



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 26, 2024**

Report No. 59/19240224/260224.

### **COMMENTARY**

**INDIA** – Prices offered by ship recyclers continued at the same levels this week due to a lacklustre demand across all local steel segments except for local billet which saw some spurt in prices. Local steel plate prices improved by about USD4/MT mid-week but reduced again by end of week to same levels as last week. Imported scrap prices dropped by USD 8/MT which is mainly because local mills prefer to buy lower priced local scrap and sponge iron. There are hardly any vessels that are being circulated for Alang except for some upcoming green tonnages. With Pakistan recyclers offering better prices for recycling tonnages, Indian ship recyclers are in a weaker position for non-HKC tonnages. On the economic front, there has been an expansion in manufacturing as well as service activity and the targeted growth for 2024 is 7%. While we know this growth must result in improved steel consumption in the country, we would need to see when we reach that situation and excess global supply due to weaker global demand could still keep local steel prices under pressure. We expect prices offered by ship recyclers to continue at the same levels.

**PAKISTAN** – Local steel market has been slow but the local steel prices as well as prices offered by ship recyclers continued at same levels as last week. A coalition government was formed this week, and the businesses are keen to see the policy direction of the new government. It seems that belt tightening and IMF loan rollover/loan enhancement will remain top priority which will be good for the economy. Foreign exchange continues to be a problem, but we have some ship recyclers who are looking for a prompt tonnage basis which we could see some deals being concluded in the coming weeks. Considering that ship recyclers from Pakistan are offering highest prices in the sub-continent, they stand a good chance. In the meanwhile, we would expect prices offered by ship recyclers to continue at the same levels.

**BANGLADESH** – Local steel market prices and prices offered by ship recyclers remained broadly unchanged this week. Local steel plate prices improved by USD 4/MT this week whereas local scrap prices reduced by a marginal USD 2/MT. Imported scrap prices improved by USD 4/MT but the bookings were not many. LC problem continues and is probably getting more difficult which is affecting buying capacity of many ship recyclers. We are expecting an improvement in local steel demand in the next few weeks basis which we could expect increased interest of ship recyclers to acquire fresh tonnages for recycling. We would expect prices offered by ship recyclers to continue at the same levels with a possibility of marginal firming up.



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**TURKEY** – Local steel market is showing mixed trends and lacks a clear direction while ship recyclers have continued to maintain same prices as last week. Prices offered by steel mills for ship scrap remained firm at same levels but weakening of imported scrap prices (which reduced by USD 6/MT this week) could put a pressure on prices offered by steel mills for ship scrap. The monetary policy committee maintained the same interest rate but indicated that they could tighten it if inflation increase is anticipated. Supply of fresh tonnages for recycling continues to be slow basis which we would expect prices offered by ship recyclers to continue at same levels despite some weakening and low local steel demand.

**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** – We have seen comparatively more units being circulated for fresh tonnages this week which is a good sign and the units are mostly from dry segments as well as some units from tanker segments.

**MARKET OUTLOOK** – An overall slow week in the tanker segment with charter rates softening but remaining at higher levels. The dry segment saw good demand and freight rate improvements except for Panamax this week as well as increased interest in its secondhand assets. The container segment is enjoying good freight rates and good secondhand market demand across all sizes. Overall supply of fresh tonnages would continue to be slow which will support prices offered by ship recyclers despite a weak local steel market being faced by them.

### **GREEN RECYCLING:**

1. A better market for ship recyclers in Bangladesh and Pakistan would encourage ship recyclers to speed up making their facilities HKC compliant. In Bangladesh while there have been many recycling facilities that had initiated the process, some of them have presently slowed down due to the huge investments required for making their facilities HKC compliant and slowdown in ship recycling business.



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### **GLOBAL NEWS:**

1. UAE was removed from a global watchdog's "grey list" after two years of demotion. This is a good achievement and over a period it would smooth out the foreign exchange transactions process.

### **MAIN DEMOLITION SALES DATA FOR PERIOD Feb 19<sup>th</sup> – Feb 24<sup>th</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Hong Yuan 01	1996	39528	11447	540	Ctg
Bulker	Sia	1999	74732	12605	502	
FPSO	Nan Hai Sheng Li	1975	130374	33151		As is Zhoushan
Semi-sub platform	Nan Hai Tiao Zhan	1979	12051	16327		As is China
MPP	Kaptan Hasan Onal	2009	9200	3104		As is Goa
Fish Factory	Sarco	1983	10070	16331		Alang
Bulker	Xin Xiang Rui	1992	22154	5119		As is China
Heavy Lift	Avatar	1983	17850	8920		As is Batam
Bulker	Qatar Ana	1989	43665	8015	509	Gadani
Container	Far East Cheer	2007	7746	3652		as is Zhoushan
Bulker	Wang Hai	2003	174732	23038		Gadani

### **MAIN DEMOLITION SALES DATA FOR PERIOD February 1<sup>st</sup> – February 24<sup>th</sup>, 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	525	Gadani
Bulker	Brother Glory	1998	70042	9505		Ctg
Bulker	Ez Fortuna	1995	24550	7371		Ctg
Bulker	Zeus One	2002	177643	21364	495	Ctg
Container	Manis 7	1999	12171	5468	505	Ctg
MPP	El Youssef	1975	4104	1995		Aliaga
Tween	Anamos	1978	1670	980		Aliaga
MPP	Bontrup Emirates	1989	43497	11551	520	Alang



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LPG	Sinar Tarakan	1995	3821	2080	540	Ctg
Container	Hong Yuan 01	1996	39528	11447	540	Ctg
Bulker	Sia	1999	74732	12605	502	
FPSO	Nan Hai Sheng Li	1975	130374	33151		As is Zhoushan
Semi-sub platform	Nan Hai Tiao Zhan	1979	12051	16327		As is China
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### **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	08	23,820	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	23	114,039	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.*