



DEMO MARKET REPORT & MARKET OUTLOOK – January 22, 2024

Report No. 54/15190124/220124

COMMENTARY

INDIA – Low demand and declining finished steel prices continue to worry the ship recyclers. Local steel plate prices reduced by USD 4/MT this week. Imported scrap prices improvement is mainly on account of freight costs but there are not many bookings for same. Billet export prices have softened this week by USD5/MT whereas local billet prices have seen improvement by about USD4/MT though the exact reason for such increase is not clear. Prices offered by ship recyclers have largely continued at same the levels, but the sentiments are weaker. Ship recyclers are now worried at how they can control their losses as the local steel plate prices keep softening. Considering that an average ship size takes about 4 months to complete recycling from the time of purchase, it is worth noting that local steel plate prices have reduced by about USD 40-44/MT from October 20th 2023 to January 20th 2023. The prevailing weaker sentiments could affect the ability of ship recyclers to maintain the current prices being offered for recycling tonnages.

PAKISTAN – Local demand continues to be weak as cold weather affects demand from some regions in Punjab and economic uncertainty due to the forth coming elections weakens the trade sentiments. Despite these odds, we have seen an improvement in local rebar prices of USD 10/MT this week while prices of local scrap equivalent to shredded continued at the same levels. Imported scrap prices increased by USD 5/MT this week in line with freight cost increases. The increase seen is mainly due to demand from those rolling mills which plan to keep production going at their mills despite poor demand. Some ship recyclers can obtain LC for their purchases, and we are thus seeing an interest in purchasing fresh tonnages emanating from them. Since local ship recyclers are now giving highest prices in the Indian sub-continent as of now, they would stand a good chance to procure the scarce recycling tonnage that is being concluded. We would continue to see ship recyclers offer prices at current levels.

BANGLADESH – Local steel plate prices reduced by USD 9/MT this week thus reversing the entire price gain made in its previous week whereas local scrap prices reduced by USD 13/MT. Imported scrap prices improved by USD 5/MT this week which are in lines with freight increases being seen. Prices offered by ship recyclers this week softened by about USD 5/MT this week. Due to low foreign exchange reserves, the availability of LC continues to be a problem. Importers must put in as much as 75% to 100% of LC value as margin money for opening of LC. Sales of steel plates from the ship recycling yards has been continuing at slow pace but number of recycling units being received over last 2-3 months has also been low. We are seeing an emergence of interest for the purchase of fresh tonnages from ship recyclers and we would thus expect price levels offered by ship recyclers to marginally strengthen over coming weeks.



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TURKEY – Local steel demand does not seem to be as strong as it was a couple of weeks earlier. Imported scrap prices have reduced by USD 6/MT this week. Local rebar prices have dropped by about USD 5/MT due to sluggish demand. It is expected that imported scrap prices could further reduce in coming weeks since there are not many mills that are interested in booking materials immediately but there are suppliers looking to sell their scrap material. Even though we have seen a continuous weakening of local currency against the US Dollar in 2023 (from 18.70 to 30.20), recent interest rate hikes and policy measures are helping to increase investor confidence in local currency due to which currency hedging costs over next three months are now declining. Considering the lower supply of fresh tonnages and increasing import scrap prices, ship recyclers have been offering prices at higher levels which have not been seen since June 2022. We would expect same price levels to continue for next week though we may see some softening on prices for fresh tonnages thereafter.

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 – Supply of units has increased, and we saw more units being concluded this week though these are still not as many. Supply would improve compared to the previous quarter although the increase in demand and charter rates due to the Red sea re-routing will postpone many tonnages which would have otherwise hit recycling.

MARKET OUTLOOK – Dry segment experienced pressures on charter rate this week except for capsizes which saw an increase. Though such pressures are expected in the dry segment at this time of the year. Overall buying interest in secondhand assets is still strong. Red sea re-routing is affecting charter market of vessels, mainly in tanker and container segments. The container segment situation has seen a rapid change for the better from ship owners' point of view where the charter rates have increased, there is less idle tonnage and there is an increase in secondhand asset prices with a wider base of secondhand asset buyers. The tanker segment too is experiencing increased charter rates as well as increased demand for secondhand assets. Offshore rig demand is also increasing resulting in increasing day rates. This would also mean that there could be a postponement in the otherwise increased tonnages expected for recycling from these segments.



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GREEN RECYCLING:

1. Marshall Islands has become a party to the HKC basis. The Hong Kong Convention now has the following contracting parties: Turkey, Bangladesh, India, Pakistan, Belgium, Republic of the Congo, Croatia, Denmark, Estonia, France, Germany, Ghana, Japan, Liberia, Luxembourg, Malta, Marshall Islands, Kingdom of the Netherlands, Norway, Sao Tome and Principe, Panama, Portugal, Serbia, Spain.

MAIN DEMOLITION SALES DATA FOR PERIOD Jan 15th – Jan 19th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Container	Jin Yuan He	1991	23465	6710	535	Ctg - incl ROB
Container	MSC Jemima	1994	42289	12677		Alang

MAIN DEMOLITION SALES DATA FOR PERIOD January 1st – January 19th, 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
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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	10	52,596	06	26,654	01	11,248
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 – QUARTER 1 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	10	52,596	06	26,654	01	11,248
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	510	510	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.*



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PAKISTAN - Indicative Price Levels for January in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Jan 2024	525	525	540	535	505
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*

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.