



# WEEKLY REPORT

## WEEK 7 – February 17, 2024

This week, two major economies, Japan and the UK, have entered recession in the latter half of 2023. Japan's unexpected downturn, marked by a 3.3% contraction in the previous quarter, has led to the loss of its status as the world's third-largest economy to Germany. Economists had anticipated Japan's GDP to grow by over 1% in the fourth quarter, but the latest figures suggest otherwise.

Meanwhile, the UK's GDP declined by 0.3% in the last quarter of the year, ahead of the expected election for PM Rishi Sunak, who pledged to stimulate growth. The Sterling weakened against major currencies, sparking speculation of interest rate cuts by the Bank of England. Both countries' recessions are forecasted to be short-lived but carry significant political implications.

Japan's economy, worth about USD4.2 trillion in 2023, faces challenges due to a weak yen against the dollar. In the UK, the Conservatives, historically trusted for economic competence, face scrutiny as Labour gains traction on economic issues ahead of the upcoming election.

While in China, as the nation struggles with economic challenges, a resurgence in travel during the Lunar New Year holiday offers a glimmer of hope for its consumer spending. Official reports indicate over 61 million rail trips in the holiday's first six days, a 61% increase from 2023. Frederic Neumann, chief Asia economist at HSBC Holdings Plc., notes that spending indicators have surpassed expectations, albeit against a low bar set by last year's Covid-19 outbreak.

This uptick in travel coincides with deflationary pressures and a property crisis dampening economic confidence. Initial data suggests improvements in road and air trips, with hotel sales on e-commerce platforms surging over 60% from the previous year. Shanghai saw a significant increase in tourist numbers, while Meituan's online platforms witnessed a 36% jump in average daily consumer spending, indicating a potential recovery in consumer sentiment amidst economic uncertainties.

## Dry Bulk

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In the dry bulk segment this week, Baltic Exchange's dry bulk index slipped midweek after three consecutive days of gains, mainly due to lower rates for Capes despite increases in the Panamax and Supramax.

BDI fell by 3 points to 1,582 points, while Cape segment rates fell by 40 points to 2,436 points, with average daily earnings decreasing to US\$20,201. Panamax rates reached a two-week high, rising by 32 points to 1,582 points, with daily earnings up to US\$14,237. Supramax rates increased by 5 points to 1,052 points.

This year of the Dragon has seen Capesize owners marking a significant milestone with spot rates reaching 15-year highs, where seasonally is a quiet one for this time of the year. Due to a lack of vessel supply in the western hemisphere, the Atlantic market has been mainly responsible for this performance.

### **Capesize:**

Despite increased coal inflows from Eastern Australia, the Pacific Ocean market is still declining due to an abundance of ship supply. Pacific r/v fell to US\$17,350's a day. In Brazil, market sentiment remains low as there has not been a significant increase in iron ore shipments, leading to a buildup of vessel supply. Meanwhile, the North Atlantic market continues to strengthen due to increased demand. T/A close around US\$22,000 a day.

### **Panamax/Kamsarmax:**

The North Atlantic market is experiencing an upward trend as South American new crop cargoes drive ship demand across the region. T/A closed higher at US\$ 15,150 a day. In the Pacific, while demand for NOPAC cargo influences local market conditions, there is also a slight increase in shipments from Australia and Indonesia, contributing to the upward trend. Pacific r/v routes fared well, with levels closing around US\$11,900's a day.

### **Supramax/Ultramax:**

In the Atlantic, there is a gradual buildup of ships in the area, attributed to the limited influx of new demand. Meanwhile, conditions in the Pacific improved slightly, especially as most market participants have returned from their holidays. Pacific – India route fared well, climbing higher to US\$ 7,750 a day at the week's closing.

### Handysize:

The Atlantic market maintains a stable balance with no significant fluctuations. Rates for T/A settle around US\$10,500's a day, falling just slightly from last. Meanwhile, in the Pacific, there is a noticeable uptick in demand, particularly driven by recovery efforts in Indonesia, indicating a continuing upward trend. Inter Pacific climb to the region of US\$6,800's a day.

### Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,610	1,545	538	+4.21%	+199.26%
BCI	2,448	2,381	271	+2.81%	+803.32%
BPI	1,646	1,509	811	+9.08%	+102.96%
BSI	1,071	1,053	695	+1.71%	+54.10%
BHSI	572	568	438	+0.70%	+30.59%

### Dry Bulk Values

(Weekly Average)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	67	74	57	37	25
KAMSARMAX	82,000	35	40	34	26	16
SUPRAMAX	56,000	33	38	31	25	15
HANDY	38,000	30	33	27	19	12

\*(amount in USD million)

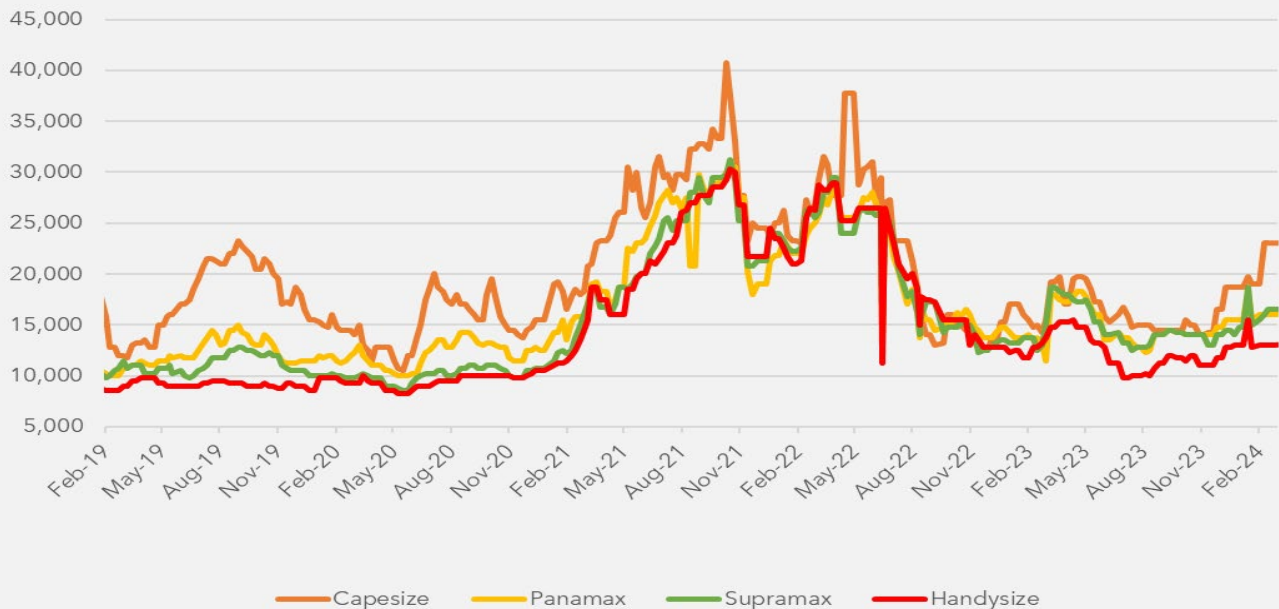
### Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	23,000	21,000	14,350	+9.52%	+60.28%
PANAMAX	75,000	15,000	16,000	13,200	-6.25%	+13.64%
SUPRAMAX	58,000	15,000	15,000	12,750	0	+17.65%
HANDY SIZE	38,000	13,250	13,000	10,150	+1.92%	+30.54%

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
SOLAR PRIDE / SOLAR QUANTUM / SOLAR NOVA / SOLAR OAK	VLOC	209,471 ~ 208,892	2021	CHINA	65.0 EACH	THENAMARIS
BULK SEOUL / BULK SHANGHAI	VLOC	207,992	2019	CHINA	127.5 EN BLOC	GREEK BUYERS
KONOKAWA MARU	CAPE	181,392	2013	JAPAN	34.0	GREEK BUYERS
ATHENIAN PHOENIX	CAPE	179,223	2009	S. KOREA	23.5	EUROPEAN BUYERS
FPMC B 102	POST PMAx	104,990	2011	CHINA	16.5	UNDISCLOSED
AM TUBARAO / AM GHENT	POST PMAx	93,225	2011	CHINA	14.9 EACH	CHINESE BUYERS
RISING LOONG	POST PMAx	91,439	2002	JAPAN	10.0	UNDISCLOSED
IONIC KATANA	KMAX	82,936	2005	JAPAN	13.3	CHINESE BUYERS
YASA FORTUNE	KMAX	82,849	2006	JAPAN	12.65	CHINESE BUYERS
NAVIOS HARMONY	KMAX	82,790	2006	JAPAN	12.2	UNDISCLOSED
GREAT VENTURE	PMAx	77,283	2008	JAPAN	14.0	CHINESE BUYERS
OINOUSSIAN VIRTUE	PMAx	76,696	2008	JAPAN	12.5	GREEK BUYERS
MARITSA	PMAx	76,015	2005	JAPAN	12.2	UNDISCLOSED
OCEAN VENUS	UMAX	61,464	2012	JAPAN	20.8	GREEK BUYERS
SSI CHALLENGER	SMAx	56,042	2004	JAPAN	10.7	CHINESE BUYERS
SUPER HENRY	SMAx	55,430	2008	JAPAN	15.0	INDONESIAN BUYERS
JAKOB SELMER	HANDY	34,954	2011	CHINA	12.0	GREEK BUYERS
NORDIC BC MUNICH	HANDY	34,827	2012	CHINA	13.95	UNDISCLOSED

## Dry Bulk 1 year T/C rates



## Tankers

Oil prices have remained within a narrow range as concerns about weak fundamentals and recession fears outweigh geopolitical tensions. Standard Chartered analysts suggest that the oil market is discounting geopolitical risks and that fundamentals are better than perceived. They note a significant improvement in oil balances compared to the previous year, indicating a tighter market than current prices reflect.

The global oil surplus in January, while typical for the month, is considerably smaller than historical averages, with predictions of a deficit by February.

In the U.S., weekly data also reflect an improving oil balance. The EIA is even more pessimistic, forecasting negative growth in U.S. crude production as early as September.

Several analysts foresee limited downside for oil prices and predict a rally in the coming months. J.P. Morgan anticipates a USD10 increase in oil prices by May, assuming OPEC+ leaders ease production cuts from April.

Positive signs include decreasing crude shipments and improving global economic indicators. Additionally, recent data show larger-than-expected drawdowns in gasoline and distillate inventories, further supporting a bullish outlook.

Despite the data above, the strong performance of the crude tanker market indicates a delicate balance, given the relatively low trade flows.

There is optimism for continued strength in spot VLCC rates in the near term, supported by vessel positions and remaining cargoes, especially with the resurgence of US Gulf exports to Asia, which significantly boosts tonne-mile demand.

### **VLCC:**

VLCC segment saw good traction this week favoring the owners despite the holidays in the East. MEG to China saw a big jump for 270,000mt climbing to WS89 at closing. The same was seen on the other side of the basin, with WAFR/China seeing 18 points climb to WS85.

### **Suezmax:**

Despite the holidays and geopolitical tensions, rates in the Med remain steady with trips to CPC closing at WS128 for 135,000mt. WAFR routes saw a slight decline with UKC trips settling lower at WS113 after a soft start to the week. Overall, the outlook remains positive with room for improvements next week.

### **Aframax:**

There was a mixed market this week for the segment, with rates for the Med seeing a big jump, climbing to WS187 on the Ceyhan to Lavera route. On the UKC, it was a quiet one, highlighted by a lack of activity in the region. 80,000mt cross-UKC close lower around WS161.

### **Clean:**

LR: The LR1 segment saw subdued activity and an ample tonnage list as rates saw a decline at closing. 55,000mt MEG to Japan fell 46 points to WS246. LR2 also saw a similar decline in the MEG, with TC1 falling to WS246.

MR: MR rates stayed firm in the USG, encouraging a few ballasters destined for Europe to redirect back to the US. TC14 climbed to WS185. UKC also saw a positive week, with rates

seeing an upward climb. TC19 climbed some 36 points to WS272.

## Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,341	1,268	1,261	+5.76%	+6.34%
BCTI	1,129	1,126	1,084	+0.27%	+4.15%

## Tankers Values

(Weekly Average)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	128	139	109	80	57
SUEZMAX	160,000	85	98	83	65	45
AFRAMAX	115,000	71	83	72	58	41
LR1	73,000	58	63	53	43	30
MR	51,000	48	53	45	38	26

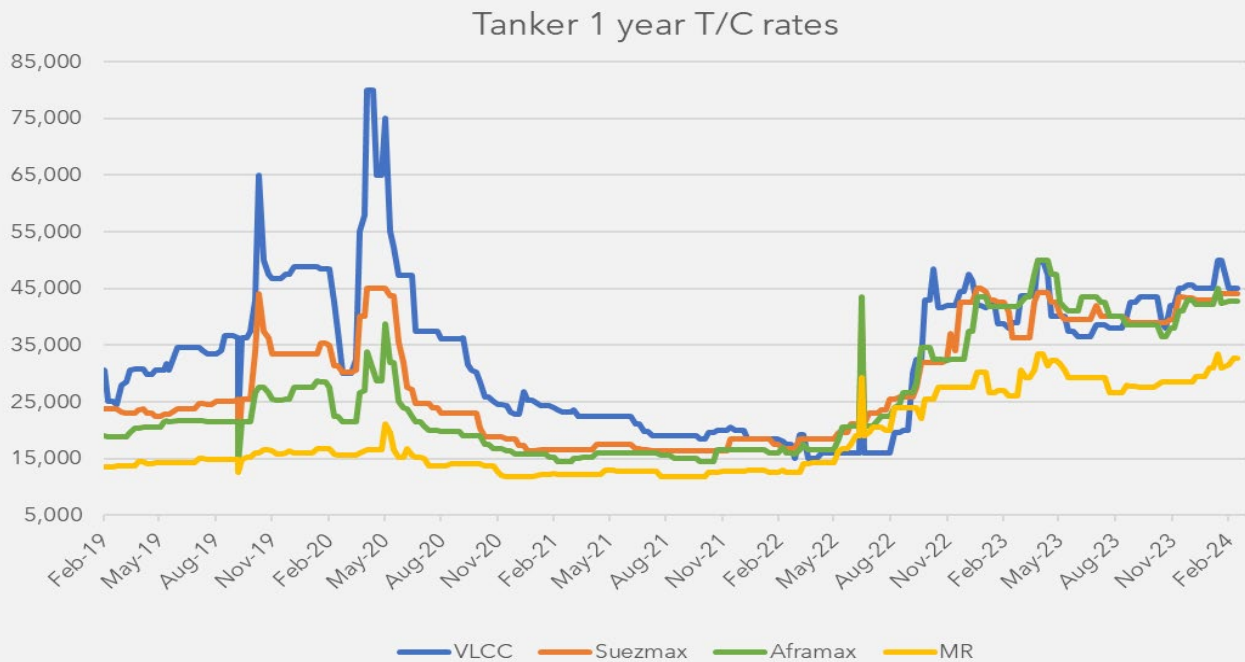
\*(amount in USD million)

## 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	45,000	39,000	+0.56%	+16.03%
SUEZMAX	150,000	44,250	44,000	36,250	+0.57%	+22.07%
AFRAMAX	110,000	43,000	42,750	41,750	+0.58%	+2.99%
LR1	74,000	41,500	42,000	35,500	-1.19%	+16.90%
MR	47,000	29,000	32,000	26,000	-9.38%	+11.54%

## Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
TRF HORTEN	VLCC	297,638	2018	PHILIPPINES	102.0	CHINESE BUYERS
POLAR ACE / POLAR BRIGHT	LR2	109,999	2018	S. KOREA	131.0 EN BLOC	UNDISCLOSED
MTM COLORADO	MR	51,319	2004	S. KOREA	15.0	CHINESE BUYERS
HANSA OSLO	MR	51,215	2007	S. KOREA	22.5	MIDDLE EASTERN BUYERS
GH AUSTEN	MR	50,319	2009	CHINA	22.8	UNDISCLOSED
ARDMORE SEAFARER	MR	50,093	2010	JAPAN	27.25	INDIAN BUYERS
DONG-A TRITON	MR	49,997	2015	S. KOREA	37.5	GREEK BUYERS
CAPE CAMDEN / CAPE CORFU	MR	37,791	2009	S. KOREA	22.0 EACH	GREEK BUYERS
VULCANO M	PROD / CHEM	21,297	2004	SPAIN	12.4	UNDISCLOSED





## Containers

This week, spot container freight rates remained elevated as a result of ongoing disruptions in the Red Sea. Far East to Europe fares remained more than three times the level observed at the start of December.

In the 2,750 TEU, 6-12 months TC saw rates jump by almost US\$2,500 within the last 2 weeks, while 9,000 TEU saw rates improve by almost US\$3,000. This week also saw SNP sales continue to pick up, with interest in older units seeing much interest. The segment is expected to continue the upward trajectory in the coming weeks.

### Containers S&P Report

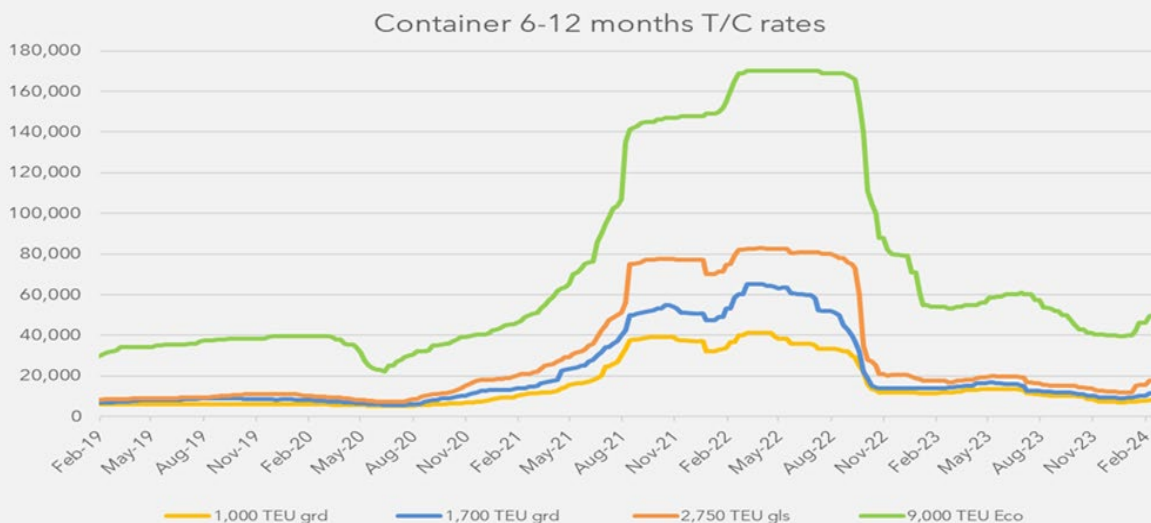
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
JACK LONDON / JONATHAN SWIFT	PMAX	4,249	2010	CHINA	17.6 EACH	MPCC
HERMANN SCHEPERS	FEEDER	1,025	2003	ROMANIA	3.0	TURKISH BUYERS

### Containers Values





(Weekly)

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
900 – 1,200	Geared	24	24	17	12	7
1,600 – 1,800	Geared	29	26	20	16	11
2,700 – 2,900	Gearless	41	38	29	19	13
5,500 – 7,000	Gearless	94	80	67	37	24

\*(amount in USD million)



## 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	WEAK / 
*CHATTOGRAM, BANGLADESH	530 ~540	520 ~ 530	500~ 510	540 ~ 550	STABLE / 
**GADDANI, PAKISTAN	530 ~ 540	520 ~ 530	510 ~ 520	540 ~ 550	STABLE / 
TURKEY <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 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

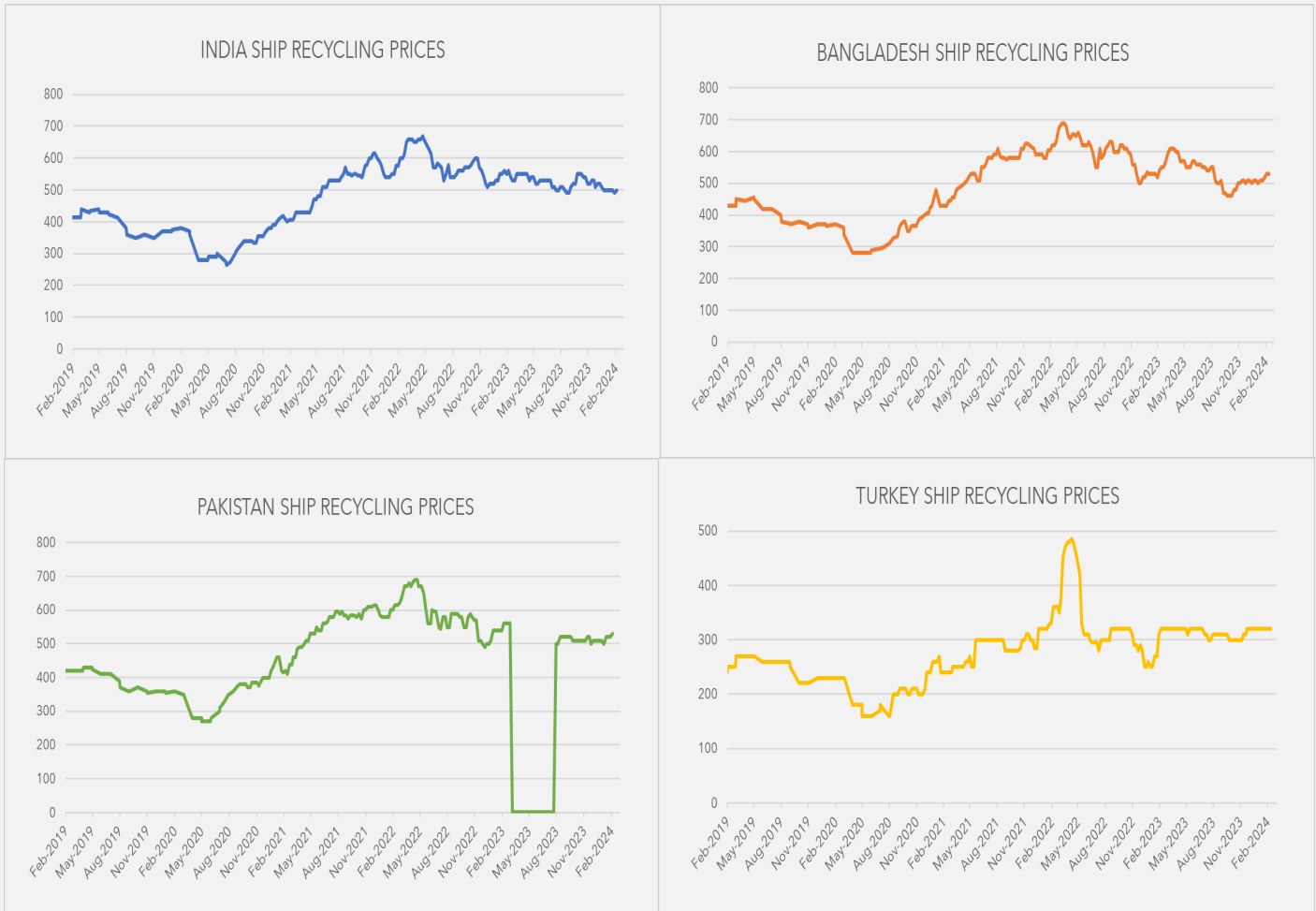
(Week 7)

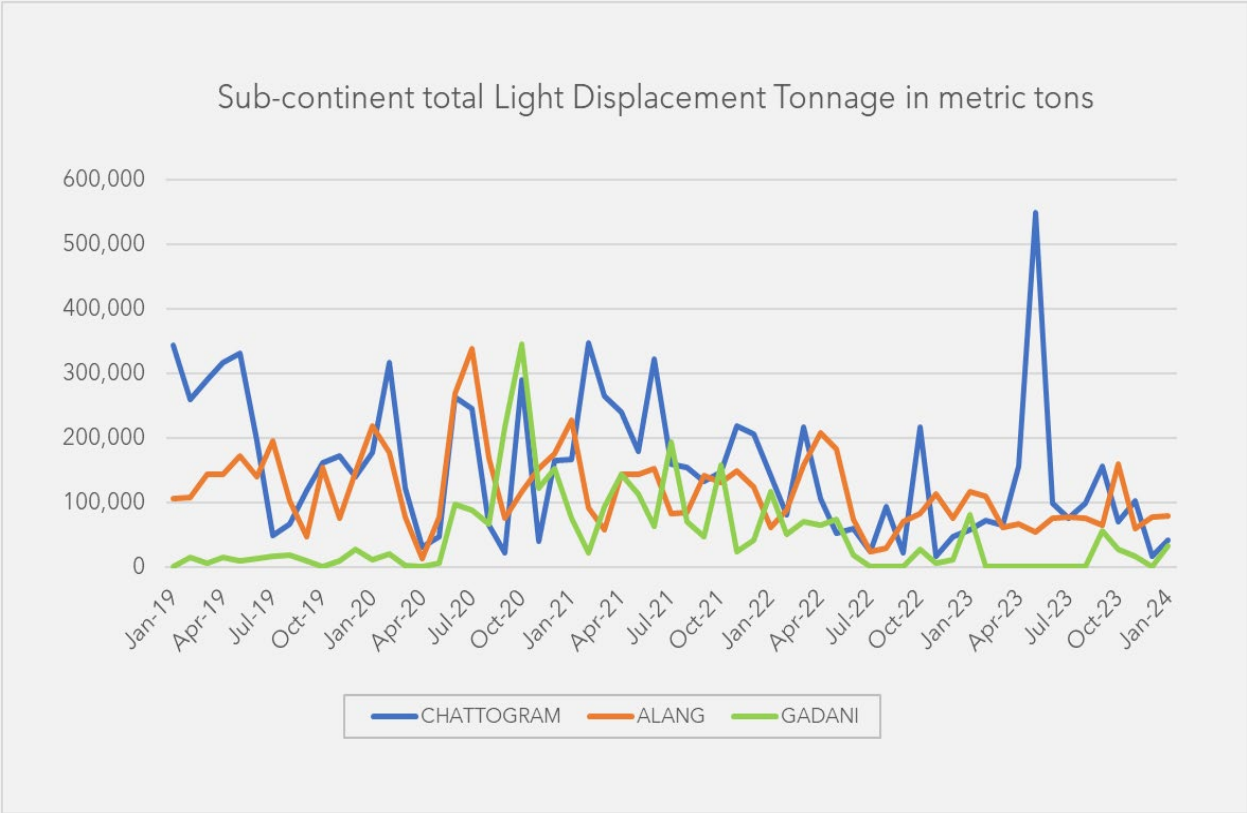
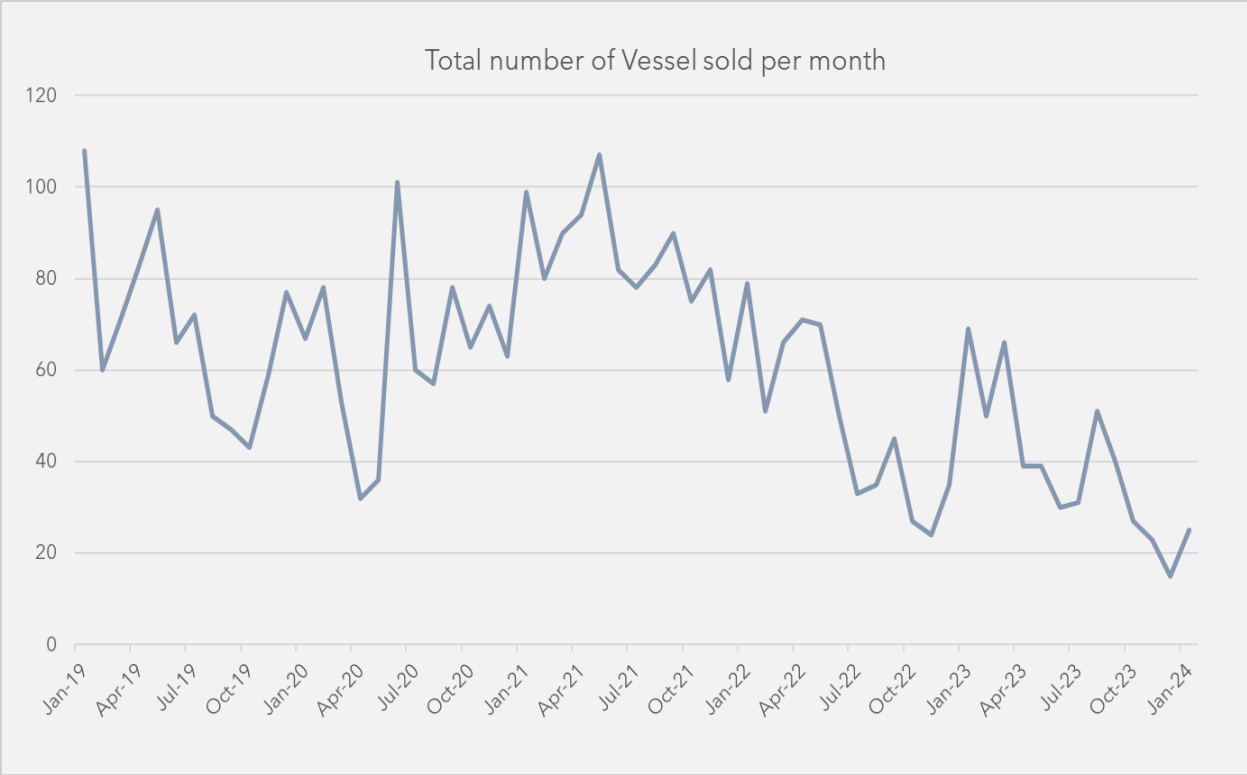
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	440	400	435	615	535
CHATTOGRAM, BANGLADESH	440	380	450	640	560
GADDANI, PAKISTAN	420	370	445	630	535
ALIAGA, TURKEY	280	240	240	350	325

## Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
BONTRUP EMIRATES	11,722	1989 / S. KOREA	GENERAL CARGO	520	DELIVERED ALANG / CHATTOGRAM FOR HKC RECYCLING
SINAR TARAKAN	2,163	1995 / JAPAN	LPG	538	DELIVERED CHATTOGRAM

## Recycling Ships Price Trend





## Insight

In the Sub-Continent markets, there has been another week marked by inactivity, with a notable scarcity of ships. This lull is further exacerbated by the domestic scenario, where demand continues to falter, failing to revive the once-buoyant market sentiment.

Meanwhile, BIMCO, along with several countries and the ICS, has submitted a paper ahead of the 81st Marine Environment Protection Committee (MEPC) meeting in March 2024. The paper addresses potential conflicts between the HKC and the Basel Convention, emphasising the need for clarification.

With the HKC set to take effect in June 2025, BIMCO urged for legal certainty. They seek assurance that adherence to the HKC would not lead to sanctions under the Basel Convention. David Loosley, BIMCO's Secretary General, underscores the importance of overcoming legal obstacles to ensure the success of ship recycling regulations.

The paper highlights inconsistencies, particularly regarding hazardous waste classification. Ships with an International Ready for Recycling Certificate (IRRC) under the HKC may still be deemed hazardous waste under the Basel Convention, posing risks for ship owners during the validity period.

BIMCO stresses the importance of consistent implementation while supporting the higher standards set by the Hong Kong Convention.

### Alang, India

The domestic ship scrap market continues to struggle with stagnant prices, offering no relief to recyclers. Many are facing substantial losses, averaging around USD50/ton on their previous purchases, as domestic demand dwindles, further dampening market sentiments.

On the other hand, Indian steel producers face a heightened risk from Europe's new carbon tax on imports, with potential charges ranging from US\$102 to US\$190 per ton over the next decade, equivalent to 15% to 28% of current hot-rolled coil prices. This move, aimed at reducing carbon emissions, poses challenges for Indian mills due to the elevated intensity of their emissions from coal-based processes. Tata Steel Ltd. and JSW Steel Ltd. are particularly exposed, facing threats of weaker margins or reduced sales.

The tax has sparked a backlash from overseas producers, with India engaging in discussions with the EU for concessions.

### Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
NAND RAJGADI	GENERAL CARGO	796	15.02.2024	AWAITING
HASAN	GENERAL CARGO	3,174	14.02.2024	14.02.2024
TOMSON GAS	LPG	1,990	25.01.2024	09.02.2024
SAFE	GENERAL CARGO	890	01.02.2024	08.02.2024
SAS 4	TUG	935	16.12.2023	08.02.2024
VILIGA	FISHING	804	18.01.2024	07.02.2024
ZE SHENG	AGGREGATES	3,492	30.01.2024	01.02.2024

### Chattogram, Bangladesh

Buyers in Chattogram have cautiously resumed their purchasing activities, with local ship scrap prices moderately fluctuating. However, recyclers in Chattogram are displaying hesitancy, likely influenced by the cautious approach of their neighbours. The spotlight is now on China, with expectations mounting for a surge in ship supply to Chattogram once Chinese owners return to business post-lunar New Year holidays.

Experts anticipate a significant influx of ships into the market, potentially driving prices downward in a market where there are a limited number of recyclers left in the industry.

There was a notable transaction involving the sale of the general cargo vessel Bontrup Emirates. Built in 1986 in South Korea and weighing 11,722 tons, the vessel fetched a gross price of USD520/ton for green recycling.

This transaction stands out as a significant achievement for the Bangladeshi recyclers, defeating the Alang recyclers in today's challenging market conditions when it comes to green recycling.

### Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
FUKUDA	TANKER	750	12.02.2023	AWAITING
DON FENG	CONTAINER	2,405	12.02.2024	AWAITING
LEGASPI	GEN.CARGO	1,506	11.02.2024	AWAITING
ZEUS ONE	BULKER	21,364	11.02.2024	AWAITING
MANIS 7	CONTAINER	5,467	12.02.2024	AWAITING
KONSTANTINOS	BULKER	7,979	08.02.2024	13.02.2024

LILA NANTONG	BULKER	23,982	05.02.2024	15.02.2024
LUFFY	GEN.CARGO	4,635	04.02.2024	13.02.2024
WADI S	BULKER	10,247	04.02.2024	10.02.2024
SPAN 23	CONTAINER	2,197	31.01.2024	02.02.2024
P DELTA	CONTAINER	5,256	24.01.2024	02.02.2024
KONSHIN	GEN. CARGO	1,416	29.01.2024	01.02.2024

## Gadani, Pakistan

Last week's elections in Pakistan have descended into chaos, with no single party able to claim a clear victory. Regional protests alleging electoral rigging have only added to the confusion and instability.

Despite the political turmoil, Pakistan's recycling markets have remained stable, with business continuing as usual, overcoming a fractured election mandate, as the leaders of the emerging coalition grasp the severity of the country's economic crisis and commit to collaborating to secure assistance from the IMF.

With Pakistan facing low reserves and an IMF program set to expire in April, political parties have little choice but to cooperate. This cooperation is seen as crucial for reversing Pakistan's recent economic underperformance, particularly concerning its FOREX rate.

Former Prime Minister Shehbaz Sharif emphasised the urgency of the situation, stressing the need for Pakistan to secure a new loan program promptly. The nation is facing a pressing deadline to acquire funds to cover USD25 billion in external debt payments starting in July, a sum three times its foreign exchange reserves. Compounding matters, Pakistan's inflation rate is the highest in Asia, and its economy contracted last fiscal year. Investors are demanding an additional 11.5 percentage points of yield over Treasuries to purchase the country's bonds, significantly above the distress threshold of 10 percentage points.

The IMF has indicated its intention to send a team to Pakistan after the formation of the new government to discuss a medium-term aid package.

## Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
ZE HONG	CONTAINER	11,618	27.01.2024	AWAITING

## Aliaga, Turkey

Turkish steel mills maintained their domestic scrap buying prices unchanged from the previous week, despite a continued decline in imported scrap prices. Demand for scrap in Turkey remained weak, with no bookings for imported scrap reported on Wednesday. European suppliers sought US\$415 per ton CFR for HMS 1&2 80:20, but Turkish mills found prices above US\$410 per ton unfeasible.

The consensus among market players was that the timing of Turkish buyers' decisions would be crucial in determining scrap prices, with sufficient availability of scrap reported. This week, shipbreaking scrap prices ranged from US\$375 to US\$416 per ton delivered.

### BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 26 ~ 29 February | 11 ~ 14 March

Alang, India : 23 ~ 27 February | 8 ~ 15 March

BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	642	442	822
HONG KONG	647	468	850
FUJAIRAH	619	437	888
ROTTERDAM	573	450	822
HOUSTON	635	460	876

EXCHANGE RATES			
CURRENCY	FEBRUARY 16	FEBRUARY 9	W-O-W % CHANGE
USD / CNY (CHINA)	7.19	7.19	0
USD / BDT (BANGLADESH)	109.76	109.73	-0.03%
USD / INR (INDIA)	83.01	83.01	0
USD / PKR (PAKISTAN)	279.37	279.42	+0.02%
USD / TRY (TURKEY)	30.84	30.67	-0.55%



## Sub-Continent and Turkey ferrous scrap markets insight

The South Asian ferrous scrap market continued to experience a lacklustre trend, attributed to subdued interest from buyers across the region. In India, purchasers refrained from making fresh bookings of scrap from overseas sources due to the availability of cheaper domestically procured material. Similarly, Pakistani buyers maintained a cautious approach, only making necessary bookings, while Bangladeshi buyers slowed down their purchases, expecting slight price corrections in the near future.

Notably, offers for shredded scrap decreased by USD4/ton in India, and by USD2/ ton each in Pakistan and Bangladesh. Meanwhile, bulk HMS (80:20) offers from the US to Turkey remained stable day-on-day.

In **India**, the current lack of feasibility in existing offers has led buyers to abstain from new scrap bookings from overseas. There's a noticeable shift towards alternative metallic sources such as sponge iron and domestic scrap due to the significant price difference between domestic and imported scrap.

Indicative offers for shredded scrap from Europe were assessed at USD415-420/ ton CFR Nhava Sheva, while HMS (80:20) were assessed at USD385-390/ton CFR.

A trader remarked, "Imports have become economically impractical in India, prompting buyers to prefer local sources or alternatives like sponge iron. The few transactions occurring involve arrival cargoes, with the highest price for HMS capped at \$385 per ton. Fresh bookings in the market are currently scarce due to these prevailing circumstances."

In **Pakistan**, buyers are opting for imported scrap on an as-needed basis, mainly due to a slowdown in the domestic finished steel market following the elections. Indicative offers for shredded scrap from Europe were evaluated at USD440-445/ton CFR Qasim.

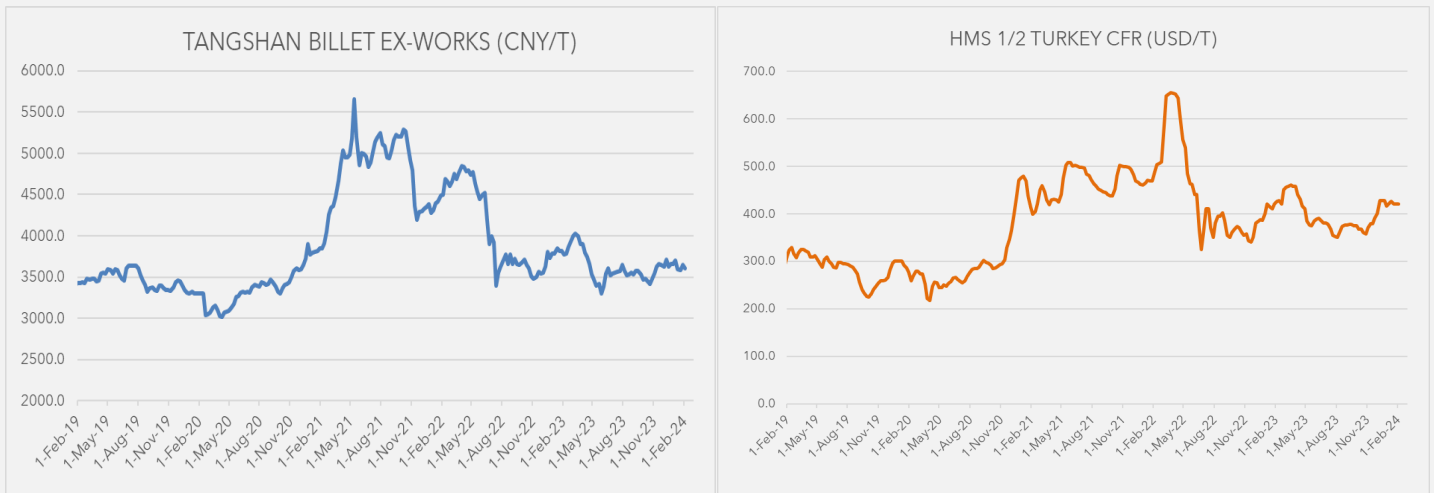
In the domestic market, prices for local scrap were reported at PKR 160,000-167,000 per ton (\$573-598 per ton) ex-works, while rebars and billets were evaluated at PKR 260,000-264,000/ton (USD931-945/ton) ex-works and PKR 220,000-225,000 per ton (USD787-805/ton) ex-works, respectively.

In **Bangladesh**, imported scrap buying activities remained moderate, with offers for shredded scrap from Australia at USD430-435/ ton CFR Chattogram and USD410-415/ ton CFR for HMS (80:20). Australian shredded indicatives were heard at USD430-432/ton whereas fresh offers for HMS (80:20) were heard at USD416-420/ ton on a CFR Chattogram basis.

In **Turkey**, deep-sea imported ferrous scrap prices remained unchanged, with sellers showing resilience against pressure from Turkish mills and subdued demand. Bulk HMS (80:20) offers from the US stood at USD416/ ton CFR, unchanged from the previous day. Tradable values for a premium or US/Baltic-origin HMS (80:20) typically ranged between USD415–417/ ton CFR, with sellers maintaining firm positions. Collection costs in the Benelux region were noted at Euro 345–350 per ton delivered to docks, reflecting prevailing market sentiments.

Despite softer indicative bids from Turkish mills, buyers remained cautious, anticipating further price adjustments if demand doesn't improve. Sellers resisted due to high scrap costs in the US and Europe, despite challenging market conditions in Turkey. A Baltic recycler indicated a potential easing in HMS collection costs, which could impact export dynamics to Turkey. Turkish mills highlighted weak demand for finished steel, indicating possible scrap price adjustments if purchasing activity remains subdued.

### HMS 1/2 & Tangshan Billet



## Commodities

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**Copper** took the lead in driving up the base metals sector, propelled by growing expectations of supply tightness that spurred a rally driven by short covering. The metal had been facing downward pressure in recent weeks due to a slowdown in China, while robust economic conditions in the US kept interest rates elevated for an extended period. However, the anticipation of production cuts at various producers has shifted sentiment, with the market now expecting a significant tightening. This tightening is particularly evident in China, where a constrained concentrate market is prompting Chinese smelters to scale back output.

Meanwhile, Nickel saw relatively little change as market participants pondered the implications of recent supply disruptions. Glencore's announcement earlier in the week about its intention to suspend operations at its unprofitable Koniombo nickel facility in New Caledonia added to the mix. Additionally, BHP's announcement of a USD2.5 billion impairment on the value of its Australian nickel assets and a review of its ongoing operation added to the uncertainty surrounding nickel's future trajectory.

In the **iron ore** market, futures in Singapore edged higher despite a subsiding of supply-side issues. The planned strike action by BHP train drivers was called off after reaching an agreement on pay and conditions, which provided some relief to supply concerns in the market.

### 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)	130	0%	+4%	130	125
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	132	+0.76%	+10%	131	120

## Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	383.85	+8.05	+2.14%	Mar 2024
3Mo Copper (L.M.E.)	USD / MT	8,489.00	+175.00	+2.10%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,218.00	-6.50	-0.29%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,385.00	+30.50	+1.30%	N/A
3Mo Tin (L.M.E.)	USD / MT	26,970.00	-323.00	-1.18%	N/A

## Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	79.19	+1.16	+1.49%	Mar 2024
Brent Crude (ICE.)	USD / bbl.	83.47	+0.61	+0.74%	Apr 2024
Crude Oil (Tokyo)	J.P.Y. / kl	75,500.00	-500.00	-0.66%	Feb 2024
Natural Gas (Nymex)	USD / MMBtu	1.61	+0.03	+1.77%	Mar 2024

*Note: all rates as at C.O.B. London time February 16, 2024*



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