



WEEKLY REPORT

WEEK 9 - March 5, 2023

China's economy rebounded in February after the long holiday, with solid consumption following the scrapping of Covid rules but lagging industrial activity. This month's growth momentum maintained the pace seen in January, with the overall gauge staying unchanged at 4.

The private activity was strengthening in February as many residents returned to work after an extended Lunar New Year break, clogging roads in major cities and spending more at restaurants and shops. The People's Bank of China also painted a more optimistic picture of the economy in its latest quarterly monetary policy report, which said the overall economy is likely to rebound this year as production and people's daily lives are normalizing rapidly. In addition, the central bank stated that it would direct market rates to fluctuate around policy rates.

Meanwhile, congestion in major cities last week slowed slightly from the previous week but was still well above the same period last year, and the number of people riding the subway in Beijing, Shanghai, Chongqing, and other major cities was back to or above pre-pandemic levels.

Dry Bulk

The dry bulk market has started to recover from its prolonged decline. Although the recent increase in rates is impressive, it is still not enough to make a significant difference in the overall market. Spot rates for most vessels have remained below US\$5,000 per day. Despite the recent increase in rates, the Capesize market is expected to remain relatively stable at around 10% by the end of March.

At the start of the week, there were concerns over weaker demand in the near term, which led to iron ore prices continuing their downward trend after the Chinese government required Tangshan, a steel production hub, to reduce some of its capacity on Saturday due to heavy pollution. The Tangshan government announced a level 2 emergency response on Sunday to address the predicted air pollution for the week. As per a report by consultancy Mysteel, several mills had planned to decrease their sintering capacity by 30% to 50% to comply with government regulations. It remains unclear how long the production restrictions will be in place.

Aside from the slow recovery in China's iron ore demand, the country's construction activity and increasing steel prices are expected to contribute to improving iron ore imports and transporting goods.

Capesize:

Steel demand in China has increased due to the country's new real estate support policy and improved housing market indicators. The FFA market saw a rise at the week's closing, with recovery in all routes. Market conditions in the Pacific Ocean improved due to increased inflows of iron ore and coal cargoes. Pacific r/v saw levels close in the regions of US\$10,000 a day. In Brazil, activity was slow, but contract prices increased compared to the previous day. Similarly, in the Atlantic, there was an increase in the inflow of cargo, which led to a recovery in the market. T/A rates settled at around US\$ 7,000's a day.

Panamax / Kamsarmax:

The demand for grain in the Atlantic and coal in the Pacific is leading the overall recovery of the dry bulk segment. Brazil's soybean harvest has been slowed by rain and delays in grain transfer to the port, leading to exporting countries such as China shifting their purchases to U.S. soybeans, thus raising demand in the Atlantic. In the Pacific region, the increase in coal import demand is due to the mine accident in China, leading to disruptions in coal production. Despite so, the market is expected to continue its recovery due to the steady supply of new commodities. The Pacific r/v levels improved to US\$11,850's a day, with T/A levels climbing to US\$10,350's a day.

Supramax / Ultramax:

The Supramax market is climbing this week, with increased demand for ships in the Atlantic due to U.S. soybean exports and Petcoke shipments to India. Additionally, the expansion of Indonesian coal exports to China and India has supported the market. The Indian government has ordered major power plants to keep their capacity utilization high between March and June in preparation for peak electricity demand, which is expected to support intra-Pacific trade volumes until the monsoon begins in June. Pacific – India route, however, slipped slightly to levels of US\$13,150's, but this is expected to improve short term. T/A also saw some slight discounts, with levels closing at US\$13,850's a day.

Handysize:

There has been a small rise in the number of scrap shipments entering Turkey via the Atlantic, but the contractual rate remains below the previous level. Despite there being enough demand for cargo in the Pacific basin, charterers are pushing back against high prices. Overall, levels remain stable despite the slowdown of activities. Inter-Pacific rates settled in the region of US\$9,350 a day, while T/A closed around US\$9,800's a day.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NAVIOS FELIX	CAPE	181,221	2016	JAPAN	40.7	NAVIOS
DONA TARA	PANAMAX	81,323	2011	S. KOREA	21.0	GREEK BUYERS
SUN GLOBE	SUPRAMAX	58,790	2007	CEBU	14.1	CHINESE BUYERS
ELLIE M	SUPRAMAX	52,510	2001	JAPAN	7.5	UNDISCLOSED
JAEGER	SUPRAMAX	52,483	2004	CEBU	9.3	CHINESE BUYERS
INTERLINK PRIORITY	HANDY	38,709	2015	CHINA	19.8	TUFTON
BASIC PRINCESS	HANDY	38,037	2012	JAPAN	N/A	ORAS SHIPPING
PATRONUS	HANDY	30,587	2007	INDIA	7.8	TURKISH BUYERS

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	61	53	44	29	14
KAMSARMAX	82,000	33	36	30	22	10
SUPRAMAX	56,000	31	35	28	18	7
HANDY	38,000	29	28	24	16	5

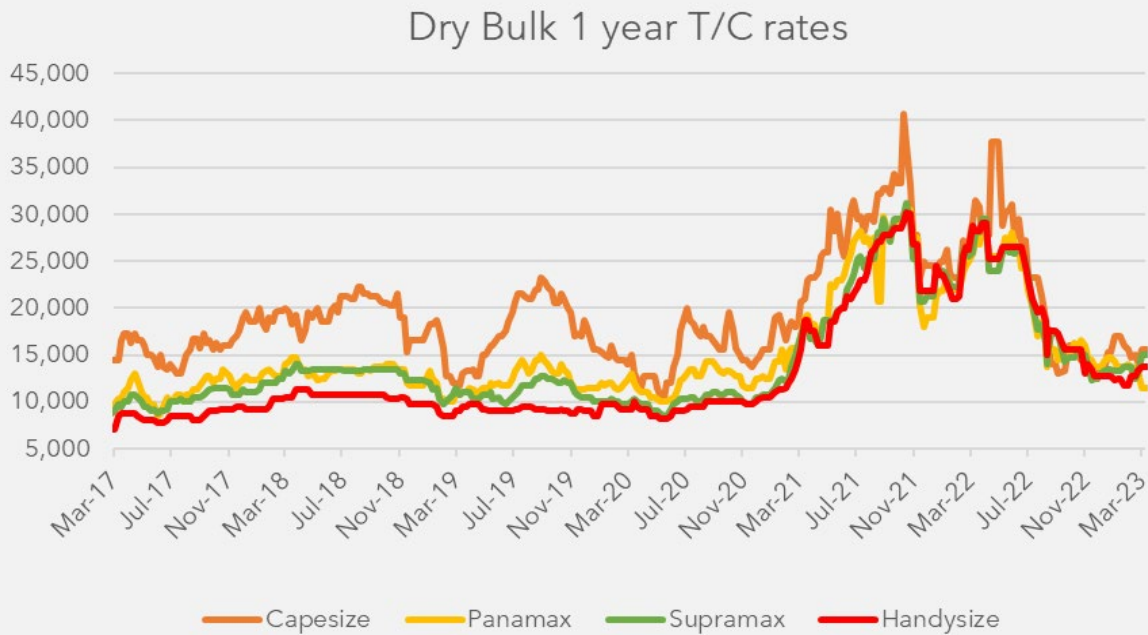
**(Amount in USD million)*

Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,211	816	2,148	+48.41%	-43.62%
BCI	1,195	636	1,635	+87.89%	-26.91%
BPI	1,565	1,169	2,785	+33.88%	-43.81%
BSI	1,189	940	2,586	+26.49%	-54.02%
BHSI	584	493	1,443	+18.46%	-59.53%

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	17,250	15,500	29,125	+11.29%	-40.77%
PANAMAX	75,000	15,250	14,500	25,750	+5.17%	-40.78%
SUPRAMAX	52,000	15,750	14,750	26,000	+6.78%	-39.42%
HANDYSIZE	32,000	12,500	11,000	24,750	+13.64%	-49.49%



Tankers

Expectations of a rebound in Chinese demand have buoyed crude oil prices this week and may end a streak of weekly losses, despite today's losses for both WTI and Brent. The increased demand comes as Chinese manufacturing activity experienced its fastest growth in over a decade during February. However, ten consecutive weeks of crude oil inventory additions in the U.S. may lead to oversupply.

The latest inflation data from the eurozone also showed a larger-than-expected increase, leading to concerns about an economic slowdown and a potential drop in demand. While OPEC's total output rose last month, Nigeria continues to produce well below its OPEC+ quota. Despite China's expected economic growth, concerns over inflation in other parts of the world may still limit the increase in oil prices.

Early on Friday, oil prices were stable as concerns over inflation and growing inventories were offset by hopes of an economic recovery in China. However, rumors began to circulate that the UAE was considering leaving OPEC, causing oil prices to plummet. In related news, the U.S. Department of Energy is looking to buy oil to partially refill the Strategic Petroleum Reserves, which have been depleted due to various releases over the past two years. According to top officials, the department may purchase 40-60 million barrels within the next year, depending on market conditions.

VLCC:

MEG is experiencing continued upward pressure due to a shortage of Kuwaiti cargoes. The rate for the 270,000mt MEG to China climb to W70. The Atlantic also fared well, with rates for 260,000mt WAFR to China climbing to WS70.

Suezmax:

The Suezmax market has been volatile for the past few months, and this trend is expected to continue in the foreseeable future. The rate for 135,000mt CPC/Augusta this week improved to WS170. Med region also saw improvements with 140,000mt Basrah to Lavera, improving to WS66.

Aframax:

Activity in the North Sea has picked up in the area, with charterers trying to secure tonnage ahead of time. 80,000mt Hound point to Wilhelmshaven climb by 26 points to WS180. The market is expected to strengthen further next week. In the Med, similar sentiments were mirrored with delays in ships due to clearance. 80,000mt Ceyhan/Lavera recovered to WS180.

Clean:

The L.R. market in the eastern Suez waters has slowed, but reduced vessel availability in the Middle East supports market conditions, leading to a 3.5% increase in W.S. in the Middle East/Northeast Asia section. The intra-region vessel supply pressure in the MR market improved due to increased trade volume between Northeast Asia and Australia. Short-term market conditions are expected to remain flat.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
COSGLORY LAKE	VLCC	299,145	2003	JAPAN	39.0	UNDISCLOSED
CAP CHARLES	SUEZ	158,880	2006	S. KOREA	41.5	GATIK
ONEX PHOENIX	AFRA	114,623	2021	S. KOREA	N/A	UNDISCLOSED
SPRUCE EXPRESS	MR	51,218	2006	S. KOREA	17.6	UNDISCLOSED
MARLIN ANETHYST	MR	49,999	2015	CHINA	33.8	UNION MARITIME
PEARL MAJESTIC	SMALL	7,999	2018	CHINA	14.0	PENINSULA PETROLEUM
TRADEWIND PASSION	SMALL	7,739	2008	CHINA	5.6	UNDISCLOSED

Tankers Values

(Weekly)

TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	120	125	100	76	52
SUEZMAX	160,000	80	85	68	53	30
AFRAMAX	115,000	63	75	62	52	28
PANAMAX-LR1	73,000	54	57	47	36	18
MR TANKER	51,000	44	47	41	32	17

*(amount in USD million)

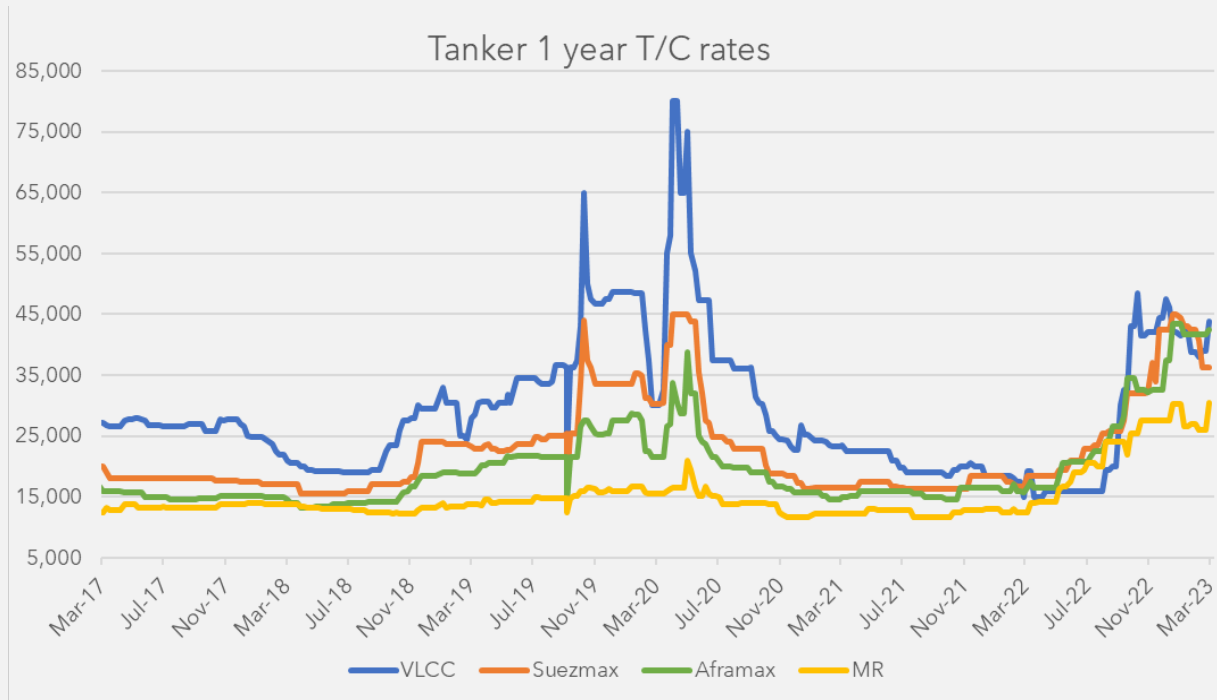
TANKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	43,750	43,750	19,250	0	+127.27%
SUEZMAX	150,000	36,250	36,250	18,500	0	+95.95%
AFRAMAX	110,000	43,500	42,500	17,500	+2.35%	+148.57%
LR1	74,000	35,500	35,500	14,000	0	+153.57%
MR	47,000	29,500	30,500	12,500	-3.28%	+136.00%

Baltic Exchange Tanker Indices

BALTIC EXCHANGE TANKER INDICES

	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,483	1,338	1,474	+10.84%	+0.61%
BCTI	789	955	989	-17.38%	-20.22%



Containers

This week saw an increase in demand for containerships, particularly in the feeder sector, resulting in limited tonnage supply and an increase in the T.C. rate for a 1,700 TEU vessel. However, the same was not reflected in the bigger unit with 6-12 month T.C. rate for a 9,000 TEU vessel falling. Charter durations are also becoming longer, with periods up to 12 months becoming more common.

Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HAMMONIA LIPSIA	PANAMAX	3,091	2004	POLAND	14.5	MSC
WINDERMERE	SUB PMAX	2,797	2010	CHINA	17.0	UNDISCLOSED
JULIUS	FEEDER	1,368	2009	CHINA	8.8	HERMANN LOHMANN
A FUKU	FEEDER	1,049	2007	S. KOREA	10.0	UNDISCLOSED
A KOU	FEEDER	1,049	2007	S. KOREA	11.0	UNDISCLOSED

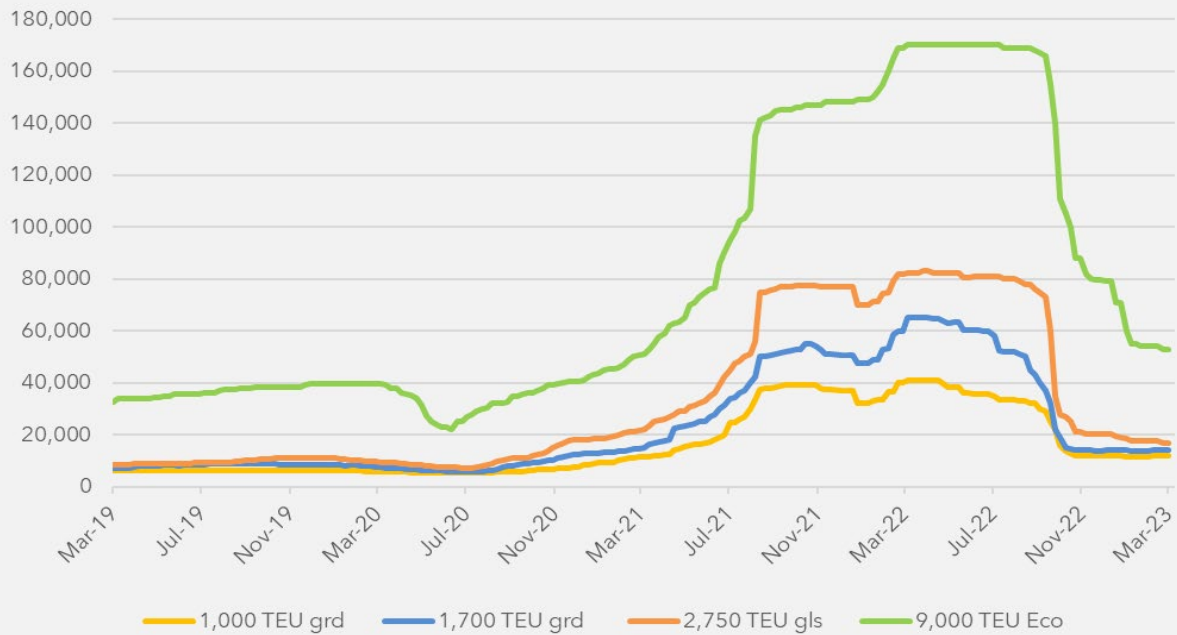
Containers Values

(Weekly)




CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	23	22	15	10	8
1,600 – 1,800	Geared	29	28	22	14	9
2,700 – 2,900	Gearless	42	37	30	20	14
5,500 – 7,000	Gearless	87	85	70	45	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) *For green ship recycling, the prices are about US\$25-30/ton lower.	550 ~ 560	530 ~ 540	540 ~ 550	580 ~ 590	STABLE / 
CHATTOGRAM, BANGLADESH	*590 ~ 600	*580 ~ 590	*560 ~ 570	*620 ~ 630	IMPROVING / 
GADDANI, PAKISTAN	NA	NA	NA	NA	NA
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about US\$30-40/ton less	320 ~ 330	310 ~ 320	300 ~ 310	330 ~ 340	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 and case-to-case buying.

5-Year Ship Recycling Average Historical Prices

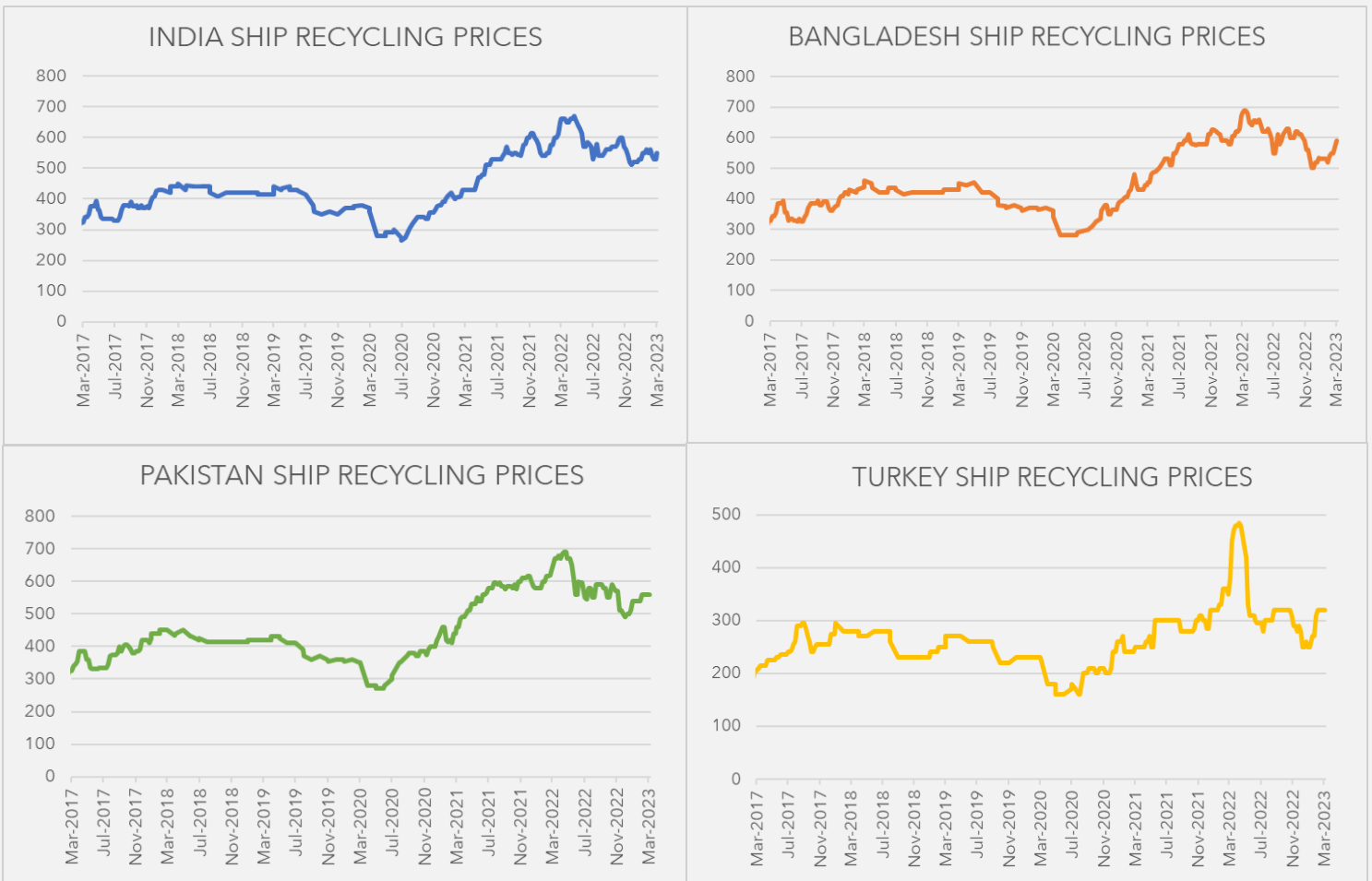
(Week 9)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	460	450	400	440	615
CHATTOGRAM, BANGLADESH	460	450	370	440	635
GADDANI, PAKISTAN	420	420	360	435	620
ALIAGA, TURKEY	290	270	240	245	380

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
ADRIATIC ENERGY	32,303	1983 / JAPAN	LNGC	692	DELIVERED FULL SUB-CONTINENT / ABT. 3,000 TONS OF ALUMINUM
SUNLIGHT	21,215	2000 / JAPAN	BULKER	572	AS IS SINGAPORE / FOR RE-DELIVERY TO CHATTOGRAM
AGIA TRIAS	22,132	2002 / JAPAN	BULKER	569	AS IS SINGAPORE / FOR RE-DELIVERY TO CHATTOGRAM
HAI CHANG	7,585	1995 / JAPAN	BULKER	UNDISCLOSED	DELIVERED CHATTOGRAM

Recycling Ships Price Trend



Insight

This week, the ship recycling prices in Alang and Chattogram continued their upward momentum, with prices leaping closer to US\$600/ton, which were seen last at the beginning of 2022.

High demand with a slowdown in the supply of end-of-life ships kept the prices elevated. In addition, global ferrous scrap prices made a strong comeback.

The overall outlook for the segment, however, is improving. According to recently released data, daily crude steel production at large and medium-sized mills in China has increased by 1% during February 11-20 compared to early February, a 10% Y-O-Y. Steel production in China has been increasing, reaching the highest level seen since early October. Steel prices in China have also been rising for fourteen out of the last sixteen weeks, and steel stockpiles are down on a y-o-y basis, despite a seasonal rise in the first quarter of every year.

With better-than-expected economic data in China, the steel industry is back in the driving seat, leading to a sharp increase in various steel products' prices. Lately, Chinese companies have been exploring opportunities to buy billets from the Middle East. This is primarily because Chinese domestic prices are expected to increase in the coming months due to projected economic stimuli and higher seasonal demand.

On the ship supply front, the expectations of more end-of-life ships making their way to the recycling yards have significantly slowed amid volatility in the freight rates. Once again, most ship owners wish to wait and watch before they can position their ships for recycling. The pressure in the recycling community is building up as the inventories deplete.

ALANG, INDIA.

The pressure builds up on Indian ship recycling markets this week as they try to compete with Bangladesh.

In the last few months, India has taken the spotlight for Seller's choice destination in both performance and pricing. However, with the renaissance of Bangladeshi recyclers, sales may swing unless the Indian recyclers compete with their prices. There is currently a difference of around US\$30 ~ 40/M.T. in the price offered by the neighbours.

Despite the Indian government's move to reduce customs duty to zero, ship recyclers in India are still hesitant to increase their prices and compete with Bangladesh for vessels.

Overall demand was intact as the inventories depleted and a large number of recycling yards remained empty, the belief is that the price will continue to remain stable.

Anchorage & Beaching Position (March 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
STELLA KARINA	FISHING	1,264	02.03.2023	AWAITING
HALUL 27	OSV	1,937	28.02.2023	AWAITING
HALUL 22	OSV	1,404	28.02.2023	AWAITING
SAS 1	OSV	2,113	20.02.2023	AWAITING

CHATTOGRAM, BANGLADESH

Bangladesh markets shine this week with bustling activity.

Demand was seen with renewed interest as levels climbed. The Chattogram market is currently keeping firm, with levels over US\$600/ton. Seen for the first time in a year, making it difficult for competing sub-continent regions to keep up.

Delays in opening letters of credit in Bangladesh have seen offers for imported scrap surge significantly. High demand and consumption of scrap in the U.S. domestic market and shortages of material in Europe and the U.K. are believed to be behind the hike. Following a recent deal involving a Bangladeshi steel major buying an Australian-origin cargo, offers for both containerised and bulk cargoes increased by US\$10-12/ton. Offers for containerised UK-origin 211-grade shredded scrap were heard at US\$505-510/ton CFR Chattogram and Dhaka. However, limited deals were fixed at these levels due to the L.C. delays.

However, these delays are killing the imported scrap business in the country, leading to confusion in the market and reduced production in steel mills. Offers for units from containers, dry bulkers, and tankers were heard at varying prices.

Meanwhile, this week, Moody's Investors Service revised the outlook on Bangladesh's banking system to negative, citing macroeconomic challenges. The report identifies banking systems with stable outlooks, which are supported by the banks' relatively strong solvency and liquidity. The report further states that the asset risk for banks in Bangladesh will worsen amid macroeconomic challenges.

Anchorage & Beaching Position (March 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SEA WIN	BULKER	7,488	14.02.2023	AWAITING
NING FENG 316	BULKER	11,350	24.02.2023	AWAITING
XIUMEI SHANGHAI	CONTAINER	7,334	25.02.2023	AWAITING

GADDANI, PAKISTAN

Pakistan watches solemnly again this week through its periphery.

Pakistan is unable to import vessels due to their uncompetitive pricing and a lack of appropriate L.C. financing.

Midweek, the state bank raised the interest rate by 3%, causing chaos and panic in the markets. Currently, there are very few domestic sales in the ship plate market, although there is some activity in the scrap market. On Thursday, the Pakistani rupee experienced a sharp drop of Rs18.74 against the U.S. dollar in the interbank market, trading at a historic high of Rs.284.85 in morning trade but later with some intervention by the central bank recovered back to Rs.279 levels. Analysts attribute the decline to the government's impasse with the IMF.

IMF has requested that Pakistan trade the dollar at the current Afghan trade rate to reduce restrictions on foreign exchange, which has caused the trade to shift to the grey market. The currency has been sliding recently due to delays in a deal between Pakistan and the IMF, which has been under negotiation since early last month.

A move to a market-based currency exchange rate regime is one of the prerequisites for the IMF to clear its 9th review, which could release a funding tranche of over US\$1 billion. IMF has also asked Pakistan to fulfill bilateral and multilateral external financing commitments and raise policy rates. Islamabad's long-time ally China is the only country that has refinanced US\$700 million.

Once again, starting from Monday, the government will resume virtual talks with the IMF as the pressure builds up and the risk of defaulting is growing.

Anchorage & Beaching Position (March 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

ALIAGA, TURKEY

This week, Turkish mills have slowed their scrap demand and are waiting before concluding imported scrap bookings for April shipment. Although scrap suppliers have raised their price targets this week, there is no buying interest from Turkish mills.

The latest deal was concluded at US\$450/t from the Baltic, US\$445/t from the E.U. and US\$445/t CFR Turkey from the U.K. for HMS 1&2 80:20 at the end of last week.

Not much activity was reported in this region, with a lack of tonnage available for the markets.

BEACHING TIDE DATES 2022

Chattogram, Bangladesh : 9th ~ 12th March | 21st ~ 24th March

Alang, India : 7th ~ 13th March | 19th ~ 26th March

Bunker Prices

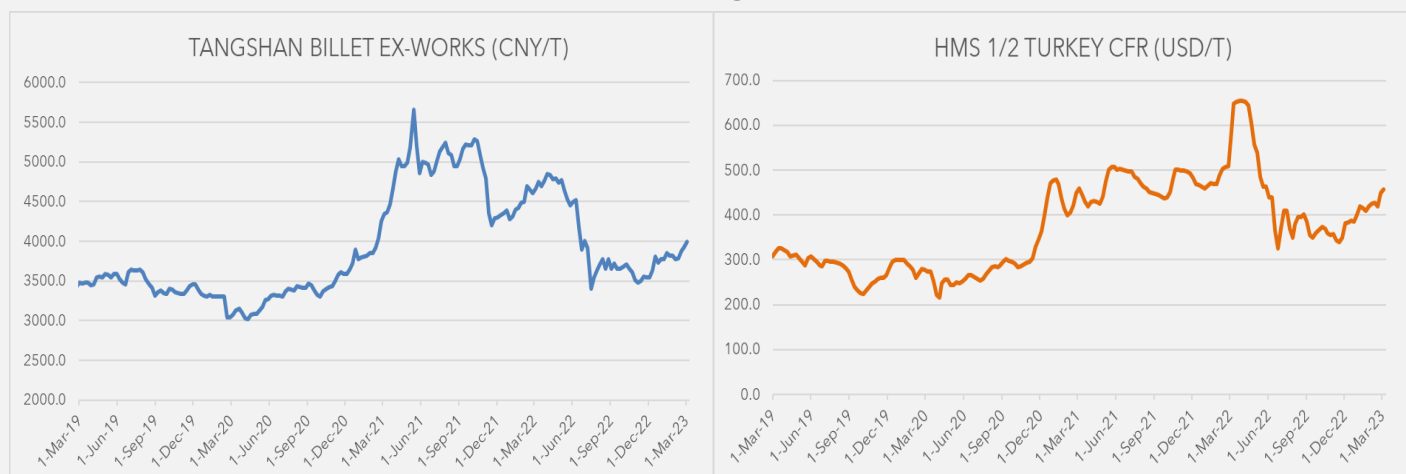
BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	606	464	804
HONG KONG	611	485	816
FUJAIRAH	606	456	1111
ROTTERDAM	581	413	814
HOUSTON	624	426	865

Exchange Rates

EXCHANGE RATES			
	3rd MARCH	24th FEBRUARY	W-O-W % CHANGE
USD / CNY (CHINA)	6.90	6.94	+0.58%
USD / BDT (BANGLADESH)	106.17	106.71	+0.51%
USD / INR (INDIA)	81.69	82.91	+1.47%
USD / PKR (PAKISTAN)	275.95	260.09	-6.10%
USD / TRY (TURKEY)	18.83	18.88	+0.26%

Commodity Prices

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\$118	-3.27%	-6.34%	US\$122	US\$126
Iron Ore Fines, CNF. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$127	-2.30%	-16.44%	US\$130	US\$152

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	406.70	-0.90	-0.22%	May 2023
3Mo Copper (L.M.E.)	USD / MT	8,983.50	+25.00	+0.28%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,405.00	+5.50	+0.23%	N/A
3Mo Zinc (L.M.E.)	USD / MT	3,077.50	+29.50	+0.97%	N/A
3Mo Tin (L.M.E.)	USD / MT	24,750.00	+180.00	+0.73%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	79.68	+1.52	+1.94%	Apr 2023
Brent Crude (ICE.)	USD / bbl.	85.83	+1.08	+1.27%	May 2023
Crude Oil (Tokyo)	J.P.Y. / kl	68,610.00	+540.00	+0.79%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	3.01	+0.24	+8.82%	Apr 2023

Note: all rates as at C.O.B. London time March 3, 2023.

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.