



## **DEMO MARKET REPORT & MARKET OUTLOOK – April 1, 2024**

Report No. 64/25300324/010424.

### **COMMENTARY**

**INDIA** – Weakness in the finished steel market continues to pose challenge to any hope of improvement in the local steel market conditions in the coming month. Local steel plate prices continued at almost the same level whereas local scrap prices increased by about USD 5/MT this week. Imported scrap prices improved by USD 12/MT but there are limited deals in a weak local steel market. Ship recyclers continued to offer at same price levels. There are very few vessels being circulated for recycling in Alang. Elections are expected to be held during April & May and a full budget for the financial year 2024-25 is expected in June/July. We could thus expect an uptick in large government infrastructure projects from the third quarter of this year. At the same time any interest rate reduction which could boost the local property market is not likely over the next two months. We should thus expect prices offered by ship recyclers to continue at the same levels mainly due to the lower supply of fresh tonnages.

**PAKISTAN** – Current slowdown in the local steel market due to Ramadan continued and there was no change in prices of local scrap equivalent to shredded as well as in the finished steel market this week. Prices offered by ship recyclers also continued at the same levels. Imported scrap prices however registered an increase of about USD 10/MT this week but there was not much buying interest due to slow local steel market condition. The country steel producers have encountered a new problem where cheap finished steel products are brought illegally into the country from neighboring Iran, but alarm bells are already being raised by the industry at right levels and we hope this problem will addressed soon. There is one bulker vessel reportedly sold for Gadani this week and fortunately there was no speculative pricing seen for this vessel from buyers. We expect prices to remain at the same levels with a likelihood of marginally firming up in coming weeks.

**BANGLADESH** – Local steel plate prices partially regained its lost ground with an increase of USD 5/MT this week. Local as well as imported scrap prices continued at the same levels this week. There is movement of materials despite a partial slowdown due to the Ramadan. Prices offered by ship recyclers continued at the same levels. The ship recyclers are looking to acquire fresh tonnages for recycling. Bangladesh Bank sold half a billion dollars to the commercial banks which is a big amount considering country's present foreign exchange reserve of USD 19.45 billion. This could help importers looking to obtain foreign exchange for purchases. There is an expectation of an improvement in local steel demand in the coming weeks. We should thus expect a marginal firming up of prices offered for the limited tonnage being offered for recycling.



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**TURKEY** – Local steel markets have seen slight improvement during the week. Import scrap prices further increased this week by about USD 5-10/MT. While this price increase seems to have been accepted by Steel mills there is an expectation that there may not be further improvement in imported scrap prices for the time being. Local rebar prices have increased by USD 4/MT and there is an improvement in local demand for finished steel as well. Prices offered by ship recyclers continued at the same levels this week. The local currency has been under pressure against the US Dollar this month due to increased drawdown on account of possible weakening impact on local currency because of municipal elections on 31<sup>st</sup> March. This is the last chance for the opposition to win and ensure that they “have a say” in the present government working. In view of some stability having returned to the local steel market, we would expect prices offered by ship recyclers for fresh tonnages to continue at the same levels.

**CHINA** – With effect from 1.1.2019, China has stopped accepting any foreign flagged ship for recycling as per directives from Government. Breakers now can only recycle local ships from China.

**SUPPLY** – Once again, the supply of fresh tonnages for recycling was slow this week with mixed tonnages being circulated but no new candidates from the container segment were seen.

**MARKET OUTLOOK** – The tanker freight rates were soft this week in crude except in suezmax size and the clean having a mixed market. The secondhand tanker market was mostly quiet this week. The container segment freight rates as well as demand were stable this week. The dry segment had a mixed week in terms of freight rates with capsizes softening and other sizes managed some improvements. Supply of fresh tonnages would thus be scarce as has been seen for many months now.

### **GLOBAL NEWS:**

1. China – (a) The country’s real estate crisis shows no sign of easing as we saw very big property firm in the country facing record profit declines. (b) On another note, though, Chinese Premier Li Qiang downplayed the concerns about country’s economic growth prospects and assured that the country has plenty of space for macroeconomic policies.



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- Europe – Inflation in Europe is nearing the European Central Bank’s 2% target basis which there is a growing expectation that first rate cut should be announced by ECB in June 2024.

### **MAIN DEMOLITION SALES DATA FOR PERIOD March 25<sup>th</sup> – March 30<sup>th</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Pass/RORO	Amanah	1979	3250	8996	530	Alang
Bulker	Toro Bianco	1995	70153	9269	532	Gadani
Container	He Sheng	2002	12895	4832	552	Ctg

### **MAIN DEMOLITION SALES DATA FOR PERIOD March 1<sup>st</sup> – March 31<sup>st</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Suvarna Swarajya	1998	32949	8360		Auction, As is Colombo
Fishing	Petr Zhitnikov	1989	10070	16331		
General Cargo	Arrow S	1974	3318			Aliaga
Container	Far East Cheer	2007	7746	3652		Dlvd Ctg, Feb sale did not go through
Tanker	LMS Laxapana	1986	3283	1205		Ctg
Bulker	Jahan Brothers	1994	43648	8032		Ctg
Heavy Lift	Lian Feng 6	1999	22229	6537		As is Singapore
Bulker	Yamtai	1994	28460	6003	475	As is Singapore
Tanker	Hong Yun You 19	1999	6413	2579		Ctg
Container	MSC Rossella	1993	43605	13305	529	Alang
Bulker	Denak Voyager	1996	72172	9519	540	Ctg
Tanker	Xin Run 66	2004	4918	2908	525	Ctg
Container	Stride	1997	25926	8952	120	As is Houston, incl ROB 585T, Fire Damaged
Pipe Layer Barge	Comanche	1969	9502	9331		As is Batam, U/T
Tanker	Jal Gamini	2000	149958	22572	541	Dlvd Indian Sub-con option



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
FPSO	Petroleo Nautipa	1975	137308	23590		As is Oman, U/T
Pass/RORO	Amanah	1979	3250	8996	530	Alang
Bulker	Toro Bianco	1995	70153	9269	532	Gadani
Container	He Sheng	2002	12895	4832	552	Ctg

### STATISTICS

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN MARCH 2024,2023, 2022.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Mar 2024	05	69,057	07	42,124	01	1,010
Mar 2023	10	60,995	09	70,029	00	00
Mar 2022	21	157,334	15	193,958	08	72,796

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 1 2024, 2023, 2022.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	28	183,096	34	199,663	09	79,862
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369

#### **INDIA- Indicative Price Levels for March in Current Year Vs Previous Years**

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Mar 2024	470	475	520	485	450
Mar 2023	525	530	580	545	
Mar 2022	655	650	715	675	
Mar 2021	455	445	500	485	

\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023



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### **BANGLADESH - Indicative Price Levels for March in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Mar 2024	535	540	555	545	505
Mar 2023	575	565	630	615	
Mar 2022	685	675	700	700	
Mar 2021	490	485	500	510	

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards (c) There is a lot of problem in establishing LC. Thus, prices indicated are subject to LC opening.*

### **PAKISTAN - Indicative Price Levels for March in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Mar 2024	530	530	545	540	510
Mar 2023	555	560	620	620	
Mar 2022	660	655	665	675	
Mar 2021	490	485	495	500	

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards (c) Due to foreign exchange problem, prices indicated are subject to LC availability*

### **TURKEY - Indicative Price Levels for March in Current Year Vs Previous Years**

Year	DRY	WET	CONTAINER
Mar 2024	330	340	350
Mar 2023	330	340	350
Mar 2022	450	460	470
Mar 2021	230	240	250

*\*(a) (Prices LT/LDT, less 2% Add Comm)*

*Disclaimer: The information has been drawn from Wirana Shipping Corporation's (WSC) database and other sources. All efforts have been made to ensure that information contained in this report is accurate. While WSC has taken reasonable care in compilation of information, WSC makes no representations or warranties and cannot accept responsibility for error, omission or consequences therefrom.*