



WEEKLY REPORT

WEEK 30 – July 30, 2023

This week the FED July meeting, the U.S. Federal Reserve increased its base rate by 25 basis points, bringing it to 5.5%. This is the highest level since 2007, and it marks the 11th rate rise in the past 12 meetings. The decision was made due to above-target inflation, which reached 3% y-o-y in June (the Fed's target is around 2%), along with low unemployment and stronger-than-expected GDP growth of 2.4% y-o-y in Q2-23.

Across the Atlantic, this week European Central Bank (ECB) as well raised interest rates by 25 basis points this week, bringing its base rate to 3.75%, the highest it has been since 2000. The decision was influenced by inflation expectations remaining high for an extended period. The Governing Council will continue to take data-driven approaches for rate decisions. They have also set the remuneration of minimum reserves at 0% to maintain control over monetary policy. The rate increase will be effective from August 2 2023.

Chairman Powell stated after the meeting that reducing inflation would require a period of below-trend growth and softer labour market conditions.

While in China, Beijing's growing concern over youth unemployment remains a significant cause of concern hammering the quick restart post-COVID reopening. China's young graduates face record unemployment of 21.3% due to Beijing's crackdown on private businesses and a decline in hiring foreign firms. The pandemic's departure revealed a structural problem for President Xi Jinping and the Chinese Communist Party as the economy struggles to absorb the growing number of graduates, now at nearly 12 million per year. The post-COVID economic recovery has slowed, with retail sales growth dropping significantly. Beijing's recent plan to ease market barriers and boost private sector confidence is seen as an "olive branch," but doubts persist about its impact. The focus remains on building confidence in the private sector.

Dry Bulk

China's recent economic data has been disappointing, indicating slower growth in the second quarter and weaker industrial indicators. This has raised concerns about a potential economic downturn, contrasting with earlier high growth expectations. The real estate sector is a major obstacle, with fewer properties sold and lower home prices than

before. This has led to hopes for stimulus measures, but any actions are expected to be targeted and limited, with a modest impact in the short term.

The main challenge lies in the lack of demand, both domestically and internationally. Without a significant stimulus program, the Chinese economy is likely to maintain its soft trajectory. In the commodity market, trade is gradually returning to normal, with the focus shifting back to traditional demand and supply dynamics that impact dry bulk profitability. Demand will be a crucial factor influencing spot freight rates, as fleet supply growth remains minimal for the next few years.

Capesize:

To counter the economic slowdown, the Chinese government announced a stimulus package for the automobile industry. However, it remains uncertain if this will fully compensate for the sluggish demand in the construction sector due to the prolonged market slump. While there might be some fluctuations in the market according to the movements of major shippers this week, overall signs of recovery have not yet surfaced. Capes levels this week saw a mix of activity. In the Pacific, r/v levels saw a decline, with levels just below US\$ 12,000's a day. In the North Atlantic, supply remains tight compared to demand, and there were reports of cargo bookings at lower levels than before. Levels in the Brazil r/v remain largely positive, with levels in the regions of US\$ 12,300's a day at closing.

Panamax/Kamsarmax:

Steady coal inflows in the North Atlantic have led to a positive market trend. However, in South America, activity appears sluggish after most vessels have been cleared as shipments from major hubs have slowed down, causing a decline. T/A levels fell to lows of US\$ 6,800's a day. With the expiration of the Black Sea Grain Agreement, around 10 ships' voyages were cancelled, most of which were Panamax-class ships heading to Asia. CIS r/v levels slipped to US\$ 7,250's a day. In the Pacific, new cargo inflows are also slow, prompting charterers to lower their asking prices. Pacific r/v levels closed lower, around US\$6,650's a day.

Supramax/Ultramax:

In general, there is still a supply advantage in the Atlantic, leading to a downward trend. T/A saw levels closed in the regions of US\$ 9,900's on Friday. F/H also saw a similar decline, with levels just below US\$ 13,900's on average. In the Pacific, although there was a slight increase in cargo inflows from N.E. Asia and NOPAC, it was not enough to alleviate the excess ship supply. Additionally, S.E. Asia, particularly Indonesia, experienced a slight decrease in coal inflows, resulting in weak sentiments all around. Pacific r/v levels were at the low of US\$ 7,300's a day.

Handysize:

Handysize also witness a similar deterioration similar to the Panamax segment. There was some activity start of the week, but excess tonnage saw rates weakening at the close of business. Inter-Pacific levels settled at US\$ 5,700's a day while T/A were in the regions of US\$ 6,000's a day. S.E. Asia shows hints of recovery with ongoing activity, but cargo inquiries remain limited. As a result, owners are offered reduced bids to secure business.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
HENDRIETTE OLDENDORFF	VLOC	209,066	2016	CHINA	46.8	S. KOREAN BUYERS
HL PASSION	CAPE	179,656	2015	CHINA	35.9	UNDISCLOSED
AQUAPROUD	CAPE	178,055	2009	CHINA	19.0	PRIMEBULK
AQUAKATIE	CAPE	174,142	2007	CHINA	15.9	NGM
DELPHINUS	PMAX	76,948	2007	JAPAN	13.2	GREEK BUYERS
KATERINA	PMAX	76,015	2004	JAPAN	12.7	UNDISCLOSED
TOMINI ZONDA	HANDY	37,976	2016	CHINA	19.3	GREEK BUYERS
BEN RINNES	HANDY	35,000	2015	CHINA	16.5	GREEK BUYERS
PAN DAISY / PAN EDELWEISS	HANDY	32,978 / 32,949	2009	CHINA	9.9 EACH	UNDISCLOSED

Dry Bulk Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	63	61	47	29	13
KAMSARMAX	82,000	35	38	32	22	9
SUPRAMAX	56,000	33	37	30	19	8
HANDY	38,000	30	31	24	17	6

*(amount in USD million)

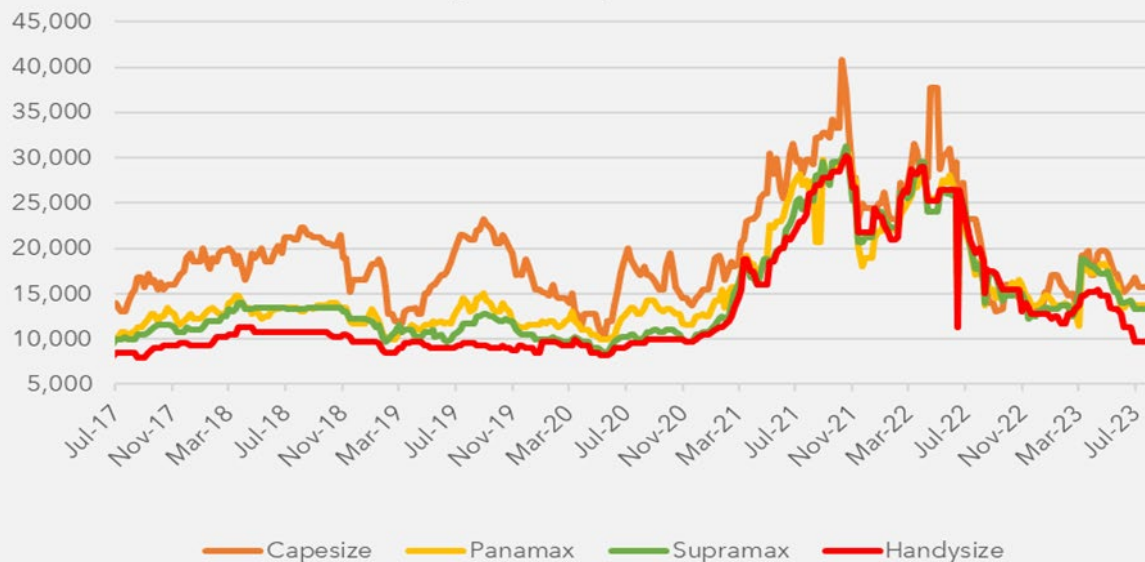
Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,097	977	1,895	+12.28%	-42.11%
BCI	1,830	1,442	2,081	+26.91%	-12.06%
BPI	955	945	2,051	+1.06%	-53.44%
BSI	733	757	1,971	-3.17%	-62.81%
BHSI	397	403	1,173	-1.49%	-66.16%

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 SIZE	180,000	15,000	15,000	18,625	0	-19.46%
PANAMAX	75,000	10,500	10,750	17,500	-2.33%	-40.00%
SUPRAMAX	58,000	10,750	11,000	16,250	-2.27%	-33.85%
HANDYSIZE	38,000	10,250	10,000	16,000	+2.50%	-35.94%

Dry Bulk 1 year T/C rates



Tankers

The oil market outlook is shifting towards a tighter balance, thanks to strong oil demand and production cuts by major producers. Recent oil prices have been supportive, and though there is no major rally yet, prices have stabilised for now. Oil exports are expected to increase in the third quarter, providing crucial support for crude tankers, which have been weak due to seasonal factors.

In the Middle East, the market appears quiet, with most shipments already booked for early August, a period of low volumes traditionally. However, there is optimism for the Atlantic, as cargoes have emerged in West Africa and Brazil, hinting at potential rate increases in the region.

The positive sentiment is further boosted by China's high crude oil imports, reaching the second-highest monthly level in June with a significant 45% y-o-y increase, mainly led by Russian imports. Looking ahead to the fourth quarter, market participants are hopeful that rising oil demand will lead to higher spot VLCC rates.

VLCC:

The MEG to China rate fell slightly due to increased competition for contracts, which was caused by lower shipments from the Middle East. 270,000mt MEG to China closed at WS51. At the start of the week, the market seemed to be recovering as more cargoes were seen in the Atlantic. 260,000mt WAFR to China remains unchanged at WS53.

Suezmax:

The WAFR/Europe weekly spot rate fell by 19% because of sluggish contract activity and a rise in upper linear cargo absorption. 130,000mt Nigeria/Rotterdam fell to below WS72. The market was also affected by slower shipments in the Mediterranean and Black Sea regions, as well as reduced U.S. shipments. As a result, the market is expected to remain weak.

Aframax:

The Middle East to Singapore W.S. rate declined by 3.6%, primarily due to upper linear weakness. However, an increase in trade volume and a surge of shipments expected in early August are preventing further significant declines. There was minimal activity in the Mediterranean and Black Sea regions, resulting in falling rates. 80,000mt Ceyhan/Lavera lost 16 points, dropping to WS104.

Clean:

MR: Rates between Korea and S.E. Asia have risen by 4.3% weekly, thanks to the increase in exports of petroleum products to Northeast Asia. In the MEG, a surge in rates on the MEG-East Africa route saw levels climb to WS255. MR tanker rates in the U.S. have maintained their volatile trend observed since the start of the year. TC14 closed at WS138, for 38,000mt USG/UKC.

LR: LRI market activity was quiet, with rates holding steady and no fresh stems quoted. However, LR2 owners had a positive week, with sentiment improving thanks to strong MEG activity. TC1 climb to WS130 for 75,000mt MEG/Japan.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ASTRO CHLOE	VLCC	318,440	2009	S. KOREA	62.0	CHINESE BUYERS
C. CHAMPION	VLCC	314,000	2003	S. KOREA	40.0	UNDISCLOSED
UMNENGA II	SUEZ	162,293	2006	S. KOREA	N/A	MM MARINE
CELSIUS MONACO	PROD / CHEM	19,999	2005	JAPAN	13.0 (S.S.)	UNDISCLOSED

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	881	947	1,466	-6.97%	-39.90%
BCTI	671	602	1,363	+11.46%	-50.77%

Tankers Values

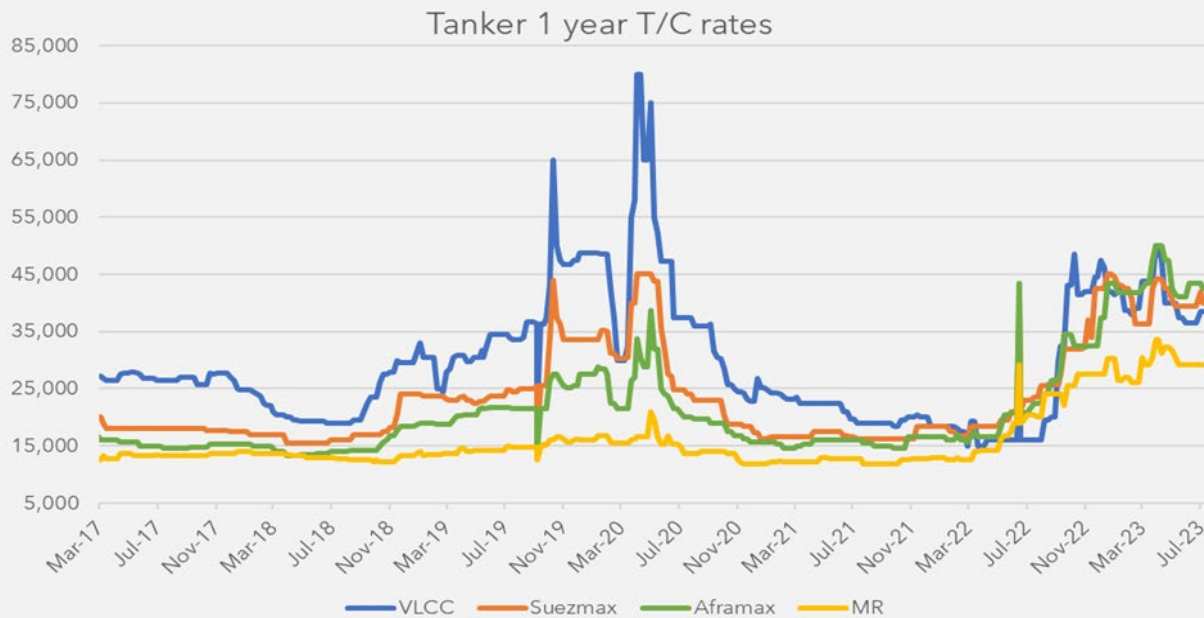
(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	125	99	74	49
OSUEZMAX	160,000	85	89	72	58	31
AFRAMAX	115,000	67	78	63	51	28
PANAMAX-LRI	73,000	57	60	49	39	20
MR TANKER	51,000	46	50	40	31	19

**(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	310,000	38,000	38,000	19,500	0	+94.87%
SUEZMAX	150,000	40,000	40,000	25,500	0	+56.86%
AFRAMAX	110,000	40,000	40,000	24,000	0	+66.67%
LRI	74,000	29,250	29,250	26,500	0	+10.38%
MR	47,000	24,000	24,000	24,000	0	0



Containers

Container rates on the transpacific route are soaring to levels not seen since 2012. (Excluding the pandemic year) Drewry's latest spot rates indicate a 6% increase yesterday, reaching US\$2,087 per feu on the Shanghai – Los Angeles route, marking the fourth consecutive week of rise. Rates to the U.S. west coast are now 42% higher than the same time in 2019 before the pandemic, while rates to the U.S. east coast are also up by 12% compared to 2019. Despite the rate increases, experts are uncertain about the strength of demand.

Meanwhile, the SCFI spot box freight rate index surged by 6.5% w-o-w, reaching 1,029 points. This increase was driven by a series of General Rate Increases across the main lanes. Specifically, the Shanghai-North Europe route experienced a substantial 31% rise to US\$975 per TEU, the highest level since late January.

Containers S&P Report

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

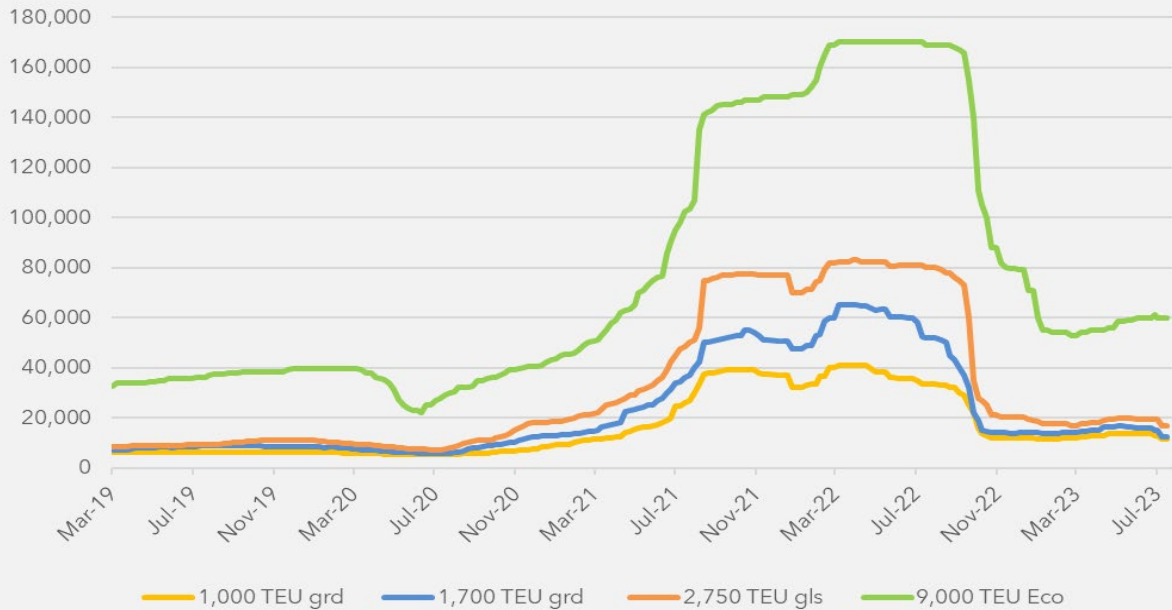
Containers Values

(Weekly)




CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Gearless	24	25	18	11	7
1,600 – 1,800	Gearless	31	28	23	16	12
2,700 – 2,900	Gearless	42	38	30	20	17
5,500 – 7,000	Gearless	93	82	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) <i>*For green ship recycling, the prices are about US\$10-15/ton lower.</i>	500 ~ 510	490 ~ 500	500 ~ 510	510 ~ 520	STABLE / 
*CHATTOGRAM, BANGLADESH	550~560	540~550	560~570	570 ~ 580	STABLE / 
*GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	STABLE / 
TURKEY <i>*For Non-EU ships. For E.U. Ship, the prices are about US\$20-30/ton less</i>	310 ~ 320	300 ~ 310	290 ~ 300	320 ~ 330	WEAK / 

- 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 subject to the availability of the Letters of Credit. Preference for smaller-sized ships and case to case buying.

5-Year Ship Recycling Average Historical Prices

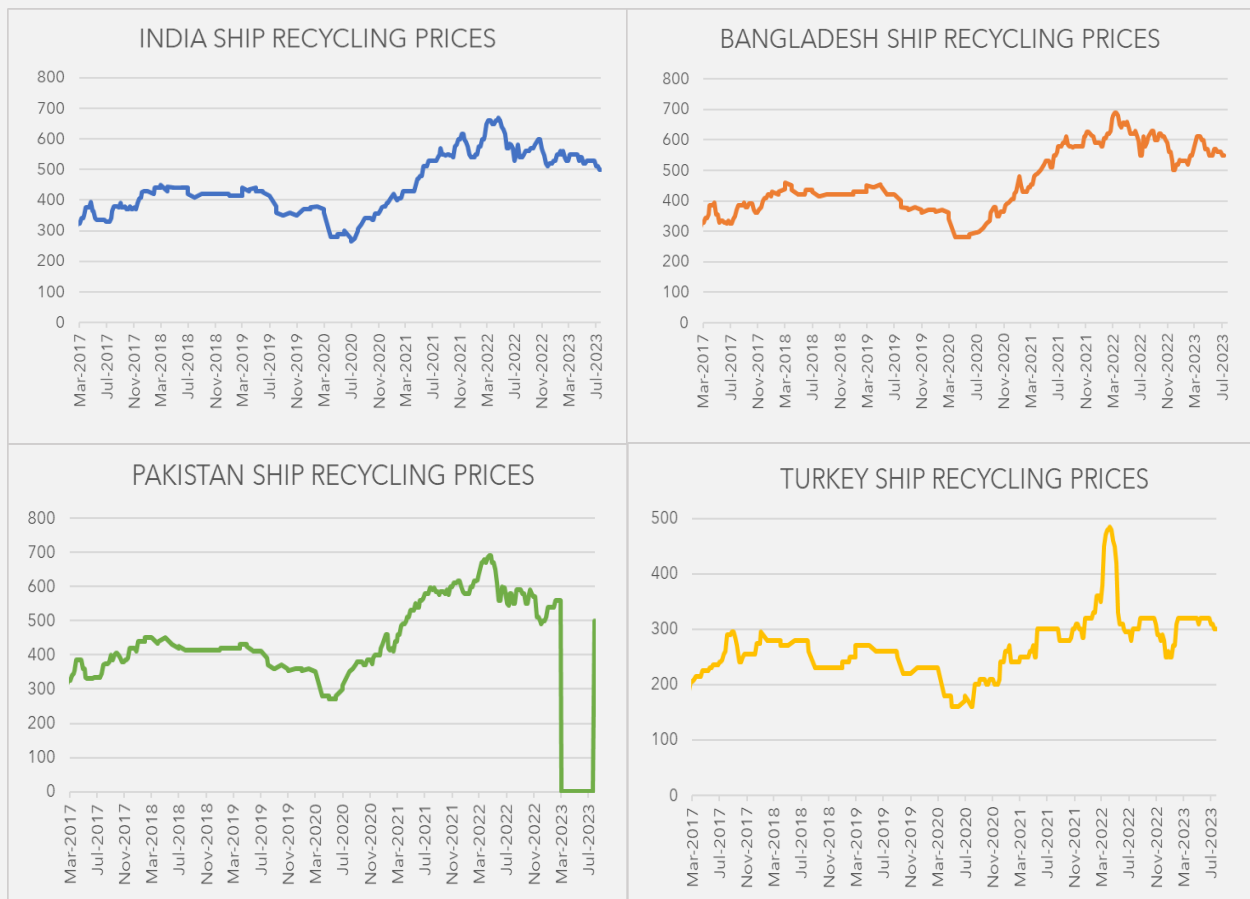
(Week 30)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	435	400	320	550	590
CHATTOGRAM, BANGLADESH	430	415	320	580	590
GADDANI, PAKISTAN	420	400	300	570	580
ALIAGA, TURKEY	290	270	180	290	280

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
SINOKOR TIANJIN	4,672	1998 / CHINA	CONTAINER	622	DELIVERED CHATTOGRAM / WITH ABT. 240 MT BUNKER INCLUDED IN THE SALE PRICE
TAI MA	2,834	1985 / JAPAN	RORO	UNDISCLOSED	AS IS KEELUNG, TAIWAN / FOR REDELVIERY CHATTOGRAM
GREEN EXPLORER	2,397	1991 / NETHERLANDS	REEFER	UNDISCLOSED	DELIVERED ALANG / HKC RECYCLING
HUA CHEN 166	1,574	2000 / CHINA	TANKER	535	DELIVERED CHATTOGRAM

Recycling Ships Price Trend



Insight

The Sub-Continent ship recycling markets remained subdued with the monsoon at its peak, dampening the activities and slowing down the ship scrap end sales.

This week's sharp declines in global ferrous scrap markets witnessed price and demand fluctuations. Turkish imported scrap prices, which are closely monitored as the yardstick, declined as steelmakers cautiously restocked at lower rates. India experienced nominal bookings for imported scrap, influenced by distressed selling that affected some offers. Pakistan's market remained lacklustre, with tepid domestic demand and expectations of further price drops. Bangladesh engaged in moderate deals at reduced prices. These developments reflect the dynamic nature of the international ferrous scrap industry, indirectly determining the ship recycling prices.

While in Europe, the European Commission has taken a significant stride towards promoting sustainable ship recycling by adopting the 11th edition of the European List of ship recycling facilities. This updated list now includes three new yards based in Turkey, bringing the total number of approved facilities to 48. Out of these, 38 yards are located within Europe (E.U., Norway, and U.K.), nine are in Turkey, and one in the USA. These listed yards, capable of recycling large vessels, are mandated by the E.U. Ship Recycling Regulation to be used by large sea-going vessels sailing under an E.U. Member State flag, aiming to curb unsafe dismantling practices in non-E.U. regions, like South Asia. The Commission remains committed to ensuring strict compliance with safety and environmental standards for the yards on the European List, maintaining its dedication to responsible and environmentally-conscious ship recycling practices. European ship owners, who own 40% of the global fleet, play a crucial role in driving sustainability in the industry by utilising these approved facilities. Regular updates to the list ensure continuous adherence to required standards and further promote the E.U.'s commitment to responsible ship recycling.

Alang, India

The breaking yards experienced a calm week amidst heavy rains and weak demand. Despite the challenging conditions, ship prices managed to maintain their stability due to weak supply of ships destined for Alang. Market participants are hopeful that once the rains subside, there should be a surge in demand for ship scrap by the domestic mills as the construction activities resume.

On the domestic ship scrap front, prices have remained steady for the past two weeks. Recyclers are exercising caution and closely monitoring the international ferrous scrap prices, which have recently taken a significant downturn.

Lately, the stability in prices of domestic ship scrap over the past few weeks has provided some relief to recyclers. However, they remain cautious due to the recent nosedive in international ferrous scrap prices. The global market fluctuations in imported ferrous scrap prices have prompted local recyclers to monitor the situation closely.

Anchorage & Beaching Position (July 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
GREEN EXPLORER	REEFER	2,397	23.07.2023	28.07.2023
YOUNG	FISHING	556	16.07.2023	20.07.2023
ASIAN BULK	BULKER	9,257	15.07.2023	19.07.2023
NERU	REEFER	1,885	14.07.2023	18.07.2023
ORA	FISHING	872	10.07.2023	14.07.2023
LARA	LNG	23,707	07.07.2023	08.07.2023
MSC FEDERICA	CONTAINER	23,740	01.07.2023	06.07.2023
MSC NICOLE	CONTAINER	14,305	23.06.2023	02.07.2023

Chattogram, Bangladesh

Another quiet week in the ship recycling industry with few sales reported. The latest noteworthy sale was of the Sinokor-controlled container ship, which was sold at US\$622/lt gross with 240 MT of bunkers included in the sale keeping the hopes alive and sending positive waves.

The ongoing L.C. issues are now like a broken record, with the industry finding ways to yet finance the sale and business as usual. However, a vast majority of the recyclers are keeping a soft tone for larger ships for the time being and are more focused on procuring smaller ships to keep the ball rolling.

Lately, unyielding and incessant rains have dealt a double blow to the country as they continue to disrupt both domestic construction projects and ship-recycling activities. Coupled with other local factors, these adverse conditions are collectively contributing to a decline in local sentiments. Notably, the domestic steel plate prices have witnessed a substantial decrease of nearly US\$20/ton this week, further intensifying the situation. Additionally, the Bangladeshi Taka is tackling record-low levels against the U.S. Dollar, hovering around BDT 108.50 interbank rate.

On the other hand, Bangladesh bulk scrap importers are being cautious due to slowing sentiment and weakening scrap booking prices in Turkey. Major Bangladeshi scrap importers have reduced their bids to protect themselves from further price drops. As Turkish sentiments decline, the region has become a buyer's market. This week, two suppliers offered HMS and shredded at the same levels, but buyers bid at US\$380-385/t CFR Chattogram, and no deal was made at that price.

Construction steel demand in Bangladesh shall be supported once the weather stabilises, post-monsoon. However, financing delays and sliding scrap prices are affecting the industry's intake and procurement planning.

Anchorage & Beaching Position (July 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BEAUTY	BULKER	9,502	27.07.2023	AWAITING
SANTA	FISHING	803	26.07.2023	AWAITING
XIN HAI ZHOU 7	BULKER	6,496	21.07.2023	AWAITING
FU SHENG	BULKER	10,780	21.07.2023	AWAITING
WELL WIN	BULKER	8,939	11.07.2023	AWAITING
VICTORY	REEFER	3,045	20.07.2023	24.07.2023
JIA LIANG 18	BULKER	3,621	18.07.2023	21.07.2023
SHUN DA YUN	GEN.CARGO	4,587	15.07.2023	21.07.2023
RUI	BULK	7,607	13.07.2023	20.07.2023
SHANDONG EXPRESS	WOODCHIP	8,658	14.07.2023	20.07.2023
PU HUI 2	GEN. CARGO	3,286	13.07.2023	19.07.2023
HONG HAO	GEN.CARGO	11,856	20.06.2023	18.07.2023
MARCHIE 8	GEN.CARGO	1,593	10.07.2023	17.07.2023
HUA DONG 27	GEN. CARGO	3,520	06.07.2023	12.07.2023
HAO 3	GEN.CARGO	4,767	02.07.2023	08.07.2023
CHIAN JIN	REEFER	1,416	27.06.2023	09.07.2023
SCO QINGDAO	CONTAINER	3,771	30.06.2023	07.07.2023
DPL AYUR	GEN.CARGO	1,020	29.06.2023	07.07.2023
JASMINE II	BULKER	9,563	27.06.2023	06.07.2023

Gaddani, Pakistan

After a prolonged wait of more than seven months, there is finally some positive news from the Gaddani ship recyclers. They have recently entered the market, screening out the

availability of ships at the Alang comparative levels. Although this development is encouraging, it is important to note that the resumption of activities is cautious and highly selective, with only a limited number of banks in discussions to issue the much-awaited LC's on certain conditions.

While this initial step indicates a potential reopening of the markets in the near future, it is important to keep a close eye on how things progress in the coming weeks. The situation remains dynamic, and recyclers will closely monitor the developments in international ferrous scrap prices, especially the imported shredded scrap, to see how they can base their pricing on ships in the coming days.

Anchorage & Beaching Position (July 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

New central bank chief of Turkey, Hafize Gaye Erkan, pledges gradual and decisive steps to tackle surging inflation, now projected to reach 58% by year-end, higher than the earlier forecast of 22%. The inflation surge is attributed to lira depreciation, soaring food prices, and a substantial increase in the minimum wage. Erkan acknowledges that pre-election stimulus led to economic imbalances and a record current account deficit. Despite investors welcoming the central bank's revised inflation forecast as realistic, doubts persist about the extent of her ability to raise rates given President Erdoğan's history of opposing high borrowing costs and his influence over monetary policy.

Turkish mills have maintained their domestic scrap buying prices, but imported scrap values continue to drop. Turkish mills, facing falling steel prices and weak sales, have rejected higher values and are sticking to last week's range of US\$350-355/ton CFR for premium HMS (*Heavy Melting Scrap*)1 & 2 80:20.

The shipbreaking scrap prices have also experienced a sharp decline, reaching US\$330-350/t delivered after a major mill reduced its buying price by US\$21/ton. The exchange rate was at TRY26.95 per dollar at the end of the week closing.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh : 01 ~ 04 August | 16 ~ 19 August

Alang, India : 01 ~ 07 August | 14 ~ 20 August

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	598	526	823
HONG KONG	604	532	781
FUJAIRAH	594	477	873
ROTTERDAM	573	506	807
HOUSTON	577	493	826

EXCHANGE RATES			
CURRENCY	28 th JULY	21 st JULY	W-O-W % CHANGE
USD / CNY (CHINA)	7.15	7.18	+0.42%
USD / BDT (BANGLADESH)	108.45	108.56	+0.10%
USD / INR (INDIA)	82.25	81.96	-0.35%
USD / PKR (PAKISTAN)	286.06	286.84	+0.27%
USD / TRY (TURKEY)	26.95	26.94	-0.04%

Commodities Insight

Commodity markets experienced a downturn due to a stronger U.S. dollar, propelled by positive economic indicators and increased supply across various sectors. Notably, **copper** and other **industrial metals** faced a decline as the robust U.S. economic data bolstered the dollar, dampening investor interest.

Moreover, easing supply-side challenges contributed to the market dip. For instance, the global copper market transitioned from a deficit of 74kt in the same period last year to a surplus of 287kt for the first five months of this year, as reported by the International Copper Study Group.

The demand waned as the optimistic economic data raised concerns that the Federal Reserve might need to implement further rate hikes. This occurred despite indications from Powell that a pause in rate increases was being considered after the recent 25bp rate rise.

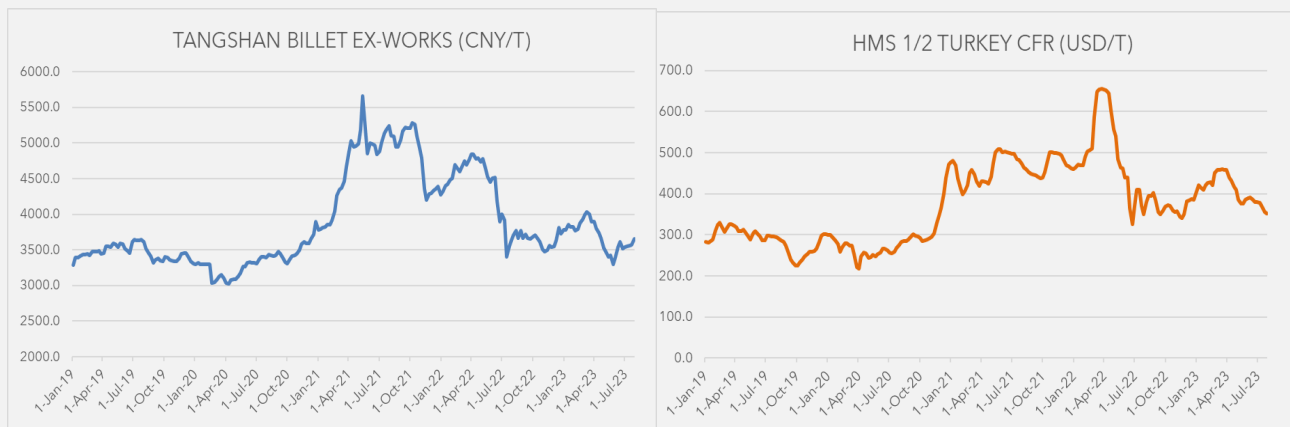
Soft commodities – As consumers were beginning to see signs of easing inflation in supermarkets, concerns over food supplies, especially rice, are resurfacing. India, a major rice exporter, recently banned a significant portion of its rice exports, causing prices in Asia to reach their highest level in over three years. This move is expected to lead to further price surges.

India's restrictions affect a substantial portion of its total rice shipments, and there are fears that more categories could be impacted if rainfall becomes uneven and domestic inflation rises. The situation has prompted panic buying in other countries. **Wheat prices** have also been increased due to Russia's actions in attacking a key port that facilitated Ukraine's grain exports.

The disruption of the agreement between Russia and Ukraine could lead to a 15% increase in **global grain** prices, as estimated by the IMF's chief economist. This development also raises food-security concerns in Africa, where many countries rely on wheat imports from Ukraine and Russia. In response, Russia has offered to send free grain shipments to several African nations.

On top of that is the recent arrival of El Niño that may cause further damage to agriculture. Growers are getting ready. Some Indonesian **rice** farmers are planting corn and other crops that require less water as the country braces for its most severe dry season since 2019, partly due to the return of the El Niño weather pattern.

MS 1/2 & Tangshan Billet



Iron Ore

COMMODITY	SIZE / GRADE	THIS WEEK USD / MT	W-O-W	Y-O-Y	LAST WEEK USD / MT	LAST YEAR USD / MT
Iron Ore Fines, CNF Rizhao, China	Fines, Fe 62% (Aust. Origin)	113	-2.58%	-4.23%	116	118
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	112	-2.60%	-7.43%	115	121

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	390.50	+0.30	+0.08%	Sep 2023
3Mo Copper (L.M.E.)	USD / MT	8,617.50	-56.00	-0.65%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,213.00	-27.00	-1.21%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,473.50	-14.50	-0.58%	N/A
3Mo Tin (L.M.E.)	USD / MT	29,010.00	+111.00	+0.38%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	79.55	+0.77	+0.98%	Sep 2023
Brent Crude (ICE)	USD / bbl.	83.60	+0.68	+0.82%	Sep 2023
Crude Oil (Tokyo)	J.P.Y. / kl	71,580.00	+80.00	+0.11%	Jul 2023
Natural Gas (Nymex)	USD / MMBtu	2.61	-0.06	-2.21%	Aug 2023

Note: all rates as at C.O.B. London time July 28, 2023



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