WEEKLY REPORT

WEEK 33 – August 19, 2023

China's Recovery Loses More Steam this week with disappointing data out causing grave concerns. In a move, China's central bank, the People's Bank of China (PBOC), has unexpectedly slashed a key interest rate by the most since 2020, aimed at shoring up the economy against growing risks posed by a deepening property market slump and sluggish consumer spending. The move saw a 15 basis points reduction in the one-year loan rate to 2.5%, along with a 10 basis point cut in a short-term policy rate. Analysts had largely anticipated no change. The decision followed disappointing economic data for July, which revealed a broad slide in consumer spending, industrial output, and investment, coupled with rising unemployment. The National Bureau of Statistics urged more significant macroeconomic policy adjustments, emphasising domestic demand expansion and risk prevention.

This unexpected rate cut, the first under new Governor Pan Gongsheng, highlights mounting concerns over China's deteriorating economic outlook, particularly in the real estate sector. The property market is wrestling with a debt crisis at a major developer and persistent declines in home sales. The global impact of China's economic challenges has triggered concerns among policymakers, with U.S. Treasury Secretary Janet Yellen labelling China's slowdown as a risk to the global economy.

Calls are growing for Beijing to introduce fiscal and monetary stimulus to bolster the economy. This policy shift comes after the Communist Party's Politburo's pro-growth stance in July. The rate cut signifies a concrete step in that direction, potentially accompanied by further actions such as reducing the reserve requirement ratio for banks. Amid this turbulence, the yuan's weakening and the expanding yield gap between U.S. and Chinese government bonds have also garnered attention.

Dry Bulk

The start of the week saw BDI reach a peak not seen since late June, driven by improvements across different vessel categories. On Tuesday, the BDI recorded its highest level in 7 weeks as Capesize vessels ended a five-day decline and rates for Panamax ships continued to rise. The index surged by 31 points or 2.7% to reach 1,166 points.

Over the past few weeks, smaller dry bulk vessels have experienced a positive trend. Panamax spot rates have surged over 60% from their recent lows, and Supramax spot rates have also risen, albeit to a lesser extent. The recovery is driven by strong demand for grains and coal.

However, a period of increased volatility is anticipated in the Capesize sector as September cargoes come into play and seasonal demand picks up. Despite a grim outlook, the combination of demand and seasonal factors should push spot rates higher as the fourth quarter approaches.

Although overall dry bulk market is healthy, it has not reached the levels predicted earlier in the year due to China's economic challenges and sluggish growth. Without significant aggressive stimulus, a swift demand recovery seems unlikely.

On a positive note, iron ore inventories are decreasing, potentially setting the stage for robust restocking in the future. Despite China's struggling property sector, the volume of raw material imports for steel production has not significantly declined. Analysts estimate that August imports could exceed 100 million metric tons, driven by China's significant share of global seaborne iron ore purchases, reaching 70%. Lower iron ore prices in recent weeks might encourage traders and steel mills to increase imports. There is also optimism that Beijing will introduce stimulus measures to support not only the property sector but also steel-intensive industries.

Despite recent drops in iron ore prices, there is hope that these imports will be sustained if the market believes in the effectiveness of stimulus efforts and stable or increased steel demand. The central bank's recent policy rate cuts and low port inventories support this sentiment. However, the iron ore market remains caught between weaker prices and low stockpiles amidst growing concerns about China's economic troubles.

Capesize:

Amid ongoing uncertainties surrounding the Chinese government's control over crude steel production, demand for iron ore has taken a hit. China is planning to implement a policy that aims to limit crude steel production this year, keeping it below the level of the previous year. In the coming week, the Cape market is expected to continue adjusting as it awaits the Chinese government's announcement of detailed policies regarding production cuts. If China's iron ore port inventory reaches its lowest level since October 2020, there might be an influx of demand for inventory building. Midweek saw BCI gained 104 points to 1,701. The Capesize spot average stood at US$15,709 a day.

Panamax/Kamsarmax:

Cargo conversion is occurring due to high rates of Capes and the ongoing demand for Brazilian grains, which is helping to sustain an upward trend. Charter rates for Capes on major routes like T/A and Pacific R/V have surpassed those of Panamax vessels, showing a consistent advantage in terms of cargo conversion. Brazil's double-crop corn exports have played a significant role in absorbing ships, leading to a rise in Chinese soybean meal prices.

This improvement in soybean crushing processing margins has boosted Chinese soybean purchases from Brazil, thereby driving the market. BPI has jumped almost 100% compared to last year, with the index closing at 1,598 on Friday. The atmosphere is positive overall, with favourable performance in the South American market.

Supramax/Ultramax:

Benefiting from favourable conditions in South America, most shipping routes have experienced an upward turn after reaching short-term lows. Like Panamax, South America is the key driver of the market gains, with aid from USG and the Black Sea. Congestion issues have mostly been alleviated, leading to a rebound in the market.

In the Pacific, the traction effect is attributed to the increase in Panamax, particularly in Southeast Asia. However, the demand for coal in these Asian countries remains sluggish, limiting the extent of the market's improvement. On Thursday, BSI climbs 40 points to 812.

Handysize:

In the Atlantic, cargo inflows persist from key grain shipping routes, while ship supply is relatively lower compared to the cargo demand, leading to a market upturn. Similarly, in the Pacific, vessel supply remains constrained across various sectors, contributing to a sustained upward trend that has lasted for three consecutive periods. Rates saw improvements, with Inter-Pacific touching US$ 7,000's. BHSI jumped 60 points w-o-w, closing at 469 on Friday.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ARIADNE	CAPE	180,010	2009	S. KOREA	21.0	UNDISCLOSED
CAPE AGAMEMNON	CAPE	179,221	2010	S. KOREA	22.5	UNDISCLOSED
NORD AMAZON	KMAX	64,499	2020	JAPAN	32.0	GREEK BUYERS
KK MINERAL	HMAX	45,429	2017	JAPAN	22.0	UNDISCLOSED
STEADY SARAH	HANDY	38,468	2011	JAPAN	15.0	UK BASED BUYERS

Dry Bulk Values

(*Weekly*)

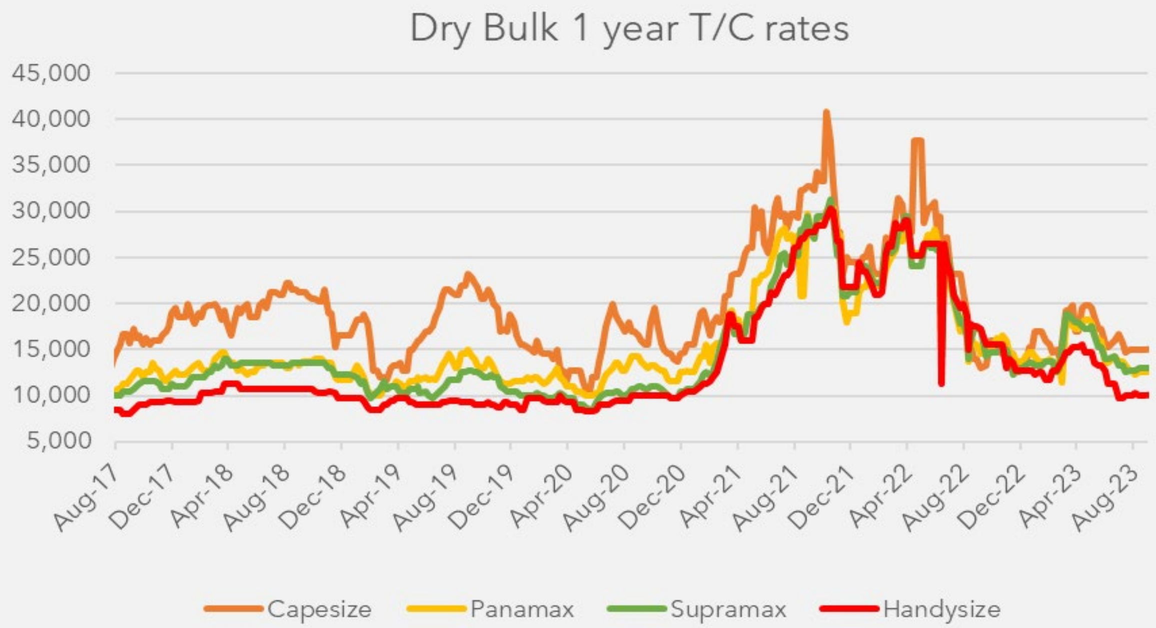
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	64	60	47	28	13
KAMSARMAX	82,000	35	37	31	21	8
SUPRAMAX	56,000	33	35	28	18	8
HANDY	38,000	30	31	24	16	6
**(amount in USD million)*						

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,237	1,137	1,279	+8.80%	-3.28%
BCI	1,598	1,592	756	+0.38%	+111.38%
BPI	1,542	1,292	1,688	+19.35%	-8.65%
BSI	879	706	1,735	+24.50%	-49.34%
BHSI	469	401	960	+16.96%	-51.15%

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
CAPESIZE	180,000	14,250	15,000	14,000	-5.00%	+1.79%
PANAMAX	75,000	13,000	11,750	15,500	+10.64%	-16.13%
SUPRAMAX	58,000	11,750	11,250	17,250	+4.44%	-31.88%
HANDYSIZE	38,000	11,000	10,150	14,625	+8.37%	-24.79%



Tankers

Weaker-than-expected economic data from China has dampened sentiment in the oil market at the beginning of this week. Despite growing optimism about a soft landing for the U.S. economy after rate hikes from the Federal Reserve, concerns about the world's two largest economies, the U.S. and China, continue to impact the market. However, fundamental indicators are becoming more bullish, with oil demand projected to have reached a record high in June and possibly aiming for a new record this month, according to the IEA.

In contrast, Saudi Arabia and OPEC+ are maintaining their production cuts, with the Kingdom extending its unilateral cut into September and signalling potential extensions. China's economic performance remains crucial for oil prices in 2023. While the U.S. economic outlook is brighter, concerns about China are restraining oil prices. The recent dip in oil prices follows seven weeks of consecutive gains spurred by another round of weak Chinese economic data. The property and credit markets' uncertainties in China, along with disappointing industrial production, retail sales, and fixed asset investment figures, have added to the bearish factors for oil. The Chinese central bank unexpectedly reduced key rates to stimulate economic growth.

Although China's economic worries persist, the downside risks are limited as long as OPEC+ maintains production cuts. The IEA's forecast of surging oil demand in June further supports this sentiment. The interplay between China's economic performance and the oil market remains a focal point for traders. The recent pullback in oil prices due to China's economic concerns contrasts with expectations of a soft landing for the U.S. economy and a tightening oil market due to OPEC+ cuts and Saudi Arabia's additional reductions.

VLCC:

Middle East/China saw some discounts this week, coinciding with the Dubai/Brent Spread widening, which has been positive since June. Route fell to WS46. The market is experiencing an uptick in ships entering the spot market due to long-term charter contracts with oil refineries. This pressure is expected to continue for the time being.

Suezmax:

In West Africa, there has been an uptick in vessel supply in the Atlantic as levels for Nigeria to UKC climb to WS67. Meanwhile, the Med/Black Sea segment saw challenges as cargo offered only garnered a few offers, resulting in a decline in rates. 135,000mt remained unchanged around W75.

Aframax:

The UKC/Baltic market experienced another disappointing week for owners, displaying a seasonal slowdown that has been ongoing for the past few months. Despite vessels departing for more active markets, the available tonnage was lacklustre. In the Med, there was a slight improvement in the market for 80,000mt Ceyhan/Lavera, with rates improving to W105.

Clean:

MR: In the UKC-USAC, MR rates improved this week due to limited available tonnage, leading to an increase in the TC2 to WS200. In the MEG, levels faced upward pressure as charterers struggled to control rates amid a significant influx of cargoes, giving owners a chance to raise rates. TC17 jumped to WS265.

L.R: LR1 activity in the UKC remained subdued with steady sentiment, but external market conditions could push rates higher. TC16 remain unchanged at WS125. The LR2 market showed potential for improved rates in the West as rates in the MEG rebounded. TC1 closed at WS132.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
LILA ALABAMA	LR1	72,514	2004	S. KOREA	18.0	GREEK BUYERS
CELSIUS ROSKILDE	MR	46,105	2009	S. KOREA	25.0	UNDISCLOSED
HONG HAI 6	PROD / CHEM	16,826	2012	CHINA	12.25	UNDISCLOSED
AD PRINCESS	SMALL	7,054	2012	CHINA	5.8	UNDISCLOSED

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	809	799	1,554	+1.25%	-47.94%
BCTI	750	679	1,314	+10.46%	-42.92%

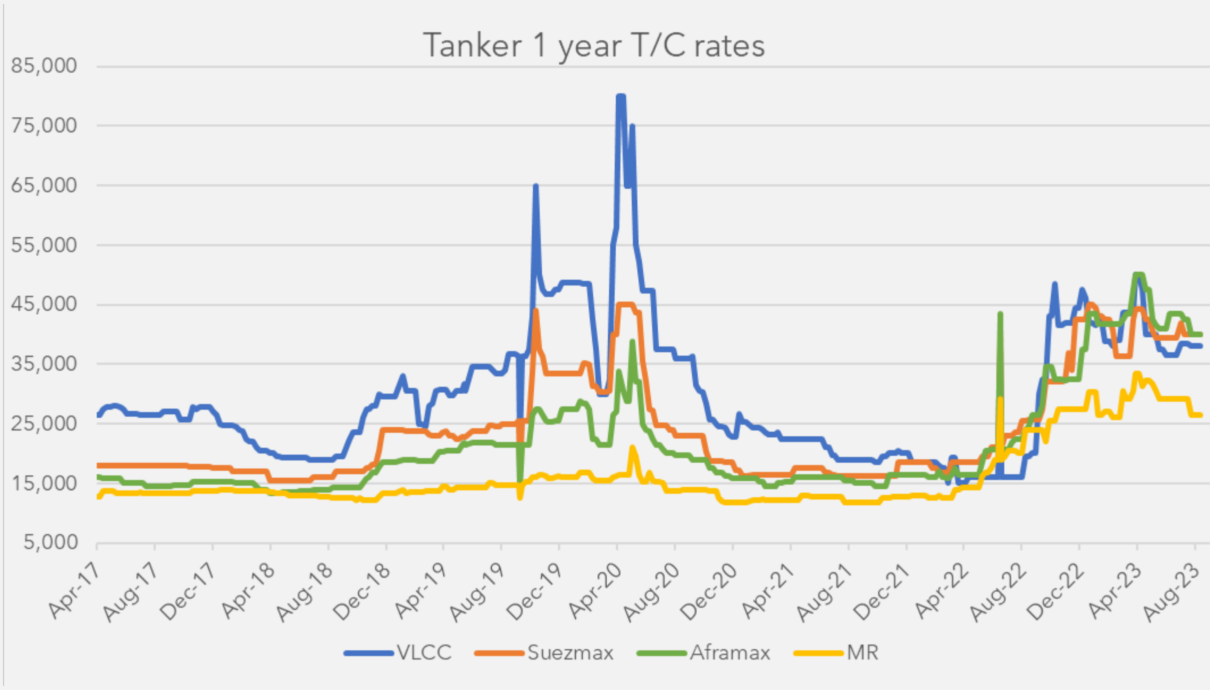
Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	126	125	99	74	49
0SUEZMAX	160,000	85	89	72	58	31
AFRAMAX	115,000	68	78	63	51	28
PANAMAX-LR1	73,000	57	60	49	39	20
MR TANKER	51,000	47	50	40	31	18
**(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	41,000	40,000	20,000	+2.50%	+105.00%
SUEZMAX	150,000	39,500	40,000	25,750	+1.25%	+53.40%
AFRAMAX	110,000	38,500	38,500	26,500	0	+45.28%
LR1	74,000	28,250	28,250	26,750	0	+5.61%
MR	47,000	25,500	25,250	24,000	+0.99%	+6.25%



Containers

Friday marks a significant development as container freight futures make a comeback in the Shanghai market, home to the world's largest container port. The trading turnover for these futures, now known as the Containerized Freight Index Futures (CoFIF), has already reached RMB 3.8 billion (approximately US$500 million) within the first half-hour of trading.

The CoFIF is now being traded on the Shanghai International Energy Exchange, a subsidiary of the Shanghai Futures Exchange, and is under the regulation of the China Securities Regulatory Commission. Meanwhile, spot rates had a varied performance during the week, resulting in a decline in the SCFI to reach 1,031 points.

This decline was primarily influenced by a weekly drop in rates on the Shanghai-Europe route. Levels on the Shanghai-USWC route also fell, closing at US$2,003/FEU.

Containers S&P Report

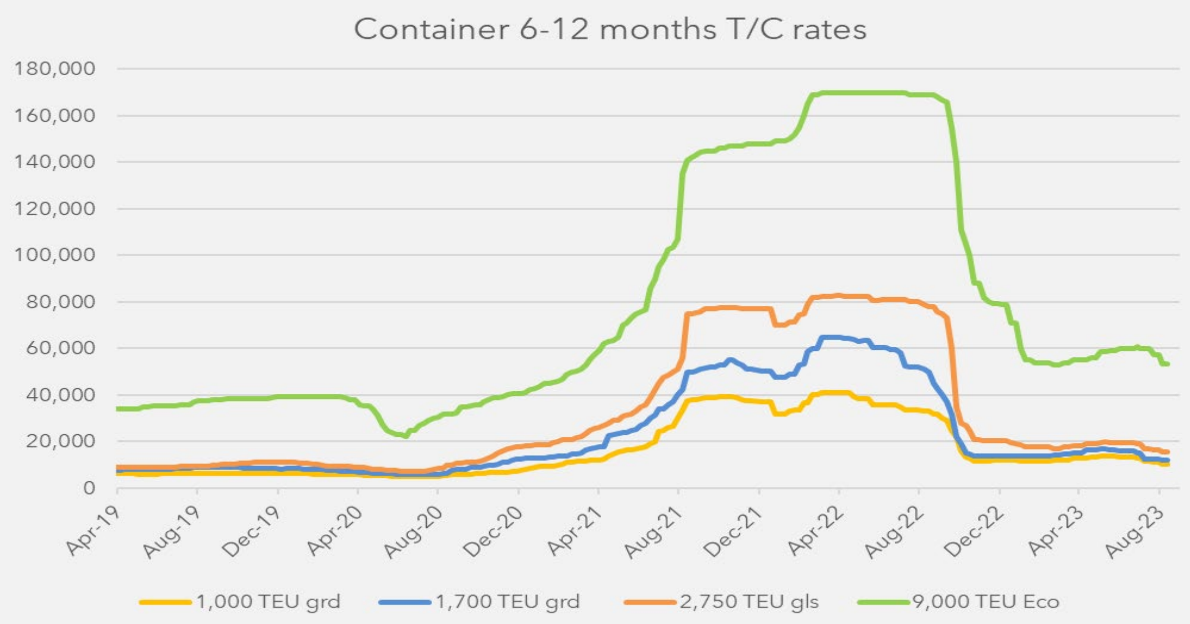
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
YM WARRANTY / YM WELLBEING / YM WELLSPRING	POST PMAX	14,220	2019	JAPAN	306.0	TAIWANESE BUYERS

Containers Values

(Weekly)

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	24	24	17	10	8
1,600 – 1,800	Geared	31	28	23	16	12
2,700 – 2,900	Gearless	42	38	30	20	17
5,500 – 7,000	Gearless	93	78	66	41	N/A

**(amount in USD million)*



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) .	520 ~ 530	490 ~ 500	520 ~ 530	530 ~ 540	IMPROVING / ↑
*CHATTOGRAM, BANGLADESH	520 ~530	490 ~ 500	500 ~ 510	530 ~ 540	STABLE / ↔
**GADDANI, PAKISTAN	520 ~ 530	510 ~ 520	500 ~ 510	530 ~ 540	STABLE / ↔
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about US$20-30/ton less*	310 ~ 320	300 ~ 310	290 ~ 300	320 ~ 330	IMPROVING / ↔

- 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.

** Limited recyclers and case-to-case buying only due to Letters of Credit restrictions.

5-Year Ship Recycling Average Historical Prices

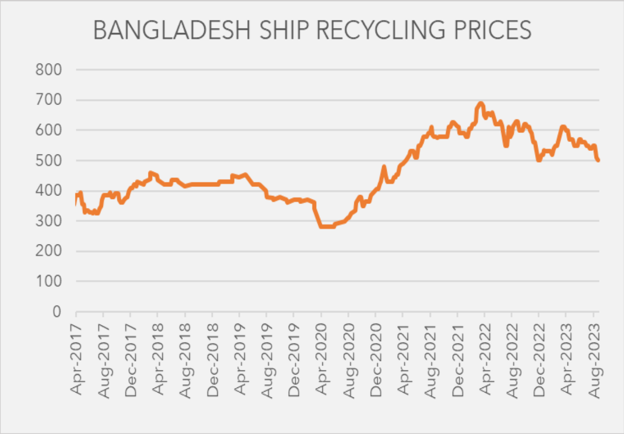
(Week 33)

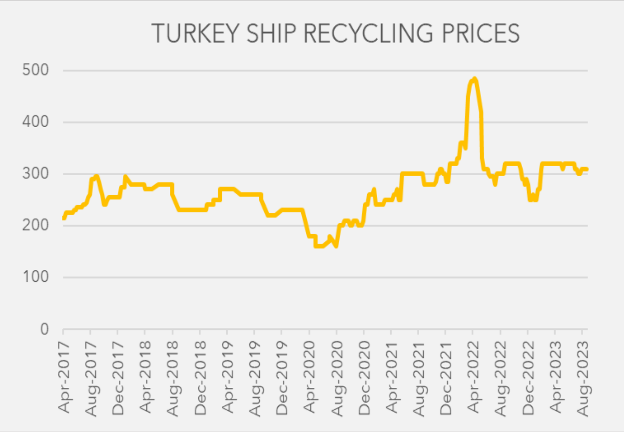
DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	435	370	350	570	580
CHATTOGRAM, BANGLADESH	430	380	330	600	630
GADDANI, PAKISTAN	420	370	360	600	590
ALIAGA, TURKEY	240	260	195	295	330

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
MING ZHOU 25	6,329	1990 / JAPAN	BULKER	408	AS IS ZHOUSHAN, CHINA / RE-DELIVERY CHATTOGRAM
MING ZHOU 58	13,370	1990 / USSR	BULKER	428	AS IS ZHOUSHAN / RE-DELIVERY CHATTOGRAM
SINOKOR AKITA	4,672	1998 / CHINA	CONTAINER	564	DELIVERED FULL SUB-CONTINENT OPTIONS.
SOL HIND	7,852	1996 / POLAND	CONTAINER	564	DELIVERED CHATTOGRAM
JIN YUAN SHENG 9	3,000	2007 / CHINA	MPP	490	DELIVERED CHATTOGRAM

Recycling Ships Price Trend





Insight

After an unsettled past week, markets in the Indian Sub-Continent are trying to calm down and find stability after price corrections. The recent market turbulence has shaken the market confidence, resulting in substantial losses for cash buyers who had previously acquired ships. Despite this setback, a majority of cash buyers are moving forward, selling off their existing inventories at a loss and engaging in fresh purchases at revised prices.

Ship owners have swiftly responded to the abrupt market decline, with many adopting a cautious stance. They have withdrawn their ships from the market, while some who anticipate an ongoing decline have begun to accept the newly offered prices.

Conversely, the imported ferrous scrap markets have witnessed a resurgence in buying interest. Steel mills are aiming to replenish their raw material supplies. This proactive approach aligns with the anticipation of renewed construction activities post-monsoon, ensuring that the mills are well-prepared to meet the demand for finished products.

On the Sale and purchase front, Chinese cash buyers have bought the bulker, which was on the Chinese public bidding online platform, a domestic trader called Ming Zhou 25, weighing 6,429 tons which was sold with all the expenses and basis crane removals at US$408/ton as is Zhoushan, China as well traditional cash buyers have bought the USSR built panamax "Ming Zhou 58" at USD428/ton levels. These are one of the latest as is where is sales after the price correction. It will be very interesting to see what they can achieve from the Chattogram markets eventually.

In addition, two container feeders, one of Sinokor Merchant Marine, container feeder built in 1998 in China weighing 4,672 tons, were reported sold at US$564/ton gross price to the same buyers who purchased the sister ship a week back called "Sinokor Tianjin" at US$600/ton gross price. The second feeder from Transworld Group managed, called the "Sol Hind" 1996 Polish built weighing 7,852 tons, was reported sold at US$565/ton for Bangladesh delivery.

These recent sales have established new benchmarks within the container ship market. As the industry progresses into September, with the anticipation of subsiding monsoon conditions, these transactions are expected to provide valuable insights into future pricing trends.

In the latest update of the FSO Safer, the UN-led effort has successfully removed more than a million barrels of crude oil from a decaying supertanker off Yemen, averting a major spill in the Red Sea.

This operation, following years of fundraising, involved pumping oil onto another vessel that started in July. Speaking later on Friday to U.N. News, Mr. Gressly reported that the oil on board the FSO Safer was in good condition, meaning that it could be sold – a process that will require negotiation between Yemen's warring sides. The second phase of the operation involves installing a mooring system so that the replacement vessel can remain in place.

The FSO Safer will eventually be towed to a recycling shipyard. The details and whereabouts are not yet decided, but likely chances are that the recycling will be done at a shipyard as discussions with UNDP were underway regarding concerns about her fragile condition if it adopts the beaching method.

Alang, India

A positive week for the Alang markets led by gradual improvements in the domestic ship scrap prices, which saw some minor corrections last week.

This week the ship prices have marginally improved due to rising domestic scrap prices and the limited availability of ships specifically for recycling in Alang. While on the other hand, the scenario has become repetitive, resembling a stuck record, with recyclers in Alang displaying a lack of urgency to acquire ships at any price point due to the prevailing sense of consistent instability. They would like to go slow and wait for the trend to form.

The domestic demand for scrap and sponge iron, the key ingredients in steel making, was seen improving due to semi-finished and finished steel products demand locally. The reflections on the ship recycling scrap prices have not improved much despite increasing demand.

Industry experts believe that post-monsoon, the markets may get even better as the supply of ships Alang centric has drastically reduced and inventories diminishing. The majority of ships that are being placed lately for recycling are mainly coming from Chinese owners, and such ships have their drawbacks for Indian markets due to restrictions on Chinese crew change and geographical positioning, taking away the Alang share of the markets.

Despite drastic price corrections, Bangladesh seems to be the only viable option for these Chinese-owned ships.

Anchorage & Beaching Position (August 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MSC ERMINIA	CONTAINER	17,695	17.08.2023	AWAITING
MSC LANA II	CONTAINER	10,611	12.08.2023	18.08.2023
NOVA FLORIDA	REEFER	3,347	04.08.2023	08.08.2023

Chattogram, Bangladesh

The market has experienced a period of calm, with no major sales reported to the end users. The majority of cash buyers have successfully divested the vessels they previously acquired at prices ranging from US$490 to 510/ton, resulting in notable losses. As the cash buyers clear up their ships in hand, fresh buying at prevailing prices has surfaced for September month deliveries.

The landscape in Bangladesh has undergone a transformation, where merely 25 ~ 30 shipbreaking yards remain actively operational out of 117 yards, and the active ship recyclers have dwindled to about 17. This shift has brought about changes in the business dynamics. The challenges, such as domestic ship scrap price volatility, the decline in local demand, and rising interest rates with limitations in foreign exchange availability, have prompted numerous recyclers to exit the industry gradually. Just a decade back, these figures were 70~80 yards with about 35 ~ 40 recyclers.

During the current week, a small break in the continuous decline of domestic ship scrap prices has been noticed, accompanied by a slight uptick. While this change is not enough to confidently indicate that the market has reached its bottom and from here, it will move up. What's essential now is a significant continuous rise in these prices that would act as a fundamental sign for the emergence of a clear trend in ship prices in the coming times.

On the other hand, the very crucial move by the Bangladesh Ship Breakers and Recyclers Association (BSBRA) this week has left markets in a confused state. The 12th Executive Committee Meeting of the Bangladesh Ship Breakers and Recyclers Association (BSBRA) took place on July 25, 2023. During the meeting, among several agenda items, there was a comprehensive discussion on the Inventory of Hazardous Materials (IHM) issue. All the members present at the meeting expressed the opinion that the IHM of imported vessels should be prepared by the sellers of the vessels as part of their responsibility.

Following an in-depth discussion, the Executive Committee of BSBRA reached a consensus and made the decision that, starting from August 31, 2023, the sellers of the vessels would be responsible for preparing the IHM. This provision should be included in the Memorandum of Agreement, and a copy of the IHM must be enclosed with the Notice of Readiness.

Industry participants are yet to seek clarity, and how this new term will be enforced is to be seen in the upcoming months. The debate of who will monitor the proper dismantling as per the IHM and handling such materials remains uncertain.

Anchorage & Beaching Position (August 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
VLADIMIR KOLECHITSKIY	TANKER	6,000	13.08.2023	AWAITING
PKS 1	GEN. CARGO	480	12.08.2023	AWAITING
SOL STRAITS	CONTAINER	7,770	12.08.2023	AWAITING
PILATUS 28	LNG	1,030	11.08.2023	AWAITING
VILLA DHAURU	REEFER	1,253	07.08.2023	AWAITING
ENO	WOOD CHIP	10,841	02.08.2023	AWAITING
WELL WIN	BULKER	8,939	11.07.2023	AWAITING
PSN	TANKER	870	31.07.2023	05.08.2023
FU SHENG	BULKER	10,780	21.07.2023	05.08.2023
SANTA	FISHING	803	26.07.203	04.08.2023
HONG DA XIN 18	CONTAINER	3,661	29.07.2023	03.08.2023
BEAUTY	BULKER	9,502	27.07.2023	03.08.2023

Gaddani, Pakistan

The Gaddani shipbreaking sector has experienced a week of muted activity following the initial sale of its first two ships. Other recyclers in the industry have opted for a cautious approach due to disparities between their pricing strategies and the current market conditions. According to certain recyclers, the appeal of alternatives like imported shredded scrap and semi-finished steel products, which offer better cost-effectiveness and stability, raises pertinent questions. With these alternatives in mind, some recyclers are questioning the logic of investing in ships, which inherently carry higher uncertainties.

While the rupee has experienced a significant decline in the last four days following the swearing-in of the caretaker prime minister, reaching a value of Rs.294.92 to a U.S. dollar in the interbank and Rs.302 in the open market. Financial market experts believe the economic fundamental would further weaken as an interim government cannot take long-term policy decisions.

Recyclers in Gaddani believe that given the current exchange rates and the value of the rupee, importing vessels is not a viable option. Moreover, the stringent conditions set by banks for opening Letters of Credit further compound the issue. It is anticipated that the Pakistani recycling market might close around US$ 500' ~ 490's levels in the coming weeks.

The underlying demand for ship scrap remains positive. Still, after being actively out of ship recycling for several months, the recyclers are not showing any desperation to buy ships until the prices align with the fundamental pricing of alternative scrap materials.

Anchorage & Beaching Position (July 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

The Turkish steel market has recently demonstrated notable activity, with a significant influx of scrap cargoes booked. Prices have exhibited a steady trend, maintaining a range between US$367 and US$370/ton.

This stability has engendered positive market sentiments and prompted expectations of increased demand and pricing for rebar in the coming period. The industry's proactive approach and market confidence hint at a promising outlook for the steel sector in Turkey.

As the ferrous scrap prices improve in Turkey, the effects are gradually visible in the scrap pricing in the Indian Sub-Continent markets as well. The coming weeks will be crucial to observe the price movements, which may give a solid boost as the prices try to climb the resistance levels of US$420/ton.

While the ship recycling markets remained stable, with no fresh sales reported.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh : 30 August ~ 02 September | 14 ~ 17 September

Alang, India : 28 August ~ 06 September | 14 ~ 21 September

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	640	560	889
HONG KONG	653	568	891
FUJAIRAH	632	523	947
ROTTERDAM	600	561	895
HOUSTON	625	535	930

EXCHANGE RATES			
CURRENCY	18th AUGUST	11th AUGUST	W-O-W % CHANGE
USD / CNY (CHINA)	7.27	7.23	-0.55%
USD / BDT (BANGLADESH)	109.45	109.44	-0.01%
USD / INR (INDIA)	83.18	82.77	-0.50%
USD / PKR (PAKISTAN)	296.92	288.31	-2.99%
USD / TRY (TURKEY)	27.09	27.04	-0.18%

Commodities

Insight

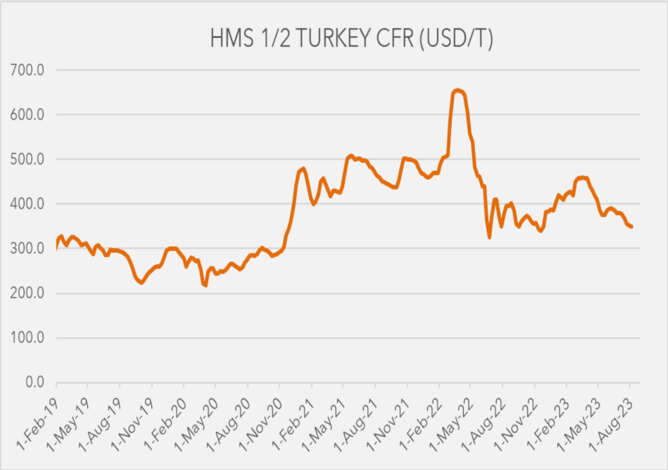
Industrial commodity markets experienced a turnaround this week as the industry took a fresh look at how China's property and economic downturn challenges would affect demand. Notably, **iron ore** futures saw an uptick due to optimism that the recently announced restrictions on Chinese steel production might have a relatively moderate impact. Despite reports of a 30% output reduction mandate for steel mills in Jiangsu province, it seems that this directive doesn't apply uniformly to the broader steel industry. Notably, major mills in regions like Hebei remain unaffected by such constraints.

Even with a considerable level of steel production recently, data suggests that Chinese inventories of rebar steel are still decreasing. The positive movement in iron ore prices had a ripple effect on the overall sentiment in the base metals sector.

Copper, which had hit a three-month low, rebounded. The strengthening of the renminbi also played a role, as Beijing urged state-owned banks to increase their involvement in the currency market. Investors are drawn by the potential of more stimulus measures alongside low inventory levels. In fact, net long positions for copper on the LME have reached a six-month high.

As of August 11, combined inventory in both the Shanghai Futures Exchange and Chinese bonded warehouses stood at 110,314 tons, marking a 53% decline compared to the previous year. The scarcity of copper inventory raises the possibility of sudden price spikes.

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)	109	+5.82%	+7.92%	103	101
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	107	+3.88%	+2.88%	103	104

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	373.15	+0.20	+0.05%	Dec 2023
3Mo Copper (L.M.E.)	USD / MT	8,235.50	+68.50	+0.84%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,145.50	+2.50	+0.12%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,298.00	+14.50	+0.63%	N/A
3Mo Tin (L.M.E.)	USD / MT	25,305.00	+239.00	+0.95%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	80.59	+0.20	+0.25%	Sep 2023
Brent Crude (ICE.)	USD / bbl.	84.19	+0.07	+0.08%	Oct 2023
Crude Oil (Tokyo)	J.P.Y. / kl	78,400.00	+150.00	+0.19%	Aug 2023
Natural Gas (Nymex)	USD / MMBtu	2.57	-0.06	-2.14%	Sep 2023

Note: all rates as at C.O.B. London time August 18, 2023

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