



WEEKLY REPORT

WEEK 50 - December 18, 2022

2022 has highlighted the sensitivity of current events, a fact that is evident as the year draws to a close. This year has been dominated by news that has impacted not only politics but also the global economy. And the shipping sector has front-row seats to the entire calamity, with the industry first to feel the ripple effects.

One of the few effects to spill over into 2023 is the rising interest rates and inflation. Labour and other commodity expenses are anticipated to rise. If the high inflation persists, this could place additional pressure on the pricing of intermediate materials used in the manufacture and transportation of goods. The cost of borrowing is anticipated to rise in 2023 and may have an impact on the investment in new agricultural projects. This could cause supply chain delays in areas already badly impacted by the pandemic.

At its Thursday meeting, the European Central Bank opted to increase its key interest rate by a modest quarter-point to 2%. To return inflation to its target, it would need to boost interest rates dramatically. The bank also stated that beginning in March 2023, it will begin lowering its balance sheet by approximately 15 billion euros every month. The widely anticipated rate increase would be the central bank's fourth this year. ECB stated that it would need to continue hiking rates significantly in order to bring inflation back to its 2% target.

Dry Bulk

Despite global attempts to reduce coal consumption, world demand is projected to reach a record high this year.

The International Energy Agency predicts that by 2022, demand will have increased by 1.2% to reach 8 billion tonnes. It was also said that this level of consumption will persist until 2025. The expansion of emerging markets, such as India and China, is offsetting the decline of developed economies.

The European Union is also heavily relying on coal this year due to the gas supply disruptions by Russia. However, despite the present energy challenges, Europe remains on target to be coal-free by 2030. It was observed that no nation had altered its plans to eliminate coal entirely.

Capesize:

Capes segment saw a rise as market confidence improves following China's further relaxation of COVID-19 quarantine and issuance of special purpose bonds. Market manufacturing activity resumed with heightened prospects for economic recovery. There was also an increased activity to conclude contracts before the end of the year which further aided the market. Both basins saw an uptick in activities at week's closing. Brazil r/v closed the week at US\$13,150 region while T/A saw a big jump settling at US\$ 23,350's a day. Overall sentiment remains strong in the weeks leading up to the new year.

Panamax / Kamsarmax:

The Panamax segment saw an uptick owing to a rise in Northern Hemisphere winter coal demand. As temperatures in the northern hemisphere fall, demand for steam coal rises, sustaining the Pacific freight rate market. Pacific r/v closed the week at US\$8,750's region a day. However, coal vendors in Indonesia are attempting to satisfy domestic supply requirements (DMO) before the end of the year. Europe-bound coal also helps the Atlantic market as volume of trade surges due to colder winters. T/A levels surged to US\$15,900 a day. For the time being, coal demand and year end rush will sustain the market. However, if the cargos conversion gap with Supramax closes, we may foresee a downward pressure.

Supramax / Ultramax:

This week Supramax saw decline owing to weak grain in South America and the Black Sea, as well as cargo conversion to Panamax. Following the conclusion of the grain discussions, Ukrainian grain export vessels were significantly delayed, resulting in a tightening of traffic in the Black Sea. This raised the demurrage load on shipping lines, impeding further grain shipments. Pacific r/v fell to US\$ 8,750's region a day while Pacific - India route slipped to US\$ 8,650's. With the lack of tonnage in the region, T/A managed to push higher at closing with levels settling at US\$ 21,650's a day.

Handysize:

Handies in Atlantic basin saw some activity this week in the USG as T/A climb to US\$ 11,750's a day. The Pacific, on the other hand, was under pressure as the lack of new orders continued to affect the market. Inter pacific fare lower at US\$ 7,750's region and r/v trips settling slightly higher at US\$ 8,500's.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
TW MANILA	KMAX	93,250	2012	CHINA	19.0	UNDISCLOSED
RICH RAINFOREST	KMAX	82,278	2022	CHINA	34.5	UNDISCLOSED
NORD POLLUX	KMAX	81,839	2016	JAPAN	25.0	EUROPEAN BUYERS
GOLDEN STRENGTH / GOLDEN ICE	PANAMAX	75,744 / 75,725	2009 / 2008	CHINA	30.0 EN BLOC	GREEK BUYERS
ASL GRACE	SUPRAMAX	60,259	2015	JAPAN	25.5	UNDISCLOSED
SAGAR MOTI	SUPRAMAX	58,097	2012	CHINA	17.0	FAR EASTERN BUYERS
JAEGER	SUPRAMAX	52,483	2004	CEBU	10.5	MIDDLE EASTERN BUYERS
RIO CHOAPA	SUPRAMAX	50,633	2012	JAPAN	16.4	GREEK BUYERS
INTERLINK SAGACITY	HMAX	38,743	2015	CHINA	20.0	UNDISCLOSED
CYGNUS	HANDY	32,642	2005	JAPAN	9.5	MIDDLE EASTERN BUYERS
SHANGHAI	HANDY	31,923	2000	JAPAN	8.3	MIDDLE EASTERN BUYERS
GANT GRACE	HANDY	28,375	2010	JAPAN	12.5	GREEK BUYERS

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	610	52	35	28	13
KAMSARMAX	82,000	34	37	30	22	10
SUPRAMAX	56,000	31	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	1,560	1,386	2,379	+12.55	-34.43
BCI	2,208	1,683	2,727	+31.19	-19.03
BPI	1,652	1,659	2,444	-0.42	-32.41
BSI	1,157	1,152	2,469	+0.43	-53.14
BHSI	705	732	1,547	-3.69	-54.43

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	15,250	14,500	23,750	+5.17	-35.79
PANAMAX	75,000	14,500	14,750	21,250	-1.69	-31.76
SUPRAMAX	52,000	13,500	13,000	24,250	+3.85	-44.33
HANDYSIZE	32,000	10,250	10,500	24,500	-2.38	-58.16

Dry Bulk 1 year T/C rates



Tankers

This year has been a whirlwind one for the oil commodity. Oil prices have generally declined from their peak following the war in Ukraine, albeit with significant volatility. Concerns about a likely global recession and sluggish growth have caused energy prices to fall from their 2022 peaks. Prices have been erratic as a result of the vast disparity between various energy commodities.

Tanker revenues during the past nine months have reached all-time highs, and ship owners have been restructuring their financial sheets and revising their operational strategy with the large cash flows they have been receiving.

In August, natural gas prices in Europe reached an all-time high, but they have since fallen by around two-thirds. Despite the anticipated drop in energy prices, it is projected that they will continue to exceed their five-year average. In 2023, Brent crude oil is anticipated to average approximately US\$92 per barrel.

A looming global recession is the greatest threat currently to energy markets. This could lead to a decrease in demand and a decline in pricing. The volatility of oil prices has been exacerbated by the enormous uncertainty surrounding the fundamentals of the oil market.

VLCC:

VLCC this week saw a subdued activity following last week's flurry. Atlantic/Asia segment saw some increase, while Middle East/China have also recovered slightly with 270,000mt at WS82. Late December cargo influx is anticipated to boost the markets.

Suezmax:

The number of available ships in the Atlantic basin has declined, while competition from larger vessels has increased. 135,000mt from CPC to Augusta fell to WS293 at closing. Meanwhile, there was little activity in the MEG, 140,000mt Basrah/Lavera fell to WS89.

Aframax:

Due to more vessel availability and restricted cargo inflow in the Middle East, levels saw a decrease. MEG to SGP route saw rates in the region of WS294 falling a few points. It was also quiet in the Med region, but rates remain mostly similar to last.

Clean:

The softening M.R. market has resulted in the reduction in L.R. rates in the USG. On average, traffic has fallen by 22% over the three Baltic routes with TC14 currently around WS237. This week, the M.R. market also declined, with rates on the USG-ECSA route slipping to WS300.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
RIDGEBURY MARY JANE	SUEZ	149,993	2008	JAPAN	38.5	UNDISCLOSED
GULLIT	AFRA	108,953	2008	CHINA	34.0	UNDISCLOSED
SEALOYALTY	AFRA	106,468	2005	JAPAN	30.0	UNDISCLOSED
FOS ATHENS	AFRA	105,171	2015	S. KOREA	50.0	TURKISH BUYERS
ANGGERIK	AFRA	104,707	2003	S. KOREA	N/A	UNDISCLOSED
SUMMIT AFRICA	LR1	73,427	2009	CHINA	24.0	UNDISCLOSED
T REX	MR	50,548	2006	S. KOREA	19.2	UNDISCLOSED
NAVE DORADO	MR	47,999	2005	JAPAN	15.6	UNDISCLOSED
HIGH VOYAGER	MR	45,999	2014	S. KOREA	20.8	D'AMICO INTERNATIONAL
NAVE POLARIS / NAVE COSMOS	PROD / CHEM	25,145	2011	S. KOREA	14.7 / 13.6	UNDISCLOSED
STRAUM	PROD / CHEM	19,934	2010	CHINA	19.0	UNDISCLOSED

Tankers Values

(Weekly)

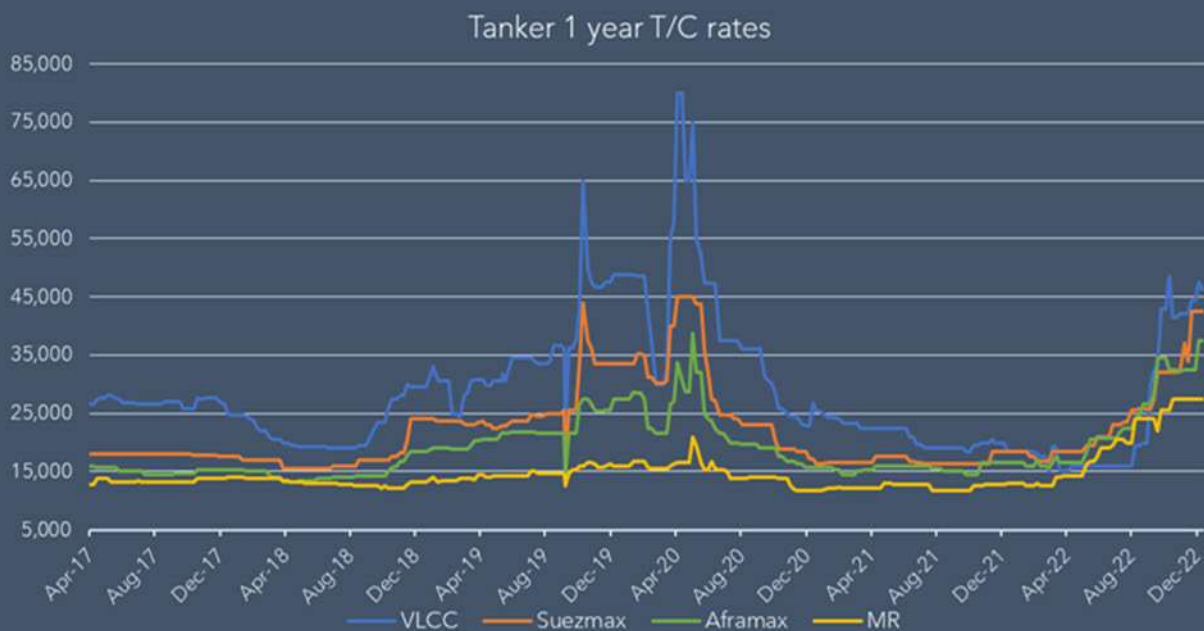
TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	122	92	70	50
SUEZMAX	160,000	80	83	63	47	24
AFRAMAX	115,000	62	73	58	43	24
PANAMAX-LR1	73,000	54	27	45	34	16
MR TANKER	51,000	43	47	40	30	16

**(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	2,078	2,110	803	-1.52	+158.78
BCTI	2,051	1,835	812	+11.77	+152.59

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	42,000	42,000	18,500	0	+127.03
SUEZMAX	150,000	45,000	45,000	18,500	0	+143.24
AFRAMAX	110,000	43,500	43,500	16,500	0	+163.64
LR1	74,000	42,500	42,500	13,500	0	+214.81
MR	47,000	30,250	30,250	13,000	0	+132.69



Containers

According to Alphaliner, the recent sales of containerships for recycling may indicate the start of a wave of demolitions that may occur in 2023 owing to overcapacity and the introduction of carbon rules. In 2022, the demolition of cellular container vessels hit an all-time low. Despite the anticipated record orderbook for the next two years, carriers have begun to feel the effects of the slowing global trade expansion. According to a recent assessment by UNCTAD, the outlook for international commerce remains bleak. Despite the ambiguity surrounding the global trade picture, negative factors are outweighing positive tendencies.

Many have observed that the market has reached a severe slump. The reduction was linked to the growing number of importers who are curtailing their inventory exposure.

Containers S&P Report

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

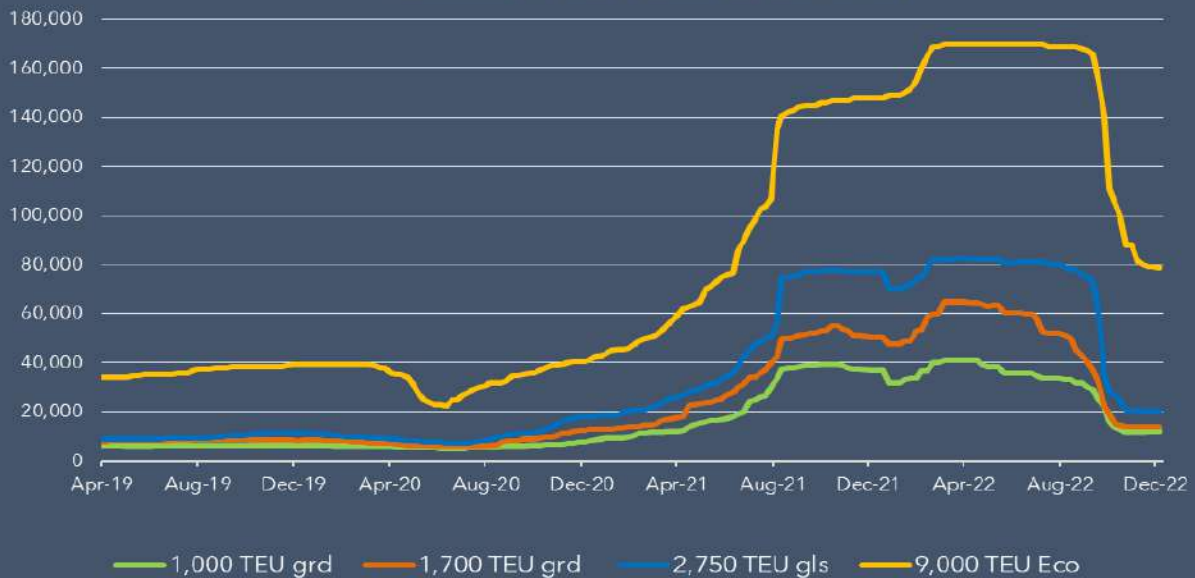
Containers Values

(Weekly)

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 - 1,200	Gearless	23	23	18	14	10
1,600 - 1,800	Gearless	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)	530 ~ 540	520 ~ 530	520 ~ 530	570 ~ 580	IMPROVING / 
CHATTOGRAM, BANGLADESH	*530 ~ 540	*520 ~ 530	*500 ~ 510	*550 ~ 560	STABLE / 
GADDANI, PAKISTAN	540 ~ 550	530 ~ 540	510 ~ 5200	570 ~ 580	IMPROVING / 
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USUS\$30-40/ton less	250 ~ 260	240 ~ 250	240 ~ 250	280 ~ 290	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

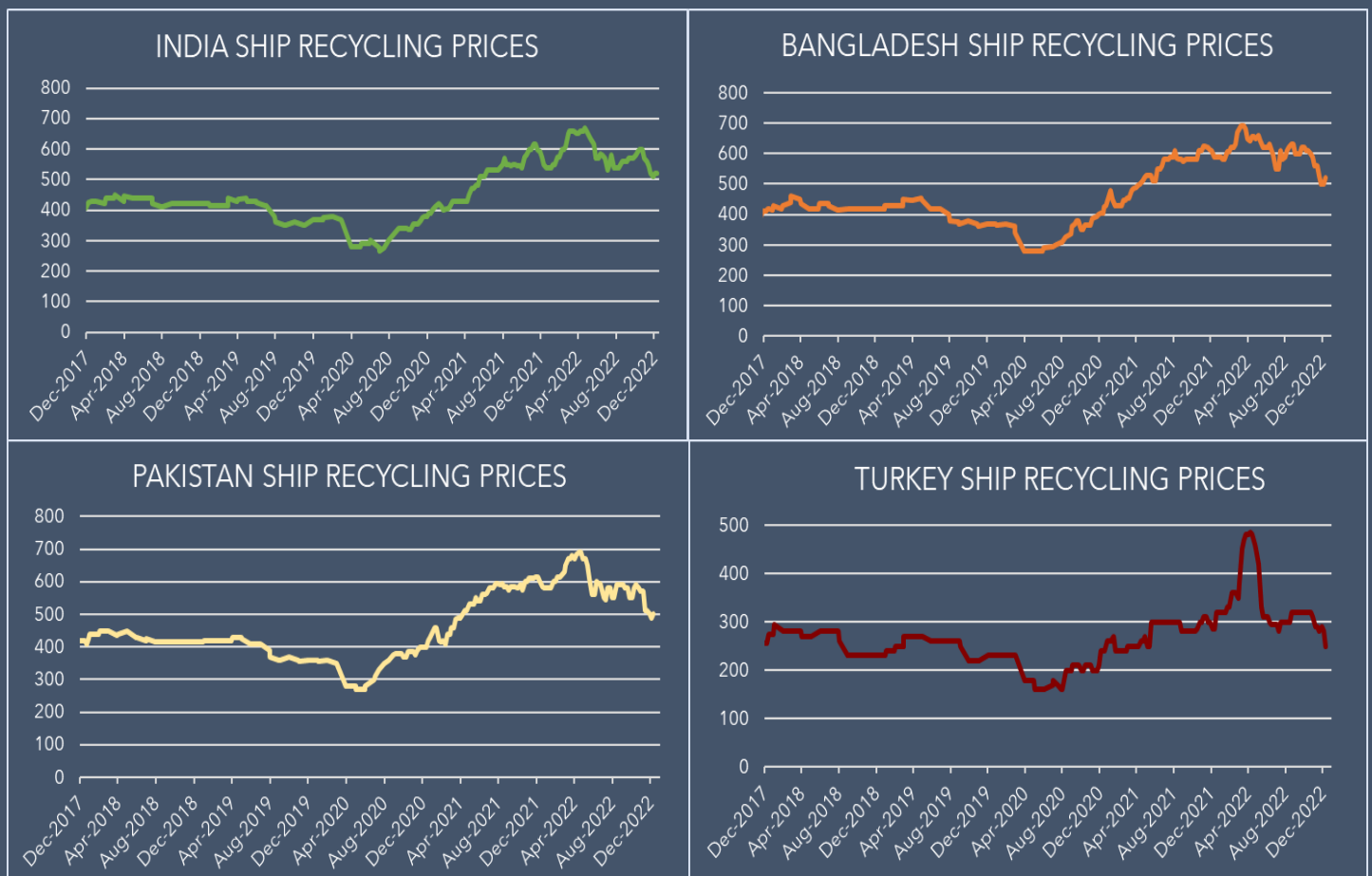
(Week 50)

DESTINATION	2017	2018	2019	2020	2021
ALANG, INDIA	435	430	380	400	580
CHATTOGRAM, BANGLADESH	430	430	375	410	610
GADDANI, PAKISTAN	410	415	365	400	600
ALIAGA, TURKEY	210	270	240	245	340

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
PASCHALIS	22,922	2002 / S.KOREA	BULKER	525	DELIVERED AS IS SINGAPORE
DE XING HAI	8,015	1990 / JAPAN	BULKER	380	DELIVERED AS IS FUZHOU, CHINA

Recycling Ships Price Trend



Insight

Fears of the global recession took center stage once again after the FED's rate decision and forward hawkish guidance. Markets are awaiting consumer data for the next few months, which looks to be cooling down and gradually shall affect steel prices in the long run.

While in China, due in part to relatively low inventories kept by Chinese steel mills, the price of long steel is foreseen to rise from December 12 to 16. Meanwhile, demand from some end-users may be released in the near future as a result of the nation's streamlined COVID rules.

However, domestic steel demand is projected to drop gradually during the usual off-season for steel consumption due to lowering temperatures in northern China and the approaching Chinese New Year vacation at the end of January, which will have a limited effect on steel prices. Chinese rebar and hot rolled coil futures began to rise on Tuesday night and Wednesday as a result of easing U.S. inflation, but the spot market was unwilling to follow suit instantly due to weakening demand.

Ship recycling markets are witnessing choppy conditions with wild price swings in a brief period of time. Whether markets are looking to break the resistance and move north is difficult to ascertain as the factors affecting the traditional price determination point to an opposite market.

ALANG, INDIA

Markets have settled this week at the prevailing prices, and business went on as usual. Alang recyclers have been waiting to see some price stability which has now arrived. Domestic ship scrap prices have settled with minor corrections as well the U.S. dollar is trading within the range bound.

As the international ferrous steel scrap, along with prices of finished products, improved, the industry sentiments saw general optimism.

Overall, a stable market with demand intact.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
T-19	TENDER RIG	7,636	11.12.2022	13.12.2022
FLOATING DOCK V	FLOATING DOCK	9,176	11.12.2022	13.12.2022
UNTER	FISHING TRAWLER	3,918	10.12.2022	15.12.2022
LOBSTER	FISHING TRAWLER	3,136	09.12.2022	14.12.2022
MARSHAL NOVIKOV	FISHING TRAWLER	3,971	06.12.2022	14.12.2022
DORA	TANKER	12,615	05.12.2022	08.12.2022

CHATTOGRAM, BANGLADESH

Markets remain muted, with limited activities reported.

Domestic ship scrap prices showed significant improvement in early December but did not last long, with lost momentum as levels slipped further.

Bangladesh government plans to fix a target to increase the money supply to 16.5% from the existing 15.6% in the next two fiscals. As with many countries, the impact of Covid-19, the Russia-Ukraine war, and sanctions caused a serious impact on the economy. Prices of essential commodities, fuel oil and transportation have skyrocketed.

Meanwhile, the foreign exchange issue continues to hinder recyclers' capacity to offer new contracts, particularly in regard to fresh tonnages. Local steel plate prices have remained constant despite the pressure.

Sentiments seem to remain subdued, with many hoping that the new year will see some positive improvements, especially the banks easing the Letters of credit to bring the economy back on track.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FUNING 2	BULKER	5,002	10.12.2022	AWAITING
PK 27	LPG	1,103	14.12.2022	AWAITING
BOSFOR	TANKER	779	07.12.2022	AWAITING
SHUN FU	BULKER	10,672	03.12.2022	09.12.2022

GADDANI, PAKISTAN

Despite the sluggish market for steel in the country, offers for scrap are on the rise. Pakistani mills have increased their rebar prices as a result of rising scrap prices coupled with the devaluation of the Pakistani rupee and rising finance rates.

Nonetheless, steel demand continues to slow down due to poor economic conditions, lack of construction activity, inflation, and political uncertainty.

Gaddani recyclers, who have been patiently waiting for a long time, finally managed to grab a few capes from the cash buyers at a whopping US\$535 ~ 537/ton levels.

As we advance, political instability and the economy, which is experiencing a shortage of U.S. dollars, and banks cannot handle letters of credit, shall play a vital role as it may drastically affect the buying ability of the Gaddani recyclers.

Anchorage & Beaching Position (December 2022)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
CHANGI	BULKER	9,824	01.12.2022	11.12.2022

ALIAGA, TURKEY

Due to slow steel sales, Turkish steel makers, who restricted scrap purchases last week, are keeping away from the market this week.

This week, there have been no requests for deep-sea scrap, and even demand for short-sea scrap has dropped considerably. No new activity was reported this week, with markets slowing towards the year's end.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 23rd Dec. ~ 26th Dec. | 7th Jan ~ 10th Jan

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

Bunker Prices

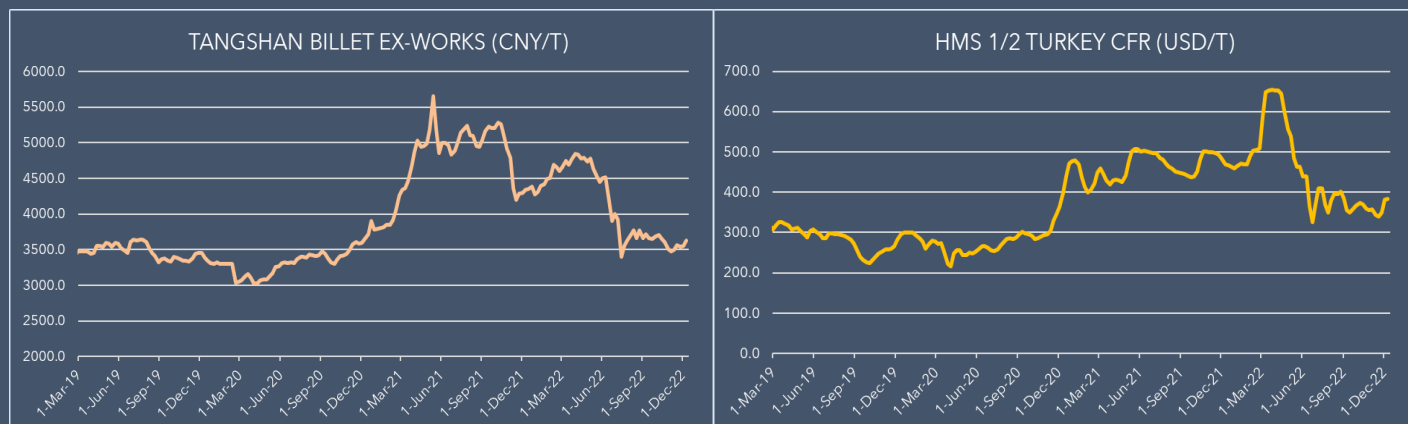
BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	603	382	958
HONG KONG	628	426	970
FUJAIRAH	651	355	1165
ROTTERDAM	539	370	894
HOUSTON	554	405	905

Exchange Rates

EXCHANGE RATES			
	16th DECEMBER	9th DECEMBER	W-O-W % CHANGE
USD / CNY (CHINA)	6.97	6.95	-0.29%
USD / BDT (BANGLADESH)	103.18	103.18	+0.00%
USD / INR (INDIA)	82.68	82.44	-0.29%
USD / PKR (PAKISTAN)	224.95	224.64	-0.14%
USD / TRY (TURKEY)	18.64	18.65	+0.05%

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\$112	+ 2.75%	+12%	US\$109	US\$100
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$113	+1.8%	-1.73%	US\$111	US\$115

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	376.15	-0.15	-0.04%	Mar 2023
3Mo Copper (L.M.E.)	USD / MT	8,266.50	-27.00	-0.33%	N/A
3Mo Aluminum (LME.)	USD / MT	2,375.00	-9.00	-0.38%	N/A
3Mo Zinc (LME.)	USD / MT	3,018.00	-142.00	-4.49%	N/A
3Mo Tin (LME.)	USD / MT	23,535.00	-65.00	-0.28%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	74.29	-1.82	-2.39%	Jan 2023
Brent Crude (ICE.)	USD / bbl.	79.04	-2.17	-2.67%	Feb 2023
Crude Oil (Tokyo)	JPY / kl	61,880.00	-1,030.00	-1.64%	May 2023
Natural Gas (Nymex)	USD / MMBtu	6.60	-0.37	-5.31%	Jan 2023

Note: all rates as at C.O.B. London time December 16, 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.