



# WEEKLY REPORT

WEEK 33 – August 18, 2024

China's economic challenges continued to dominate headlines this week, as the nation's economy struggles to rebound after its worst five-quarter stretch. Industrial output and retail sales were largely in line with forecasts, but a prolonged housing slump remains a significant drag on consumer spending.

The latest data showed a surprise slowdown in fixed-asset investment, which grew by just 3.6% in the first seven months of the year, raising concerns about the overall health of the world's second-largest economy. Retail sales provided a glimmer of hope, beating expectations due to a seasonal uptick, which boosted China's stock market. However, growth in retail sales remained far below pre-pandemic levels, while industrial production softened slightly but still outpaced consumption. The offshore yuan remained under pressure following the release of the data.

The US\$17 trillion economy continues to show signs of weakening, with both consumers and businesses increasingly pessimistic. Recent government efforts, including interest rate cuts, have had minimal impact on stimulating consumption and investment as China continues to rely heavily on manufacturing for growth.

"The economy's momentum has slowed," noted Ding Shuang, chief economist for Greater China and North Asia at Standard Chartered Plc, highlighting the challenges of achieving the government's growth target of around 5% for the year.

While equity markets reacted positively to the slight improvement in retail sales, economists are urging the government to accelerate infrastructure spending and other programs to revive domestic demand if the growth target is to be met.

In the US, in the past week, a wave of data reinforced key economic trends: inflation is easing, the labour market remains stable, and the economy isn't on the brink of recession. However, the Federal Reserve faces critical decisions ahead. As the Jackson Hole symposium approaches, Fed Chair Jerome Powell's upcoming speech is anticipated to outline a cautious path forward, with markets expecting potential rate cuts starting in September. Despite mixed signals in housing and consumer spending, the Fed must balance cooling inflation with economic resilience, making the next few weeks pivotal for future policy direction.

## Dry Bulk

---

The Baltic Exchange recently reported its first index gain in over five weeks, with the overall index climbing to 1,691 points. This increase was primarily driven by the performance of the Capesize segment.

Despite the overall gain, the Capesize index itself experienced a decline, dropping 5 points to 2,537. This marks the second consecutive weekly loss for the segment. Alongside this decrease, average daily earnings also saw a slight dip, settling at approximately US\$21,000 per day.

The Panamax segment similarly faced challenges, with its index falling 2 points to 1,552. This decline represents the 14th consecutive session of losses, with average daily earnings in this segment decreasing to US\$13,950 a day.

In contrast to the declines seen in the Capes and Panamax, the Supramax index provided a small bright spot. This segment managed to buck the trend, showing a slight increase to reach 1,304 points.

### **Capesize:**

In the Pacific, the previously robust momentum slowed as spot demand for iron ore shipments, which had been a key market support, began to weaken. Pacific r/v saw rates fell to US\$24,250's a day. The Brazilian market experienced a similar shift, with a decrease in cargo inflow leading to quicker absorption of available cargoes by ballasters, effectively reversing the gains made earlier in the week.

### **Panamax/Kamsarmax:**

The Panamax market continues to exhibit varied trends across regions, with the North Atlantic experiencing a persistent decline in rates due to sluggish new cargo inflows. South America presents a mixed scenario, where charter demand for September onwards remains stable, yet an accumulation of spot vessels has led to a steady downward adjustment in contract rates. Brazil's r/v fell slightly to US\$ 14,600 a day.

### **Supramax/Ultramax:**

In the Atlantic, a slight recovery in the Med grain shipment has been offset by insufficient cargo inflow in other routes, resulting in a minor adjustment of rates. In the Pacific, the region managed to establish a short-term bottom, buoyed by improved cargo inflow from Southeast Asia. Additionally, the market has benefited from an increase in Chinese steel product shipments. Pacific r/v saw rates climb to US\$13,450's a day.

### Handysize:

Rates across the region saw improvements but Pacific remain similar as last with Inter Pacific climbing to US\$10,600's a day. Meanwhile, Med region remain quiet with hopes that sentiments will change after European summer vacation. Meanwhile, the Atlantic remain flat with little activity. T/A closed slightly higher around US\$11,700's a day.

## Baltic Exchange Dry Bulk Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---------|---------|-----------|-----------|--------------|--------------|
| BDI     | 1,691   | 1,675     | 1,237     | +1.26%       | +36.70%      |
| BCI     | 2,537   | 2,327     | 1,598     | +4.10%       | +58.76%      |
| BPI     | 1,552   | 1,705     | 1,542     | -2.94%       | +0.65%       |
| BSI     | 1,304   | 1,342     | 879       | -0.23%       | +48.35%      |
| BHSI    | 754     | 759       | 469       | -0.13%       | +60.77%      |

## Dry Bulk Values

(Weekly)

| TYPE      | DWT     | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|-----------|---------|-------------|--------------------|---------|----------|----------|
| CAPE      | 180,000 | 76          | 77                 | 64      | 45       | 29       |
| KAMSARMAX | 82,000  | 37          | 44                 | 39      | 30       | 19       |
| SUPRAMAX  | 56,000  | 35          | 42                 | 36      | 28       | 16       |
| HANDY     | 38,000  | 30          | 35                 | 28      | 21       | 12       |

\*(amount in USD million)

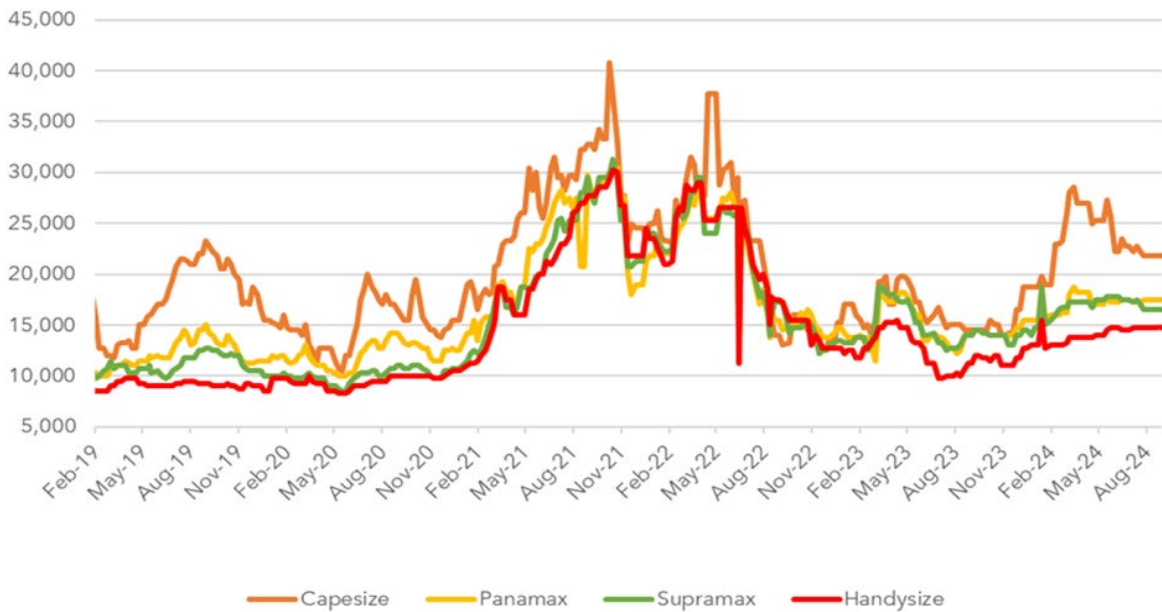
## Bulker 12 months T/C rates average (in USD/day)

| TYPE      | DWT     | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|-----------|---------|---------|-----------|-----------|--------------|--------------|
| CAPE SIZE | 180,000 | 22,000  | 22,000    | 14,250    | 0            | +54.39%      |
| PANAMAX   | 75,000  | 14,500  | 15,700    | 13,000    | -7.64%       | +11.54%      |
| SUPRAMAX  | 58,000  | 15,000  | 15,000    | 11,750    | 0            | +27.66%      |
| HANDYSIZE | 38,000  | 15,000  | 15,000    | 11,000    | 0            | +36.36%      |

## Dry Bulk – S&P Report

| VESSEL NAME      | TYPE      | DWT    | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|------------------|-----------|--------|------|-------|---------------------|-------------------|
| CORONA KINGDOM   | POST PMAX | 88,233 | 2004 | JAPAN | 12.0                | CHINESE BUYERS    |
| NAVIOS APOLLON I | POST PMAX | 87,052 | 2005 | JAPAN | 13.0                | UNDISCLOSED       |
| BELLEMAR         | KMAX      | 81,448 | 2007 | JAPAN | 17.5                | ICON ENERGY       |
| SEACON 9         | PMAX      | 74,844 | 2012 | CHINA | 14.7 (AUCTION)      | UNDISCLOSED       |
| GREAT SPRING     | UMAX      | 61,438 | 2017 | CHINA | 27.8 (AUCTION)      | UNDISCLOSED       |
| STAR HYDRUS      | SMAX      | 56,604 | 2013 | CHINA | 16.6                | UNDISCLOSED       |
| VIGOR SW         | HANDY     | 32,228 | 2009 | JAPAN | 13.0                | UNDISCLOSED       |

Dry Bulk 1 year T/C rates



## Tankers

---

Geopolitical tensions in the Middle East have emerged as the primary driver of crude oil prices this week. The Israel-Hamas conflict has created a volatile situation, with the potential to escalate into a broader regional crisis. Iran's promise of severe retaliation following a Hamas leader's assassination has further intensified concerns.

The Middle East's critical role in global oil production means any supply disruption could significantly impact markets. The U.S. has responded by bolstering its military presence in the region, adding to supply disruption fears.

This geopolitical uncertainty has created a risk premium in oil prices. Analysts caution that escalation could jeopardise key oil transit routes, potentially affecting over 20 million barrels per day. Consequently, West Texas Intermediate prices have surged above US\$78 per barrel, largely due to these heightened risks.

### VLCC:

The Middle East market took a turn this week, with rates seeing improvements from last. This stems from the summer season almost coming to a close, which has led to improved demand in the MEG and in the West of the Suez region. 270,000mt MEG/China climb to WS59. Shipowners, however, are cautious about market volatility arising from military conflict in the region.

### Suezmax:

The West African market began the week on a weak note due to sluggish demand and increased vessel availability. 130,000mt Nigeria/UKC close around WS75. However, a booming Mediterranean market and vessels redirecting towards the U.S. prompted shipowners to resist further rate declines. 135,000mt CPC/Med remain around WS87.

### Aframax:

It was a quiet week in the Aframax market, with many regions seeing muted activity. Notably, a portion of Aframax cargoes has been shifted to Suezmax vessels, reducing demand for the segment. In the Med, 80,000mt Ceyhan/Lavera closed the week lower at WS121. While in the UKC, limited fixing activity saw rates held the same as last as WS120.

## Clean:

LR: LR2 in the MEG saw a sharp reversal in its recent fortunes. After a period of robust chartering demand, activity has abruptly declined, leading to a downturn in rates. MEG/Far East seen a significant drop to WS135. In the LRI segment, UKC also witnessed some softening with TC16 falling to WS1355 also.

MR: In the Middle East, rates have generally softened, while Asian markets have remained steady or even firmed up. TC17 hovers around WS205 for the third consecutive week. This stability contrasts sharply with the more volatile UKC market.

## Baltic Exchange Tanker Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---------|---------|-----------|-----------|--------------|--------------|
| BDTI    | 936     | 922       | 809       | -1.52%       | +15.70%      |
| BCTI    | 625     | 622       | 750       | +0.48%       | -16.67%      |

## Tankers Values

(Weekly)

| TYPE    | DWT     | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---------|---------|-------------|--------------------|---------|----------|----------|
| VLCC    | 310,000 | 129         | 145                | 115     | 85       | 58       |
| SUEZMAX | 160,000 | 90          | 99                 | 83      | 68       | 50       |
| AFRAMAX | 115,000 | 75          | 86                 | 72      | 62       | 44       |
| LRI     | 73,000  | 62          | 65                 | 55      | 45       | 32       |
| MR      | 51,000  | 52          | 55                 | 47      | 40       | 28       |

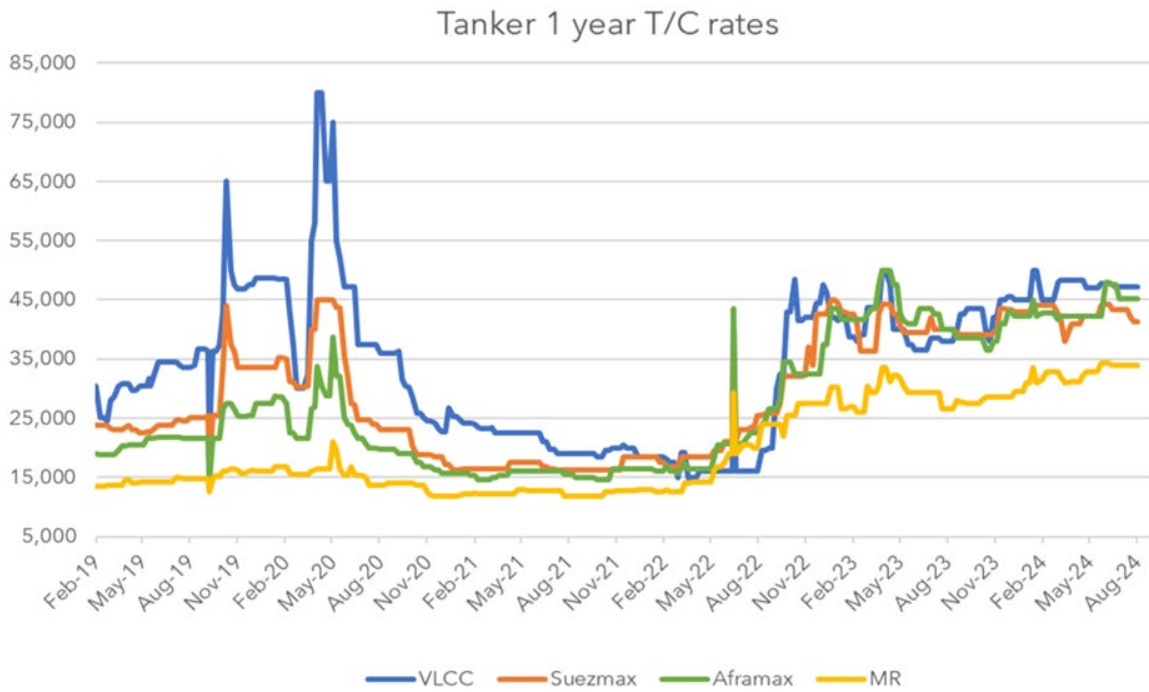
\*(amount in USD million)

## 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 | 45,750  | 45,750    | 41,000    | 0            | +11.59%      |
| SUEZMAX | 150,000 | 40,500  | 40,000    | 39,500    | 0            | +2.53%       |
| AFRAMAX | 110,000 | 43,250  | 43,750    | 38,500    | 0            | +12.34%      |
| LRI     | 74,000  | 37,000  | 37,000    | 28,250    | 0            | +30.97%      |
| MR      | 47,000  | 28,500  | 29,250    | 25,500    | -2.56%       | +11.76%      |

## Tankers S&P Report

| VESSEL NAME   | TYPE        | DWT     | YEAR | BUILT    | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---------------|-------------|---------|------|----------|---------------------|-------------------|
| PNS SERENA    | VLCC        | 300,398 | 2006 | JAPAN    | 40.0                | UNDISCLOSED       |
| MTM GIBRALTAR | PROD / CHEM | 20,810  | 2003 | JAPAN    | 14.5 (SS)           | UNDISCLOSED       |
| LINCOLN PARK  | PROD / CHEM | 19,801  | 2012 | JAPAN    | 26.7 (SS)           | CHINESE BUYERS    |
| SAMBONG HERA  | PROD / CHEM | 11,416  | 2018 | S. KOREA | 23.8                | UNDISCLOSED       |



## Containers

SCFI showed signs of recovery, breaking a five-week downward trend. The overall index climbed by 1% w-o-w, reaching 3,281 points. This was driven by gains in the Transpacific routes. The Far East to US West Coast route experienced a notable increase, with rates rising 8% to US\$6,581 per FEU. Similarly, the Shanghai Far East to US East Coast route saw a 2% increase, reaching US\$9,297 per FEU. However, the Far East to Northern Europe route continued to face pressure, with rates declining by 4% to US\$4,610 per TEU.

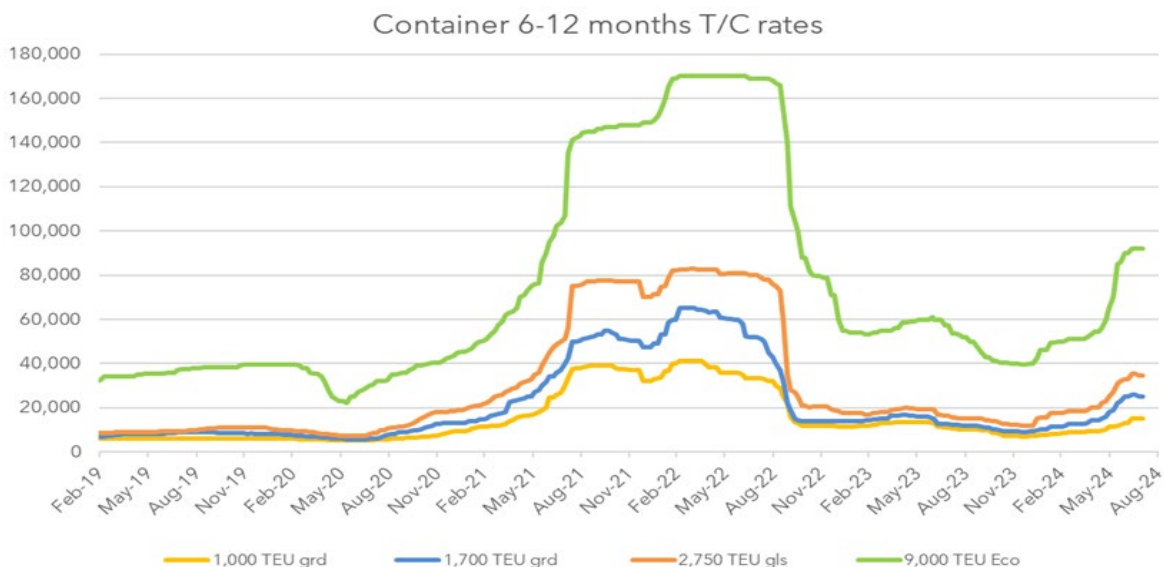
### Containers S&P Report

| VESSEL NAME                                | TYPE     | TEU   | YEAR | BUILT    | PRICE (MILLION) USD | COMMENTS / BUYERS |
|--|----------|-------|------|----------|---------------------|-------------------|
| SANTA MARTA EXPRESS / PUERTO LIMON EXPRESS | SUB PMAX | 2,556 | 2010 | S. KOREA | 46.0 EN BLOC        | BLYSTAD           |

### Containers Values




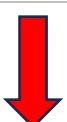
| CONTAINERS (BY TEU) | GEARED / GEARLESS | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---------------------|-------------------|-------------|--------------------|---------|----------|----------|
| 900 – 1,200         | Geared            | 24          | 24                 | 17      | 14       | 8        |
| 1,600 – 1,850       | Geared            | 30          | 33                 | 25      | 19       | 15       |
| 2,700 – 2,900       | Gearless          | 41          | 43                 | 34      | 27       | 22       |
| 5,100               | Gearless          | 81          | 77                 | 66      | 35       | 32       |

\*(amount in USD million)





## Ship Recycling Market Snapshot

| DESTINATION   | TANKERS   | BULKERS   | MPP/<br>GENERAL CARGO | CONTAINERS | SENTIMENTS /<br>WEEKLY FUTURE<br>TREND   |
|---|-----------|-----------|-----------------------|------------|--|
| ALANG (WC INDIA)  | 490 ~ 500 | 480 ~ 490 | 480 ~ 490             | 510 ~ 520  | WEAK /  |
| CHATTOGRAM,<br>BANGLADESH   | 510 ~520  | 500 ~ 510 | 480~ 490              | 520 ~ 530  | WEAK /  |
| GADDANI, PAKISTAN   | 510 ~ 520 | 490 ~ 500 | 480 ~ 490             | 520 ~ 530  | WEAK /  |
| <b>TURKEY</b><br><i>*For Non-EU ships. For E.U.<br/>Ship, the prices are about<br/>USD 20-30/ton less</i> | 360 ~ 370 | 330 ~ 340 | 340 ~ 350             | 380 ~ 390  | 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

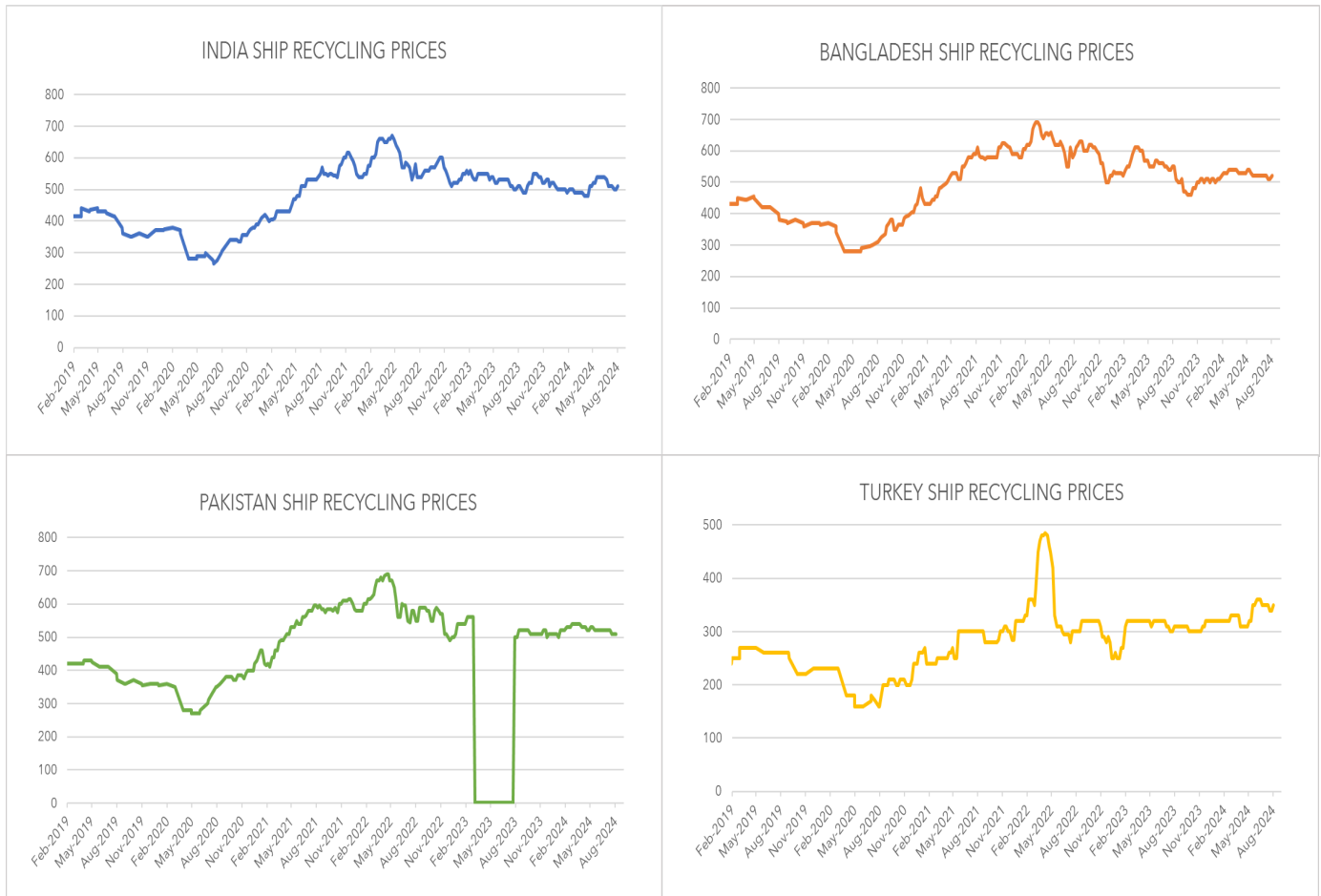
(Week 33)

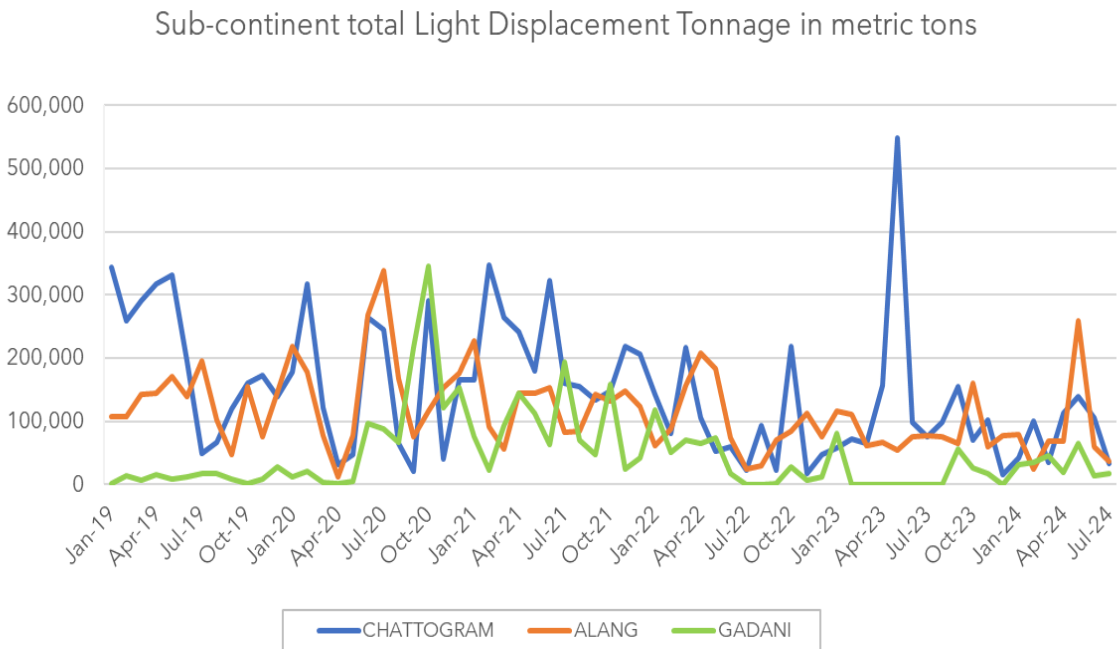
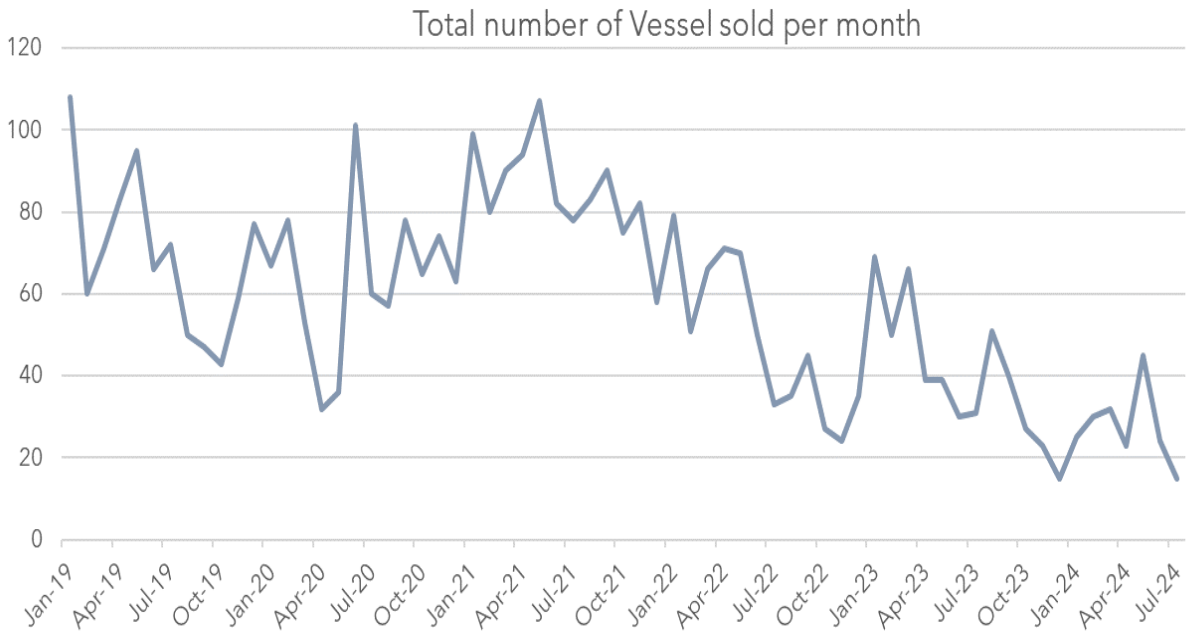
| DESTINATION            | 2019 | 2020 | 2021 | 2022 | 2023 |
|------------------------|------|------|------|------|------|
| ALANG, INDIA           | 425  | 270  | 690  | 570  | 530  |
| CHATTOGRAM, BANGLADESH | 420  | 300  | 650  | 590  | 565  |
| GADDANI, PAKISTAN      | 410  | 305  | 710  | 580  | 530  |
| ALIAGA, TURKEY         | 270  | 210  | 190  | 300  | 325  |

## Ships Sold for Recycling

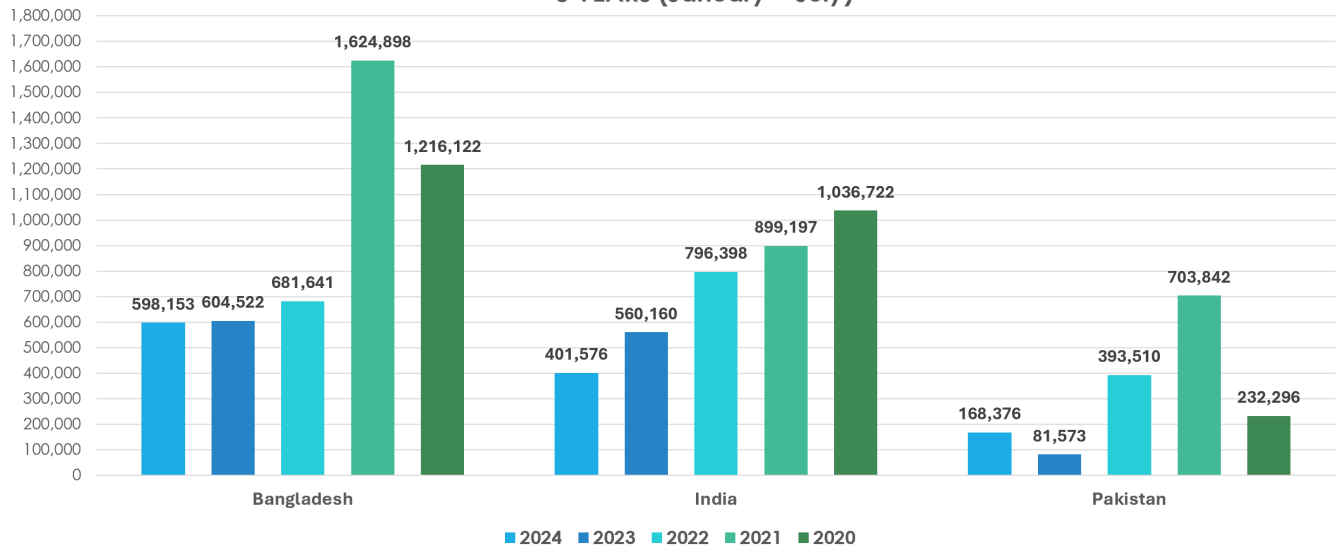
| VESSEL NAME | LDT   | YEAR / BUILT | TYPE   | PRICE<br>(USD/LDT LT) | COMMENTS             |
|-------------|-------|--------------|--------|-----------------------|----------------------|
| NAHIDE M    | 6,984 | 1995 / JAPAN | BULKER | 510                   | DELIVERED CHATTOGRAM |
| AN TON      | 4,842 | 1990 / JAPAN | REEFER | 505                   | DELIVERED CHATTOGRAM |

## Recycling Ships Price Trend





### COMPARISON OF TOTAL LIGHT DISPLACEMENT TONNAGE (LDT) SOLD 5 YEARS (January ~ July)



## Insight

This week, the ship recycling market experienced sharp declines in ship prices, driven by a significant drop in local scrap values as the market adjusts to new realities. The ongoing global slump in steel prices is exerting considerable pressure on the shipbreaking industry, as the influx of low-cost semi-finished and finished steel products disrupts market stability.

To protect domestic industries, countries are stepping in with anti-dumping duties to encourage the home steel mills. In the latest move, India has launched an anti-dumping investigation into certain steel imports from Vietnam, as per a recent notification from the Ministry of Commerce and Industry. This probe, initiated at the behest of major domestic steel producers like JSW Steel and ArcelorMittal Nippon Steel, will assess the extent of injury and potential threats to the local steel industry.

The investigation comes amid a challenging period for India's steel sector, with prices plummeting to their lowest in three years due to a surge in imports and declining export volumes. Despite being the world's second-largest crude steel producer, India ended the fiscal year on March 31, 2024, as a net importer of steel—a trend that persisted into the following months. Provisional government data reveals that finished steel imports in April-May reached their highest levels in five years.

On the other hand, China's steel industry, a global powerhouse producing over half of the world's output, is now facing a significant downturn with far-reaching implications. A

domestic construction slump has led to excess steel and dwindling demand, raising fears of a global oversupply that could depress prices and threaten jobs, particularly in Europe and the U.S. The situation is exacerbated by President Xi Jinping's economic shift away from property-led growth toward high-tech manufacturing. The potential for China to offload excess steel internationally could destabilise markets, similar to the last steel crisis in 2015–2016, and prompt renewed trade tensions, especially with the U.S. and Europe.

In the Sub-Continent, the overall situation in the ship recycling industry remains precarious, with most ship recyclers adopting a cautious stance. Many are choosing to stay on the sidelines, anticipating further price corrections in both international and domestic steel markets rather than engaging in speculative activities. The majority prefer to wait for clearer market signals before resuming operations.

### Alang, India

The market remained subdued this week, with only a few past transactions coming to light as ships arrived at the shores of Alang. Interestingly, a number of vessels initially destined for Bangladesh are now being diverted to Alang, as the situation in Bangladesh remains unsettled following recent political unrest.

Revised ship prices are anticipated in the coming months. Market experts point out a significant disparity between international ferrous scrap prices and ship values, emphasising that these need to realign with traditional norms. The consensus among industry players is that current ship recycling prices do not reflect the underlying market conditions and are on the brink of a correction. Given the relatively small scale of the ship recycling industry compared to the broader imported ferrous scrap market, this correction is seen as inevitable.

This week, The Government of India (GOI) is set to seek Cabinet approval for a transformative shipbuilding policy aimed at enhancing India's position in the global maritime sector.

Key components of this initiative include a ship recycling credit note worth 40% of the scrap value for vessels dismantled at Indian yards, alongside fixed subsidies for shipbuilders. The government plans to establish maritime clusters in Andhra Pradesh, Gujarat, and Odisha to foster growth.

This policy presents a substantial opportunity for ship owners globally, incentivising them to recycle ships domestically and construct new vessels locally. Fleet owners must utilise the credit note by building in India; opting for international orders will nullify these

benefits. The policy includes graded subsidies—20% for standard vessels, 25% for oil and gas carriers, and 30% for eco-friendly ships—offered until March 2034, with potential extensions through 2047.

Currently, India holds less than 1% of the global shipbuilding market. The ambitious plan aspires to break into the top 10 by 2030 and the top 5 by 2047, challenging the dominance of China, South Korea, and Japan, which collectively control over 85% of the sector. The proposed Shipbuilding Policy 2.0 aims to revitalise the industry and attract international investments.

Key Features of Policy:

- Introduction of a ship recycling credit note.
- Fixed subsidy rate for shipbuilders over 10 years.
- Establishment of three maritime clusters in Andhra Pradesh, Gujarat, and Odisha.

Ship Recycling Credit Note:

- Equivalent to 40% of scrap value for ships dismantled in India.
- Aimed to encourage building new ships in India.

Graded Subsidy Rates:

- 20% for normal vessels.
- 25% for oil, gas tankers, and container ships.
- 30% for green vessels and others with advanced technologies.

Targeted Impact:

- India aims to be among the top 10 countries in shipbuilding by 2030.
- Aim to break into the top 5 by 2047.

Global Context: China, South Korea, and Japan currently account for over 85% of the global shipbuilding market.

Long-Term Vision: The subsidy scheme could be extended up to 2047 to achieve these goals.

Once this policy is passed in the cabinet, it may be a positive sign for the Alang recycling industry in the long run.

### Anchorage & Beaching Position (August 2024)

| VESSEL NAME   | TYPE          | LDT    | ARRIVAL    | BEACHING   |
|---------------|---------------|--------|------------|------------|
| OSSORA        | FISHING       | 951    | 16.08.2024 | AWAITING   |
| RUDA          | GENERAL CARGO | 5,728  | 14.08.2024 | AWAITING   |
| TWEEDIA       | REEFER        | 3,064  | 14.08.2024 | AWAITING   |
| TROPICAL SKY  | REEFER        | 5,358  | 05.08.2024 | 10.08.2024 |
| MERSIN 15     | RORO          | 5,280  | 23.07.2024 | 09.08.2024 |
| MSC ANNAMARIA | CONTAINER     | 8,807  | 06.08.2024 | 08.08.2024 |
| SOVEREIGIN    | LNG           | 30,120 | 01.08.2024 | 04.08.2024 |
| MSC IRIS      | CONTAINER     | 10,655 | 03.08.2024 | 03.04.2024 |

### Chattogram, Bangladesh

The market remains gripped by fear, uncertainty, and chaos, fueled by weak demand and political turmoil. Until the interim government stabilises and restores business confidence, the industry is expected to remain cautious.

In Bangladesh, recent political developments have further complicated the situation, leaving local authorities, particularly environmental agencies, banks in disarray. This confusion has led to delays in issuing permits for shipbreaking, delaying the clearance of newly arrived vessels. Despite these challenges, a few ships sold prior to the current turmoil have managed to navigate through the bureaucratic hurdles.

Industry participants believe it's only a matter of time before the situation stabilises, at which point recyclers are expected to resume buying activity. For now, the market remains in a holding pattern, awaiting clarity and a return to normalcy.

### Anchorage & Beaching Position (August 2024)

| VESSEL NAME  | TYPE      | LDT    | ARRIVAL    | BEACHING   |
|--------------|-----------|--------|------------|------------|
| INDU         | TANKER    | 16,696 | 11.08.2024 | AWAITING   |
| HAI 351      | BULKER    | 4,351  | 11.08.2024 | AWAITING   |
| MING JIN 1   | BULKER    | 3,277  | 07.08.2024 | 14.08.2024 |
| AN 11        | GEN.CARGO | 1,632  | 30.07.2024 | 07.08.2024 |
| AN TON       | REEFER    | 4,842  | 30.07.2024 | 06.08.2024 |
| APJ MAHAKALI | BULKER    | 9,126  | 25.07.2024 | 04.08.2024 |
| SIA 20       | CONTAINER | 1,747  | 20.07.2024 | 03.08.2024 |

## Gadani, Pakistan

The situation in Pakistani recycling markets remains subdued as recyclers wait for ferrous scrap import prices to decline W-O-W, driven by unfavourable domestic market conditions and weak demand in key importing countries. According to a vast majority of ship recyclers, they would like to be in "wait and watch" mode, unwilling to concede on prices. Low steel consumption further dampened demand, exacerbated by the rainy season and new tax measures introduced in June's budget.

However, the bright side for the recyclers was there was some optimism in ship supply as some tankers were put up for sale, with the latest being VLCC and Aframaxes. Pricing remains to be seen what the markets have to pay once these are sold. As it has been a very long spell of draught in ships.

The Pakistani recycling market remains subdued as recyclers adopt a cautious "wait and watch" approach, anticipating further declines in ferrous scrap import prices week-on-week, which is the yardstick for ship recycling prices traditionally. This hesitancy is driven by unfavourable domestic market conditions and weak domestic demand. Most of the ship recyclers are holding back on prices. The situation is further compounded by the ongoing rainy season and new tax measures introduced in June.

However, there is a ray of hope for recyclers as the supply of ships shows signs of improvement. A few tankers, including VLCCs and Aframaxes, have recently been put up for sale, sparking some optimism in the market that the ships are now being placed for recycling. The pricing for these ships remains uncertain, but their sale could provide a much-needed clue on pricing in a market that has seen a prolonged dry spell in ship supply.

### Anchorage & Beaching Position (August 2024)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|-------------|------|-----|---------|----------|
| -           | -    | -   | -       | -        |

## Aliaga, Turkey

This week, the ship recycling markets experienced a notable correction in prices, with significant movements observed in Turkey. Local market prices in Turkey dropped by approximately USD 20 per ton, while import prices declined by USD 14 per ton. Despite this downturn, ship recyclers have maintained activity by focusing on smaller vessels to keep operations ongoing.



In a surprising move, Turkey's Central Bank reduced its interest rate from 18% to 16%, a decision that caught analysts off guard and sparked concerns about the bank's independence. The rate cut led to a further weakening of the Turkish lira, which fell to 9.45 against the US dollar, deepening its ongoing depreciation. With inflation nearing 20%, this decision is likely to be seen by many as an indication of growing government influence over the Central Bank, raising alarm bells among market observers.

#### BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 19 ~ 22 August | 2 ~ 5 September

Alang, India : 17 ~ 26 August | 31 August ~ 6 September

| BUNKER PRICES (USD/TON) |              |             |            |
|-------------------------|--------------|-------------|------------|
| PORTS                   | VLSFO (0.5%) | HSFO (3.5%) | MGO (0.1%) |
| SINGAPORE               | 589          | 476         | 688        |
| HONG KONG               | 593          | 491         | 702        |
| FUJAIRAH                | 591          | 480         | 802        |
| ROTTERDAM               | 537          | 446         | 683        |
| HOUSTON                 | 561          | 472         | 708        |

| EXCHANGE RATES         |           |          |                |
|------------------------|-----------|----------|----------------|
| CURRENCY               | August 16 | August 9 | W-O-W % CHANGE |
| USD / CNY (CHINA)      | 7.16      | 7.16     | 0              |
| USD / BDT (BANGLADESH) | 117.98    | 117.61   | -0.31%         |
| USD / INR (INDIA)      | 83.87     | 83.95    | +0.10%         |
| USD / PKR (PAKISTAN)   | 278.47    | 278.66   | +0.07%         |
| USD / TRY (TURKEY)     | 33.67     | 33.53    | -0.42%         |

## Sub-Continent and Turkey ferrous scrap markets insight

The scrap markets across the Indian Sub-Continent and Turkey faced a challenging environment this week, with buyers in India, Pakistan, and Bangladesh demonstrating limited interest due to ongoing price volatility and economic uncertainties. In each country, buyers were hesitant to engage with imported scrap, opting instead for domestic options or adopting a cautious, wait-and-see approach.

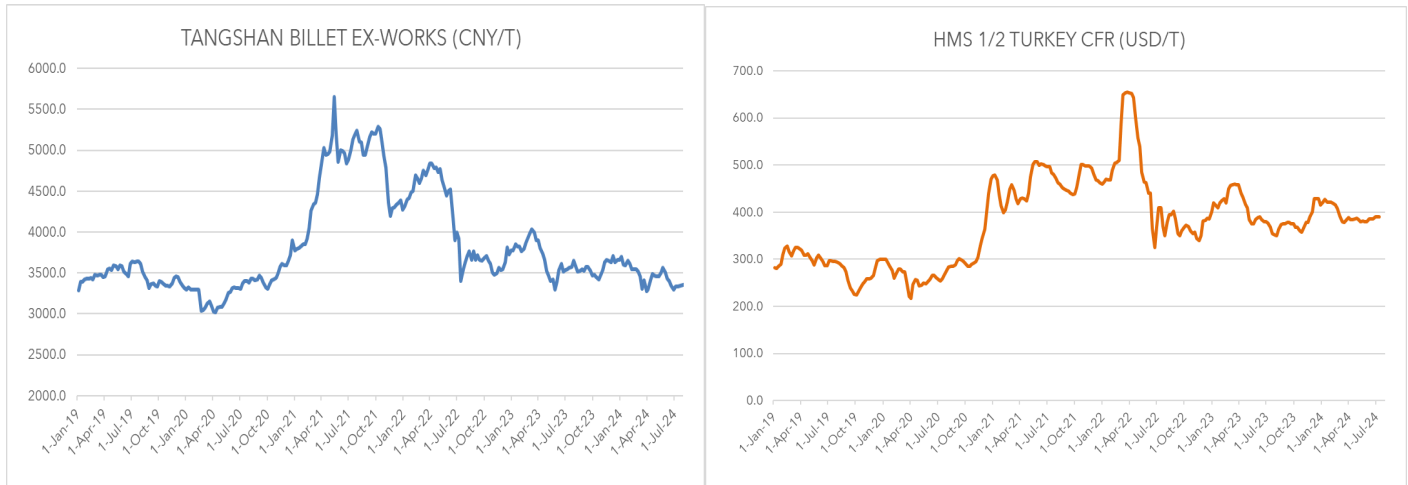
In **India**, buyers largely stayed on the sidelines, finding imported scrap too costly compared to domestic alternatives. The market, influenced by global trends, lacked confidence at current price levels, with many anticipating further drops. Offers for shredded scrap from the US and Europe ranged between US\$395 and US\$410 per ton CFR Nhava Sheva, but most buyers aimed to secure deals below US\$400 per ton. A southern Indian trader noted that while some small deals were being made in anticipation of tighter supply post-August, the overall market remained unfavourable for suppliers, with prices continuing to decline.

The situation in **Pakistan** mirrored India's cautious sentiment, with buyers adopting a wait-and-see approach in response to volatile offers and a slowdown in the domestic steel sector. Indicative offers for shredded scrap from the UK and Europe were assessed at US\$395-405 per ton CFR Qasim. Some transactions were reported, with one buyer securing shredded scrap at US\$397 per ton CFR Qasim, though the quantity could not be verified.

**Bangladesh's** imported scrap market saw sluggish trading, with prices dropping sharply due to a combination of political instability and global market trends. The local market remained weak following the recent exile of Prime Minister Sheikh Hasina, leading to a cash supply drought and further price declines. Indicative offers for shredded scrap from the UK and Europe stood at US\$415-420 per ton CFR Chattogram, while HMS (80:20) was assessed at US\$400-405 per ton CFR.

**Turkey's** imported scrap market also faced downward pressure this week. Buyers held back, expecting further price declines in the near term, while sellers were reluctant to offer discounts. Offers for HMS (80:20) from the US were assessed at US\$371 per ton CFR, reflecting the broader market uncertainty. A few shortsea scrap deals were made, but overall, the sentiment remained cautious, with iron ore price drops adding further pressure on scrap prices. Notably, a European-origin bulk scrap cargo was reportedly booked by a Turkish mill at US\$365 per ton CFR, signalling ongoing challenges in the market.

## HMS 1/2 & Tangshan Billet



## Commodities

Strong U.S. economic data bolstered sentiment across commodities this week, with rising supply-side concerns offering additional support to the metals sector.

**Base metal** markets overcame weak economic indicators to post gains. In China, industrial output grew by 5.1% in July, a slight dip from June's 5.3%. Retail sales increased by 2.3%, aligning with forecasts. Despite these modest figures, supply-side issues played a crucial role in driving the market. **Copper** prices surged as a strike at BHP's Escondida copper mine in Chile extended into its third day, threatening to disrupt over 5% of global supply. This followed Lundin Mining's decision to scale back operations at its Chilean copper mine due to ongoing labour strikes. The concentrate market had already been tightening after mine closures in Chile and Panama late last year. With several mines in Chile, accounting for approximately 900,000 tons of copper or 4% of global supply, still negotiating wages, the risk of further disruptions remains significant. We maintain our projection that supply disruptions could reach 6% in 2024. Even a partial realisation of these potential labour disputes could deepen the copper market deficit, likely counterbalancing any concerns over weakening demand in the coming months.

Conversely, **Iron ore** futures plummeted to a two-year low, driven by sluggish demand from China's steel industry. Crude steel production fell 9% year-over-year to 82.94 million tons in July, according to China's statistical bureau, leaving year-to-date volumes down 2.2% year-over-year. This decline follows a warning from China Baowu Steel Group, which

indicated that current conditions could be more severe and prolonged than the downturns of 2008 and 2015. While data suggested a slight easing in the decline of home prices in July, with new home prices in 70 cities falling by 0.65%, down from a 0.67% drop the previous month, the news provided little relief to the market.

### Iron Ore

| COMMODITY                             | SIZE / GRADE                       | THIS WEEK<br>USD / MT | W-O-W  | Y-O-Y   | LAST WEEK<br>USD / MT | LAST YEAR<br>USD / MT |
|---------------------------------------|------------------------------------|-----------------------|--------|---------|-----------------------|-----------------------|
| Iron Ore Fines, CNF<br>Rizhao, China  | Fines, Fe 62%<br>(Aust. Origin)    | 94                    | -6%    | -19.65% | 100                   | 117                   |
| Iron Ore Fines, CNF<br>Qingdao, China | Fines, Fe 62.5%<br>(Brazil Origin) | 95                    | -6.82% | -7.76%  | 102                   | 103                   |

### Industrial Metal Rates

| INDEX                 | UNITS     | PRICE     | CHANGE | %CHANGE | CONTRACT |
|-----------------------|-----------|-----------|--------|---------|----------|
| Copper (Comex)        | USD / lb. | 418.10    | +0.50  | +0.12%  | Dec 2024 |
| 3Mo Copper (L.M.E.)   | USD / MT  | 9,115.50  | -33.00 | -0.36%  | N/A      |
| 3Mo Aluminum (L.M.E.) | USD / MT  | 2,365.50  | +2.00  | +0.08%  | N/A      |
| 3Mo Zinc (L.M.E.)     | USD / MT  | 2,762.50  | -19.50 | -0.70%  | N/A      |
| 3Mo Tin (L.M.E.)      | USD / MT  | 31,903.00 | -65.00 | -0.20%  | N/A      |

### Crude Oil & Natural Gas Rates

| INDEX                 | UNITS       | PRICE     | CHANGE  | %CHANGE | CONTRACT |
|-----------------------|-------------|-----------|---------|---------|----------|
| WTI Crude Oil (Nymex) | USD / bbl.  | 76.65     | -1.51   | -1.93%  | Sep 2024 |
| Brent Crude (ICE.)    | USD / bbl.  | 79.68     | -1.36   | -1.68%  | Oct 2024 |
| Crude Oil (Tokyo)     | J.P.Y. / kl | 73,150.00 | +600.00 | +0.83%  | Aug 2024 |
| Natural Gas (Nymex)   | USD / MMBtu | 2.12      | -0.07   | -3.37%  | Sep 2024 |

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



**Singapore | London | Dubai**

**Tel: +65 62277264 / 65 | Fax: +65 62277258 | Email: [snp@starasiag.com](mailto:snp@starasiag.com) | Web: [www.star-asia.com.sg](http://www.star-asia.com.sg)**

**(A Member of BIMCO, The Baltic Exchange and Singapore Shipping Association) For [Privacy Policy](#)**

*This report is performed to the best of our knowledge based on the market conditions prevailing at the time mentioned. The report relates solely to the date/place referred to, and we emphasise that it is a statement of information collected from various market sources. All details above are from information given to us and such information as we have obtained from relevant references in our possession. Still, we can accept no responsibility, and we bear no liability for any loss or damage incurred to any person acting upon this report. STAR ASIA believes the information to be accurate and given in good faith but without guarantee. STAR ASIA will not be held responsible in any way for any action or failure to act based on the information given in this report. The use of the report cannot be reproduced or used without authorisation from STAR ASIA.*