STAR ASIA WEEKLY REPORT

WEEK 8 – February 23, 2024

Two years into the conflict, Russia invaded Ukraine on Feb 24, 2022, Ukraine's situation has become increasingly precarious, especially with Russia's strategic capture of Avdiivka, signaling a shift in momentum. The country finds itself in a challenging position reminiscent of the war's onset, wrestling with halted U.S. military aid and a critical shortage of manpower. These issues have led to an acute scarcity of ammunition and resources, amplifying the lethality of ongoing battles. The relentless nature of the conflict is palpable both on the frontlines and among civilians, with exhaustive air raid protocols and a pervasive state of mourning due to the continuous loss of life. Despite this, a resilient public sentiment prevails, with a vast majority of Ukrainians steadfast in their belief of victory, underscored by the essential support of international allies.

However, the horizon suggests a protracted and intensifying conflict, with potentially dire consequences should Ukraine face defeat, including massive bloodshed, a significant refugee crisis, and geopolitical tensions at NATO's doorstep.

Military analysts hint at a crucial period of rebuilding and defense for Ukraine, aiming to prevent further Russian advances while preparing for possible future offensives amidst the unpredictable dynamics of war.

Despite the imposition of sanctions on Russia, their effectiveness has been less significant than anticipated on a global scale. In response, legislators throughout the United States and Europe are intensifying their efforts to implement a new price cap aimed at further restricting Russia's oil revenue. This move is part of a broader initiative to target the so-called "dark fleet" of ships involved in circumventing existing sanctions. A new wave of sanctions is being prepared, focusing on the crackdown on ship owners engaged in these illicit trades, as Western countries seek to tighten the economic noose around Russia's war machinery.

Dry Bulk

Baltic Exchange's dry bulk index continued its upward trend for the fourth consecutive session, reaching its highest level in over a month midweek. This rise was driven by firming rates in the Capesize and Supramax segments.

The overall index increased by 44 points to 1,676 points, its highest since January 9th. BCI saw a significant gain of 134 points, reaching a six-week high of 2,543. Average daily earnings for Capes rose to US$21,092. The shortage of supply, especially in the Atlantic region, contributed to the rate increase, with ongoing disruptions in the Panama and Suez canals positively impacting tonne-mile demand.

BPI, on the other hand, broke its eleven-session streak of gains, falling 33 points to 1,673. Average daily earnings also fell to US$15,058.

In contrast, BSI continued its upward trajectory for the sixth session in a row, reaching its highest level since January 19th, closing at 1,154 points.

Capesize:

The market saw an uptick as players were back from the holidays, thanks to improved sentiment driven by positive economic indicators from China. China's central bank reported new yuan-denominated loans in January. Additionally, congestion at Australian coal terminals and expectations of a recovery in Chinese iron ore demand supported market gains. Overall, the market remains strong this week; T/A saw levels close to US$ 24,250 a day, while Pacific r/v was in the region of US$ 23,500 a day.

Panamax/Kamsarmax:

In the North Atlantic, downward pressure persists due to weak new demand. In South America, as new volumes are not abundant, shipowners are offering lower bids than the previous day. T/A overall fell to US$15,600's a day. In the Pacific, most spot transactions have been completed, leading to subdued activity and a weak downward trend. Pacific r/v slipped to US$14,750's a day.

Supramax/Ultramax:

It was a mixed market this week for the Supra segment. Despite the subdued activity, there was a strong uptick in the Pacific, driven by the sustained demand for Indonesian coal. There was a recovery at the end of the week, influenced by increased demand. Pacific r/v improved to US$11,250's a day. However, on the other side, competition weakened for US grain due to ample supply in the global grain market and a stronger dollar, leading to a slowdown in new sales and downward pressure in the Atlantic region.

Handysize:

In the Atlantic, limited new demand continues to enter the USG, while supply in the Mediterranean has also fell, resulting in a slight supply advantage. In the Pacific, there is a continuing trend of steady cargo influx throughout the region, sustaining the upward momentum. Inter Pacific saw a slight uptick, closing at US$ 8,000 a day.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,752	1,610	816	+8.82%	+114.71%
BCI	3,145	2,448	636	+28.47%	+394.50%
BPI	1,624	1,646	1,169	-1.34%	+38.92%
BSI	1,174	1,071	940	+9.62%	+24.89%
BHSI	618	572	493	+8.04%	+25.35%

Dry Bulk Values

(*Weekly Average*)

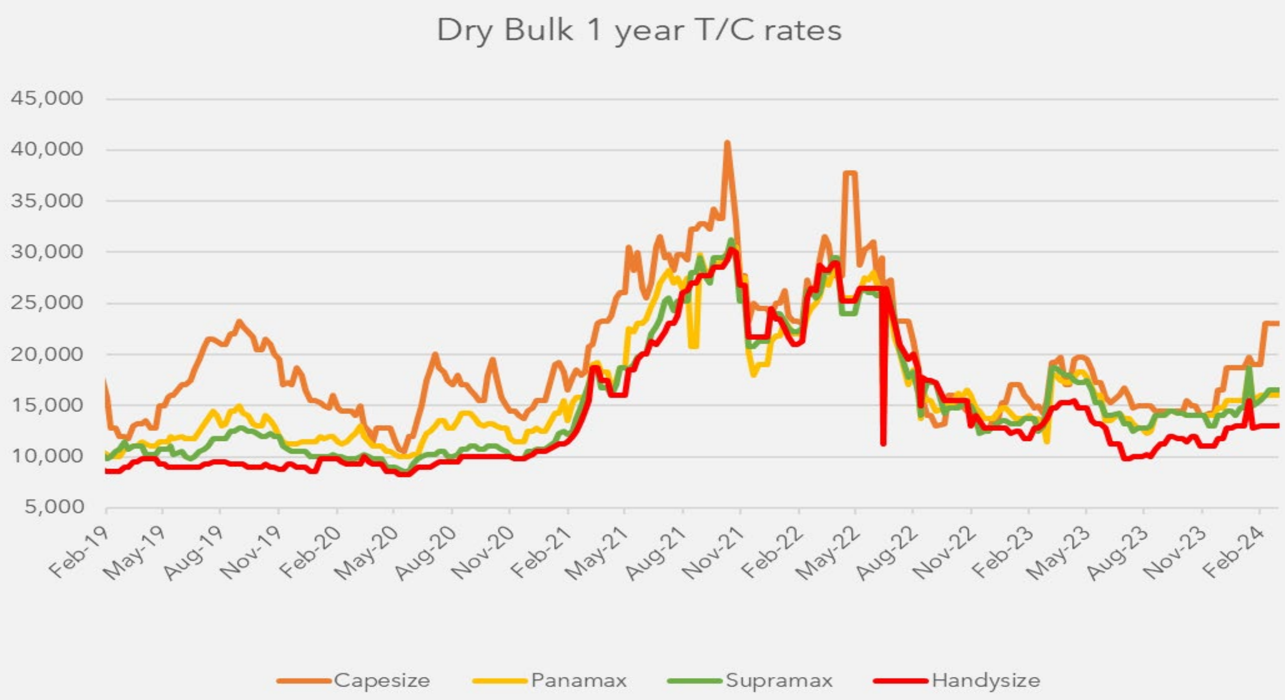
TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	67	75	59	38	25
KAMSARMAX	82,000	35	40	34	26	17
SUPRAMAX	56,000	33	39	33	25	15
HANDY	38,000	30	34	27	19	12
(amount in USD million)						

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
CAPESIZE	180,000	25,000	23,000	15,500	+8.70%	+61.29%
PANAMAX	75,000	14,750	15,000	14,500	-1.67%	+1.72%
SUPRAMAX	58,000	15,000	15,000	14,750	0	+1.69%
HANDYSIZE	38,000	13,500	13,250	11,000	+1.89%	+22.73%

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
SAPIENTZA	CAPE	177,736	2008	CHINA	22.6	CHINESE BUYERS
MAGIC NEBULA	KMAX	80,282	2010	S. KOREA	16.0	UNDISCLOSED
W-GALAXY	PMAX	76,629	2006	JAPAN	13.0	CHINESE BUYERS
ZEYNO	UMAX	63,064	2014	CHINA	22.0	EUROPEAN BUYERS
CMB CHIKAKO	UMAX	61,299	2014	JAPAN	24.0	GREEK BUYERS
SEAMEC NIDHI	SMAX	56,755	2010	CHINA	10.8	UNDISCLOSED
MAESTRO SAPPHIRE	HANDY	39,830	2020	JAPAN	29.25	DEVBULK TRADING
ECO SPLENDOR	HANDY	38,302	2013	JAPAN	18.0	DEVBULK TRADING
LAGO DI LUGANO	HANDY	32,271	2008	JAPAN	10.5	UNDISCLOSED



Tankers

Rates for VLCCs from the Middle East to China have surged to a three-month high of US$66,600 per day due to increased insurance costs amid attacks by Houthi rebels on vessels in the Red Sea. In the fourth quarter of last year, VLCC rates averaged about US$21,000 per day, a significant increase from the third-quarter average of US$8,700 per day.

Bank of America predicts VLCC day rates to remain between US$40,000 and US$50,000 for March, dropping to US$35,000-US$40,000 in the second quarter. The last time oil shipping costs soared to such levels was in 2019, driven by Middle East geopolitics and U.S. sanctions on a Chinese tanker owner, which saw VLCC rates skyrocket from US$25,000 to over US$150,000 for six months.

Since early December, the number of crude oil tankers passing through the Red Sea has decreased by up to 60%, reflecting heightened security concerns. While oil prices have not reacted significantly to Houthi attacks, insurers have responded by raising day rates or issuing exclusions from war risk claims for ships navigating the area.

The recent attack on the UK-registered vessel Rubymar, causing its crew to abandon ship, underscores the escalating risks. The Rubymar, enroute from the United Arab Emirates to Bulgaria, is now at risk of sinking.

VLCC:

The decreased influx of goods for loading from the Middle East at the end of week and has resulted in a tumble after start of week climb. Laden/Ballast Spread in the MEG has widened negatively, indicating a potential excess of vessels in the area. 270,000mt MEG/China fell 25 points to WS67. Same was also seen in the Atlantic with WAFR/China slipping to WS70.

Suezmax:

The Atlantic Basin is benefiting from increased demand for tonnage shift as the Americas market weakens. Increased freight inflow for loading in West Africa is noticeable but levels still fell slightly to WS109 for 130,000mt for WAFR/UKC at closing. In the Med, levels did not change much from last with MEG/Med closing at WS107.

Aframax:

Despite a slowdown in new cargo inflow, increased movement of vessels is decreasing vessel availability in the Pacific region, acting as a limiting factor on falling rates. MEG/SGP route saw levels slip to WS191 at closing. On the other side, weakness was also seen in the USG as TD26 fell to WS194.

Clean:

LR: Since the end of January, LR2 has continued to see a downward adjustment. With increased tonnage inflow from NE Asia and limited cargo inflow, rates for MEG to Japan fell some 54 points to WS190. LR1 also saw similar discounts this week with TC5 route falling to WS208.

MR: The beginning of the week saw decreased cargo inflow as players return from the holidays with freight rates for S. Korea to Singapore falling to WS34. MEG route, however, saw some gains with increased activities, seeing TC17 closing higher at WS287.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	1,237	1,341	1,338	-7.76%	-7.55%
BCTI	1,044	1,129	955	-7.53%	+9.32%

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	99	83	68	50
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)						

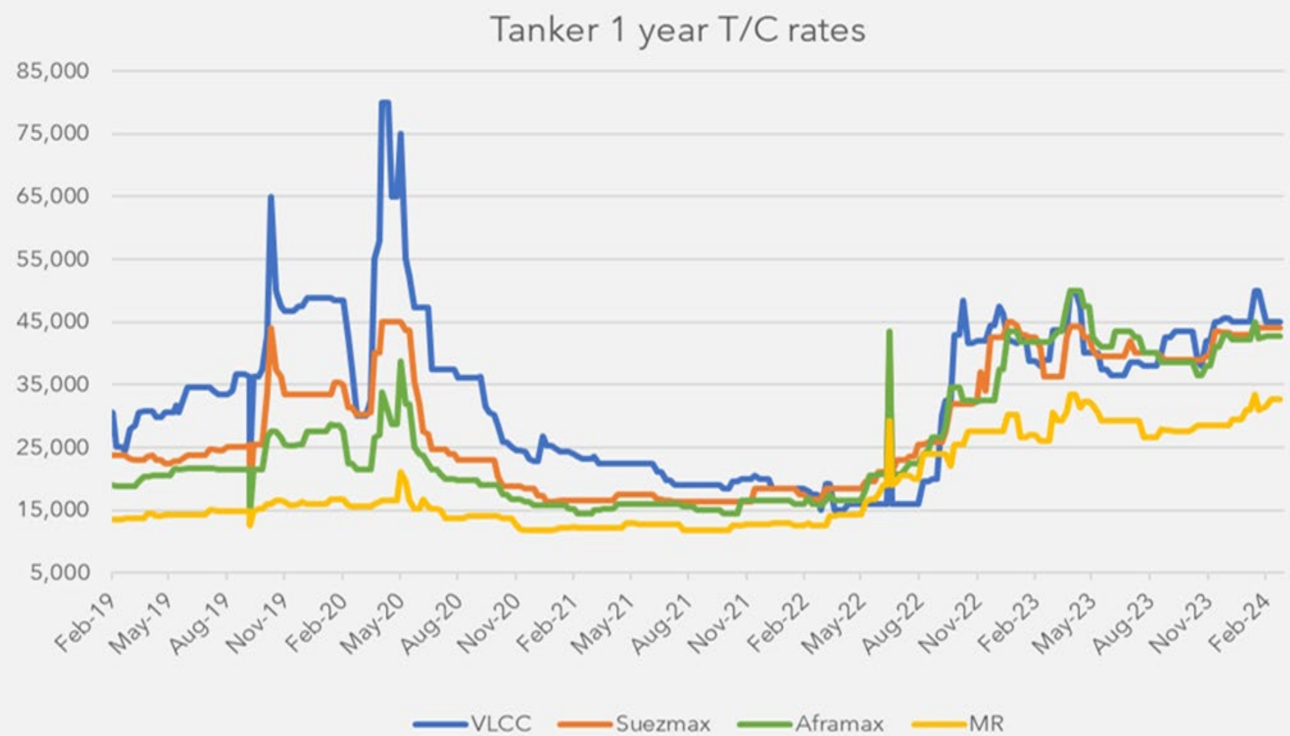
Tanker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	310,000	48,000	45,250	43,750	+6.08%	+9.71%
SUEZMAX	150,000	42,000	44,250	36,250	-5.08%	+15.86%
AFRAMAX	110,000	42,000	43,000	42,500	-2.33%	-1.18%
LR1	74,000	41,000	41,500	35,500	-1.20%	+15.49%
MR	47,000	30,000	29,000	30,500	+3.45%	-1.64%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
NAVE SPHERICAL	VLCC	297,572	2009	CHINA	53.9	UNDISCLOSED
FRONT THOR	SUEZ	156,719	2010	CHINA	45.5	UNDISCLOSED
EXCELSIOR BAY / CRYSTAL BAY / HARRISON BAY / SAINT ALBANS BAY / JENNINGS BAY / LAFAYETTE BAY	MR	49,990	2014 / 2015	S. KOREA	238.0 EN BLOC	INTERNATIONAL SEAWAYS
SEA HELIOS	MR	45,948	2004	JAPAN	15.0	TURKISH BUYERS
BEATRICE	MR	25,932	2013	JAPAN	29.0 (SS)	DM SHIPPING

*(*SS is Stainless Steel)*



Containers

Drewry's Container report indicates a 1% growth in the global container fleet last year, reaching 51.4 million TEU, with expectations of a further 2.3% expansion in 2024. This growth is driven by rising trade prospects and reduced box productivity due to disruptions in the Panama and Suez Canal. These disruptions have led to longer transit times, slower secondary market sales of containers, and depleted stocks of empty containers in China.

As a response, factories in China have cut prices for new containers, leading to increased orders from ocean carriers. The report further anticipates stronger global container handling throughput in 2024, with a forecasted growth of 2.3%, and expects ocean carriers to adjust their box-to-slot ratios to manage supply chain challenges effectively.

Despite a minor decline in recent weeks, spot container freight rates remain notably strong. The overall SCFI index closed at 2,110 points, marking a 3% decrease from mid-February. Rates for the SCFI Shanghai to Northern Europe route also experienced a 5% softening, settling at US$2,508 per TEU.

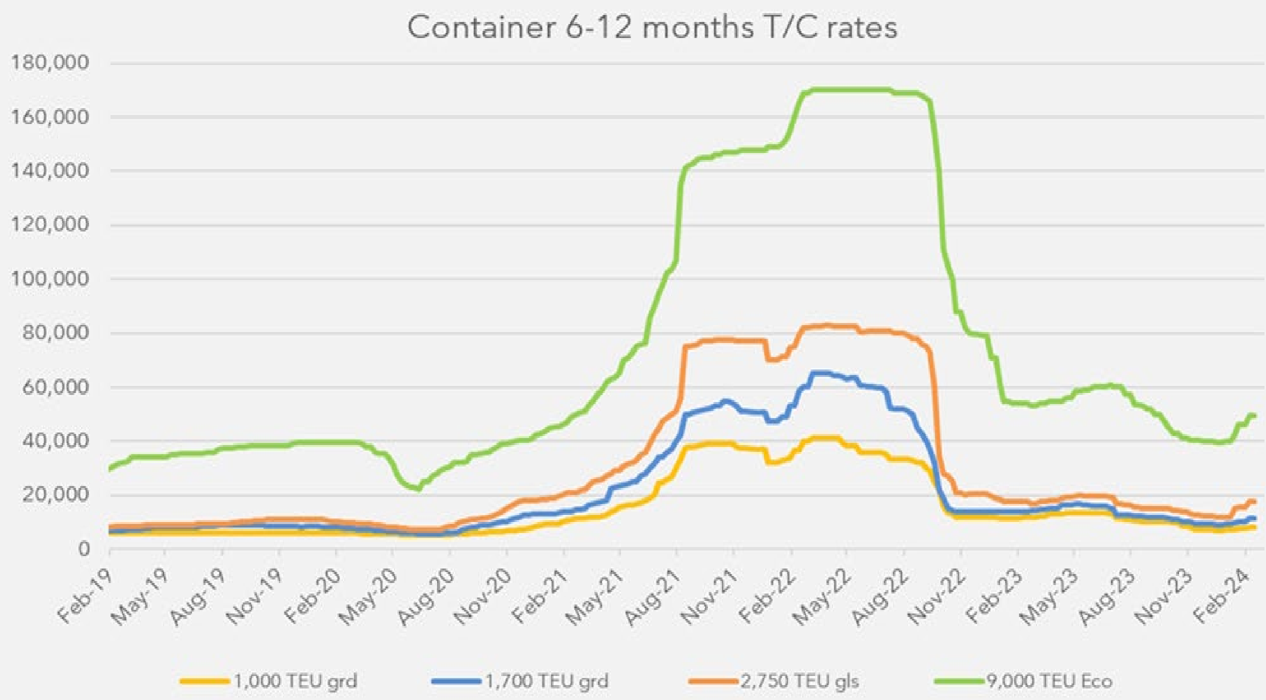
Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MISTRAL	FEEDER	868	2008	GERMANY	9.0	UAE BASED 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	13	7
1,600 – 1,800	Geared	29	26	20	16	11
2,700 – 2,900	Gearless	41	38	29	19	14
5,500 – 7,000	Gearless	94	80	67	37	24
*(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
Feb-19
May-19
Aug-19
Nov-19
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-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	WEAK /
*CHATTOGRAM, BANGLADESH	530 ~540	520 ~ 530	500~ 510	540 ~ 550	STABLE /
**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

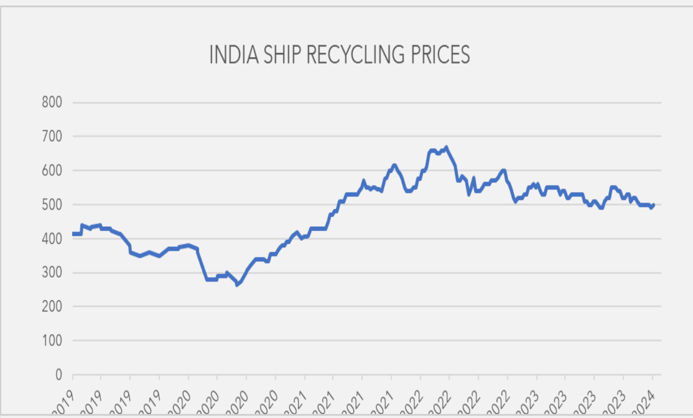
(Week 8)

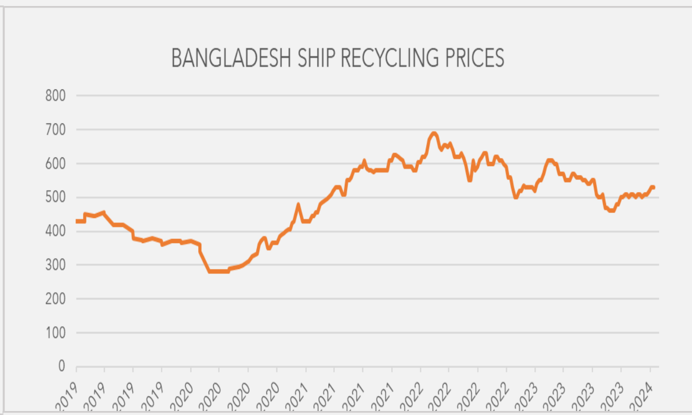
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	440	400	435	640	535
CHATTOGRAM, BANGLADESH	440	380	460	660	580
GADDANI, PAKISTAN	420	370	460	640	535
ALIAGA, TURKEY	280	240	240	345	325

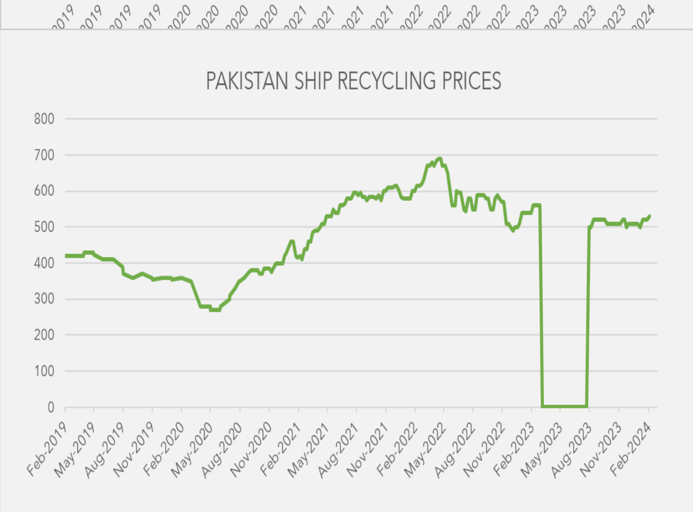
Ships Sold for Recycling

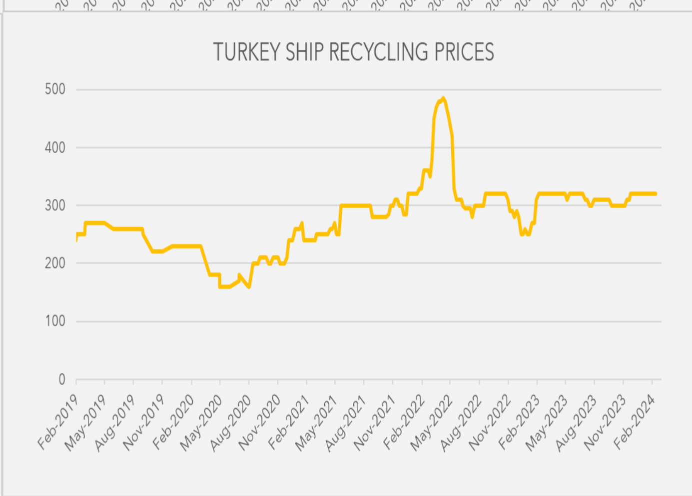
VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
NAN HAI TIAOZHAN	16,327	1975 / JAPAN	DRILLING PLATFORM	UNDISCLOSED	AS IS WHERE IS SOUTH CHINA SEA – NEAR HONG KONG
NAN HAI SHENG LI	33,151	1975 / JAPAN	FPSO	UNDISCLOSED	AS IS WHERE IS SOUTH CHINA SEA – NEAR HONG KONG
QATAR ANA	8,015	1989 / JAPAN	BULKER	509	DELVIERED GADANI
FAR EAST CHEER	3,652	2007 / CHINA	MPP	UNDISCLOSED	AS IS WHERE IS ZHOUSHAN, CHINA, FOR REDELIVERY TO CHATTOGRAM
XIN XIANG RUI	5,119	1992 / JAPAN	BULKER	518	DELIVERED CHATTOGRAM
WANG HAI	23,038	2003 / CHINA	BULKER	528	DELIVERED GADANI

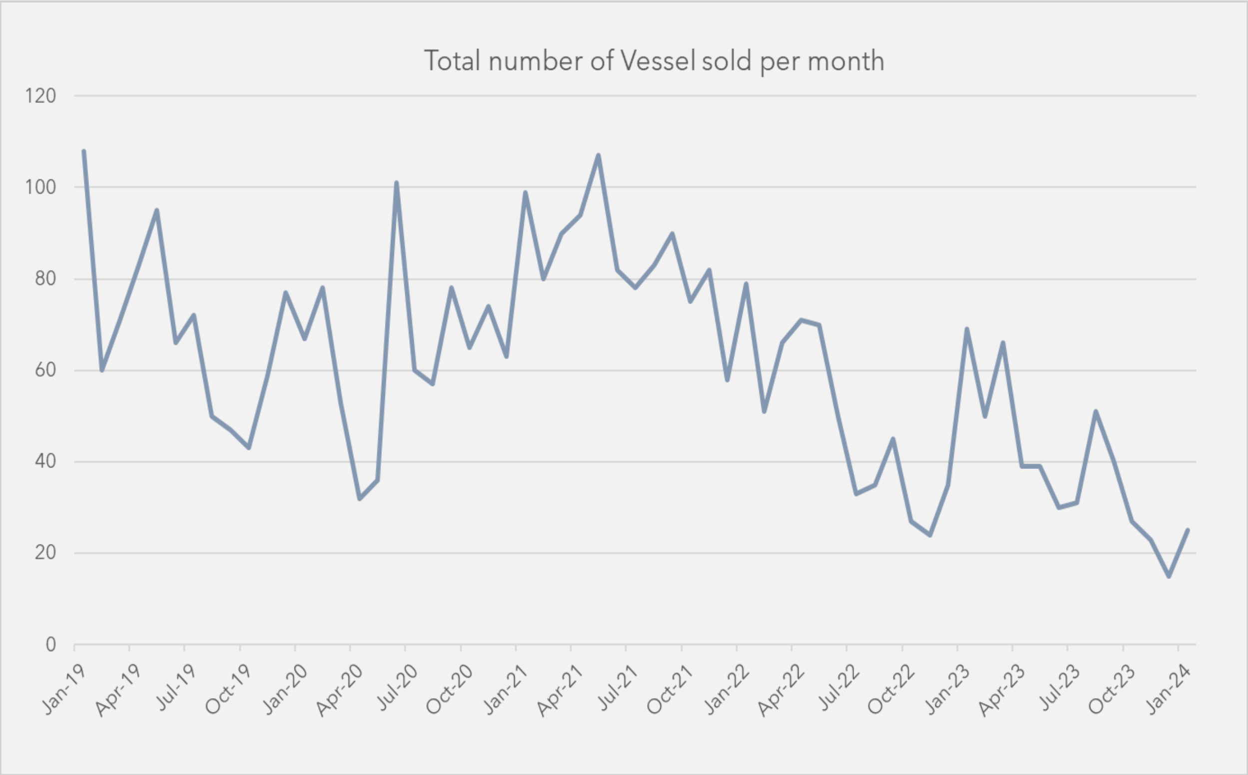
Recycling Ships Price Trend










Total number of Vessel sold per month
120
100
80
60
40
20
0
Jan-19
Apr-19
Jul-19
Oct-19
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
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Jan-22
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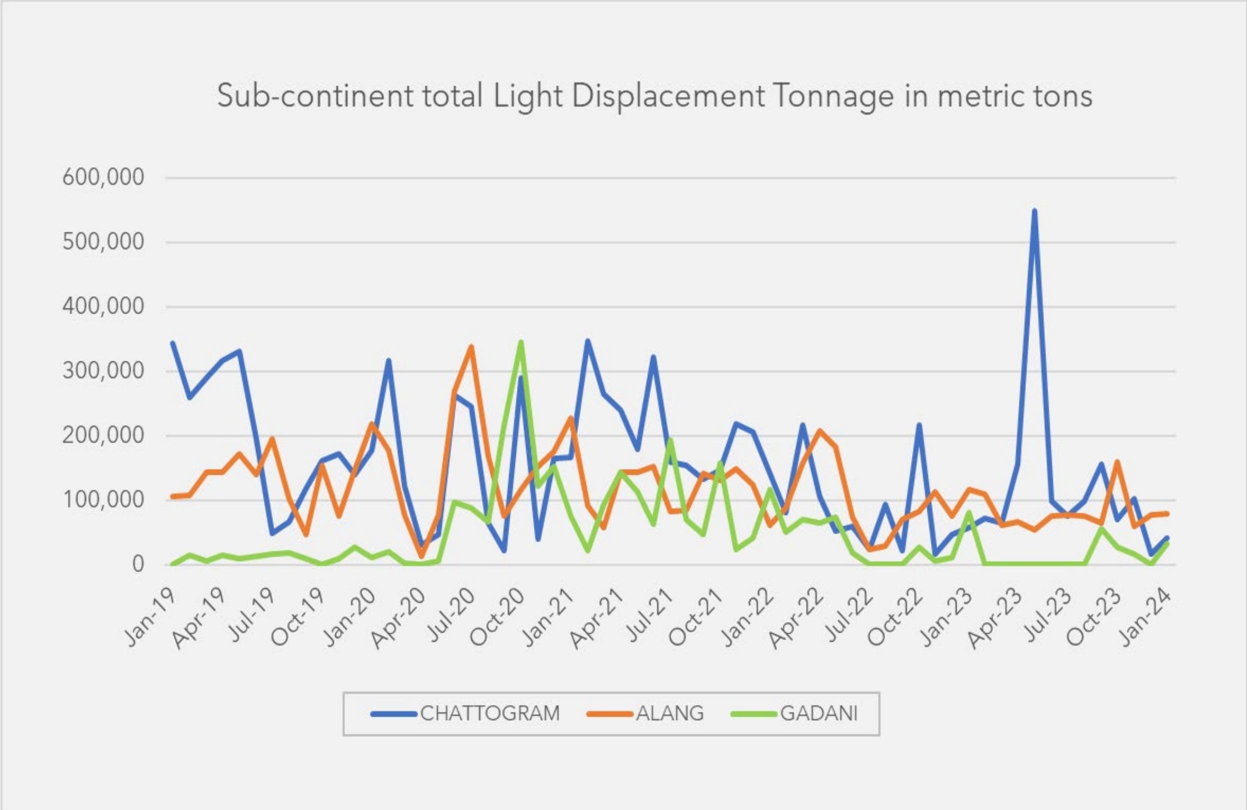
Jul-23
Oct-23
Jan-24


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
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
CHATTOGRAM
ALANG
GADANI

Insight

The ship recycling markets in the Sub-Continent, particularly in Pakistan and Bangladesh, are showing signs of stability, contrasting with India's more subdued participation attributed to competitive pressures. Amid fluctuating freight rates, a notable influx of end-of-life vessels has been observed, indicating a potential easing of supply constraints this week. This shift suggests a slight relaxation in the previously tight supply situation.

Looking forward, industry experts forecast that the current ship recycling prices are expected to remain stable, with potential adjustments being closely tied to significant fluctuations in freight rates, which eventually lead to ship supply pressure.

Alang, India

Indian recyclers are dealing with an unyielding downturn as domestic prices remain depressed without signs of revival. The industry's woes are compounded by a noticeable dip in local demand, leading to an overflow of unsold inventories at their facilities. This glut has effectively paralysed the industry in Alang, leaving recyclers with scant options to adapt to the adverse market conditions.

As a result, many are facing the grim prospect of recording substantial financial losses for the current fiscal year, a situation that underscores the industry's urgent need for strong catalysts to support.

Overall, recyclers have taken a cautious stance, with the majority eagerly awaiting the opportunity to acquire ships dedicated to pure green recycling. This is the only critical means to balance out the high-cost inventories currently held at their yards.

Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BONTRUP EMIRATES	GENERAL CARGO	11,722	22.02.2024	AWAITING
NAND RAJGADI	GENERAL CARGO	796	15.02.2024	20.02.2024
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

The local ship scrap markets have maintained a steady pace, with continued interest from buyers. Despite the lack of significant deals being finalized, there is active engagement with several ships for the Chattogram markets.

Ship prices have remained consistent over recent months, indicating a stable market environment. While challenges with letter of credit issues persist, recyclers have adapted, managing to navigate these obstacles with minimal disruptions. This resilience reflects a healthy buying momentum.

On the brighter side of the economy, Bangladesh's foreign currency reserves have surpassed the USD20 billion mark, reaching USD20.19 billion on February 20, thanks to a currency swap initiative by the central bank. This recovery comes after reserves hovered around US19 billion for a month. The Bangladesh Bank introduced the swap to meet IMF conditions for a USD4.7 billion loan, allowing banks to exchange local currency for US dollars. This move has injected approximately USD235 million into the reserves from nearly 10 banks.

The strategy, aimed at stabilising the forex market and easing liquidity pressure for banks, has been well-received. Despite challenges, including a forex crisis exacerbated by post-pandemic import surges and global commodity price hikes, the recent uptick in exports and remittances signals a potential easing of the currency strain. This development marks a crucial step towards financial stability and the fulfilment of international monetary obligations.

Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
XIN XIANG AN	*BULKER*	*5,113*	*19.02.2024*	*AWAITING*
FUKUDA	TANKER	750	12.02.2023	17.02.2024
DONG FENG	CONTAINER	2,405	12.02.2024	16.02.2024
LILA NANTONG	BULKER	23,982	05.02.2024	15.02.2024
LEGASPI	GEN.CARGO	1,506	11..02.2024	15.02.2024
MANIS 7	CONTAINER	5,467	12.02.2024	15.02.2024
ZEUS ONE	BULKER	21,364	11.02.2024	14.02.2024
KONSTANTINOS	BULKER	7,979	08.02.2024	13.02.2024

SIA	BULKER	12,605	12.02.2024	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

The ship recycling industry has remained active, witnessing a significant surge in demand for vessels. Notably, the sale of the "Qatar Ana," a Japanese-built aggregate carrier from 1989 weighing approximately 8,015 tons, was reported sold at a net price of USD 510 per ton. This transaction underscores a robust valuation for bulk carriers in the current market, particularly with the notable absence of competition from Alang. While another cape called "Wang Hai", 2003 Chinese built weighing 23,038 tons and sold in December 2023 by COSCO, arrived at the Gadani outer anchorage for recycling, being the first cape sold this year to Pakistan.

Despite lukewarm domestic demand, recyclers have been keen on acquiring ships, driven by the ambition to utilise these acquisitions as case studies for their yards in pursuit of the Hong Kong Convention (HKC) certification. This ambition, coupled with stiff competition within the sector, has contributed to keeping prices at an elevated level.

On the domestic economy front, Pakistan's struggle with debt repayment is escalating, exacerbated by a decline in the State Bank of Pakistan's foreign exchange reserves, which dropped by USD44 million to USD8.013 billion due to debt obligations amid rising political instability.

Despite a boost in remittances, the country faces the daunting task of managing over USD6 billion in foreign payments by the fiscal year-end. In the first half of the fiscal year, Pakistan allocated USD7.2 billion to debt servicing.

The financial community is optimistic that a new government in Islamabad might stabilise the economy. However, the consensus is that the debt crisis and dollar shortage will continue, with expectations that the upcoming administration will seek further IMF assistance. The State Bank's efforts to stabilise the foreign exchange market through strict import controls have helped, but IMF demands for import liberalisation could pose risks.

Meanwhile, the country's total foreign exchange reserves stand at USD13.098 billion, including holdings by commercial banks.

Anchorage & Beaching Position (February 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
WANG HAI	BULKER	23,038	24.02.2024	AWAITING
ZE HONG	CONTAINER	11,618	27.01.2024	01.02.2024

Aliaga, Turkey

Turkish mills are still not showing signs of recovering scrap demand this week despite the country's need for March shipment scrap. The continuous decline in Chinese rebar and hot rolled coil futures, coupled with weak steel sales, is keeping Turkish mills cautious about the market and hesitant to resume scrap purchases.

The start of the week saw scrap demand in Turkey remained subdued, with mills refraining from making bids despite numerous offers from various regions. The sentiment is weak, putting pressure on scrap prices, although there seems to be little room for further price declines.

Participants in the market are now questioning whether scrap prices might drop below the US$400/tonne CFR Turkey threshold, which was deemed unlikely just a week ago, expressing concern over the unexpected slump in Chinese iron ore prices and the lack of support for scrap prices.

Trading is facing obstacles due to various factors, including a gloomy global outlook, uncertainties in China, pending decisions from Turkey’s Central Bank, and financial losses among domestic stockists due to VAT issues.

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 23	FEBRUARY 16	W-O-W % CHANGE
USD / CNY (CHINA)	7.19	7.19	0
USD / BDT (BANGLADESH)	109.91	109.76	-0.14%
USD / INR (INDIA)	82,93	83.01	+0.10%
USD / PKR (PAKISTAN)	279.37	279.37	+0.00%
USD / TRY (TURKEY)	31.09	30.84	-0.81%

Sub-Continent and Turkey ferrous scrap markets insight

The ferrous scrap market in South Asia is currently experiencing a downtrend, ascribed to a decrease in market inquiries. In India, the market dynamics have been particularly subdued due to a noticeable gap between the bids and offers, mirroring similar trends in Pakistan and Bangladesh where challenges in letters of credit approvals and a deceleration in the domestic steel market have led to reduced purchasing activities.

Notably, shredded scrap prices have seen a reduction of USD2-3 per ton in India, Pakistan, and Bangladesh. Moreover, offers for US bulk HMS (80:20) to Turkey also experienced a slight decrease of USD2 per ton.

In **India**, the demand for imported scrap has been tepid, with European-origin scraps facing significant price disparities compared to domestic alternatives. Current indicative offers for shredded scraps from Europe are placed at USD418-420 per ton CFR, with HMS (80:20) offers ranging from USD390-395 per ton CFR. Despite these offers, bids have remained static, showing reluctance among buyers to engage in new bookings due to the price discrepancies.

Market participants in **Pakistan** report a slowdown in activities, largely due to delays in LC approvals, with indicative offers for European shredded scrap hovering around USD435-440 per ton CFR Qasim.

The situation is similar in **Bangladesh**, where LC processing delays and a sluggish domestic steel market have tempered buyer enthusiasm, with indicative offers for shredded scrap from Europe assessed at USD435-440 per ton CFR Chattogram.

In **Turkey**, import prices for ferrous scrap have slightly declined amidst slow rebar sales, with HMS (80:20) prices from the EU/UK and US/Baltic sources showing a softer trend. This has allowed Turkish mills to push for lower prices, reflecting a cautious approach to scrap imports amid expectations of further price declines.

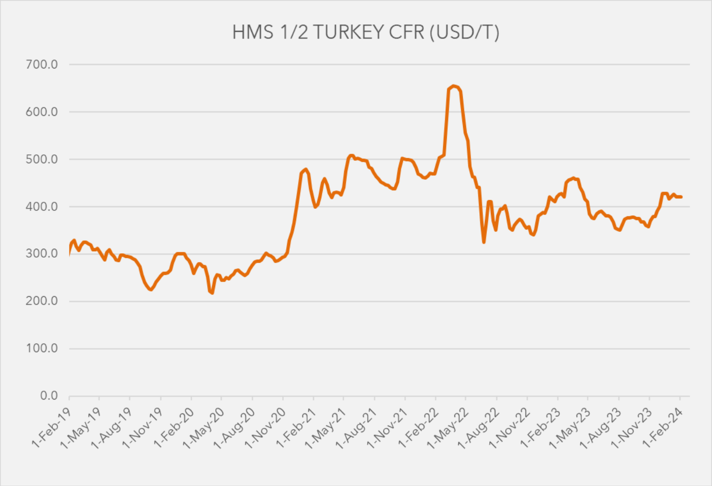
This market trend suggests a cautious stance among buyers across South Asia and Turkey, with significant attention to price movements and the broader economic factors influencing the ferrous scrap market.

In the short term, the market is poised for a cautious phase, influenced by prevailing market sentiments. Indian buyers are displaying a lack of interest in procuring European scrap, opting to wait for offers to align with more feasible rates of around USD400 per ton. While transactions with other origins might take place due to domestic shortages, these are expected to unfold at a measured pace amidst instances of distressed sales.

In Pakistan and Bangladesh, purchasing activities are likely to hinge on the availability of bank letters of credit, indicating a cautious procurement strategy. Meanwhile, Turkish buyers are bracing for potential price reductions, adopting a wait-and-see strategy in anticipation of more favourable market conditions.

This collective approach underscores a broader market tendency towards caution and strategic purchasing amid uncertain market dynamics.

HMS 1/2 & Tangshan Billet



Commodities

Iron ore prices have continued their downward trajectory, attributed to diminishing demand signals. A notable increase in iron ore inventories at major Chinese ports, reaching 99 million tons, has intensified the situation, alongside a surge in supply. Data from Bloomberg indicates that the world's leading five iron ore exporters are set to increase shipments by 3.7% year-on-year to 290.7 million tons in the first quarter of 2024, further pressuring the market.

Meanwhile, **copper** prices have seen a slight uptick, buoyed by renewed optimism in Chinese markets amid reports that Beijing is implementing new legislation aimed at bolstering the private economy. This positive shift comes despite copper's strong performance exceeding market expectations and a changing tide in central bank policies enhancing market sentiment.

Historically, the metal-faced downward pressure from stringent monetary policies and sluggish economic growth has sparked demand concerns. Nevertheless, robust demand has persisted, driven by a global push towards electrification and decarbonisation efforts. Notably, demand growth in China, the United States, and India, which rank among the top five copper consumers, is projected to hit 4.3% in 2024 amidst escalating supply challenges.

Unforeseen production disruptions are anticipated to continue as the industry grapples with rising operational costs and declining ore quality, coupled with significant political uncertainties that threaten new mining projects. These factors are expected to lead to a copper market deficit this year, potentially supporting higher prices.

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)	121	-6.92%	0	130	130
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	124	-6.06%	+1.63%	132	122

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	388.95	-2.55	-0.65%	May 2024
3Mo Copper (L.M.E.)	USD / MT	8,584.50	+42.50	+0.50%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,198.00	-21.50	-0.97%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,386.50	-8.00	-0.33%	N/A
3Mo Tin (L.M.E.)	USD / MT	26,170.00	-126.00	-0.48%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	76.58	-2.03	-2.58%	Apr 2024
Brent Crude (ICE.)	USD / bbl.	81.71	-1.96	-2.34%	Apr 2024
Crude Oil (Tokyo)	J.P.Y. / kl	76,140.00	+330.00	+0.44%	Feb 2024
Natural Gas (Nymex)	USD / MMBtu	1.60	-0.14	-7.85%	Mar 2024

Note: all rates as at C.O.B. London time February 23, 2024

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