



DEMO MARKET REPORT & MARKET OUTLOOK – November 13, 2023

Report No. 44/06101123/131123

COMMENTARY

INDIA – Local steel plate prices improved this week by USD 6/MT, but over local steel market is weak, and prices are subdued. Imported scrap prices increased by another USD 6/MT this week though this increase in line with a global increase seen this week. Secondary steel mills are not restocking materials because of the weak demand and reduced prices in the local rebar market. While the holiday season has a role to play in lower demand there are some players in the market who feel that demand from the construction sector will not fully pick up after the holiday season, but we need to see it closely. With rising raw material prices and increasing costs, steel mills would be constrained to push up the prices even if it means demand slows down. Reducing crude oil prices will support local currency and more so because of slowing exports data seen in September. India' unemployment rate stood at 10.05% in October and could increase if GDP growth rate continues at present 6% - 6.50% though this is more of a longer-term issue and not of immediate concern. We have seen active interest in buying fresh tonnages from ship recyclers but prices at which some deals have been concluded this week are at higher levels than what a ship recycler would be willing to pay today. Prices offered by ship recyclers improved marginally by about USD 5/LT LDT and considering the weak local steel market but improving global steel prices, we would expect prices offered by ship recyclers for fresh tonnages to move up marginally.

PAKISTAN – There has been an increase in local steel prices as well as imported scrap prices this week. Local scrap equivalent to shredded prices increased by USD 10/MT and prices of steel plates increased by USD 17/MT. Prices of imported scrap has also increased by USD 10/MT. While there have been no new deals for purchases of recycling tonnages that have been worked last week, considering increased prices, ship recyclers are now willing to improve their offers by about USD 20-25/ LT LDT this week. However, since there is a foreign exchange problem, only a few ship recyclers may be able to make purchases of fresh tonnages at improved prices. We would expect improved prices to continue and we should expect workings for fresh tonnages to resume.

BANGLADESH – Local steel market activities are slow, and they are even slower for scrap from ship recyclers. Prices offered for scrap from recycling yards is at same levels as last week but since prevailing scrap prices are low, they are not acceptable to recyclers due to which there is hardly any scrap sales by ship recyclers, and they are waiting for price improvements. Steel plates too are not moving fast from recycling yards. Imported scrap prices increased by USD 8/MT this week but there is a lack of foreign exchange due to which ordering is limited. Since



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there is demand for wire rods made from imported scrap, purchasing of imported scrap is workable for traders and steel mills. General inflation in the country increased by another 0.30% in October to 9.93% which is well above the government's targeted inflation rate of 6% for 2023. Prices offered by ship recyclers continued at about the same levels but there is a lack of enthusiasm amongst ship recyclers in acquiring fresh tonnages for recycling due to local steel market conditions. We would also like note that even if local steel demand improves, many ship recyclers would be restrained from buying fresh tonnages for recycling due to foreign exchange problems which are getting more difficult. The local currency may weaken further in the coming days.

TURKEY – Domestic scrap prices have improved by USD 10-15/MT this week and imported scrap prices have increased by another USD 8/MT this week. Domestic rebar prices have also improved by USD 7-15/MT this week. It must be mentioned that the increase in domestic steel prices is despite weak domestic as well as export steel demand. Prices offered by ship recyclers improved by USD 10/MT this week. We could expect prices offered by ship recyclers to remain form with a possibility to marginally improve.

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 – Supply of fresh tonnages continued to be slow with more candidates from the dry segment seen this week as compared to containers. Though, in total there was nothing significant that came up for recycling.

MARKET OUTLOOK – Container segment freight rates for smaller sized vessels are under pressure whereas the secondhand prices are getting softer but the interest in secondhand assets is missing partly also because Sellers are not yet willing to accept reduction in value. The tanker segment experienced a mixed freight market where crude tanker rates were softer but the clean and dirty product tankers freight rates were stable to firm. With removal of sanctions on Venezuela, we can be expecting old tanker tonnages earlier deployed there, to be sent for recycling and that could possibly start from beginning next year. The dry segment enjoyed a good freight market this week. Supply of fresh tonnages for recycling is expected to be generally slow till the end of the year and with improving sentiments in global steel market,



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prices for fresh tonnages could enjoy a good market till then. It would be a gradual improvement as local steel market may not reflect global sentiments immediately.

GREEN RECYCLING:

1. Bangladesh, in cooperation with IMO and Norwegian government are entering Phase 3 of the SENSREC project.
2. Last month BIMCO released “Further Trading Clause”. This clause is for the MOA of the sale of vessels for further trading and seeks to help owners when selling the vessel that the new buyer continues to trade the vessel for an agreed period of time.

GLOBAL OUTLOOK:

1. Risk of Israel Hamas war spreading across the Middle East has receded. As a result, Brent crude which had reached as high as USD 90/Bbl on Oct 20th, 2023 has gone down to USD 81.63/Bbl on Nov 11th, 2023.
2. On inflation, China is at a totally other end of problem. The country is facing deflation pressures and it calls for more monetary and fiscal stimulus (in addition to those already announced earlier in 2023) to avoid deflation.
3. The Chinese government announced that it will accelerate issuance of new bonds. This after pledging CNY 1 trillion worth of additional sovereign debts to target manufacturing and steel-intensive infrastructure. Steel rebar futures rose more than CNY 3900/MT in November.



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MAIN DEMOLITION SALES DATA FOR PERIOD Nov 6th – Nov 11th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
MPP	Bontrup Maldives	1984	42913	10820	547	Alang, incl 350T bunkers
LPG	Gas Dollart	1990	4998	2491	700	Alang, high quantity of special materials
Bulker	Wu Yang Goddess	1995	45700	7481	480	AS is China, incl 500T bunkers
Container	MSC Chiara	1987	41815	14305	537	Alang, incl 350T bunkers
Reefer	Shun Ze Leng 6	1991	12700	6904		As is Zhoushan
Bulker	Jinyuanxing 16	1977	66400	11190		As is Hong Kong
Bulker	Catherine Bright	1998	77828	10962	535	Alang

MAIN DEMOLITION SALES DATA FOR PERIOD November 1st – November 11th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Xin Feng Ning Bo	1995	35551	10316		As is Zhoushan
Bulker	APJ Uma Kismat	2001	74107	10438	510	As is Colombo
Fishing	Western V	1980	1200	868	600	High non-ferrous content and special materials
Bulker	Jin Yuan Xing 16	1977	66400	11190		As is Hong Kong
Container	Casablanca A	1996	9303	4666		Aliaga
Bulker	Xin Dong Guan 3	1996	69512	9700	473	As is Hong Kong, incl 80T FO and 13T MGO
MPP	Bontrup Maldives	1984	42913	10820	547	Alang, incl 350T bunkers
LPG	Gas Dollart	1990	4998	2491	700	Alang, high quantity of special materials
Bulker	Wu Yang Goddess	1995	45700	7481	480	AS is China, incl 500T bunkers
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STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN NOVEMBER 2023,2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Nov 2023	01	1,391	0	0	01	22,000
Nov 2022	11	112,658	7	16,398	01	6,475
Nov 2021	16	148,117	19	218,544	10	24,093

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 4 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	20	161,901	12	56,352	02	31,743
2022	27	271,729	32	236,479	08	45,548
2021	55	403,434	57	572,571	34	234,511

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	505	515	560	520	495
Nov 2022	500	505	540	515	
Nov 2021	575	565	640	600	
Nov 2020	395	385	415	405	

**(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 November in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	515	515	535	520	495
Nov 2022	535	540	575	550	
Nov 2021	615	605	635	635	
Nov 2020	400	390	405	410	

**(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.*



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PAKISTAN - Indicative Price Levels for November in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Nov 2023	525	525	540	535	505
Nov 2022	525	515	545	535	
Nov 2021	615	605	625	635	
Nov 2020	390	380	390	400	

**(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 November in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Nov 2023	310	320	330
Nov 2022	240	250	260
Nov 2021	320	330	340
Nov 2020	210	220	230

**(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.