WEEKLY REPORT

WEEK 21 – May 27, 2023

This week has been marked by a series of significant challenges that have the potential to undermine the economic stability of the U.S., thereby sending shockwaves across the global financial markets. On Friday, White House and Congressional negotiators edged closer to reaching a compromise agreement on raising the debt ceiling, which is crucial to avoid a potentially disastrous debt default for the nation. With just five days remaining before the Treasury Department's June 1 deadline, the optimism surrounding the ongoing discussions has contributed to a rise in the markets. The stakes are high, as failure to increase the borrowing limit could have severe consequences for the U.S. economy and put at risk essential benefits that millions of people depend on for their livelihoods.

While in China, the economic rebound is not as strong as expected, leading to a global impact with falling commodity prices and weaker equity markets. Concerns are growing that the country's recovery from pandemic restrictions is losing momentum. Recent data suggests that China's gross domestic product growth will be around 5%, closer to the government's target, rather than the previously anticipated overshoot. Consumer services are driving the rebound, while industrial activity lags.

The CSI 300 Index has given up half of its gains, and the yuan's value signals economic distress. The property market is experiencing a slowdown, hampering new projects. Construction activity is affecting commodity markets, with copper and iron ore prices declining. China's oil prices have fared better due to a services-led recovery, but coal prices have dropped, impacting exports. Consumer spending stocks have performed poorly, reflecting concerns about the fragile recovery. Calls for more central bank and fiscal support have increased, but Beijing is likely to resist large-scale stimulus, preferring to save it for next year. The recovery's success depends on rebuilding consumer, business, and investor confidence.

Dry Bulk

China, the largest global producer of aluminum, is increasingly importing lightweight metal from Russia due to sanctions and a reduced appetite for Russian commodities from other countries. In April, Russian sales of refined aluminum to China nearly tripled compared to the previous year. This growth in imports is driven by factors such as drought affecting China's domestic aluminum production and geopolitical considerations. Russia needs to sell more aluminum to China as other nations avoid its supplies due to the ongoing war, while Chinese buyers can pay in their own currency, supporting Beijing's efforts to promote the yuan globally.

Meanwhile, the slump in iron ore prices indicates the ongoing struggles in the Chinese economy. Steel inventories at major Chinese mills have decreased, and consumption during the peak construction season fell short of expectations. Crude steel production also declined, leading to price drops and output reduction directives from authorities.

The cost of iron transportation to Chinese harbors has significantly declined, impacting global markets and affecting mining firms' revenue. While there was a slight rise in iron ore futures due to improved downstream demand and expectations of stimulus policies, analysts remain doubtful about significant improvements in the iron ore market. Although there has been an increase in crude steel output, doubts persist, and the rise in iron ore futures may be short-lived without prompt demand improvement. This suggests the potential for a more significant slowdown in the Chinese economy.

Capesize:

China's crude steel production has experienced a decline, raising concerns about iron ore demand. The main factor behind this decline is the reduced profitability of steel mills due to lower steel prices. Efforts are being made to secure a short-term market low as a response to the ongoing downward trend. Iron ore and coal shipments are continuously arriving in the Pacific, but there is an ample supply of ships. As a result, charterers' quotes are quickly being finalized due to the decline. At closing, we saw levels for Pacific r/v settled around US$14,875 a day, falling from the start of the week. On the other hand, the Atlantic benefits from a favorable supply. However, levels did not manage to come through, with T/A falling to US$ 16,700's region with ECSA F/H around US$30,000 a day.

Panamax / Kamsarmax:

The decline in demand from major coal importers like China and India has resulted in a decrease in coal imports. China's coal production in April fell by 8.6% m-o-m. Similarly, India has increased its own coal production and has sufficient inventory at power plants, restricting new imports at certain ports. Both grain and coal markets are expected to remain weak. There was a steady demand for ships centered around Indonesia, but Pacific r/v overall witnessed a decline, with levels closing at US$ 8,000's a day while the Pacific – India route fell to US$ 7,500's. In the Atlantic Ocean, the downward trend persisted with increased congestion of spot vessels, and the inflow of new cargo from T/A was somewhat restricted. T/A saw levels around US$ 8,400's at closing.

Supramax / Ultramax:

Similar to Panamax, the market experienced a decline due to sluggish demand for grain and coal. However, the demand for Supramax ships was relatively favorable as Indonesian exporters shifted their focus to South East Asian countries. SEAsia is experiencing an early heat wave, leading to a rise in electricity demand and a potential increase in coal imports, especially in Vietnam, with the opening of new power plants. Levels in the Pacific r/v, however, remain tight, recording around an average US$ 8,500's a day via Indonesia. T/A levels were only slightly better off, with a more healthy appetite of around US$ 16,500's a day.

Handysize:

This week, the Atlantic market experienced a decline due to the gradual accumulation of ship supply after existing cargoes were dealt with. In addition, there has been a slight increase in the arrival of significant cargoes, but supply pressure from Northeast Asia also impacts the waters in Southeast Asia. This situation is contributing to downward pressure on the market. Inter-Pacific saw levels in the region of US$ 6,600's region at closing, while T/A closed around US$ 9,300's a day.

Dry Bulk – S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
MINERAL NINGBO	CAPE	178,120	2009	CHINA	23.8	CHINESE BUYERS
BAO MAY	CAPE	178,050	2010	CHINA	25.5	FAR EASTERN BUYERS
BERGE CRISTOBEL	CAPE	177,253	2003	JAPAN	13.0	UNDISCLOSED
CIC ELLI S	CAPE	171,448	2003	S. KOREA	N/A	LILA GLOBAL
ELLA	SUPRAMAX	52,454	2003	JAPAN	9.7	UNDISCLOSED
GREAT WENJIE	SUPRAMAX	50,777	2002	JAPAN	7.5	UNDISCLOSED
IONIC HAWK	HANDY	34,067	2012	S. KOREA	6.2	GREEK BUYERS

Dry Bulk Values

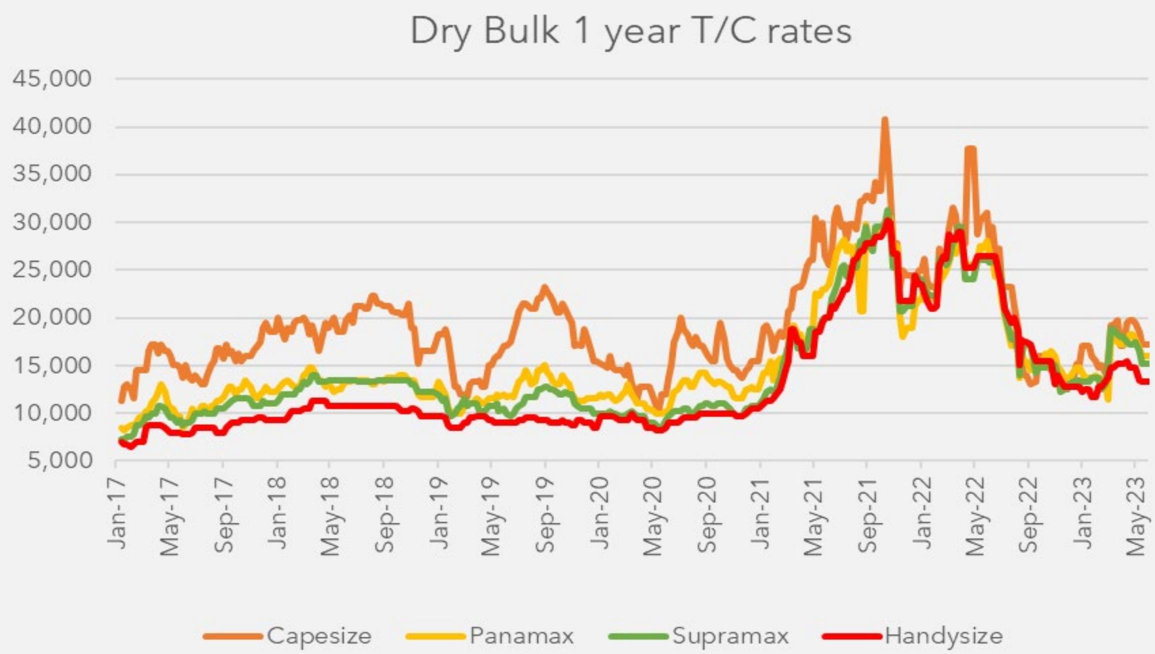
(Weekly)

TYPE	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
CAPE	180,000	62	65	55	32	15
KAMSARMAX	82,000	34	40	35	25	10
SUPRAMAX	56,000	32	38	32	22	10
HANDY	38,000	29	32	27	20	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	1,172	1,402	2,681	-16.41%	-56.28%
BCI	1,683	2,105	2,818	-20.05%	-40.28%
BPI	1,119	1,235	3,048	-9.39%	-63.29%
BSI	946	1,085	2,795	-12.81%	-66.15%
BHSI	588	614	1,647	-4.23%	-64.30%

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	15,750	17,250	27,500	-8.70%	-42.73%
PANAMAX	75,000	12,000	14,250	26,625	-15.79%	-54.93%
SUPRAMAX	52,000	12,750	13,650	25,750	-6.59%	-50.49%
HANDYSIZE	32,000	10,500	10,500	23,250	0	-54.84%



Tankers

Crude oil prices remained relatively stable at closing, with opposing factors exerting pressure in different directions. On the one hand, concerns about a potential U.S. debt default contributed to bearish sentiment and negatively impacted prices. On the other hand, the suggestion by the Saudi Energy Minister that OPEC+ may further cut output if short sellers continue their behavior provided some upward pressure on oil prices.

The Energy Information Administration's report of a significant estimated decrease in U.S. crude oil inventories, coupled with higher gasoline production and a draw in gasoline inventories, indicated healthy demand. However, the overall outlook for the oil market is currently unfavorable, with factors such as the U.S. debt negotiations and tighter monetary policies weighing on the macroeconomic drivers.

As a result, Brent crude was trading slightly below US$78 per barrel, while West Texas Intermediate was trading just under US$74 per barrel, both showing a slight decline from Wednesday's closing prices. The uncertainty surrounding the U.S. debt ceiling issue has also contributed to a cautious approach in the risk environment, affecting oil prices in the Asian session.

Analysts express a pessimistic view of the oil market due to factors like the ongoing debt negotiations and tighter U.S. monetary policy.

VLCC:

MEG/China route is expected to see an increase in shipments in early June, while ship supply in the eastern part of the Suez Canal is expected to decrease. However, the start of the week has seen little activity, with 270,000 mt falling to WS50. In the Atlantic, rates on the USG-China for 270,000mt fell to US$8 Mil. Nevertheless, an upward trend is expected in the market next week.

Suezmax:

WAFR/Europe region saw levels fall this week to WS114 for 130,000mt. Market conditions in the Med and Black Sea region also saw a lack of activity, with levels falling to WS129 for 130,000mt CPC/Med. The market is expected to remain relatively unchanged coming week without significant fluctuations.

Aframax:

Due to the robust market conditions in the Atlantic, MEG/Singapore route witnessed a decrease in available ships in the eastern part of the Suez Canal start of the week. But Atlantic levels fell midweek for 70,000mt for EC Mexico/USG to WS290. The arrival of ships in the region is expected to be restricted, but the market is anticipated to remain due to the slowdown in trade volume. In the Med, the rate for 80,000mt Ceyhan/Lavera climbed to WS204.

Clean:

L.R.: The LR1 market saw a bustling week, with strong activity observed. TC5 settled around WS160 mark. As for LR2, the overall sentiment appears to be stable following next week. This is mainly due to the tonnage availability in the West. TC1 climbed to WS138.

MR: The MR rates in the USG experienced a substantial surge due to a significant rise in inquiries. TC14 climbed 66 points to WS150 while TC18 to WS210. In the UKC, rates also increased as a result of robust levels of activity. TC2 closed higher around WS182.

Tankers S&P Report

VESSEL NAME	TYPE	DWT	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AMOROZA	SUEZ	159,168	2001	S. KOREA	30.0	UNDISCLOSED
AGAPE SOUL	SUEZ	159,165	2001	S. KOREA	31.0	UNDISCLOSED
SOUTHERN GLORY	AFRA	108,411	2019	JAPAN	66.7	EASTERN PACIFIC SHIPPING
WONDER MUSICA	AFRA	106,290	2004	S. KOREA	30.0	INDONESIAN BUYERS
GULF CRYSTAL	LR1	74,999	2009	S. KOREA	29.5	UNDISCLOSED
GULF PEARL / GULF COAST / GULF HORIZON	LR1	74,999	2005	S. KOREA	61.2 EN BLOC	UNDISCLOSED
MASTER QUINCE	MR	41,397	2009	S. KOREA	22.0	EUROPEAN BUYERS
TRADEWIND LEGEND	SMALL	7,739	2009	CHINA	5.8	UNDISCLOSED

Tankers Values

(Weekly)

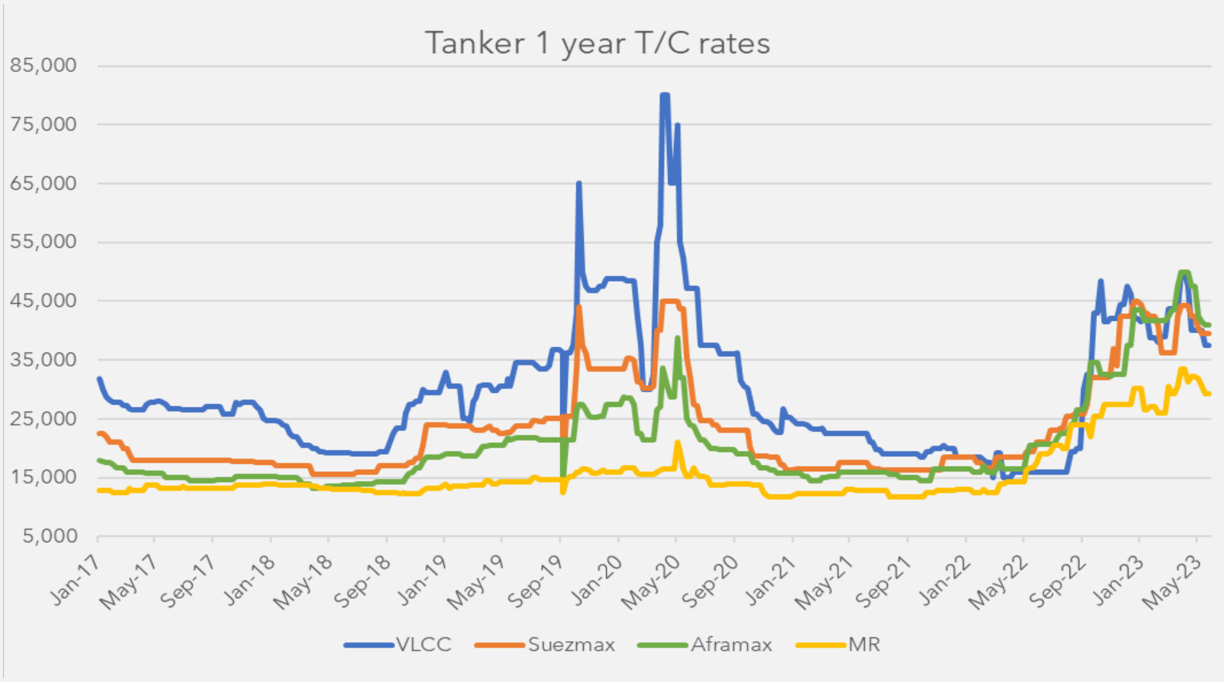
TANKERS	DWT	NB CONTRACT	NB PROMPT DELIVERY	5 YEARS	10 YEARS	20 YEARS
VLCC	310,000	125	125	100	75	52
SUEZMAX	160,000	83	85	70	55	30
AFRAMAX	115,000	75	77	62	50	29
PANAMAX-LR1	73,000	58	60	48	38	19
MR TANKER	51,000	46	50	42	32	19

**(amount in USD million)*

Baltic Exchange Tanker Indices

BALTIC EXCHANGE TANKER INDICES					
	CURRENT	**LAST WEEK**	**LAST YEAR**	**W-O-W CHANGE %**	**Y-O-Y CHANGE %**
BDTI	1,156	1,312	1,126	-11.89%	+2.66%
BCTI	670	587	1,472	+14.14%	-54.48%

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	36,500	37,500	16,000	-2.67%	+128.13%
SUEZMAX	150,000	39,500	39,500	21,000	0	+88.10%
AFRAMAX	110,000	41,000	41,000	20,750	0	+97.59%
LR1	74,000	35,500	35,500	22,000	0	+61.36%
MR	47,000	26,000	26,500	19,000	-1.89%	+36.84%



Containers

Despite a significant decline in freight rates and an imbalance in supply and demand, liner operators have managed to maintain rates that are higher than pre-pandemic levels. Although export volumes from the Far East showed some strength in March 2023, first-quarter volumes experienced an 8.5% year-on-year decline due to a market slowdown that started in the second half of 2022. This week SCFI showed a positive climb, reaching 983 points. This was primarily driven by an uptick in rates on the Shanghai-USWC route.

Containers S&P Report

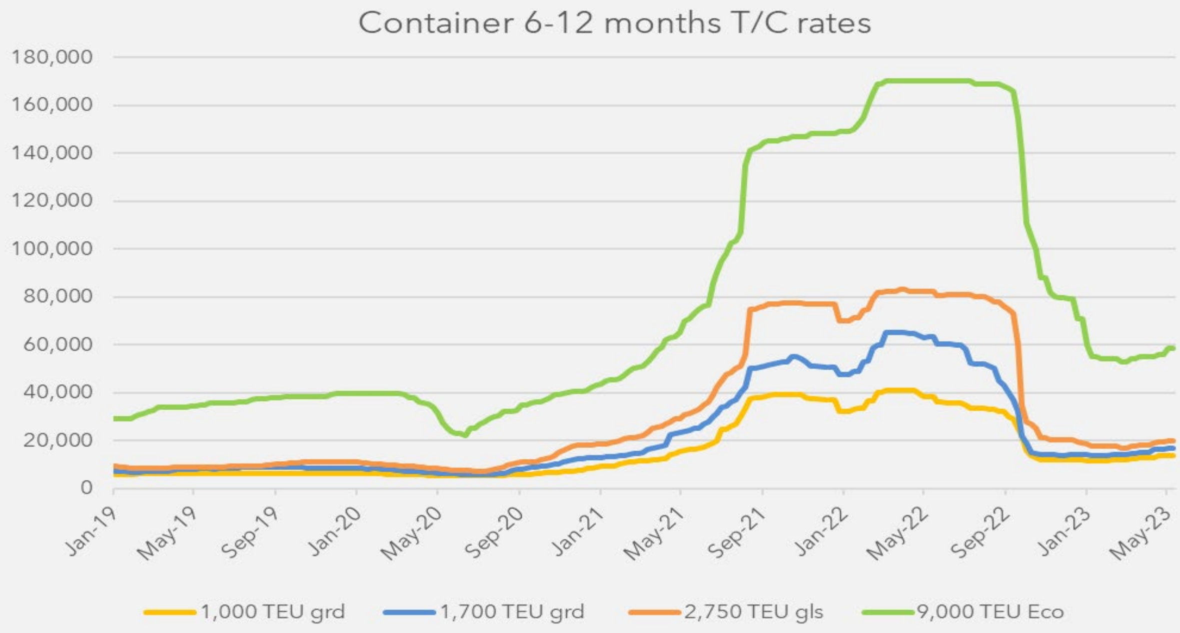
VESSEL NAME	TYPE	TEU	YEAR	BUILT	PRICE (MILLION) USD	COMMENTS / BUYERS
AXEL MAERSK / ANNA MAERSK / ARNOLD MAERSK / ARTHUR MAERSK	POST PMAX	8,272	2003	DENMARK	N/A	GLOBAL SHIP LEASE

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	43	38	30	20	15
5,500 – 7,000	Gearless	88	80	70	45	N/A

(amount in USD million)



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$15-20/ton lower.	540 ~ 550	520 ~ 530	530 ~ 540	550 ~ 560	STABLE /
CHATTOGRAM, BANGLADESH	*550 ~ 560	*540 ~ 550	*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

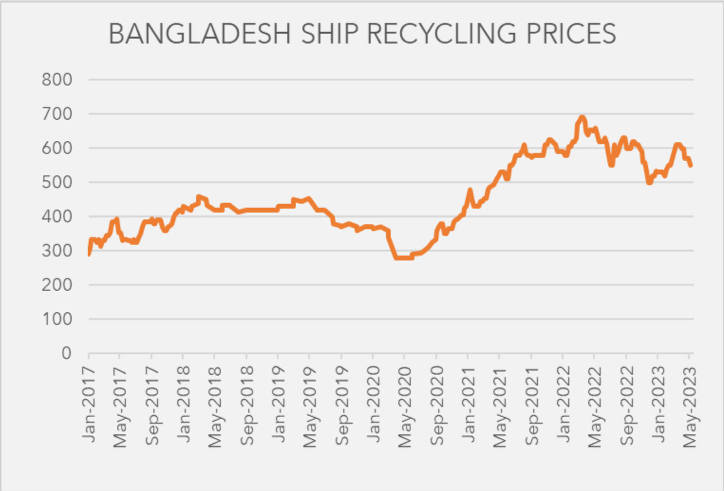
(Week 21)

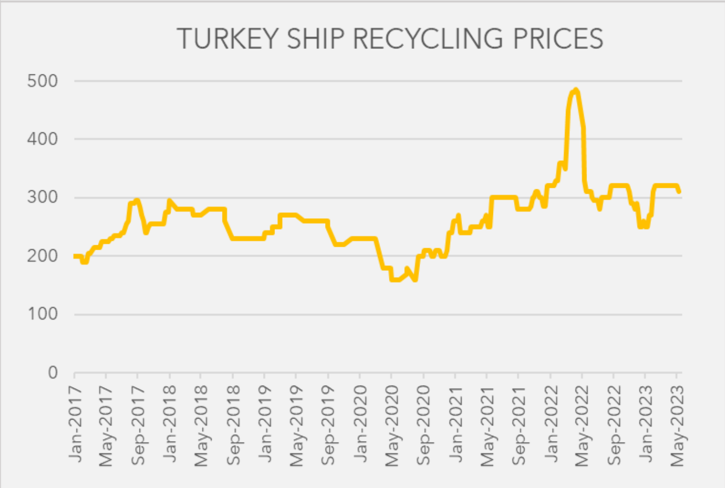
DESTINATION	2018	2019	2020	2021	2022
ALANG, INDIA	450	435	330	510	675
CHATTOGRAM, BANGLADESH	420	430	310	520	645
GADDANI, PAKISTAN	440	420	300	510	660
ALIAGA, TURKEY	290	270	170	280	400

Ships Sold for Recycling

VESSEL NAME	LDT / MT	YEAR / BUILT	TYPE	PRICE (US$/LDT)	COMMENTS
ETERNAL LUCK	7,525	1996 / JAPAN	BULKER	575	DELIVERED CHATTOGRAM WITH 190MT LSFO & 70MT MGO
FU SHENG	10,780	1994 / JAPAN	BULKER	580	DELIVERED CHATTOGRAM, END JUNE / EARLY JULY WITH 380MT ROB INCLUDED IN SALE
HONG HAO	11,821	1998 / POLAND	GENERAL CARGO	620	DELVIERED CHATTOGRAM / OLD SALE
HC BEAUTY	9,502	1999 / JAPAN	BULKER	530	AS IS HONG KONG / FOR RE-DELIVERY CHATTOGRAM
HAO HANG 3	4,767	1991 / JAPAN	BULKER	457	AS IS ZHOUSHAN / RE-DELIVERY CHATTOGRAM
FORTUNE	9,730	1991 / JAPAN	WOODCHIP	UNDISCLOSED	DELIVERED CHATTOGRAM
SCANLAY-1	1,571	1982 / SINGAPORE	PIPE LAY BARGE	UNDISCLOSED	DELIVERED ALANG / UNDER-TOW
MISSISSAUGA EXPRESS	15,644	S. KOREA	CONTAINER	385 (EN BLOC)	DELIVERED ALIAGA, TURKEY / EU SSR
OTTAWA EXPRESS	15,644	S. KOREA	CONTAINER		
MILAN EXPRESS	14,161	S. KOREA	CONTAINER		

Recycling Ships Price Trend





Insight

The ship recycling markets in the Sub-Continent experienced some noticeable cracks this week, leading to growing uncertainties. Despite ship prices not reflecting this lackluster sentiment, market participants are adopting an exceedingly cautious approach for the future.

The recent sales reported for forward deliveries appear to be primarily driven by speculation, lacking substantial support from local markets. The validity of these sales can only be determined in due course as time unfolds to disclose the outcome of such buying.

The latest data released by the World Steel Association reported that the global production of crude steel for 63 countries in April 2023 reached 161.4 million tonnes (Mt). This figure represents a decline of 2.4% compared to the same period in 2022.

Analyzing the regional production statistics, Africa experienced growth, with a production of 1.3 mt in April 2023, reflecting a 4.8% increase from the previous year. However, Asia and Oceania witnessed a decrease in production, producing 121.1 mt, down by 1.5%. The European Union (E.U.), consisting of 27 member countries, faced a significant decline in production, reaching 11.1 Mt, representing a 11.7% decrease. Europe, excluding the E.U., produced 3.5 Mt, indicating a substantial drop of 17.3%. The Middle East recorded a production of 4.2 mt, marking a 4.2% increase. North America produced 9.2 Mt, facing a decline of 4.6%. Russia, other Commonwealth of Independent States (CIS) countries, and Ukraine collectively produced 7.5 Mt, showing a growth of 5.9%. Lastly, South America produced 3.6 mt, experiencing a slight decrease of 2.2%.

Despite the overall decline of 2.4% in global steel production, the prices of steel remain uncertain as they struggle to find a catalyst to stimulate demand. Geopolitical issues persisting around the world have hindered the recovery and prevented a significant upturn in steel prices.

While in China, the recent performance of Dalian Commodity Exchange's September iron ore futures indicates a potential downturn in steel demand as China's real estate sector cools off.

Experts believe that the decline in steel demand is influenced by the winding down of the construction season in China, as well as a cooling property sector and an unevenly performing domestic economy. The January-April period already showed a decrease in real estate investment and new construction activity, signaling further weakness in steel demand. Since China is the largest consumer of steel globally, any fluctuations in its demand significantly impact the global iron ore market.

Given these trends, steel industry players are advised to prepare for challenging times ahead. Diversifying demand sources and investing in innovation are crucial strategies to maintain resilience in such a volatile landscape.

ALANG, INDIA.

It has been a subdued week for the recyclers at Alang, as their activities have been limited due to a sudden decline in ship sales destined for the region. Recent sales of ships from Far Eastern markets have primarily been directed towards Bangladesh, resulting in a lack of opportunities for the recyclers at Alang.

After a brief pause, domestic ship scrap prices have once again started declining, signaling a resumption of their downward trend. This drop can be attributed to a lack of demand from domestic steel mills, which has remained consistently poor. Several factors have contributed to this ongoing slump in demand, including uncertainties surrounding geopolitical issues and the upcoming monsoon season. During this season, construction activities tend to slow down, further dampening the demand for ship scrap. Additionally, weak exports have also played a role in the overall decline in demand for steel products.

While on the other hand, import prices for preferred grades of ferrous scrap, such as shredded and HMS, into India have remained steady due to a lack of significant inquiries. Meanwhile, the domestic scrap and semi-finished markets experienced a slight decrease in prices and subdued trading.

The ship recycling markets have experienced a prolonged period of inactivity due to a noticeable absence of demand. Looking ahead, it is clear that a substantial catalyst will be required to rekindle both demand and optimism within the industry.

Anchorage & Beaching Position (May 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
NOVO 23	FISH FACTORY	3,861	25.05.2023	AWAITING
ENAM	CONTAINER	4,750	24.05.2023	AWAITING
PIT	JACK-UP PLATFORM	6,819	23.05.2023	24.05.2023
MSC PILAR	CONTAINER	23,740	18.05.2023	20.05.2023
MARITIME LIRA	TANKERS	12,235	09.05.2023	20.05.2023
SUDARSHAN	OFFSHORE	1,762	09.05.2023	16.05.2023
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

Chattogram's recycling industry has experienced a remarkably active period in recent weeks, with a notable surge in buying activity. Multiple ships have been reported as sold. Surprisingly, ongoing negotiations are witnessing bullish prices, despite the ground reality indicating an unsupportive market condition.

Domestic ship scrap sales have experienced a sharp decline, adding to the challenges faced by the recycling markets. This situation has left the industry in a state of confusion and unpredictability as market participants struggle to make sense of the current dynamics.

Ship recyclers' opinions regarding the current market conditions have been divergent, reflecting the varying perspectives within the industry. The primary catalyst behind the recent surge in buying activity can be attributed to speculative buying in anticipation of the improvement in future demand.

Nevertheless, a persistent challenge for cash buyers and breakers has been the arduous process of opening Letters of Credit (LC) and subsequently receiving timely payment. Several ships sold in the past that arrived at the outer anchorage are experiencing ongoing difficulties, with some ship recyclers able to open the LC's due to the high prices of the ship sold.

Alarming reports indicate that certain vessels have been stranded for over a month, prompting concerns over delays and substantial costs and facing the potential risk of adverse monsoon weather and strong currents.

Further, to add to the ongoing uncertainties, the shipbreaking industry in Bangladesh is facing a new crisis due to delays and losses caused by changes in environmental regulations, which were recently implemented in March 2023. The industry had recently resumed limited-scale imports of scrap ships after a disruption caused by a dollar crisis.

However, the industry was reclassified from a less hazardous category to a highly hazardous one under the Environment Protection Rules, leading to the requirement of a second round of environmental clearance for every ship. This mandatory clearance has caused significant delays and financial losses for shipbreakers, who are incurring daily expenses of Tk6-7 lakh per ship. As reported, around 42 scrap ships worth Tk6,000 crore (*about US$555 million)* have been stranded for the past three months, leading to a shortage of scrap supplies for steel mills and a skilled labor crisis, and only about 12 ships were recently given cutting permission.

The delays, coupled with the existing challenges the industry faces, could jeopardise its survival unless immediate attention is paid to finding a solution.

Next week, all eyes will be on the highly anticipated upcoming National Budget FY2023~24 scheduled for June 1. While experts in the ship recycling industry don't foresee any significant alterations to the tax and duty framework, there is an underlying sense of apprehension due to the uncertainty that looms. The potential impact of any substantial changes to other associated products, such as imported ferrous scrap and semi-finished steel goods, cannot be overlooked, as they greatly influence ship recycling prices.

Anchorage & Beaching Position (May 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
XIANG JIANG 6	BULKER	7,290	24.05.2023	AWAITING
WINWIN	REEFER	2,075	24.05.2023	AWAITING
KAI HANG 3	CONTAINER	3.905	23.05.2023	AWAITING
TUBTIM	TANKER	701	22.05.2023	AWAITING
SHANG HANG 68	BULKER	6,719	19.05.2023	AWAITING
WESTERN ENDEAVOUR	BULKER	1,488	18.05.2023	AWAITING
VASI STAR	CONTAINER	7,771	17.05.2023	AWAITING
ATLANTIC RAY	GEN.CARGO	2,461	19.05.2023	25.05.2023
GREAT WENXIAN	BULKER	7,468	20.05.2023	24.05.2023
XIN ZHOU SHAN	CONTAINER	3,454	10.05.2023	19.05.2023
HAI CHANG	BULKER	7,585	09.05.2023	18.05.2023
THOR	GEN.CARGO	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	GEN.CARGO	1,769.45	30.04.2023	07.05.2023
HONG YANG	GEN.CARGO	11,883.80	18.04.2023	06.05.2023

WEST OCEAN 9	GEN.CARGO	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

The ship recycling markets have been filled with frustration and a sense of stagnation, as it has been more than four months since the last ship was beached. In the meantime, a significant majority of recyclers have resorted to diversifying into related industries in order to stay occupied until the situation improves.

Anchorage & Beaching Position (May 2023)

VESSEL NAME	TYPE	LDT	ARRIVAL	BEACHING
ERA	SUPPLY TUG	2,200	20.05.2023	AWAITING

ALIAGA, TURKEY

In a noteworthy development this week, Hapag-Lloyd AG, successfully sold three ice-classed panamax container vessels for recycling in Aliaga to Leyal Ship Recycling Group, Turkey at a healthy price of US$385/long ton. These vessels, totaling over 45,000 LT in weight, were exclusively offered for Green Recycling, reflecting Hapag-Lloyd's commitment to environmentally responsible practices. While several environmentally conscious shipyards expressed their interest in participating, Hapag-Lloyd made it clear that they would only consider offers from yards approved by the EU-SSR. This particular stipulation highlights the stringent adherence of European companies to EU regulations, further emphasizing their dedication to sustainable operations.

Meanwhile, against the backdrop of a hung general election and economic instability, Turkey is experiencing fluctuations in its domestic rebar market. The political uncertainty and economic volatility have intensified the unpredictability in the Turkish economy, impacting the steel market. Recent data shows a retraction in rebar prices compared to previous levels. Factors such as weak demand, credit issues, and market sensitivity to macroeconomic conditions contribute to the downward pressure on prices.

Traders are cautious, expecting the wavering trend in rebar prices to persist until political and economic conditions stabilize. It is crucial to closely monitor these market dynamics, as the future of the Turkish domestic rebar market depends on how broader challenges are addressed and resolved.

Turkish mills' domestic scrap buying prices are showing diverging trends depending on their procurement requirements from the domestic market. While some mills decreased their buying prices from last week despite the further depreciation of the lira, those that need to source material have increased them. Activity in the imported scrap market is meanwhile quite weak.

While some market participants seem optimistic about improved steel demand after the second round of elections this coming weekend, others doubt it. Rebar demand in both export and domestic markets remains weak, pressuring prices. Moreover, the spread between buying and selling foreign currencies is negatively impacting Turkish mills' margins. Although mills' official domestic market rebar announcements were at US$630-650/t ex-works, some accepted to sell even at below US$630/t. Turkish shipbreaking scrap prices, meanwhile, stood mostly at US$380/t delivered.

BEACHING TIDE DATES 2023

Chattogram, Bangladesh	:	4th ~ 7th June | 17th ~ 20th June
Alang, India	:	2nd ~ 10th June | 14th ~ 22nd June

Bunker Prices

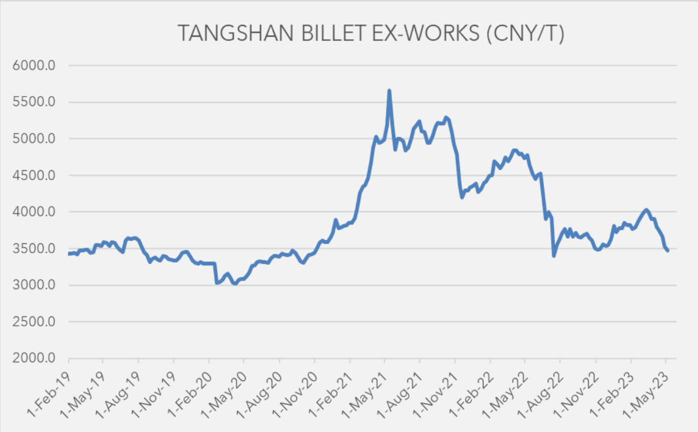
BUNKER PRICES (USD/TON)			
PORTS	**VLSFO (0.5%)**	**IFO380 CST**	**MGO (0.1%)**
SINGAPORE	582	449	709
HONG KONG	605	471	692
FUJAIRAH	565	440	872
ROTTERDAM	532	437	680
HOUSTON	532	415	720

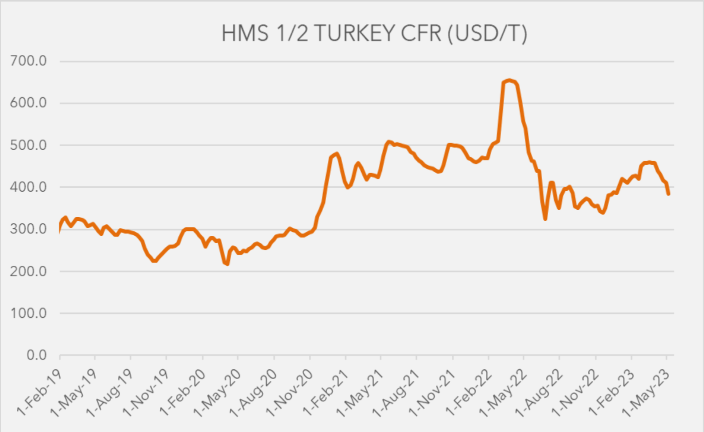
Exchange Rates

EXCHANGE RATES			
	26th MAY	19th MAY	W-O-W % CHANGE
USD / CNY (CHINA)	7.05	7.01	-0.57%
USD / BDT (BANGLADESH)	107.21	107.32	+0.10%
USD / INR (INDIA)	82.61	82.73	+0.15%
USD / PKR (PAKISTAN)	285.10	285.70	+0.21%
USD / TRY (TURKEY)	20.00	19.81	-0.96%

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$93	-5.10%	-27.90%	US$98	US$129
Iron Ore Fines, CNF. Rizhao, China	Fines, Fe 62% (Australia Origin)	US$98	-10.90%	-25.19%	US$110	US$131

Industrial Metal Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
Copper (Comex)	USD / lb.	366.80	+8.00	+2.23%	Jul 2023
3Mo Copper (L.M.E.)	USD / MT	7,962.50	+61.00	+0.77%	N/A
3Mo Aluminum (L.M.E.)	USD / MT	2,231.00	+26.00	+1.18%	N/A
3Mo Zinc (L.M.E.)	USD / MT	2,272.00	-41.00	-1.77%	N/A
3Mo Tin (L.M.E.)	USD / MT	24,607.00	+642.00	+2.68%	N/A

Crude Oil & Natural Gas Rates

INDEX	UNITS	PRICE	CHANGE	%CHANGE	CONTRACT
WTI Crude Oil (Nymex)	USD / bbl.	72.63	+0.80	+1.11%	Jul 2023
Brent Crude (ICE.)	USD / bbl.	76.91	+0.65	+0.85%	Jul 2023
Crude Oil (Tokyo)	J.P.Y. / kl	65,400.00	+140.00	+0.21%	Jun 2023
Natural Gas (Nymex)	USD / MMBtu	2.26	-0.05	-2.12%	Jun 2023

Note: all rates as at C.O.B. London time May 26, 2023.