



DEMO MARKET REPORT & MARKET OUTLOOK – December 4, 2023

Report No. 47/27011223/041223

COMMENTARY

INDIA – Local steel market has not picked up after the festival holidays and the prices have in fact softened due to an unexpected lack of demand from construction sector where small and medium sized construction projects have slowed down due to state elections in some states and large construction projects have also slowed down. Secondary Steel mills are thus not keen to stock raw materials. Local steel plate prices further reduced by USD 6/MT this week thus taking it to its lowest level seen in last two years 2022 and 2023 in INR terms and in USD terms lowest level seen since end March 2021 and in March 2021 ship recyclers were offering for fresh tonnages at about USD 30/LT LDT lesser than what they are offering now. Due to the weaker demand situation, ship recyclers have reduced prices offered for fresh tonnage by USD 10/LT LDT this week. Considering present weaker steel demand and possibility of reduced demand during the elections period, prices offered by ship recyclers may be under pressure.

PAKISTAN – Local steel market is a mildly positive trend. Local prices of scrap equivalent to shredded have increased by about USD 10/MT this week. Local steel mills have increased rebar prices by about USD 10-12/MT this week and the steel mills have expressed that there is a shortage of raw materials being experienced. Since the availability of foreign exchange required for import continues to be scarce, it is difficult to import raw materials. Ship recyclers too face a similar problem due to which there are only a limited number of ship recyclers who can arrange foreign exchange for fresh purchases. However there have been couple of deals concluded for fresh tonnages by those limited ship recyclers over last couple of weeks. Ship recyclers from Pakistan can pay better prices than their counterparts in India and Bangladesh today. On a macro economic front, decreasing political and economic uncertainty is resulting in a slow resumption of inflows of funds from foreign investors. Though demand for local steel is expected to slow down in December, prices offered by ship recyclers are not likely to soften as the importation activities generally are slow in the country due to foreign exchange problems.

BANGLADESH – Nothing much is happening in the local steel market. Demand from the construction sector is slow due to which ship recyclers are not able to achieve any price increase. Even the sales seen at present price levels are slow. Foreign exchange problems also continue to affect the ability of ship recyclers to buy fresh tonnages. Local scrap prices have reduced by USD 4/MT this week and recyclers are trying to increase prices of steel plates by USD 7/MT this week but there have hardly been any sales. The Bangladesh Bank has increased interest rate (repo rate) by another 50 basis points this week (taking it to 7.75%) to fight inflation. Due to the prevailing



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local steel markets, ship recyclers are not showing much interest in buying fresh tonnages and this mood is likely to continue till elections which are scheduled on 7th January 2024.

TURKEY – Local steel market in Turkey is experiencing good demand for local steel and enjoying an increasing price trend. Domestic scrap prices increased by about USD 8-10/MT and imported scrap prices increased by USD 10/MT this week. It is to be noted that the finished steel market is not showing a similar momentum and the construction sector is expected to slow down from this month. The tight monetary policies being adopted by the government are being appreciated by foreign investors, but the tighter monetary policies are now showing their effect on local businesses and consumer demand which has started to slow down. Prices offered by ship recyclers have increased by USD 10/MT this week. Considering the present local steel market situation, we would expect prices to continue at about the same levels and if we see any firming up it may not be sustained for long.

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 – Mix of candidate from dry segment and containers segment continued this week. Overall supply continued to be slow.

MARKET OUTLOOK – Dry segment freight rates continued to be firm with some increases noted though the tanker freight sentiments were soft this week after the OPEC+ production cut announcement though this is likely to be for short term. In the Container segment, smaller sized vessels continue to face challenges in terms of demand and freight rates. Secondhand container prices are under pressure and potential buyers prefer to wait before committing to purchasing them. Supplies are expected to be slow but there is also a limited interest from ship recyclers to purchase fresh tonnages

GLOBAL OUTLOOK:

1. USA – Data indicating cooling down in the inflation, labour market and consumer spending would mean that Feds would not raise interest rates. Though the main thing to watch out for the US economy is when Fed reduces interest rates as is expected by 2nd/3rd quarter of 2024.



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2. OPEC+ members announced increased production cuts to 2.2million b/d (up from 1.3 million b/d) for Q1 2024. Oil prices dropped after the announcement because (a) market expected more cuts and (b) there was a growing division amongst OPEC+ members the quantity of cuts.

3. According to an analysis by the UN's environment program, countries have 14% chance of keeping global warming below 1.5 degrees Celsius even in the most optimistic scenario where all net zero pledges are met.

MAIN DEMOLITION SALES DATA FOR PERIOD Nov 27th – Dec 1st, 2023

| Type | Name of Vessel | Built | DWT | LDT | Price | Remarks |
|--------------|------------------|-------|-------|-------|-------|-------------------------------|
| Bulker | G Harmony | 2005 | 35014 | 11248 | | Gadani |
| Chem Tanker | Devashree | 2000 | 7849 | 2650 | 480 | Alang |
| Fish Factory | Aleksandr Shalin | 1990 | 381 | 840 | | Ctg |
| Bulker | One Story | 1995 | 45406 | 7775 | | Indian sub-con, Buyers option |

MAIN DEMOLITION SALES DATA FOR PERIOD November 1st – December 1st, 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 |
| Container | MSC Chiara | 1987 | 41815 | 14305 | 537 | Alang, incl 350T bunkers |
| Reefer | Shun Ze Leng 6 | 1991 | 12700 | 6904 | | As is Zhoushan |
| Bulker | Catherine Bright | 1998 | 77828 | 10962 | 535 | Alang |



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| Type | Name of Vessel | Built | DWT | LDT | Price | Remarks |
|--------------|---------------------|-------|--------|-------|-------|----------------------------------|
| Bulker | Jin Yun Xing 16 | 1977 | 66400 | 11190 | | Ctg, Has Spare propeller |
| PCC | Sighter | 1987 | 13898 | 11238 | | Ctg |
| Livestock | Quality | 1966 | 2045 | 3700 | | Alang |
| Container | Yango | 1993 | 18166 | 5866 | | Ctg |
| Bulker | Daytona Dynamic | 1990 | 27877 | 6058 | 510 | Alang |
| Container | MTT Tawau | 1997 | 14099 | 5730 | | As is Malaysia - En-Bloc |
| Container | MTT Tanjung Manis | 1999 | 12171 | 5467 | | As is Malaysia - En-Bloc |
| Bulker | Silver Wind | 1986 | 2859 | 1011 | | Dlvd Alang/Ctg in Buyer's option |
| Container | Xin Feng Guang Zhou | 1994 | 33522 | 8895 | 485 | As is Zhoushan |
| Container | Duck | 1997 | 21519 | 6961 | | Dlvd Sub-con in Buyer's option |
| Bulker | Diamond Way | 1995 | 42529 | 9016 | | Alang |
| Bulker | Neptune Star | 1996 | 25388 | 5471 | 512 | Alang |
| Container | Ze Hong | 1995 | 41624 | 11618 | | As is Zhoushan |
| Container | MSC Rita | 2005 | 104849 | 30712 | | As is Abu Dhabi, U/T |
| Bulker | G Harmony | 2005 | 35014 | 11248 | | Gadani |
| Chem Tanker | Devashree | 2000 | 7849 | 2650 | 480 | Alang |
| Fish Factory | Aleksandr Shalin | 1990 | 381 | 840 | | Ctg |
| Bulker | One Story | 1995 | 45406 | 7775 | | Indian sub-con, Buyers option |

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 | 10 | 71,504 | 09 | 58,270 | 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 |



DEMO MARKET REPORT & MARKET OUTLOOK – December 4, 2023

Report No. 47/27011223/041223

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 | 29 | 232,014 | 21 | 114,623 | 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 | | Container | WET | |
|----------|------------|----------|-----------|--------|------|
| | Cape / Pmx | Handymax | | Others | VLCC |
| Nov 2023 | 485 | 495 | 540 | 500 | 475 |
| 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 | | Container | WET | |
|----------|------------|----------|-----------|--------|------|
| | Cape / Pmx | Handymax | | Others | VLCC |
| Nov 2023 | 520 | 520 | 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.*

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*



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Report No. 47/27011223/041223

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

| Year | DRY | WET | CONTAINER |
|----------|-----|-----|-----------|
| Nov 2023 | 330 | 340 | 350 |
| 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.