



WEEKLY REPORT

WEEK 34 – August 24, 2024

This week Friday, Federal Reserve Chair Jerome Powell indicated that interest rate cuts are likely on the horizon, though he did not specify the timing or magnitude. Speaking at the Fed's annual Jackson Hole retreat, Powell emphasized that the policy direction is clear, with future adjustments depending on incoming economic data. He highlighted significant progress in reducing inflation, which has declined but remains above the Fed's 2% target. Powell also noted that the labour market has cooled without triggering a recession, allowing the Fed to shift focus toward sustaining employment.

Markets responded positively, anticipating potential rate cuts as early as September. Powell reflected on the causes of recent inflation, acknowledging the role of global factors and supply chain disruptions, and emphasised the importance of anchored inflation expectations in achieving disinflation without severe economic downturns.

On the other hand, Investment research firm BCA Research predicts an impending recession, contending that expected Federal Reserve rate cuts will be inadequate to prevent it. This forecast contradicts widespread market optimism.

Garry Evans, BCA's chief strategist of global asset allocation, cites indicators of economic deceleration, including a weakening U.S. labor market and declining manufacturing activity.

While the market anticipates at least three rate cuts by year-end, BCA argues these will not significantly impact the economy, noting that rate cuts typically take a year to stimulate growth. The firm suggests that the market's projection of a 3% federal funds rate by late next year, down from the current 5.3%, is only feasible in a recessionary scenario.

Dry Bulk

The Baltic Exchange Dry Bulk Index reached its highest level in over three weeks on Wednesday, driven primarily by the strength in the Capesize segment.

The overall index climbed 24 points to 1,759, a peak not seen since July 30. Capesize vessels led the surge, with their index jumping 97 points to 2,788, pushing average daily earnings up by approximately US\$800 to US\$23,150.

In contrast, the Panamax sector faced headwinds, with its index dropping 34 points to 1,487. This decline translated to a decrease of about \$300 in daily earnings, bringing the average to \$13,350. The Supramax segment, however, managed to eke out modest growth, with its index inching up by 1 point to 1,310.

The dry bulk market is experiencing an unusual calm, with strong spot rates despite weakening trends. Fundamental challenges persist, including China's struggling steel industry, high iron ore inventories, and reduced coal demand for power generation.

While September typically favours Capes, the current state of the steel industry dampens expectations for urgent iron ore cargo bookings. The market's potential for a turnaround hinges on the tight fleet supply offsetting bearish fundamentals, with China's fiscal stimulus playing a crucial role in potential demand improvement.

Capesize:

The Pacific region's shipping market continues to strengthen, driven by Chinese steelmakers' increasing demand for low-grade iron ore. In the latter half of the week, the market saw a slight decline as numerous spot contracts were settled, leading to a short-term adjustment following the upward trend earlier in the week. Pacific r/v saw levels close around US\$27,200's a day. Meanwhile, Brazil continues to see a sustained upward trend as the steady influx of cargo intensifies the tight supply-demand balance. Levels for Brazil r/v close around US\$24, 250's a day.

Panamax/Kamsarmax:

The Atlantic market continues to experience weakness across all major routes as sluggish demand exacerbates the oversupply situation. T/A ended the week at around US\$11,350's a day, falling some US\$250 from last. Similarly, the Pacific market is facing downward pressure due to the limited inflow of new cargo across the board. Pacific r/v fell to US\$12,150's.

Supramax/Ultramax:

The markets are currently mixed, with decline in the Pacific offset by slight growth in the Atlantic. The Atlantic sector saw pressure due to limited supply in South America as T/A levels climbed slightly to US\$19,600's a day. In contrast, the Pacific market is experiencing a decline as the accumulating vessel supply outpaces the steady inflow of cargo

Handysize:

It was a generally soft week in the Handy segment with most rates seeing declines. In the Atlantic, demand slowly trickling back in the EC America with rates for T/A falling short of last at US\$11,700's a day. Meanwhile S. China route fetch around US\$11,600's for Pacific r/v with forecast to remain similar in coming week.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,762	1,691	1,237	+4.20%	+42.44%
BCI	2,851	2,537	1,598	+12.38%	+78.41%
BPI	1,414	1,552	1,542	-8.89%	-8.30%
BSI	1,318	1,304	879	+1.07%	+49.94%
BHSI	753	754	469	-0.13%	+60.55%

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	41	36	27	16
HANDY	38,000	30	35	28	21	12

*(amount in USD million)

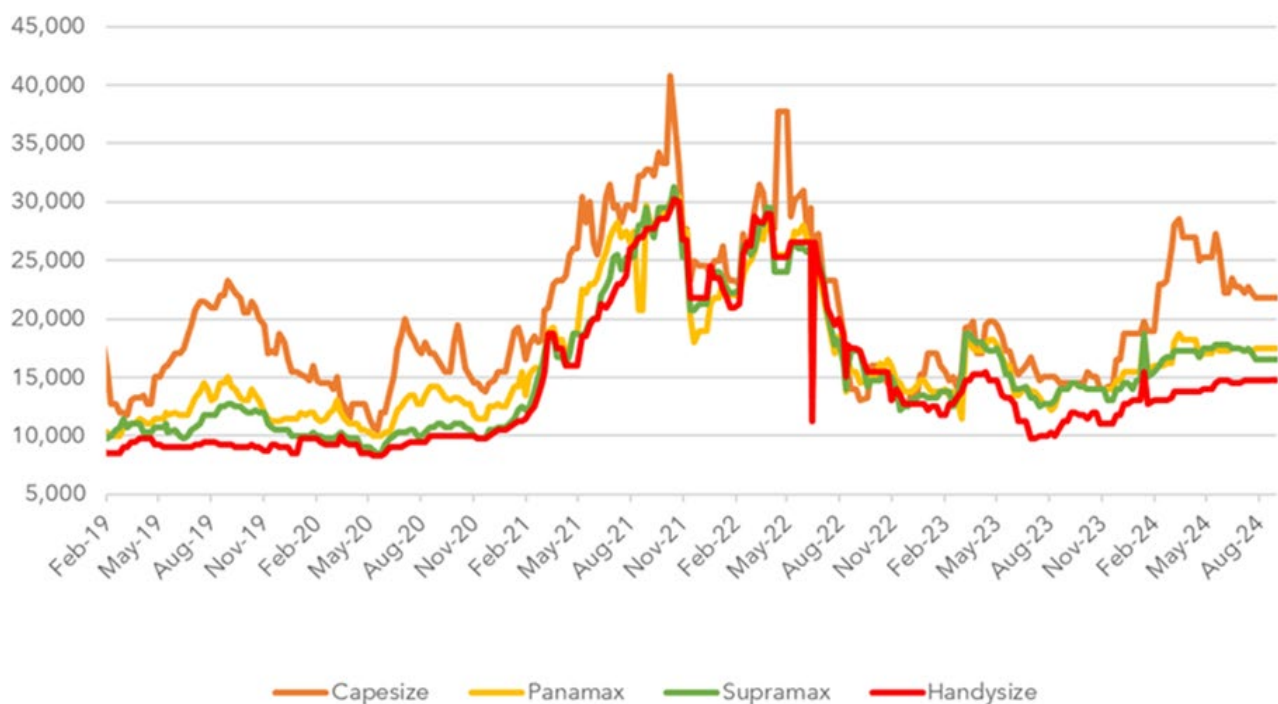
Bulker 12 months T/C rates average (in USD/day)

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	14,000	14,500	13,000	-3.45%	+7.69%
SUPRAMAX	58,000	15,000	15,000	11,750	0	+27.66%
HANDY SIZE	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
HERUN ZHEJIANG	CAPE	181,056	2017	CHINA	UNDISCLOSED	GREEK OWNERS
CORONA KINGDOM	KMAX	88,233	2004	JAPAN	11.6	CHINESE BUYERS
NAVIOS APOLLON I	KMAX	82,331	2008	JAPAN	17.6	UNDISCLOSED
ROSCO POPLAR	KMAX	82,331	2008	JAPAN	17.6	INDIAN BUYERS
BELLEMAR	KMAX	81,448	2007	JAPAN	17.5	ICON ENERGY
BEAUTY LOTUS / BEAUTY LILY / BEAUTY JASMINE / BEAUTY PEONY	SMAX	63,685 ~ 63,587	2015	CHINA	97.0 EN BLOC	UNDISCLOSED
SEACON ATHENS	SMAX	63,290	2019	CHINA	32.0	SHENXIN SHIP LEASING
GREAT SPRING	SMAX	61,438	2017	CHINA	27.8	CHINESE BUYERS
EFFICIENCY OL	HMAX	37,130	2010	JAPAN	15.3	UNDISCLOSED
CS CAPRICE	HMAX	30,465	2010	CHINA	10.8	UNDISCLOSED

Dry Bulk 1 year T/C rates



Tankers

Crude oil prices have extended their decline for a fifth consecutive day, with Brent crude dipping below US\$76 per barrel and West Texas Intermediate falling under US\$72, despite the EIA reporting inventory drawing across crude and fuel categories.

The downward pressure is primarily attributed to weak demand expectations, particularly in China, where economic indicators and oil trade data suggest a slowdown in demand growth. Adding to the bearish sentiment is speculation that OPEC might roll back some production cuts, despite the organization's clear stance that such action would only occur if prices warranted it.

However, geopolitical tensions, particularly the ongoing conflict between Israel and Hamas, continue to provide some support to oil prices, while analysts suggest that potential weather-related disruptions during hurricane season and geopolitical risks in North Africa and the Middle East could present buying opportunities around the US\$75 per barrel mark.

Meanwhile, the VLCC market has retreated to recent lows, with freight rates for key routes like MEG/China declining to levels seen a month ago, mirroring conditions from last year's early August. Summer months typically offer unreliable market indicators due to weak seasonality, while ongoing geopolitical tensions further complicate the outlook for oil prices and Asian demand.

VLCC:

The Middle East market continued with its downturn due to the summer season. Rates fell mid-week, as late August list have been fulfilled. However, pressure eased towards the end of the week. 270,000mt MEG/China close at WS52. Owner sentiment, however, remains firm due to potential early September cargoes. In the Atlantic, WAFR/China slipped to WS57.

Suezmax:

The West African Suezmax market started the week on a weak note due to sluggish demand. However, influenced by the strengthening in the US Gulf market, rates slightly improved in the latter half of the week, closing with a slight firmness. 130,000mt Nigeria/UKC improved to WS78. The Middle East market on the other hand, indirectly benefited from the VLCC surge, closing the week on a firmer note with rising rates.

Aframax:

Despite the positive influence from larger crude tankers, the Middle East saw declines throughout the week. In the Med market, activities were noted with the tonnage list balancing out. 80,000mt Ceyhan/Lavera close at WS125.

Clean:

LR: The LR2 Middle East market remained steady, holding firm against the seasonal summer freight rate decline with consistent fixtures. TC1 however fell slightly closing at WS130. The LR1 on the other hand, saw rates in the MEG remain stable. TC5 closes at WS126.

MR: The MR market experienced mixed conditions this week. Rates in the Med and UKC softened with TC2 falling 10 points to WS119. Meanwhile the MEG market improved from last with TC17 climbing 3 points to WS204.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	920	936	809	-1.71%	+13.72%
BCTI	652	625	750	+4.32%	-13.07%

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
LR1	73,000	62	68	58	48	32
MR	51,000	52	55	50	41	28

*(amount in USD million)

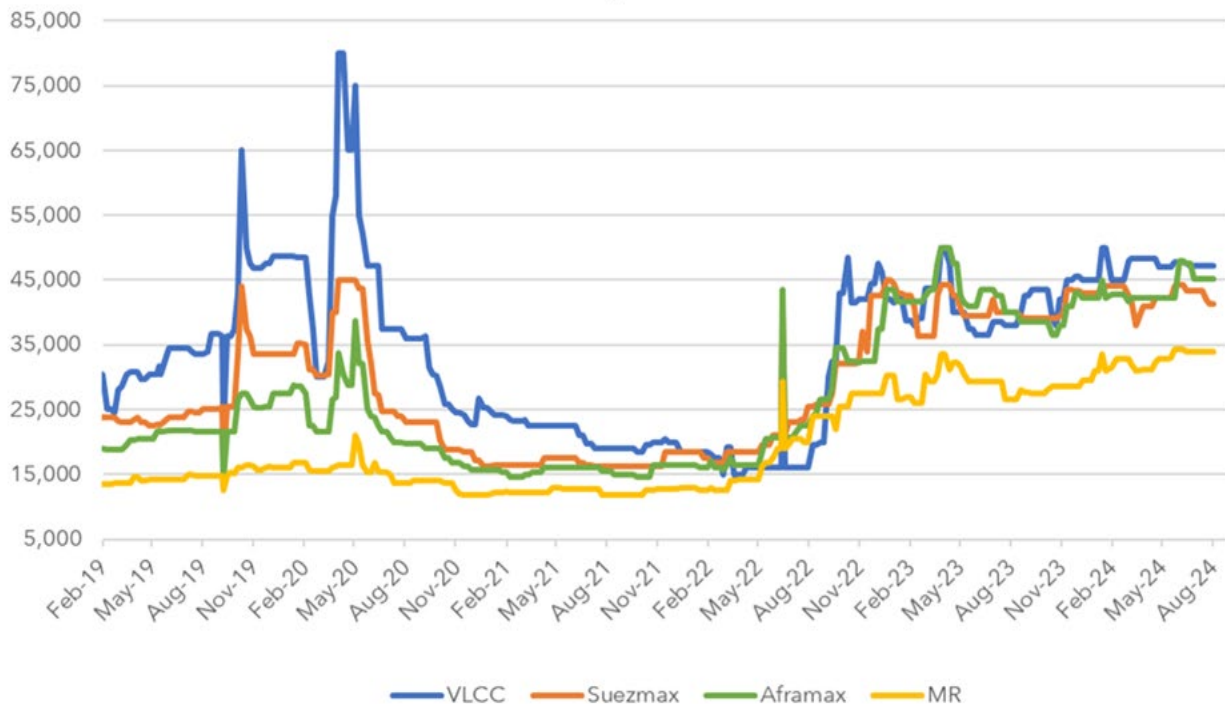
Tanker 12 months T/C rates average (in USD/day)

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	40,500	39,500	0	+2.53%
AFRAMAX	110,000	40,500	43,250	38,500	-6.36%	+5.19%
LR1	74,000	37,000	37,000	28,250	0	+30.97%
MR	47,000	27,500	28,500	25,500	-3.51%	+7.84%

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
APOLLO HARMONY	VLCC	301,583	2010	JAPAN	58.0	GREEK BUYERS
PNS SERENA	VLCC	300,398	2006	JAPAN	40.0	CHINESE BUYERS
SALAMANDER	AFRA	115,000	2004	S. KOREA	27.0	UNDISCLOSED
GALL	PROD	28,310	2018	CHINA	26.0	TURKISH BUYERS
SAMBONG HERA	SMALL	11,416	2018	S. KOREA	13.8	UNDISCLOSED

Tanker 1 year T/C rates



Containers

Spot container freight rates fell sharply this week, with the SCFI falling 6% w-o-w to 3,098 points – the largest decline this year. This decrease was primarily driven by weakening rates on major trade lanes. Transpacific routes resumed their downward trend after last week's GRI failed to hold. The Shanghai to US West Coast route on the SCFI saw a particularly steep decline, falling 10% to US\$5,955 per FEU.

Containers S&P Report

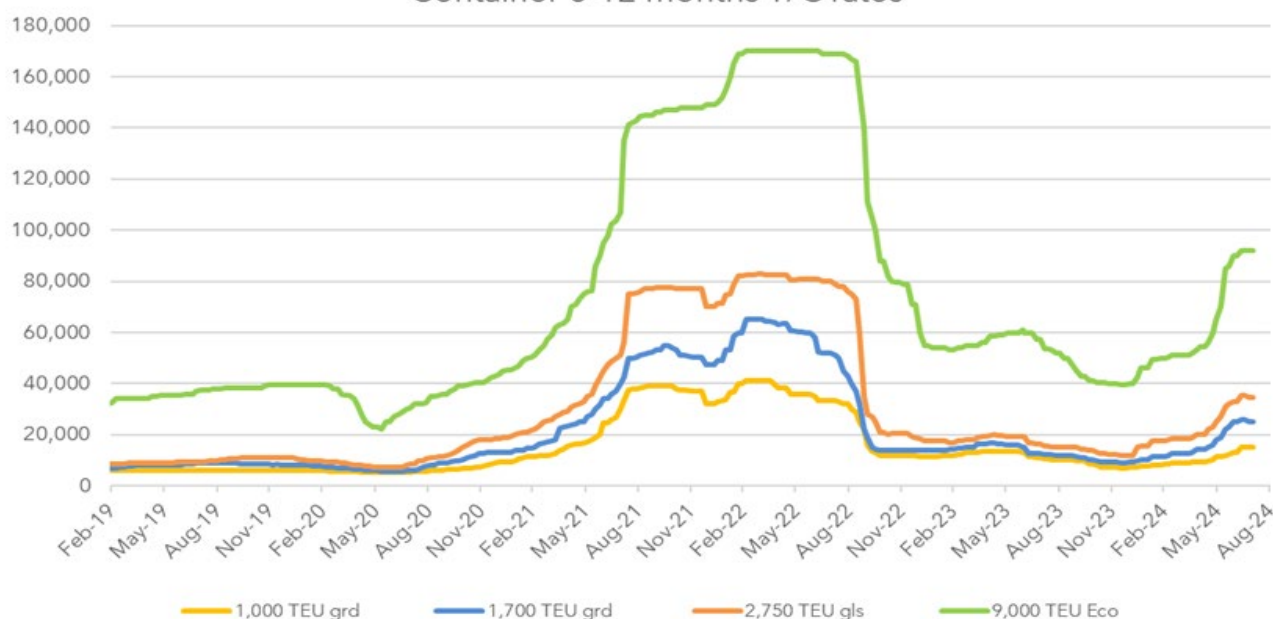
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AS PAOLA	FEEDER	2,478	2005	GERMANY	20.50	S. KOREAN BUYERS
WANA BHUM / XUTRA BHUN	FEEDER	2,378	2005	JAPAN	20.0 EACH	S. KOREAN BUYERS

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	23
5,100	Gearless	81	77	66	35	32

*(amount in USD million)

Container 6-12 months T/C rates



Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA)	490 ~ 500	480 ~ 490	480 ~ 490	510 ~ 520	WEAK / 
CHATTOGRAM, BANGLADESH	510 ~ 520	500 ~ 510	480 ~ 490	520 ~ 530	WEAK / 
GADDANI, PAKISTAN	510 ~ 520	490 ~ 500	480 ~ 490	520 ~ 530	WEAK / 
TURKEY <i>*For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less</i>	330 ~ 340	320 ~ 330	310 ~ 320	330 ~ 340	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

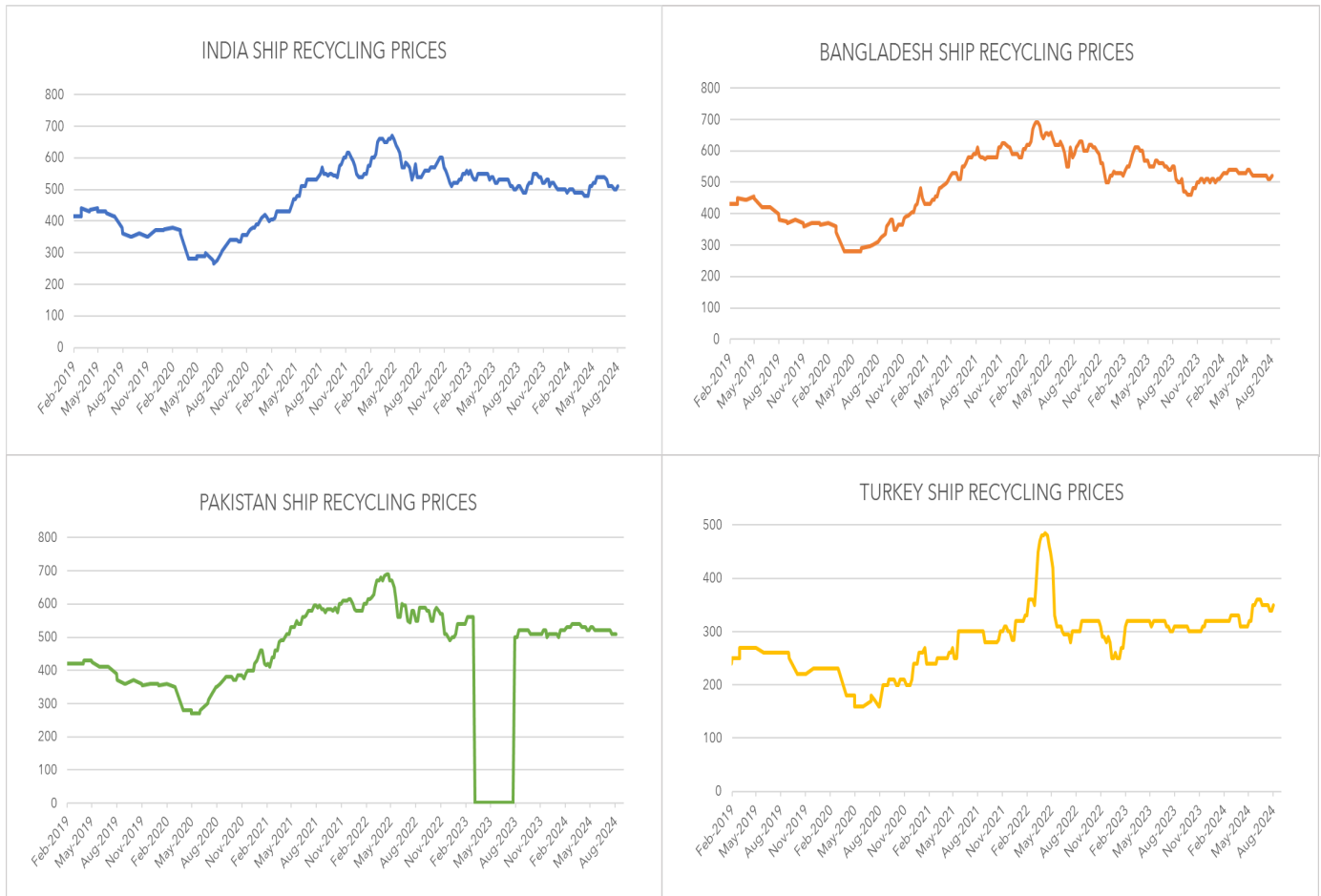
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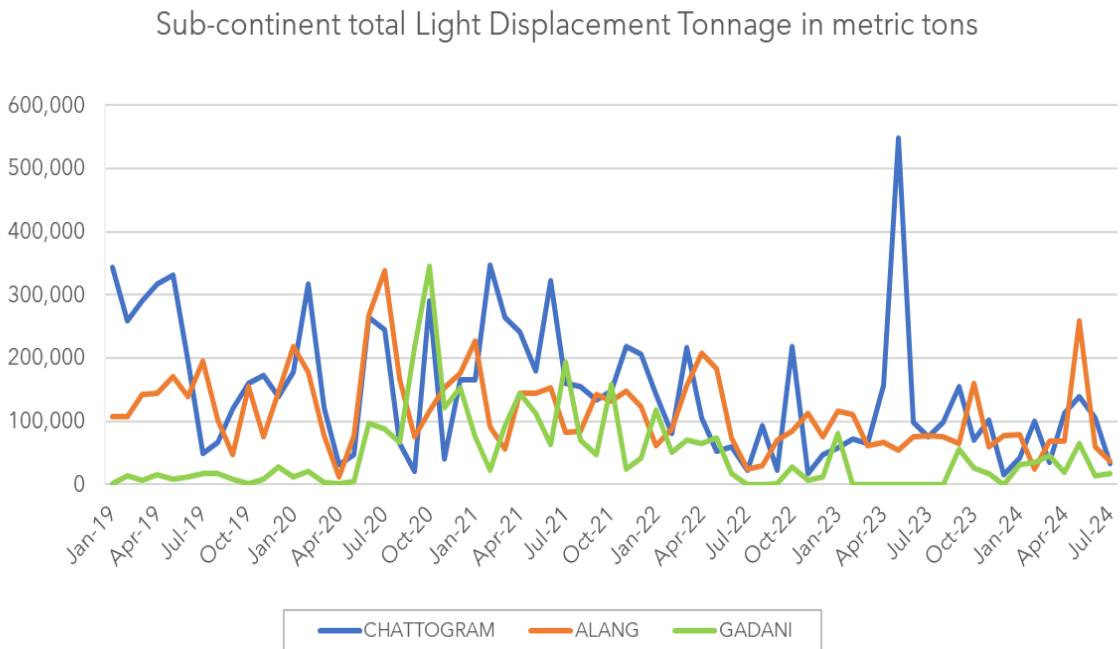
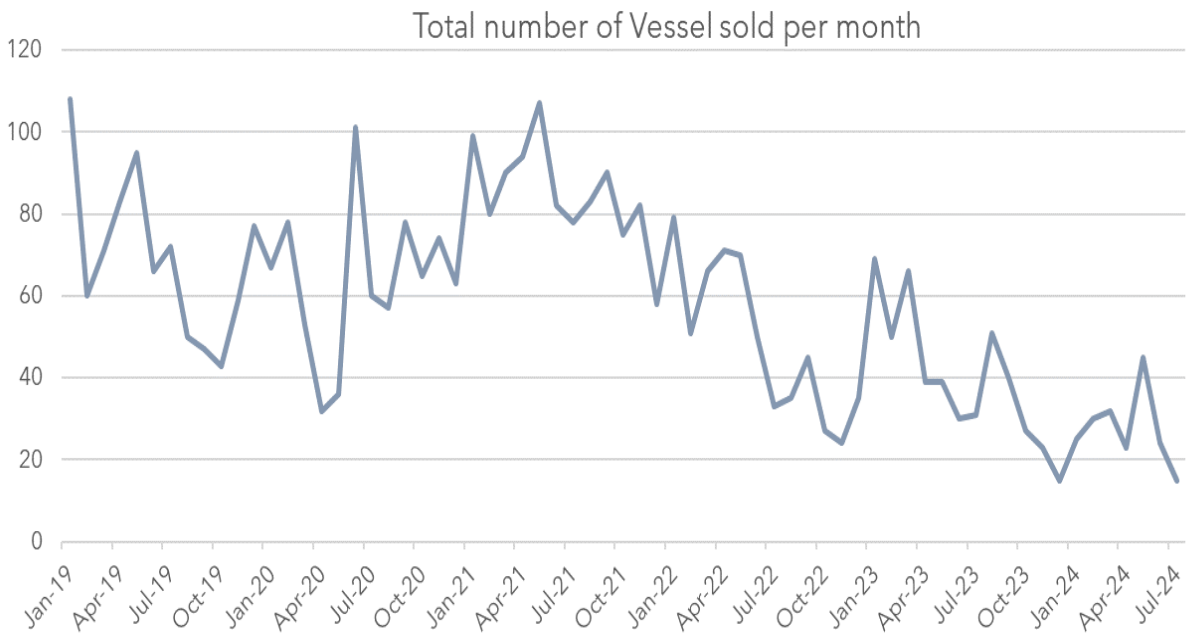
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	690	570	530
CHATTOGRAM, BANGLADESH	420	300	650	590	565
GADDANI, PAKISTAN	410	305	740	580	530
ALIAGA, TURKEY	270	210	200	300	325

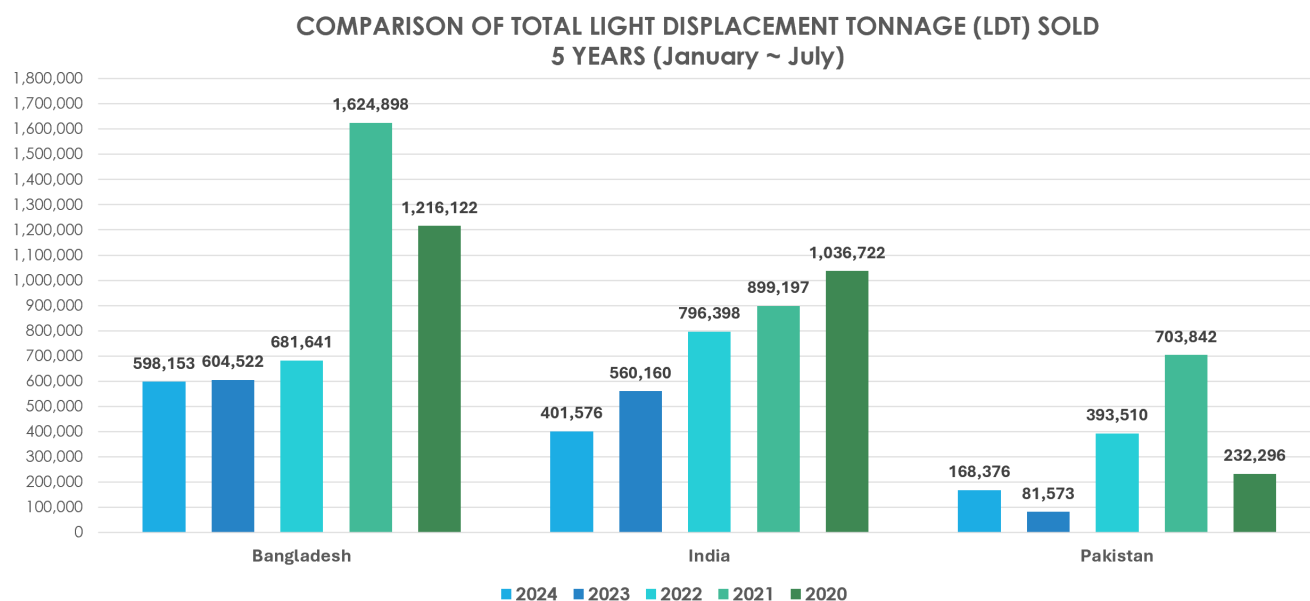
Ships Sold for Recycling

VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
SOLA GRATIA	2,052	1985 / JAPAN	CEMENT CARRIER	470	DELIVERED CHATTOGRAM
ZHAO II	2,890	2005 / CHINA	BULKER	450	DELIVERED CHATTOGRAM

Recycling Ships Price Trend







Insight

This week, the Indian Subcontinent markets have shown signs of recovery, with renewed buying interest emerging at newly adjusted price levels in response to the global decline in ferrous scrap prices and other steel products. As markets begin to account for the influx of cheaper imported steel, recyclers across the Indian Subcontinent and Turkey are recalibrating their pricing strategies. Although the market's recovery has been gradual, hindered by a limited supply of ships, realistic pricing is expected to materialise as the availability of vessels improves.

In China, the Chinese steel industry faces significant challenges as the nation's sluggish property sector fails to absorb excess capacity, leading to a sharp decline in both domestic demand and prices. With steel rebar prices down over 20% and iron ore prices plummeting 28% year to date, the industry is experiencing what Baowu Steel Chairman Hu Wangming described as a "winter." The downturn, exacerbated by weak property market conditions, is expected to persist into 2025, squeezing margins and prompting Chinese steelmakers to turn to exports. However, this surge in exports has led to accusations of steel dumping, with countries like Thailand and India imposing anti-dumping duties. China's steel exports have disrupted global markets, causing closures such as Chile's largest steel mill, Huachipato. ArcelorMittal, the world's second-largest steel producer, warned that China's overproduction has created "unsustainable" market conditions globally.

Southeast Asia has absorbed a significant portion of these exports, further impacting regional markets

Alang, India

This week, the domestic ship scrap market experienced a slight uptick in prices, providing a brief respite from the recent downward trend, but by the close of trading on Friday, the prices dipped back a little. However, it's too early to determine if prices have hit rock bottom as discussions at the ministry level continue regarding measures to curb imports of low-cost finished and semi-finished steel products. Most of the recyclers are divided on the outlook for future price movements. Some believe that the prices have already bottomed out, while others anticipate another reduction.

Secondary mills are facing challenges similar to those of ship recyclers, particularly in securing rolling materials. The scarcity of ships has significantly reduced the availability of feedstock, aggravating the supply crunch.

Overall, market sentiment remained subdued, with limited buying activity observed across sectors.

Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
OCMIS LEGENDS	GENERAL CARGO	2,331	21.08.2024	AWAITING
Y GLORY	CONTAINER	7,771	17.08.2024	23.08.2024
OSSORA	FISHING	951	16.08.2024	23.08.2024
RUDA	GENERAL CARGO	5,728	14.08.2024	22.08.2024
TWEEDIA	REEFER	3,064	14.08.2024	18.08.2024
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 Bangladeshi ship recycling industry faced a major setback this week as the Ministry of Industry of Bangladesh has announced that it will no longer issue No Objection Certificates (NOCs) for the importation of ships for reprocessing at yards that have failed to meet development requirements. According to a recent notice, this decision applies to ship reprocessing yards that have not completed or made satisfactory progress on their yard development work, as stipulated under the Ship Breaking and Recycling Rules-2011.

The notice highlights that, despite receiving preliminary approval for their Ship Recycling Facility Plans (SRFP) since 2019, many yard owners have not fulfilled the necessary development conditions within the specified timeframe. Consequently, from November 14, 2024, onwards, NOCs for ship importation will be denied to non-compliant yards.

This move emphasises the government's commitment to enforcing stricter regulations within the ship recycling industry, ensuring that yards adhere to the environmental and safety standards mandated by the SRFP.

In response to the recent circular issued by the Ministry of Industry, there has been a sudden surge in demand for end-of-life ships among Bangladesh's ship recyclers. Anticipating the upcoming November 14, 2024 deadline, when non-compliant yards will no longer receive No Objection Certificates (NOCs) for ship imports, recyclers are scrambling to secure inventories before the cut-off.

Some recyclers are reportedly offering slight premiums above the prevailing market prices to acquire these ships, aiming to stockpile enough materials to continue operations while they work on upgrading their yards to meet the required standards as well to weather any uncertainties that may arise due to banking hurdles.

Another issue brewing in Bangladesh is the Bangladeshi taka, which has further depreciated after the central bank introduced more flexibility in foreign currency transactions, highlighting a shortage of US dollars in the market. As of yesterday, banks traded the dollar at up to Tk 120 in interbank exchanges, up from Tk 118 just days earlier, according to Bangladesh Bank. This decline follows Bangladesh Bank's decision on August 18 to widen the band of the crawling peg—a controlled range for exchange rate fluctuations—from 1 % to 2.5 % to boost foreign currency inflows.

Initially set in early May, the crawling peg replaced previously administered exchange rates, aiming for a market-driven rate over time. However, due to the growing gap between supply and demand for dollars, banks have been forced to buy at higher rates, sometimes exceeding Tk 120. This situation has been exacerbated by shrinking forex reserves, which have plummeted from US\$48 billion in August 2021 to US\$20.48 billion as of July 2024.

Given these pivotal developments impacting the ship recycling markets, the coming months are likely to be turbulent, with the industry poised for significant transformation, leading to price corrections.

Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
INDU	TANKER	16,696	11.08.2024	22.08.2024
HAI 351	BULKER	4,351	11.08.2024	22.08.2024
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

Markets have been largely stagnant over the past few months, with minimal movement as recyclers have taken a cautious stance. Sluggish domestic demand, coupled with declining imported ferrous scrap prices, has led recyclers to hold back. However, buying interest amongst ship recyclers has remained strong but at a price that supports the underlying fundamentals.

For the past few months, Gadani recyclers have struggled to compete with their counterparts, but market dynamics are expected to shift soon. All three major recycling markets are likely to align at similar pricing levels, maintaining traditional differences. However, this realignment will only occur once there is an adequate supply of ships available for recycling. Currently, market imbalances and a constrained supply are distorting price signals.

Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

Another poor week in Turkey as weakening import prices, sluggish domestic demand, and currency fluctuations hung over the region. Turkish steel mills have begun lowering their domestic scrap buying prices, despite the lira's continued depreciation against the dollar.

This move follows a sharp decline in imported scrap values, with recent deals from the US and Baltic region showing further price drops.

Some market participants suggest that the price decline might be bottoming out, citing the recent recovery in Chinese markets as a potential supporting factor. Chinese billet prices have indeed lifted amid rebounding futures from Monday to Wednesday.

The strengthening euro, reaching €1.112 on Wednesday, has put additional pressure on Benelux exporters. Meanwhile, domestic rebar demand in Turkey remains weak, with mills' official offers standing at US\$570-600/t ex-works.

Turkish shipbreaking scrap prices have also declined to US\$365-375/t delivered, down from US\$375-390/t last week.

BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 2 ~ 5 September | 17 ~ 20 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	599	461	671
HONG KONG	597	484	681
FUJAIRAH	590	452	775
ROTTERDAM	533	454	648
HOUSTON	546	447	693

EXCHANGE RATES			
CURRENCY	August 23	August 16	W-O-W % CHANGE
USD / CNY (CHINA)	7.12	7.16	+0.56%
USD / BDT (BANGLADESH)	119.53	117.98	-1.31%
USD / INR (INDIA)	83.81	83.87	+0.07%
USD / PKR (PAKISTAN)	278.61	278.47	-0.05%
USD / TRY (TURKEY)	33.95	33.67	-0.83%

Sub-Continent and Turkey ferrous scrap markets insight

The Sub-Continent and Turkey ferrous scrap market remained subdued this week, with minimal buyer activity observed across India, Pakistan, and Bangladesh. In India, buyers

were hesitant to make bulk bookings, opting to wait for prices to bottom out following recent declines in the Turkish market. Similarly, Pakistan's market saw slow movement, hampered by the rainy season and delayed payments. Meanwhile, in Bangladesh, steel mills are postponing significant purchases until October, citing weak demand in the infrastructure sector.

Despite the overall bearish sentiment, there are signs of a potential rebound, particularly in Turkey, where the recent price drops have led to speculation that market conditions could improve if certain factors, such as the cancellation of China-origin billet orders, come into play.

In **India**, the demand for imported scrap remained weak as buyers showed little interest in current offers. Many are holding off, expecting prices to drop further in line with the downturn in the Turkish market. The availability of cheaper domestic alternatives has also kept buyers away from the seaborne market. Indicative offers for shredded scrap from the US and UK/Europe hovered around US\$395-398/t CFR Nhava Sheva, while buyers' expectations were below US\$390/t CFR. HMS (80:20) offers were at US\$370-375/t CFR.

Steel mills in India were of the belief that, at the current price level, there's little interest in booking imported scrap, as domestic scrap remains a viable option. However, if prices drop to around US\$365/t, they could see some good deals from India.

The imported scrap market in **Pakistan** remained cautious and slow. Buyers largely adopted a wait-and-see approach, expecting stable prices while dealing with the impact of the rainy season, which has dampened domestic steel demand. Delayed payments continued to strain cash flows, further slowing market activity. Indicative offers for shredded scrap from the UK/Europe were assessed at US\$395-400/t CFR Qasim, while HMS (80:20) offers from the UAE were heard at around US\$380-382/t CFR.

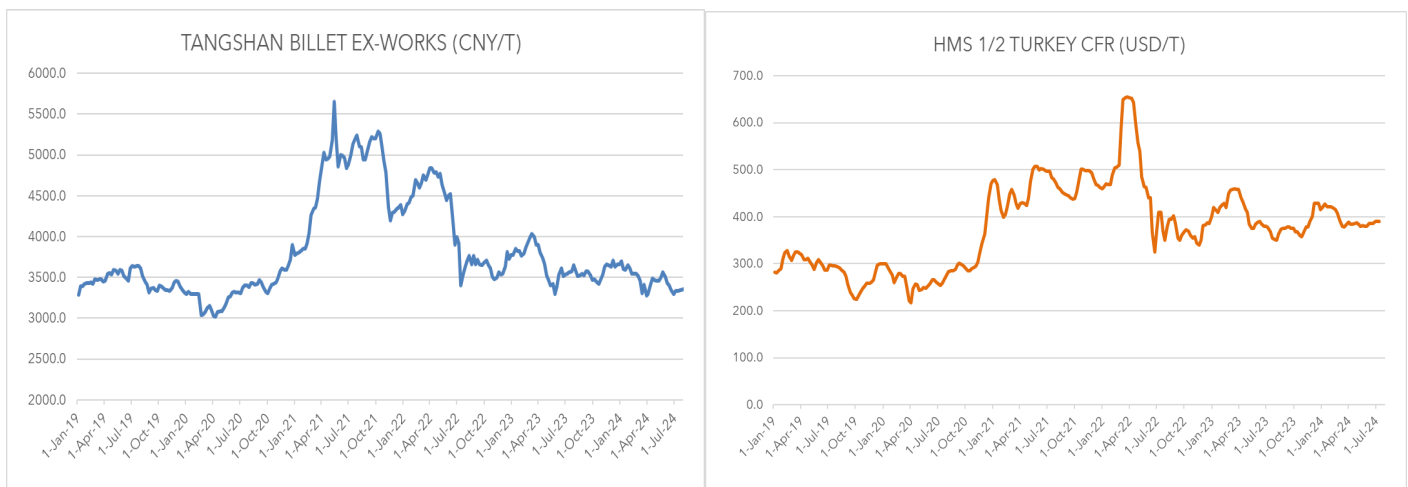
Market activity in **Bangladesh** stayed sluggish due to a slowdown in the steel sector, driven by subdued construction and infrastructure projects. Market participants reported that a major Bangladeshi steel mill has sufficient stock and is unlikely to make large purchases until October. Indicative offers for shredded scrap from the UK/Europe were reported at US\$410-415/t CFR Chattogram, with HMS (80:20) offers at US\$395-400/t CFR.

The **Turkish** imported ferrous scrap market continued to face pressure as prices dropped further. A US-origin deal was concluded by a Marmara mill for HMS (80:20) scrap at US\$360/t CFR, marking a US\$3/t decline. This deal underscored the intense buy-side pressure on recyclers, who are struggling to meet mill demands. Market sentiment remained bearish, with some participants suggesting that prices could dip even further

to US\$350/t CFR due to an oversupply situation, partly caused by recyclers collecting material at higher costs in previous weeks.

However, there was a gleam of hope as unconfirmed reports emerged about potential cancellations of China-origin billet orders. If these cancellations materialise, they could boost demand for ferrous scrap imports, leading to a possible market rebound. Despite this, most market participants remained cautious, advising sellers to hold onto their material as the situation develops.

HMS 1/2 & Tangshan Billet



Commodities

The stronger U.S. dollar dampened investor appetite across the **base metals** sector, with **copper** leading the decline amid a broad wave of selling. However, zinc defied the trend, closing higher after China's largest smelter announced plans to reduce its concentrate intake to mitigate deepening losses in refining. According to Beijing Antaika Information Development, smelters plan to cut their ore demand this year by nearly 1 million tons, a significant reduction from their initial estimate. This adjustment involves 14 companies with a combined annual capacity of 4.17 million tons, representing 70% of China's total output.

Copper inventories on the Comex increased by 6.6% to 31,300 tons on Thursday, reflecting the lingering effects of the recent squeeze in the U.S. market. Copper imports surged to 91,000 tons in July, marking the third-highest monthly volume in the past decade.

Meanwhile, **iron ore** futures in Singapore briefly approached the USD 100/ton mark before retreating, as investors remain cautious about the demand outlook. Recent measures to support China's real estate sector, including a new funding option for local governments to purchase unsold homes, have yet to translate into increased demand.

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)	97	+3.19%	-17.09%	94	117
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	99	+4.21%	-15.38%	95	117

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	424.50	+5.90	+1.41%	Dec 2024
3Mo Copper (L.M.E.)	USD / MT	9,288.50	+158.00	+1.73%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,542.00	+62.00	+2.50%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,912.00	+54.00	+1.89%	N/A
3Mo Tin (L.M.E.)	USD / MT	32,912.00	+596.00	+1.84%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	74.83	+1.82	+2.49%	Oct 2024
Brent Crude (ICE.)	USD / bbl.	79.02	+1.80	+2.33%	Oct 2024
Crude Oil (Tokyo)	J.P.Y. / kl	71,270.00	+250.00	+0.35%	Aug 2024
Natural Gas (Nymex)	USD / MMBtu	2.02	-0.03	-1.51%	Sep 2024

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



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