



DEMO MARKET REPORT & MARKET OUTLOOK – February 19, 2024

Report No. 58/12170224/190224.

COMMENTARY

INDIA – Local steel plate prices continue at same levels this week whereas imported scrap prices reduced by USD 5/MT. Local billet prices dropped further by USD 6/MT due to weak local finished steel market and billet exports have also been slow resulting in lower prices being offered, thus making it difficult for mills to get volumes in sale of billets locally or in export market. Ship recyclers continued their offers at the same levels as last week though we did see a vessel from the dry segment being sold at the higher-than-normal price levels for Alang delivery which is mainly due to limited supply of fresh tonnages for recycling. The RBI Governor indicated that they would continue with their hawkish approach in view of inflation remaining at 4% due to which we would not expect reduction in interest rate or improvement in liquidity in the short run. Thus, interest rates and liquidity issues would continue to exert pressure on businesses. Considering present market conditions, we would expect prices offered for fresh tonnages to continue at about the same levels.

PAKISTAN – Pakistan elections results have been announced and considering that no single party could secure the magical number of 133 seats to meet the simple majority requirement, there would be a coalition government. Businesses are waiting for more clarity on the policy measures and direction from the new coalition government and till such time they will have a cautious approach. Local steel markets continued at the same levels in terms of demand and prices except that local rebar prices improved by about USD 10/MT. The local steel demand continues at the same slower levels. Local currency weakened a bit and may likely remain under pressure until there is more clarity from the new government on its policies and resultant impact on IMF aid. Prices offered by ship recyclers continued at same levels and we still see a few ship recyclers who are actively looking for a good recycling candidate with prompt delivery. Foreign exchange availability continues to be a challenge due to which not all ship recyclers are able to procure fresh tonnages for recycling. We would expect prices offered by ship recyclers to continue at same levels until there is more clarity on coalition government and its policies.

BANGLADESH – Local steel markets were slow this week. Prices of local steel plate continued at same levels whereas local scrap prices were reduced by USD 10/MT. Imported scrap prices were under pressure this week. Prices offered by ship recyclers continued at same levels and LC availability continues to be a challenge. There is a growing feeling amongst ship recyclers that steel prices could be under pressure due to which they would prefer to procure fresh recycling tonnages at lower prices though we have not been able to test this as there are hardly any new



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candidates being circulated for recycling. We would expect prices offered by ship recyclers to be at the same levels.

TURKEY – Local steel market is presently slow. Imported scrap prices have been reduced by USD 6/MT this week. Steel mills are maintaining same prices levels for domestic scrap for now and some local steel mills are willing to give a small improvement in local prices considering weakening of Turkish Lira against the US Dollar. Prices offered by ship recyclers continued to be at the same levels. Considering present market conditions and the possibility of a reduction in imported scrap prices due to weak steel demand in Asia as well as in Europe and USA, we would expect prices offered by ship recyclers for fresh tonnages to be under pressure.

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 – There were very few new candidates that were circulated this week from container, dry and LPG segments. Requirement of due diligence while working some fresh tonnage for recycling is becoming very important. Supply of fresh tonnages for recycling continues to be slow.

MARKET OUTLOOK – Tanker segment saw their demand and charter rates firming up in all sizes except aframax in crude and product tanker in dirty where demand was softer. Freight rates across all sizes in dry segment were firm. The container segment is enjoying good charter rates, and the secondhand assets are enjoying good demand as well. LPG and LNG markets also saw some positive movement this week although it was not substantial. From a ship recycling perspective, it would be a patient wait before we could see substantially improved supplies and in the meanwhile ship recyclers would need to grab small number of units that keep coming up recycling from time to time.

GLOBAL NEWS:

Japanese economy slipped into a technical recession and has been displaced from its position of being third largest economy in the world by Germany. Even though, it must be mentioned that presently, Germany's economy is not a model of economic health either.



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MAIN DEMOLITION SALES DATA FOR PERIOD Feb 12th – Feb 17th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
MPP	Bontrup Emirates	1989	43497	11551	520	Alang
LPG	Sinar Tarakan	1995	3821	2080	540	Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD February 1st – February 17th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Wadi S	1994	70087	10247	527	Ctg includes ROB
General Cargo	Safe	1995	2419	845		Alang
General Cargo	Rong Da Chang Sha	1998	21963	9560		Gadani
Bulker	Brother Glory	1998	70042	9505		Ctg
Bulker	Ez Fortuna	1995	24550	7371		Ctg
MPP	Bontrup Emirates	1989	43497	11551	520	Alang
LPG	Sinar Tarakan	1995	3821	2080	540	Ctg

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN FEBRUARY 2024,2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Feb 2024	06	11,228	12	93,066	03	30,748
Feb 2023	14	109,930	10	67,822	00	00
Feb 2022	16	88,552	10	80,626	07	70,005

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 1 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	21	101,507	26	152,855	03	30,748
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369



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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	475	485	525	490	445
Feb 2023	535	525	580	540	
Feb 2022	605	600	665	625	
Feb 2021	420	410	465	445	

**(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 February in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	515	515	540	535	500
Feb 2023	565	575	635	605	
Feb 2022	665	655	680	680	
Feb 2021	455	445	460	460	

**(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 February in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Feb 2024	530	530	545	540	510
Feb 2023	555	545	585	565	
Feb 2022	655	650	660	670	
Feb 2021	455	445	455	460	

**(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 February in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Feb 2024	350	360	370
Feb 2023	300	310	320
Feb 2022	360	370	380
Feb 2021	245	255	265

**(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.