



DEMO MARKET REPORT & MARKET OUTLOOK – September 25, 2023

Report No. 37/1822923/250923

COMMENTARY

INDIA – Local steel plate prices reduced by USD 12/MT during last two days of the week whereas imported scrap prices stayed at same levels last week. Local billet prices have improved by USD 12/MT this week based on strong local demand. There was a weakness seen in local long products this week. Although, the weakness seen this week in some segments could be due to the festival celebration and could also be due to the local currency weakness. The local currency crossed the 83 mark against the USD for a good six days but had got back to 82.90 by the end of the week. While the present OPEC production cut could affect local currency on the short run, prospects in the long run for the local currency are strong. Good yields and low volatility has made India an attractive destination amongst the key emerging markets due to which tens of billions of dollars are expect to flow into the country over next 12 months. We could expect demand as well as local steel prices to be slightly weaker in the next week due to festival celebrations, but demand should resume by the end of the next week. Prices offered by ship recyclers remained at the same levels this week. We would expect prices offered by ship recyclers to continue at the same levels this week but could firm up later.

PAKISTAN – Prices in the local steel market have dropped this week though main reason for the drop is strengthening of the local currency against the US Dollar. Local scrap prices equivalent to shredded have dropped by USD 35/MT whereas local rebar prices have dropped by about USD 20/MT. Imported scrap prices reduced marginally this week. Local demand continues at the same moderate level. Prices offered by ship recyclers softened this week by USD 15/LT LDT. Strengthening of the local currency is always a good sign and in the present case it seems that the good efforts of the interim government to crack down on money traders in parallel market have brought in good results. However, ship recyclers in the present situation had to pay out local currency for USD purchase price at weaker levels (1 USD = PKR 305) but will get local steel sales at lower price due to currency appreciation (1 USD = PKR 287). Since the local currency rates are still volatile due to foreign exchange problems, ship recyclers are nervous about whether they will be able to get replacement foreign exchange four months later at same stronger levels of (1 USD = PKR 287). Considering present sentiments, we may expect ship recyclers to be cautious in their purchasing of fresh tonnages and prices offered for fresh tonnages would be under pressure.

BANGLADESH – Local sales of steel plates which was stopped due to continuous reducing prices and low demand in the previous week continues this week as well. A decision whether to



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resume sales is expected in the coming week. However, the fact is that 90% of the re-rolling mills which had grown over past four decades have been shutting down operations due to the high cost of raw materials as well as about 30% increase in productions costs due to energy price increases and inflation. Finished steel product prices made by manual and semi-automatic steel mills (60 grade and 40 Grade) have not increased due to poor demand for these products from lower and middle classes for construction activities. Presently most of the semi-automatic and manual re-rolling mills have thus closed operations. Automatic steel mills which produce “75 grade” product is being sold for upper class, institutions, and government projects. LC problems could get more difficult in the coming months but that hardly matters in the present situation when ship recyclers are finding it difficult to sell even their present stocks. Prices offered by ship recyclers remained at the same levels this week but considering the present market of finished steel products we would expect prices offered by ship recyclers for fresh tonnages to be under pressure and ship recyclers may like to wait before buying fresh tonnages as the demand for finished goods may not likely surge in the coming months.

TURKEY – Local steel plate prices improved by USD 3/MT whereas imported scrap prices marginally reduced by USD 3/MT. However, it is expected that imported scrap prices may recover due a recent announcement of imposition of 7% export tax by Russia on its steel exports with effect from 1st October till end of 2023. Turkey has options of importing products form other countries as well due to which the entire increase in cost due to export tax may not be passed down by Russian exporters on to Turkish importers. Prices offered by ship recyclers for fresh tonnages remained at the same levels. Turkish Lira came under pressure this week after a recent announcement of interest rate hike by 5% to 30% because the said hike still leaves a big gap to cover inflation impact which is running close to 60%. 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 – Supply of tonnages from dry and container segment are being circulated by ship owners though no significant volume was seen this week as well. Fortune Trader, a Container vessel was sold for recycling this week at exceptionally high price of USD 612/ LT LDT which seems purely speculative.



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MARKET OUTLOOK – Tanker freight rates experienced good market except Aframax which is also expected to pick up shortly. Freight rates across the dry segment had a good week. There was good demand in the secondhand market in the dry segment whereas the tanker segment saw fewer transactions. In the container segment all sizes are experiencing good freight market, however, 2000-3000 TEU and below 2000 TEU sizes are seeing a good supply as well due to which pressure on these sizes are expected in terms of charter rates. In the secondhand market for containers, we are seeing an increased supply, but demand is lower. Supply of fresh tonnages will continue at present levels in the coming weeks for now.

MAIN DEMOLITION SALES DATA FOR PERIOD September 18th – September 22nd, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Maria	1993	21380	3952		Alang
Bulker	Haseen	1998	46750	7635		Alang
Container	Fortune Trader	1994	24444	7078	612	Buyers have option for India/Ctg/Gadani delivery. Incl bunker 100 T
Bulker	Fatema Jahan	1995	45139	7528		Ctg
Reefer	Express 6	1979	2769	1265		Ctg
Container	GSS Yangoon	1993	18421	5866	530	As is Singapore
General Cargo	Angel A	1988	5020	1391		Alang

MAIN DEMOLITION SALES DATA FOR PERIOD September 1st – September 22nd, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Sun Shine	1999	73941	10317	523	Gadani
Bulker	Winning Joy	1999	172964	20512	500	As is Singapore. Incl 250 MT bunkers
Container	UGL Hong Kong	1998	22000	7009	530	As is Oman
Bulker	APJ Mahadeva	2000	74667	12660	480	As is Colombo
Container	Uni Aspire	1998	15534	7098		Alang
Container	Ever Devote	1998	55604	21731		As is Singapore
Pass/Cargo/ Ferry	Rana	1977	150			Norway
Pass/Cargo/ Ferry	Tingvoll	1972	400			Norway



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Cul Huizhou	1993	22000	8800	530	As is Oman
Pass/Cargo/ Ferry	Vestveg To	1962	50			Norway
LCT	Mariner	1973	850			Norway
Container	Sinokor Vladivostok	1998	11400	4691	589	Alang
General Cargo	Kema	1987	7130	2956		Ctg
Tug	Stone	1969	100			Norway
Tanker	Irma Dulce	2023	72900			Brazil - unlaunched NB
Tanker	Zelia Gattai	2023	72900			Brazil - unlaunched NB
Tug	Mohawk	1980	500	2260		U/T
Offshore	Onyx Mahshahr	1983				Alang
Container	Hua Da 606	2005	10624	3774		Alang
PCC	Dapitan Bay	1992	4489	5899		Ctg
Bulker	Abdullah	1996	45653	7528		Ctg
Tanker	Maritime Riyal	1998	45363	12246		Alang
LPG	White Purl	1972	11832	5368		Alang
Container	MSC Maria	1993	21380	3952		Alang
Bulker	Haseen	1998	46750	7635		Alang
Container	Fortune Trader	1994	24444	7078	612	Buyers have option for India/Ctg/Gadani delivery. Incl bunker 100 T
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STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
September 2023	07	39,565	18	131,457	02	17,500
September 2022	10	69,561	05	22,003	01	872
September 2021	13	141,728	24	133,164	07	48,434

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 3 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	22	191,414	51	294,323	02	17,500
2022	16	123,548	31	134,572	02	1,343
2021	44	308,825	59	446,797	34	311,774

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2023	515	525	575	530	505
Sept 2022	560	565	595	575	
Sept 2021	555	545	620	580	
Sept 2020	345	335	375	365	

**(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 September in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2023	490	490	530	520	490
Sept 2022	605	600	635	620	625
Sept 2021	565	555	585	585	
Sept 2020	370	355	385	390	

**(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 September in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Sept 2023	510	520	525	515	480
Sept 2022	605	600	635	620	
Sept 2021	580	570	580	595	
Sept 2020	380	370	380	390	

**(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 September in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Sept 2023	310	320	330
Sept 2022	230	240	250
Sept 2021	270	280	290
Sept 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.