



## **DEMO MARKET REPORT & MARKET OUTLOOK – October 16, 2023**

Report No. 40/09131023/161023

### **COMMENTARY**

**INDIA** – Local steel plate prices dropped by USD 11/MT this week and imported scrap prices further weakened this week by USD 3/MT. Global markets for steel have been experiencing weaker demand as well as pressure on prices for some weeks. The only strong factor, which was good local demand for finished steel products, has now slowed down this week due to which secondary steel mills would wait before they would restock the materials. While this does not change strong fundamentals of Indian economic growth, there could be a short-term hiccup in the steel prices due to a cautious approach that could be adopted by traders and steel mills. Indian currency weakened to lowest levels against the US Dollar this week to 83.42 against 1 US Dollar. This is mainly due to higher oil prices affecting country trade balances since India is third largest consumer of oil and is also a net importer of oil. Ship recyclers' sentiments were weak due to slowing global and local demand of steel. Prices offered for fresh tonnages were reduced by USD 5-10/MT. Prices offered by ship recyclers could be under marginal pressure.

**PAKISTAN** – Strengthening local currency has resulted in further reduction in local prices. Local rebar prices have dropped by about USD 35/MT whereas prices of local scrap equivalent to shredded have reduced by USD 30/MT this week. Local demand for steel continues to be slow. Prices of imported scrap have dropped by USD 5/MT this week and import activity is low due to foreign exchange problems. Prices offered by ship recyclers have continued at same levels. We would expect ship recyclers to wait and watch for the local markets to settle before they go in for fresh tonnages and in the meanwhile, prices offered by ship recyclers would continue at the same levels.

**BANGLADESH** – Sales of steel plate in local market has opened but demand was weak with not much being sold this week. Sales of scrap from recycling yards is still closed. Prices of imported scrap were reduced by USD 5/MT but there were few import orders that were booked as the LC opening problem continues due to the foreign exchange situation. The foreign exchange situation is likely to be difficult for a few months till the elections. We expect to see some demand from local steel mills from next week which could bring some life back to the market and make ship recyclers look out for fresh tonnages. However, the resumption process would be slow, and prices offered by ship recyclers would continue at same levels.



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**TURKEY** – Local steel market has been quiet this week. Imported scrap prices reduced by USD 9/MT and local billet prices have dropped by about USD 10/MT. There is a weaker demand for finished steel products. Some traders expect that prices of imported scrap could reduce by USD 10/MT in the coming weeks. Due to the low supply of fresh tonnages, prices offered by ship recyclers have continued at same levels despite weaker local as well as imported scrap markets. We would expect prices offered by ship recyclers 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** – The supply of fresh tonnages continued to be slow with some tonnages being seen from container and bulker segments.

**MARKET OUTLOOK** – Tanker as well as dry segment have seen good freight market this week. Container segment experienced a slowdown in demand with charter rates coming under pressure. The secondhand container market is also experiencing a downward trend in prices amidst lack of demand. Supply of fresh tonnages for recycling is expected to be slow but since Pakistan and Bangladesh are quiet in terms of demand, the prices would not gain on account of low supply. On the other hand, we are seeing a softening demand in the steel market and there is negative sentiment due to which steel prices would be under pressure. Considering present conditions, prices offered by ship recyclers could be under pressure.

### **GLOBAL OUTLOOK:**

1. Our sympathies are with all the innocent that have been affected by the present conflict between Israel and Hamas. If present conflict escalates spreading to other countries in the middle east, we could see oil prices soaring, pushing up inflation and could take the world towards recession.
2. There is a general negative sentiment in the steel markets across the world due to weak demand.
3. USA - A strong job report and a bigger than expected headline increase in CPI would possibly result in the Feds continuing with higher interest rates for longer.



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### MAIN DEMOLITION SALES DATA FOR PERIOD October 9<sup>th</sup> – October 13<sup>th</sup>, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Sea Smile	1995	45744	8118	497	Ctg
Container	MSC Levina	1989	45644	12858	565	Alang, incl abt 400T bunkers

### MAIN DEMOLITION SALES DATA FOR PERIOD October 1<sup>st</sup> – October 13<sup>th</sup>, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Marsa Iris	1996	22982	7852		Alang
PCC	Foresighter	1987	13917	11061	512	As is Japan
Tanker	Leviathan	1999	105365	16809	500	As is Singapore, incl bunkers 250T, likely sold to Gadani
Tanker	Bradley	1999	106474	16368	500	As is Singapore, incl bunkers 250T
Container	MSC Dennise	1988	41399	14349		Alang
Tanker	Alana	1988	159899	22471	570	Delivered Alang / Gadani
Bulker	Sea Smile	1995	45744	8118	497	Ctg
Container	MSC Levina	1989	45644	12858	565	Alang, incl sbt 400T bunkers

## STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
October 2023	05	37,415	06	17,836	0	0
October 2022	07	83,439	17	173,079	05	28,803
October 2021	21	131,370	19	147,359	14	164,452



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### 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	05	37,415	06	17,836	0	0
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 October in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2023	515	525	575	530	505
Oct 2022	575	580	615	590	
Oct 2021	590	580	655	615	
Oct 2020	355	345	385	375	

*\*(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 October in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2023	490	490	530	515	490
Oct 2022	610	605	640	625	
Oct 2021	610	600	630	630	
Oct 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) There is a lot of problem in establishing LC. Thus, prices indicated are subject to LC opening.*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2023	500	510	515	505	470
Oct 2022	595	590	625	610	
Oct 2021	610	600	620	630	
Oct 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*



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

Year	DRY	WET	CONTAINER
Oct 2023	310	320	330
Oct 2022	240	250	260
Oct 2021	300	310	320
Oct 2020	200	210	220

**\*(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.*