WEEKLY REPORT

WEEK 4 – January 28, 2024

For the past two months, tensions in the Red Sea have disrupted international trade on an unprecedented scale. This has led to increased costs for shippers globally, impacting regions as far as Asia and North America. The disruption has prompted sailors to demand higher pay as insurance rates have surged. Many are avoiding the route, which is a crucial waterway responsible for 12% of global seaborne trade.

The industry expects the disruption to continue for several months. This has increased transit periods, which has resulted in more inventory becoming entangled and production delays. Production in Europe has been halted by major manufacturers such as Volvo due to shortages of components.

The economic ramifications are increasingly becoming apparent, as evidenced by charges for goods. A major exporter of LNG, Qatar, is delaying shipments to Europe as a result of lengthy travel periods. Despite scant indications of inflation on a broader scale, Christine Lagarde of the European Central Bank warns of the potential dangers. Global trade routes are also being impacted by the crisis, as supply chain disruptions and potential energy price increases are causes for concern.

Considered more grievous in scope is the impact of the Red Sea crisis than the Ever Given incident in the Suez Canal in 2021. The current rerouting increases the distance travelled by approximately 40%, resulting in delays and difficulties in locating alternative modes of transportation. Some cargoes are being rerouted via air freight or alternative land routes in light of the crisis, resulting in consequential changes to worldwide logistics. The situation continues to be precarious, and if the disruption continues, there is a possibility of additional economic effects.

Dry Bulk

The Baltic Exchange's dry bulk sea freight index recorded a second consecutive weekly increase, driven by higher rates for smaller vessels offsetting weakness in the Capesize segment. The overall index rose by 1.3% to 1,518 points. Despite a nearly 5% decline in the BCI for the week, average daily earnings increased to US$17,708.

Suez Canal freight volumes dropped by 45% in the past two months, leading to diversions and disruptions in trading routes. Panamax and Supramax indices experienced gains, with optimism over China's economic support policies influencing traders. Meanwhile, the BPI rose by 0.4% to 1,696 points, and the BSI increased by 3.4% for its best week since December 1.

Capesize:

In response to the recent drop in international iron ore prices, Chinese importers increased demand for stockpiling, leading to a market rebound in the latter part of the week. Severe weather conditions in northern China affected ship supplies, causing disruptions and contributing to the market's recovery. The Pacific is experiencing downward pressure as the recovery of coal demand in East Australia is delayed. In Brazil, the narrow gap between charterers and shipowners is contributing to a lack of activity. T/A managed to hold levels at US$23,250 a day.

Panamax/Kamsarmax:

Brazil's grain harvest has increased ship demand, with a shortage of vessels heading from the Pacific to South America. Brazil's soybean and corn exports remain high in the Atlantic. Seasonal demand for South American destinations is expected to support the market, but restrained coal shipments in Asia may limit upward movement. T/A saw levels climb in the region of US$ 16,450's a day. In the Pacific, with NOPAC cargo continuing to drive ship demand, there is also an increase in coal demand from Indonesia, contributing to an upward trend. Pacific r/v rose to US$ 11,400's a day.

Supramax/Ultramax:

The Atlantic routes experienced a rebound, but market conditions remained subdued due to Pacific and USG weaknesses. The Black Sea experienced increased premiums due to military conflicts, while the Pacific region faced challenges with coal shipments. However, ship congestion is easing as the market tries to secure short-term bottoms. Pacific – India improved to US$ 8,500's a day. South American recovery also supports the market, with increased cargo intake ahead of the Chinese New Year.

Handysize:

The Atlantic market is stable with no significant supply changes, leading participants to gather bids and adopt a wait-and-see approach. T/A remains similar to last, with levels in the region of US$ 12,250's a day. In the Pacific, the tight ship supply in Northeast Asia is supporting the market, leading to an upward trend. Inter-Pacific levels are maintained at US$ 6,900's a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,518	1,503	676	+1.00%	+124.56%
BCI	2,135	2,244	534	-4.86%	+299.81%
BPI	1,696	1,550	1,054	+9.42%	+60.91%
BSI	1,065	1,030	650	+3.40%	+63.85%
BHSI	596	594	431	+0.34%	+38.28%

Dry Bulk Values

(*Weekly Average*)

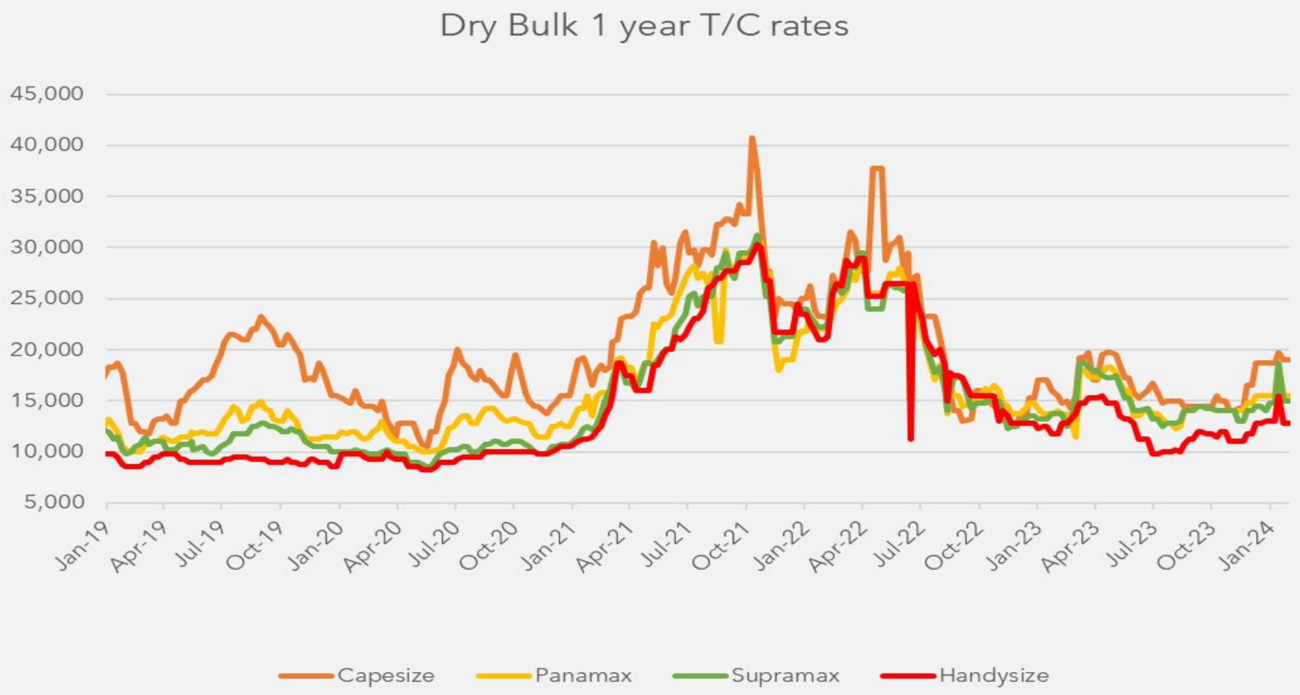
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	67	57	45	33	24
KAMSARMAX	82,000	35	35	28	22	16
SUPRAMAX	56,000	33	33	25	25	14
HANDY	38,000	25	27	20	15	11
**(amount in USD million)*						

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	19,000	19,000	15,500	0	+22.58%
PANAMAX	75,000	14,750	14,500	13,900	+1.72%	+6.12%
SUPRAMAX	58,000	14,250	13,000	13,750	+9.62%	+3.64%
HANDYSIZE	38,000	13,250	13,000	9,750	+1.92%	+35.90%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
KERVEROS	PMAX	76,602	2003	JAPAN	9.35	UNDISCLOSED
CP TIANJIN / CP GUANGZHOU	PMAX	63,541	2016	CHINA	23.8 EACH	CHINESE BUYERS
LAN HAI SHENG HUI / HAI YANG ZHI HUA	SMAX	56,616	2011	CHINA	12.3 EACH	EUROPEAN BUYERS
ISABELLA M	SMAX	56,056	2006	JAPAN	12.5	CHINESE BUYERS
AMARNATH	SMAX	53,169	2004	JAPAN	7.75	EUROPEAN BUYERS
RUI AN	HMAX	46,509	2001	JAPAN	6.7	UNDISCLOSED



Tankers

March West Texas Intermediate (WTI) crude oil futures have demonstrated resilience, managing a slight weekly gain despite various market pressures. Traders are closely monitoring key factors in Middle East tensions, U.S. production shifts, and global demand fluctuations to understand the current scenario and anticipate future trends in the oil market.

In the Middle East, recent geopolitical events, including Pakistan's strikes in Iran and subsequent actions, have increased tensions, raising concerns about the security of oil tankers in the Red Sea. Although global oil supplies have not been significantly disrupted, shipping costs have risen due to increased freight and insurance rates. The cautious normalisation of tanker routes through the Bab al-Mandab Strait suggests an easing situation, but volatility persists.

Concerns about the prolonged blockage in the Red Sea hinted at a surge in cost-push inflation. Recent developments confirm this, with the Baltic Exchange Clean Tanker rate skyrocketing to nearly US$100,000 a day on disruptions in the route. This surge is primarily seen in the shipping of fuel from the Middle East to Japan.

Data also reveal a significant impact on oil flows through the Bab-El-Mandeb, with disruptions since December 18, 2023. Oil tanker freight rates have risen, reflecting the challenges in transporting goods.

Overall, the freight industry is grappling with unprecedented challenges, and the situation is expected to evolve further in the coming weeks.

VLCC:

The Middle East/China route experienced a 6.4% weekly decline due to a lack of anticipated February cargoes. 270,000mt fell further to WS58. The conflict in the Red Sea has limited impact on the oil tanker market in eastern Suez, but increased uncertainty and navigability disruptions in the Suez Canal increase regional demand for domestically produced oil, driving up Brent prices. In the Atlantic, 260,000mt WAFR/China also fell to WS58.

Suezmax:

Following an early January rebound, the market enters a phase of correction. A decline was observed on the WAFR/Europe route as a result of an increase in cargo influx in the North Atlantic and a decrease in cargo influx in the U.S. during the latter part of the week. 130,000mt Nigeria/UKC fell by 28 points to WS109.

Aframax:

The decline in the segment this week was credited to weak demand along the MEG/SE Asia route. The week was, on the whole, less fruitful for Aframaxes. Despite initial difficulties for charterers regarding month-end positions, the UKC tonnage list remained accessible throughout the week. 80,000mt Cross-UKC remains unchanged at WS181.

Clean:

L.R.: LR2 saw a notable increase this week on the MEG/Japan route due to a decline in local ship supply and an increase in profit-taking trades. Profitable deals ensure business viability despite rising European gasoline prices. TC1 climbed some 100 points, reaching WS353. Expectations that vessels would bypass the Suez Canal resulted in a premium in bunker fuel freight costs. LR1 also saw similar big gains, with TC5 closing at WS379.

MR: With an increase in cargo intake in early February and relief from operational difficulties caused by bad weather, freight rates on the S. Korea/SGP route saw improvements this week, closing at WS23. In the Atlantic, there was some activity at the start of the week, but levels corrected midway. USG/UKC route remains at WS163.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,347	1,500	1,323	-10.20%	+1.81%
BCTI	1,358	945	659	+43.70%	+106.07%

Tankers Values

(Weekly Average)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	125	132	100	75	50
SUEZMAX	160,000	92	97	80	62	40
AFRAMAX	115,000	82	85	75	60	35
LR1	73,000	58	60	52	40	25
MR	51,000	50	54	44	35	24

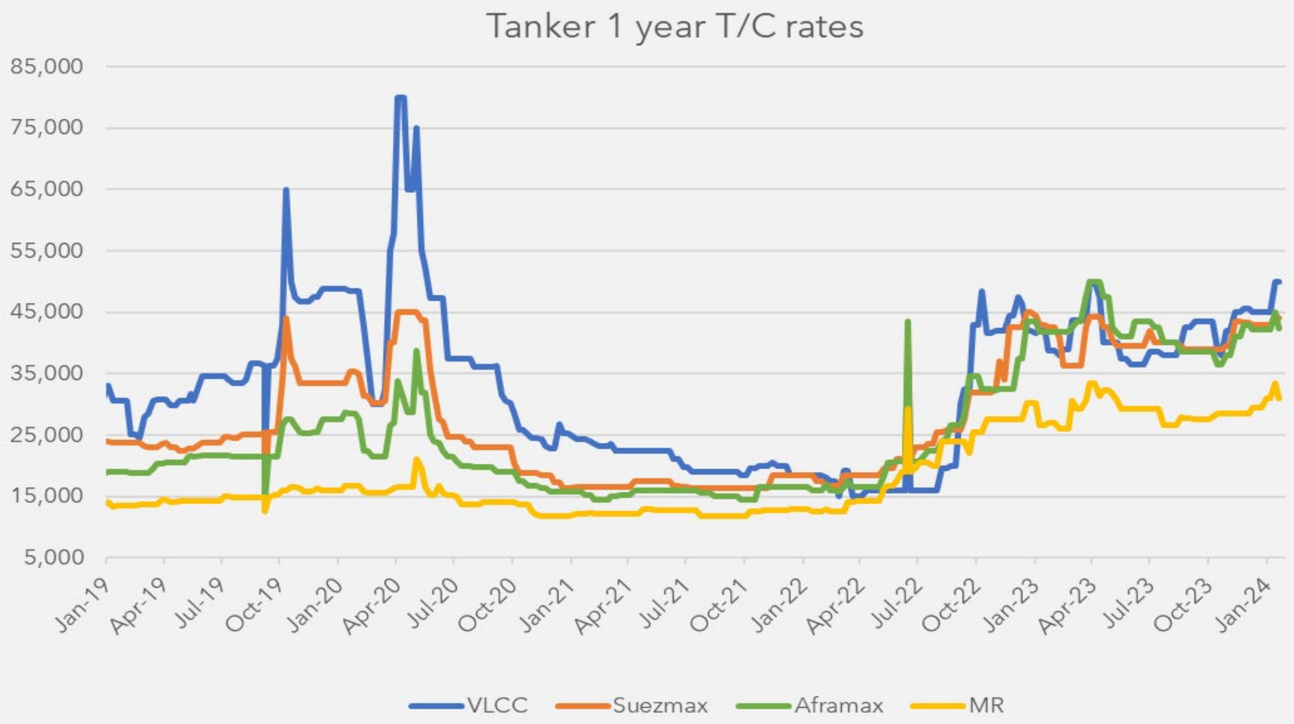
**(amount in USD million)*

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	45,250	45,250	38,750	0	+16.77%
SUEZMAX	150,000	44,250	44,250	42,500	0	+4.12%
AFRAMAX	110,000	42,000	43,000	41,750	+2.33%	+0.60%
LR1	74,000	32,750	32,750	35,500	0	-7.75%
MR	47,000	28,000	26,750	27,000	+4.67%	+3.70%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ESTHER SPIRIT / EVEREST SPIRIT	AFRA	115,444	2004	S. KOREA	24.0 EACH	IMS, GREECE
WONDER SIRIUS	AFRA	115,340	2005	S. KOREA	33.8	CHINESE BUYERS
MARE ORIENS	LR2	110,295	2008	JAPAN	42.0	CHINESE BUYERS
STI TRIBECA	MR	49,990	2015	S. KOREA	39.0	KKS LINE
PATEA	PROD / CHEM	16,651	2008	CHINA	13.0	BRYSTAD GROUP



Containers

Over 500 container ships, which typically use the Red Sea for transit to and from the Suez Canal, are now adding two weeks to their routes by circumnavigating the Cape of Good Hope at the southern tip of Africa. This rerouting accounts for approximately a quarter of the world's container shipping capacity.

The rapid increase in costs, not seen since the pandemic, is affecting various industries. Container prices from China to the Med have more than quadrupled since late November, while Container spot rates from Asia to U.S. and Europe continue to soar, reaching unprecedented levels.

This week, despite a modest downward trend on certain routes, container spot freight rates remained elevated due to the ongoing situation. SCFI index remains similar to the last w-o-w at 2,179 points.

On Transpacific routes, rates continued to rise; on the SCFI Shanghai USWC route, rates increased by 2% w-o-w to US$4,412/FEU, while the SCFI Shanghai-N. Europe route fell by 6% w-o-w to US$2,861/TEU.

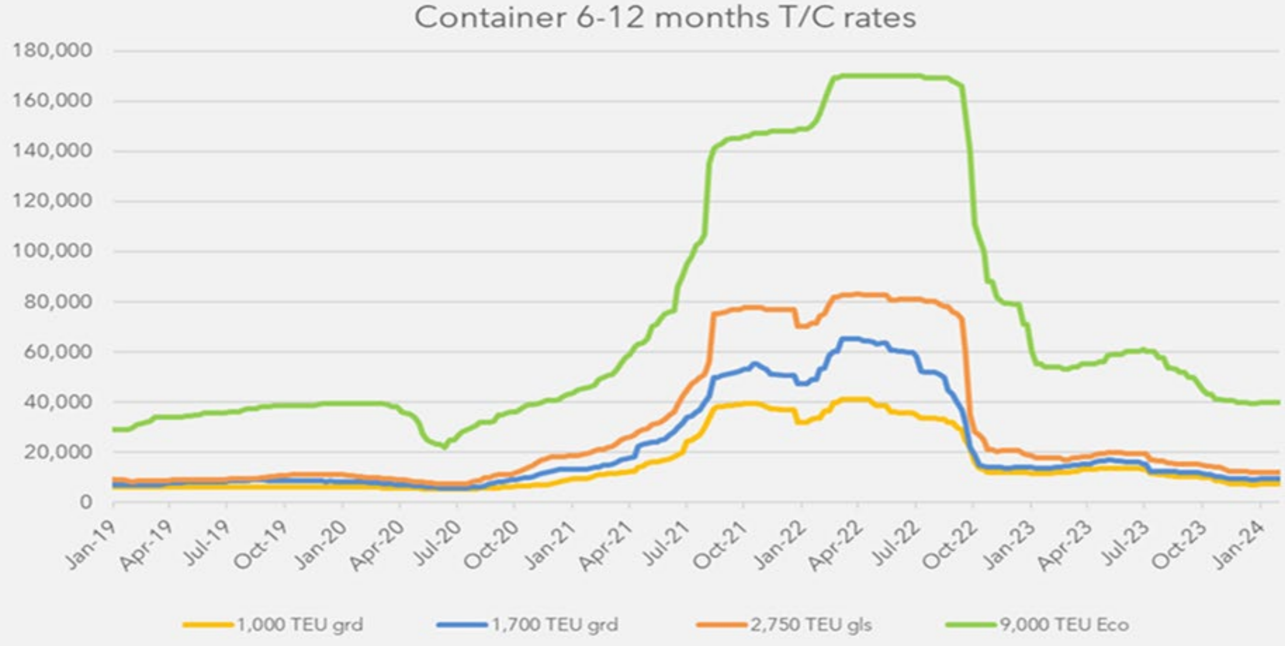
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
CTP DELTA	FEEDER	1,012	1993	POLAND	N/A	UNDISCLOSED
NCL HAUGESUND	FEEDER	657	2004	CHINA	N/A	FAR EASTERN BUYERS

Containers Values

(Weekly)

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	23	23	16	9	7
1,600 – 1,800	Geared	29	25	20	14	10
2,700 – 2,900	Gearless	41	36	28	15	12
5,500 – 7,000	Gearless	93	76	64	36	N/A
*(amount in USD million)						


Container 6-12 months T/C rates
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
1,000 TEU grd
1,700 TEU grd
2,750 TEU gls
9,000 TEU Eco

Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) .	500 ~ 510	470 ~ 480	480 ~ 490	510 ~ 520	STABLE /
*CHATTOGRAM, BANGLADESH	530 ~540	520 ~ 530	500~ 510	540 ~ 550	IMPROVING /
**GADDANI, PAKISTAN	530 ~ 540	520 ~ 530	510 ~ 520	540 ~ 550	STABLE /
TURKEY **For Non-EU ships. For E.U. Ship, the prices are about US$20-30/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 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

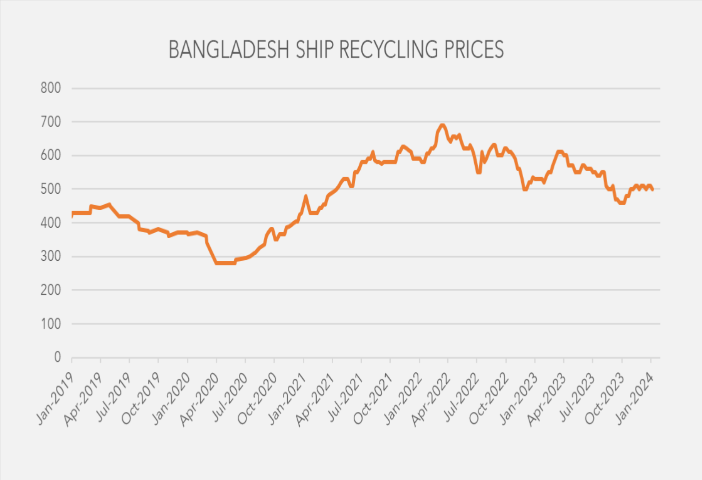
(Week 4)

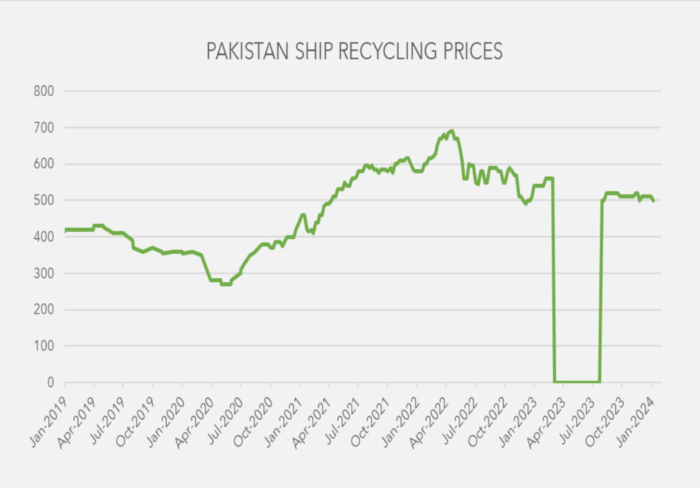
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	410	415	595	560
CHATTOGRAM, BANGLADESH	430	390	440	610	530
GADDANI, PAKISTAN	420	380	425	600	535
ALIAGA, TURKEY	250	240	240	330	325

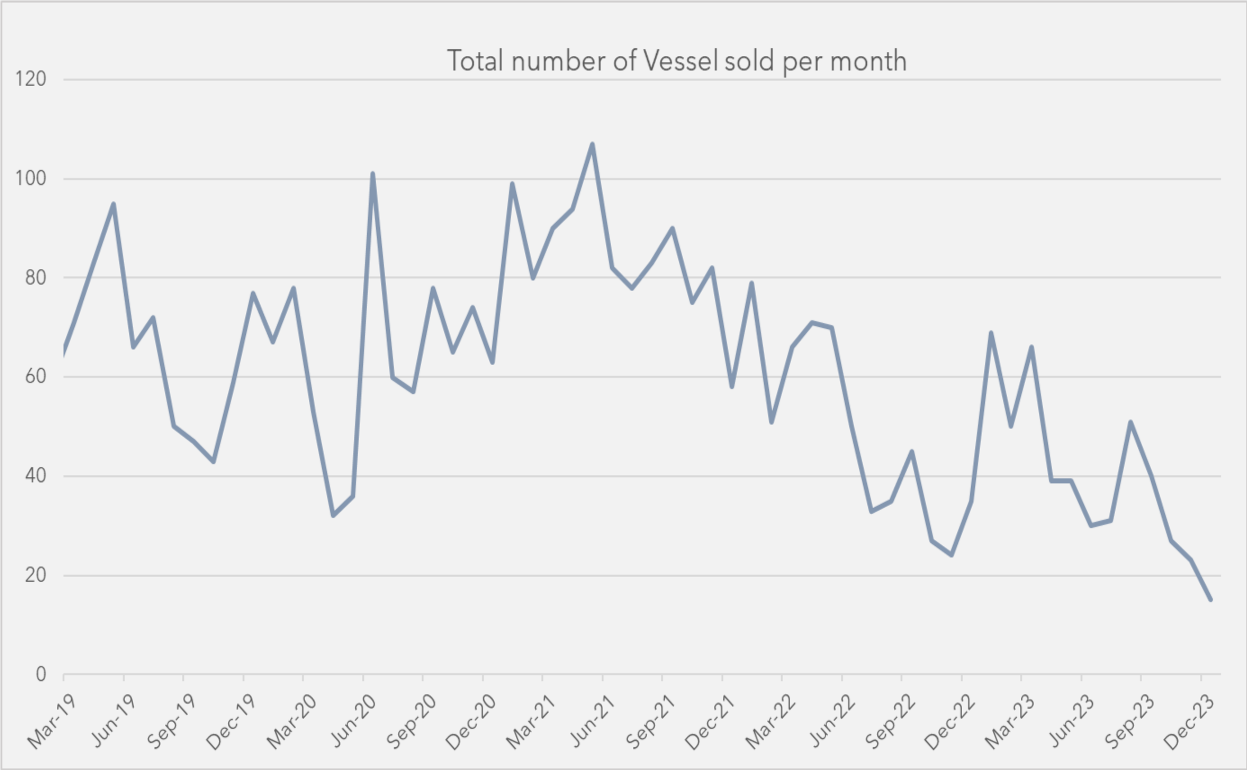
Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
XIN XING AN	5,113	1992 / JAPAN	BULKER	485	DELIVERED CHATTOGRAM

Recycling Ships Price Trend






Total number of Vessel sold per month
120
100
80
60
40
20
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
Jun-22
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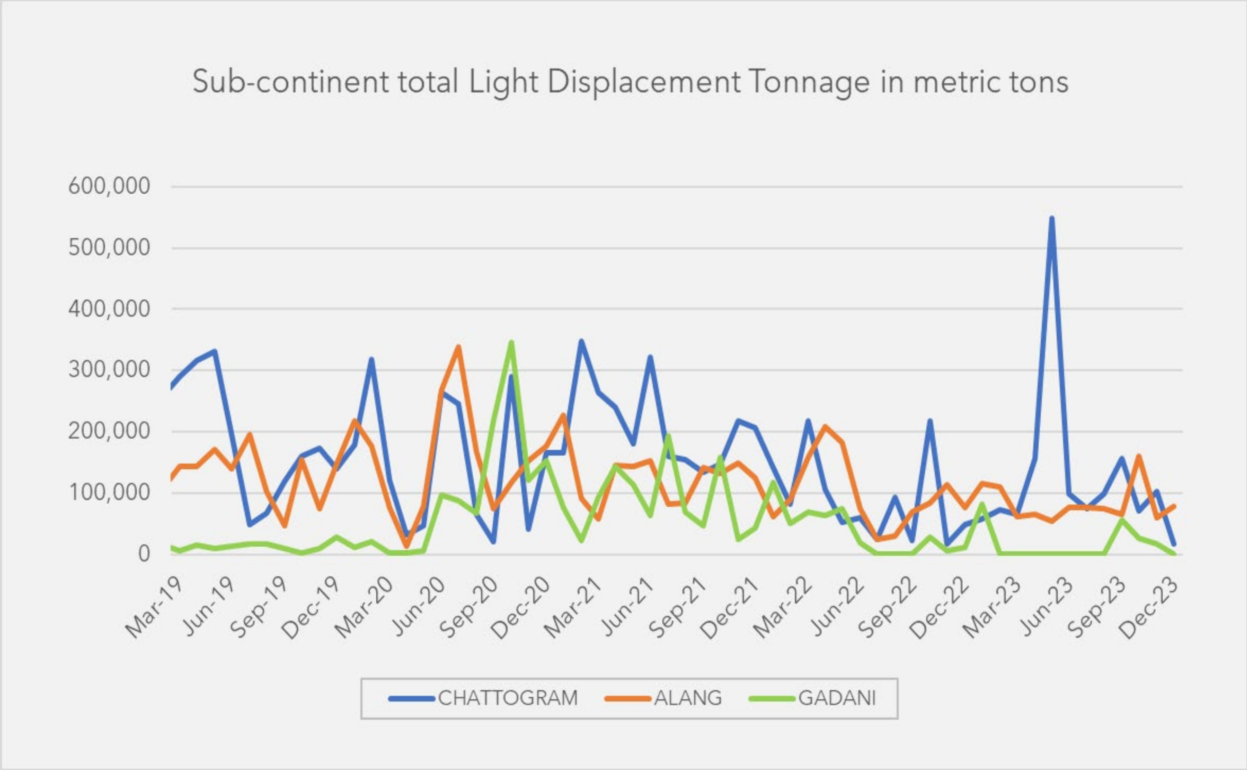
Jun-23
Sep-23
Dec-23


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
Jun-22
Sep-22
Dec-22
Mar-23
Jun-23
Sep-23
Dec-23
CHATTOGRAM
ALANG
GADANI

Insight

The markets in the Sub-Continent, notably in Chattogram and Gadani, witnessed a notable upturn in sentiment, resulting in improved price levels. However, Alang's market remained relatively subdued during this period.

This week, Deputy Commissioner of Maritime Affairs for the Republic of the Marshall Islands, Nicholas Makar, deposited the instrument of accession for the Hong Kong International Convention for Safe and Environmentally Sound Recycling of Ships (HKC) with IMO secretary-general Arsenio Dominguez in London. The Marshall Islands Registry is the second largest in the world by gross tonnage.

As of now, HKC has been ratified by 24 states, representing approximately 45.81% of the world's merchant shipping gross tonnage. This convention will enter into force on June 26, 2025.

BIMCO has emphasised the need for the E.U. and its member states to align their ship recycling rules with the HKC. EU-SRR currently has a whitelist of approved ship recycling facilities, and BIMCO calls for harmonisation to avoid prohibiting ships from being recycled at yards meeting HKC standards.

So far, E.U. has not accepted South Asian yards on its whitelist, mainly due to the Basel Convention's "Ban Amendment". However, a recent agreement between the European Parliament and the Council on exports of hazardous waste could pave the way for aligning international rules.

As older tonnage is expected to flood recycling facilities in the next decade, the demand for sustainable shipbreaking capacity is likely to increase.

Alang, India

This week in India, the nation has been engrossed in celebrating various holidays, including the landmark 75th Republic Day on January 26. These national festivities seem to have had an impact on the ship recycling market, particularly in Alang. Alang Buyers have been persistently offering the lowest recycling rates among all the sub-continent ship recycling destinations. This trend has raised concerns as it poses a sustainability challenge for India's ship recycling sector in the long run.

Amid a subdued market sentiment, Alang recyclers have largely chosen to stay on the sidelines, eagerly seeking opportunities to bid on eco-friendly recycling tonnages. Many of them are grappling with the challenge of maintaining costly inventories, attempting to balance their books in the current economic climate.

Lately, the Alang waterfront has seen a notable influx of fresh arrivals this week, further underscoring the market's resilience. In a surprising turn of events, local fundamentals have remained stable, with both local steel plate prices and the Indian Rupee ending the week nearly unchanged compared to their closing levels from the previous week.

Anchorage & Beaching Position (January 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
TOMSON GAS	LPG	1,990	25.01.2024	AWAITING
ICE RIVER	REEFER	6,985	25.01.2024	AWAITING
MSC JEMIMA	CONTAINER	12,677	24.01.2024	AWAITING
GREEN FREEZER	REEFER	2,987	22.01.2024	AWAITING
VILIGA	FISHING	804	18.01.2024	AWAITING
SAS 4	TUG	935	16.12.2023	AWAITING
AT MIDDLE BRIDGE	GENERAL CARGO	3,406	12.01.2024	19.01.2024
ARKAY AB 12	DUMB BARGE	779	19.01.2024	18.01.2024
ARKAY AB 11	DUMB BARGE	788	16.01.2024	16.01.2024
PROLIV LONGA	FISHING	1,270	04.01.2024	13.01.2024
ZE LENG	REEFER	7,007	09.01.2024	12.01.2024
MSC UMA	CONTAINER	10,455	11.01.2024	13.01.2024
MSC SOPHIE	CONTAINER	13,616	10.01.2024	13.01.2024
SOL	CONTAINER	3,870	05.01.2024	11.01.2023
ONYX 1	CONTAINER	10,643	04.01.2024	10.01.2024
WHITE PALM	TUG	762	16.12.2023	08.01.2024

Chattogram, Bangladesh

This week marked a notable shift in market sentiment, with prices showing signs of improvement following the recent elections. However, it is premature to label it as a return to a normal market state. Banks are still deliberating their decisions, and L.C.s continue to be in limited supply.

Meanwhile, domestic ship prices remained steady, contributing to a sense of optimism within the industry.

Chinese ship owners have put forward numerous vessels for consideration by Bangladeshi recyclers, generating significant enthusiasm among the recyclers. Experts anticipate a surge in activity after the Lunar New Year, potentially reshaping pricing dynamics. The limited number of recyclers remaining in the industry to compete for these opportunities could substantially impact pricing, making this development a potential game-changer.

Anchorage & Beaching Position (January 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
P DELTA	CONTAINER	5,256	24.01.2024	AWAITING
SINGHPUR	TUG	348	23.01.2024	AWAITING
SONG	BULKER	11,247	20.01.2024	AWAITING
YI CHENG 58	MPP	4,301	16.01.2024	AWAITING
SAMBONG 3	GEN. CARGO	2,570	18.01.2024	25.01.2024
DUTA 1	RORO	5,913	09.01.2024	18.01.2024
YONG FENG	TANKER	2,055	12.01.2024	17.01.2024
GENERAL RUMOLO	CONTAINER	2,533	03.01.2024	17.01.2024
JIN HAI XI	CONTAINER	5,931	02.01.2024	13.01.2024
WEST OCEAN 12	GEN.CARGO	1,733	23.12.2023	11.01.2024

Gadani, Pakistan

It has been yet another quiet week for Gadani recyclers, with no ships being offered to them. Bangladesh has been dominating the competition for ships coming from the Far East, leaving Gadani without much activity.

In a positive development, the L.C. situation in Pakistan has gradually improved. Banks are now willing to establish L.C.s with more favourable terms, a change that has been welcomed by recyclers. This shift comes as the local currency, which experienced turbulence over the past year, has finally stabilised in recent months. This stability has instilled confidence in the industry.

The primary challenge at present remains the supply of ships. Despite competitive pricing that matches their counterparts in Bangladesh, Gadani recyclers continue to face disappointment. Geographical factors are working against them, as ships are being diverted away from their yards, causing frustration among the eager recyclers.

Financial experts anticipate that the rupee is unlikely to depreciate further in the remainder of the fiscal year due to prevailing inflationary pressures. The exchange rate has remained stable, with the rupee valued below Rs280 against the U.S. dollar, though some analysts suggest it may reach Rs310 by year's end. However, widespread inflation concerns dominate economic priorities, leading to a focus on controlling inflation rather than fostering growth. The upcoming general elections in February add to economic uncertainty.

Anchorage & Beaching Position (January 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SSL DELHI	CONTAINER	10,669	16.01.2024	23.01.2024
TUNE	BULKER	9,986	16.01.2024	25.01.2024
G HARMONY	GENERAL CARGO	11,312	06.01.2024	13.01.2024

Aliaga, Turkey

Most Turkish mills have maintained their domestic scrap buying prices without any changes since the previous week. Imported scrap prices, however, have not seen a recovery despite fresh bookings.

While discussions were ongoing, suppliers raised their target values. Most U.S. suppliers consider levels below US$425-430/t CFR or HMS 1&2 80:20 unworkable. Demand in major destinations like Yemen and Israel is subdued, with no significant recovery expected.

Turkish shipbreaking scrap levels were seen at US$375-413/t delivered.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 27 ~ 30 January | 11 ~ 14 February

Alang, India : 23 ~ 30 January | 8 ~ 15 February

Sub-Continent and Turkey ferrous scrap markets insight

Global ferrous scrap prices have seen a decline this week, with several factors affecting markets in South Asia. In India, the gap between domestic and imported scrap prices has deterred buyers, making domestic scrap more economically appealing. Buyers are holding off until the price differential becomes more favourable. Turkish imported scrap prices have also dipped due to uncertain price trends and sufficient inventories, reducing the urgency for re-stocking. However, the potential exists for a price premium if buyers commit to procuring 40 cargoes.

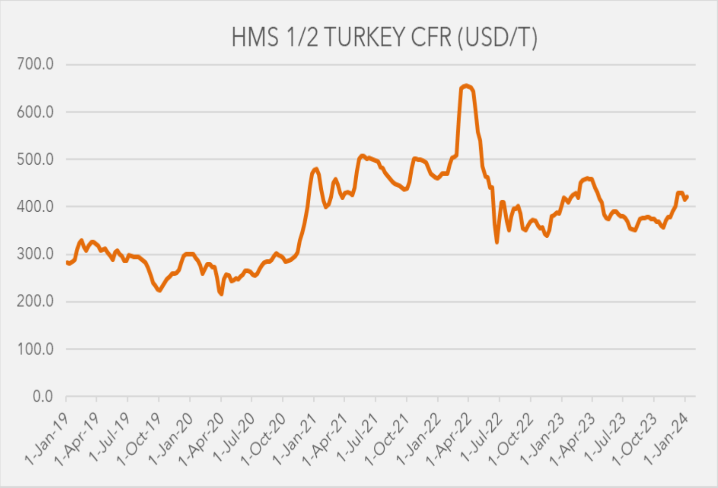
Meanwhile, in Pakistan, the market has remained sluggish due to a slowdown in domestic finished steel production ahead of the February elections. Bangladesh has also experienced a slowdown in its imported ferrous scrap market, partly due to recent elections and a persistent dollar crisis.

The global dynamics in the ferrous scrap market are influenced by a complex interplay of factors, including domestic vs. imported pricing, political events, and economic conditions in these key South Asian markets.

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	655	461	805
HONG KONG	682	483	806
FUJAIRAH	633	433	902
ROTTERDAM	581	453	796
HOUSTON	616	460	820

EXCHANGE RATES			
CURRENCY	JANUARY 26	JANUARY 19	W-O-W % CHANGE
USD / CNY (CHINA)	7.15	7.13	-0.28%
USD / BDT (BANGLADESH)	109.60	109.78	+0.16%
USD / INR (INDIA)	83.12	83.10	-0.02%
USD / PKR (PAKISTAN)	279.65	280.09	+0.16%
USD / TRY (TURKEY)	30.32	30.20	-0.40%

HMS 1/2 & Tangshan Billet



Commodities

China's decision to reduce its reserve ratio requirement (RRR) has had a positive impact on market sentiment, with various economic support measures contributing to this boost. The weakening of the U.S. dollar has also played a role in bolstering investor confidence.

In particular, the base metals sector, led by **copper**, saw significant gains as Beijing introduced plans to increase liquidity within its banking system. China's central bank governor, Pan Gongsheng, announced a 0.5 percentage point reduction in China's reserve ratio requirement, which is expected to inject CNY1 trillion of long-term liquidity into the market. Additionally, there are growing expectations that Chinese authorities may implement a comprehensive set of measures to stabilise the struggling equity market, potentially amounting to CNY2 trillion, primarily sourced from offshore accounts of Chinese state-owned enterprises.

Furthermore, the market's optimism extended to the **iron ore** sector, where futures surged by more than 2%. This surge was driven by hopes that the reduction in China's RRR would stimulate activity in the country's construction sector. However, it's worth noting that inventory data suggests that demand in the iron ore market remains relatively weak. According to data from the China Iron and Steel Association, stockpiles of steel at major Chinese steel mills increased by 6.7% to 15.4 million metric tons in mid-January compared to early January.

Overall, these developments have been influenced by a combination of economic measures, a weaker U.S. dollar, and expectations of improved market conditions, despite ongoing concerns about supply disruptions in various metals, including copper, aluminium, nickel, and zinc.

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)	136	+3.81%	+7.08%	131	127
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	138	+4.54%	+14.04%	132	121

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	385.20	-1.70	-0.44%	Mar 2024
3Mo Copper (L.M.E.)	USD / MT	8,545.50	-23.00	-0.27%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,274.50	+36.00	+1.61%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,577.50	-2.50	-0.10%	N/A
3Mo Tin (L.M.E.)	USD / MT	26,664.00	+16.00	+0.06%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	78.01	+0.65	+0.84%	Mar 2024
Brent Crude (ICE.)	USD / bbl.	83.55	+1.12	+1.36%	Mar 2024
Crude Oil (Tokyo)	J.P.Y. / kl	72,550.00	+350.00	+0.48%	Jan 2024
Natural Gas (Nymex)	USD / MMBtu	2.71	+0.14	+5.48%	Feb 2024

Note: all rates as at C.O.B. London time January 26, 2024

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