

WEEK 19 – May 14, 2023

This week the Federal Reserve raised interest rates by 25 basis points, bringing the federal funds rate to a range of 5% to 5.25%. This is the highest rate since 2007 and the highest rate since the financial crisis. The move would mark the third consecutive quarter-point increase and indicate a pause in the aggressive rate-hiking campaign amid signs of an economic slowdown and persistent financial-market turmoil. While some legislators have called for a halt to rate increases, Fed officials have stated that inflation remains their primary concern.

The Federal Reserve has been raising interest rates at an unprecedented pace, surpassing any previous instances in history. As a result, banks are facing significant challenges as they are encountering a rapid adjustment in the value of their bond assets, something they have not experienced to such a degree before.

On the other hand, discussions surrounding the United States' plans to raise the debt limit have become prominent. Treasury Secretary Janet Yellen emphasized the potential consequences of not increasing the debt ceiling, highlighting the risk of a significant economic downturn in the country. Furthermore, she reiterated her warning that the Treasury Department could exhaust its available measures to meet its debt obligations as early as June. The United States currently carries a debt of US\$31.4 trillion dollars, coupled with an annual deficit of US\$2 trillion dollars.

While in Turkey, a country of 85 million, holds its presidential and parliamentary elections today, Turkey's most consequential election in two decades. The results will have a great impact not only on Turks but globally.

## Dry Bulk

Iron ore prices increased midweek due to hopes of additional policy support for China's economy. The most-traded September iron ore contract on China's Dalian Commodity Exchange rose 1.3% to 714 yuan (US\$103.30) a ton, touching its highest level since April 27 at 727.50 yuan. This follows a six-month low last week due to speculation about new rules governing state-owned enterprises' bond issuances and as China's housing regulator ordered real estate brokers to reduce transaction and leasing service fees to support the property sector.

Analysts expect commodity markets to remain reactive to any signs of policy support, which will keep iron ore prices volatile in the short term.

Market participants feel optimistic as Capesize rates continue to rise gradually without significant drops in the spot market. This has led to expectations for stronger rates for the rest of the year. There is a sense that the current calm in the market is temporary, and a jump in spot Capesize

rates is expected ahead of the fiscal year-end for some major Australian miners in June. The bottom for spot rates in smaller-size dry bulk segments is also expected to be near, and the Capesize sector is likely to support those smaller vessels during periods of robust rates.

### **Capesize:**

Holidays last week saw contract activities decrease, causing weakness in most routes. However, the markets rose slightly due to a local lack of supply of ships on some routes in the Atlantic. Although Chinese steel mills typically complete the stocking of raw materials before the holidays, the demand for iron ore remained stable even after the holidays. The market is being driven by solid iron ore cargo inflows in the Pacific, with the Atlantic experiencing tight supply. Supply is still increasing, with fixings done above previous levels. Pacific r/v saw levels dip slightly at closing around a high of US\$ 18,850's a day while T/A remains around US\$ 25,150's a day. The short-term outlook overall looks positive.

### **Panamax / Kamsarmax:**

The decrease in grain exports is attributed to sluggish activity during the holiday season and restrictions on additional grain imports from South America. Despite forecasts that Brazil's soybean production will hit record highs this season, the export volume has not reached the previous year's level due to sluggish soybean grinding and processing margins in China. The 3rd Soy Dollar policy introduced by Argentina to promote exports of soybeans and by-products has no significant effect. Barge traffic restrictions due to flooding in the upper reaches of the Mississippi River also limited grain and coal exports in the U.S. Gulf. T/A levels this week fell to around US\$ 10,850's a day, while Pacific r/v was around US\$ 11,000's a day range.

### **Supramax / Ultramax:**

Market activity was low during the holidays, resulting in rates softening. The Atlantic market, particularly in USG and East Coast America, is well positioned, but trips within the Atlantic have fallen. In South America, the price gap between owners and charterers remains weak, with a dipped in new cargo inflows. On the other hand, North America's market conditions have improved due to an increase in new cargo inflows and improved supply and demand of ships. T/A levels saw a slight push on Friday, with levels in the region of US\$ 17,000's a day. Meanwhile, coal volumes are helping the market in the Pacific, but the recovery of NOPAC activity is delayed. Pacific to India route fell slightly to US\$9,250 a day with r/v just seeing slightly higher around US\$ 10,000's a day range.

### **Handysize:**

Ship supply accumulation in the Atlantic has experienced a slight slowdown, while new demand remains limited overall, seeing stable rates similar to last week. T/A levels were in the region of US\$ 10,500's a day at closing. In the Pacific, there was a lack of activity in the region. Inter-

Pacific levels, however, remain stable, recording around US\$ 7,400's a day. There were some enquiries for coal and grain, which may hopefully lead to a positive outlook next week.

## Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
DENSA COBRA	CAPE	180,491	2011	S. KOREA	27.25	UNDISCLOSED
ZHENG YUAN	CAPE	177,643	2002	JAPAN	13.0	CHINESE BUYERS
THALASSIC	PANAMAX	81,426	2009	JAPAN	21.0	OMICRON
BULK ELECTRA	PANAMAX	66,604	2015	JAPAN	26.0	UNDISCLOSED
MOUNT ATHOS	PANAMAX	63,155	2014	CHINA	24.9	UAE BASED BUYERS
AMIS WISDOM VI	PANAMAX	61,456	2011	JAPAN	22.5	GREEK BUYERS
MANDARIN DALIAN	SUPRAMAX	56,604	2010	CHINA	14.0	UNDISCLOSED
SIMGE AKSOY	SUPRAMAX	53,393	2006	CHINA	11.0	UNDISCLOSED
MARDINIK	HANDY	33,918	2011	S. KOREA	14.4	SYRIAN BUYERS
STONEWALL UNITY	GC	33,217	2012	CHINA	18.0	RUSSIAN BUYERS

## Dry Bulk Values (Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	61	66	54	33	15
KAMSARMAX	82,000	34	40	34	25	10
SUPRAMAX	56,000	32	38	32	21	10
HANDY	38,000	29	32	26	19	8

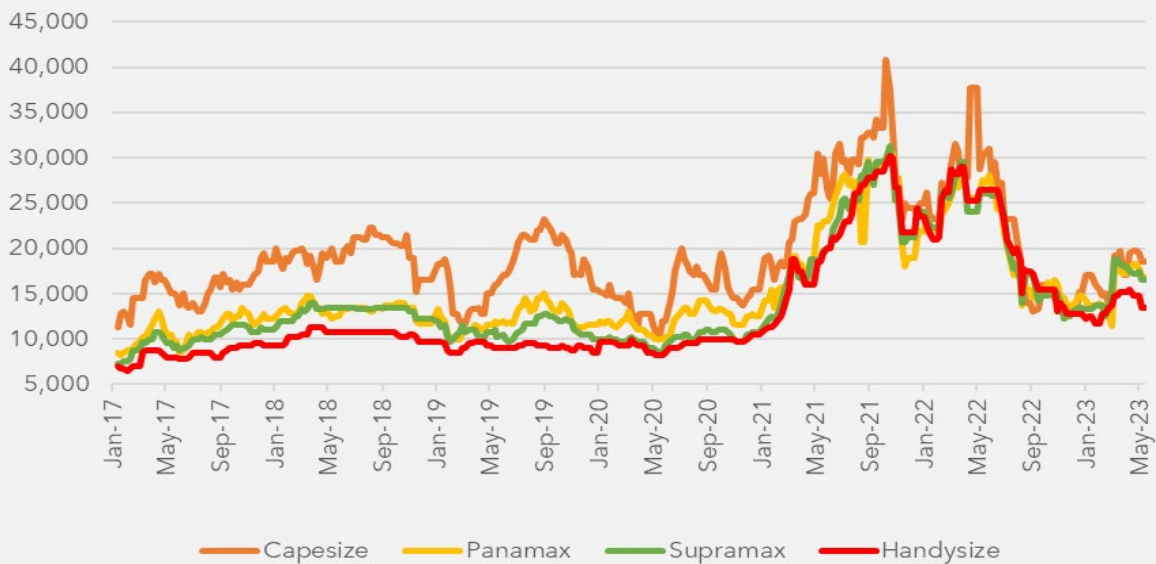
\*(Amount in USD million)

## Baltic Exchange Dry Bulk Indices

BALTIC EXCHANGE DRY BULK INDICES					
	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDI	1,608	1,558	3,104	+3.21%	-48.20%
BCI	2,456	2,384	3,947	+3.02%	-37.78%
BPI	1,445	1,501	3,283	-3.73%	-55.99%
BSI	1,112	1,096	2,752	+1.46%	-59.59%
BHSI	635	645	1,673	-1.55%	-62.04%

BULKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)						
	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
CAPE	180,000	18,250	18,500	30,500	-1.35%	-40.16%
PANAMAX	75,000	14,350	15,150	27,125	-5.28%	-47.10%
SUPRAMAX	52,000	13,750	14,500	26,000	-5.17%	-47.12%
HANDYSIZE	32,000	10,500	11,000	23,250	-4.55%	

Dry Bulk 1 year T/C rates



## **Tankers**

The EIA reported a build of 3 million barrels in crude oil inventories for the week of May 5, causing prices to fall. Gasoline inventories also decreased by 3.2 million barrels, with middle distillates experiencing a decline of 4.2 million barrels. The gasoline and diesel demand slowdown has raised concerns about the future of oil demand. However, the Department of Energy still plans to refill the strategic petroleum reserve later this year.

The price of West Texas Intermediate (WTI) crude oil slipped to a session low after U.S. government data showed a build in crude inventories. The stockpiles at the U.S.'s main storage hub rose to their highest level since March, but there were signs of fuel demand picking up, with gas and diesel draws being much higher than expected.

Oil prices continued to decline on Friday, extending losses from the previous two days. Market sentiment remained negative due to concerns about the Chinese and U.S. economies, resulting in a fourth consecutive weekly loss. The U.S. benchmark WTI Crude dropped to US\$70 per barrel, down 0.42% from the previous day and below this week's high of over US\$73. The international benchmark, Brent Crude, traded at US\$74.62, down 0.53%.

These losses were influenced by worries about the U.S. debt ceiling, rising U.S. inventories, patchy economic recovery in China, and the EIA's report of a 3 million barrel inventory build. Despite signals of potential crude purchases for the Strategic Petroleum Reserve, concerns about future oil demand outweighed positive news.

### **VLCC:**

There was a slowdown in activity start of the week from last week's holidays, resulting in an 18% decline in W.S. in the Middle East/China section for the week. 270,000mt MEG to China fell to WS40. With the full implementation of OPEC+ subtraction, new cargo inflows will also be limited, and available vessels are expected to increase in all basins, which will keep the market bearish. It is expected that resistance from ship owners due to declining profitability will be limited, and there will be less demand for vessels with a TCE of under US\$25,000 in the next three months.

### **Suezmax:**

Despite limited cargo inflows, the WAFR/Europe segment experienced a 3.1% weekly rise in W.S. due to a lack of available ships in Atlantic waters. 130,000 mt Nigeria/Rotterdam climb to WS116. Meanwhile, in the Med, 135,000mt CPC/Med also saw improvements, with levels rising to WS126. Overall looks positive in the short term.

### **Aframax:**

The MEG/SE Asia WS experienced a weekly decline of 6.3% due to several factors, including a strengthening dollar and rising inflation. Additionally, there has been a decrease in consumption of petroleum products in SE Asia, as well as a slowdown in crude oil demand due to a deterioration in refining margin, leading to a decline in rates. MEG to SGP fell a couple of points to WS180. In the UKC, supply remained limited, with cross-route climbing to WS150.

### **Clean:**

L.R.: The weekly decline from last week due to an increase in the supply of ships in the Middle East and Northeast Asia has seen bottoming out. LR2 in TC1 remains around WS145 region.

Same was also noted for LR1s segment in the MEG.

MR: Rates for this segment dipped this week due to excess available supply against demand in the UKC. TC2 fell almost 20 points to around WS125. Nevertheless, the situation is expected to improve for owners as tonnage becomes more limited, pointing towards a positive outlook in the coming week.

## **Tankers S&P Report**

<b>VESSEL NAME</b>	<b>TYPE</b>	<b>DWT</b>	<b>YEAR</b>	<b>BUILT</b>	<b>PRICE (MILLION) USD</b>	<b>COMMENTS / BUYERS</b>
CLASSIC	SUEZ	159,195	2005	S. KOREA	36.75	UNDISCLOSED
NAVIGARE TOLERO	SUEZ	156,516	2011	CHINA	N/A	ADVANTAGE
PS PISA	AFRA	108,835	2010	CHINA	35.6	MIDDLE EASTERN BUYERS
SONGA CORAL	AFRA	107,081	2005	JAPAN	35.0	UAE BASED BUYERS
WONDER AVIOR	AFRA	106,162	2004	S. KOREA	30.0	UNDISCLOSED
EVER VICTORY	LR1	70,426	2005	JAPAN	21.0	CHINESE BUYERS
MTM COLORADO	MR	51,319	2004	S. KOREA	18.0	UNDISCLOSED
ATLANTICA BRAVE	MR	51,246	2008	S. KOREA	22.0	TURKISH BUYERS
ADAMAS 1	MR	50,122	2009	S. KOREA	24.0	UNDISCLOSED
HIGH TRUST	MR	49,990	2016	VIETNAM	22.2	D'AMICO INTERNATIONAL
MTM LONDON	PROD / CHEM	20,587	2003	JAPAN	N/A (S.S.)	UNDISCLOSED
MAREX NOA	PROD / CHEM	12,479	2015	JAPAN	N/A (S.S.)	UNI TANKERS

## Tankers Values

(Weekly)

TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	123	125	100	76	52
SUEZMAX	160,000	83	85	68	53	30
AFRAMAX	115,000	66	77	62	52	29
PANAMAX-LR1	73,000	56	60	50	40	19
MR TANKER	51,000	46	50	42	34	19

\*(amount in USD million)

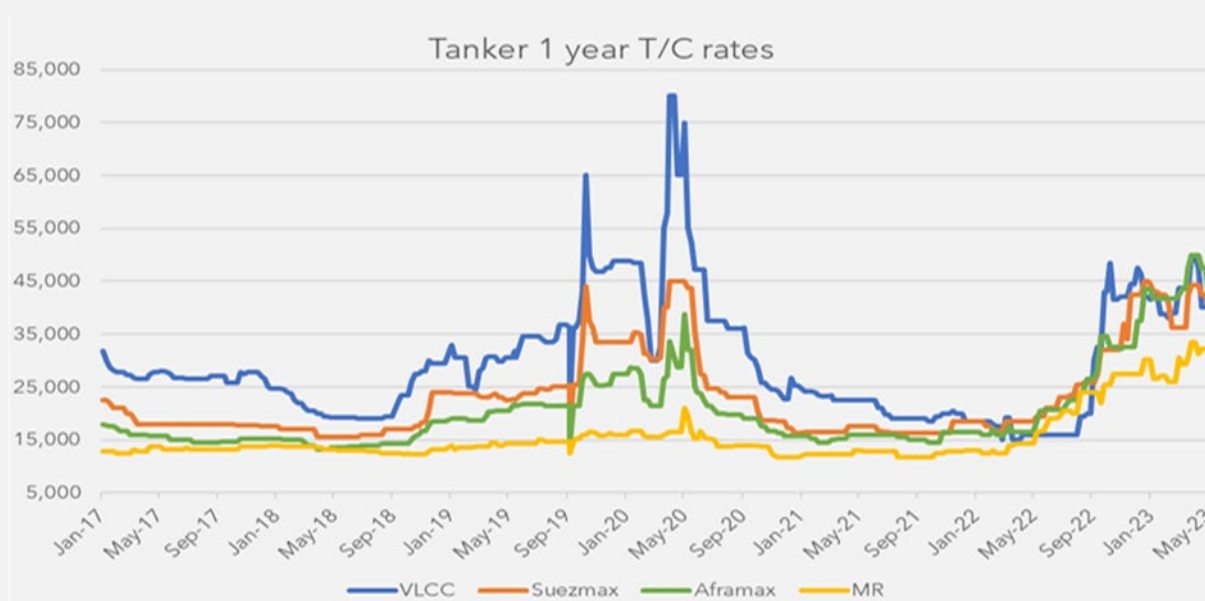
### TANKER 12 MONTHS T/C RATES AVERAGE (IN USD/DAY)

TYPE	DWT	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE	Y-O-Y CHANGE
VLCC	300,000	37,000	40,000	16,000	-7.50%	+131.25%
SUEZMAX	150,000	39,500	39,500	19,500	0	+102.56%
AFRAMAX	110,000	41,000	41,500	20,500	-1.20%	+100.00%
LR1	74,000	35,500	35,500	17,500	0	+102.86%
MR	47,000	28,000	28,000	16,750	0	+67.16%

## Baltic Exchange Tanker Indices

### BALTIC EXCHANGE TANKER INDICES

	CURRENT	LAST WEEK	LAST YEAR	W-O-W CHANGE %	Y-O-Y CHANGE %
BDTI	1,218	1,077	1,133	+13.09%	+7.50%
BCTI	637	719	1,448	-11.40%	-56.01%



## Containers

Maersk has announced changes to its Asia-Europe shipping network, aiming to increase the reliability and fuel efficiency of its services. The company plans to add vessels to several of its services, which will help to reduce speeds and absorb scheduling challenges, resulting in fewer void sailings.

This change is also expected to significantly reduce emissions. However, the average transit time for several routes will be affected, with increases of up to three days. On freight rates, the spot market fell to pressure this week. The SCFI fell by 2% w-o-w, reaching 983 points, while rates on the Shanghai/U.S. West Coast (USWC) route dropped by 5% w-o-w to US\$1,385 per FEU.

### Containers S&P Report

VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
UASC ZAMZAM	POST PMA	9,034	2014	S. KOREA	71.0	UNDISCLOSED
NORTHERN MAGNUM	POST PMA	6,732	2003	S. KOREA	N/A	MSC
NORTHERN PRIORITY / NORTHERN PROMOTION	PMA	4,616	2009 / 2010	S. KOREA	28.0 EACH	IGNAZIO MESSINA

### Containers Values

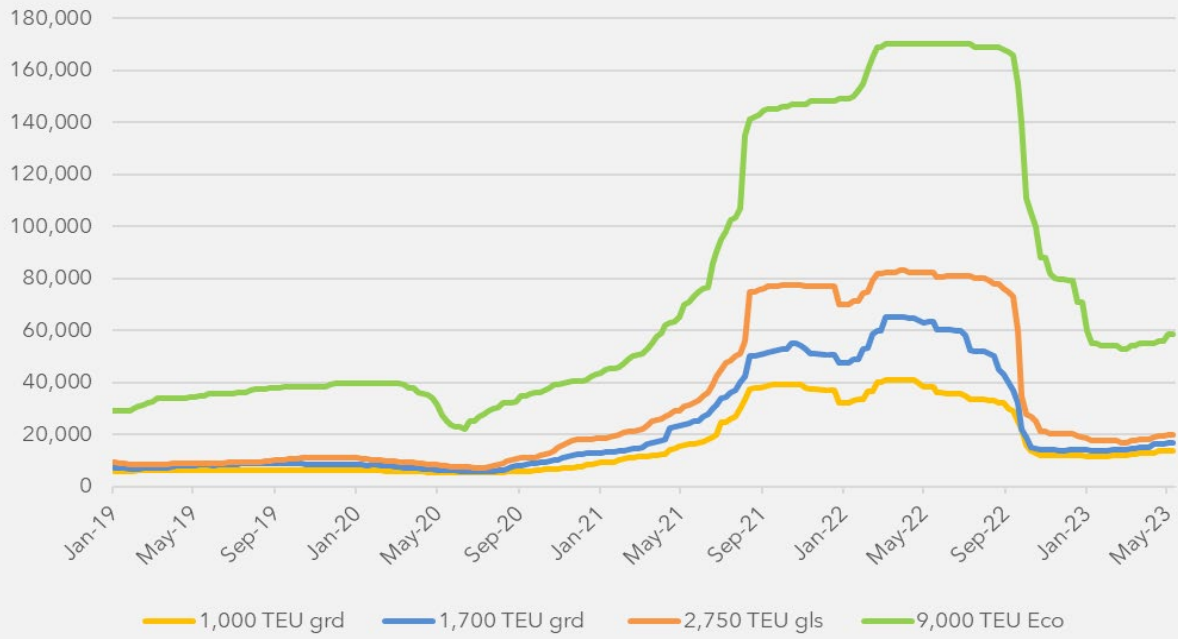
(Weekly)

CONTAINERS (by TEU)	GEARED / GEARLESS	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
900 – 1,200	Geared	23	22	15	10	8
1,600 – 1,800	Geared	29	28	22	16	12
2,700 – 2,900	Gearless	42	38	30	20	15
5,500 – 7,000	Gearless	89	82	70	45	N/A



*\*(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) *For green ship recycling, the prices are about US\$25-30/ton lower.	520 ~ 530	500 ~ 510	510 ~ 520	530 ~ 540	STABLE / 
CHATTOGRAM, BANGLADESH	*560 ~ 570	*550 ~ 560	*530 ~ 540	*570 ~ 580	WEAK / 
GADDANI, PAKISTAN	NA	NA	NA	NA	NA
TURKEY *For Non-EU ships. For E.U. Ship, the prices are about US\$30-40/ton less	320 ~ 330	310 ~ 320	300 ~ 310	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.
- \* Prices are based on the subject Letters of Credit opening and case-to-case buying.

## 5-Year Ship Recycling Average Historical Prices

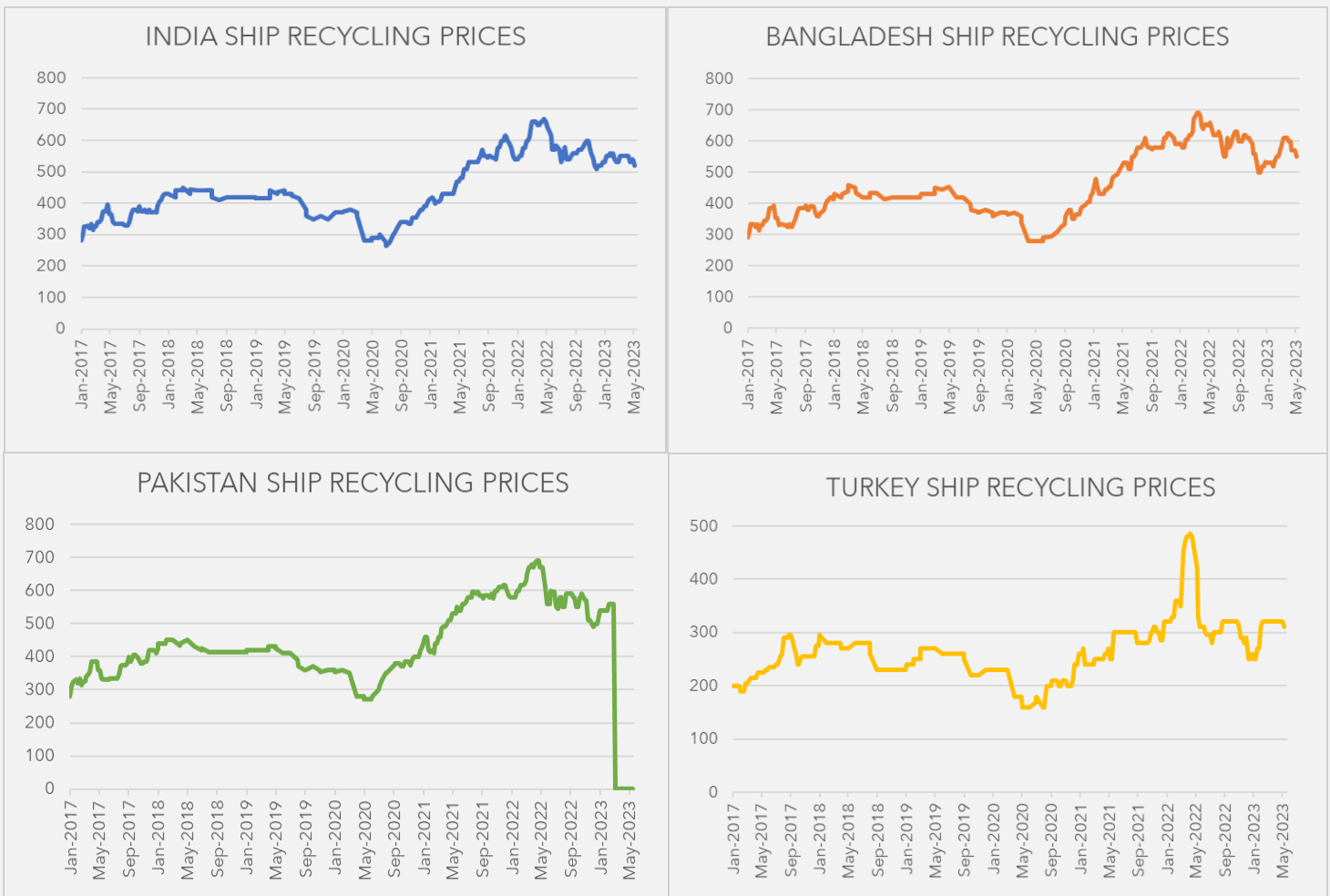
(Week 19)

DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	440	330	500	690
CHATTOGRAM, BANGLADESH	420	440	310	510	660
GADDANI, PAKISTAN	440	420	300	500	680
ALIAGA, TURKEY	290	270	170	255	410

## Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US\$/LDT)	COMMENTS
EVER DIADEM	21,731	1998 / JAPAN	CONTAINER	512	AS IS SINGAPORE / RE-DELIVERY TO HKC RECYCLING IN ALANG ONLY.
SHANDONG EXPRESS	8,658	1989 / JAPAN	WOODCHIP	605	DELIVERED CHATTOGRAM / ABT.350 MT BUNKERS INCLUDED IN SALE
YUN RUN 8	3,045	1989 / NETHERLAND	REEFER	485	AS IS ZHOUSHAN / FOR RE-DELIVERY TO ALANG.

## Recycling Ships Price Trend



## **Insight**

The ship recycling markets in the Sub-Continent are currently in a state of stagnation and uncertainty, lacking a clear sense of direction. They find themselves at a crossroads. These markets are displaying resistance and a cautious approach as they await further clues and signals before establishing a clear trend.

The fundamentals are weak, as the global weakness in the steel segments has significantly impacted the ship recycling markets in the Sub-Continent, with ship prices in Alang and Chattogram experiencing a sharp decline to new low levels. This downturn has led to a highly cautious outlook among ship recyclers, who are uncertain about what the future holds and whether the market has bottomed out or more challenges are yet to come.

Despite the challenges, the supply of end-of-life ships, which was expected to ease by the end of April, has not materialised as anticipated. Instead, the supply shortage, which came in as a blessing in disguise, has held prices from a free fall, much to the relief of the ship recyclers.

### **ALANG, INDIA.**

In the past few weeks, domestic ship scrap prices have been in a corrective mode, indicating a potential market correction. However, the demand for ships has improved as many recyclers are still waiting for favorable buying opportunities, with almost 70% of yards empty with no ships.

While the demand for ships has improved, there is a significant difference in buying behavior between recyclers in Chattogram and Alang. Chattogram recyclers have shown more urgency to buy, whereas Alang recyclers tend to take a more cautious approach due to various market factors. This has resulted in a less pronounced bounce back in ship prices in the Alang market.

The domestic ship scrap market remains unpredictable, and recyclers are keeping a watchful eye on market developments.

This week the popular Evergreen's Panamax container called the "Ever Diadem," built in 1998 in Japan, weighing 21,731 mt, was finally sold at US\$512/ long ton with a decent quantity of bunkers, as is Singapore.

The last similar ship, owned by MSC, the MSC Pilar, weighing 23,740 mt, was sold in April 2023 at US\$550/long ton, with about 400 mt of bunkers included in the sale, delivered Alang. So technically, adding up the delivery cost of the Ever Diadem would be about US\$530/long ton ship basis delivery Alang. A decent US\$20/Lt decline.

On the other hand, UAE, one of the largest exporters of ferrous scrap to India, has extended the export ban for another six months; despite the scrap export ban, UAE continues to ship

containerized scrap exports. On the other hand, the Indian customs have stopped clearing imported scrap from UAE, suspecting the goods might be from a third country. This news affected the UAE scrap market, with HMS 1 80:20 grade scrap quotes dropping to AED 1,250-1,275/tonne (US\$333-340) delivered. The effect of such should give a little boost to the ship recyclers as the shortage of such material will improve the domestic ship melting scrap prices.

### **Anchorage & Beaching Position (May 2023)**

<b>VESSEL NAME</b>	<b>TYPE</b>	<b>LDT</b>	<b>ARRIVAL</b>	<b>BEACHING</b>
SUDARSHAN	OFFSHORE	1,762	09.05.2023	AWAITING
GERIMA	D/V	1,774	03.05.2023	04.05.2023
APOLLO PACIFIC	LPG	2,189	28.04.2023	05.05.2023
GREEN KARMOY	REEFER	2,699	29.04.2023	05.05.2023
CYNTH	TANKER	3,349	03.05.2023	06.05.2023

### **CHATTOGRAM, BANGLADESH**

This week, the issues with Letters of Credit (LC's) have resurfaced and continued to affect the transactions. Banks have further tightened the opening of LC's, and those that are already opened are facing challenges in releasing payments. This is due to the central bank's top priority of conserving foreign exchange, as reserves dropped 29.45% this week.

As a result of these issues, several ships that have been sold in the past are now anchored at the outer anchorage, waiting for their fate to be decided. The ships with higher prices are particularly facing difficulties in obtaining the necessary LC's as well as headwinds from the sharp drop of about 2% W-O-W in the local ship scrap prices.

In a nutshell, the recyclers are facing a number of challenges, including the tightening of LCs, the involvement of customs in the valuation of ships, delays in obtaining cutting permission due to new regulations, the weakening of domestic ship scrap prices, ailing domestic demand from the local steel mills and uncertainties surrounding the outcome of the upcoming budget.

As the passage of time continues and the markets draw nearer to the annual budget announcement on June 1, there is heightened attention on the event due to the struggling economy and concerning foreign exchange conditions.

Over the past two weeks, there has been a noticeable deterioration in market sentiment, which has been closely aligned with a substantial decline in ship prices. This decline in prices has prompted many recyclers to exercise caution and adopt a wait-and-see approach before making any significant decisions.

## Anchorage & Beaching Position (May 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
XIN ZHOU SHAN	CONTAINER	3,454	10.05.2023	AWAITING
HAI CHANG	BULKER	7,585	09.05.2023	AWAITING
THOR	GC	1,103	26.04.2023	10.05.2023
SIAM OCEAN	WOODCHIP	7,996	05.05.2023	09.05.2023
OCEAN SMART 1	BULK	10,019	03.05.2023	08.05.2023
S MARU 3	CEMENT C.	851	26.04.2023	08.05.2023
LOGAN	GC	1,769.45	30.04.2023	07.05.2023
HONG YANG	GC	11,883.80	18.04.2023	06.05.2023
WEST OCEAN 9	GC	1,671.48	29.04.2023	05.05.2023
GLEN	REEFER	3,185	25.04.2023	05.05.2023
S MARU	TANKER	860	25.04.2023	05.05.2023
PABLO	D/V	7,362.30	29.04.2023	04.05.2023
HAN	REEFER	2,184.45	18.04.2023	04.05.2023

### **GADDANI, PAKISTAN**

Over the past eight months, Pakistan's shipbreaking industry has faced significant challenges due to ongoing political unrest and foreign exchange crises. These crises led to a standstill in the industry, causing widespread concerns among industry participants.

The industry had been hoping that banks would eventually relax their restrictions on L.C.'s, as the current situation is causing significant disruption to the entire economy. However, the recent political turmoil has made it clear that this is not likely to happen anytime soon.

The industry is now facing an uncertain future. It is unclear when the political situation will improve, and it is also unclear when banks will be willing to relax their restrictions on L.C.'s. In the meantime, the industry is likely to remain in the doldrums.

Pakistan buyers demonstrated heightened activity in purchasing imported ferrous scrap during the latter part of the week. As a result, several deals were concluded at a price range of US\$435-440 per metric ton on a CFR basis, with the aim of sustaining the operations of secondary steel mills. This increased buying activity is expected to positively influence market sentiment, particularly in light of the ongoing political turmoil within the country. Prices for shredded scrap originating from the U.K. and Europe remained stable at US\$439-440 per metric ton. These transactions also offer a glimmer of hope that ship recyclers are preparing to resume purchases once the issues related to L.C. are alleviated.

## **Anchorage & Beaching Position (May 2023)**

<b>VESSEL NAME</b>	<b>TYPE</b>	<b>LDT</b>	<b>ARRIVAL</b>	<b>BEACHING</b>
-	-	-	-	-

### **ALIAGA, TURKEY**

Tukey prepares for the crucial elections, which will be a critical factor for the nation as the ruling President Erdogan faces the greatest threat to his 20-year rule. The outcome will impact on stability in the country, which sits as a crossroads between Europe and Asia and is home to NATO's second-largest military, is of paramount importance both domestically and internationally.

Following the recent earthquake, the Turkish steel industry is expected to recover and grow in the next quarter. The production is anticipated to stabilise from June onwards and may even surpass the levels seen in 2022. However, potential E.U. production cuts and changes in the Waste Shipment Regulation may affect the progress. The first quarter of 2023 has shown a potential increase in the demand for finished steel products, which could continue to grow. The reduced export-to-import ratio in the first quarter may lead to decreased steel exports and increased imports. Prices could remain high due to the anticipated devaluation of the lira, prompting traders to continue stocking up.

However, falling scrap prices and potential production cuts may exert downward pressure on steel prices. The Turkish market could also be influenced by global market trends, such as the increase in steel production in China and India. The upcoming general elections, a weak construction sector, supply chain issues in the automotive industry, and criticism of Turkish steel mills' pricing policies could pose significant challenges. The market is expected to see fluctuations, but the industry's resilience should not be underestimated.

This week, scrap prices have stabilized at around US\$385/t delivered while rebar demand has recovered strongly, with prices at US\$645-665/t ex-works. However, mills are cautious about buying more amid political uncertainty after the elections.

### **BEACHING TIDE DATES 2023**

Chattogram, Bangladesh	: 18 <sup>th</sup> ~ 21 <sup>st</sup> May   4 <sup>th</sup> ~ 7 <sup>th</sup> June
Alang, India	: 16 <sup>th</sup> ~ 24 <sup>th</sup> May   2 <sup>nd</sup> ~ 10 <sup>th</sup> June

## Bunker Prices

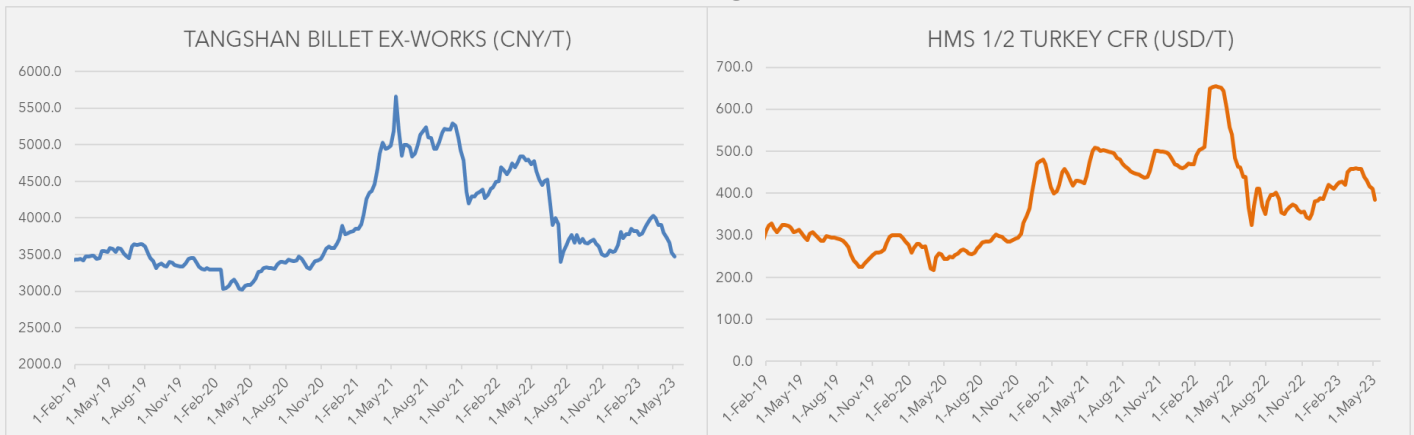
BUNKER PRICES (USD/TON)			
PORTS	VLSFO (0.5%)	IFO380 CST	MGO (0.1%)
SINGAPORE	571	456	685
HONG KONG	589	473	688
FUJAIRAH	561	455	911
ROTTERDAM	536	440	685
HOUSTON	535	409	708

## Exchange Rates

EXCHANGE RATES			
	12 <sup>th</sup> MAY	5 <sup>th</sup> MAY	W-O-W % CHANGE
USD / CNY (CHINA)	6.94	6.91	-0.43%
USD / BDT (BANGLADESH)	107.38	106.48	-0.85%
USD / INR (INDIA)	82.17	81.72	-0.55%
USD / PKR (PAKISTAN)	285.25	283.79	-0.51%
USD / TRY (TURKEY)	19.58	19.51	-0.36%

## Commodity Prices

### HMS 1/2 & Tangshan Billet





## Iron Ore

COMMODITY	SIZE / GRADE	PRICE/ MT	CHANGE W-O-W	CHANGE Y-O-Y	LAST WEEK	LAST YEAR
Iron Ore Fines, CNF Qingdao, China	Fines, Fe 62.5% (Brazil Origin)	US\$91	0%	-28.90%	US\$91	US\$128
Iron Ore Fines, CNF. Rizhao, China	Fines, Fe 62% (Australia Origin)	US\$103	-0.96%	+11.95%	US\$104	US\$92

## Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	372.00	+1.00	+0.27%	Jul 2023
3Mo Copper (L.M.E.)	USD / MT	8,163.50	-311.50	-3.68%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,211.00	-57.00	-2.51%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,548.00	-75.50	-2.88%	N/A
3Mo Tin (L.M.E.)	USD / MT	25,308.00	-538.00	-2.08%	N/A

## Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	71.10	+0.23	+0.32%	Jun 2023
Brent Crude (ICE.)	USD / bbl.	75.16	+0.18	+0.24%	Jul 2023
Crude Oil (Tokyo)	J.P.Y. / kl	61,690.00	-1,880.00	-2.96%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.17	-0.02	-0.78%	Jun 2023

Note: all rates as at C.O.B. London time May 12, 2023.

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