# WEEKLY REPORT

## WEEK 12 – March 24, 2024

In a significant policy shift, the Bank of Japan (BOJ) has raised its short-term interest rates from -0.1% to between 0% and 0.1%, marking the end of the world's only negative interest rate regime. During its March meeting, the BOJ also terminated its yield curve control policy and curtailed its extensive asset purchases, signaling a step back from its longstanding ultra-loose monetary stance aimed at combating deflation.

While this move signals a historic pivot from decades of aggressive monetary easing, BOJ Governor Kazuo Ueda emphasised that Japan is not on the path to rapid interest rate hikes due to the fragile state of the nation's economy.

Despite this adjustment, the BOJ plans to maintain its monthly government bond purchases at about 6 trillion yen, indicating a cautious approach towards normalising monetary policy. This policy change has led to a depreciation of the yen and adjustments in the financial markets, underlining the BOJ's careful navigation through inflation targets and economic recovery.

While in the U.S., on Wednesday, the Federal Reserve made the decision to maintain current interest rates steady at 5.25~5.50%, postponing any reductions and the associated alleviation of elevated borrowing expenses.

The anticipation that the Federal Reserve is successfully navigating a "soft landing" for the economy has grown. However, this provides minimal solace to those in the U.S. burdened by debts with high-interest rates.

# Dry Bulk

The Baltic Exchange's index fell to a two-week low on Thursday, with rates declining for both Capesize and Panamax vessel segments. The overall index fell 1.9% to 2,240 points, its lowest since March 6. The Capesize index fell 2.8% to 3,588, with average daily earnings decreasing to US$29,752, despite a rise in iron ore futures due to expectations of further monetary policy easing in China and improved profitability among some steelmakers.

The Panamax index also declined 2.1% to 2,204 points, although average daily earnings rose to US$19,834. Market sentiment for Panamax vessels remains positive, supported by stable fundamentals in both Atlantic and Asian regions. The Supramax index, however, rose by 9 points to 1,379 points.

## Capesize:

The Pacific market saw downward pressure due to persistently sluggish inflows of coal cargoes. Weak coal demand remained a headwind in the Pacific, as the Atlantic market faced easing rates as positional vessel lists lengthened off Brazil following a brief period of tighter availability. Pacific r/v fell to USD34,300's a day. Rates in Brazil experienced a correction as a substantial buildup of ships in the early part of April, in contrast with a tight supply, led rates to pull back from recent highs. T/A saw levels slip to USD 29,850 a day.

## Panamax/Kamsarmax:

The Atlantic market saw a slowdown in the upward trend due to a combination of sluggish cargo inflows compared to the previous week and a deterioration in market sentiment following weakness in the FFA. However, the tight supply and demand structure remains intact. T/A levels close lower at USD17,000's a day. The Pacific market saw an increase in demand for NOPAC grains and Indonesian coal, but the accumulating vessel supply offset this, resulting in a slightly weaker level. Pacific were around USD15,000's a day. Looking ahead, sustained cargo flows and vessel positioning will be key variables dictating future rate direction.

## Supramax/Ultramax:

In the Atlantic, the Mediterranean market continues to maintain a positive sentiment, with a balanced supply and demand supported by favourable fundamentals in South

America and the USG. The Pacific market continues its upward trend, with demand from NE Asia supporting the market, while Indonesian coal demand has also shown slight improvements despite some lackluster. Overall, rates across all routes saw an uptick with Pacific r/v closing around USD15,000's a day.

**<u>Handysize:</u>**

The handy market showed improvements this week with robust demand in the Atlantic. T/A levels close higher, around USD13,300's a day. The same was also witnessed in the Pacific. Activity was picking up towards the end of the week as inter-Pacific levels climbed to US$ 10,700 a day.

## Baltic Exchange Dry Bulk Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---|---|---|---|---|---|
| BDI | 2,196 | 2,374 | 1,489 | -7.50% | +47.48% |
| BCI | 3,482 | 4,019 | 1,882 | -13.36% | +85.02% |
| BPI | 2,165 | 2,234 | 1,572 | -3.09% | +37.72% |
| BSI | 1,383 | 1,326 | 1,332 | +4.30% | +3.83% |
| BHSI | 795 | 781 | 703 | +1.79% | +13.09% |

## Dry Bulk Values

(*Weekly Average*)

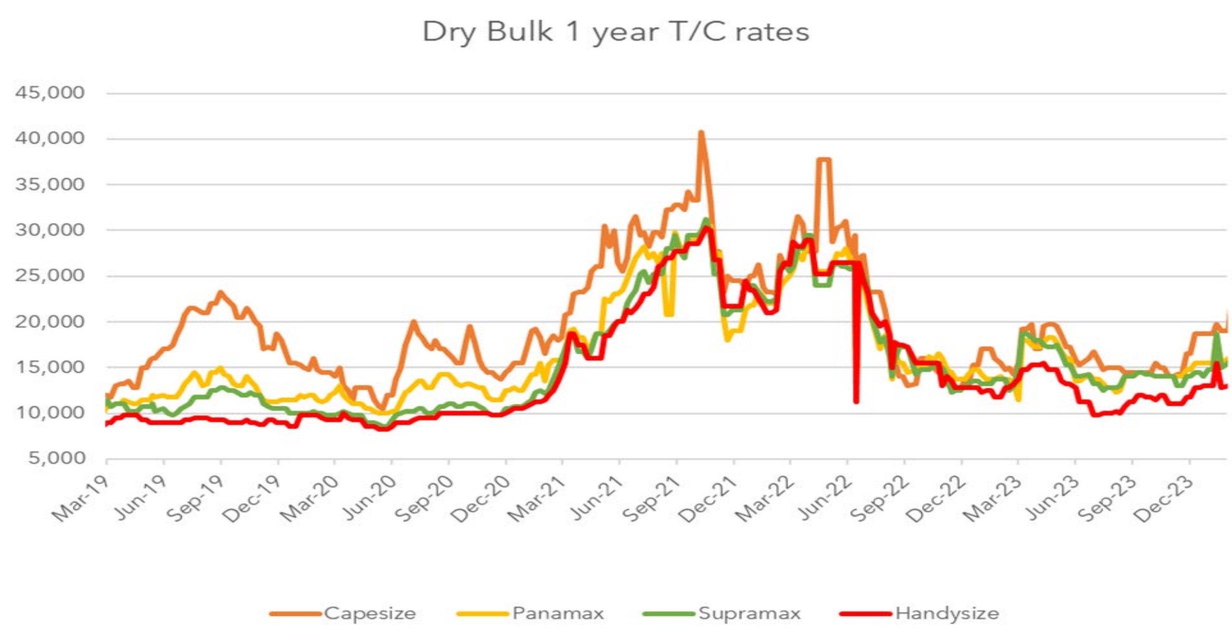
| TYPE | DWT | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---|---|---|---|---|---|---|
| CAPE | 180,000 | 68 | 76 | 60 | 40 | 28 |
| KAMSARMAX | 82,000 | 37 | 43 | 35 | 28 | 19 |
| SUPRAMAX | 56,000 | 33 | 41 | 28 | 23 | 15 |
| HANDY | 38,000 | 30 | 34 | 26 | 20 | 11 |
| *(amount 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 | 26,000 | 28,000 | 17,000 | -7.14% | +52.94% |
| PANAMAX | 75,000 | 16,500 | 17,000 | 15,250 | -2.94% | +8.20% |
| SUPRAMAX | 58,000 | 15,000 | 15,000 | 15,850 | 0 | -5.36% |
| HANDYSIZE | 38,000 | 13,500 | 14,000 | 12,850 | -3.57% | +5.06% |

## Dry Bulk – S&P Report

| VESSEL NAME | TYPE | DWT | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| ORANGE TIARA | CAPE | 181,392 | 2012 | JAPAN | 35.0 | UNDISCLOSED |
| GENCO MAXIMUS / GENCO CLAUDIUS | CAPE | 169,021 | 2009 /2010 | S. KOREA | 47.0 EN BLOC | GOLDEN UNION MARITIME |
| KEY GUARDIAN | KMAX | 83,468 | 2011 | JAPAN | 23.7 | UAE BUYERS |
| XI LONG 18 | PMAX | 79,235 | 2013 | CHINA | 17.0 | UNDISCLOSED |
| HONY WORLD | SMAX | 56,716 | 2012 | CHINA | 14.0 | UNDISCLOSED |
| NZ HANGZHOU | SMAX | 56,709 | 2012 | CHINA | 14.0 | GREEK BUYERS |
| QUEEN BUSAN | SMAX | 55,474 | 2010 | JAPAN | 17.0 | GREEK BUYERS |
| ASPEN | SMAX | 54,286 | 2009 | CHINA | 9.0 | TURKISH BUYERS |
| BBC PLUTO | HANDY | 37,495 | 2010 | CHINA | 11.6 | TURKISH BUYERS |
| OMNIA | HANDY | 36,787 | 2011 | JAPAN | 15.3 | PL SHIPPING |
| ST. PETER | HANDY | 32,688 | 2009 | CHINA | 10.4 | UNDISCLOSED |
| CONDOR HAMBURG | HANDY | 31,796 | 2012 | CHINA | 12.0 | UNDISCLOSED |
| RIN TREASURE | HANDY | 28,333 | 2009 | JAPAN | 9.0 | UNDISCLOSED |



## Tankers

Oil prices experienced a sharp reversal midweek, plunging around 2% as traders awaited the Federal Reserve's highly anticipated interest rate decision. The selloff followed a robust rally earlier in the week. Brent crude was trading down 1.68% at US$85.91 per barrel, while the U.S. benchmark WTI crude had declined 2.17% to US$81.66.

The Fed is widely expected to leave interest rates unchanged at the 5.25-5.5% range, a 23-year peak maintained since July. However, markets are keenly focused on whether policymakers will signal fewer than three rate cuts this year amid slowing inflation.

Separately, supply-side catalysts continued supporting crude prices, according to analysts. Refining outages in Russia from Ukrainian drone strikes have disrupted about 900,000 BPD of production capacity. With seasonal refinery maintenance also looming, Russia's export volumes could be curtailed in the second quarter, providing an underpinning for the oil market despite moderating demand concerns.

In summary, hawkish Fed rhetoric and resilient U.S. inflation stoked rate uncertainty, prompting a bout of profit-taking in the oil rally. However, persistent Russian supply issues kept a floor under prices amid a mixed global outlook.

### VLCC:

Rates were flat start of the week in the Middle East/China routes but a surge of cargoes for late March/early April led to a rebound in the latter half to WS71. The Atlantic also softened this week due to a surplus in vessel availability. 260,000mt WAFR/China fell to WS72.

### Suezmax:

Despite steady fixing, the Middle East and West Africa markets closed sideways as early April demand fell short of expectations. 130,000 mt Nigeria/UKC remain same as last while MEG/Med fell to WS96. Activity was also lacking in the USG with rates falling to WS77 for a UKC trip. There is a possibility of a further discount next week due to the lack of cargo supply.

### Aframax:

In contrast to the stagnant Middle East, brisk activity in Asia and Australia saw tonnage being absorbed rapidly. This, coupled with a surging LR2 market and increased West of Suez fuel oil liftings, drove rates higher. On the other side, North Sea rates for 80,000 mt x-UKC saw a small uptick, closing at WS143.

## Clean:

LR: The LR1 market firmed this week in the Middle East, with rates on the MEG/Japan TC5 route firming to WS310, falling slightly short from last week's levels. In the LR2, the scarcity of tonnage in the UKC allows the owners in the region to push rates higher on the UKC/WAFR route. However, the position list is expected to improve in the coming week.

MR: MR market saw a general decline in rates due to a shortage of cargoes and reduced availability of Russian volumes. TC2 fell this week some 50 points to WS206. On the other side, the MEG route to E. Africa improved this week due to the tight tonnage list with TC17 climbing to WS421.

## Baltic Exchange Tanker Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---|---|---|---|---|---|
| BDTI | 1,161 | 1,197 | 1,622 | -3.01% | -28.42% |
| BCTI | 1,233 | 1,180 | 1,200 | +4.49% | +2.75% |

## Tankers Values

*(Weekly Average)*

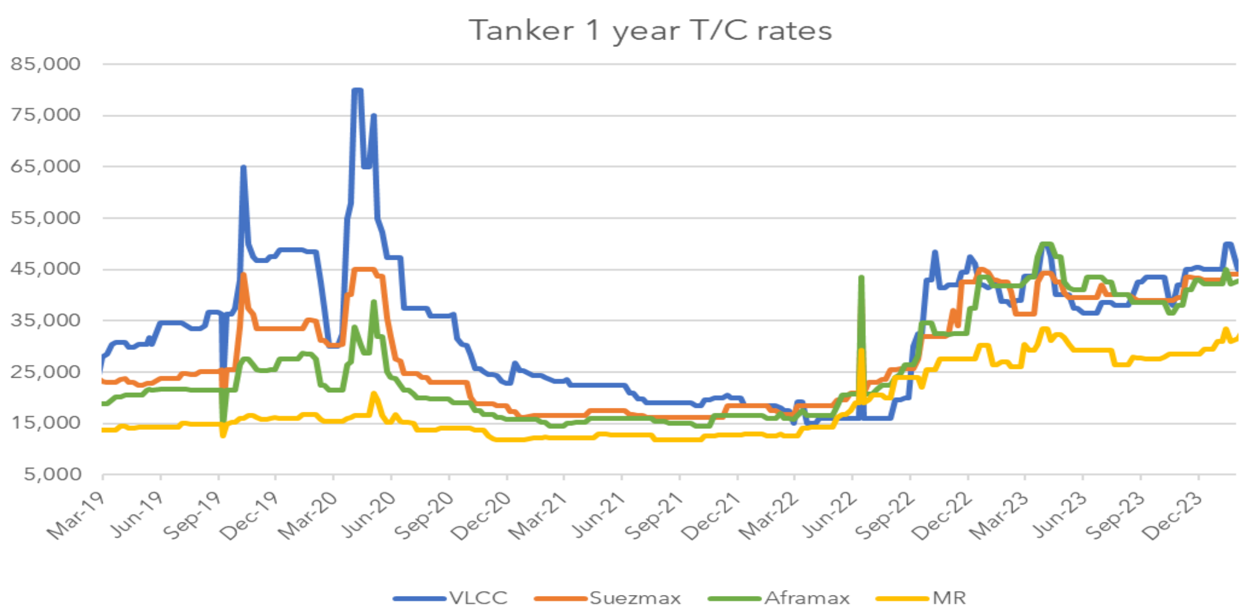
| TYPE | DWT | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---|---|---|---|---|---|---|
| VLCC | 310,000 | 129 | 140 | 108 | 82 | 55 |
| SUEZMAX | 160,000 | 86 | 99 | 80 | 67 | 48 |
| AFRAMAX | 115,000 | 74 | 84 | 70 | 58 | 38 |
| LR1 | 73,000 | 58 | 60 | 51 | 42 | 27 |
| MR | 51,000 | 49 | 53 | 35 | 28 | 22 |
| **(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 | 48,500 | 48,250 | 50,000 | +0.52% | -3.00% |
| SUEZMAX | 150,000 | 42,500 | 38,000 | 44,250 | +11.84% | -3.95% |
| AFRAMAX | 110,000 | 42,500 | 42,500 | 50,000 | 0 | -15.00% |
| LR1 | 74,000 | 36,500 | 35,750 | 35,500 | +2.10% | +2.82% |
| MR | 47,000 | 29,750 | 29,750 | 30,500 | 0 | -2.46% |

## Tankers S&P Report

| VESSEL NAME | TYPE | DWT | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| HIGH PROSPERITY | MR | 48,711 | 2006 | JAPAN | 19.3 | SINGAPOREAN BUYERS |
| PACIFIC JEWEL | MR | 48,012 | 2009 | JAPAN | 23.7 | UNDISCLOSED |
| MTM ST JEAN | MR | 34,528 | 2003 | JAPAN | 18.0 | CHINESE BUYERS |



# Containers

The container industry faces unprecedented uncertainty in 2024 due to the ongoing Red Sea crisis and challenges in the Panama Canal. Major carriers' earnings projections vary significantly, and CFOs struggle to provide accurate forecasts. Despite a recent uptick in freight rates, structural over-capacity and a record volume of new builds are expected to put pressure on profitability in the second half of the year. Carriers and shippers are finding it difficult to conclude contract negotiations as spot rates continue to decline.

Spot container freight rates continued their downward trend this week. The overall SCFI fell by 2% w-o-w to 1,733 points, marking a 23% decline from mid-January levels. On the Shanghai-North Europe route, rates fell to US$1,943 per TEU. Despite a 36% drop from mid-January, this rate remains more than double the level seen at the beginning of December.

In recent developments within the shipping market, there has been no indication of a forthcoming resolution to the ongoing situation in the Red Sea. Despite shipowners holding firm on their high asking prices, the nascent stabilisation of the charter market, coupled with the scarcity of available vessels, might prompt some purchasers to make their move.

The MSC has reaffirmed its dominance as the most aggressive purchaser in the sector, notably acquiring the "Paris II" and "Lyon II," both with a capacity of 6,627 TEU and built in 2001, through a combined transaction valued at USD 40 million.

This significant investment is largely influenced by the vessels' imminent need for dry docking. Additionally, MSC has arranged for the recycling of the "MSC Rossella," a 3,424 TEU ship built in 1993, at a rate of USD 530/ton, with the vessel destined for dismantling in India for green recycling.

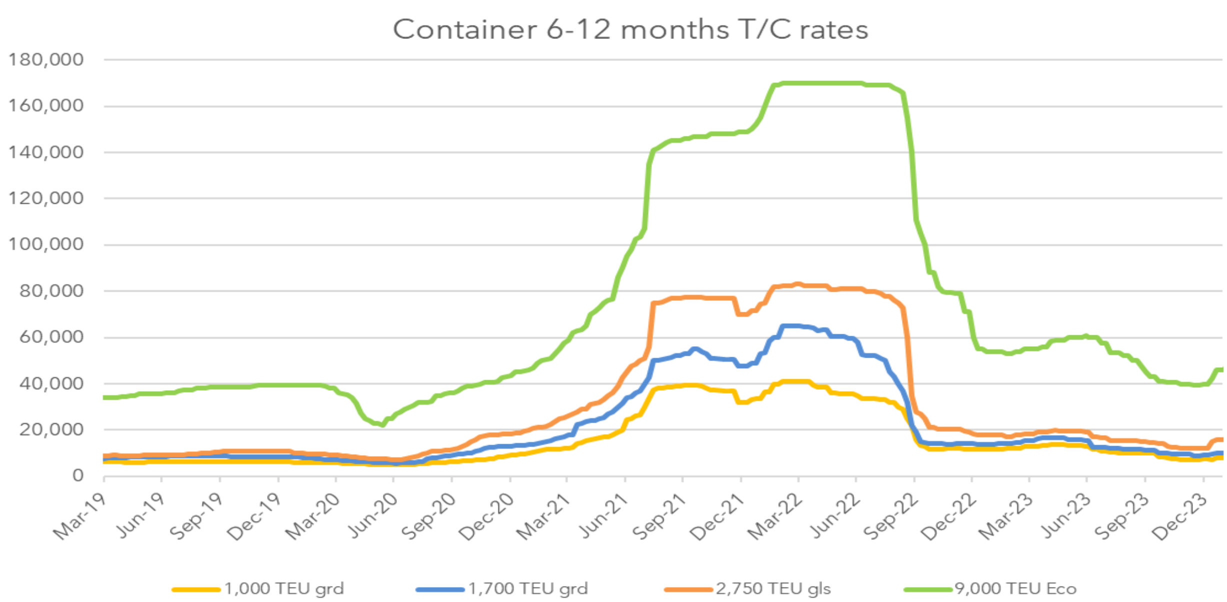
## Containers S&P Report

| VESSEL NAME | TYPE | TEU | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| ARISTOMENIS / ATHENIAN / ATHOS | POST PMAX | 9,954 | 2011 | S. KOREA | 153.0 EN BLOC | PETER DOEHLE |
| PARIS II / LYON II | POST PMAX | 6,627 | 2001 | S. KOREA | 20.0 EACH | MSC |

## 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 | 14 | 8 |
| 1,600 – 1,850 | Geared | 29 | 26 | 20 | 16 | 11 |
| 2,700 – 2,900 | Gearless | 41 | 38 | 29 | 20 | 14 |
| 5,100 | Gearless | 94 | 83 | 70 | 41 | 27 |
| *(amount in USD million) | | | | | | |



## Ship Recycling Market Snapshot

| DESTINATION | TANKERS | BULKERS | MPP/ GENERAL CARGO | CONTAINERS | SENTIMENTS / WEEKLY FUTURE TREND |
|---|---|---|---|---|---|
| ALANG (WC INDIA) . | 490 ~ 500 | 470 ~ 480 | 470 ~ 480 | 500 ~ 510 | WEAK / |
| CHATTOGRAM, BANGLADESH | 530 ~540 | 520 ~ 530 | 500~ 510 | 540 ~ 550 | STABLE / |
| GADDANI, PAKISTAN | 520 ~ 530 | 510 ~ 520 | 500 ~ 510 | 530 ~ 540 | WEAK / |
| TURKEY *For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less* | 310 ~ 320 | 300 ~ 310 | 290 ~ 300 | 320 ~ 330 | WEAK / |

- All prices are USD per light displacement tonnage in the long ton.
- The prices reported are net prices offered by the recycling yards.
- Prices quoted are basis simple Japanese / Korean-built tonnages trading units. Premiums are paid on top of the above-quoted prices based on quality & quality of Spares, Non-Fe., bunkers, cargo history, and maintenance.

## 5-Year Ship Recycling Average Historical Prices

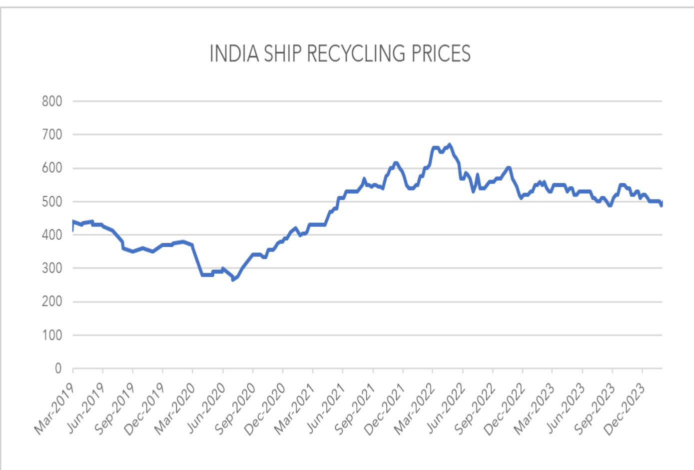
(Week 12)

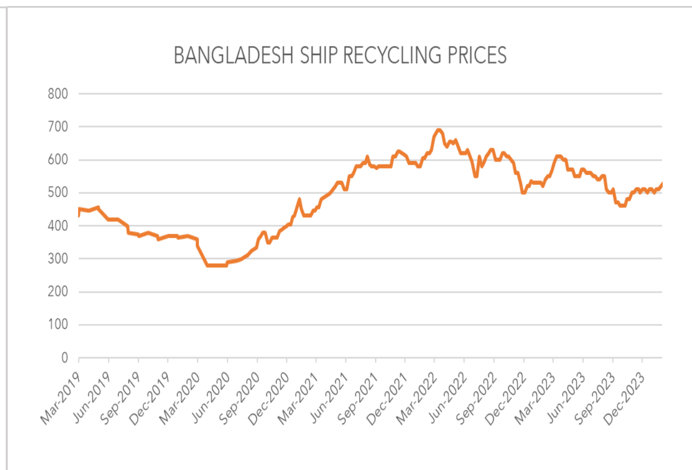
| DESTINATION | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| ALANG, INDIA | 445 | 380 | 435 | 680 | 560 |
| CHATTOGRAM, BANGLADESH | 450 | 350 | 485 | 690 | 600 |
| GADDANI, PAKISTAN | 420 | 340 | 495 | 685 | 550 |
| ALIAGA, TURKEY | 280 | 210 | 255 | 460 | 325 |

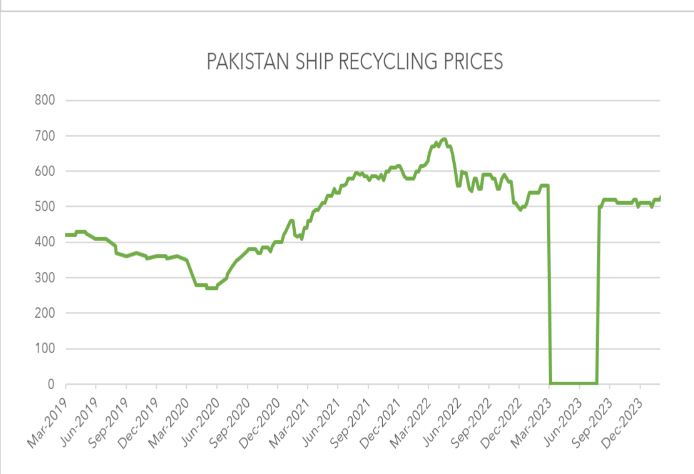
## Ships Sold for Recycling

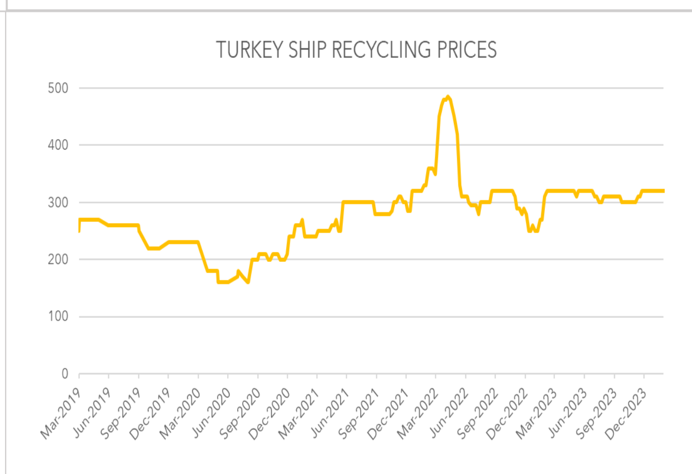
| VESSEL NAME | LDT | YEAR / BUILT | TYPE | PRICE (USD/LDT LT) | COMMENTS |
|---|---|---|---|---|---|
| JAL GAMINI | 22,572 | 2000 / KOREA | TANKER | 541 | DELIVERED FULL SUB-CONTINENT |
| PETROLEO NAUTIPA | 18,139 | 1975 / JAPAN | FPSO | UNDISCLOSED | AS IS DUQM, OMAN FOR RE-DELIVERY UNDER TOW ALANG FOR HKC RECYCLING |
| XIN RUN 66 | 2,908 | 2004 / CHINA | TANKER | 525 | DELIVERED CHATTOGRAM |
| JAHAN BROTHERS | 8,032 | 1994 / JAPAN | BULKER | UNDISCLOSED | LOCAL SALE TO CHATTOGRAM PAYMENT IN BDT |
| YAMTAI | 6,003 | 1994 / JAPAN | BULKER | 475 | AS IS SINGAPORE |

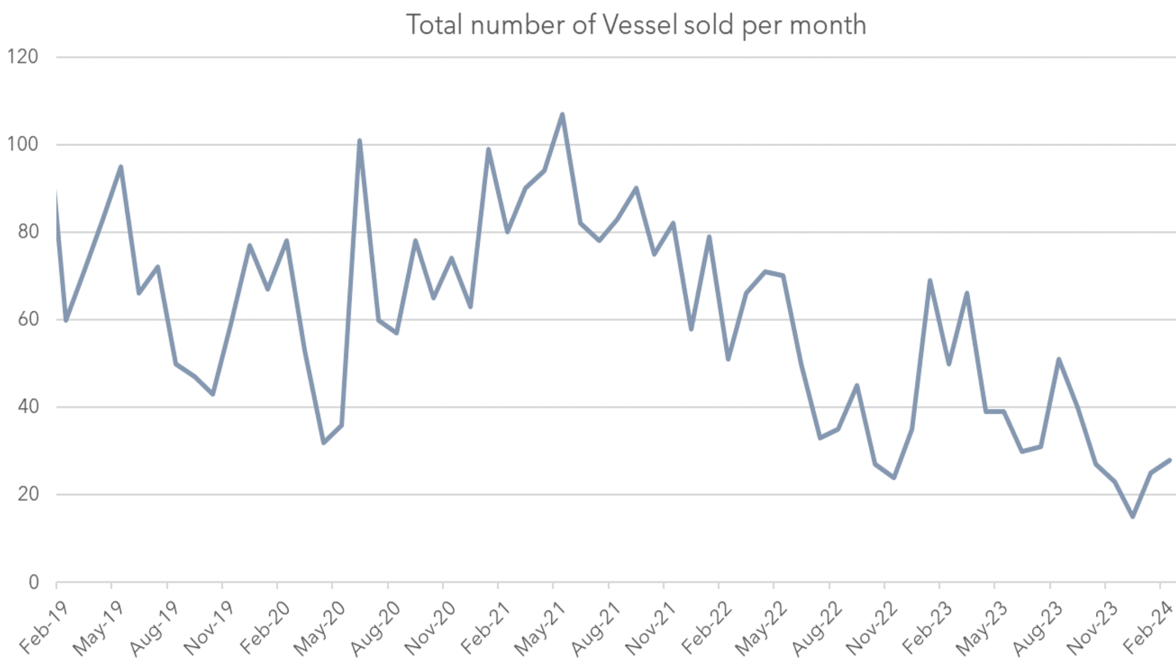
## Recycling Ships Price Trend

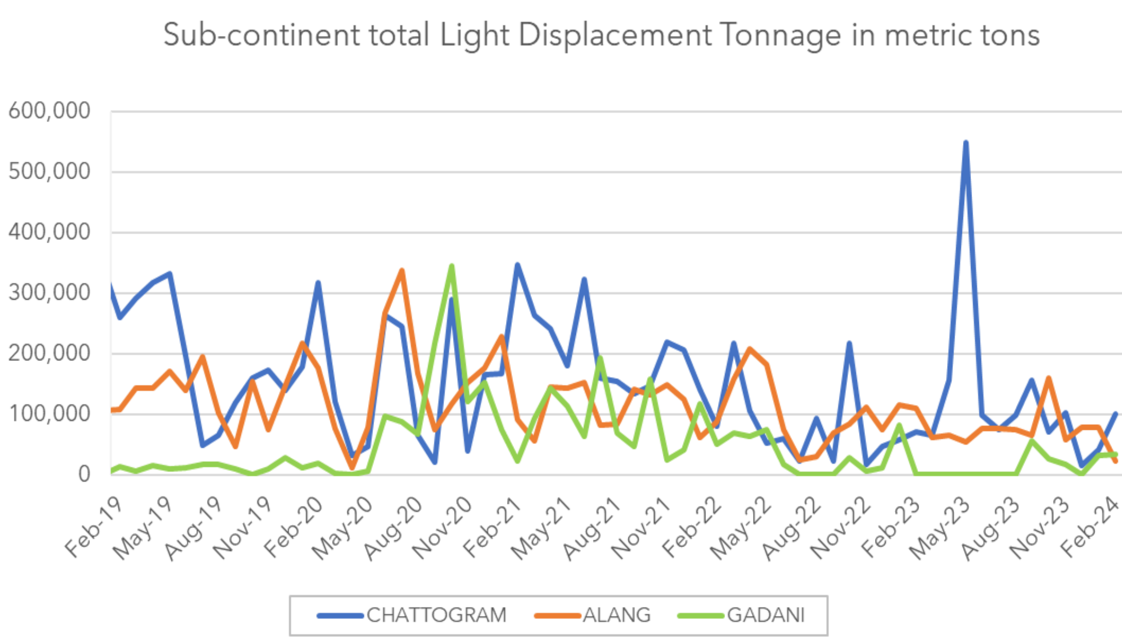



Total number of Vessel sold per month
120
100
80
60
40
20
0
Feb-19
May-19
Aug-19
Nov-19
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-24


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

# Insight

In the Subcontinent, the recycling markets experienced yet another week lacking significant activity, as a vast majority of the recyclers, who are in dire need of ships, continue to await a shift in the freight markets that might inject a glimmer of hope into the beleaguered industry.

Ship recycling prices managed to maintain moderate stability, yet this equilibrium appears questionable as global steel prices trend downward, a factor to which ship scrap prices are notably vulnerable. Although price adjustments are long overdue, the persistently low supply of ships has, somewhat paradoxically, kept prices higher than one might expect.

This situation continues to echo previous patterns, underscoring the complex interplay between supply scarcity and market price resistance.

## Alang, India

The domestic scrap markets are posing early indications of a modest uptick following a sustained period of decline, though it remains uncertain whether this signals that the markets have bottomed out and are on the path to recovery. Despite the uncertainties, purchasing activity at the current price levels persists.

In a notable transaction this week, BW Offshore recently committed a vintage FPSO vessel, the *Petroleo Nautipa*. built in 1975 in Japan, weighing about 18,139 tons, was sold on under-tow as is Duqm, Oman for green recycling at Alang marking a significant deal in the industry's recent transactions.

A promising development for the Alang Sosiya Ship Recycling Yard, as the Government of Gujarat unveiled a comprehensive package of fiscal incentives for the 2024-2025 financial year, aimed at rejuvenating the beleaguered industry. Faced with diminishing ship recycling activities due to a scarcity of ships and stiff competition from neighbouring countries, these initiatives are designed to stimulate industry growth. The Gujarat Maritime Board's new policy includes significant cuts in Housing Cess and Development Charges, as well as adjustments to LDT Charges for Indian-flagged vessels. The resolution entails a full waiver of housing cess and a 50% reduction in development charges, effectively lowering operational expenses for the yard's 131 active plots, which represent a whopping 98% of India's ship recycling capacity.

Moreover, the policy introduces a halving of the minimum LDT requirement for the second block and offers incentives to circumvent penalties. These calculated financial relaxations are poised to bolster the Alang Ship Recycling Yard's competitive edge and sustainability, affirming its stature as a formidable entity within the international ship recycling domain.

The Alang market is expected to remain quiet the coming week due to the financial year's end on March 31, alongside a subdued buying interest, possibly due to the upcoming religious festival and elections in April.

### Anchorage & Beaching Position (March 2024)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|---|---|---|---|---|
| ERICA (UNDER TOW) | CONTAINER | 30,713 | 22.03.2024 | AWAITING |
| AL JAMIL | GENERAL CARGO | 2,128 | 16.03.2024 | AWAITING |
| SARCO | FISHING | 16,627 | 09.03.2024 | 12.03.2024 |
| ANCIER | PASSENGER | 6,283 | 28.02.2024 | 10.03.2024 |

## Chattogram, Bangladesh

Market sentiments have remained largely unchanged as activities in the markets slow down during Ramadan. Traditionally, the month of Ramadan marks a period of reduced activity, and the intensity for acquisitions is already showing signs of waning this week.

Overall demand and pricing for ships remained stable, as the scarcity of vessels available for recycling has led recyclers to settle for smaller Chinese domestic ships, ensuring the continuation of operations.

### Anchorage & Beaching Position (March 2024)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|---|---|---|---|---|
| ISL STAR | BULKER | 10,177 | 24.03.2024 | AWAITING |
| XIN XIANG RUI | BULKER | 5,119 | 10.03.2024 | 24.03.2024 |
| EZ FORTUNA | BULKER | 7,371 | 07.03.2024 | 18.03.2024 |
| LMS LAXAPANA | TANKER | 1,203 | 10.03.2024 | 15.03.2024 |
| YILDIZLAR 2 | WOOD CHIP | 10,347 | 07.03.2024 | 13.03.2024 |

## Gadani, Pakistan

Markets remained starved of ships, with prices stable. The ship recycling, domestic ship scrap prices and fundamentals have arguably outshined their neighbours India and Bangladesh. This distinction comes as local ship plate prices maintain a consistent steadiness, exhibiting unwavering stability week over week. Additionally, the Pakistani Rupee has distinguished itself as the sole currency among the top five ship-recycling nations to experience an uplift, initially breaching into the PKR 277.9 to a U.S. dollar range before settling at PKR 278 against the U.S. Dollar by week's end.

Overall, like Bangladesh, the markets will enter further slowdown due to ongoing Ramadan and expected to pick up post Eid festival.

### Anchorage & Beaching Position (March 2024)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|---|---|---|---|---|
| BRAD | TANKER | 16,368 | 15.03.2024 | AWATIING |
| RONG DA CHANG SHA | GENERAL CARGO | 9,654 | 15.03.2024 | 18.03.2024 |
| DHAFI | PASSENGER | 6,040 | 19.02.2024 | 04.03.2024 |
| BUKHTA NAGAEVA | REEFER | 2,353 | 17.02.2024 | 01.03.2024 |
| GAP | CONTAINER | 3,837 | 18.02.2024 | 01.03.2024 |
| WANG HAI | BULKER | 23,039 | 23.02.2024 | 01.03.2024 |

## Aliaga, Turkey

Despite the accelerating depreciation of the Turkish lira against the US dollar and firm imported scrap values, some Turkish mills have reduced their domestic scrap purchasing prices since last week. The market sentiment has improved following the rebound in the Chinese market earlier this week, but Turkish mills are pushing for scrap prices below USD380 per tonne on a CFR Turkey basis due to weak steel sales.

Turkish domestic rebar prices stood at USD590-620/t ex-works midweek, while Turkish shipbreaking scrap has decreased to USD375-380/t delivered.

The Turkish lira hit 32.02 per dollar on Friday's business close, improving slightly from last week. Overall, the markets look to be stagnant in the coming weeks.

| BEACHING TIDE DATES 2024 | |
|---|---|
| Chattogram, Bangladesh | : 25 ~ 28 March \| 08 ~ 11 April |
| Alang, India | : 26 ~ 30 March \| 06 ~ 13 April |

| BUNKER PRICES (USD/TON) | | | |
|---|---|---|---|
| PORTS | VLSFO (0.5%) | HSFO (3.5%) | MGO (0.1%) |
| SINGAPORE | 642 | 495 | 793 |
| HONG KONG | 641 | 500 | 801 |
| FUJAIRAH | 643 | 461 | 900 |
| ROTTERDAM | 598 | 484 | 798 |
| HOUSTON | 654 | 496 | |

| EXCHANGE RATES | | | |
|---|---|---|---|
| CURRENCY | MARCH 22 | MARCH 15 | W-O-W % CHANGE |
| USD / CNY (CHINA) | 7.22 | 7.19 | -0.42% |
| USD / BDT (BANGLADESH) | 109.72 | 109.72 | 0 |
| USD / INR (INDIA) | 83.57 | 82.87 | -0.84% |
| USD / PKR (PAKISTAN) | 278.24 | 279.28 | +0.37% |
| USD / TRY (TURKEY) | 32.01 | 32.21 | +0.62% |

## Sub-Continent and Turkey ferrous scrap markets insight

In this week's ferrous scrap market in the Sub-continent and Turkey, trends showed mixed signals. Indian importers showed caution towards European shredded scrap due to pricing concerns, turning instead to offers from Africa for HMS, which saw a notable interest. In Pakistan, the commencement of Ramadan led to a slowdown in purchasing, impacting market activity. Conversely, Bangladeshi buyers are leaning towards bulk purchases, attracted by competitive prices, marking a shift from previous buying patterns. Meanwhile, in Turkey, scrap prices have held steady with expectations of increased buying activity as sellers anticipate a rise in steel rebar prices.

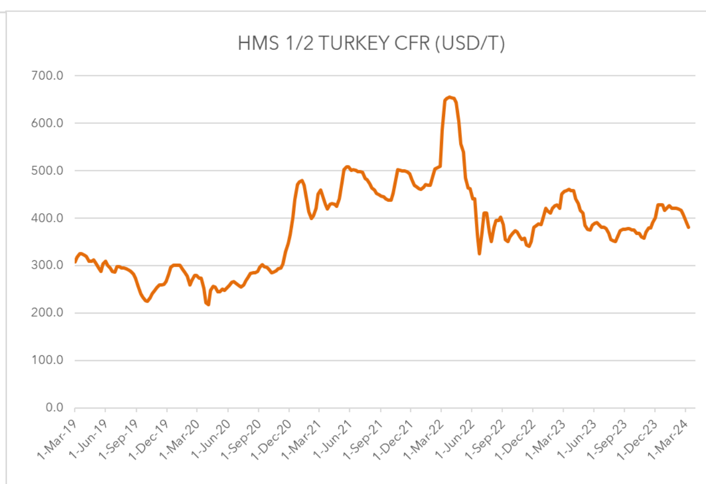
In **India**, there's a hesitancy among scrap importers towards European shredded scrap, pivoting instead to African HMS, with deals being struck within the USD375-380/ton range. This shift comes amidst a flurry of activity in recent days, although inquiries have dipped today. The market has seen HMS offers from West Africa and South America being eagerly accepted, contrasting with the steady demand for shredded scrap from the UK/EU, priced around USD400/ton. Despite the variety of offers, some suppliers are targeting slightly lower prices for US materials amid a surplus of offers from West Africa and Brazil/South America.

In **Pakistan**, the observance of Ramadan has significantly curtailed scrap purchasing, with the domestic rebar market's sluggishness further dampening demand. Offers for European shredded scrap have dipped to USD410-415/ton, reflecting the global scrap market's downward trend. The steel market outlook remains dim, with high interest rates adversely affecting the construction sector. However, there's hope for improvement post-June 2024, when interest rates are expected to decline.

**Bangladesh** faces its own set of challenges, with difficulties in opening letters of credit and a softened steel market sentiment leading to a slowdown in purchases. However, the shift towards bulk purchases, especially from the US and Australia, is noted as buyers seek more favorable pricing. Offers for shredded scrap from the UK/Europe and HMS are hovering around USD410 and USD395-400/ton, respectively.

**Turkey's** market remains stable for now, with ferrous scrap prices unchanged but with an undercurrent of anticipation for restocking activities that could push prices up. Offers for HMS scrap remain steady, with market sentiment slightly buoyed by Kardemir's recent rebar price adjustment, fostering a cautiously optimistic outlook for the coming weeks.

## HMS 1/2 & Tangshan Billet

# Commodities

The Chinese **steel** industry continues to contend with sluggish demand, prompting steel mills to take drastic measures. In an effort to reduce losses from poor steel margins, many mills across China have announced additional short-term maintenance outages on blast furnaces and rolling lines. Numerous mills will undergo weeks-long maintenance starting in mid-March, which is earlier than the typical year-end maintenance period.

These mill outages have slowed the inflow of iron ore shipments into China, contributing to a downward shift in global iron ore prices. Data from steel associations and government statistics reinforce the gloomy picture - crude steel production is declining while steel exports and inventory levels are rising, clear signs of an imbalanced and oversupplied steel market. Iron ore futures have plunged over 10% week-over-week, with the Singapore benchmark even breaking below USd100/ton on March 15th.

**Iron ore** prices, which have been struggling due to concerns over China's housing market, are starting to recover thanks to more optimistic views and positive economic data. Despite the issues in China's property sector, experts believe that the decrease in steel demand from housing will be compensated for by other economic areas. There's an expectation for higher investment in social housing and continued strong spending on infrastructure, especially in renewable energy. Additionally, China's car industry, especially electric vehicles, will get more support, helping to maintain a balance in the iron ore market. This balance, along with a slow increase in iron ore supply, suggests that prices might not drop much further from their current levels.

**Base metals** saw a significant increase in early market trading, driven by an optimistic mood across financial markets. In the US, sales of previously owned homes jumped by 9.5% last month, marking a notable rise. Additionally, US manufacturing activity saw its highest expansion since June 2022. In China, sales of electric vehicles are expected to nearly double in March, following price reductions, as reported by China's Passenger Car Association. Zinc prices experienced the largest increase following an announcement by Glencore to temporarily shut down its McArthur River mine in Australia due to a cyclone. The mine has seen record-breaking rainfall this week, surpassing a record that was set in 1974.

## 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) | 111 | +6.73% | -7.5% | 104 | 120 |
| Iron Ore Fines, CNF Qingdao, China | Fines, Fe 62.5% (Brazil Origin) | 113 | +2.72% | +4.62% | 110 | 108 |

## Industrial Metal Rates

| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT |
|---|---|---|---|---|---|
| Copper (Comex) | USD / lb. | 400.75 | -5.10 | -1.26% | May 2024 |
| 3Mo Copper (L.M.E.) | USD / MT | 8,866.50 | -84.00 | -0.94% | N/A |
| 3Mo Aluminum (L.M.E.) | USD / MT | 2,309.00 | +7.50 | +0.33% | N/A |
| 3Mo Zinc (L.M.E.) | USD / MT | 2,484.00 | -40.50 | -1.60% | N/A |
| 3Mo Tin (L.M.E.) | USD / MT | 27,727.00 | -145.00 | -0.52% | N/A |

## Crude Oil & Natural Gas Rates

| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT |
|---|---|---|---|---|---|
| WTI Crude Oil (Nymex) | USD / bbl. | 80.63 | -0.44 | -0.54% | May 2024 |
| Brent Crude (ICE.) | USD / bbl. | 85.43 | -0.35 | -0.41% | May 2024 |
| Crude Oil (Tokyo) | J.P.Y. / kl | 78,900.00 | -410.00 | -0.52% | Mar 2024 |
| Natural Gas (Nymex) | USD / MMBtu | 1.66 | -0.02 | -1.43% | Apr 2024 |

*Note: all rates as at C.O.B. London time March 22, 2024*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