



# WEEKLY REPORT

WEEK 22 – June 4, 2023

This week, finally, President Joe Biden and Republican House Speaker Kevin McCarthy have agreed to temporarily suspend the debt ceiling and impose spending limits to prevent a U.S. debt default. The deal, which they hope will be approved by Congress soon, has been officially published on a congressional website. It would suspend the US\$31.4 trillion debt ceiling until January 1, 2025, ensuring that the U.S. government can meet its financial obligations.

As part of the agreement, non-defense discretionary spending would remain relatively stable at current levels in 2024, considering agreed-upon adjustments. White House officials estimate that total non-defense discretionary spending, excluding veteran benefits, would be around US\$637 billion for the 2024 fiscal year, slightly lower than the previous year's US\$638 billion. This amount would increase by 1% in 2025. The debt limit extension goes beyond 2024, meaning Congress would not need to address the issue again until after the November 2024 presidential election.

However, discussions on how to allocate funds under the new spending limits will still be necessary in Congress this year. The deal would raise total defense spending to US\$886 billion, aligning with Biden's proposed 2024 budget. This represents a 3% increase compared to the current budget allocation of US\$858 billion for the Pentagon and other defense-related programs.

## Dry Bulk

Coal miners in China are dealing with plummeting prices as domestic production rises and massive imports lead to historically high stockpiles. The benchmark price at Qinhuangdao port has dropped by 18% this year, reaching its lowest point since the beginning of 2022. Additionally, liquefied natural gas prices have fallen by 40% since the start of the year, underscoring weak industrial fuel demand. This price decline is unusual as it contradicts the typical trend during rising temperatures when air-conditioning usage increases.

The economic reopening after the pandemic has done little to improve the situation, and a disappointing construction season in the second quarter has led to price cuts by mills. The focus now rests on whether Beijing is willing to increase stimulus measures beyond market expectations.

Meanwhile, Baltic Dry Index continued its downward trend for the 16th consecutive session on Friday, marking its largest weekly decline since early January. This week's decline was substantial, with B.D.I. down 21.6%, the lowest since the week ending January 6. The capesize index, fell by 28 points to 1,116, experiencing its most significant weekly percentage drop since February 17, at over 33%. The decline could be attributed to the reduced coal imports to Europe and an ongoing sluggish economic recovery in China.

## Capesize:

The arrival of the off-season in June, characterized by reduced construction activity due to weather conditions, has further weakened steel prices. Companies are actively managing inventory to maintain cash flow while also being cautious in purchasing steel to avoid cash shortages. As a result, Chinese rebar prices have reached their lowest level in three years. The start of the week saw Pacific rates climbing slowly with coal cargo in flow from eastern Australia. The ample iron ore and coal cargoes supported the market, with Pacific r/v levels seeing an improvement to US\$10,850's at closing. Meanwhile, the North Atlantic inflow of new demand was generally sluggish, and the supply of ships increased, with rates continuing in a downtrend trend. T/A levels fell to the low of US\$6,200's a day region.

## Panamax/Kamsarmax:

Sluggish coal trade in the Pacific and Atlantic, coupled with strong grain prices and a strong dollar, is contributing to a downward trend. The limited inflow of new demand and ongoing downward pressure on the freight market persist. In Europe, the growth of new and renewable energy sources such as natural gas, solar power, and wind power is reducing the demand for coal. European traders are attempting to resell port inventory to Asia but face difficulties due to lower prices and quality. While the mid-June period may witness increased demand for coal in the northern hemisphere, including China, the short-term factors driving an upside in the freight markets remain uncertain. Pacific r/v levels fell to the region of US\$ 7,400's while Pacific – India to low US\$ 7,000's. In the Atlantic, T/A recorded an average of low US\$ 7,500's a day.

## Supramax/Ultramax:

Uncertainties surrounding the extension of the grain export agreement with Ukraine until July 18 have resulted in repeated delays, negatively impacting new transactions. Additionally, the shortage of dollars has led to difficulties in the payment of grain imports in Egypt, one of the largest importers of Black Sea wheat. These factors have raised concerns about a further contraction in grain trade within the Atlantic region. In terms of cargo availability, the Atlantic region typically lacks an adequate supply to meet the demand of ships in the market, and this situation is currently showing a decline. On the other hand, in the Pacific, although there is a slow influx of new cargo on all major routes, the number of available spot ships is steadily growing, indicating a gradual consolidation and decrease. Pacific r/v fell to US\$8,000's a day while Inni r/v slipped to regions of US\$ 5,800's a day.

## Handysize:

The Atlantic is still experiencing general congestion among spot vessels, as bigger units offer cheaper rates compared to smaller units. There has been a shift in demand, leading to a continued decline. T/A levels fell to US\$ 8,500's region at closing. In the Pacific, South East Asian countries are on holiday, with subdued activity all around. Inter-Pacific fell to US\$ 6,300's a day while Pacific r/v in the regions of US\$ 7,000's a day.

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
GREAT WENCHAO	PANAMAX	75,552	1999	JAPAN	7.1	CHINESE BUYERS
TAURUS CONFIDENCE / ARIES CONFIDENCE	ULTRAMAX	63,270 / 63,153	2018	CHINA	28.0 EACH	SPAR SHIPPING
DAXIA	SUPRAMAX	56,701	2011	CHINA	14.2	UNDISCLOSED
RHL JULIA	SUPRAMAX	55,701	2009	JAPAN	16.0	EUROPEAN BUYERS
ATLANTIC ALTAMIRA	HANDYMAX	43,368	2017	CHINA	24.5	UNDISCLOSED
JIANGMEN NANYANG 1 / JIANGMEN NANYANG 2	HANDYMAX	40,500	2023	CHINA	32.0 EACH	UNDISCLOSED
CARIBBEAN SPIRIT	HANDY	35,253	2009	CHINA	10.8	UNDISCLOSED
YANGTZE OASIS	HANDY	34,306	2013	CHINA	13.8	UNDISCLOSED
ALICE STAR	HANDY	32,029	2008	JAPAN	12.0	UNDISCLOSED
BRIANNA	HANDY	31,800	2009	CHINA	10.6	TURKISH BUYERS

## Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	63	64	53	32	14
KAMSARMAX	82,000	34	39	33	24	10
SUPRAMAX	56,000	33	37	31	20	9
HANDY	38,000	30	31	26	18	8

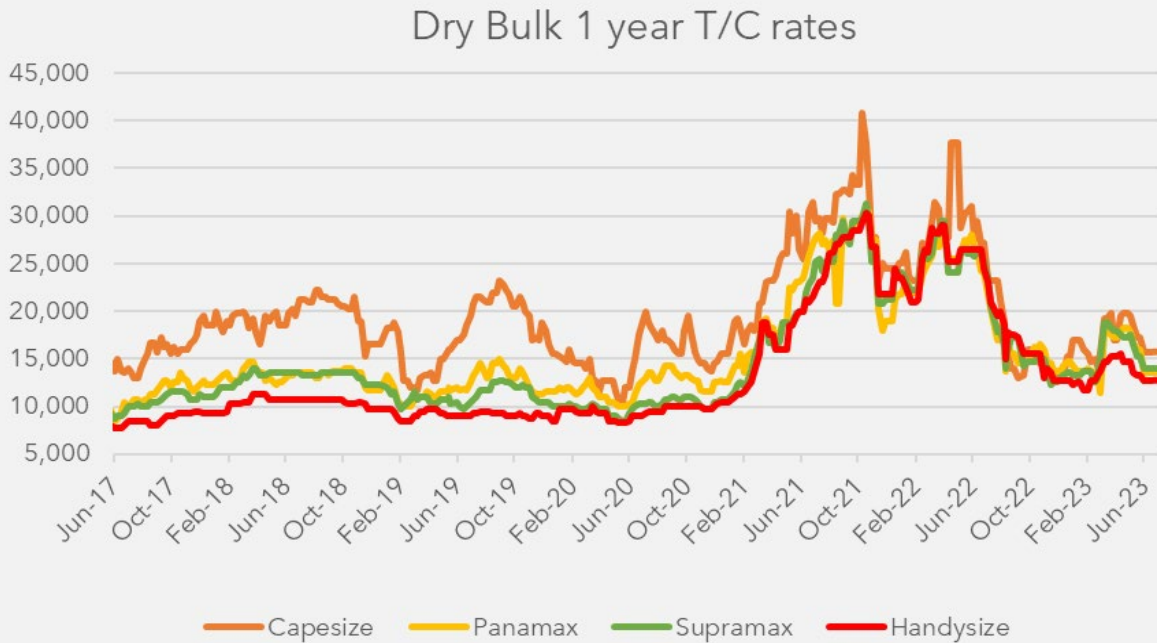
*\*(Amount in USD million)*

## Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	919	1,172	2,633	-21.59%	-65.10%
BCI	1,116	1,683	2,927	-33.69%	-61.87%
BPI	1,030	1,119	2,851	-7.95%	-63.87%
BSI	819	946	2,703	-13.42%	-69.70%
BHSI	545	588	1,595	-7.31%	-65.83%

## Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	15,250	15,750	27,500	-3.17%	-44.55%
PANAMAX	75,000	12,000	12,000	26,750	0	-55.14%
SUPRAMAX	52,000	12,250	12,750	25,750	-3.92%	-52.43%
HANDYSIZE	32,000	9,350	10,500	26,500	-10.95%	-64.72%



## Tankers

The OPEC+ alliance is preparing for a weekend meeting in Vienna to discuss further production policy steps as the oil market continues to manage supply volatility, demand uncertainty, and broader economic concerns. The 23-member alliance, including Russia and Saudi Arabia, has been implementing production cuts since October 2021 to address lower demand. While public comments from officials have been conflicting, there are indications that further supply cuts could be on the table. Saudi Arabia's energy minister warned speculators to "watch out" for potential pain ahead, while Russia's Deputy Prime Minister initially downplayed the possibility of output cuts but later clarified that his comments were misinterpreted. The alliance aims for a balanced market and is cautious about deep cuts that could strain consuming households or draw criticism from the United States. Analysts from Goldman Sachs expect OPEC+ to keep production unchanged, but there is a possibility of deeper cuts. The ministers may take a "wait and see" approach, given lukewarm demand forecasts and the potential impact of higher oil prices on the global economy.

The secretary general of OPEC has expressed that they would welcome Iran's return to the international oil market once the U.S. lifts sanctions on Tehran. He emphasized Iran's responsible role within OPEC and anticipated cooperation to maintain market balance. The U.S. imposed sanctions on Iran started in 2016 to halt its nuclear program, particularly targeting its oil and gas industry. While Iranian oil and gas exports

faced challenges due to the sanctions, they did not completely stop, with China becoming the main buyer along with some Middle Eastern allies. Recent efforts have been made by Iran and Saudi Arabia, with the mediation of China, to restore diplomatic relations and strengthen economic ties.

Crude oil prices in Asian trade declined midweek after a slight increase on Monday due to news of a debt ceiling agreement between President Biden and House Speaker Kevin McCarthy. However, reports now indicate that some Republican hardliners in Congress may not support the deal, jeopardizing its passage. Brent crude was trading at around US\$76.50 per barrel, while West Texas Intermediate stood at slightly over US\$72 per barrel, showing modest decreases from the start of the day.

Debt ceiling negotiations have been influencing oil prices recently as Republicans and Democrats struggle to reach an agreement on increasing the government's borrowing power. Passing the deal may be challenging but not impossible, as history has shown both parties' ability to overcome differences to avoid a debt default.

### **VLCC:**

The pace of spot market operations slowed due to Middle East shipments primarily being consumed by the C.O.A. Additionally, the reduced influx of Atlantic cargo and mounting supply pressure from vessels situated east of Suez added strain to the market. As a result, the M.E.G./China section witnessed a weekly decline slipping to WS44. The same was also seen in WAFR/China recording WS47 at the end of the week.

### **Suezmax:**

Rates in the Middle East region remained relatively stable due to a well-balanced tonnage list, despite charterers being cautious. 140,000 mt Basrah/Lavera fell slightly to WS65. The WAFR/Europe section witnessed a decline in the W.S. rate due to restricted inflows of cargo. However, forecasts indicate a relatively subdued decline as sub-linear conditions are expected in the Atlantic, coupled with an anticipated rise in cargo inflows start of June. 130,000mt Nigeria/Rotterdam fell 12 points to WS101.

### **Aframax:**

There were mixed sentiments in the segment this week. While the Atlantic has observed modest growth, significant declines are seen in various U.S.G. routes pulling any current momentum. 70,000mt U.S.G./Rotterdam saw a weekly decline of 32 points at WS148. In the Med, a similar was noted, with rates for 80,000mt Ceyhan/Lavera falling to WS176.

### **Clean:**

L.R.: During the past week, there was limited activity in the L.R., with rates experiencing a slight decline. This can be attributed to a longer tonnage list, coinciding with holidays in Singapore. In the M.E.G., LRI faced a similar situation, with TC5 rates dropping to WS147.

MR: This week, there was an overall improvement in M.R. rates. Thanks to strong demand, ship owners were able to increase rates on the UKC-WAF route, reaching WS 205. Meanwhile, M.E.G. route has been tested and found wanting. The TC17 index fell on Friday to WS272.

## Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
JAL FIGHTER	SUEZ	146,427	2006	JAPAN	43.0	UAE BASED BUYERS
STAR PROSPERITY	LR2	115,098	2009	JAPAN	43.0	MIDDLE EASTERN BUYERS
EVERGLADES	AFRA	112,969	2008	CHINA	39.0	MIDDLE EASTERN BUYERS
SPERCHIOS	AFRA	106,999	2018	JAPAN	68.5	ASCO
ASHAHDA / ADAFERA	AFRA	105,221	2004	JAPAN	70.0 (EN BLOC)	MIDDLE EASTERN BUYERS
AMAZON BEAUTY	LRI	72,910	2004	S. KOREA	19.5	UNDISCLOSED
USMA / TARGALE / PILTENE / UGALE	MR	52,684 ~ 52,642	2007	CROATIA	90.0 (EN BLOC)	UNDISCLOSED
CELSIUS RIGA	MR	46,151	2010	S. KOREA	28.5	USA BASED BUYERS

## Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	126	125	100	76	52
SUEZMAX	160,000	85	89	74	57	31
AFRAMAX	115,000	67	78	63	52	30
PANAMAX-LRI	73,000	57	60	50	40	20
MR TANKER	51,000	46	50	42	34	20

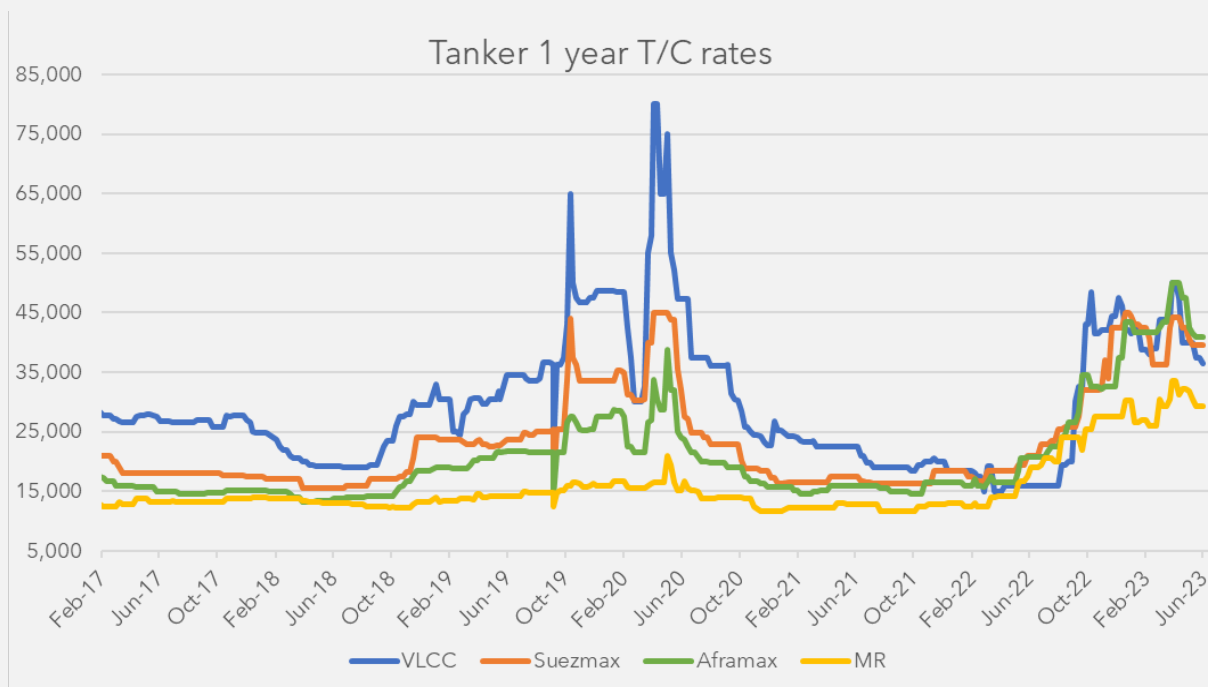
\*(amount in USD million)

## Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,068	1,156	1,104	-7.61%	-3.26%
BCTI	676	670	1,407	+0.90%	-51.95%

## 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	36,500	36,500	16,000	0	+128.13%
SUEZMAX	150,000	39,500	39,500	21,000	0	+88.10%
AFRAMAX	110,000	43,500	41,000	20,750	+6.10%	+109.64%
LRI	74,000	35,500	35,500	22,000	0	+61.36%
MR	47,000	26,000	26,000	19,000	0	+36.84%



## Containers

Upon initial observation, the market may have seemed uneventful, but private activity persisted, highlighting a notable interest in post-panamax tonnage, particularly with forward delivery. There remains a strong demand for panamax tonnage, with plenty of interested parties approaching tonnage providers as soon as notices are taken. Charter rates are gradually increasing, albeit at a slower pace, as owners prioritize securing the right employment period over pursuing the highest possible rates.

Container shipping companies have resorted to a well-known strategy of slowing down their vessels to mitigate the challenges in the market. Reports indicate that during the first quarter of 2023, container ships sailed at historically slow speeds. The decision to slow down serves multiple purposes. It helps absorb excess capacity and adjust to the current industry conditions. Nevertheless, over the past two years, the global container fleet has experienced an overall decrease in average speeds by about one knot, equivalent to a 6% slowdown. This means that more tonnage is required to carry the same cargo volume.

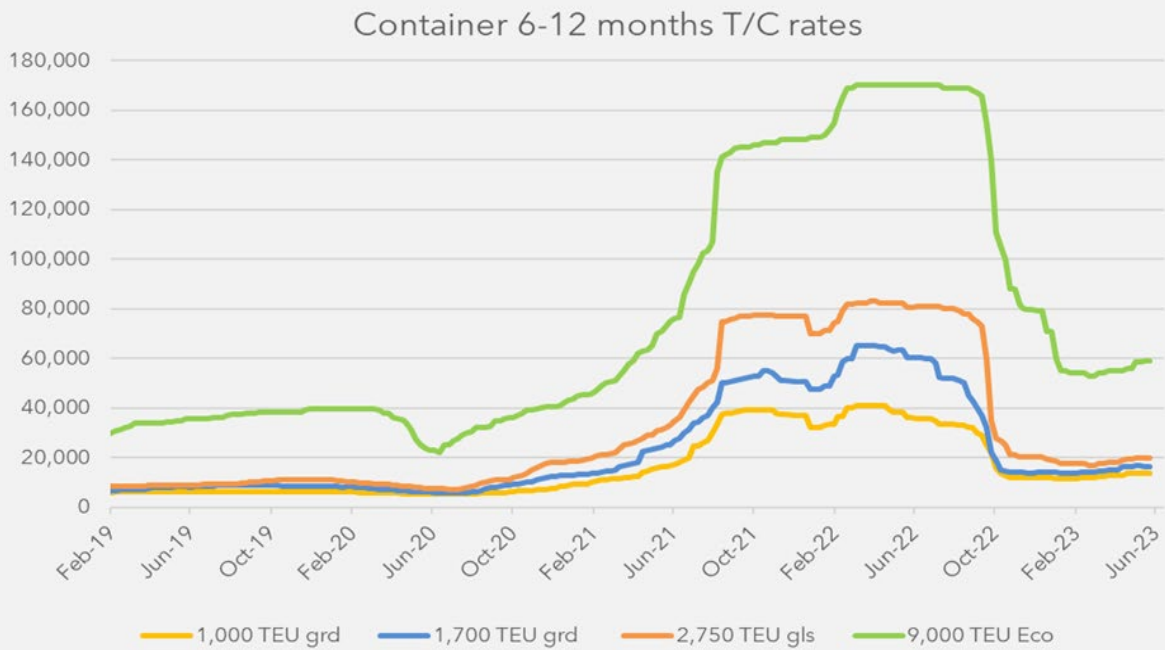
## Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BALTIC FULMAR	FEEDER	1,638	2005	GERMANY	9.0	CHINESE BUYERS
OCEAN PROBE	FEEDER	1,471	1995	TAIWAN	4.0	TURKISH BUYERS
TAN CANG PIONEER	FEEDER	601	1996	GERMANY	2.85	UNDISCLOSED
WAN HAI 261	FEEDER	1,662	2001	JAPAN	7.0	CHINESE BUYERS
WAN HAI 281	FEEDER	1,510	1998	JAPAN	6.85	CHINESE BUYERS
YANTRA BHUM	FEEDER	1,098	1993	JAPAN	3.5	CHINESE BUYERS

## Containers Values

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Gearless	23	22	15	10	8
1,600 – 1,800	Gearless	29	28	22	16	12
2,700 – 2,900	Gearless	43	38	30	20	15
5,500 – 7,000	Gearless	88	80	70	45	N/A

*\*(amount in USD million)*





## Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
<b>ALANG (WC INDIA)</b> <i>*For green ship recycling, the prices are about US\$10-15/ton lower.</i>	530 ~ 540	510 ~ 520	530 ~ 540	540 ~ 550	STABLE / 
<b>CHATTOGRAM, BANGLADESH</b>	*580 ~ 590	*560 ~ 570	*550 ~ 560	*590 ~ 600	STABLE / 
<b>GADDANI, PAKISTAN</b>	NA	NA	NA	NA	NA
<b>TURKEY</b> <i>*For Non-EU ships. For E.U. Ship, the prices are about US\$20-30/ton less</i>	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

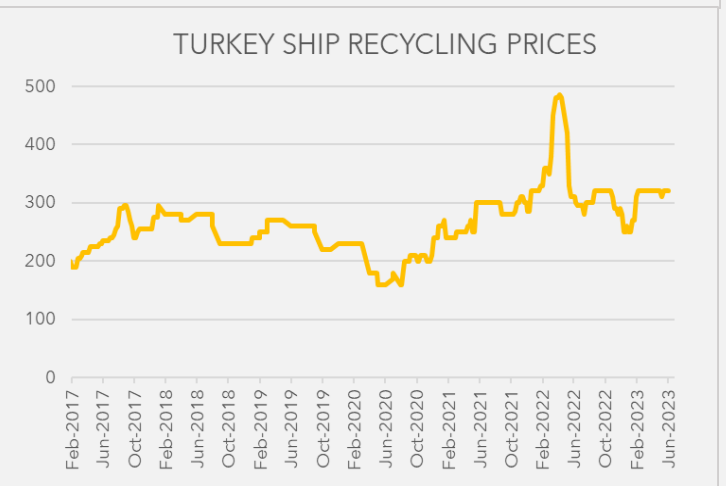
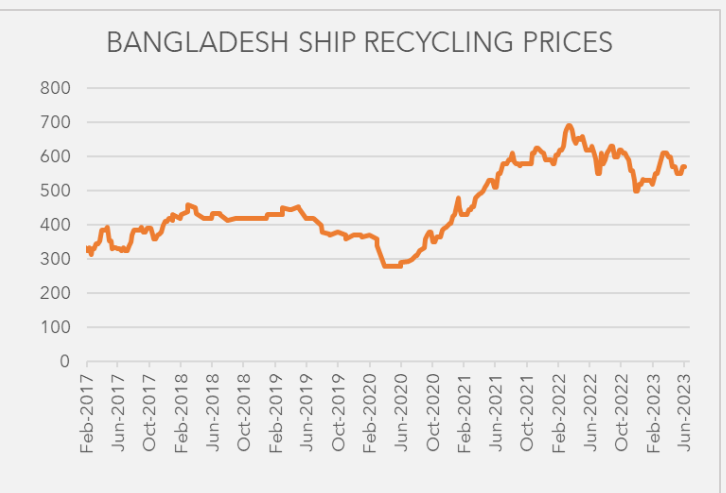
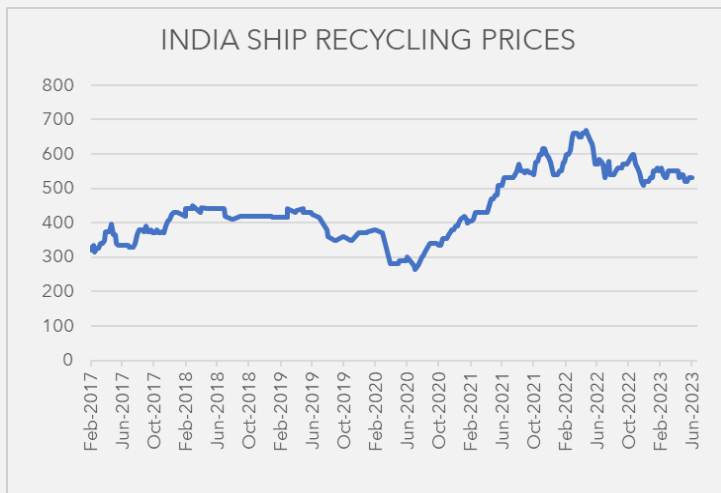
(Week 22)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	440	320	520	650
CHATTOGRAM, BANGLADESH	435	420	300	550	630
GADDANI, PAKISTAN	430	410	290	540	620
ALIAGA, TURKEY	290	270	170	290	345

## Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
WELLWIN	8,932	1994 / JAPAN	BULKER	575	DELIVERED CHATTOGRAM
ZE RUI 1	7,836	1999 / JAPAN	BULKER	530	AS IS ZHOUSHAN / 110 MT BUNKERS ROB INCLUDED IN SALE
BODR	925	1984 / RUSSIA	FISHING TRAWLER	600	DELIVERED CHATTOGRAM / STAINLESS STEEL CONTENT
CHANG MING 2	9,483	1997 / JAPAN	BULKER	535	AS IS HONG KONG / 250 MT BUNKERS ROB INCLUDED IN SALE
GOLDEN SUN	6,179	1996 / JAPAN	BULKER	585	DELIVERED CHATTOGRAM
DAEBOKGASHO	1,112	1996 / JAPAN	LPG	UNDISCLOSED	DELIVERED CHATTOGAM
JIA LIANG 18	3,826	2007 / CHINA	GENERAL CARGO	560	DELIVERED CHATTOGRAM
MAERSK ATLANTIC	5,914	1999 / CHINA	CONTAINER	480	AS IS U.A.E. PORT FOR RE-DELIVERY ALANG / MAERSK-APPROVED YARDS

## Recycling Ships Price Trend



## Insight

The Sub-Continent's market has experienced a notably busy period, characterised by a return to normalcy despite significant declines and a general decrease in enthusiasm. It seems that recyclers, disregarding previous concerns, have eagerly embraced the belief that markets have reached their lowest point, leading to a resurgence in their purchasing activities.

On the end-of-life ship supplies, the dry bulk segment, particularly those owned by Chinese companies, has experienced significant advancements as owners become increasingly eager to sell off their older vessels amidst fluctuations in freight rates.

A majority of the dry bulk carriers owned by Far Eastern ship owners were seen aiming to seize the opportunity of prevailing prices by acting swiftly. This has brought about positive developments in the ship recycling industry for the time being, lessening certain challenges faced due to the previous dearth of ships.

On the other hand, the recent plunge in the dry bulk freight rates may burden a sudden influx, which the markets have not seen in a while, and poses a challenge due to the limited number of recycling facilities, particularly in Bangladesh. Furthermore, Pakistan has closed its facilities, and Alang is reluctant to offer premiums compared to its competitors. This impending scenario is expected to have a profound influence on the price dynamics within the recycling industry. Only time will reveal whether this recent drop in dry bulk freight rates will persist or if it was merely a temporary reaction.

In the container segment, although freight rates have decreased, they have not reached a level that entices shipping companies to send their vessels for recycling. Recently, there have been notable cases involving container ships such as Wan Hai 281, built in 1998, and Wan Hai 261, built in 2001, as well as RCL-owned Yantra Bhum, built in 1993. All these older vessels were initially earmarked for recycling due to their age but surprisingly found interested buyers in the trading market.

China, the largest manufacturer of steel products, released its steel Purchasing Managers' Index (PMI) data this Wednesday, revealing a significant decline. The steel PMI dropped by 10 points from April to 35.2, with output falling by 20 points to 27.5 and new orders standing at 27.4.

While from China's National Bureau of Statistics (N.B.S.), the manufacturing PMI comes in at 48.8 expected 51.4, prior 49.2.

These figures have raised concerns among analysts, who view them as alarmingly low, indicating a gloomy outlook for the future. Moreover, recent data indicate that China's extensive property sector continues to struggle despite some signs of recovery earlier this year.

The main factors contributing to this weak performance are an overall lack of demand across all sectors and poor export figures. Beijing is currently contending with a fresh wave of challenges, with youth unemployment emerging as a critical threat to the economy. A crucial interdependence exists between the real estate sector and the issue of joblessness among the younger population, as addressing the latter is indispensable for any substantial improvement in the former.

Historically, fluctuations in steel prices have often originated in China and had a ripple effect on global steel prices. Therefore, if Chinese steel prices continue to decline, it is likely to have contagion effects on international steel prices.

Chinese steel prices have remained on a downward trajectory in May, signaling a troubling trend with a gloomy outlook expected to persist into June, leaving industry experts concerned about the future of the steel market. However, there is a glimmer of hope as the government introduces new stimulus policies aimed at bolstering the domestic economy, which may provide some relief to the steel industry. These measures are anticipated to provide a much-needed boost, potentially mitigating the ongoing slump and offering prospects for a gradual recovery in steel prices.

## Alang, India

The recyclers at Alang have experienced a relatively quiet week, with their activities significantly curtailed due to a sudden drop in the number of ships being sold to the region. In recent times, the majority of ships sold from the Far Eastern markets have been directed towards Bangladesh, leaving limited opportunities for the recyclers at Alang.

Their only glimmer of hope lies in the expectation that once the yards in Bangladesh reach their capacity, they will finally have their chance to engage in recycling activities. The general price differential is still in the US\$40~50/ton region between India and Bangladesh.

Imported ferrous scrap orders continued to stay high, ensuring an ample supply of raw materials for steel mills. This sustained demand has also helped to maintain stable prices in the market.

Meanwhile, domestic ship scrap prices remained steady, with business continuing as usual at the current prevailing rates. Despite the severe shortage of ships Alang acentric, no signs of desperation were witnessed.

In a startling move, the Indian central bank has recently unveiled its decision to initiate another round of demonetization, causing significant upheaval in the financial landscape. The plan involves the phased withdrawal of INR2,000 notes from circulation, leaving the nation stunned.

This unexpected announcement has sent ripples throughout the Indian markets, resulting in a noticeable slowdown and prompting a period of sluggishness that is expected to persist until liquidity levels are fully restored. The repercussions of this move are likely to be felt for a few months as trader across the country tackles the aftermath and seeks to regain their economic momentum.

### **Anchorage & Beaching Position (June 2023)**

<b>VESSEL NAME</b>	<b>TYPE</b>	<b>LDT</b>	<b>ARRIVAL</b>	<b>BEACHING</b>
KUMUL ARROW	GENERAL CARGO	10,997	29.05.2023	AWAITING
SCANLAY-1	PIPE LAY BARGE	1,571	29.05.2023	AWAITING
ENAM	CONTAINER	4,751	24.05.2023	AWAITING
MSC LUCIA	CONTAINER	8,911	27.05.2023	02.06.2023
NOVO 23	FISH FACTORY	3,861	25.05.2023	02.06.2023

## Chattogram, Bangladesh

The highly anticipated event of the week was the unveiling of the national budget for the fiscal year 2023-2024 on June 1. The outcome brought little favorable news for the ship recycling industry, as there has been no change in the duty, VAT and income tax structure on the imports of raw materials for the steel and ship recycling industry.

However, a reduction in VAT for imported finished steel coils (HRC) -Existing rate was 15% and the proposed rate is now 5% which may indirectly impact the prices of raw materials in the long run.

In a nutshell, the budget was a *no-change* budget for the ship recycling industry.

For the last couple of weeks, domestic ship scrap prices have experienced an upward trend, described by incremental positive shifts, primarily driven by a scarcity of ship scrap caused by delayed cutting permissions granted by environmental authorities. However, recyclers argue that this price surge is likely to be artificial and temporary. They anticipate that as more ships receive the necessary cutting permissions, the supply of raw materials will relieve, subsequently leading to market corrections.

According to market veterans in the recycling industry, the recycling markets in Chattogram are currently experiencing a concerning and unstable situation led by the weakening of physical demand for ship scrap. They believe that the existing conditions are distorted and unsustainable.

However, there is a contrasting perspective emerging as recently offered prices indicate a positive and stable outlook, disregarding the ongoing banking issues. The upcoming weeks will reveal the true impact of these deals as deliveries take place amid the ongoing foreign exchange crisis.

### **Anchorage & Beaching Position (June 2023)**

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FORTUNE	WOODCHIP	9,730	04.06.2023	AWAITING
BODR	FISH FACTORY	925	31.05.2023	AWAITING
OCEAN GREAT	BULKER	6,311	26.05.2023	AWAITING
XIANG JIANG 6	BULKER	7,290	24.05.2023	AWAITING
WINWIN	REEFER	2,075	24.05.2023	AWAITING
KAI HANG 3	CONTAINER	3,905	23.05.2023	AWAITING
SHANG HANG 68	BULKER	6,719	19.05.2023	AWAITING

## Gaddani, Pakistan

The Gaddani recyclers have remained in a state of inactivity, as there has been no distinct progress in easing the foreign exchange crisis, which has resulted in the suspension of the opening of Letters of Credit. Markets remained on the sidelines.

### **Anchorage & Beaching Position (May 2023)**

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

## Aliaga, Turkey

Turkey's President Recep Tayyip Erdoğan has won a run-off election, securing his rule for a third decade. With approximately 52.1% of the vote, Erdoğan comfortably defeated his rival Kemal Kılıçdaroğlu, who received 47.9%. The election was seen as a referendum on Turkey's future, coinciding with the 100-year anniversary of the republic's founding. Erdoğan celebrated his win with a speech in Istanbul, emphasizing unity and vowing to remain in power. However, concerns persist over Turkey's strained economy, including the plunging lira and dwindling foreign exchange reserves. The opposition had warned that a continued presidency under Erdoğan could lead to the erosion of democracy and human rights.

Expectations in the Turkish scrap market are divided due to various factors. Some market participants believe that maintaining current scrap prices is the best-case scenario, while suppliers anticipate a rebound in prices in the coming days.

### **BEACHING TIDE DATES 2023**

Chattogram, Bangladesh : 4<sup>th</sup> ~ 7<sup>th</sup> June | 17<sup>th</sup> ~ 20<sup>th</sup> June

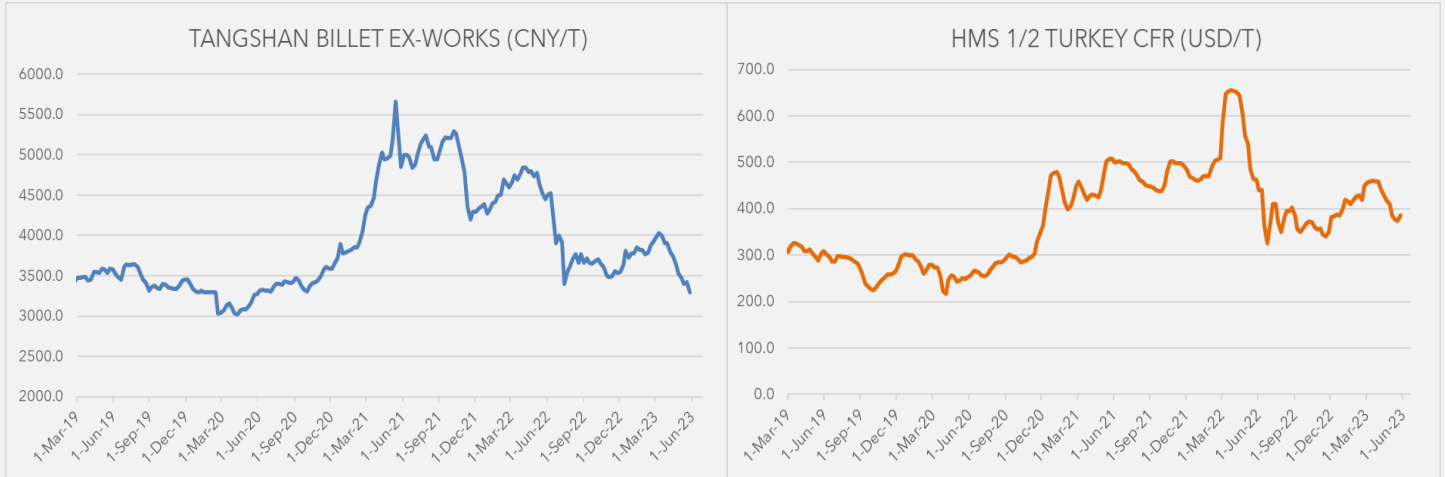
Alang, India : 2<sup>nd</sup> ~ 10<sup>th</sup> June | 14<sup>th</sup> ~ 22<sup>nd</sup> June

<b>BUNKER PRICES (USD/TON)</b>			
<b>PORTS</b>	<b>VLSFO (0.5%)</b>	<b>IFO380 CST</b>	<b>MGO (0.1%)</b>
SINGAPORE	561	434	688
HONG KONG	607	444	661
FUJAIRAH	547	413	835
ROTTERDAM	534	448	674
HOUSTON	520	421	709

<b>EXCHANGE RATES</b>			
<b>CURRENCY</b>	<b>2<sup>nd</sup> JUNE</b>	<b>26<sup>th</sup> MAY</b>	<b>W-O-W % CHANGE</b>
USD / CNY (CHINA)	7.08	7.05	-0.43%
USD / BDT (BANGLADESH)	107.32	107.21	-0.10%
USD / INR (INDIA)	82.39	82.61	+0.27%
USD / PKR (PAKISTAN)	285.59	285.10	-0.17%
USD / TRY (TURKEY)	20.97	20.00	-4.85%

# 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, C.N.F. Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$106	+13.97%	-23.18%	US\$93	US\$138
Iron Ore Fines, C.N.F. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$104	+6.12%	-27.77%	US\$98	US\$144

### Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	372.75	+1.65	+0.44%	Jul 2023
3Mo Copper (L.M.E.)	USD / MT	8,237.00	-6.50	-0.08%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,263.50	-19.00	-0.83%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,306.50	+39.50	+1.74%	N/A
3Mo Tin (L.M.E.)	USD / MT	25,651.00	+214.00	+0.84%	N/A

### Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	71.74	+1.64	+2.34%	Jul 2023
Brent Crude (I.C.E.)	USD / bbl.	76.13	+1.85	+2.49%	Aug 2023
Crude Oil (Tokyo)	J.P.Y. / kl	63,900.00	+1,250.00	+2.00%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.17	+0.01	+0.65%	Jul 2023

Note: all rates as at C.O.B. London time June 4, 2023.



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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 person 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.



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