1,519	1,384	4,594	+9.75	-66.94
BPI	1,618	1,466	3,128	+10.37	-48.27
BSI	1,162	1,174	2,431	-1.02	-52.20
BHSI	741	747	1,559	-0.80	-52.47

BULKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)						
	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	13,250	13,750	27,625	-3.64	-52.04
PANAMAX	75,000	14,300	13,850	22,625	+3.25	-36.80
SUPRAMAX	52,000	13,250	13,000	23,750	+1.92	-44.21
HANDYSIZE	32,000	10,500	10,500	24,125	0	-56.48

Dry Bulk 1 year T/C rates



Tankers

The European Union has come to an agreement to cap the price of Russian seaborne oil after many days of negotiations. The September deal sets the price of Russian oil transported by the sea at approximately US\$60 per barrel. This is a substantial constraint on the country's revenues, and the specifics of how it will operate in practice have been discussed.

Russia has warned before that the introduction of the oil price cap could disrupt the energy markets, notwithstanding the current situation in Ukraine. The cap should be at least 5% below the average price, according to an E.U. regulation.

After Polish ministers reached an agreement on the 5% adjustment method, an official statement is anticipated to be made on Sunday. If the oil price ceiling is to be effective, economists say the G-7 will need the support of other key purchasers to comply, such as India and China. The European energy commissioner, Kadri Simson, stated in September that India and China should support the oil price ceiling. She noted that disproportionate payments to Russia were unjustifiable.

Despite their agreement for the oil price cap, the G-7 nations have shown little enthusiasm for its implementation.

VLCC:

This week VLCC saw a decrease in freight rates as a result of more accessible vessels in the Middle East, with short-term market corrections expected to continue. MEG to China for 270,000mt saw levels slip to WS86, down 22 points. However, the recent E.U.'s plan for the Russian oil embargo will likely limit the scope of adjustment.

Suezmax:

Suezmax also saw rates fall slightly this week as the flat rate between West Africa and Europe declined. 130,000mt Nigeria to Rotterdam fell to WS186. Despite a lack of activity in the MEG, the East appears to be stocked for the month. We will likely see more movements toward the new year.

Aframax:

Reduced vessel availability in the Middle East bolsters MEG to SE Asia market conditions. Levels saw pressure in the region of WS311. However, there has been an increase in anticipatory demand following the E.U.'s restriction on crude from Russia and the adverse

weather, we may see this improving in the coming weeks.

Clean:

The market remains robust in the L.R. sector, with the supply of LR1 anticipated to grow in the UKC by the end of December. In contrast, the LR2 market in Europe has slowed down a bit towards the year-end.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
C PASSION	VLCC	313,998	2013	S. KOREA	66.0	SINOKOR SHIPPING
ALHANI	AFRA	114,795	2007	S. KOREA	40.0	UNDISCLOSED
FOS HAMILTON	AFRA	105,408	2013	S. KOREA	43.8	PERFORMANCE SHIPPING
SEABREEZE	MR	53,714	2007	JAPAN	19.6	UNDISCLOSED
GWN 2	MR	50,192	2020	S. KOREA	38.5	JAPANESE BUYERS
CELSIUS RIGA / CELSIUS ROSKILDE	MR	46,151 / 46,105	2010/ 2009	S. KOREA	55.0 EN BLOC	USA BASED BUYERS
VALLERMOSA	MR	40,218	2003	S. KOREA	12.0	UNDISCLOSED
NORDIC TATIANA	MR	38,396	2007	CHINA	15.7	UNDISCLOSED
PETROLIMEX 10	MR	37,256	2003	S. KOREA	10.0	VIETNAMESE BUYERS
DH DILIGENCEY	SMALL	8,716	2019	CHINA	20.0	CHINESE BUYERS
JIN FU XING 9	SMALL	4,999	2008	CHINA	4.0	UNDISCLOSED

Tankers Values

(Weekly)

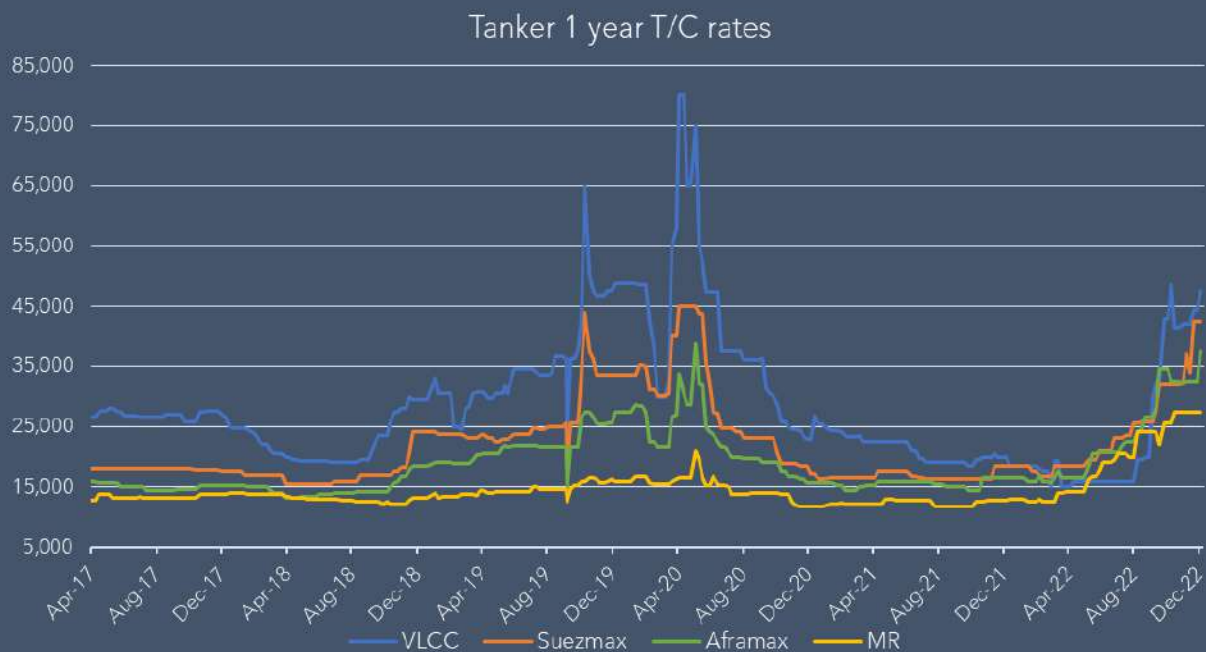
TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	120	90	66	46
SUEZMAX	160,000	80	80	62	46	25
AFRAMAX	115,000	61	73	58	43	23
PANAMAX-LR1	73,000	54	27	45	34	16
MR TANKER	51,000	43	47	40	30	16

**(amount in USD million)*

Baltic Exchange Tanker Indices

BALTIC EXCHANGE TANKER INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	2,220	2,487	738	-10.74%	+200.81
BCTI	1,806	1,738	651	+3.91%	+177.42

TANKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)						
TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	46,250	47,500	18,500	-2.63	+150.00
SUEZMAX	150,000	42,500	42,500	18,500	0	+129.73
AFRAMAX	110,000	37,500	37,500	16,500	0	+127.27
LR1	74,000	42,500	38,750	13,500	+9.68	+214.81
MR	47,000	27,500	27,500	12,750	0	+115.69



Containers

With the container shipping industry mostly acknowledging that the peak of an epic cycle has passed after the summer of this year, the focus has shifted to the potential severity of the upcoming earnings decline. This week, the number of vessels available in the Atlantic was limited, causing fixtures in this region to cost more than those in the Far East. Meanwhile, Alphaliner also is warning that its fourth-quarter carrier profits could plummet by much to 70%, with Israel's ZIM likely to experience the largest decline. Many indicators point to a weaker overall towards the end of year.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NO NEW SALES REPORTED						

Containers Values

(Weekly)


CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 - 1,200	Geared	24	23	18	14	10
1,600 - 1,800	Geared	29	29	23	17	12
2,700 - 2,900	Gearless	42	38	32	21	16
5,500 - 7,000	Gearless	85	100	90	65	N/A

**(amount in USD million)*

Container 6-12 months T/C rates



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	520 ~ 530	510 ~ 520	490 ~ 500	540 ~ 550	IMPROVING / 
CHATTOGRAM, BANGLADESH	*530 ~ 540	*520 ~ 530	*480 ~ 500	*550 ~ 560	IMPROVING / 
GADDANI, PAKISTAN	500 ~ 510	490 ~ 500	460 ~ 470	510 ~ 520	STABLE / 
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USUS\$30-40/ton less	290 ~ 300	280 ~ 290	270 ~ 280	310 ~ 320	STABLE / 

- All prices are USD per light displacement tonnage in the long ton.
- The prices reported are net prices offered by the recycling yards.
- Prices quoted are basis simple Japanese / Korean-built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.
- * Prices are based on the subject Letters of Credit opening.

5-Year Ship Recycling Average Historical Prices

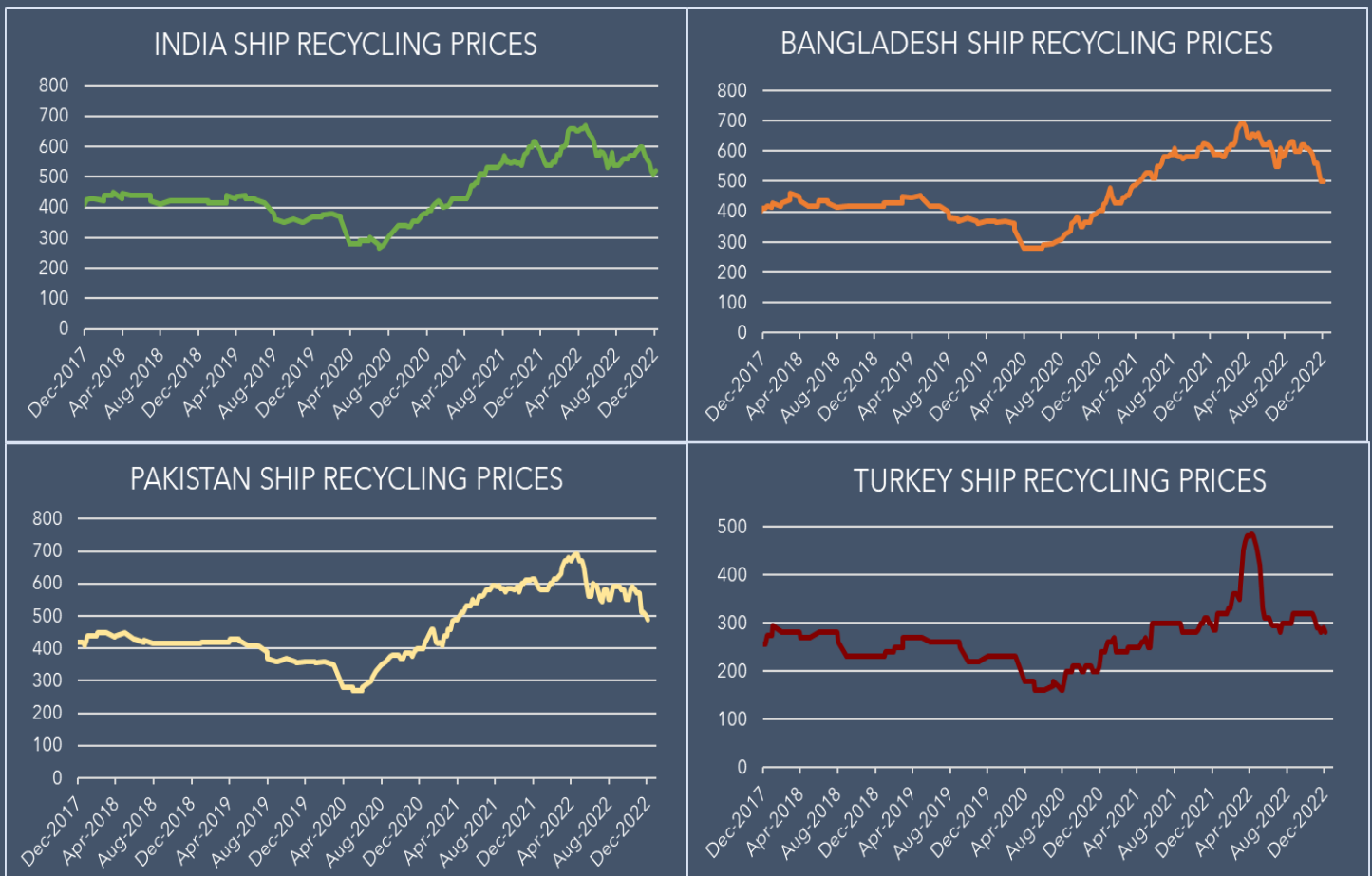
(Week 48)

DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	425	430	380	380	580
CHATTOGRAM, BANGLADESH	430	430	375	390	610
GADDANI, PAKISTAN	410	415	365	380	600
ALIAGA, TURKEY	210	280	240	230	340

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
VIVIA	3,065	1994 / SPAIN	BITUMEN TANKER	557	DELIVERED CHATTOGRAM
SHIN TANEGASHIMA MARU	1,523	1993 / JAPAN	RORO	638	DELIVERED CHATTOGRAM
NAGATO	631	1998 / JAPAN	TUG	640	DELIVERED CHATTOGRAM

Recycling Ships Price Trend



Insight

The scarcity of recycling ships keeps the markets in check. As the 2023 IMO Energy Efficiency Existing Ship Index comes into effect, the industry anticipates a substantial number of older inefficient ships being lined up for sale.

Container ship owners are also gearing up, as markets have taken a drastic drop from their peaks as rates normalise while congestion eases and supply takes over demand. Several top liners have already begun to explore potential recycling sales, with Evergreen being the first to initiate discussions with the disposal of their aging unit.

Some respite came in for the Sub-Continents markets on the currency front as the U.S. dollars weakened, giving hopes of stability. Any fluctuations in the domestic currency play a vital role for the importers.

In Europe, ferrous scrap prices significantly improved after a long lull period. Traders were seeing a deep contango for steel orders offered for January and February delivery. India is seen as a major buyer. This can be taken as a positive hint moving into 2023 as India is getting over the gloomy sentiments led by China, which is also bottoming out.

This week, on Thursday, the European Parliament committee voted to adopt the revised Waste Shipment Regulation (WSR) that will place restrictions on exports of scrap metal from the E.U. to non-OECD countries but no ban on scrap to OECD countries.

Under the amended WSR, exports of non-hazardous waste for recovery, under which classification ferrous and non-ferrous scrap metal falls under E.U. law, will be allowed only to non-OECD countries that apply for consent and demonstrate their ability to treat waste sustainably via third-party audits.

Steel traders were alarmed by this move and expect that prices of scrap metals may get affected in both E.U. and global scrap metals markets in the near term.

ALANG, INDIA

Positive start to the week as prices for domestic ship scrap show incremental signs of improvement. The domestic ship scrap prices, which had experienced a precipitous decline, found a bottom and resumed their upward.

The domestic ship plate prices have improved by 5% and melting scrap by 6.75% W-O-W.

Industry participants believe the markets have temporarily bottomed out. However, they do not rule out the possibility that it is too soon to assess if prices have hit bottom because a week's worth of gains does not paint a complete picture. The emergence of a solid market trend is crucial for further assessment. With the recent positive developments, one thing is clear recyclers are now peeping out from their hardshell for opportunities.

On the other hand, with improvements in the international imported ferrous scrap prices due to tighter scrap supply in the winter season, the mills in E.U. region, especially in Turkey, have resumed restocking. This is positive news for the Sub-Continent markets as well, which largely rely on European ferrous scrap imports.

Before the year ends, the industry is hopeful to end on a positive note, as 2022 has been a roller coaster ride for the ship recycling industry for the last few months.

Demand is moderate, and moving ahead, the buying shall emerge as the inventories are low, and for some, it is an opportunity to average out their expensive inventory.

This week shall remain relatively slow due to the ongoing Gujrat state elections and is expected to remain quiet until the results are on December 8.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
NIL	NIL	NIL	NIL	NIL

CHATTOGRAM, BANGLADESH

The ongoing drama surrounding the issuance of Letters of Credit (L.C.) has not changed significantly with its stringent regulations on foreign exchange. It is only a matter of time before the governments make a decision when they realise that the foreign exchange reserves are within the acceptable range.

This week, some recyclers were able to obtain a few L.C.s for the vessels that were waiting ashore, but for the industry as a whole, this should not necessarily be interpreted as a sign that the banks have become more accommodating. The vast majority of ship owners and cash buyers have chosen to refrain from doing business with Bangladesh for the time being and have consequently taken a back seat.

Meanwhile, domestic ship scrap prices are steadily rising due to a shortage of raw materials, and imports are not adequate to meet current demand.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
VIVIA	BITUMEN	3,065	28.11.2022	AWAITING
ARIANA	TANKER	15,672	22.06.2022	AWAITING
GALA	TANKER	16,884	01.03.2022	AWAITING

GADDANI, PAKISTAN

The dullness continues in Gaddani, with no new sales reported.

With the rise in international ferrous scrap and finished products witnessed this week, the hopes of Pakistan getting into buying spree are also getting closer. Suppose the upward trend in the global steel markets holds firm in the north direction. In that case, the Pakistani ship recycling prices will soon edge up to align, making it viable to compete with their neighbours, while Bangladesh remains absent from the buying scenario.

In Gaddani, the ship scrap sales have taken a significant blow in the last few months. The sales have dropped to a region of 3,000 ~ 4,000 tons weekly, which used to be in the region of 16,000 ~ 17,000 weekly, which reflects a poor demand from the steel mills.

Gaddani recyclers have been out of action for a while and with Indian prices improving, the hopes of buying are becoming more difficult in the distant future. Looks like markets will continue the hibernation period for longer than expected.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

ALIAGA, TURKEY

Due to the dramatic increase in import costs, all of Turkey's steel mills have upped their domestic purchasing prices. These mills are now attempting to capitalize on the country's domestic scrap supply.

As a result of improving global mood, scrap prices in Turkey continue to grow as suppliers target higher. However, many do not perceive the fundamentals underlying these price increases, as steel sales are not generally bolstering the market.

In the meantime, Turkish mills are raising their domestic and shipbreaking scrap purchasing costs. Following price increases of \$5 to \$7/t by certain mills, the majority of shipbreaking scrap was purchased for US\$280 to US\$300/t.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 6th Dec. ~ 9th Dec. | 23rd Dec. ~ 26th Dec.

Alang, India : 05th Dec. ~ 13th Dec. | 21st Dec. ~ 29th Dec.

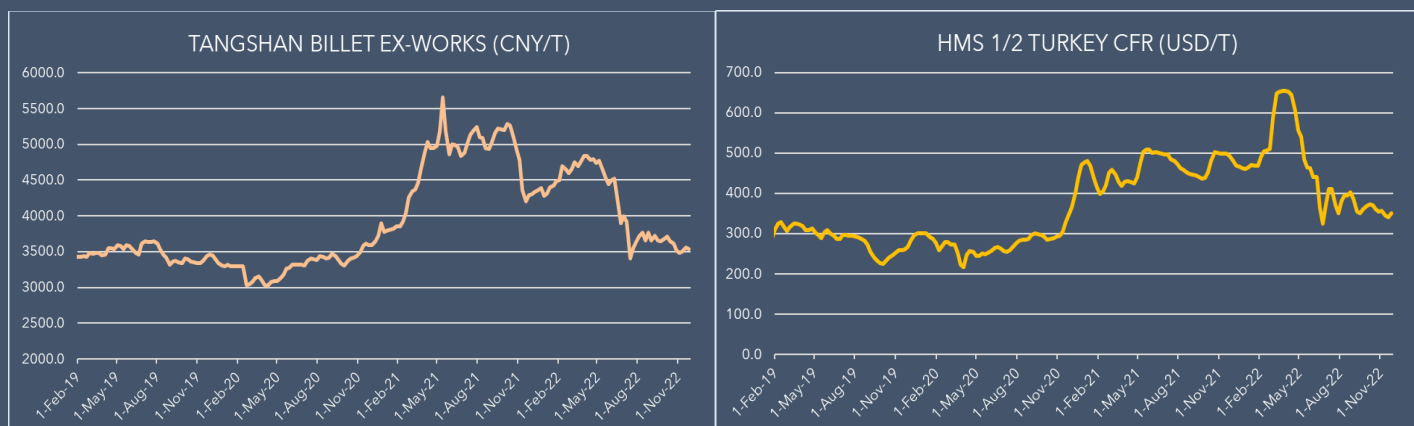
Bunker Prices

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	667	392	974
HONG KONG	675	447	954
FUJAIRAH	647	349	1128
ROTTERDAM	569	381	913
HOUSTON	621	419	911

Exchange Rates

EXCHANGE RATES			
	2nd DECEMBER	25th NOVEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	7.03	7.16	+1.82%
USD / BDT (BANGLADESH)	102.09	102.00	-0.09%
USD / INR (INDIA)	81.35	81.62	+0.33%
USD / PKR (PAKISTAN)	223.86	224.36	+0.22%
USD / TRY (TURKEY)	18.63	18.63	0

Commodity Price HMS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	PRICE/MT	CHANGE W-O-W	CHANGE Y-O-Y	LAST WEEK	LAST YEAR
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$104	+6.12%	+16.85%	US\$98	US\$89
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$103	+7.29%	+5.10%	US\$96	US\$98

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	385.05	+3.30	+0.86%	Mar 2023
3Mo Copper (L.M.E.)	USD / MT	8,450.00	+114.00	+1.37%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,545.50	+60.50	+2.43%	N/A
3Mo Zinc (L.M.E.)	USD / MT	3,079.00	-0.50	-0.02%	N/A
3Mo Tin (L.M.E.)	USD / MT	23,255.00	-76.00	-0.33%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	79.98	-1.24	-1.53%	Jan 2023
Brent Crude (ICE.)	USD / bbl.	85.57	-1.31	-1.51%	Feb 2023
Crude Oil (Tokyo)	JPY / kl	65,580.00	-1,060.00	-1.59%	May 2023
Natural Gas (Nymex)	USD / MMBtu	6.28	-0.46	-6.78%	Jan 2023

Note: all rates as at C.O.B. London time December 2, 2022

This report is performed to the best of our knowledge based on the market conditions prevailing at the time mentioned. The report relates solely to the date/place referred to, and we emphasise that it is a statement of information collected from various market sources. All details above are from information given to us and such information as we have obtained from relevant references in our possession. Still, we can accept no responsibility, and we bear no liability for any loss or damage incurred to any persons acting upon this report. STAR ASIA believes the information to be accurate and given in good faith but without guarantee. STAR ASIA will not be held responsible in any way for any action or failure to act based on the information given in this report. The use of report cannot be reproduced or used without authorisation from STAR ASIA.