



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

### **COMMENTARY**

**INDIA** – There has been a definite strengthening in the market seen this week. Local steel plate prices increased by USD 12/MT and imported scrap prices have also increased by USD 11/MT. Local secondary mills continue the restocking as was seen in the previous week as well. This is due to strong price improvement seen in the wire rods the prices which saw further price improvement by USD 22/MT this week. Recent price and demand increase to some extent is also being fueled because of market talk of a possible short term supply shortage situation in construction steel grade. Local billet prices have further increased this week by USD 30/MT in local market. Prices offered by ship recyclers have improved about USD 15-20/ LT LDT this week and at the same time we have seen active participation by ship recyclers for tonnages at this improved price levels. Apart from surging food prices due to weaker monsoon this year, core inflation is moderate, and government has curbed rice exports to control food prices. RBI is expected to keep interest rates at present levels. Given the current market parameters, we would expect prices offered by ship recyclers to improve and we could see more ship recyclers submitting offers for the fresh tonnages being offered.

**PAKISTAN** – LCs have been opened this week for two deals reported as being concluded in the previous week which gives more credence to the deals being concluded and the offers being given by ship recyclers for fresh tonnages at least for the time being. We have seen one more deal concluded this week and understand that there are 2-3 more deals that are being worked upon. Local demand for steel continues to be at about the same levels as last week where the offtake is not that active. Local steel mills are working at below 50% capacity levels. Local steel mills have increased local prices by USD 15-20/MT due to their increased costs due to increased cost of energy (electricity prices have increased by 76% within last 12 months) and currency depreciation. Imported scrap prices have increased by about USD 5-7/MT but there are not many orders being booked. Prices offered by ship recyclers have continued at about same levels with a marginal increase of about USD 5/MT in some cases. Local currency lost further 1% value this week against the US Dollar and is expected to weaken further due to market forces as imports increase. As ship recyclers experience profit erosion with weakening local currency almost every week, we may see hesitation from some ship recyclers to step in with offers. Prices offered by ship recyclers are expected to continue at about same levels with possibility to see a marginal improvement.

**BANGLADESH** – For a second consecutive week local steel plate prices dropped by USD 22/MT due to poor demand from local steel mills. Prices of finished steel products are subdued due to



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

**Report No. 35/2801923/040923**

lower demand. Some secondary steel mills prefer to stop production until prices of plates come to workable levels. Imported scrap prices have moved up by USD 13/MT in lines with international price improvements though order bookings have been slow. Prices offered by ship recyclers continued to be at same levels as last week. Foreign exchange availability continues to be a problem. Looking at the present market situation, we may expect prices offered by ship recyclers to soften though given that India and Pakistan are both offering same/better prices than recyclers in Bangladesh, there is not much scope for recyclers in Bangladesh to reduce their offer prices, if they would like to procure fresh tonnages.

**TURKEY** – Local scrap procurement prices softened this week by about USD 5-7/MT whereas imported scrap prices improved by USD 4/MT. Local demand for rebars is slow and the prices softened by about USD 3-4/MT. There is a lack of local demand for finished steel products and with interest rates recently raised by banks in the previous week, business activities would be slowed down (in a way this is what the central bank wants to bring down inflation which is at about 50%). Prices offered by ship recyclers remained at the same levels this week. Given present market parameters, we can 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** – Supply of tonnages has improved over previous week as we see tonnages from dry and container segment being circulated by ship owners.

**MARKET OUTLOOK** – Freight rates in the tanker segment were apparently softer this week though core strength is still strong. Freight rates in the dry segment were mixed where capsized rates softened but other sizes registered some improvements. The secondhand market in both the tanker and dry segment was slow this week. The container market was slow in terms of freight as well as secondhand deals. LNG and LPG freight markets are enjoying a good market. With reported lower scrap collection being seen in the west, some steel production cuts announced by China in the previous week and over all expected construction revival after monsoons in the Indian sub-continent, steel prices are expected to be firm. Supply of fresh tonnages for recycling is also expected to improve in the coming weeks, but so will the appetite



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

of ship recyclers increase. Thus, the demand and supply situation for recycling tonnage would expectedly balance out in September. We could however see firming up of prices for recycling tonnages.

### **GLOBAL – GENERAL NEWS**

1. China – The drip feed measures to revive the economy practiced by China since beginning of the year, have shown some minor positive result over last week when the country announced a 2% reduction in reserve requirements by Financial Institutions for deposits held in foreign exchange and increased tax break for families. This has helped in stabilizing yuan, stocks, and some commodities. Though, we are yet far from a much-required aggressive policy for revival of property market.
2. Brent prices increased to USD 87 and are set to continue at strong levels during the month of September as Saudi Arabia extended its production cut of 1 million b/d into October and Russia too is agreeing further increase its production cuts.

### **MAIN DEMOLITION SALES DATA FOR PERIOD August 28<sup>th</sup> – September 1<sup>st</sup>, 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Sotiria	1997	75242	11608		Gadani
Container	Cherry	1998	16544	6499		As is Singapore
Bulker	Meratus Medan 3	1990	22734	6776	525	As is Singapore
Bulker	One Happy	1995	45455	7528		Alang

### **MAIN DEMOLITION SALES DATA FOR PERIOD August 1<sup>st</sup> – August 25<sup>th</sup>, 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Lana II	1999	29240	10351		Alang
Container	SOL Straits	1997	22900	7772		Alang, incl ROB 250T
Bulker	Great Wenwu	1994	68621	9759		As is China



**DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Ermina	1993	56152	17695	500	Alang
Container	Maersk Patras	1998	37842	12400	405	As is UAE
General Cargo	Tessa	1992	4706	1917	560	Ctg
Reefer	Nova Florida	1989	6729	3374		Alang
Bulker	Alba 1	2001	74750	12587		Ctg
Bulker	Tecumseh	1973	29984	7796		Canada
Well Sml	Big Orange XVIII	1984	3424			Denmark
Bulker	An Yue	1996	45194	7985		As is Singapore
Container	Sinokor Tianjin	1998	11031	4672	600	Delivered -Ctg/Alang in Buyer's option, incl bunkers 240 MT - Previous deal at 622 failed.
Bulker	Lila Ningbo	2002		24181	495	Alang
Bulker	BH Mally	1997	73867	9379	465	As is China, incl 200 MT bunkers
LPG	Pilatus 28	1987	1421	1030		Ctg
Bulker	Niko	2000	73992	9743		Alang
Reefer	Vila Dhauru	1983	2235	1253		Ctg
MPP	Queen Ayla	1992	7520	3753		Ctg
Tween	PKS 1	1998	1226	480		Ctg
Container	Heng Hui 2	1993	44510	14775	540	As is Colombo. Incl 200 MT bunkers
Container	Sinokor Akita	1998	11386	4672	564	Alang/Ctg, inclt 100 MT ROB
Container	Sol Hind	1996	23403	7771	565	Ctg, incl 200 MT bunkers
Bulker	Jin Yuan Sheng 9	2007	10780	3000	490	Ctg, U/T
Tanker	Vladimir Kolechitskiy	1972	15010	6000		Ctg, U/T, damaged
Bulker	Ming Zhou 58	1990	52580	13400	425	As is China
Bulker	Ming Zhou 25	1990	42025	6729	400	As is Zhousan, with removals incl heavy crane
Trawler	Rosemarie	1998	365			Belgium
Tween	Harin Navee 7	1988	1300	670		Ctg
Tween	Wilson Skaw	1996	7460			Norway



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LPG	Patcharawadee II	1976	1748	1040		Ctg
Bulker	Winda	1995	27321	5951		Ctg
Reefer	Zefyros Reefer	1990	8946	4656	511	Alang - Enbloc with Frio
Reefer	Frio Olympics	1988	9743	4698	511	Alang - Enbloc with Zefyros
Bulker	Gloria 1	1998	77663	11167	525	Gadani
Reefer	Sein Star	1984	4173	2197		Alang
Bulker	Yong Ning	1996	48139	12724	500	Gadani
Fish Factory	Archimedes	1979	4150	5071		As is Mauritania
Tween	Quan Long	1996	13656	2930		As is Colombo
General Cargo	Harin Navee 10	1988	2750	975.01		Ctg
Container	Jitra Bhum	1997	21800	7049	515	As is SG, incl spare prop
Container	Kama Bhum	1997	21800	7049	515	As is SG, incl spare prop
Fishing	Rytas	1979	3541	4822		As is Mauritania
General Cargo	Kingway No. 2	1995	4433	1795		Ctg
General Cargo	Samjin Lucky 3	1987	1229	1177		Ctg
Bulker	Sotiria	1997	75242	11608		Gadani
Container	Cherry	1998	16544	6499		As is Singapore
Bulker	Meratus Medan 3	1990	22734	6776	525	As is Singapore
Bulker	One Happy	1995	45455	7528		Alang

### **STATISTICS**

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
August 2023	07	75,130	19	95,629	00	00
August 2022	03	29,789	16	92,318	00	00
August 2021	16	84,481	21	154,186	12	69,133



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

### **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	00	00	04	33,317	00	00
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	15	151,849	29	141,741	00	00
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 August in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	510	515	560	525	495
Aug 2022	540	545	575	555	
Aug 2021	565	555	635	590	
Aug 2020	335	325	365	350	

*\*(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 August in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	505	505	540	540	515
Aug 2022	605	600	635	620	625
Aug 2021	595	585	615	620	
Aug 2020	360	345	370	370	

*\*(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.*



## **DEMO MARKET REPORT & MARKET OUTLOOK – September 4, 2023**

Report No. 35/2801923/040923

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Aug 2023	525	535	540	530	505
Aug 2022	550	545	580	560	
Aug 2021	595	585	600	620	
Aug 2020	375	365	370	380	

*\*(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 August in Current Year Vs Previous Years**

Year	DRY	WET	CONTAINER
Aug 2023	310	320	330
Aug 2022	250	260	270
Aug 2021	260	265	270
Aug 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.*