

INSIDER ALERTS

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What are the markets saying?

In this issue, we dive into the most pressing global stories that are shaping markets and industries today. From the impact of political shifts on European agriculture, to the unexpected drop in gold prices, and a critical explosion in Iran—each story holds significant implications for supply chains, economies, and the markets.

Headlines:

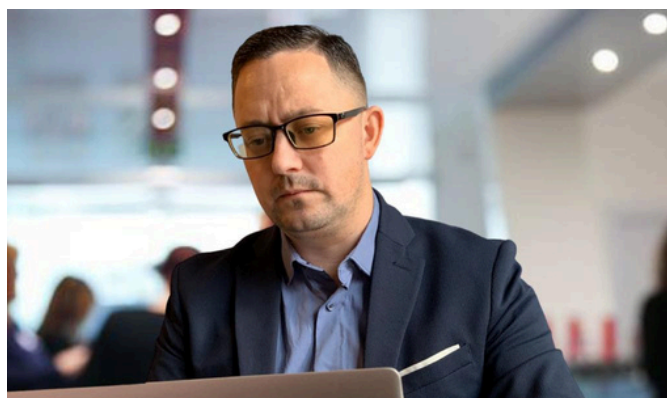
- Explosion at Iran's Bandar Abbas Port
- Hungary's Agriculture Import Ban
- Gold Prices Fall

Tips Inside

This edition's tactical tip focuses on helping brokers improve sourcing accuracy.

The Art of Sourcing: Practical Advice & Common Pitfalls to Avoid

SCAM Watch: Bill of Lading Scam



Commodities Pulse: Your Bi-Monthly Market Edge

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AP

Iran's Bandar Abbas port explosion rises to 25 deaths

On April 26, 2025, a massive explosion rocked the Shahid Rajaei Port in Bandar Abbas, Iran's largest maritime hub, killing at least 25 people and injuring over 800. The blast, which originated from hazardous chemical storage, sent shockwaves through the region, forcing the suspension of all port operations.

Authorities have ruled out terrorism or sabotage, citing negligence in the handling of dangerous materials as the likely cause.

Emergency services responded quickly, while residents were urged to stay indoors due to toxic emissions. This incident not only caused significant casualties and economic disruption but also coincided with sensitive nuclear talks between Iran and the U.S., drawing heightened international attention.

Impact on Supply Chains and Markets:

The closure of Shahid Rajaei Port—responsible for a large portion of Iran's trade—could trigger delays in global shipping routes, especially in oil, petrochemicals, and metals exports. It heightens risks for companies relying on Middle Eastern supply chains, likely causing freight costs to rise.

In markets, oil prices briefly spiked amid concerns over regional stability and potential shipping disruptions through the nearby Strait of Hormuz, a critical artery for global energy supplies.

Companies with supply links to Iran or surrounding regions may face short-term logistical challenges and cost pressures, amplifying the need for diversified sourcing strategies.

Note:

The explosion in Iran has raised serious concerns for global supply chains, particularly in energy and chemicals. Businesses should prepare for potential disruptions and closely monitor the situation. Ongoing uncertainty could lead to price fluctuations, particularly in oil and gas markets, as tensions continue to affect regional stability.



AP



Facebook - Viktor Orbán

Hungary's Agricultural Import Bans

Hungarian Prime Minister Viktor Orbán has placed agriculture at the heart of his political strategy by opposing Ukrainian integration into the EU. Hungary imposed bans on 24 Ukrainian agricultural products—including grain, meat, and honey—after the European Commission lifted an earlier EU-wide ban. Orbán claims Ukraine's cheap agricultural exports have harmed Hungarian farmers, accusing the EU of deceiving Hungary over the transit of Ukrainian grain.

He has aligned closely with farmer protests both domestically and in Brussels, using their anger to boost political support ahead of EU elections. Ukraine has filed a complaint with the World Trade Organization over these unilateral bans. Orbán's tactics have heightened tensions within the EU, forcing a delicate balance between supporting Ukraine and protecting EU farmers.

Impact on Supply Chains and Markets:

Hungary's restrictions—and broader unrest across Eastern Europe—could tighten agricultural supply routes and reduce availability of key commodities like grain, oilseeds, and honey within the EU.

Markets may see temporary price increases, particularly in countries heavily reliant on Ukrainian imports.

Longer-term uncertainty over Ukraine's EU accession could destabilise agricultural trade agreements and delay investment in the sector. Traders and agribusinesses will likely reassess supply chains, favoring more stable sources in the near term.

Note:

As political tensions rise, businesses reliant on Eastern European agriculture should closely monitor trade policy changes, as further restrictions could disrupt supply stability and drive commodity price volatility.

Akos Stiller via National Geographic





Gold Prices Fall

Gold prices have seen a sharp fall in April 2025, dropping over 3.7% in a single day to settle around \$3,294 per ounce—the largest one-day loss in nearly four years. This pullback follows a record-setting rally earlier this year, driven largely by global uncertainty.

Several factors contributed to the decline: easing geopolitical tensions (particularly around U.S.-China relations), a stronger U.S. dollar making gold more expensive for international buyers, and a natural market correction after months of heavy buying.

Analysts suggest this is not the end of gold's bullish trend but rather a cooling-off period after an overheated market. Some experts continue to recommend gold as a long-term hedge against inflation and global volatility, while others warn that if stability continues to return to financial markets, gold could face further downward pressure.

Impact on Supply Chains and Markets:

Falling gold prices could temporarily ease cost pressures for industries reliant on gold, such as electronics and jewelry manufacturing. However, uncertainty remains high. If the price continues to slide, mining companies might slow production, affecting supply chains longer-term.

In financial markets, lower gold prices may shift investor sentiment back toward equities and bonds, reducing the safe-haven demand that had been dominating global investment flows.

Note:

As gold prices experience volatility, businesses relying on precious metals should monitor market fluctuations closely.

The recent drop in gold prices signals potential market shifts. Brokers should consider how this volatility could affect investor behavior and demand for gold in various sectors, including jewelry and electronics.

Monitoring these fluctuations can help inform trading strategies and hedge against risks, especially if prices continue to fluctuate in the short term.



The Art of Sourcing

Practical Advice for Sourcing Suppliers:

Sourcing suppliers is a crucial aspect of any business, whether you're manufacturing products or securing services. Ensuring a reliable, cost-effective, and quality-driven supply chain can significantly impact your business's success. Here are three top tips to help you source effectively:

1. Research and Vet Potential Suppliers Thoroughly

- Why it's important: Thorough research ensures you find a reliable supplier that meets your quality, price, and lead-time expectations.
- How to do it: Use online supplier directories, trade shows, and referrals from industry colleagues to create a list of potential suppliers. Check their websites, request samples, and review customer feedback or ratings. It's also beneficial to perform factory visits or get third-party audits if possible to ensure legitimacy.
- What to look for: Evaluate their production capacity, track record, certifications (e.g., ISO), and financial stability.

2. Negotiate Clear Contracts with Defined Terms

- Why it's important: Having a clear, written agreement helps prevent misunderstandings and sets the foundation for a smooth working relationship.
- How to do it: Ensure the contract outlines payment terms, delivery schedules, product quality standards, return policies, and dispute resolution procedures. Don't forget to include confidentiality clauses if you're sharing proprietary information.
- What to look for: Avoid vague language and make sure both parties understand and agree to the terms.

3. Build Strong Relationships with Your Suppliers

- Why it's important: Strong, ongoing relationships can lead to better prices, priority service, and better collaboration.
- How to do it: Communicate clearly and regularly. Pay attention to supplier performance and give feedback. If challenges arise, address them quickly, ensuring both sides are satisfied with the solutions.
- What to look for: Be open to long-term partnerships, as suppliers often offer better terms or more flexible solutions when they see you as a committed client.



What to Avoid When Sourcing Suppliers:

Avoid Overlooking Quality Checks

- Many businesses rush to select the cheapest supplier, but compromising on quality can result in more significant costs in the long run due to returns, refunds, and damaged reputation. Always prioritise quality over cost.

Avoid Single-Supplier Dependency

- Relying on one supplier can put your business at risk. If they experience problems, you could face delays or shortages. Diversify your supplier base to mitigate these risks.

Avoid Ignoring Lead Times and Delivery Schedules

- Make sure you understand the lead times, especially when dealing with international suppliers. Failure to align supplier schedules with your production timeline can lead to costly delays and missed deadlines. Always factor in potential shipping and customs delays.

Note on the Art of Sourcing:

Sourcing is a multifaceted skill that involves more than just finding suppliers. Consider diversifying your sources by exploring both local and international markets to mitigate risks. Building strong relationships with suppliers can lead to better terms, faster lead times, and more flexibility. Don't underestimate the power of negotiation—sometimes, the best deal comes from open communication and mutual trust.

Also, leveraging technology, such as automated sourcing platforms or AI tools, can streamline the process and identify hidden opportunities. Stay agile, and always evaluate supplier reliability through regular audits and feedback from industry peers.



Stay Tuned for the Next Edition:

Your next edition of Insider Alerts will arrive on the **15th of the month**. Be sure to keep an eye out for the latest updates, insights, and expert analysis to stay ahead in the commodities market.

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06/08

Scam Watch: Fake Bill of Lading in Steel Scrap Deal (Vietnam, 2016)

In late 2016, a Vietnamese company, referred to as "CTV," nearly lost billions of Vietnamese dong in a fraudulent steel scrap transaction. CTV had agreed to purchase 4,000 tonnes of heavy steel scrap and received what appeared to be legitimate shipping documents, including a Bill of Lading (BL). <https://vmc.org.vn>

However, upon closer inspection, several red flags emerged:

- **Unauthorised Issuing Agent:** The agent listed on the BL was not authorised to issue such documents.
- **Discrepancies in Cargo Details:** The weight and description of the cargo did not match standard specifications.
- **Forged Inspection Certificates:** The accompanying inspection certificates were determined to be counterfeit.

Fortunately, CTV conducted due diligence before finalising the payment, uncovering the fraud in time.

How to Avoid This Scam:

- **Verify Issuing Agents:** Always confirm the legitimacy of the issuing agent directly with the shipping line.
- **Cross-Check Cargo Details:** Ensure that cargo descriptions and weights match industry standards and your expectations.
- **Authenticate Inspection Certificates:** Contact the inspection company directly to verify the authenticity of certificates.
- **Use Trusted Intermediaries:** Engage reputable freight forwarders and legal advisors to oversee transactions.

The Bill of Lading is often treated as the gold standard of trust in international trade – but even gold can be faked. In today's digital world, document forgery is becoming more sophisticated, and trusting a piece of paper without verification can cost your business everything. Always verify at the source. One phone call or email to a shipping line or inspection agency could save you hundreds of thousands.

Scams don't just happen to careless traders – they happen to the busy ones who skip a step. Don't let that be you.

The Founders Insider Alerts WhatsApp Group!

As a valued member of the Founders community, we're excited to offer you exclusive access to our Insider Alerts WhatsApp group. This private space is specifically designed for **the first 100 subscribers only**, you will be the **founders** and will be able to connect, collaborate, and stay ahead of the game with timely updates, valuable insights, and opportunities that can help accelerate your business.

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08/08