



DEMO MARKET REPORT & MARKET OUTLOOK – January 15, 2024

Report No. 53/08130124/150124

COMMENTARY

INDIA – Weak demand of finished steel product continues due to which prices of billets, scrap and other raw materials are under pressure. Local steel plate prices have reduced by USD 3/MT whereas imported scrap prices have increased by USD 10-13/MT. Due to weak demand and availability of local scrap, traders are not keen to book imported scrap at higher price. On a global front, billets which had a small hope last week has flaked away due to weakening in China. However, in the local market billets have seen some price appreciation and increased trade activity though it is being viewed with caution. Prices offered by ship recyclers softened by about USD 5/LT LDT this week. The local currency strengthened against the US Dollar this week with the prevailing rate at INR 82.84 to 1 USD and the local currency could appreciate further during the year considering many macroeconomic factors. Due to the prevailing weaker steel demand position, the ship recyclers would be cautious in improving prices being offered for new recycling tonnages. We would thus expect prices offered by ship recyclers to continue at the same levels.

PAKISTAN – While steel demand continues to be the same level as last week, there has been reduced flow of imported tonnages due to road closures in winter months from neighboring country. This reduced flow has resulted in increase of prices of steel products locally. Prices of local scrap equivalent to shredded increased by about USD 10/MT this week whereas prices of local rebar improved by USD 5/MT. Prices offered by ship recyclers has continued at same levels but we would expect an increased interest from ship recyclers who are able to arrange LCs to purchase fresh tonnages for recycling. The country has secured final IMF approval for USD 700 million loan tranche this week (which is part of USD 3 billion loan from IMF). This will help bring in some stability, though, the country will still need another IMF loan to meet its obligations this year. Foreign exchange problems are thus expected to continue for some time. We would expect prices offered by ship recyclers to strengthen considering that recyclers from Bangladesh could now get ready to compete for the limited tonnages.

BANGLADESH – There has been an increase in demand for local steel plates as well as local scrap. Local steel plate prices increased by USD 9/MT whereas local scrap prices increased by USD 15/MT this week. There have been very few fresh tonnages that have been purchased by ship recyclers for some time which is creating a slower supply of materials. Imported scrap prices continued at about the same levels this week. The ruling government won the election with a majority while USA does not consider the elections to be free and fair which we hope does not result in any trade sanctions against the country. The central bank now proposes to introduce a crawling peg system instead of freely floating currency to control inflation. Considering the



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present market scenario, we may expect that prices offered by ship recyclers could firm up for non-HKC tonnages.

TURKEY – Imported scrap prices have increased by about USD 8-10/MT this week whereas the domestic prices of scrap have increased in the local currency to adjust for the weakening of currency. The country's central bank has indicated that the interest rate is at levels where an increase may not be required further, and its tightening cycle may soon be over. Prices offered by ship recyclers have increased by USD 10/LT LDT this week especially due to the low supply of fresh tonnages for recycling. We would expect prices offered by ship recyclers to remain 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 – We have seen more units being circulated across all segments though they are not many in number. The number of units concluded is low.

MARKET OUTLOOK – The tanker segment enjoys a good charter rate across all sizes in both crude and product categories. Whereas all sizes in the dry segment saw a weaker demand with capesize seeing a major reduction in rates on a week-on-week basis. LNG carriers are seeing some softening in rates. Container segments saw improved demand and charter rates and secondhand market is promising. We are approaching a situation where supply may start to increase gradually this quarter as compared to previous quarters last year.

GREEN RECYCLING:

1. Ministry of Environment in Turkey has issued a notification that any vessel coming to Turkey for recycling must obtain permission from Harbour master of Aliaga. The clearance would require many documents including IHM Part I.



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MAIN DEMOLITION SALES DATA FOR PERIOD Jan 8th – Jan 13th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Uma	1998	29240	10455	525	Alang
Bulker	Sunny Conarky	2002	176347	21413	531	As is Singapore, Incl LSFO 400MT, LSGO 64MT

MAIN DEMOLITION SALES DATA FOR PERIOD January 1st – January 13th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Sophie	1993	44518	13616		Alang, incl ROB abt 1200T VLSFO and 60T MGO
Ropax	Al Dhafirah	1987	5040	6040	387	As is Oman
RORO	Duta 1	1991	4881	5912	500	Ctg
Bulker	Algoma Transport	1979	34066	9148		Canada
Tween	Habiba M	1975	3739	1357		Aliaga
Container	General Romulo	1997	5250	2553		Ctg
Container	MSC Uma	1998	29240	10455	525	Alang
Bulker	Sunny Conarky	2002	176347	21413	531	As is Singapore, Incl LSFO 400MT, LSGO 64MT

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Jan 2024	06	46,353	02	7,543	01	11,248
Jan 2023	16	116,200	15	53,676	05	81,638
Jan 2022	13	61,392	21	236,502	10	98,568



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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	06	46,353	02	7,543	01	11,248
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 January in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	475	485	525	490	445
Jan 2023	540	530	590	540	
Jan 2022	570	565	630	590	
Jan 2021	400	390	440	420	

**(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 January in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	520	520	535	520	495
Jan 2023	550	555	580	580	
Jan 2022	635	625	650	650	
Jan 2021	445	435	455	455	

**(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 January in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	525	525	540	535	505
Jan 2023	555	545	585	565	
Jan 2022	615	610	620	630	
Jan 2021	430	420	430	435	

**(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*



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TURKEY - Indicative Price Levels for January in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Jan 2024	350	360	370
Jan 2023	300	310	320
Jan 2022	320	330	340
Jan 2021	240	250	260

***(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.