# WEEKLY REPORT

## WEEK 3 – January 18, 2025

China's economic performance in 2024 exceeded expectations, with GDP growing 5.4% in the fourth quarter and achieving an annual growth rate of 5%. This surge was primarily fueled by targeted policy measures and strong export performance. Yet, a closer look reveals persistent challenges beneath the surface, including below-par consumption growth compared to pre-pandemic levels and a historic contraction in property investment, while deflation continued for a second consecutive year.

The outlook for 2025 hinges largely on fiscal policy, with the government preparing to announce crucial budget deficit and bond issuance plans in March. The Chinese leadership has indicated readiness for substantial stimulus measures, potentially raising the budget deficit to 4% of GDP and significantly increasing special treasury bond sales. However, these policy decisions are complicated by mounting external pressures, particularly the possibility of new U.S. tariffs that could reach as high as 60% on Chinese goods, threatening a key growth driver that accounted for roughly a quarter of 2024's economic expansion.

In response to these challenges, Chinese authorities are implementing a multi-faceted approach to boost domestic consumption. Key initiatives include expanding subsidy programs for appliance and equipment upgrades, enhancing pension benefits, and improving medical insurance coverage. The government has committed 300 billion yuan to support equipment upgrading and consumer goods trade-in programs, with potential to double this investment in the coming year.

Despite these proactive measures, the real estate sector remains a significant concern, with investment plunging by 10.6% in 2024 – the steepest decline since records began in 1987. The slow progress in reducing housing inventory and renovating urban villages has contributed to persistently weak developer sentiment.

## Dry Bulk

The Baltic Exchange's dry bulk index continued its downward trend for the third consecutive session on Friday, primarily impacted by weakening rates in the Capesize and Supramax segments. The overall index dropped 36 points to 987 points, reaching its lowest level in the week, with BCI experiencing a significant decline of 89 points to 1,393 points.

In contrast, the Panamax sector showed signs of recovery, with its index adding 1 point to reach 897 points, breaking a six-day losing streak. Panamax saw a modest increase in daily earnings to about US$8,060. However, the Supramax segment continued to struggle, with its index falling 18 points to 747 points, reaching its lowest level in 17 months. This mixed performance comes against a backdrop of rising iron ore futures, which reached a four-week high, supported by reduced shipments from a major producer and growing expectations of Federal Reserve rate cuts following cooler-than-expected U.S. inflation data.

The maritime industry faces additional complexity as geopolitical tensions surface, with Russia accusing NATO and Western nations of making "evidence-free" allegations regarding Moscow's involvement in undersea cable sabotage. These accusations come amid broader efforts to curb sea-borne Russian oil exports, adding another layer of uncertainty to the already volatile shipping market dynamics.

### Capesize:

The Pacific market has entered a quieter phase as most spot fixtures conclude, while participants exercise increased caution due to cyclone forecasts in Western Australia's key iron ore export hub. Pacific r/v saw levels fall to US$6,000’s a day. Activity in the Brazilian market remains constrained as the spread between owners' and charterers' rates continues to widen.

### Panamax/Kamsarmax:

The Atlantic market continues its downward trend as North cargoes become increasingly scarce. T/A saw levels fall to US$8,000’s. Meanwhile, the Pacific presents a mixed picture, NOPAC shows improvement in demand and rates, with Pacific r/v seeing a slight climb to US$5,200’s a day while Indonesia routes, continue to decline due to insufficient volume relative to available vessel.

### Supramax/Ultramax:

The Atlantic market for Supramax segment has softened as January cargoes from USG concluded, with owners reducing rates without much resistance. In the Pacific, Indonesian coal imports compensated this week for the poor NE Asian demand, but overall market outlook remains sluggish with the over tonnage in SE Asia. Pacific r/v close the week lower at US$7,200's.

### Handysize:

Similar weakness was seen in the Handy segment despite activities in the Pacific region. Competition was low with abundant vessel and tight bunker as owners manage to wrangle levels lower. Inter Pacific fell lower to US$6,100's a day at week's closing.

## Baltic Exchange Dry Bulk Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---|---|---|---|---|---|
| BDI | 987 | 1,048 | 1,503 | -5.82% | -34.33% |
| BCI | 1,393 | 1,448 | 2,244 | -3.80% | -37.92% |
| BPI | 897 | 953 | 1,550 | -5.88% | -42.13% |
| BSI | 747 | 819 | 1,030 | -8.79% | -27.48% |
| BHSI | 453 | 508 | 594 | -10.83% | -23.74% |

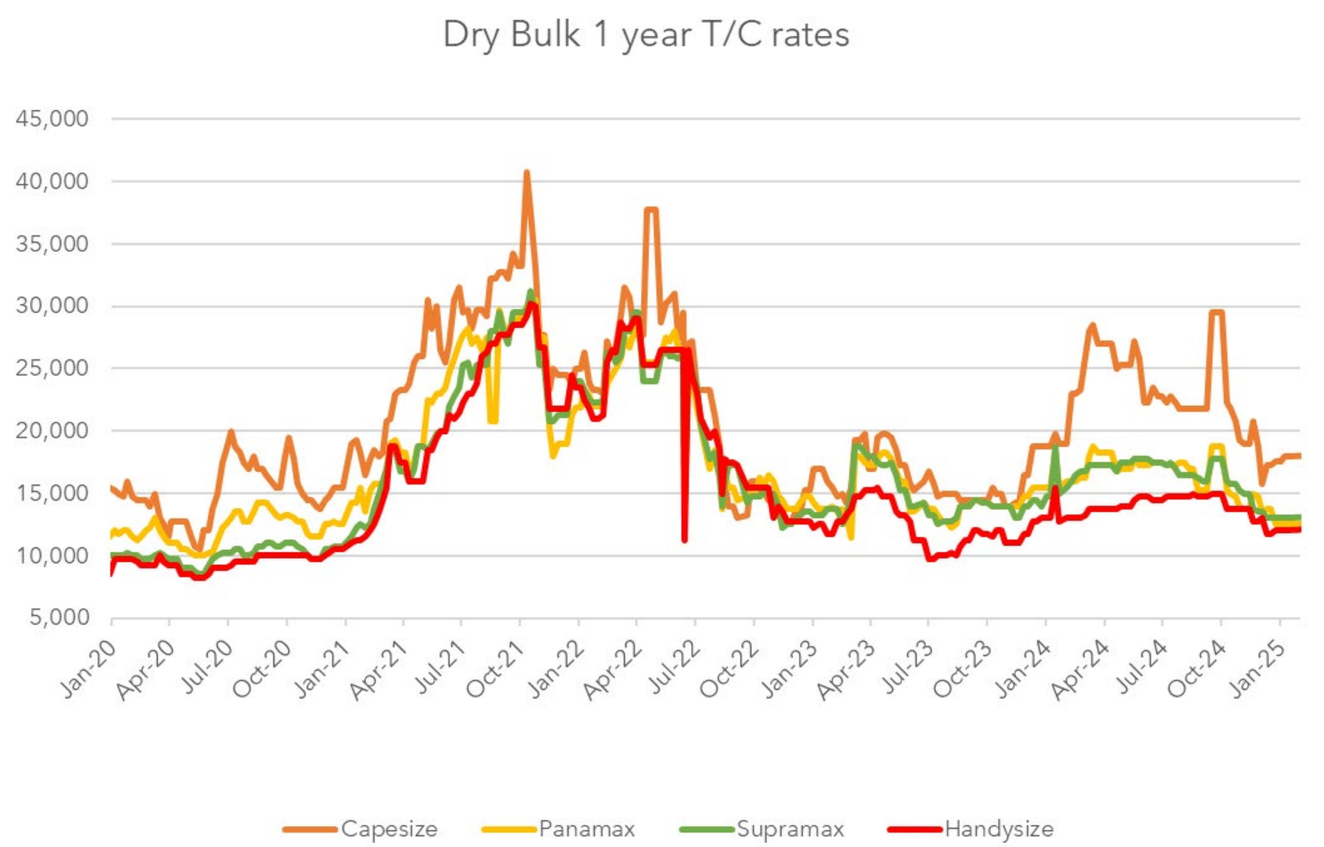
## Dry Bulk Values

(*Weekly*)

| TYPE | DWT | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---|---|---|---|---|---|---|
| CAPE | 180,000 | 74 | 75 | 62 | 44 | 27 |
| KAMSARMAX | 82,000 | 36 | 42 | 36 | 27 | 17 |
| SUPRAMAX | 56,000 | 33 | 39 | 34 | 25 | 15 |
| HANDY | 38,000 | 29 | 33 | 27 | 20 | 12 |
| **(amount in USD million)* | | | | | | |

## Dry Bulk – S&P Report

| VESSEL NAME | TYPE | DWT | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| PAN CLOVER | KMAX | 81,177 | 2012 | CHINA | 16.0 | TURKISH BUYERS |
| ARGOLIS | PMAX | 76,263 | 2005 | JAPAN | 8.2 | CHINESE BUYERS |
| K. FAITH | PMAX | 75,845 | 2002 | JAPAN | 6.6 | UNDISCLOSED |
| ALPHA MELODY | PMAX | 74,475 | 2002 | S. KOREA | 6.6 | UNDISCLOSED |
| MYTHOS | PMAX | 74,195 | 2004 | JAPAN | 8.5 | VIETNAMESE BUYERS |
| MY FAIR LADY | SMAX | 50,450 | 2011 | JAPAN | 15.3 | FAR EASTERN BUYERS |
| KARTERIA | SMAX | 50,320 | 2001 | JAPAN | 7.0 | UNDISCLOSED |
| HIBISCUS | HMAX | 48,610 | 2002 | JAPAN | 7.0 | CHINESE BUYERS |
| BLISS | HANDY | 35,278 | 2007 | JAPAN | 10.0 | UNDISCLOSED |
| MOMO GLORY | HANDY | 28,222 | 2014 | JAPAN | 12.0 | INDONESIAN BUYERS |



## Tankers

As OPEC+ navigates 2025's challenges, recent U.S. sanctions on over 180 Russian-linked vessels have dramatically reshaped market dynamics, with tanker freight futures surging and oil prices climbing above US$80 per barrel. The organisation faces a complex balancing act: managing its planned unwinding of 2.2 million bpd production cuts (now delayed to April 2025), addressing internal compliance issues from Iraq, Russia, and Kazakhstan, and responding to shifting global trade patterns. The situation is further complicated by expectations of expanded Iranian sanctions under the incoming Trump administration, prompting major consumers like India and China to seek alternative suppliers.

The tanker market has become particularly volatile, with approximately 10% of the global VLCC fleet now under sanctions, significantly tightening compliant vessel availability. This constraint, combined with increasing ton-mile demand and potential reconfigurations of trade routes, is driving freight rates sharply higher. While OPEC+ possesses considerable spare capacity to offset supply disruptions, the immediate scramble to secure barrels is exerting upward pressure on time spreads, flat prices, and tanker rates as traders rush to acquire and deliver physical cargoes.

Looking ahead, while growing non-OPEC+ production from countries like the U.S., Brazil, Guyana, Canada, and Argentina could potentially satisfy global demand growth, the market's trajectory remains heavily influenced by geopolitical developments.

### VLCC:

The Middle Eastern VLCC market closed higher this week, driven by steadily increasing demand for late January loadings, coupled with improved demand from West Africa and the USG. The recent US sanctions on 183 Russian oil tankers likely contributed to the rate increase due to concerns about future supply disruptions. 270,000mt MEG/China climb almost 28 points to WS77. Rates are expected to rise further as the market maintains its owner-favorable position.

### Suezmax:

In West Africa, despite early-week declines due to vessel oversupply, the market stabilized by the week’s end. This recovery was primarily attributed to strong VLCC rates, which quickly absorbed available vessels. 130,000mt Nigeria/UKC gained 20 points to WS86. In the MEG, rates also pushed higher with 140,000mt MEG/Med climb to WS97.

## Aframax:

MEG Aframax diverged from larger sizes, with rates falling below WS130 due to persistent weak demand since last December. In the Mediterranean market, 80,000mt Ceyhan/Lavera improved 22 points to WS122. While outlook suggests continued soft conditions with no significant demand increase expected, it is worth noting that Aframax vessels comprise over 50% of the sanctioned Russian oil tankers and future spots may be affected.

## Clean:

LR: MEG showed impressive momentum, with rates rapidly climbing to WS130 points, primarily driven by improved winter cargo demand from Europe. However, this sharp increase is expected to moderate as some cargoes shift to LR1 in response to the recent surge. LR1 on the UKC, however, comes down slightly to WS115.

MR: Far East market concluded strongly, supported by sustained Southeast Asian demand, particularly from weather-related vessel replacements. In the MEG, TC17 also saw a decline after a previous uptick with routes to E. Africa slipping to WS229.

## Baltic Exchange Tanker Indices

| INDICES | CURRENT | LAST WEEK | LAST YEAR | W-O-W CHANGE | Y-O-Y CHANGE |
|---|---|---|---|---|---|
| BDTI | 912 | 799 | 1,500 | +14.14% | -39.20% |
| BCTI | 756 | 606 | 945 | +24.75% | -20.00% |

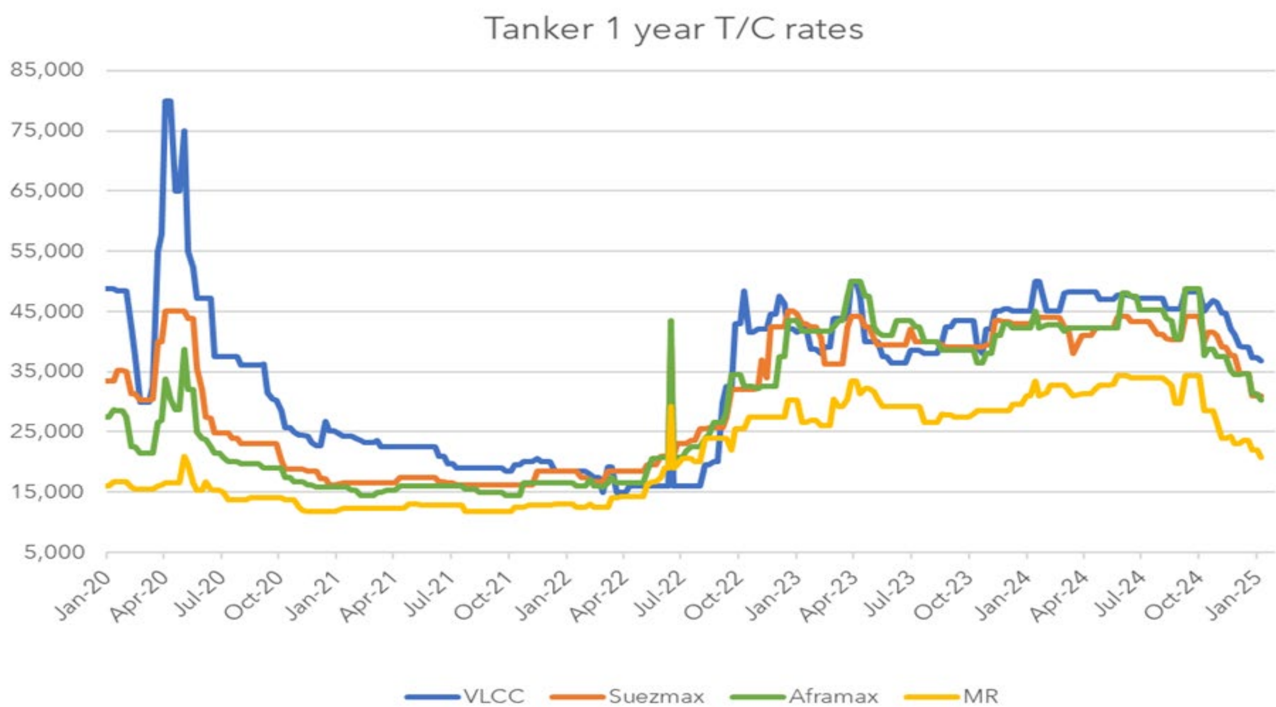
## Tankers Values

*(Weekly)*

| TYPE | DWT | NB CONTRACT | NB PROMPT DELIVERY | 5 YEARS | 10 YEARS | 15 YEARS |
|---|---|---|---|---|---|---|
| VLCC | 310,000 | 128 | 143 | 114 | 84 | 56 |
| SUEZMAX | 160,000 | 89 | 97 | 82 | 66 | 49 |
| AFRAMAX | 115,000 | 74 | 85 | 71 | 60 | 43 |
| LR1 | 73,000 | 61 | 67 | 57 | 47 | 31 |
| MR | 51,000 | 51 | 52 | 49 | 40 | 27 |
| *(amount in USD million) | | | | | | |

## Tankers S&P Report

| VESSEL NAME | TYPE | DWT | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| ROLIN | VLCC | 308,829 | 2005 | S. KOREA | 31.0 | CHINESE BUYERS |
| NISSOS DELOS | AFRA | 115,691 | 2012 | S. KOREA | 44.5 | MJL |
| SUVRETTA | LR2 | 109,250 | 2008 | S. KOREA | 31.0 | CHINESE BUYERS |
| SANJIN 3025 | PROD / CHEM | 13,774 | 2020 | CHINA | 17.0 | SINGAPOREAN BUYERS |
| DH GLORY | PROD / CHEM | 13,121 | 2020 | CHINA | 25.3 (SS) | UNDISCLOSED (AUCTION) |



## Containers

SCFI experienced a significant decline, dropping to 2,131 points, the lowest ever since October.

Several key factors have contributed to this adjustment. The successful resolution of U.S. East Coast port labor negotiations has eliminated a major source of supply chain uncertainty. Additionally, the approaching Chinese New Year holiday has led to softening demand. The situation has been complicated by U.S. DOD's designation of COSCO as a Chinese military company. This development could introduce additional overcapacity concerns.

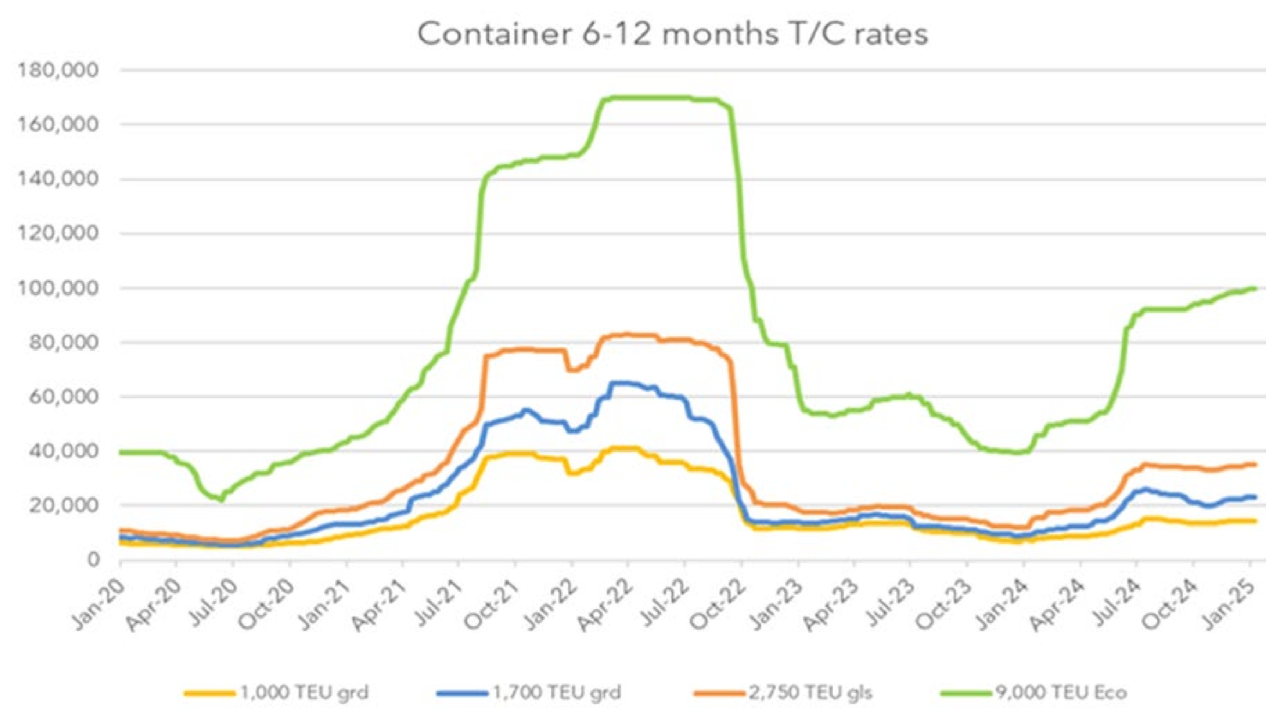
In Southeast Asian markets, while there has been active front-loading of cargo ahead of the Chinese New Year, rates continue to face downward pressure. This decline persists despite carriers adding new services and capacity to secure roll pool cargo in major ports such as Jakarta and Ho Chi Minh City. The combination of resolved port congestion and seasonal pre-holiday slowdown has accelerated the overall rate decline.

## 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) | | | | | | |

## S&P Containers Report

| VESSEL NAME | TYPE | TEU | YEAR | BUILT | PRICE (MILLION) USD | COMMENTS / BUYERS |
|---|---|---|---|---|---|---|
| RI ZHAO HONG YUN | PMAX | 3,753 | 1997 | S. KOREA | 13.0 | CHINESE BUYERS |
| HAMMONIA BEROLINA | SUB PMAX | 2,546 | 2007 | CHINA | 21.0 | GREEK BUYERS |
| CUL QINGDAO | SUB PMAX | 2,433 | 2023 | CHINA | 40.0 | MINERVA |
| BIG LILLY | FEEDER | 1,730 | 1999 | POLAND | 6.5 | MSC |
| JAN | FEEDER | 1,700 | 2010 | JAPAN | 17.5 | MERATUS |



## Ship Recycling Market Snapshot

| DESTINATION | TANKERS | BULKERS | MPP/ GENERAL CARGO | CONTAINERS | SENTIMENTS / WEEKLY FUTURE TREND |
|---|---|---|---|---|---|
| **ALANG (WC INDIA)** | 470 ~ 480 | 450 ~ 460 | 440 ~ 450 | 480 ~ 490 | STABLE / |
| **CHATTOGRAM, BANGLADESH** | 460 ~ 470 | 450 ~ 460 | 440 ~ 450 | 470 ~ 480 | WEAK / |
| **GADDANI, PAKISTAN** | 440 ~ 450 | 420 ~ 430 | 420 ~ 430 | 460 ~ 470 | WEAK / |
| **TURKEY** **For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/ton less* | 360 ~ 370 | 340 ~ 350 | 350 ~ 360 | 370 ~ 380 | STABLE / |

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

## 5-Year Ship Recycling Average Historical Prices

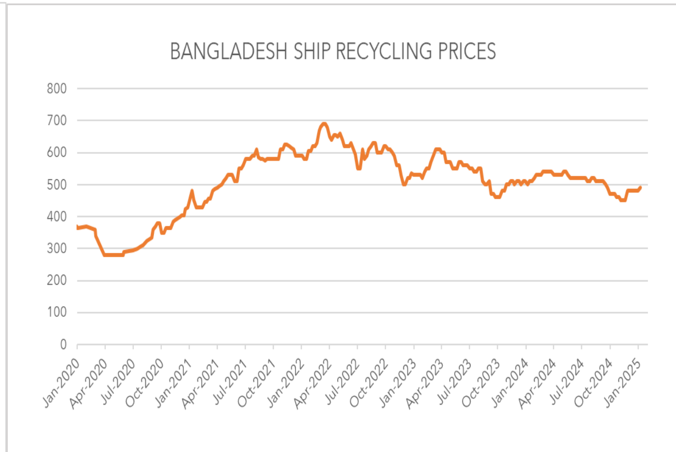
(Week 3)

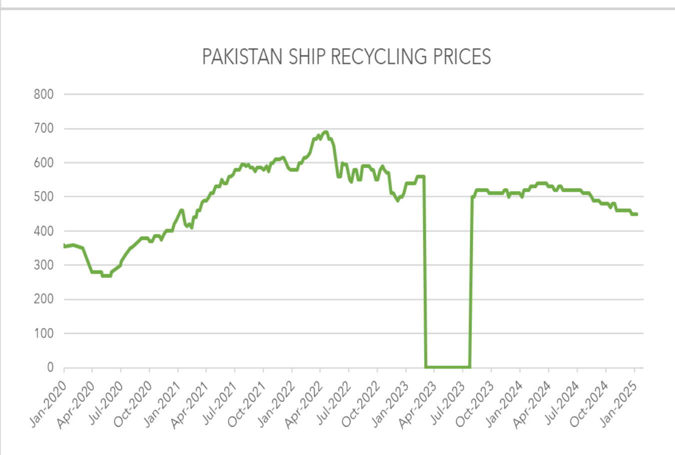
| DESTINATION | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| ALANG, INDIA | 270 | 810 | 570 | 530 | 510 |
| CHATTOGRAM, BANGLADESH | 300 | 850 | 590 | 560 | 510 |
| GADDANI, PAKISTAN | 305 | 800 | 580 | 520 | 520 |
| ALIAGA, TURKEY | 220 | 300 | 300 | 320 | 320 |

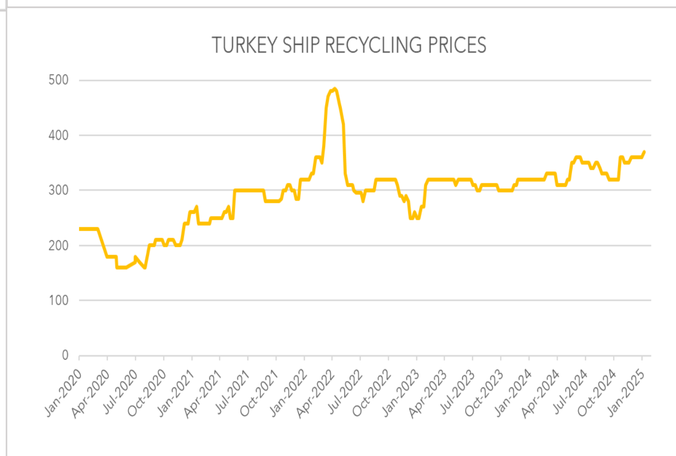
## Ships Sold for Recycling

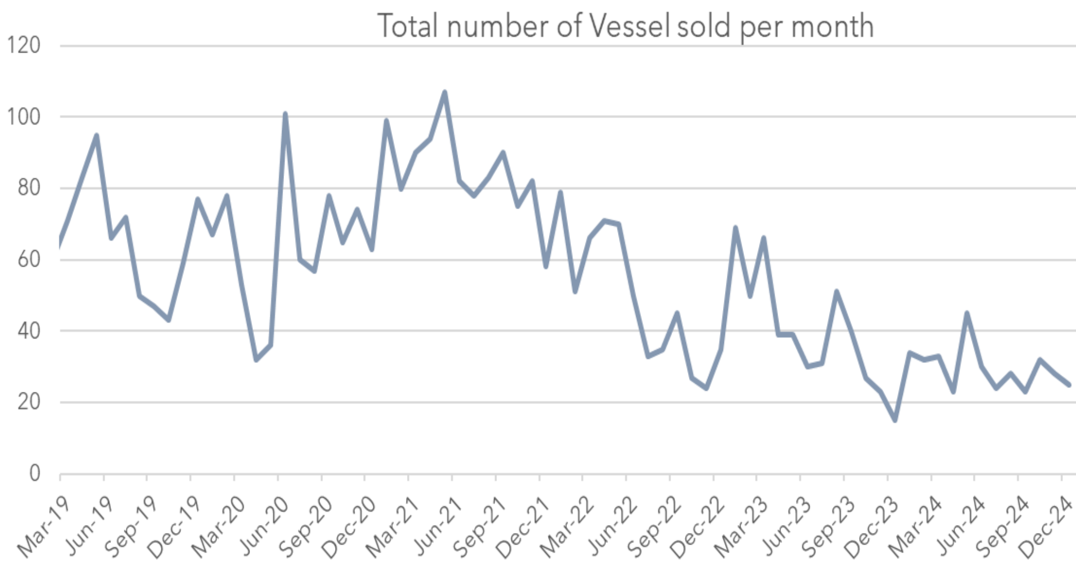
| VESSEL NAME | LDT | YEAR / BUILT | TYPE | PRICE (USD/LDT LT) | COMMENTS |
|---|---|---|---|---|---|
| - | - | - | - | - | - |

## Recycling Ships Price Trend


Total number of Vessel sold per month
120
100
80
60
40
20
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
Jun-22
Sep-22
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Mar-23
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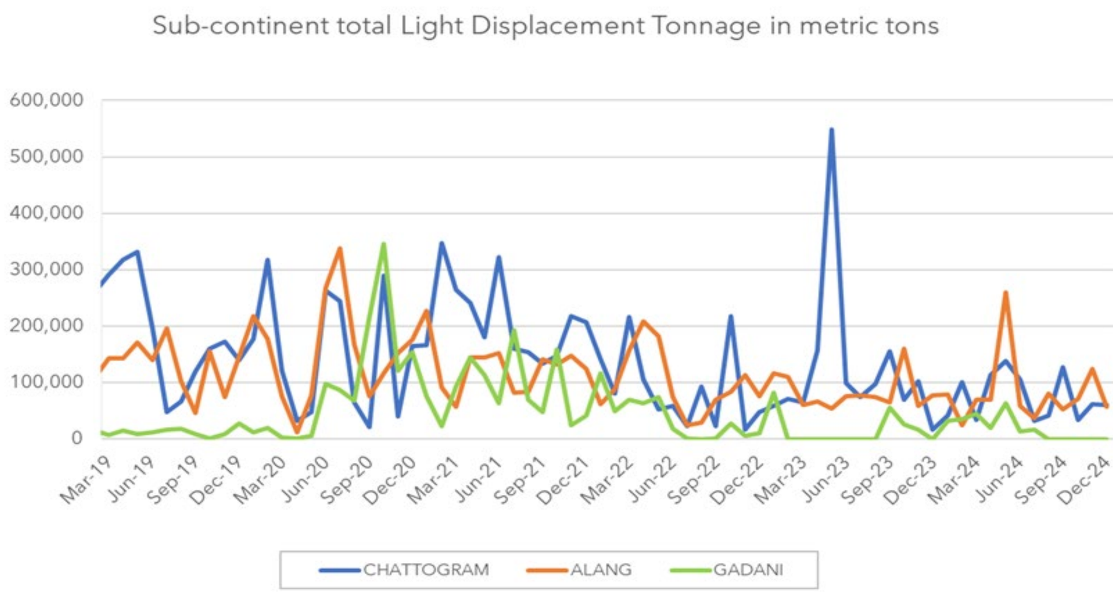
Dec-23
Mar-24
Jun-24
Sep-24
Dec-24


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
0
Mar-19
Jun-19
Sep-19
Dec-19
Mar-20
Jun-20
Sep-20
Dec-20
Mar-21
Jun-21
Sep-21
Dec-21
Mar-22
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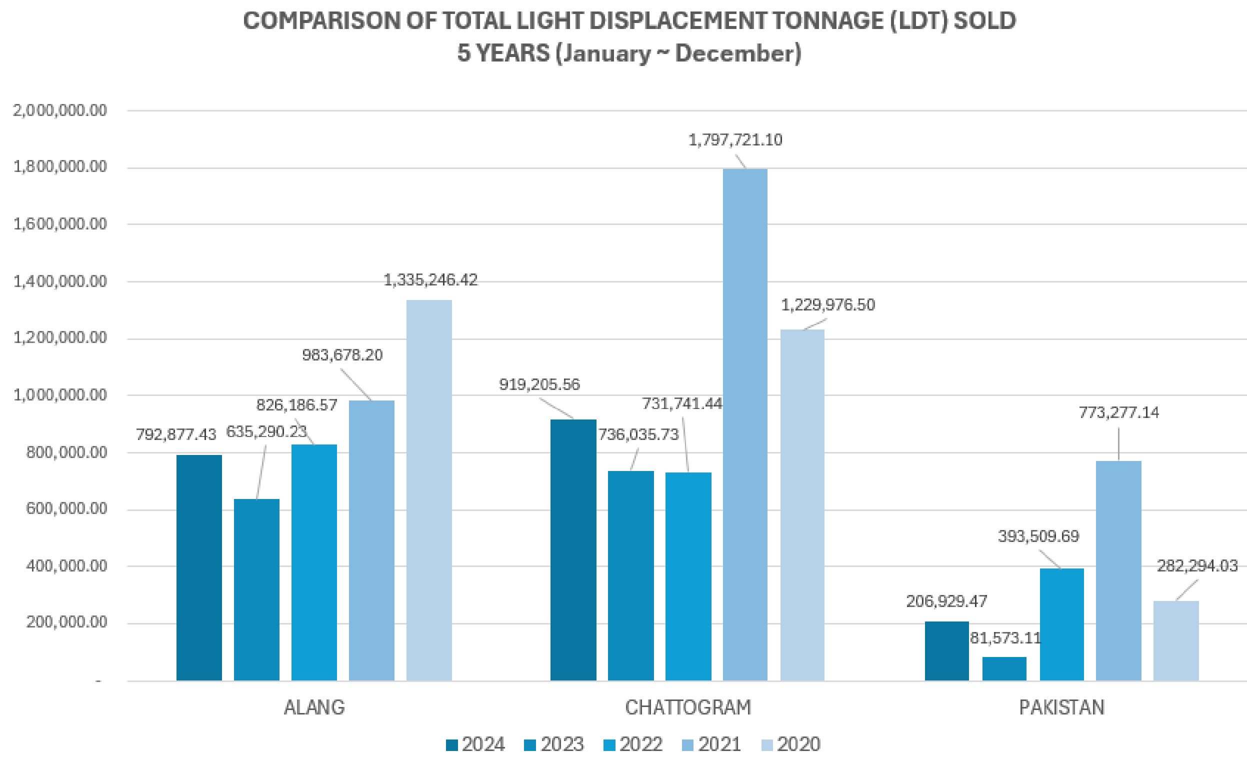
Sep-24
Dec-24
CHATTOGRAM
ALANG
GADANI




# <u>Insight</u>

## <u>Alang, India</u>

India's ship recycling market continues to experience sluggish conditions. Despite the country's overall economic resilience and projected growth of 6.6% in 2025, recycling operations remain subdued, with steel plate prices holding steady at 39,500 Rs.

The market outlook shows potential for improvement, particularly with the possibility of a 25% steel import duty that could lift domestic steel prices by 4-6%. Market activity remains muted. This situation is further complicated by broader steel market dynamics, including competition from Chinese exports and weak global demand, which continue to influence the recycling sector's pricing and activity levels.

Recylers are now looking toward potential early February improvements and upcoming budget announcements for signs of market revival.

## Anchorage & Beaching Position (JANUARY 2025)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|---|---|---|---|---|
| RIALTO | TANKER | 9,696 | 16.01.2025 | AWAITING |
| KARMAN 14 | BULKER | 3,169 | 08.01.2025 | 17.01.2025 |
| LADY CEDROS | BULKER | 17,823 | 08.01.2025 | 15.01.2025 |
| ENZO | TANKER | 17,398 | 04.01.2025 | 12.01.2025 |
| NEVELSK | CONTAINER | 2,993 | 04.01.2025 | 08.01.2025 |
| BOW CLIPPER | CHEM TANKER | 11,319 | 03.01.2025 | 06.01.2025 |
| MSC ESHA F | CONTAINER | 4,950 | 29.12.2025 | 04.01.2025 |
| LIYA | REEFER | 2,287 | 31.12.2025 | 03.01.2025 |

## Chattogram, Bangladesh

Bangladesh's ship recycling market is experiencing a period of subdued activity, marked by declining melting steel prices after a brief uptick last week. Steel plate prices dropped by 2,000 Taka to 72,000 Taka. The market's weakness is compounded by ongoing challenges in securing LC facilities, as strict regulations and a dollar shortage continue to hamper approval processes, effectively limiting recyclers' buying capacity.

This challenging environment for ship recycling operates against a backdrop of broader economic headwinds, with the World Bank projecting Bangladesh's growth to slow to 4.1% in FY25, its weakest performance since the pandemic. While the government is taking steps to strengthen financial oversight through the introduction of the Bank Regulation Act, which will give Bangladesh Bank enhanced powers over banking operations, the immediate outlook for the recycling sector remains uncertain.

Ship recyclers note that while temporary price increases may occur due to supply shortages, sustainable recovery will require more robust demand and improved financial conditions.

## Anchorage & Beaching Position (JANUARY 2025)

| VESSEL NAME | TYPE | LDT | ARRIVAL | BEACHING |
|---|---|---|---|---|
| ARK PROGRESS | CHEM TANKER | 2,635 | 08.01.2025 | AWAITING |
| LAR | LNG | 28,742 | 11.01.2025 | 15.01.2025 |
| NEW SMILE | TANKER | 1,969 | 26.12.2024 | 04.01.2025 |
| JIM | BULKER | 14,894 | 10.01.2025 | 16.01.2025 |
| ULSAN GAS | LPG | 1,814 | 08.01.2025 | 12.01.2025 |

## Gadani, Pakistan

Pakistan's ship recycling sector continues to face severe challenges, with operations at Gadani virtually at a standstill for the past four months due to a critical shortage of LC availability and broader economic difficulties. Despite steel plate prices holding at a relatively stable 182,000 Rs., the market remains effectively muted.

However, there are some glimmers of hope on the horizon, with recent developments including a significant World Bank funding agreement worth 20 billion USD over ten years. These financial arrangements could potentially help stabilise Pakistan's foreign currency reserves and eventually ease the LC restrictions that have been crippling the recycling sector.

### Anchorage & Beaching Position (JANUARY 2025)

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

## Aliaga, Turkey

The Turkish scrap market continues to face downward pressure as global steel market fundamentals remain weak, with recent transactions reflecting this trend. Despite ongoing scrap requirements, Turkish mills are actively resisting higher offers from suppliers, citing weak steel sales, falling billet prices, and reduced freight rates as justification for their lower price targets.

Recycling market remains stagnant with not much activity to report.

BEACHING TIDE DATES 2025

| | |
|---|---|
| Chattogram, Bangladesh | : 30 January ~ 02 February \| 14 ~ 17 February |
| Alang, India | : 28 ~ 31 January \| 01 ~ 04 February |

| BUNKER PRICES (USD/TON) | | | |
|---|---|---|---|
| PORTS | VLSFO (0.5%) | HSFO (3.5%) | MGO (0.1%) |
| SINGAPORE | 569 | 473 | 693 |
| HONG KONG | 572 | 488 | 707 |
| FUJAIRAH | 560 | 442 | 740 |
| ROTTERDAM | 532 | 455 | 672 |
| HOUSTON | 570 | 462 | 711 |

| EXCHANGE RATES | | | |
|---|---|---|---|
| CURRENCY | January 17 | January 10 | W-O-W % CHANGE |
| USD / CNY (CHINA) | 7.32 | 7.33 | +0.14% |
| USD / BDT (BANGLADESH) | 121.61 | 121.90 | +0.24% |
| USD / INR (INDIA) | 86.57 | 86.11 | -0.53% |
| USD / PKR (PAKISTAN) | 278.65 | 278.73 | +0.03% |
| USD / TRY (TURKEY) | 35.45 | 35.43 | -0.06% |

## Sub-Continent and Turkey ferrous scrap markets insight

Sub-continent and Turkish ferrous scrap prices experienced a notable decline this week, driven by weak demand and cautious trading across key markets. Mills in Turkey, India, Pakistan, and Bangladesh focused on managing inventories rather than aggressive restocking.

**India: Weak Demand and Currency Depreciation Stifle Market Activity**

India's imported scrap market was subdued throughout the week, impacted by weak domestic steel demand and bid-offer mismatches. Shredded scrap from the US and UK/Europe was quoted at US$370-375/ton CFR Nhava Sheva, while buyers capped bids at US$365-370/ton CFR. HMS (80:20) offers from Europe and West Africa, priced at US$350-360/ton CFR, saw limited interest, resulting in minimal transactions.

A depreciating rupee, nearing record lows against the USD, further escalated import costs, discouraging purchases. Domestic buyers increasingly favoured locally sourced sponge iron as a cost-effective alternative. The government's introduction of an 8% threshold for automakers under Extended Producer Responsibility (EPR) promises to bolster scrap generation and vehicle recycling, fostering a sustainable scrap steel economy. This week, approximately 1,000-2,000 tons of scrap were booked, including HMS (80:20) from the UK, US, and West Africa.

**Pakistan: Reduced Mill Capacities Reflect Weak Steel Demand**

Pakistan's imported scrap market remained muted, with mills operating at reduced capacities of 40-45% due to weak steel demand and limited liquidity. Domestic scrap prices dropped to PKR 140,000-142,000/t, while rebar prices held steady at PKR 240,000-245,000/t, indicating cautious market sentiment.

Shredded scrap offers from the UK and Europe ranged between US$380-385/ton CFR Qasim, but buyers remained hesitant, bidding at US$380-383/ton. Suppliers faced pressure to lower offers as softened market conditions and collection rates in Europe (US$330-332/ton FOB) resulted in CFR offers of US$380-382/ton.

**Bangladesh: Sluggish Market Amid Weak Domestic Demand**

Bangladesh's imported scrap market was subdued due to weak domestic demand and slow progress on government projects. Rebar prices fell by BDT 500-1,000/t, further dampening buyer activity. Mills, holding sufficient inventories, showed little interest in fresh bookings.

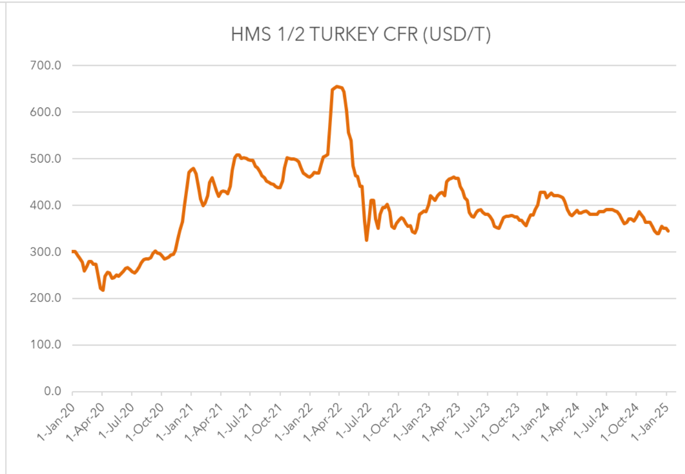
Import offers for HMS (80:20) and shredded scrap ranged from US$360-385/ton CFR Chattogram, but bid-offer mismatches persisted, and the market lacked momentum. Although traders reported bulk inquiries, significant transactions were absent, with mills prioritising inventory management. The outlook remains cautious amid weak domestic steel demand and stalled government infrastructure projects.

**Turkey: Weak Demand and Oversupply Drive Price Declines**

Turkey's imported scrap market continued its downward trend throughout the week, weighed down by sluggish demand for finished steel and low sales volumes. Mills purchased lower-priced EU and US-origin cargoes, with trade values ranging from US$327-342/ton CFR. Oversupply and cautious buying dominated the landscape, while European recyclers faced challenges in adjusting collection costs amid severe winter conditions, limiting their competitiveness.

Mills capitalised on the Euro's depreciation and the availability of ample January shipments to negotiate lower prices, with bids targeting US$325-327/ton CFR. However, some sellers remained optimistic about a February recovery, citing stronger US domestic fundamentals that could tighten export supplies. Despite this, weak rebar demand, low construction activity, and divided price expectations kept market sentiment bearish, with mills opting for minimal restocking

# HMS 1/2 & Tangshan Billet


# Commodities

**Base metals** edged higher this week, buoyed by encouraging trade data from China. Commodity imports for December remained robust, reflecting a modest improvement in manufacturing activity during Q4 2024. **Copper** product imports surged 21.8% year-on-year to 602,000 tons, marking the highest monthly volume since October 2020. Marginal growth in concentrate imports further underscored this trend. An early Lunar New Year on January 29 may have spurred early purchases, contributing to the uptick in trade activity.

Meanwhile, exports of certain key commodities remained strong as companies frontloaded shipments ahead of potential U.S. import tariffs under Trump's trade policy.

**Iron ore** prices gained this week following China's announcement of additional measures to support its economy. The Ministry of Commerce committed to boosting domestic consumption and stabilising foreign trade and investment in 2025. Key initiatives include strengthening trade-in policies for consumer goods and further promoting the Belt and Road Initiative.

Trade data added further support to market sentiment. Iron ore imports remained steady at 100 million tons, as recent economic stimulus measures improved steel demand prospects. Steel exports also saw significant growth, rising 25.9% year-on-year to 9.73 million tons, reflecting strong international 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) | 103 | +7.29% | -21.37% | 96 | 131 |
| Iron Ore Fines, CNF Qingdao, China | Fines, Fe 62.5% (Brazil Origin) | 105 | +6.06% | -20.45% | 99 | 132 |

## Industrial Metal Rates

| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT |
|---|---|---|---|---|---|
| Copper (Comex) | USD / lb. | 436.85 | -7.25 | -1.63% | Mar 2025 |
| 3Mo Copper (L.M.E.) | USD / MT | 9,230.50 | +63.00 | +0.69% | N/A |
| 3Mo Aluminum (L.M.E.) | USD / MT | 2,636.50 | +35.00 | +1.35% | N/A |
| 3Mo Zinc (L.M.E.) | USD / MT | 2,874.50 | +11.50 | +0.40% | N/A |
| 3Mo Tin (L.M.E.) | USD / MT | 29,576.00 | -16.00 | -0.05% | N/A |

## Crude Oil & Natural Gas Rates

| INDEX | UNITS | PRICE | CHANGE | %CHANGE | CONTRACT |
|---|---|---|---|---|---|
| WTI Crude Oil (Nymex) | USD / bbl. | 77.88 | -0.80 | -1.02% | Feb 2025 |
| Brent Crude (ICE.) | USD / bbl. | 80.55 | -0.74 | -0.91% | Mar 2025 |
| Crude Oil (Tokyo) | J.P.Y. / kl | 80,460.00 | +420.00 | +0.52% | Jan 2025 |
| Natural Gas (Nymex) | USD / MMBtu | 3.95 | -0.31 | -7.28% | Feb 2025 |

*Note: All rates at C.O.B. London time January 17, 2025*

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