



DEMO MARKET REPORT & MARKET OUTLOOK – February 12, 2024

Report No. 57/05090224/120224.



COMMENTARY

INDIA – With an overall situation in the local steel market of excess supply, weak demand, liquidity crunch and a high borrowing cost, it would be challenging to expect any immediate improvements in demand conditions as well as pricing. Local steel plate prices as well as imported scrap prices continued at the same levels this week. The finished steel market is weak and local billet prices dropped by USD 12/MT this week, taking it to a three year low. Global news of India's growth story is so contradictory to the present local steel market and perhaps some improvement in local steel market could be expected with a new budget announcement after elections in April/May 2024. Ship recyclers have continued to offer prices at same levels which is mainly due to very few fresh candidates being offered for recycling in India. The prices offered by ship recyclers are lowest in the Indian sub-continent. We would expect prices offered for fresh tonnages to continue at the same levels mainly because of lower supplies.

PAKISTAN – Final election results are expected to be announced anytime soon but there is a possibility of coalition government to be formed as no single party is expected to secure a majority vote. Whether the new coalition government continues with the economic policies on lines stipulated by IMF would be critical to country's short- and medium-term economic outlook. There was not much activity this week in the local market due to the elections on Thursday. Local steel prices across all segments continue to be at the same levels this week. Improving weather conditions across the country will help improve local steel demand in the coming days. Ship recyclers continued to maintain the same price levels this week. There is readiness amongst some ship recyclers to acquire fresh tonnages and with ship recyclers in Pakistan offering better prices in the Indian sub-continent today, they could end up concluding some deals. We would expect prices to continue at same levels with a possibility to marginally firm up.



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BANGLADESH – There has been an improvement in local steel market sentiments this week as the demand for finished steel in the local market has improved. Local steel plate prices stayed at the same levels this week but imported scrap prices were reduced by USD 8/MT. Ship recyclers have been able to maintain the improved price due to an increase in local demand. The Ministry of Industries (MOI) has strictly stopped issuing permission to beach the vessel for those SRF (Ship recycling facility) who do have their SRFP (Ship Recycling Facility Plan) approved by MOI. This has resulted in some vessels waiting outside awaiting approvals for beaching. A container sale this week fetched higher price levels due to extra spares in the vessel, otherwise ship recyclers continue to maintain same price levels as last week. Availability of LC for imports is a problem. Some ship recyclers are able manage LC for import of fresh tonnages in face of continuing foreign exchange availability problems in the country. We would expect ship recyclers to continue to offer prices at the same levels with a possibility to marginally firm.

TURKEY – Local steel market is giving some signals of softening demand although local steel mills have improved offer prices of local scrap to try and keep pace with weakening Lira. Imported steel scrap prices have reduced by USD 3/MT but local steel mills prefer buying local scrap in a bid to push down imported scrap prices further. The new Central Bank Governor could tighten monetary policy which could result in an increase in interest rate or reducing liquidity in the market. Ship recyclers continue to offer prices for fresh tonnages at the same levels as last week due to a lower supply of fresh tonnages for recycling. However, the supply of recycling tonnages could be higher in the second quarter which could then affect price levels. In the meantime, we expect prices offered 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 – There were very few new candidates that were circulated this week from container, dry and LPG segments. Supply of fresh tonnages for recycling continues to be slow.

MARKET OUTLOOK – Dry segment experienced a mixed freight movement across sizes with Cape size and Panamax seeing good demand and resultant freight rate increase whereas supra and handy sizes experienced a softer demand. However, the secondhand market in the dry segment



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has been active. In the tanker segment even though freight rates across all sizes continue to be at high levels the demand was softer this week. Firm demand in the container segment for all sizes continues and long-term fixtures are being made specially for the modern tonnages. In the secondhand market, Sellers are looking for higher prices due to firm charter rates. Supply of fresh tonnages for recycling will continue to be slow. This will give a good support to prices being offered for new recycling tonnages as we expect some ship recyclers to start looking to acquire fresh tonnages in Bangladesh and Pakistan.

MAIN DEMOLITION SALES DATA FOR PERIOD Feb 5th – Feb 9th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Ez Fortuna	1995	24550	7371		Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD February 1st – February 9th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Ez Fortuna	1995	24550	7371		Ctg

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN FEBRUARY 2024,2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Feb 2024	05	8,114	02	3,556	03	30,748
Feb 2023	14	109,930	10	67,822	00	00
Feb 2022	16	88,552	10	80,626	07	70,005

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	20	98,333	16	63,345	03	30,748
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369



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INDIA - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Feb 2024	475	485	525	490	445
Feb 2023	535	525	580	540	
Feb 2022	605	600	665	625	
Feb 2021	420	410	465	445	

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

BANGLADESH - Indicative Price Levels for February in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Feb 2024	515	515	540	535	500
Feb 2023	565	575	635	605	
Feb 2022	665	655	680	680	
Feb 2021	455	445	460	460	

**(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 February in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Feb 2024	530	530	545	540	510
Feb 2023	555	545	585	565	
Feb 2022	655	650	660	670	
Feb 2021	455	445	455	460	

**(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 February in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Feb 2024	350	360	370
Feb 2023	300	310	320
Feb 2022	360	370	380
Feb 2021	245	255	265

**(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.