



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

Report No. 56/29020224/050224

### **COMMENTARY**

**INDIA** – Even though there has been some improvement in local steel plate prices, the sentiments of ship recyclers continue to be weak as the price change still does not indicate a firm direction. Local steel plate prices improved by USD 8/MT this week whereas imported scrap prices continued at same levels. Local billet prices improved by a marginal USD 2/MT this week. Finished steel prices were at the same levels as last week but demand continues to be low because of which the situation is not likely to improve soon. Liquidity issues continue to be a challenge, also resulting in a reduced demand for materials from businesses. An interim budget (since elections are scheduled in May 2024) was announced this week wherein there have been no changes to direct and indirect taxes and there has been no major announcement. On the ship recycling front, even though there were hardly any new green candidates circulated this week, we would expect that ship recyclers would continue to offer the same price as last week, but the sentiment is weak. We would expect prices offered by ship recyclers to be at same levels even though the weaker sentiments of ship recyclers would keep prices of fresh tonnages for recycling under pressure.

**PAKISTAN** – There has been no change in the local steel market this week and with national elections to be held next week, market would be slow. However, we have seen a vessel a General Cargo being sold for Gadani this week at levels of USD 535/ LT LDT which is higher than the prevailing market levels in Gadani and in the Indian sub-continent. Prices of local scrap equivalent to shredded and imported scrap have remained at the same levels. There has been an increase in local rebar prices of about USD 5-10/MT this week but finished steel demand continues to lack strength as there are not significant infrastructure projects and winter months has also resulted in slower demand from north. LC opening continues to be a problem and continues to be a challenge for ship recyclers intending to buy fresh tonnage for recycling. The central bank continued to maintain its benchmark interest rate at 22% to control inflation. Next two months will be important in shaping outlook since a stable political scene will help restore confidence in economy and allow government to pursue policies in line with IMF requirements and that is very important in securing a new deal with IMF as the present deal expires end of March. We would expect ship recyclers to offer prices at the same levels, but sentiments could be strengthened with good election results which could help improve prices.

**BANGLADESH** – We are looking at improved sentiments amongst ship recyclers even though it may not be at the same levels as the Sellers of recycling tonnages would like. Local steel plate prices have improved by USD 9/MT but the offtake at the new pricing is slow which may lead to doubts about the ability to sustain present price levels of local steel plate. Imported scrap prices



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

**Report No. 56/29020224/050224**

continue at same levels whereas local scrap prices have improved by USD 5/MT this week. We have seen that prices offered by ship recyclers have improved by about USD 5/MT and there is a growing interest amongst ship recyclers in buying fresh tonnages as the stock levels at the recycling yards are low. A possible and likely introduction of crawling peg system by Bangladesh Bank would result in local currency depreciation by about 5% over next 2-3 months but it would also help increase foreign exchange inflow. Foreign exchange reserves reduced by 12% during the last 6 months of 2023. Establishing LCs continues to be a challenge for ship recyclers as the banks require buyers to keep a high percentage of margin money, sometimes, up to 100% of LC value. Prices offered by ship recyclers could marginally strengthen considering that there is an improvement in sentiments amongst ship recyclers.

**TURKEY** – Ship recyclers have continued to offer prices at same levels this week. However, the local finished steel market is displaying signs of sluggishness and rebar prices have slightly softened. Imported scrap prices continue to be almost at the same levels as last week. Turkish Lira continued to weaken, and it has now reached an exchange rate of 30.46 against the US Dollar even as the country continues to bring in new policy measure to encourage savings in liras instead of foreign currency. However, local currency is expected to be under pressure considering that policy makers have completed an interest tightening cycle with the interest rate at 45% but inflation continues at about 65%. In the meanwhile, we would expect ship recyclers to continue to offer prices for fresh tonnages 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** – We have seen a mix of vessels from dry and container segments being circulated this week. However, it is likely that some of the containers being circulated may end up in secondhand sales considering present markets.

**MARKET OUTLOOK** – Freight rates in the tanker segment were softer this week even though freight rates continue to be firm. The dry segment experienced a softening of freight rates. Though nothing significant from a demo perspective for both tanker and dry segment. The secondhand market in the dry segment saw some active interest from buyers. LPG and LNG saw a softening of freight rates and we could see some demo candidates from these segments during



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

Report No. 56/29020224/050224

the second and third quarter of this year. The container segment is enjoying a good freight market and increased demand for secondhand units. All in all, supply will continue to be slow in the short term and with ship recyclers' sentiments improving (except in India), we could see some improvement in prices offered for fresh tonnages.

### **GLOBAL NEWS:**

Stronger than expected jobs data report this week has made it almost certain that Fed would not cut interest rate in the first quarter of 2024.

### **MAIN DEMOLITION SALES DATA FOR PERIOD Jan 29<sup>th</sup> – Feb 2<sup>nd</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Wadi S	1994	70087	10247	529	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

### **AIN DEMOLITION SALES DATA FOR PERIOD January 1<sup>st</sup> – February 2<sup>nd</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Sophie	1993	44518	13616		Alang, incl ROB abt 1200T VLSFO and 60T MGO
Ropax	Al Dhafirah	1987	5040	6040	387	As is Oman
RORO	Duta 1	1991	4881	5912	500	Ctg
Bulker	Algoma Transport	1979	34066	9148		Canada
Tween	Habiba M	1975	3739	1357		Aliaga
Container	General Romulo	1997	5250	2553		Ctg
Container	MSC Uma	1998	29240	10455	525	Alang
Reefer	Green Freezer	1991	6120	2979		Alang
MPP	MSC Eagle F	2000	17451	6878	505	Alang
Container	MTT Singapore	1996	10354	3826		As is Malaysia
Tanker	Yong Feng	1975	6661	2055		Ctg
Container	Jin Yuan He	1991	23465	6710	535	Ctg - incl ROB
Container	MSC Jemima	1994	42289	12677		Alang
Tanker	Fukuda	1992	2455	750		Ctg



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

Report No. 56/29020224/050224

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Xin Xiang An	1992	22160	5364	490	Ctg
LPG	Tomson Gas	1989	3814	1990		Alang
Tanker	Adisa	2005	310319	41672		Alang, Old sale
MPP	Wave	1999	23176	8094		U/T
Reefer	Bukhta Naraeva	1984	2397	2399		Ctg
Container	Dong Fang	1994	6832	2394		Ctg
Tween	Konshin	1978	3731	1901		Ctg
Bulker	Song	1977	23176	11247		Ctg, old sale
MPP	Span 23	1990	5454	2197		Ctg
Container	P Delta	1993	12568	5256		Ctg
Bulker	GS 1	2002	177643	23364		Ctg
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

### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JANUARY 2024,2023, 2022.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Jan 2024	15	90,219	14	59,788	03	30,748
Jan 2023	16	116,200	15	53,676	05	81,638
Jan 2022	13	61,392	21	236,502	10	98,568

#### **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	01	3,492	02	3,556	03	30,748
Feb 2023	14	109,930	10	67,822	00	00
Feb 2022	16	88,552	10	80,626	07	70,005



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

Report No. 56/29020224/050224

### **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	16	93,711	16	63,345	03	30,748
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369

### **INDIA - Indicative Price Levels for January in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	475	485	525	490	445
Jan 2023	540	530	590	540	
Jan 2022	570	565	630	590	
Jan 2021	400	390	440	420	

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	515	515	540	535	500
Jan 2023	550	555	580	580	
Jan 2022	635	625	650	650	
Jan 2021	445	435	455	455	

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	530	530	545	540	510
Jan 2023	555	545	585	565	
Jan 2022	615	610	620	630	
Jan 2021	430	420	430	435	

*\*(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*



## **DEMO MARKET REPORT & MARKET OUTLOOK – February 5, 2024**

**Report No. 56/29020224/050224**

### **TURKEY - Indicative Price Levels for January in Current Year Vs Previous Years**

Year	DRY	WET	CONTAINER
Jan 2024	350	360	370
Jan 2023	300	310	320
Jan 2022	320	330	340
Jan 2021	240	250	260

**\*(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.*