



# WEEKLY REPORT

## WEEK 35 – August 31, 2024

Stocks climbed on Friday as investors sought to end a volatile August on a positive note, with attention focused on crucial inflation data closely monitored by the Federal Reserve. The S&P 500 and Nasdaq Composite made modest gains, while the Dow Jones Industrial Average saw a slight dip.

The personal consumption expenditures (PCE) price index, the Fed's preferred inflation gauge, rose 0.2% monthly and 2.5% annually, aligning with economists' expectations. This data could influence the Fed's September rate decision.

Despite early August turbulence, the S&P 500 is poised for a 1.7% monthly gain, marking its fourth consecutive winning month. Consumer staples and real estate emerged as top-performing sectors, while energy and consumer discretionary faced losses.

Consumer sentiment showed improvement, with inflation expectations for the next year dropping to 2.8%, the lowest since December 2020. Gold futures continued their strong performance, setting another record to settle.

European markets also trended upward, with the pan-European Stoxx 600 reaching a new intraday high. Tech stocks saw a slight pullback while the mining and utilities sectors advanced.

Looking ahead, Wells Fargo analysts suggest that large-cap bank stocks could benefit from potential interest rate cuts, particularly in a soft-landing scenario. Historical data indicates that banks have typically outperformed following initial rate cuts in non-recessionary periods.

As August trading concludes, investors remain focused on economic indicators and central bank policies, balancing inflation concerns with hopes for sustained growth.

## Dry Bulk

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The Baltic Exchange Dry Bulk Index reached its highest level since late July, on Thursday, propelled primarily by the robust performance of the Capesize segment. The overall index climbed 72 points to 1,827, reflecting a significant upturn in the dry bulk shipping market.

Capesize vessels were the standout performers, with their index surging an impressive 236 points to 3,119, the highest since mid-July. This leap translated into a substantial increase in average daily earnings, which rose by US\$1,962 to reach US\$25,870 per day.

However, the market showed mixed signals across different vessel sizes. The Panamax index experienced a slight decline, dropping 19 points to 1,331, with average daily earnings falling to US\$11,975. Similarly, in the smaller segments, the Supramax index edged down 4 points to 1,312.

Meanwhile, the iron ore market is grappling with oversupply issues. Despite attempts to maintain price support, bearish fundamentals have become increasingly difficult to ignore. Iron ore prices have decisively fallen into double-digit territory, though they remain above the breakeven levels for most major miners.

### **Capesize:**

In the Pacific region, the market is experiencing a period of adjustment. While there is a steady influx of coal shipments maintaining some level of demand, the iron ore cargo inflow has slightly decelerated. Pacific r/v saw levels fall to US\$ 28,600 a day. Conversely, the Atlantic is witnessing a continued upward in rates. This is driven by Brazil's tight supply, creating a squeeze in the market. The increase in cargo inflow from the North Atlantic area also aided in the climb. T/A saw rates close at US\$18,000's a day.

### **Panamax/Kamsarmax:**

In the Atlantic, there is a notable absence of cargo from key loading areas. This scarcity has led charterers to adopt a wait-and-see approach, anticipating rate cuts from owners. T/A fared lower than last closing at US\$10,300's a day. The Pacific also mirrored this downward trend from an imbalance between vessel supply and insufficient cargo inflow. This disparity continues to exert downward pressure on rates with Pacific r/v closing lower at US\$11,150's a day.

### Supramax/Ultramax:

In the Atlantic, a notable change is seen in the USG region, which had previously been a pillar of market stability. The influx of vessels into this area is gradually clearing out available cargoes, leading to a downturn in rates. This reversal marks a shift with T/A seeing levels at US\$20,500's a day. The Pacific also witnesses similar. The NE Asian market has found a semblance of equilibrium between supply and demand. However, the picture in SE Asia is less positive, with persistent weakness in cargo inflows continuing to exert downward pressure on rates.

### Handysize:

Atlantic saw muted activity this week, with levels remaining the same as last at US\$ 11,300 a day. The Pacific is experiencing a period of subdued sentiment, mirroring the conditions seen in other regions. Inter Pacific saw levels slip slightly to US\$ 10,200 a day. However, amidst this overall lacklustre environment, the continued appetite for Indonesian coal shipments stands out. There are expectations for the market to improve next week

## Baltic Exchange Dry Bulk Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDI	1,814	1,762	1,094	+2.95%	+65.81%
BCI	3,099	2,851	1,123	+8.70%	+175.96%
BPI	1,316	1,414	1,521	-6.93%	-13.48%
BSI	1,306	1,318	942	-0.91%	+38.64%
BHSI	744	753	524	-1.20%	+41.98%

## 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	38	29	19
SUPRAMAX	56,000	35	41	36	27	16
HANDY	38,000	30	35	28	21	12

\*(amount in USD million)

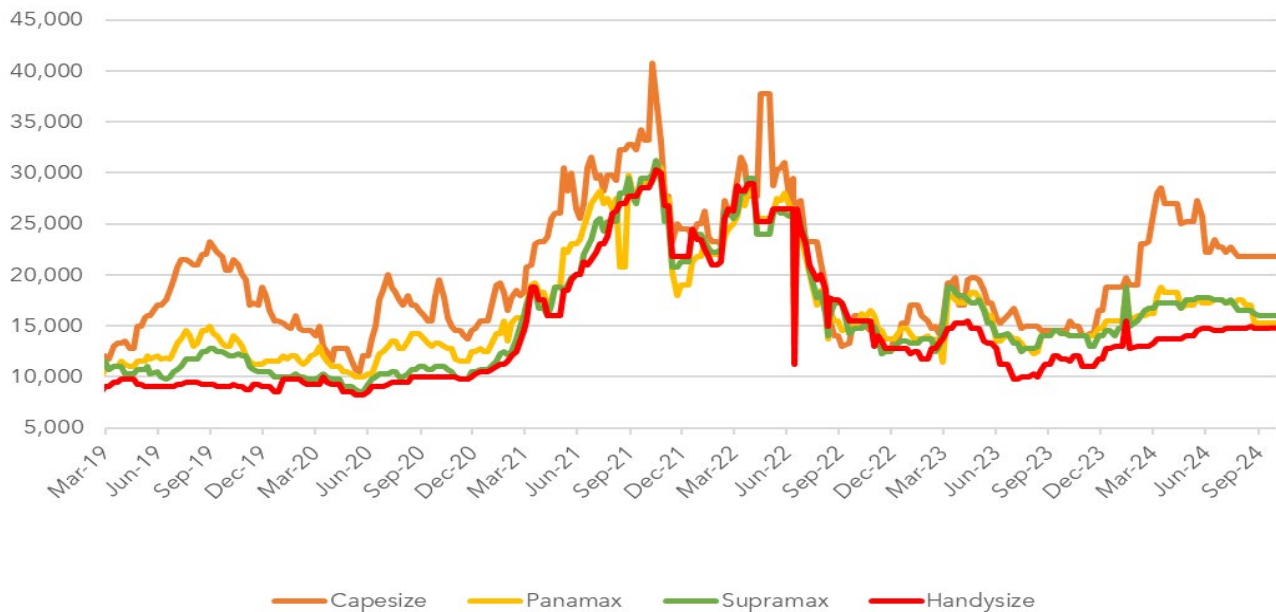
## Bulker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
CAPE SIZE	180,000	23,000	22,000	13,750	+4.55%	+67.27%
PANAMAX	75,000	13,750	14,000	12,250	-1.79%	+12.24%
SUPRAMAX	58,000	14,750	15,000	12,250	-1.67%	+20.41%
HANDYSIZE	38,000	14,750	15,000	11,500	-1.67%	+28.26%

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
PONTOTRITON	CAPE	177,947	2007	CHINA	23.3	KAISHUN SHIPPING
MARAN PROSPERITY	CAPE	174,240	2006	CHINA	21.5	CHINESE BUYERS
AURORA BOREALIS	KMAX	82,315	2023	CHINA	38.5	UNDISCLOSED
NORD PENGUIN	KMAX	81,841	2015	JAPAN	30.0	TRANSMED
SANIA	SMAX	57,011	2010	CHINA	12.3	CHINESE BUYERS
AHU C	HANDY	31,818	2004	JAPAN	9.0	POLESTAR MARINE

## Dry Bulk 1 year T/C rates



## Tankers

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Oil prices surged on Monday, with Brent climbing above US\$81 and WTI approaching US\$77, driven by a perfect storm of geopolitical tensions and supply risks.

Israel's preemptive strikes against Hezbollah in Lebanon, marking the most significant clash since their 2006 war, have heightened concerns in the Middle East and potentially jeopardised ongoing ceasefire talks in Egypt. Simultaneously, Russia launched a massive, coordinated missile and drone attack on Ukrainian cities and critical infrastructure, causing widespread power outages and water supply disruptions.

Adding to the global oil market instability, Libya's Benghazi-based government announced the closure of the country's oilfields and a halt to all production and exports despite lacking international recognition. These escalating conflicts, coupled with existing bullish market sentiment fueled by hopes of interest rate cuts, have created a volatile environment for oil prices.

The VLCC market saw spot rates retreating to mid-August lows after briefly touching multi-month highs. In the AG/East route, charterers have capitalised on the supply-demand imbalance, driving rates down, while the West African market faces a shift in cargo destinations due to competitive rates from Brazil. Without significant changes in oil flows, the VLCC market is expected to remain volatile in the coming months.

### **VLCC:**

The Middle East market closed with downward rates, largely relinquishing previous gains. Low cargo volumes in early September and a dispersal effect caused by shippers adopting a wait-and-see approach following last week led to the discounts. 270,000mt MEG/China fell 7 points to WS44. Similar was reflected in Atlantic with WAFR/China closing at WS49. Overall, a cautious sentiment among charterers.

### **Suezmax:**

West African market closed with a steady trend, increasing 3 points to WS82 for 130,000mt Nigeria/UKC trips. This uptick was driven less by local demand and more by increased activity from the region in the latter half of the week, dispersing available vessels. In the MEG, 140,000mt to the Med saw levels climb slightly to WS93.

### **Aframax:**

Overall, a poor week in the segment. In the Med, 80,000mt Ceyhan/Lavera fell to WS113.

While Aframax in the Middle East ended the week with declining rates as expanded vessel availability from stagnant summer demand, coupled with concurrent weakness in the Asian market. In the USG, rates also saw discounts as 70,000mt EC Mexico/USG fell 10 points to WS101.

### Clean:

LR: In the Middle East, the LR2 market closed on a weak note as demand shifted towards more competitively priced LR1 vessels. TC1 fell 14 points to WS115. For LR1, ARA/WAFR on TC16 levels remained flat around WS127.

MR: The Far East MR market ended with a slightly bearish trend, marked by a lack of significant fixtures due to persistently sluggish chartering demand. In the MEG, TC17 saw muted activity, with trips to E. Africa remaining at WS205.

## Baltic Exchange Tanker Indices

INDICES	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
BDTI	884	920	776	-3.91%	+13.92%
BCTI	625	652	843	-4.14%	-25.86%

## Tankers Values

(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	15 YEARS
VLCC	310,000	129	146	116	86	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	53	50	41	28

\*(amount in USD million)

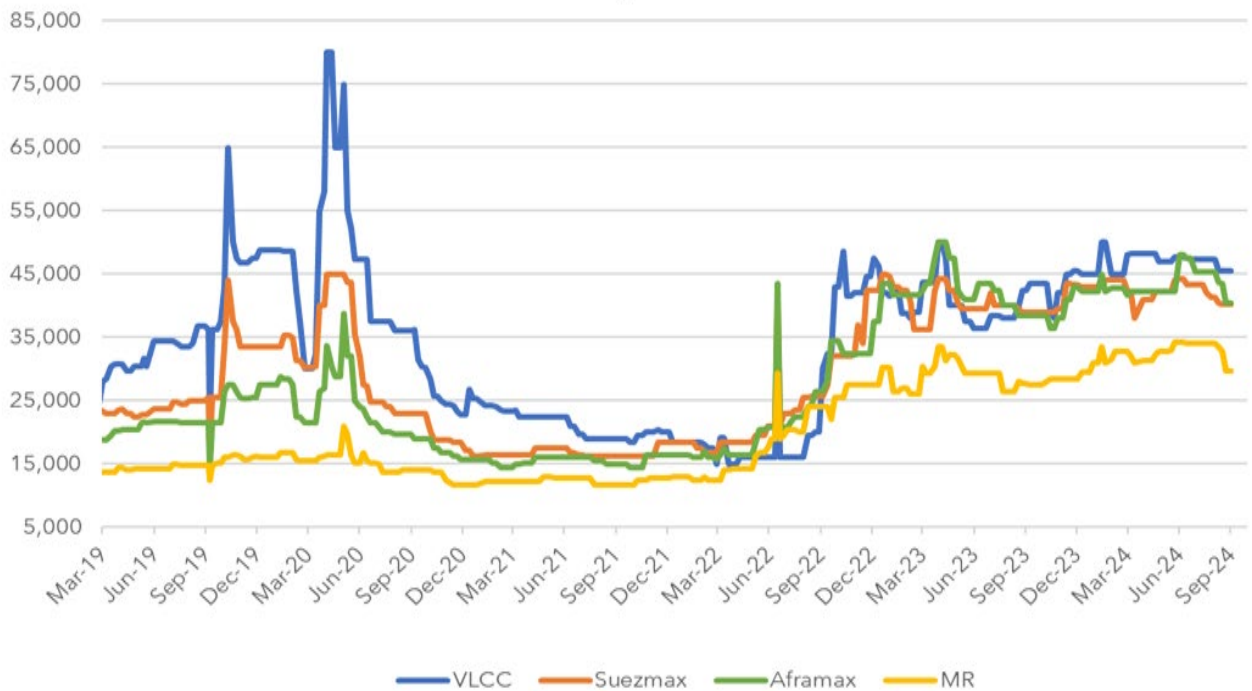
## Tanker 12 months T/C rates average (in USD/day)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	310,000	45,000	45,750	44,000	-1.64%	+2.27%
SUEZMAX	150,000	40,500	40,500	38,750	0	+4.52%
AFRAMAX	110,000	37,500	40,500	38,500	-7.41%	-2.60%
LR1	74,000	36,000	37,000	28,250	-2.70%	+27.43%
MR	47,000	26,500	27,500	25,500	-3.64%	+3.92%

## Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MILTADIS JUNIOR / AMYNTAS / APOLLONOS / ATROMITOS / AMORE MIO / ALTEREGO / AMPHION / AGITOS / ANDRONIKOS	VLCC	320,926 ~ 298,998	2022 ~ 2014	S. KOREA	1.0 BILLION (EN BLOC)	BAHRI
CRIMSON PEARL	MR	51,492	2017	JAPAN	31.0	D'AMICO INTERNATIONAL
ELEGANT GRACE	MR	50,698	2009	S. KOREA	28.0	PVTRANS
BOLERO	MR	50,094	2009	S. KOREA	27.7	AVANAH PETROLEUM
KALAMOS	MR	46,719	2004	JAPAN	17.8	UNDISCLOSED

Tanker 1 year T/C rates



## Containers

The container market continues to face challenges as supply outpaces demand across major trade routes. In August, the Asia-North America weekly capacity increased by 11.3% y-o-y to 584,311 TEU, exacerbating the oversupply situation.

In Southeast Asia, despite growth in container throughput at the Port of Singapore, rates remain weak due to oversupply. SCFI fell 4% w-o-w to 2,963 points, marking its first dip below the 3,000-point threshold since early May. This decline was particularly pronounced in the Far East-Europe trade lane, where the Shanghai-North Europe rate plummeted 12% w-o-w to US\$3,876 per TEU, now sitting 21% below its mid-July peak.

### Containers S&P Report

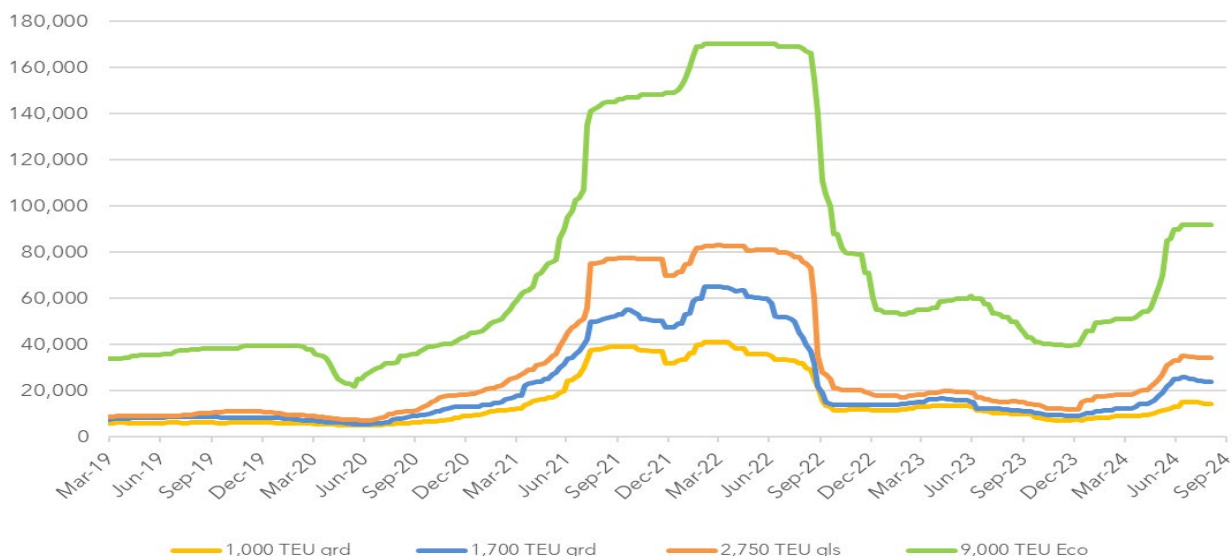
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
BFAD ATLANTIC	PMAX	3,426	2010	GERMANY	N/A	DANZ & TIETJENS

### 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	500 ~510	480 ~ 490	470~ 480	510 ~ 520	WEAK / 
GADDANI, PAKISTAN	510 ~ 520	490 ~ 500	480 ~ 490	520 ~ 530	WEAK / 
<b>TURKEY</b> <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

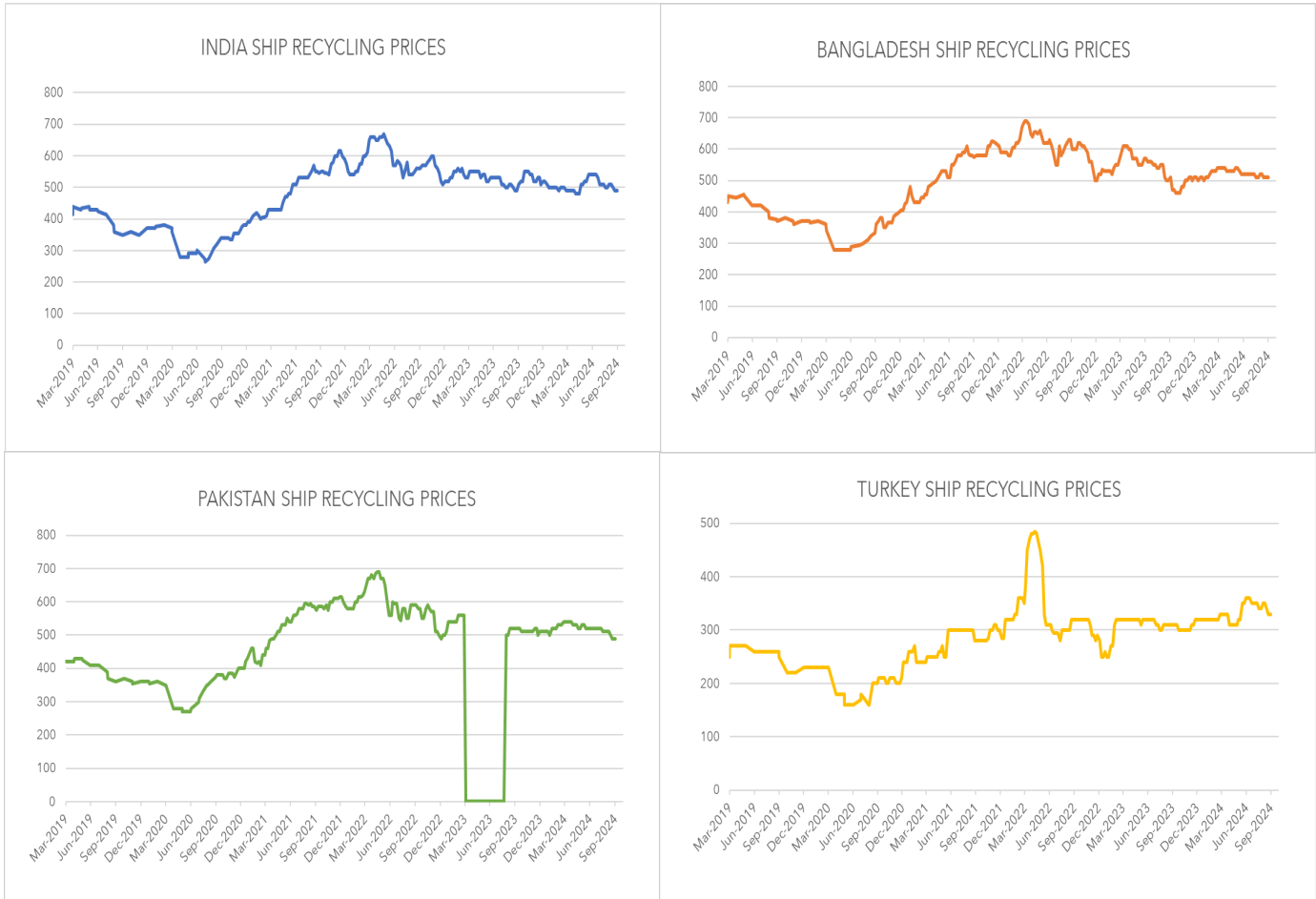
(Week 35)

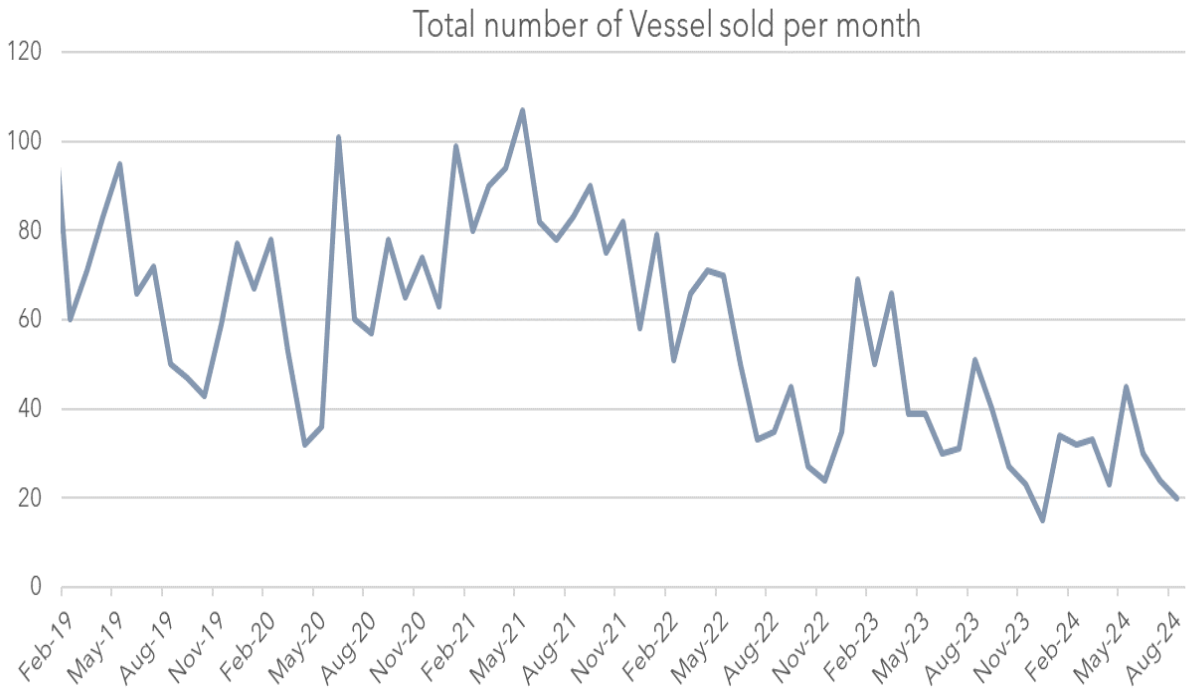
DESTINATION	2019	2020	2021	2022	2023
ALANG, INDIA	425	270	630	570	530
CHATTOGRAM, BANGLADESH	420	300	670	590	565
GADDANI, PAKISTAN	410	305	740	580	530
ALIAGA, TURKEY	270	210	200	300	325

## Ships Sold for Recycling

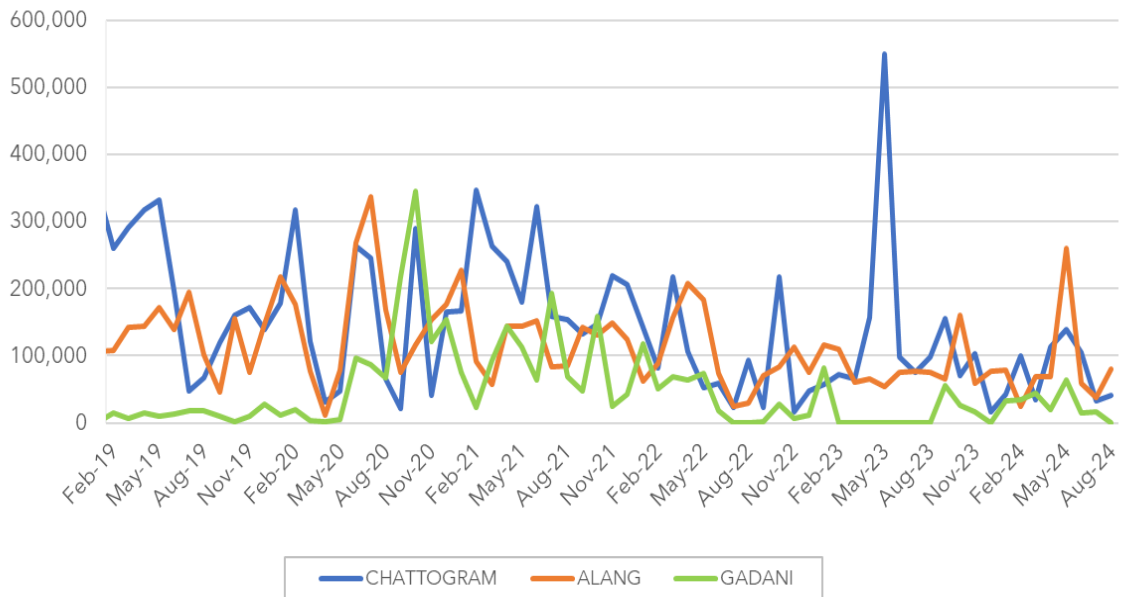
VESSEL NAME	LDT	YEAR / BUILT	TYPE	PRICE (USD/LDT LT)	COMMENTS
MEDELIN EXPO	5,270	1993 / JAPAN	STST TANKER	650	AS IS BELAWAN, INDONESIA, FOR RE-DELIVERY ALANG
HONG DA XIN 7	4,296	2008 / CHINA	GENERAL CARGO	480	DELIVERED CHATTOGRAM
UNIPROFIT	3,023	1995 / KOREA	GENERAL CARGO	430	DELIVERED CHATTOGRAM

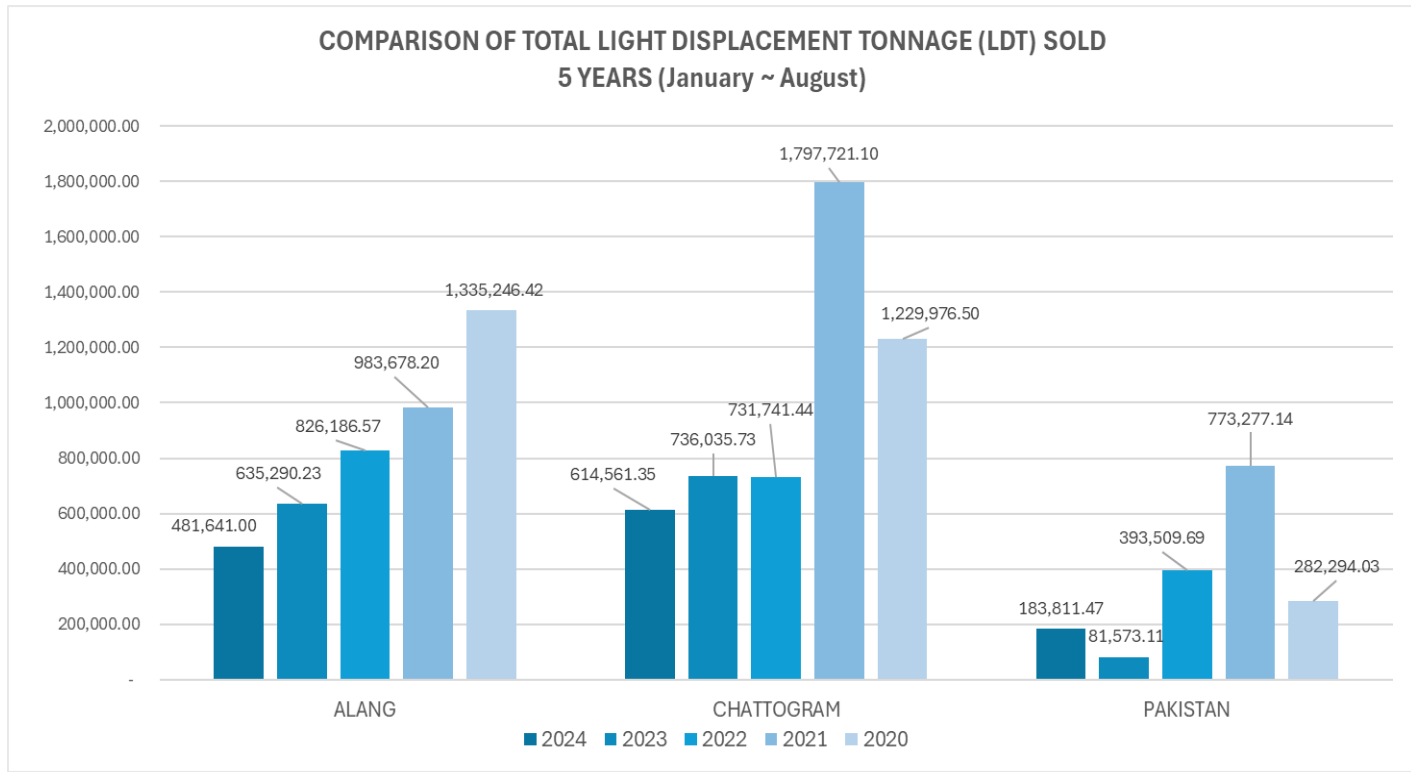
## Recycling Ships Price Trend





### Sub-continent total Light Displacement Tonnage in metric tons





## Insight

### Alang, India

After several turbulent months of declining domestic ship scrap prices, local markets have stabilised over the past couple of weeks. However, there has been no significant improvement in prices. While demand has started to pick up at the revised levels, the shortage of available ships has left the markets at a crossroads, struggling to find a clear direction.

This week, India's steel industry is facing significant challenges, with one-third of imported steel products coming from China, leading to a widening trade deficit. In the April-July period, steel imports increased by 32% year-over-year, while exports declined by 41%, resulting in India becoming a net importer of steel.

Global steel prices continued to decline in July across major markets, including India, China, the US, and the European Union. China emerged as India's largest steel import market, accounting for 30% of imports, followed by Korea, Japan, Vietnam, and Taiwan.

Steel exports from India witnessed a decline across all five key markets, with significant drops in shipments to European countries like Italy, Belgium, and Spain. The United Arab

Emirates, previously a top export destination, also experienced a 44% decrease in steel imports from India.

On the other hand, Industry sources indicate that Indian HRC manufacturers may be considering a price review in the first week of September. This potential adjustment has sparked speculation about the beginning of a market rebound. In the coming weeks, it will be interesting to see further developments as the situation unfolds.

### Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
BEREG MATCHY	REEFER	7,263	26.08.2024	AWAITING
OCMIS LEGENDS	GENERAL CARGO	2,331	21.08.2024	25.08.2024
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
SOVEREIGN	LNG	30,120	01.08.2024	04.08.2024
MSC IRIS	CONTAINER	10,655	03.08.2024	03.04.2024

### Chattogram, Bangladesh

Bangladesh's market experienced another challenging week, marked by a continued lack of buying demand, which is clearly reflected in the current rates. Some sales were reported but with pricing varying from ship to ship.

A series of smaller Chinese-built general cargo ships and bulkers have once again emerged as a significant source of ship supply in the market. However, these vessels have generated limited interest due to issues such as high wastage and inconsistent light displacement tonnage (LDT) proofs, leading to substantial weight loss for recyclers. As a result, these ships are now being offered at a discounted price of USD 50-60/ ton to account for the anticipated weight loss.

This week, Bangladeshi Parliament has approved the national budget of Tk 7,97,000 crore for the fiscal year 2024-25, targeting a 6.75% GDP growth rate and aiming to keep inflation around 6%.

Finance Minister Abul Hassan Mahmood Ali introduced the Appropriations Bill 2024, which sought a budgetary allocation of Tk 12,41,752 crore (approximately USD\$115 billion). The bill was passed by voice vote, following the earlier approval of the Finance Bill 2024 with minor amendments.

### Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
SU ZHOU HAO	ROPAX	5,903	23.08.2024	AWAITING
HONG DA XIN 7	MPP	4,296	21.08.2024	AWAITING
SIA 21	CONTAINER	3,957	22.08.2024	AWAITING
DRAGO	CEMENT CARRIER	2,313	20.08.2024	28.08.2024
NAHIDE M	BULKER	6,984	19.08.2024	28.08.2024
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

Lack of demand coupled with falling domestic steel prices kept the ship recycling markets on the sidelines. No fresh sales were reported as a vast majority still wishes to refrain from offering anything above the prevailing prices.

International Steel Limited, Pakistan's largest flat steel manufacturer, has cut flat steel prices by PKR 45,000 per ton, bringing CRC to PKR 247,800 per ton for customers in response to declining raw material HRC prices.

Since early 2024, HRC steel has decreased by 38.33%, reflecting a significant drop from its all-time high in September 2021.

Zayan Babar Khan, a research analyst at Optimus Capital, attributes this trend to China's excess capacity and low demand, which have driven international flat steel prices lower. Khan anticipates a mild recovery in sales volumes for FY25, driven by improved economic activity and a low base in FY24.

However, the extension of sales tax exemption for the FATA-PATA region poses challenges for both long and flat steel industries in northern Pakistan.

### Anchorage & Beaching Position (August 2024)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
MOSHTARAKA 2	BULKER	14,398	09.08.2024	16.08.2024
SEA OF WAVES	BULKER	1,037	12.08.2024	20.08.2024

### Aliaga, Turkey

Turkish steel mills continue to lower their domestic scrap buying prices despite the lira's ongoing depreciation against the dollar. This trend persists while imported scrap prices have stabilised following a recent recovery.

Many scrap suppliers have now withdrawn from the market, anticipating higher prices.

In the domestic market, rebar demand remains insufficient to support the US\$5/t increase in mills' offers to US\$575-595/t ex-works. Turkish shipbreaking scrap prices have also seen a slight decrease, now standing at US\$365/t delivered, down from \$365-375/t last week.

At closing, the Turkish lira was trading at 34.06 to the dollar, reflecting the ongoing currency pressures impacting the scrap and steel markets.

### BEACHING TIDE DATES 2024

Chattogram, Bangladesh : 2 ~ 5 September | 17 ~ 20 September

Alang, India : 31 August ~ 6 September | 15 – 24 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 30	August 23	W-O-W % CHANGE
USD / CNY (CHINA)	7.08	7.12	+0.56%
USD / BDT (BANGLADESH)	119.50	119.53	+0.03%
USD / INR (INDIA)	83.84	83.81	-0.04%
USD / PKR (PAKISTAN)	278.49	278.61	+0.04%
USD / TRY (TURKEY)	34.06	33.95	-0.32%

### Sub-Continent and Turkey ferrous scrap markets insight

This week, the ferrous scrap markets in the Sub-Continent and Turkey showcased diverging trends. In Turkey, import prices experienced a notable rise driven by improved market sentiments and a tightening supply, while in the Sub-Continent, markets faced pressures from weak demand and various regional challenges.

**India's** imported scrap market had a challenging week, marked by sluggish demand and hesitant buyers. Shredded scrap offers fluctuated between US\$385/t and 395/t CFR Nhava Sheva, but buyers were reluctant, often seeking prices below US\$385/t. Offers for HMS (80:20) from the UK/Europe and West Africa ranged from US\$365/t to 375/t CFR, but buyers targeted even lower levels, reflecting a lack of urgency and market confidence.

The downturn in India was attributed to several factors, including weak steel demand, more competitive domestic scrap options, and widespread expectations of further price declines. The impending nationwide port workers' strike, which began on 28 August, further added to the uncertainty, disrupting trade and port activities. While some suppliers remain hopeful that prices are nearing a bottom, a significant recovery is not expected until mid-September, with the end of the monsoon season potentially bringing a demand uptick.

In **Pakistan**, the ferrous scrap market saw a slight increase in shredded scrap offers, which edged up by US\$2/t to US\$399/t CFR-Qasim. This rise was driven by higher supplier offers amid exchange rate fluctuations despite moderate activity levels. Mills remained cautious, with limited interest in new bookings, influenced by weak liquidity, ongoing monsoon rains, and concerns over potential declines in rebar and billet prices.

The market slowdown was further compounded by end-of-month financial constraints, which restricted cash flow and purchasing activity. A noteworthy development was the Fauji Foundation's interest in acquiring Agha Steel Industries, leading to a 10.03% rise in Agha Steel's stock, signaling potential sector consolidation. However, overall market



conditions remained subdued, with uncertainty prevailing due to economic and weather-related factors.

In **Bangladesh**, the imported scrap market was largely subdued this week, with minimal trading activity. Severe floods and the ongoing rainy season significantly hampered construction activities, leading to a sharp decline in scrap demand. Indicative offers for shredded scrap from the UK/Europe ranged from US\$400/t to 405/t CFR Chattogram, while HMS (80:20) offers were around US\$390-395/t CFR.

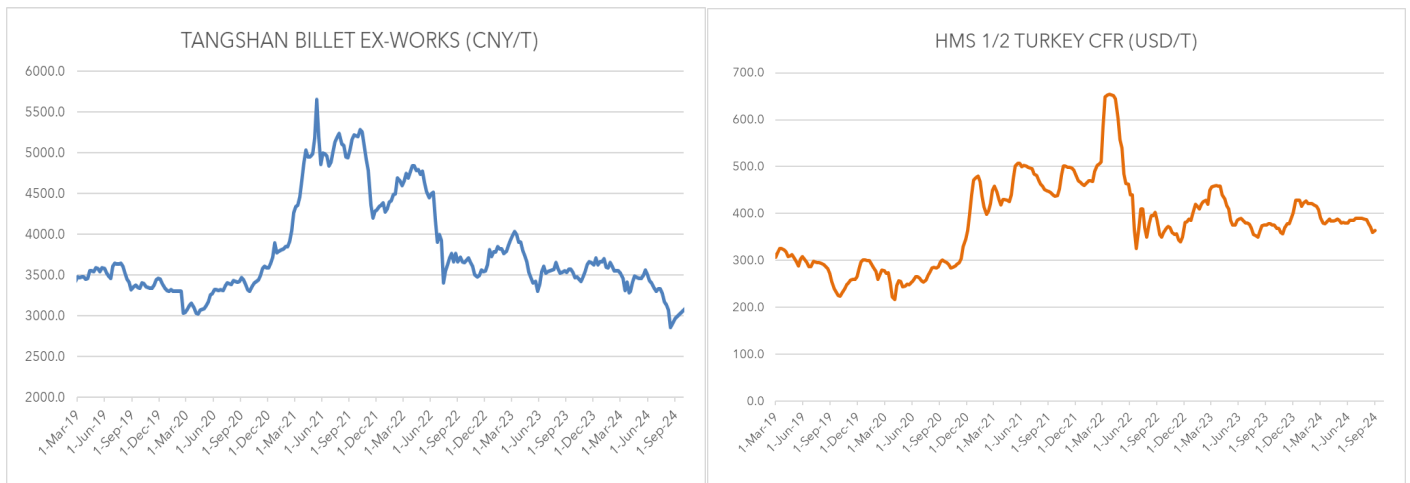
However, buyers showed little interest, anticipating further price declines and facing logistical challenges due to the floods. The market's inactivity was further exacerbated by delays in letters of credit issuance and financial verification issues, leaving the overall sentiment cautious and uncertain.

**Turkey's** ferrous scrap market saw a gradual upward movement in prices, with the mood bolstered by tighter supply conditions and a recovery in global billet prices. US-origin HMS (80:20) edged up to US\$365 per ton (t) CFR, while short-sea scrap prices followed suit, narrowing the gap with deep-sea scrap.

Sellers, encouraged by these developments, held back on finalising deals, anticipating further price hikes as demand showed signs of recovery and collection costs in Europe remained high.

Despite efforts by Turkish mills to push prices down, the market remained resilient, supported by a stronger euro and a belief that prices had reached their lowest point. This confidence translated into a firmer seller's market, with expectations of continued price strength in the coming weeks.

## HMS 1/2 & Tangshan Billet



## Commodities

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**Iron ore** prices are rebounding as China's substantial stockpiles of steelmaking raw material continue to decline, potentially signalling the easing of a severe oversupply period. Data released late Friday shows that inventories at Chinese ports have decreased for four consecutive weeks, retreating from the peak of over 150 million tons reached in late July. This reduction offers a glimmer of hope for market bulls despite iron ore prices still being down nearly 30% this year.

However, the broader outlook for China's steel sector remains clouded with uncertainty. The struggling property market and the government's push towards new growth sectors are major factors contributing to this ambiguity. Market observers are closely watching for signs of a potential uptick in steel production following recent declines, especially as July and August typically mark the weakest period for steel output.

In Singapore trading, iron ore futures climbed 4.2% to US\$100.20 a ton, building on last week's 4.5% gain. Huatai Futures Co. noted that while blast furnace output "has shown signs of bottoming out recently," iron ore inventories remain relatively high.

The **base metals** sector faced downward pressure this week as a stronger USD, buoyed by better-than-expected economic data, dampened investor appetite. **Aluminium** led the decline, with market sentiment further clouded by ongoing concerns about the strength of China's demand recovery.

The situation was exacerbated by a surge in supply, particularly from Rusal, which shipped record volumes of aluminium to China during the first half of the year. This influx has pushed inventories in China to their highest levels for this time of year since 2019, adding to the bearish outlook in the market.

As uncertainty over China's demand recovery persists, the ample supply continues to weigh heavily on aluminium prices, reflecting broader concerns across the base metals sector.

## 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)	101	+4.12%	-12.93%	97	116
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	103	+4.04%	-8,84%	99	113

## Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	421.15	-1.10	-0.26%	Dec 2024
3Mo Copper (L.M.E.)	USD / MT	9,235.00	-9.00	-0.10%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,447.00	-10.50	-0.43%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,897.00	+19.00	+0.66%	N/A
3Mo Tin (L.M.E.)	USD / MT	32,346.00	+1.00	+0.00%	N/A

## Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	73.55	-2.36	-3.11%	Oct 2024
Brent Crude (ICE.)	USD / bbl.	78.80	-1.14	-1.43%	Oct 2024
Crude Oil (Tokyo)	J.P.Y. / kl	71,420.00	+10.00	+0.01%	Sep 2024
Natural Gas (Nymex)	USD / MMBtu	2.13	-0.01	-0.47%	Oct 2024

Note: all rates as at C.O.B. London time August 30, 2024



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