WEEKLY REPORT

WEEK 9 – February 28, 2025

This week, the Indonesian President Prabowo Subianto has implemented a significant regulatory change requiring exporters of non-oil and gas resources to retain all proceeds locally for at least one-year, effective March 1. This measure represents a substantial expansion of the previous policy that mandated keeping only 30% of export proceeds within Indonesia's financial system. The new policy will allow companies to utilize these funds if converted to rupiah or for legitimate business operations including dividend payments, raw material procurement, and loan repayments. The President projects this regulation will bolster the country's foreign exchange reserves by approximately US$80 billion, as exporters have historically preferred to maintain their earnings in offshore banks. Also, the coal export price index will be changed from ICI (Industrial, Commercial, and Institutional) coal to HBA (Household, Biomass, and Alternative fuels).

The shipping sector will undergo operational adjustments as companies and logistics providers adapt to new financial and documentation requirements. These changes could impact freight rates for Indonesian exports, with most commodity shipments facing stricter regulations. However, oil and gas exporters will continue operating under the previous 30% retention rule.

Meanwhile, the United States has announced a proposal stemming from a trade investigation into China's practices in the maritime, logistics, and shipbuilding industries. The US inquiry concluded that Beijing has unfairly dominated these sectors, with China's shipbuilding market share growing from less than 5% of global tonnage in 1999 to more than 50% in 2023. China now controls 19% of the commercial world fleet and produces 95% of shipping containers. In response, the US Trade Representative is proposing several remedies under Section 301 of the 1974 Trade Act, including service fees of up to US$1 million on Chinese-built vessels entering US ports.

The US administration is also proposing escalating restrictions on maritime transport of American goods, starting with a requirement that at least 1% of US products exported by sea must be carried on US-flagged and operated vessels, gradually increasing to 15% after seven years. This expansion of requirements similar to the Jones Act aims to revitalize American shipbuilding capacity, which has declined dramatically despite longstanding protections. The US currently ranks 19th globally in commercial shipbuilding, producing fewer than five ships annually compared to China's 1,700.

Dry Bulk

The Baltic Exchange's dry bulk index climbed to its highest level since early December at the end of the week, advancing to 1,229 points a 25% jump w-o-w. This upward movement was primarily driven by the Capesize segment, which surged almost 800 points from last week to 1,818 points.

While the Capesize sector demonstrated strong performance, other vessel categories experienced declines. The Panamax index continued its downward trend for a third consecutive session, falling to 1,063 points, with average daily earnings decreasing to US$9,831. Similarly, the Supramax index ended its seventeen-session winning streak, dropping to 895 points on Friday.

Iron ore futures faced downward pressure from escalating tariff measures against Chinese steel, though robust demand from China's consumer market helped moderate the decline.

Capesize:

The Pacific continues to experience a tightening supply situation with steady iron ore inflows. Pacific r/v close higher at US$16,900's a day. In the Atlantic, Brazil's April forward cargoes are leading vessel procurement efforts, and along with the uptick in Pacific, rates have also adjusted upwards.

Panamax/Kamsarmax:

The Atlantic continues to see declines as the supply-dominant structure strengthens amid an absence of new cargo inflows. The Pacific market observed a quiet atmosphere with limited spot contracts and slowing demand. Both NOPAC and Australian inflows remain restricted, contributing to the ongoing drop. Pacific r/v closed lower at US$10,100's.

Supramax/Ultramax:

The Atlantic market saw another poor week as USG demand fails to maintain the week's recovery momentum. T/A ended the week lower at US$13,800's. In the Pacific, with no noteworthy changes in the markets, outlook saw an unclear market direction, as participants took a wait-and-see approach rather than engage in further bids.

Handysize:

Similar weakness was seen in the Handy segment as discounts in rates remain prevalent across most routes. The only contention was the Pacific r/v with levels manage to settle slightly higher at US$7,800's.

Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,229	981	2,111	+25.28%	-41.78%
BCI	1,818	991	3,977	+83.45%	-54.29%
BPI	1,063	1,170	1,681	-9.15%	-36.76%
BSI	895	886	1,257	+1.02%	-28.80%
BHSI	547	534	708	+2.43%	-22.74%

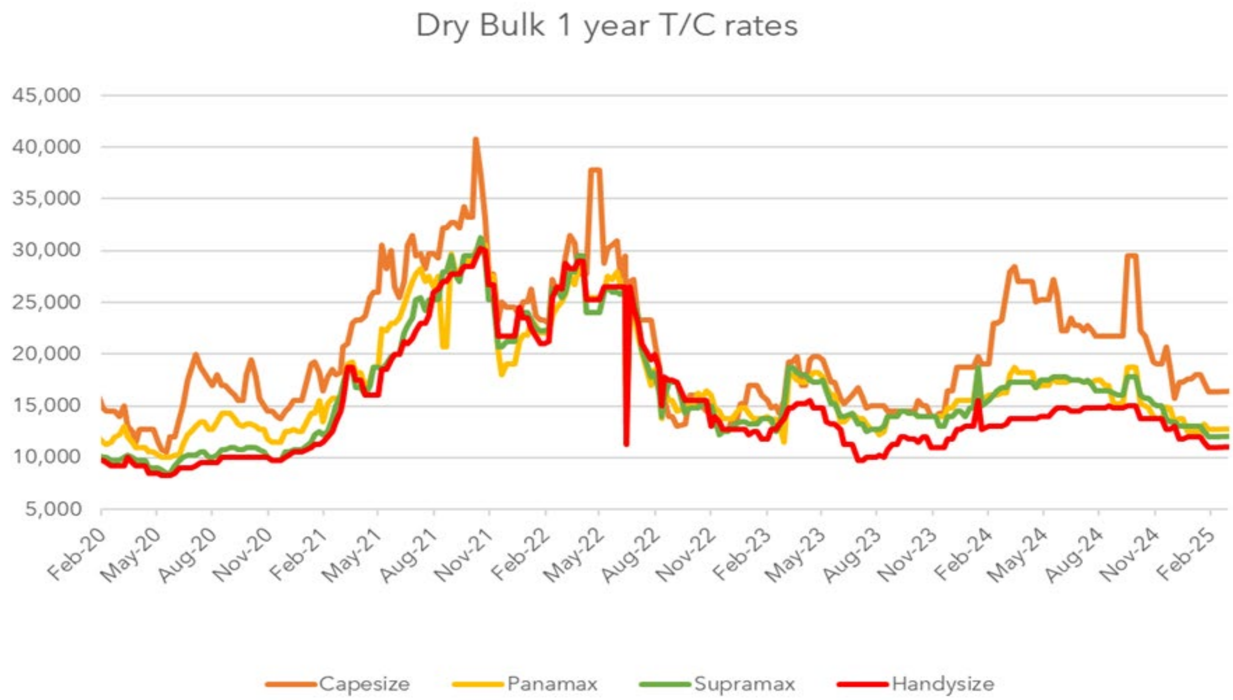
Dry Bulk Values

(*Weekly*)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
CAPE	180,000	53	55	45	33	24
KAMSARMAX	82,000	32	35	28	22	17
SUPRAMAX	56,000	28	30	27	22	15
HANDY	38,000	25	27	20	15	12
**(amount in USD million)*						

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
ORIENTAL DRAGON	VLOC	207,842	2014	JAPAN	49.2	UNDISCLOSED
FRONTIER GARLAND	CAPE	181,480	2011	JAPAN	31.0	UNDISCLOSED
PETALON	POST PMAX	87,328	2010	CHINA	10.9	ATL SHIPPING LIMITED
ELLINA	KMAX	82,612	2008	CHINA	12.75	CHINESE BUYERS
BITTERN	SMAX	57,809	2009	CHINA	11.5	UNDISCLOSED
EVROPI	SMAX	53,702	2005	CHINA	7.5	CHINESE BUYERS
INDIGO MARCH	HANDY	38,200	2012	JAPAN	13.5	DEVBULK
DL MARIGOLD / DL TULIP	HANDY	33,752 33,694	2012	CHINA	9.8 EACH	LOAD LINE MARINE S.A.
DESPINA	HANDY	28,534	2007	JAPAN	7.2	MIDDLE EASTERN BUYERS


Dry Bulk 1 year T/C rates
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-24
May-24
Aug-24
Nov-24
Feb-25
Capesize
Panamax
Supramax
Handysize

Tankers

The oil tanker industry is experiencing significant reluctance toward long-term charter agreements as geopolitical uncertainties multiply under the Trump administration. Vessel owners and oil traders are hesitant to commit to fixed-rate TC deals amid unpredictable U.S. foreign policy decisions, including potential tariffs on multiple trading partners, ongoing sanctions against Iran, Russia, and Venezuela, and continued security concerns in key maritime routes. Despite improved conditions around Yemen, many shipping companies still prefer the longer Cape of Good Hope route rather than risking passage through Middle Eastern waters.

Industry leaders have publicly acknowledged these challenges, with Denmark's Norden citing macroeconomic factors and geopolitical situations in Ukraine and the Middle East as significant market disruptors in its 2024 annual report. Similarly, NYSE-listed Teekay Tankers has highlighted the wide range of potential outcomes from current global trade and security issues, while projecting that tougher sanctions on Iranian crude exports could redirect Chinese oil sourcing through compliant fleets. Despite near-term uncertainties, operators remain optimistic about long-term fundamentals, particularly due to aging global fleets and limited shipyard capacity.

VLCC:

MEG/China fell to nearly WS57 points after last week's gains as cargo for early March fulfilled with the close of the month. In the Atlantic, 260,000mt WAFR/China slipped to WS59. The coming week should see rates pick up again with the start of a new month.

Suezmax:

West African market initially rose in conjunction with the strength in the Mediterranean and Black Sea regions early in the week. However, it fell slightly as demand gradually slowed. 130,000mt Nigeria/UKC fell toWS85.

Aframax:

MEG market closed with a slight downward trend as freight rates were adjusted downward due to overall weak demand in both the regions. In the Med, 80,000mt Ceyhan/Lavera fell to WS122.

Clean:

LR: LR2 in the MEG closed lower as supply and demand gradually stabilized due to ballasters from the Far East, with TC1 closing at WS120. In the LR1, rates hold similar to last for MEG routes with TC5 closing at WS137.

MR: The Far East market closed lower as supply increased with reduced regional cargo movement and poor performance of larger vessel types. In the MEG, the outlook was optimistic as TC17 saw rates climb some 20 points to WS222.

Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	885	911	1,145	-2.85%	-22.71%
BCTI	670	717	1,014	-6.56%	-33.93%

Tankers Values

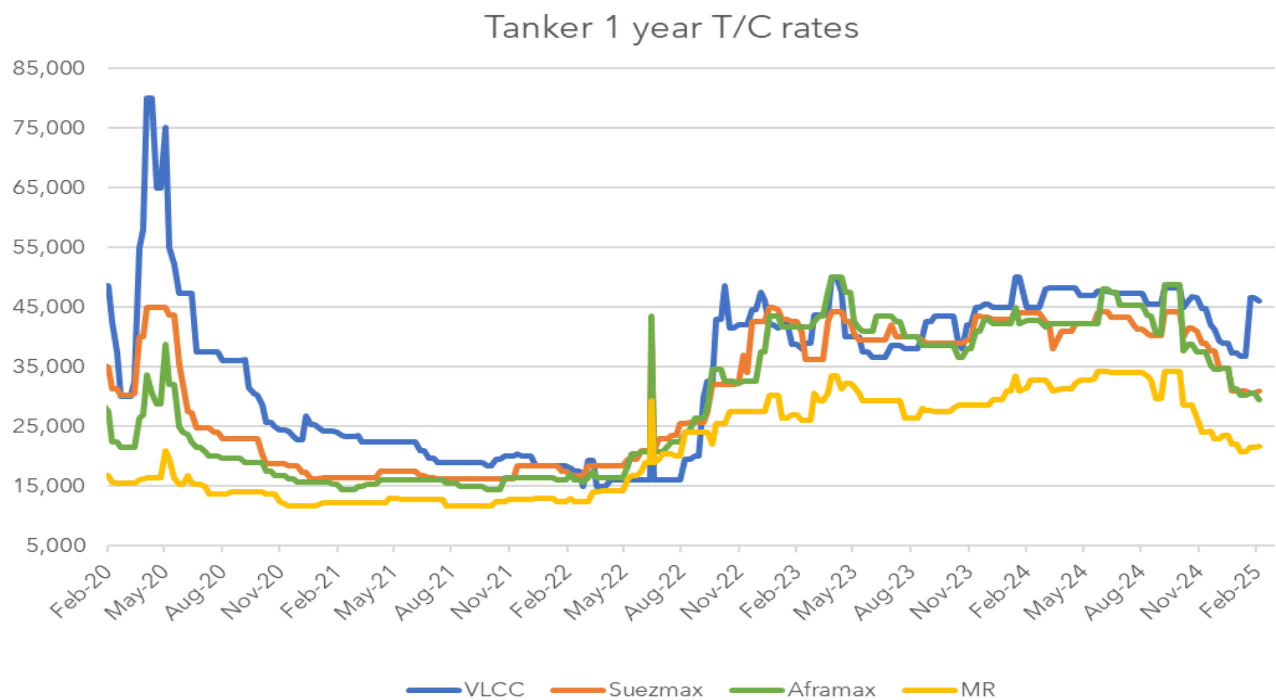
(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	98	109	82	62	35
SUEZMAX	160,000	64	72	55	40	26
AFRAMAX	115,000	51	58	43	33	19
LR1	73,000	45	47	37	26	17
MR	51,000	37	39	31	23	15

**(amount in USD million)*

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
PRINCESS ALEXIA	VLCC	306,352	2004	JAPAN	39.0	UNDISCLOSED
ALMA MARINE	SMALL	9,057	2010	CHINA	8.5	TURKISH BUYERS


Tanker 1 year T/C rates
85,000
75,000
65,000
55,000
45,000
35,000
25,000
15,000
5,000
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-24
May-24
Aug-24
Nov-24
Feb-25
VLCC
Suezmax
Aframax
MR

Containers

The Drewry WCI declined 6% to US$2,696 per FEU last week, a moderation from the previous week's 10% drop, while the SCFI fell 5%. Despite significant rate decreases following the Houthi announcement to limit attacks in the Red Sea, major container lines have not resumed transiting the region, maintaining the supply-demand balance.

Overall, demand recovery after the Lunar New Year is delayed in most regions, while many owners continue to reduce freight rates to secure cargo volume and maintain utilization rates, leading to ongoing rate declines. Shipping companies continue to implement blank sailings, but the effect on defending freight rates remains limited.

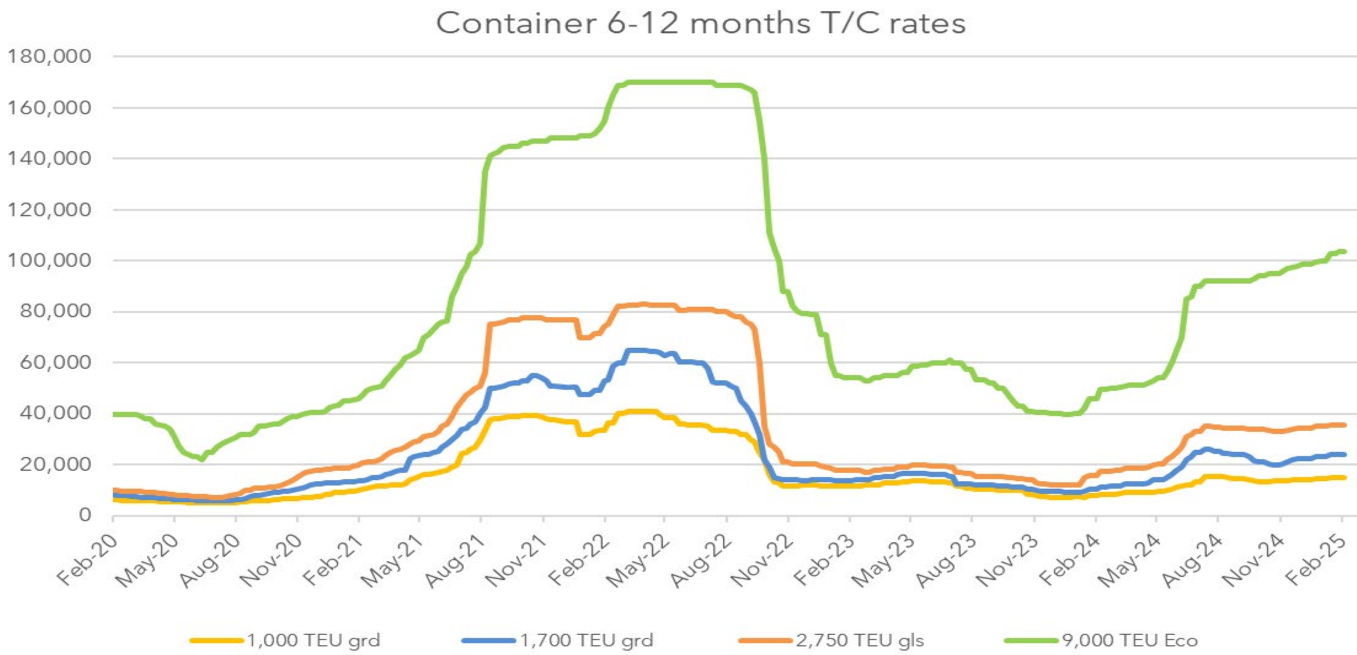
Many in the industry hold the consensus that carriers will not return to the Red Sea and Suez Canal in the first half of the year, warning that once resolved, the combination of returned capacity and new vessel deliveries could overwhelm the market and drive rates down significantly.

Containers Values

CONTAINERS (BY TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
900 ~ 1,200	Gearless	20	25	20	15	11
1,600 ~ 1,850	Gearless	28	33	28	22	17
2,700 ~ 2,900	Gearless	37	42	37	30	26
5,300	Gearless	58	77	67	61	-
*(amount in USD million)						

S&P Containers Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
CMA CGM AFRICA FOUR / CMA CGM AFRICA ONE / CMA CGM AFRICA TWO / CMA CGM AFRICA THREE	PMAX	3650	2010	PHILIPPINES	N/A	CMA CGM ENTERPRISE
ALEJANDRINA	FEEDER	1,758	2008	S. KOREA	17.0	CHINESE BUYERS
AYDOGAN	FEEDER	1,730	1999	POLAND	8.9	CHINESE BUYERS


Container 6-12 months T/C rates
180,000
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
0
Feb-20
May-20
Aug-20
Nov-20
Feb-21
May-21
Aug-21
Nov-21
Feb-22
May-22
Aug-22
Nov-22
Feb-23
May-23
Aug-23
Nov-23
Feb-24
May-24
Aug-24
Nov-24
Feb-25
1,000 TEU grd
1,700 TEU grd
2,750 TEU gls
9,000 TEU Eco

Ship Recycling Market Snapshot

DESTINATION	TANKERS	BULKERS	MPP/ GENERAL CARGO	CONTAINERS	SENTIMENTS / WEEKLY FUTURE TREND
ALANG (WC INDIA) .	450 ~ 460	430 ~ 440	440 ~ 450	460 ~ 470	WEAK /
CHATTOGRAM, BANGLADESH	460 ~ 470	450 ~ 460	440 ~ 450	470 ~ 480	WEAK /
GADDANI, PAKISTAN	440 ~ 450	420 ~ 430	420 ~ 430	460 ~ 470	STABLE /
TURKEY **For Non-EU ships. For E.U. Ship, the prices are about USD 20-30/tonon less*	320 ~ 330	300 ~ 310	290 ~ 300	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

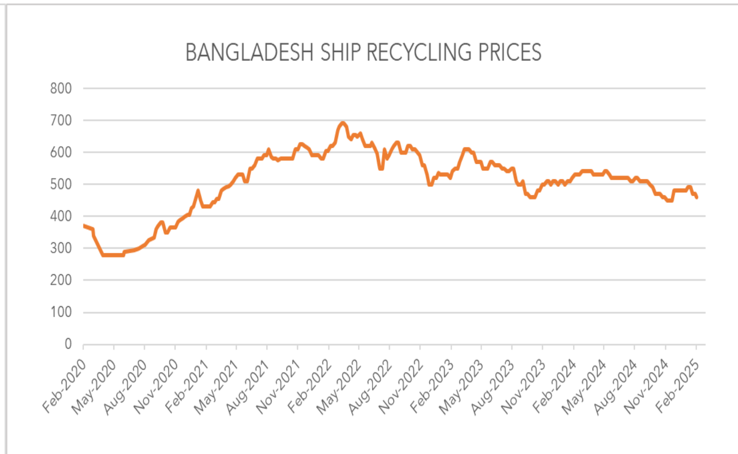
(Week 9)

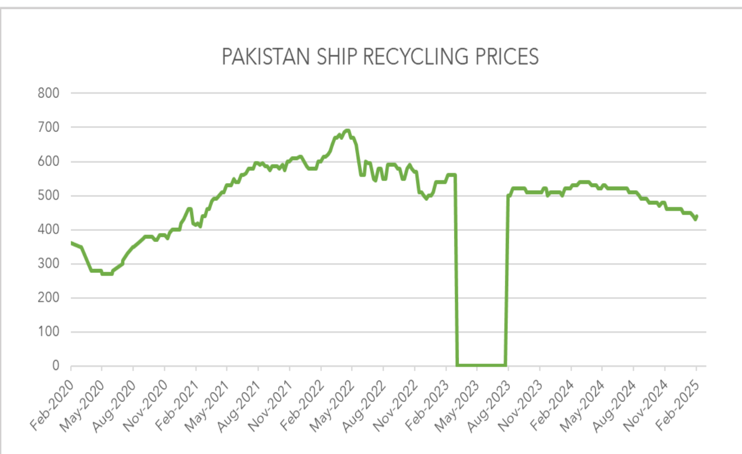
DESTINATION	2020	2021	2022	2023	2024
ALANG, INDIA	370	430	610	530	500
CHATTOGRAM, BANGLADESH	360	445	630	550	530
GADDANI, PAKISTAN	350	440	620	560	530
ALIAGA, TURKEY	230	240	360	320	320

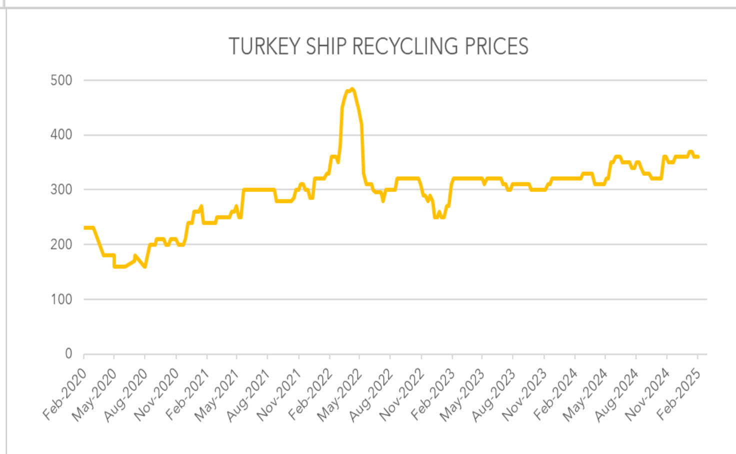
Ships Sold for Recycling

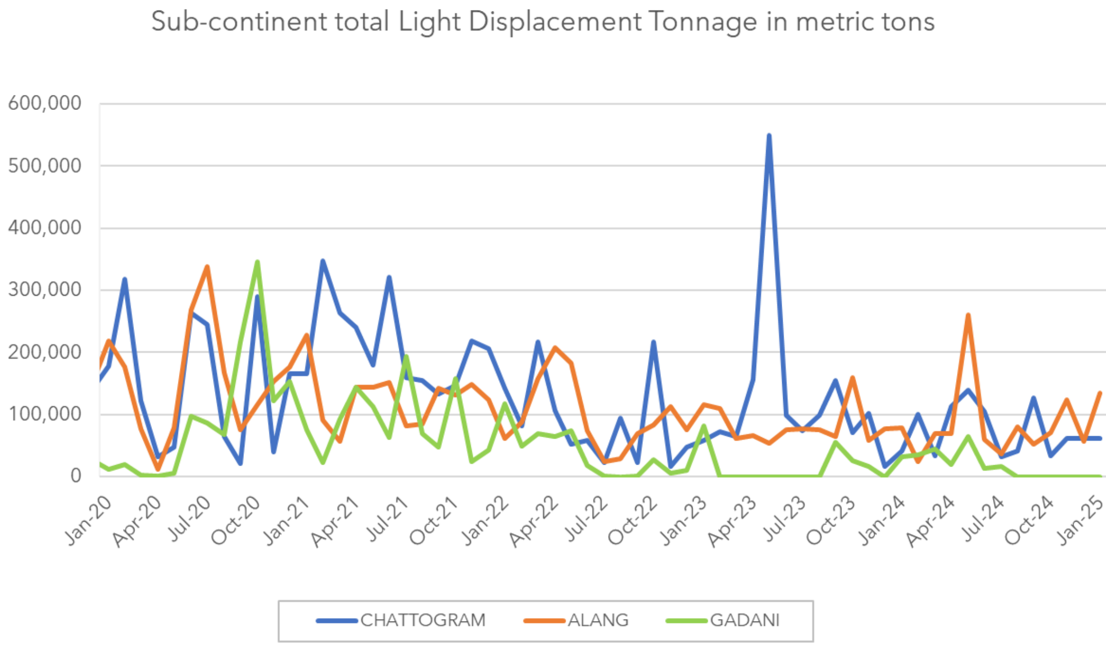
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
-	-	-	-	-	-

Recycling Ships Price Trend

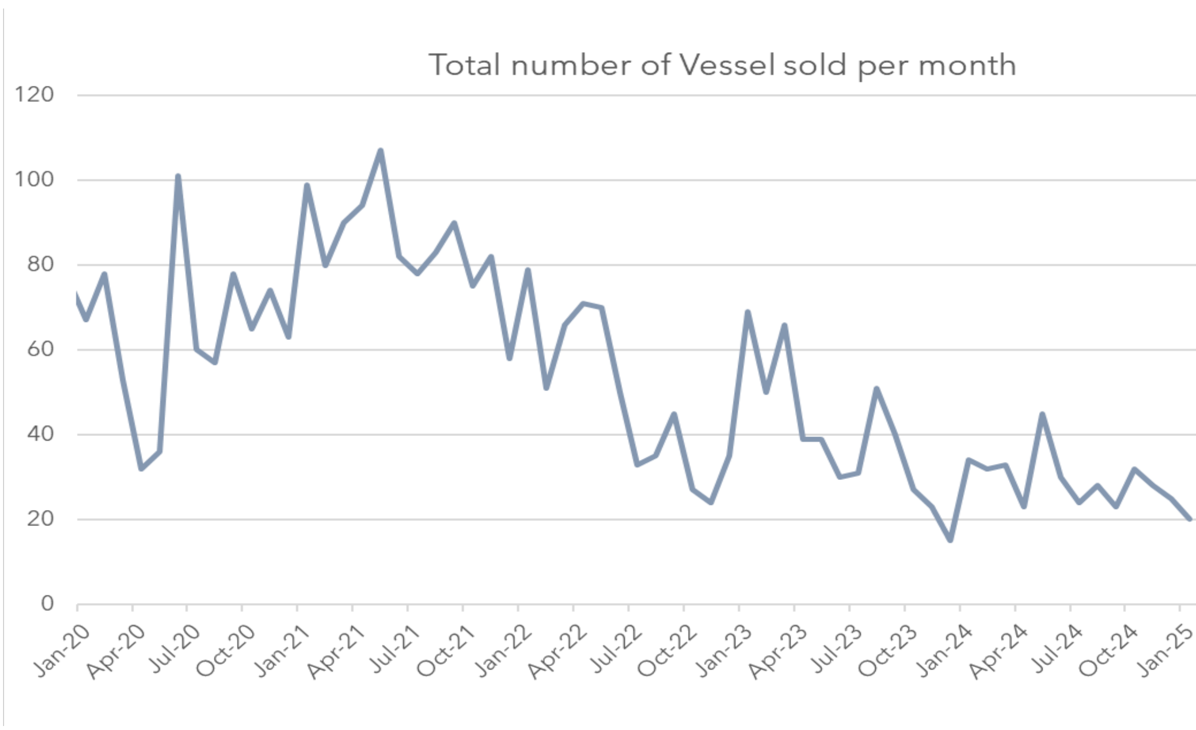






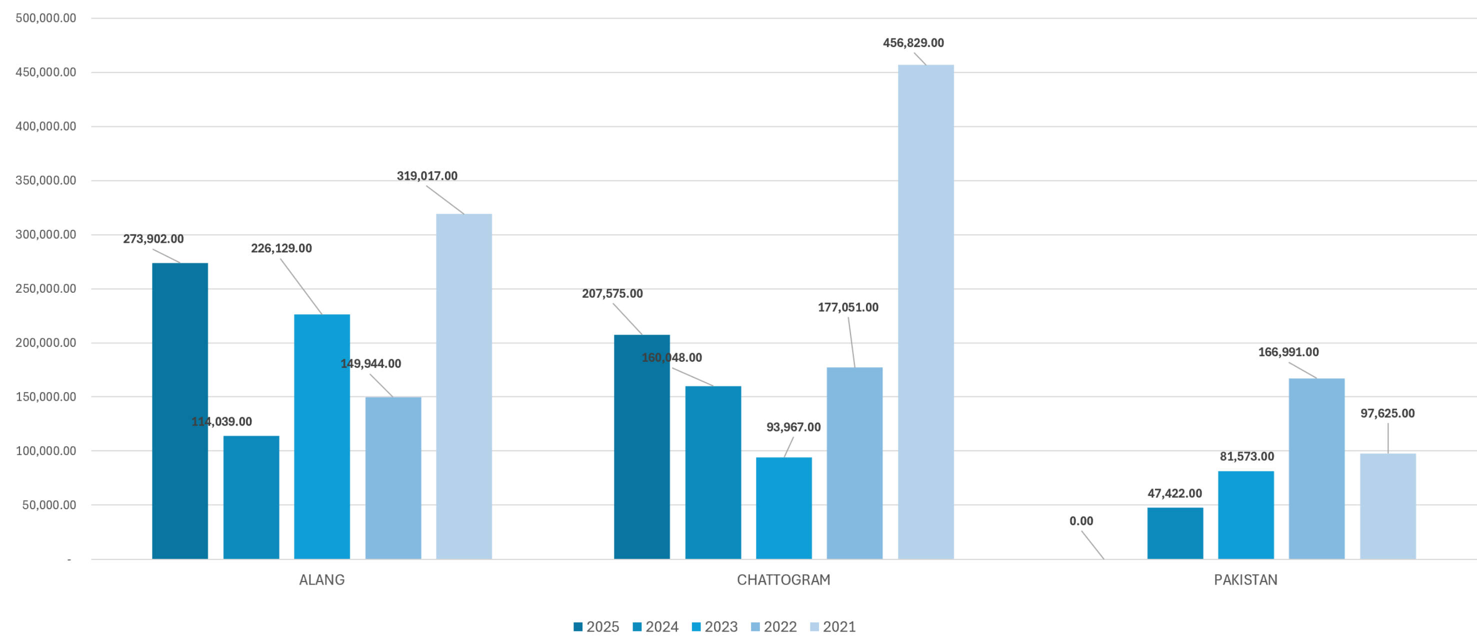


Sub-continent total Light Displacement Tonnage in metric tons
600,000
500,000
400,000
300,000
200,000
100,000
0
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
Apr-24
Jul-24
Oct-24
Jan-25
CHATTOGRAM
ALANG
GADANI



Total number of Vessel sold per month
120
100
80
60
40
20
0
Jan-20
Apr-20
Jul-20
Oct-20
Jan-21
Apr-21
Jul-21
Oct-21
Jan-22
Apr-22
Jul-22
Oct-22
Jan-23
Apr-23
Jul-23
Oct-23
Jan-24
Apr-24
Jul-24
Oct-24
Jan-25

COMPARISON OF TOTAL LIGHT DISPLACEMENT TONNAGE (LDT) SOLD
5 YEARS (January 2021 ~ February 2025)



Insights

This week, Danish shipping giant Maersk has signed a memorandum of understanding (MoU) with the Egyptian government to explore the development of a green ship recycling facility at Damietta port, situated west of Port Said on the Mediterranean coast. This move aligns with Egypt's strategy to reduce dependence on imported scrap metal and bolster its ship recycling capabilities.

The proposed facility, spanning approximately 155,000 square meters, will be equipped to handle vessels up to 230 meters in length. Crucially, the site will adhere to the standards set by the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, which is expected to come into force soon. Discussions are also underway for additional ship recycling sites across Egypt.

Maersk’s commitment to sustainable ship recycling is not new. Two decades ago, following its acquisition of P&O Nedlloyd, the company played a pivotal role in transforming China’s leading demolition yard into a greener operation. The planned facility in Egypt represents a continuation of Maersk's efforts to promote environmentally responsible ship recycling practices worldwide.

Ship recycling markets across the Indian subcontinent have experienced a slowdown due to a continued shortage of end-of-life vessels, leaving industry players uncertain about the near-term outlook. Expectations of an influx of ships heading for demolition have not materialised, leading to subdued activity and heightened confusion within the market.

Alang

The Indian ship recycling market remains in a holding pattern, recyclers are stuck in a Groundhog Day, waiting for new tonnage to arrive.

In other news, a significant development is unfolding in India's ship-breaking industry as the Nolan, a Suezmax vessel sanctioned by the United States in 2019 for transporting Iranian oil, undergoes dismantling at Alang. This marks a potential watershed moment for the so-called "dark fleet" - hundreds of blacklisted tankers that continue operating globally despite sanctions.

The vessel, built in 1998 and previously named Solan, arrived in Alang waters on January 25 after being idle for nearly a year, with Indian officials verifying its documentation before allowing it to beach on February 1, according to *Bloomberg.com*.

While these ageing ships have remained operational primarily to transport Russian and Iranian oil, Washington's recent targeting of such vessels has forced many to sit idle, prompting owners to seek financial returns through scrapping. Industry experts anticipate more sanctioned tankers may follow, with the Bluefins currently anchored offshore and the Amor, the first dark fleet VLCC marked for scrapping, recently spotted at an Indonesian yard.

Despite this emerging trend, many in the industry remain nervous about potential penalties for handling sanctioned vessels, with some seeking clarification without receiving clear guidance.

The geopolitical landscape continues to evolve, particularly with President Trump's recent pivot toward Moscow potentially easing the transport of Russian crude and potentially reducing demand for dark fleet operations.

Anchorage & Beaching Position (FEBRUARY 2025)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
AK HAMBURK	GENERAL CARGO	2,616	28.02.2025	AWAITING
ATHINA I	TANKER	14,883	28.02.2025	AWAITING
IRIS OF SEA	RORO	2,783	26.02.2025	AWAITING
TALENT BLUE	BULKER	3,589	21.02.2025	AWAITING
BLUEFINS	TANKER	12,997	22.02.2025	26.02.2025
JABAL ALI 7	RORO	7,129	14.02.2025	18.02.2025
REM	LNG	29,017	11.02.2025	14.02.2025
TAI FU NO.3	REEFER	2,596	09.02.2025	14.02.2025
YEONG	LNG CARRIER	28,809	07.02.2025	13.02.2025
GRIF	TUG	1,305	03.02.2025	06.02.205
ATHINA 3	TANKER	9,969	01.02.2025	06.02.2025
CEANO	RIG	23,277	02.02.2025	04.02.2025
NOLAN	TANKER	21,861	25.01.2025	01.02.2025
RIALTO	TANKER	9,696	16.01.2025	02.02.2025

Chattogram

The Bangladeshi ship recycling market remained quiet this week as activity slowed with the onset of Ramadan. Previously sold vessels continue to arrive at Chattogram yards, keeping supply levels steady.

Domestic ship scrap prices remained stable amid moderate demand, though overall market sentiment remains subdued. With limited buying interest and economic uncertainties persisting, the outlook for the coming weeks remains cautious.

On the economic front, the Bangladesh Bank has embarked on an initiative to stabilize the struggling taka, which has suffered an 8% depreciation in 2024, making it Asia's poorest performing currency this year. At the root of this plan is a shift toward market-oriented processes through daily recalibration of exchange rates, building upon the crawling peg system introduced last year to reduce volatility.

Financial institutions can now negotiate foreign currency trades within established parameters, while the central bank provides guidance through twice-daily reference exchange rate publications. These measures align with IMF recommendations and are crucial for securing continued financial support from the global lender.

The interim government led by Nobel Prize recipient Muhammad Yunus has prioritized economic recovery following a period of political instability. While Yunus works to rebuild market confidence, several obstacles remain on the horizon. Global trade uncertainties, potential inflationary pressures, and the need to establish democratic governance through elections all pose significant challenges.

Anchorage & Beaching Position (FEBRUARY 2025)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
WINNIE	BULKER	21,216	26.02.2025	AWAITING
MILLENNIUM LEADER	GEN CARGO	4,493	24.02.2025	AWAITING
WANG	BULKER	9,614	20.02.2025	AWAITING
PIA	LNG	30,456	22.02.2025	AWAITING
GENERALIS	GENERAL CARGO	3,311	14.02.2025	AWAITING
EAST PIONEER	BULKER	10,890	04.02.2025	AWAITING
THREE STAR	BULKER	7,627	23.01.2025	AWAITING
LAKATAMIA	TANKER	10,081	15.02.2025	27.02.2025
RONG YUAN	BULKER	9,165	15.02.2025	18.02.2025
EVER FENG	TANKER	1,744	12.02.2025	18.02.2025
GOLDEN O	BULKER	10,664	04.02.2025	14.02.2025
OCEAN PEACE	BULKER	10,847	29.01.2025	13.02.2025
ALEK	GEN CARGO	3,120	28.01.2025	05.02.2025
LEAN	LNG	29,180	27.01.2025	05.02.2025
GOU YUAN 9	BULKER	9,205	22.01.2025	02.02.2025

Gadani

Markets in Gadani have shown no change over recent weeks, with no new developments to report. As Ramadan approaches, industry observers expect activity to remain stagnant, suggesting that conditions are unlikely to improve in the near term.

Anchorage & Beaching Position (FEBRUARY 2025)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
-	-	-	-	-

Aliaga, Turkey

The market remains quiet with no new activity to report.

Meanwhile, Turkey's economic confidence index declined by 0.5% m-o-m to 99.2 in February, failing to sustain January's uptick. Economists surveyed forecast Turkey's 2024 GDP growth at 3% compared to 2023, with estimates for Q4 2024 growth ranging between 0.7% and 3.9%.

Turkish shipbreaking scrap prices was at US$340-357/ton delivered on Friday while the Turkish currency was pegged at TRY 36.52/dollar at business close.

BEACHING TIDE DATES 2025

Chattogram, Bangladesh	: 28 February ~ 03 March | 14 ~ 17 March
Alang, India	: 26 February ~ 05 March | 13 March ~ 18 March

BUNKER PRICES (USD/ton)			
PORTS	VLSFO (0.5%)	HSFO (3.5%)	MGO (0.1%)
SINGAPORE	570	505	896
HONG KONG	583	522	706
FUJAIRAH	567	488	768
ROTTERDAM	540	467	681
HOUSTON	570	464	740

EXCHANGE RATES			
CURRENCY	February 28	February 21	W-O-W % CHANGE
USD / CNY (CHINA)	7.28	7.25	-0.41%
USD / BDT (BANGLADESH)	121.46	121.53	0.06%
USD / INR (INDIA)	87.43	86.70	-0.84%
USD / PKR (PAKISTAN)	279.97	279.39	-0.21%
USD / TRY (TURKEY)	36.52	36.44	-0.22%

<u>Sub-Continent and Turkey ferrous scrap markets insight</u>

The Sub-Continent Scrap Market Remains Subdued Amid Weak Demand and Liquidity Constraints

The imported scrap market across the Sub-Continent remained sluggish this week, weighed down by weak demand, liquidity challenges, and economic uncertainties. Buyers in India, Pakistan, and Bangladesh largely stayed on the sidelines, while Turkey's market showed resilience despite slow finished steel sales.

India: Weak sentiment and ample domestic supply kept India's scrap imports limited. UK/Europe-origin shredded was offered at US$375-380/ton CFR Nhava Sheva, while HMS 80:20 stood at US$350-355/ton CFR. A weakening rupee and port inventory pressures further dampened interest. Buyers expect a potential revival post-March, closely tracking Turkish scrap prices.

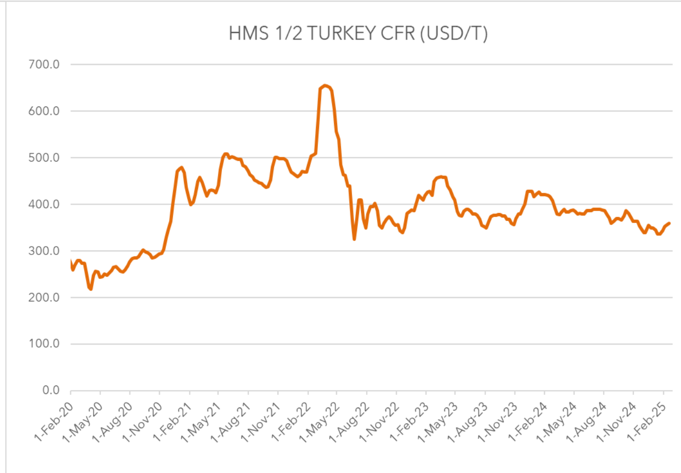
Pakistan: Liquidity constraints and subdued steel demand ahead of Ramadan pressured the market. Shredded scrap was offered at US$380-383/ton CFR Qasim, but deals were limited at US$375-380/ton CFR. UAE-origin scrap saw some interest due to shorter transit times.

Bangladesh: High inventories and stalled government projects kept Bangladesh's scrap market subdued. European shredded was offered at US$385-388/ton CFR Chattogram, but bids remained lower at US$374-375/ton CFR. Steel demand remains weak, with major projects delayed and rebar prices at BDT 85,000-86,000/ton (US$700-708/ton) ex-works.

Turkey: The Turkish scrap market held firm despite sluggish steel sales. US-origin bulk HMS 80:20 was assessed at US$361/ton CFR, down US$2/ton. EU-origin deals were reported at US$363/ton CFR. Sellers remained firm amid tight supply, with expectations of further US price hikes in March.

Market participants across regions remain cautious, with hopes for a recovery post-Ramadan and closely monitoring global scrap price trends.

<u>**HMS 1/2 & Tangshan Billet**</u>



<u>Commodities (*Week in focus*)</u>

The **coal** market continues its downward spiral, with prices plummeting to their lowest point in four years. This persistent decline stems from a confluence of factors: lackluster demand across major sectors, swollen inventory levels, and aggressive discounting strategies employed by increasingly desperate producers.

Power generation facilities, already sitting on substantial stockpiles, have significantly curtailed their spot market activities. This purchasing reluctance has deepened downward pressure on coal prices across global markets. Adding to these concerns, major energy conglomerates Guoneng and Huaneng recently implemented temporary suspensions of their coal import tenders, affecting approximately three million tons of monthly volume. However, industry analysts note this move appears primarily aimed at reducing port congestion rather than signaling a fundamental shift in import strategy.

Despite these immediate challenges, market observers anticipate a gradual recovery beginning in late March. Some stability may emerge from long-term domestic trading agreements, which could establish a price floor and prevent further dramatic declines.

Iron ore prices rose as China pledged further economic support. The Ministry of Commerce announced plans to boost consumption and stabilise trade and investment, including strengthening trade-in policies for consumer goods and promoting the Belt and Road initiative. Trade data also provided optimism, with iron ore imports holding steady at 100 million tons, reflecting stronger steel demand driven by recent stimulus measures.

Steel exports surged 25.9% year-on-year to 9.73 million tons, signaling robust global demand.

Copper prices spiked this week after former U.S. President Donald Trump ordered the Commerce Department to investigate potential import tariffs on the metal, citing harm to domestic producers. Copper futures on Comex surged 4.9% before trimming gains.
The move follows a 25% tariff on steel and aluminum imports, with the Commerce Department given 270 days to report back. Anticipation of tariffs has driven increased copper deliveries into the U.S., widening the New York-London price spread, which peaked at $1,000 per tonne in February before settling at $500. Further widening is expected.
Supply concerns also bolstered prices, as a nationwide power outage in Chile briefly halted operations at major copper mines. While power has been restored, production remains slow to resume.

Traders will closely watch U.S. trade policy and Chilean supply stability for further price direction.

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)	107	-2.72%	-9.32%	110	118
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	108	-1.81%	-11.47%	110	122

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	454.80	-7.05	-1.53%	May 2025
3Mo Copper (L.M.E.)	USD / MT	9,358.00	-31.50	-0.34%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,605.50	-27.00	-1.03%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,793.00	-16.00	-0.57%	N/A
3Mo Tin (L.M.E.)	USD / MT	31,312.00	-392.00	-1.24%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	69.76	-0.59	-0.84%	Apr 2025
Brent Crude (ICE.)	USD / bbl.	73.18	-0.86	-1.16%	May 2025
Crude Oil (Tokyo)	J.P.Y. / kl	74,450.00	+50.00	+0.07%	Mar 2025
Natural Gas (Nymex)	USD / MMBtu	3.83	-0.10	-2.54%	Apr 2025

Note: All rates at C.O.B. London time February 28, 2025

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