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IN THIS EDITION ...

The latest International Monetary Fund projects Saudi GDP to grow 1.8% this year and 2.1% in 2020 as growth levels normalise after a few years of moderation.

The IMF believes government spending and multi-year infrastructure plans in the kingdom will provide broad support to economic activity, as will a focus on small-to-medium enterprises and the roll out of reforms such as the value added tax.

The Saudi economy grew 3.59% in the fourth quarter of 2018, according to the General Authority for Statistics. It was the fastest quarterly growth in three years.

Other economic indicators also point to an increase in economic activity.

Trade figures are also rising, as the kingdom expands its bilateral investment and trade ties with many countries across the world, which led to a small increase in Saudi trade flows despite a slowdown in global trade, according to the General Authority for Statistics.

Average purchasing managers' index reading for the first quarter of 2019 also indicated the strongest quarterly expansion in the non-oil private sector since the fourth quarter of 2017, according to Markit, which tracks business sentiment.

Growth in output was at a seven-month high in March, while higher business activity in turn saw companies raise their buying levels and boost stocks of purchases.

The government is keen to inject more stimulus in the non-oil economy to add to the momentum. In March, the government announced major projects in Riyadh valued at USD23 billion to improve the quality of living in the capital city, which should stimulate more economic activity.

In addition, Saudi Aramco's USD 12 billion mega bond issuance represents a key juncture in the kingdom's changing economic narrative and underscores international investor interest in Saudi Inc.

The success of the bond will build confidence within the investment community, but more importantly, the fact that a company will have a lower cost of borrowing than the Saudi government is quite unusual. Strong demand for longer-dated paper is also noteworthy, as it signals a belief that Aramco and its energy business will remain highly relevant for decades to come.

The issuance comes on the back of stronger crude oil prices, which rose nearly 25% in the first quarter of 2019 and continue to edge higher amid huge demand and constrained supply.

ECONOMIC TRENDS

Economic indicators point to a robust Q4 2018 for the kingdom, with fiscal conditions also appearing to be off to a favourable start in 2019.

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PETROCHEMICALS

The multi-billion-dollar deal is anticipated to unlock significant capital for both the oil giant and the kingdom's sovereign wealth fund.

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TRADE

The government is actively developing partnerships with Asian and European countries in a bid to expand its trade network.

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CONSTRUCTION

The capital is undergoing a green makeover as it aims to be a place for sustainable living, boosting the building industry in the process.

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SME

The ride-hailing app's acquisition by Uber boosted investor confidence in the region, where the start-up scene has become increasingly dynamic.

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COMMODITY

First-quarter figures indicate a strong performance for oil and metals as investors regain their appetite for risk.

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STEADY AND STRONG GDP GROWTH FOR SAUDI

The fourth quarter of 2018 had been a period of strong economic growth for Saudi Arabia, as crude oil prices surged and non-oil activity picked up.

GDP growth in the last three months of 2018 rose 3.59% compared to a 1.31% contraction in the same period in 2017, becoming the fastest quarterly growth in three years. The non-oil sector notched up 2% GDP growth during the period, compared to a marginally better 2.1% in the previous year, according to latest data available from the General Authority for Statistics.

Crude petroleum and natural gas led the gains, rising 6.45% during the quarter, followed by brisk gains in mining and quarrying (up 6.41%), manufacturing (3.52%), finance, insurance, real estate and business services (3.51%), electricity, gas and water (2.36%), and a more modest gain of 0.84% in wholesale and retail trade.

Among major GDP economic activity, only the construction sector saw a 3.35% decline.

Saudi Arabian Monetary Authority data also shows a strong pickup in credit to the private sector in February, growing to just over 3% year on year and around 1% month on month.

Most sectors saw a jump in credit activity, including manufacturing and processing (7.88%), and electricity (2.21%). Construction, a closely watched sector, also witnessed a 2.21% jump. Commerce, the biggest segment, saw a 10.8% decline in February.

Real estate loans in the fourth quarter of 2018 jumped 9.56%, compared to the same period the previous year. Consumer loans during the period also expanded 2.21%.

MARKET SENTIMENT IMPROVES

The government's efforts to stimulate the economy is trickling down into the system with improved indicators.

SAMA data shows the cost of living index contracted 2.2% in February year on year and 0.2% compared to January.

The latest Saudi purchasing managers index, also points to higher activity. Markit's Saudi PMI index, a composite gauge designed to give a single-figure snapshot of operating conditions in the non-oil private sector economy, climbed to 56.8 in March, from February's 56.6. The latest reading was the highest since December 2017 and indicated one of the strongest growth performances over the past 3.5 years.

"March saw the rate of new business growth accelerate for the fifth time in the past six months to the highest since April 2015," Markit said in its latest report. "Surveyed firms reported that the upturn largely reflected stronger market conditions, with greater sales efforts, improving product offerings and competitive pricing also helping to attract customers. New export orders rose for the first time in three months but only marginally, indicating that the main impetus continued to come from domestic sources."

ARAMCO BOND

Fresh from its 70% stake in Saudi Basic Industries Corp. (SABIC), Saudi Aramco priced a debt offering of USD 12 billion for its inaugural international bonds.

The issuance consists of five tranches of senior unsecured notes under Saudi Aramco's Global Medium Term Note Programme. These include:

- USD 1 billion at 2.750% senior notes due in 2022;
- USD 2 billion at 2.875% senior notes due in 2024;
- USD 3 billion at 3.500% senior notes due in 2029;
- USD 3 billion at 4.250% senior notes due in 2039; and
- USD 3 billion at 4.375% senior notes due in 2049.

The offering is expected to close in April, trade on the London Stock Exchange and be admitted to the official list of the United Kingdom Listing Authority.

ARAMCO'S SABIC PURCHASE CREATES PETCHEM BEHEMOTH

The Saudi petrochemicals sector saw a major announcement in March with Saudi Aramco taking a majority stake in Saudi Arabian Basic Industries Corp (SABIC).

Aramco said it is buying 70% of the Public Investment Fund's stake in SABIC, which is the Gulf region's largest company by market cap, for SAR 259.125 billion (or SAR 123.39 per share), which is equivalent to USD 69.1 billion.

SABIC's remaining 30% publicly traded shares are not part of the transaction, and Saudi Aramco said it has no plans to acquire them.

"This is a win-win-win transaction and a transformational deal for three of Saudi Arabia's most important economic entities," said Yasir Othman Al-Rumayyan, managing director, Public Investment Fund. "It will unlock significant capital for PIF's continued long-term investment strategy, underpinning sectoral and revenue diversification for Saudi Arabia."

The PIF managing director said the deal will introduce a strategic owner that can add considerable value to SABIC and all its shareholders, while capitalising on the company's strong capabilities to unlock growth opportunities for Saudi Aramco.

Amin Nasser, president and CEO of Saudi Aramco, believes the transaction will boost the oil company's downstream growth strategy.

"As part of the Saudi Aramco family of companies, together we will create a stronger, more robust business to enhance competitiveness and help meet rising demand for energy and chemicals products needed by our customers around the world," he said.

The combined entity will have petrochemicals production capacity of 79 million tonnes per annum, with SABIC producing 62 million tonnes per year. The acquisition enables Aramco to increase its global participated refining capacity from 4.9 million barrels per day (bpd) to 8-10 million bpd by 2030, of which 2-3 million bpd will be converted into petrochemical products.

SABIC's revenues last year stood at SAR 21.54 billion, on the back of rising production and 6% increase in sales volumes, compared with 2017. Net profit for the year reached SAR 21.54 billion, a 16.87% year-over-year increase.

The positive results are due to an improvement in average selling prices for products in line with the higher oil price environment. The results reflect success of the company's transformation initiatives, which was designed to make SABIC even more competitive globally.

CHEMICALS OUTLOOK

The American Chemistry Council (ACC), which tracks 98% of global production across 65 countries, believes worldwide chemicals output rose 0.1% in February, following 0.2% gains in January and December. In February, Middle East chemical production gained 0.5%.

"Among chemical industry segments, February results were mixed on a product basis, with gains in inorganic chemicals, bulk petrochemicals and organics plastic resins, manufactured fibres, and other specialties offset by weakness in agricultural chemicals, consumer products synthetic rubber, and coatings," the ACC said in its report.

"Considering year-earlier comparisons, growth was strongest in bulk petrochemicals and organics and plastic resins, followed by manufactured fibres and coatings."

ICIS, an energy consultancy, expects new production to come on stream, which would keep prices of most petrochemical products in check.

Polymethyl methacrylate (PMMA) spot prices in the Middle East's key market of southeast Asia and China has fallen around 20% in the past six months due to soft demand and rising production. Spot supply is expected to be fairly abundant in early 2019, considering high inventories and restricted run rates among producers.

"New Middle East suppliers are also projected to aggressively push cargoes further in order to gain market share," ICIS said.

A 40,000-tonne-per-year integrated facility operated by Saudi Methacrylates Company (SAMAC) had started commercial operations in April 2018. It is a joint venture between Mitsubishi Chemical and SABIC.

Separately, a 50,000-tonne-per-year unit in Saudi Arabia, operated by Petro Rabigh, also commenced PMMA production in early 2018. The project is a joint venture between Sumitomo Chemical and Saudi Aramco.

The overcapacity meant that petrochemical and polymer producers saw muted gains in prices in the first quarter of 2019.

ICIS, which also tracks commodity prices, said that its benchmark ICIS Petrochemical Index was down 2% in the first quarter on year-on-year basis, while the northwest Europe IPEX was up 3% and the US IPEX was 2% higher at the time.

"The much tougher business environment – a persistent hangover from a surprisingly poor fourth-quarter 2018 – will be reflected in upcoming quarterly earnings reports across much of the sector," ICIS said.

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SAUDI SEIZES OPPORTUNITIES TO STRENGTHEN TRADE LINKS

Saudi Arabia continues to bolster ties with a number of regional countries in a bid to boost its non-oil sector and strengthen trade flows that may have dried up.

Crown Prince Mohammed bin Salman visited the burgeoning markets of China, India and Pakistan in the first quarter of the year to boost trade ties and expand co-operation in the areas of energy, petrochemicals, logistics, tourism, education, and security.

In April, the kingdom has continued in a similar vein with a visit by key Saudi government officials to Iraq to upgrade bilateral relations to new horizons in various fields including economy, development, security, investment, tourism, culture and media. An Iraqi-Saudi Economic Forum in Baghdad featuring 80 Saudi and Iraqi businessmen discussed prospects for co-operation and co-ordination in the fields of trade and investment.

Dr. Majid bin Abdullah Al-Qasabi, the kingdom's minister of commerce and investment and head of the Saudi side of the Saudi-Iraqi Coordination Council, pointed out that "Jadidat Arar Border Crossing will be opened after six months from now and will constitute a major step in the way of enhancing trade relations and raising the level of trade exchange between the two countries."

The two sides signed 13 agreements and memorandums of understanding, which are in their final stages and will have a significant impact on raising the level of co-operation between the two countries to achieve the aspirations of their leaders and peoples.

In the past month, Saudi delegations have visited Uzbekistan, Tunisia , Azerbaijan, Ireland and Bulgaria as part of a wider effort to boost trade and investment ties.

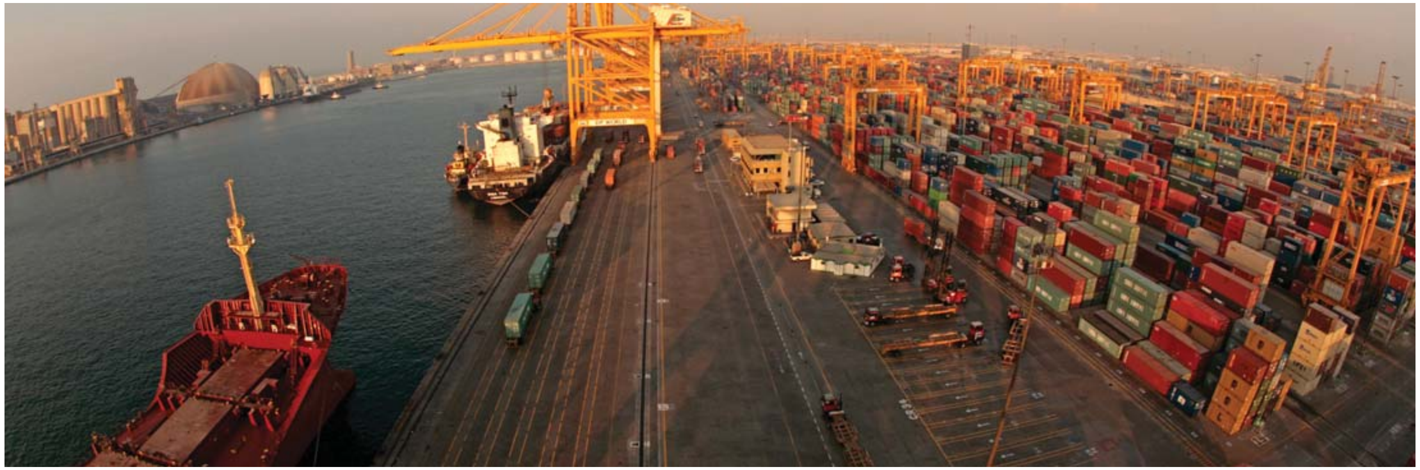
The kingdom also hosted the 2nd Saudi Maritime Congress 2019 in March, in its bid to position itself as a logistics and trade conduit for global and regional trade. The event featured 36 countries, compared to 17 in the first edition, with exhibition booth area doubling in size.

The conference discussed major developments in the maritime and logistics sectors in the kingdom, major market developments and exchange ideas, and experiences that will accelerate the growth and prosperity of the maritime sector to reach SAR 18 billion in line with the Saudi Vision 2030.

TRADE FLOWS

In its latest report, the World Trade Organization noted that global trade has lost momentum amid rising trade disputes and raising of tariffs in parts of the world. The preliminary estimate of 3% for world trade growth in 2018 is below the WTO's most recent forecast of 3.9% issued last September.

The WTO stated that trade growth in 2018 was weighed down by several factors, including new tariffs and retaliatory measures affecting widely traded goods, weaker global economic growth, volatility in financial markets and tighter monetary conditions in developed countries.



"World merchandise trade volume is forecast to grow 2.6% in 2019, accompanied by GDP growth of 2.6%," WTO estimated.

Amid the global backdrop, Saudi trade flows managed to eke out a 0.1% growth in January to reach SAR 84.55 billion, compared to SAR 84.49 billion in the same period last year, according to the General Authority for Statistics.

The growth was led by oil exports, which expanded 0.5% in January, compared to the same period last year, to reach SAR 66.19 billion. Compared to the previous month (December 2018), the value of oil exports decreased by SAR 3.46 billion, or 4.9% in January 2019.

Non-oil exports fell 1.4% in January to SAR 18.04 billion from SAR 18.29 billion during the same period in 2018.

However, there were bright spots, with plastics and rubber, the biggest non-oil export items, surging 13.1% in January compared to the same period last year.

Machinery and mechanical appliances also grow 45.7% during the month year on year, while foodstuff exports rose 9.1%. Meanwhile, chemicals, vehicles and live animal exports registered double-digit declines.

Another bright spot was non-oil exports to Asian economies, which, as a group, grew 3.8% to SAR 6.38 billion in January, GSTAT data shows. China, the largest non-oil export destination saw a 15.9% jump during the month. Meanwhile, Saudi exports to the European Union surged 9.3%.

Saudi imports expanded 0.7% in January to SAR 41.61 billion, compared to the same period last year. Key drivers of imports were vehicles, foodstuff and textiles.

Imports from China – the largest source market – grew 33.6%, while from the USA, the second largest import market, contracted nearly 20%.

Despite the slightly higher imports, the trade surplus hit a five-month high of SAR 42.88 billion in January.

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RIYADH'S CONSTRUCTION BOOM SIGNALS OPPORTUNITIES

The unveiling of four major projects designed to boost the quality of life in Saudi's capital, Riyadh, will be a tonic for the construction sector, creating a whole host of commercial opportunities for Saudi companies, including small and medium enterprises (SMEs).

These projects – King Salman Park, Sports Boulevard, Green Riyadh and Riyadh Art – are part of Saudi Vision 2030 initiative's Quality of Life Programme, which aims to make the kingdom a top living destination for both Saudi citizens and expatriate residents.

The Quality of Life Programme is focused on upgrading the country's healthcare, housing, and transportation sectors, as well as creating opportunities to pursue heritage, culture and arts, social engagement, sports, entertainment and recreational activities.

Riyadh, which is home to 5.86 million residents, is the most populous city in the country, and will see the four major projects get under way with an investment of USD 23 billion.

THE GREEN ZONE

The King Salman Park, near the Eastern Ring Road, will be a green cluster spread across 9.3 million square metres (sqm), with various gardens spread over 400,000 sqm, a circular pathway for pedestrians and water features.

Some of the projects' key features include a golf course, residential complexes, commercial and business units, hotels, an equestrian centre, sports fields, music and art complex, Islamic gardens and a science museum. A fountain and vertical gardens will also be key tourist attractions.

King Salman Park will be the biggest city park in the world, covering an area of more than 13 square kilometres.

"The park will contribute to improving the quality of life in the city in alignment with the kingdom's vision 2030 and we will raise Riyadh's ranking significantly in the top 100 cities of the world," according to the site.

In a further effort to upgrade the city's green credentials, the government will also launch the Green Riyadh Project, which will feature the planting of 7.5 million trees across the city's gardens and parks, mosques, schools, academic, healthcare and public facilities.

Behind the scenes, a vast new network for water recycling will also be created, which will be a boon for the construction sector.

The theme of encouraging healthy lifestyle will also be on full display at the Sports Boulevard, which will extend for 135 kilometres across Riyadh, connecting Hanifah Valley in the West with Al Salai Valley in the East.

"There are 10 zones with facilities for almost every sporting activity you can imagine. Construction starts soon and before you know it you'll be able to enjoy many of the sports as these facilities will be easily [accessible] from almost everywhere in the city," according to the project website.

The project will encompass eight zones, including Sand Dunes Part Zone, featuring a zoo; and an Art Zone, hosting museums, libraries, studios, art forums, and conference halls. A Sports Zone will feature 60 sports sites, including 60 football pitches, 18 covered courts for basketball and tennis, 12 courts for volleyball and a park for skiing.

Finally, the Riyadh Art project will spread across the city, featuring 1,000 installations artworks and landmarks across the city. The project, aimed at stimulating tourism and recreational traffic, will position Riyadh as a global cultural and art centre.

Construction on all the four wellbeing projects will commence in the second half of 2019.

PROJECT BONANZA

Despite the moderation in construction activity, Saudi Arabia is home to planned and ongoing projects worth USD 824 billion, according to BNC Network, which tracks construction projects in the region.

The consultancy noted that there are 10,962 urban construction projects, 2,577 utilities projects, 2,390 transportation initiatives, 1,262 industrial developments and 453 oil and gas projects under way in the kingdom.

Similarly, the Royal Institution of Chartered Surveyors' (RICS) latest Middle East Construction and Infrastructure survey for the fourth quarter of 2018, revealed that Saudi Arabia was the only country in the region that saw an increase in construction activity.

"Survey participants in Saudi Arabia reported a robust increase in project workloads," and an increase workload for all infrastructure segments, RICS said in its latest report.

Some of the key construction projects under way in the kingdom include the King Abdullah Security Compounds (Phase Five) and the Grand Mosque (Holy Haram Mosque expansion), valued at USD 8 billion and USD 21.3 billion, respectively and developed by the Ministry of Municipalities and Rural Affairs in Makkah.

The spate of new projects, apart from other developments such as NEOM City, the National Industrial Development and Logistics Programme will ensure that the Saudi construction sector has a healthy order book.

CAREEM HERALDS NEW MODEL FOR START-UP SUCCESS

The sale of ride-sharing platform Careem to Uber Inc. marks an important landscape in the business of seeding start-ups and small firms, which have grown to generate billions of dollars in value.

In March, the UAE-based company announced that it was sold to Uber for USD 3.1 billion. Careem is an app-based car service that makes ordering chauffeur-driven cars reliable, safe, convenient, and affordable. Its customers can book a car on the Careem app and website, or by calling a call centre.

Careem was founded in 2012 in Dubai, but quickly found investor backing from Saudi companies that helped it become a major player with operations in at least 14 regional countries, with major markets including Egypt, Jordan, Pakistan, Saudi Arabia, and the United Arab Emirates.

Saudi Telecom was a keen investor, with a USD 100 million direct investment in Careem in 2017. It also invested in the company through two funds: STC Ventures (STCV), which took a 6.4% stake and the Saudi Technology Ventures (STV), which owns a 2.9% stake. The company now stands to receive net proceeds of USD 274 million, according to the company.

Riyadh-based Al Tayyar Travel Group, another early investor in the company, said it stand to gain a gross profit of SAR 1.78 billion from its investments.

Investment firm Kingdom Holdings also sold its stake in the company for USD 333 million in the form of cash and convertible bonds.

A 'REGIONAL MILESTONE'

"This is a milestone moment for us and the region, and will serve as a catalyst for the region's technology ecosystem by increasing the availability of resources for budding entrepreneurs from local and global investors," according to Careem CEO and co-founder, Mudassir Sheikha, who will continue to lead the company and operate the brand separate from Uber.

The mega deal highlights the value of venture capitalism and focus of large enterprises in Saudi Arabia to nurture small companies that will go on to create new champions and unlock wealth and business opportunities.

To boost the efforts, the Saudi Council of Ministers launched the Saudi Arabia Venture Capital and Private Equity Association (SAVCPEA), an industry association representing the kingdom's private equity and venture capital sector.

The association, launched in February, aims to foster closer collaboration between innovative, high-growth businesses and venture capital and private equity companies.

The industry body and public policy advocate will play a major role in promoting interest and investment in the Saudi private equity and venture capital sector, while also providing key industry data, research and periodic publications. In addition to organising industry-related conferences, workshops and trainings, seminars and consultancy services will also be offered, according to the organisers.

"The VCPEA is committed to developing and accelerating venture capital and private equity investment in Saudi Arabia, with the aim of establishing a robust and globally competitive ecosystem for greater collaboration, innovation and growth," according to Abdulrahman Tarabzouni, the government's appointee as founding chairman of SAVCPEA.

SME GROWTH

Saudi Arabia was the region's second most active market for start-ups in the first quarter of 2019, according to Magnitt, which tracks venture capital funding in the Middle East and North Africa (MENA). The kingdom saw 16 deals in the first three months of the year, a 114% increase from the same period in 2018.

Saudi Arabia is also planning to launch a small and medium enterprise bank, aimed at investing in companies in the nascent stages of their development, according to Dr. Majid bin Abdullah al-Qasabi, minister of commerce and investment

Monshaat, or the General Authority for Small and Medium Enterprises, was established in 2016 to increase SMEs' contribution to the GDP from 20% to 35% by 2030. It is also working on a number of initiatives to boost SME numbers and expand their capacity to create employment.

In March, Monshaat organised a franchise programme, featuring 800 brands, including 550 international brands, representing 27 countries.

The franchise programme is one of the most important initiatives implemented by Monshaat to build a sustainable commercial franchise industry. The number of opportunities spread through the franchise platform, which was launched in the middle of last year, reached 114 and the number of concessionaires reached 414. The concession was awarded to 784 grantees and the number of applications for concessions was 1,319, Monshaat said.

Meanwhile, the Saudi Industrial Development Fund said that it invested SAR 9 billion last year, which contributed to the establishment of 108 industrial projects with total value of around SAR 35 billion.

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GLOBAL HEADWINDS FAIL TO DAMPEN COMMODITIES RALLY

Despite a tepid March, commodity prices enjoyed a strong first quarter as tensions around the US-China trade dispute and uncertainty around Chinese growth subsided.

The US dollar initially rose last month on the back of dovish comments from the European Central Bank (ECB), but it subsequently eased back as risk appetite improved, which lifted some commodities prices.

The return of risk appetite is also evident in global equity markets, which have moved in lockstep with commodities in recent months. On a more fundamental level, China's oil imports grew strongly in year-on-year terms in January and February, but there were signs of weakness in imports of some industrial commodities.

The S&P GCSI, a global commodity index, rose 1.6% in March to take its overall gains for the year to 15%. Meanwhile, the Dow Jones Commodity Index, which has a lower energy weighting, was only up 0.1% for the month, and 7.5% year to date.

Energy, base and precious metals products all rallied during the first three months of the year, despite talk of a slowdown in the global economy, which was largely offset by accommodative monetary policies by the world's largest central banks including the US Federal Reserve, ECB, Bank of Japan and the Bank of England, injecting optimism among investors.

Among major commodities, Brent crude was up by a staggering 25% during the quarter to reach USD 68 per barrel, as OPEC and allies worked through production limits to stabilise the market.

S&P Global estimates benchmark crude indices could rise further amid summer demand in emerging markets.

"Traders attributed the strength in part to a general rally in global crude oil prices, owing to OPEC's high compliance with its promised production cuts," S&P said. Post-maintenance, spot price differentials of sour crude grades are expected to rebound for June-loading cargoes being traded this month, the financial services company added.

SOME METALS LOSE SPARKLE

However, precious metals prices fell in March. While recent data showed that China and India's combined gold imports dropped sharply in February, the main driver of the dip in gold and silver prices at the end of the month was a renewed rise in risk appetite, after signs of progress in US-China trade talks.

Meanwhile, most industrial metals prices started and ended the month roughly at the same level owing in part to a postponed conclusion to US-China trade talks. The only industrial metal to fall significantly in March was lead, perhaps because the Chinese car sector remains painfully weak.

"Performance across the industrial metals complex was more disparate, leaving the Industrial Metals Index flat for the month. The rise in commodities this year has been partly fuelled by hopes for an agreement to end a trade war between the US and China," according to S&P Global.

Zinc and nickel were the standout beneficiaries of such growing expectations, and, combined with critically low inventory levels, this pushed the Zinc Index and Nickel Index approximately 21% year to date (YTD).

Aluminium is the laggard industrial metal YTD, and the S&P GSCI Aluminum was down 0.2% in March and up by a relatively meek 3.4% YTD. Investor concerns regarding rising aluminium supplies have been heightened since the Russian aluminium giant Rusal resumed sales to the US market, following its removal from the US sanctions list.

Copper prices are up 9% YTD driven by optimism around a US/China trade deal and Chinese stimulus efforts. However, recent soft economic numbers from China, the US and Europe have kept the slowing global economy in focus.

Positive March PMI readings in China and an uptick in credit to start the year show stimulus efforts are helping, but credit growth remains well below 2016 and 2017 levels. Grid investment in China remains a stable backbone of copper demand, although slowing auto sales and weaker property starts are headwinds.

S&P Global Ratings said it raised its assumptions for copper and iron ore, reflecting steady demand, combined with tight supplies and limited prospects for output growth.

"The increase in our copper price assumption reflects an expected minor deficit for 2019 that could increase through 2021," S&P said.

"All in all, we believe copper prices have some room for further upside if deficits widen. We expect near-term iron ore prices to remain well supported, with an estimated 3% to 4% of the global seaborne market directly affected by lower output from Vale's tailings dam failure. Prices in 2019 have remained elevated since the event, but the current spot price may cool as sentiment wanes and seasonal restocking in China draws to a close."

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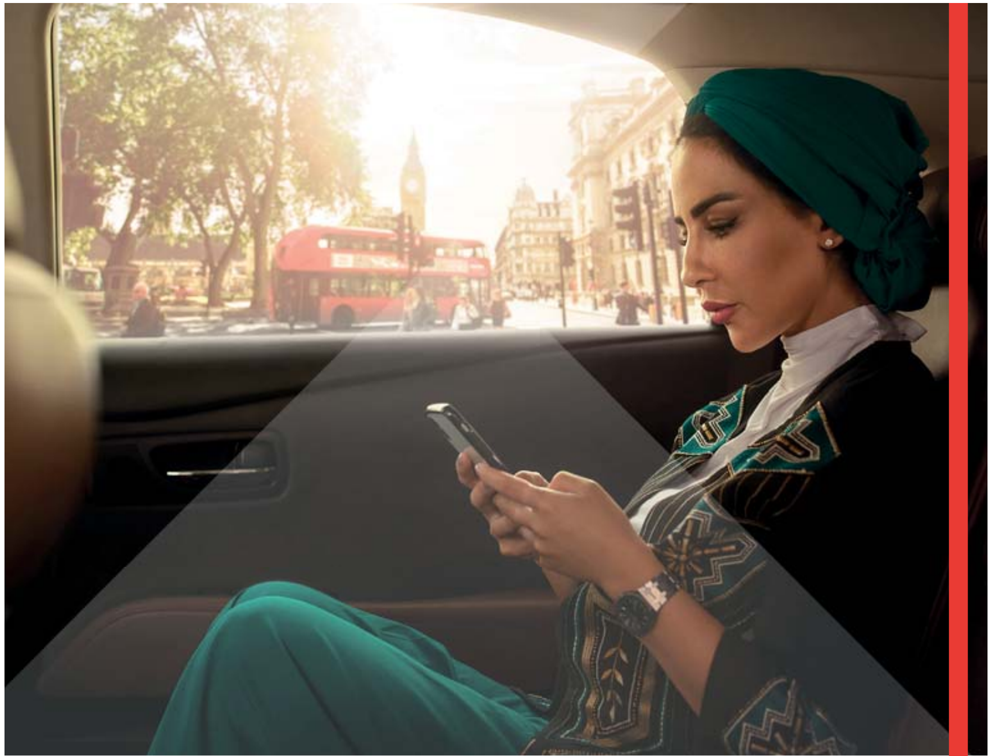

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