



## DEMO MARKET REPORT & MARKET OUTLOOK – January 1, 2024

Report No. 51/25291223/010124

**WISHING ALL OUR READERS A VERY HAPPY NEW YEAR**

### COMMENTARY

**INDIA** – Local steel market continues to struggle with a weak demand situation and local steel prices registered a further drop though considering a positive demand seen in the steel raw materials market from China this week is bringing in rays of hope for a better demand in the new year. Local steel plate prices reduced by USD 6/MT this week whereas imported scrap prices have remained unchanged. Local billet prices have reduced by USD 5-10/MT this week which is in line with a slowdown in the rebar market and weakening finished steel prices which reduced this week by USD 7/MT. In view of a weak finished steel market, traders as well as secondary steel mills are buying as per necessity only. India's Steel Ministry Committee has rejected use of shipbreaking steel plates for making TMT bar. There was a hope amongst ship recyclers that if this was approved, it would have given a big boost to demand and prices of steel plates. Prices offered by ship recyclers were softer this week by about 10/LT LDT and ship recyclers are willing to give aggressive offers for fresh tonnages. We would expect to see a cautious approach being exercised by ship recyclers as the local steel demand is not encouraging.

**PAKISTAN** – Local steel market continues at the same levels this week both in terms of demand and prices. With reference to imported scrap prices, traders refrained from fresh purchases as an extra cost on account of voyage re-routing is being passed on to the buyers. With foreign exchange problems continuing to be a problem, there are limited ship recyclers who can manage LC for fresh purchases. Even in this tight foreign exchange situation we have seen a deal for a bulker concluded this week. Prices offered by ship recyclers continue at same levels as last week, but it should be noted that ship recyclers in Pakistan are offering better price levels (by about USD 20-25 per LT LDT for dry segment and about USD 10 per LT LDT for Containers) than ship recyclers in India. We would expect prices offered by ship recyclers to continue at the same levels.

**BANGLADESH** – There has been an improvement in demand for recycled steel which is a very welcome news for ship recyclers. Local steel plate prices have improved by USD 15/MT over the last 10 days and local scrap prices are expected to improve in the coming week. However, imported scrap prices remain unchanged this week and there is not much interest being noted for new bookings of imported scrap as on an overall basis the steel market is still slow. Prices offered by ship recyclers remained unchanged this week, but the continuing foreign exchange



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problems is a big deterrent for ship recyclers who are otherwise willing to buy more recycling tonnages. With national elections less than 2 weeks away, the market is expected to be slow during this period, but activities are expected to improve thereafter. Since the country relies on imports to meet its steel requirements, the ongoing re-routing of voyages due to the attacks on ships in the Red Sea could make imported scrap more expensive paving way for improved demand for local steel from ship recycling. We would expect prices offered by ship recyclers to continue at the same levels with a possibility to start firming up.

**TURKEY** – The local steel market has been slow. Imported scrap prices reduced by USD 5/MT and it is expected that prices may drop further in the new year except if the finished steel market improves. Local scrap prices have continued at same Lira levels but in terms of USD there has been a drop of about USD3-5/MT. Prices offered by steel mills for ship scrap has also reduced by USD 5/MT and could drop further in the new year. Prices offered by ship recyclers have dropped by USD 10/LT LDT. The country will raise minimum wages by 49% from the new year which could make controlling inflation a challenge which also resulted in weakening the local currency taking it to 1 USD = Turkish Lira 29.55. If the local finished steel prices do not improve in the new year, we could expect prices offered by ship recyclers could soften further.

**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** – Low supply continued this week which still consisted of units from dry and container segment.

**MARKET OUTLOOK** – All sizes in the container segment enjoyed good charter rates including the smaller sizes due to the attacks in the Red Sea. Secondhand prices in the container segment continued a downward trend. The Dry and tanker segment had a quiet secondhand market. An increase in the voyage routes due to the problems in the Red Sea has resulted in an increase in demand and could delay tonnages to be sent for recycling. On an overall basis, the supply of fresh tonnages would continue to be slow.



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### **MAIN DEMOLITION SALES DATA FOR PERIOD Dec 25<sup>th</sup> – Dec 29<sup>th</sup>, 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Ultra Large Reefer	Ice River	1984	14519	6984		Alang
Fishing	Viliga	1989	414	745		Alang
Tanker	John Caine	1993	18571	4759	465	As is Singapore

### **MAIN DEMOLITION SALES DATA FOR PERIOD December 1<sup>st</sup> – December 29<sup>th</sup>, 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
MPP	Ying Sheng	2006	10221	3868		Ctg
Container	SSL Delhi	2000	33912	10669		As is Jebel Ali
Container	TJ Orhan	1998	20631	7360	560	Alang
MPP	Corsica	2001	6404	3926		As is Singapore, damaged
Bulker	Jin Hai Xi	1995	28615	5937	506	Alang
Tanker	Seas	1992	41315	10061		Alang
Hopper Dredger	Ibra	1986	6433	4960		Alang
Fish Factory	Chime	1979	4150	5071		Alang
General Cargo	Shun Shin	2005	2508	520		Ctg
MPP	Yi Cheng 58	1985		4301	490	Ctg
Tween	Star 1	1985	7120	1960	450	As is UAE
Container	SOL Valour	1997	10323	3827	535	As is Colombo
MPP	At Middle Bridge	1989	8212	3434	504	Alang
FSU	FSU Soorena	1975	314465	40354		Delivered on as is basis
Bulker	Neptune 1	1994		9986	465	As is Hong Kong
Ultra Large Reefer	Ice River	1984	14519	6984		Alang
Fishing	Viliga	1989	414	745		Alang
Tanker	John Caine	1993	18571	4759	465	As is Singapore



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### **STATISTICS**

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Dec 2023	14	99,644	05	14,117	02	20,457
Dec 2022	09	75,632	08	47,003	02	10,270
Dec 2021	18	123,947	19	206,668	10	45,966

#### **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	43	331,658	26	128,741	04	52,200
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 December in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Dec 2023	475	480	520	485	460
Dec 2022	515	530	575	530	
Dec 2021	555	545	620	580	
Dec 2020	415	405	445	425	

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Dec 2023	520	520	535	520	495
Dec 2022	530	520	560	550	
Dec 2021	620	610	640	640	
Dec 2020	445	430	450	450	

*\*(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.*



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Dec 2023	525	525	540	535	505
Dec 2022	550	540	580	560	
Dec 2021	605	595	615	625	
Dec 2020	435	420	435	445	

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

Year	DRY	WET	CONTAINER
Dec 2023	340	350	360
Dec 2022	280	290	300
Dec 2021	320	330	340
Dec 2020	250	260	270

*\*(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.*