



## **DEMO MARKET REPORT & MARKET OUTLOOK – January 27, 2025**

Report No.106/2024125/270125.

**WE WISH ALL OUR READERS AND THEIR LOVED ONES A VERY HAPPY LUNAR NEW YEAR AND GONG XI FA CAI!!**

### **COMMENTARY**

**INDIA** – The local steel market is slow, and prices have remained at almost the same levels. Prices offered by ship recyclers remain unchanged. Prices of local steel plates as well as imported scrap continued at the same levels this week. Local scrap prices improved by USD 6/MT. While Sellers are trying to push up prices for finished steel products, there is a resistance from buyers due to which there is still a negative sentiment. Ship recyclers are looking for tonnages but there are hardly any deals concluded as ship recyclers from Bangladesh are presently offering better prices. Considering that economic growth has slowed down as against expectations, we could expect more capex plans amongst other measures to increase economic growth to be announced in the upcoming national budget on February 1<sup>st</sup>, to come in with. We will expect prices offered by ship recyclers to continue at the same levels except if the national budget brings in some good news.

**PAKISTAN** – The local steel market continues with a moderate level of activity with prices broadly remaining at the same levels. Prices offered by ship recyclers also continued at the same levels. Imported scrap prices were reduced by about USD 5/MT this week whereas prices of local scrap equivalent to shredded remained at the same level. Supply of cheaper materials from Iran is negatively affecting local steel market and this also affects ability of ship recyclers to offer higher prices for end-of-life tonnages for recycling. The World Bank has urged the government to double its investments in the country to increase growth rates and in addition also suggested a stable policy to attract foreign investors. There is a market expectation of interest reduction as well as a reduction in power tariffs next month which if done would boost demand from businesses. We expect prices to continue at the same levels.

**BANGLADESH** – Local steel markets continue to be slow which is resulting in reduced prices for some steel products. Prices offered by ship recyclers continued at the same levels. Local scrap prices reduced by another USD 12/MT this week, thus squaring up gains made since the beginning of January 2025. There is an expectation in the local market that there could be an improvement in demand. Ship recyclers were active over the last two weeks during which a good number of candidates (mainly from dry segment) have been purchased. Local steel plate prices



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remain unchanged this week. Some ship recyclers have been looking to purchase ship recycling tonnages, especially medium sized. However, many ship recyclers may now slow down for a couple of reasons – (a) to see the direction market would take in terms of local steel demand as well as impact of supply of fresh tonnages for recycling and (b) Further many ship recyclers would be busy in the first half of 2025 to obtain HKC certification for their facility which would also result in slowing down of their purchases of recycling tonnages. Considering all the factors, it is likely that prices offered by ship recyclers may marginally soften in the coming weeks.

**TURKEY** – The local steel market demand is very low and the local steel mills are slowing down their production in line with weak demand. Prices offered by ship recyclers have also softened this week by about USD 10/LT LDT. Imported scrap prices improved by about USD 5/MT this week and there is an expectation of a little bit more increase. It is being seen that sellers are trying to withhold sales of rebar considering an increase in prices of imported scrap. The country's central bank reduced interest rates this week by 2.50% thus bringing it down from 47.50% to 45%. The interest rate cuts are likely to continue. We would expect prices offered by ship recyclers to continue 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** – An increased supply from the bulker segment was this week, however, there was not much seen from other segments this week.

**MARKET OUTLOOK** – The tanker segment freight rates which seemed to be picking up has now not increased as much. The dry segment experienced a reduced freight rates across all sizes this week and the secondhand asset prices also got softer. The container segment continues to enjoy a good freight market for now, but we would need to see developments over couple of months when red sea cargo movement becomes risk free and along with new building deliveries continuing to come in. Freight rates for LNG segment weakened this week. We would be seeing a better continued supply of tonnages for recycling.



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### **MAIN DEMOLITION SALES DATA FOR 20<sup>th</sup> Jan 2025 – 24<sup>th</sup> Jan, 2025**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Leena	1994	22050	5040	441	Alang
LNG	Hyundai Greenpia	1996	71684	29976	Abt 635	Dlvd - Indian subcon option
Chemical Tanker	Martha Option	1993	13360	3868		As is Belawan, Stainless Steel content

### **MAIN DEMOLITION SALES DATA FOR PERIOD 1<sup>st</sup> Jan 2025 – 24<sup>th</sup> Jan, 2025**

Tanker	Itaugua	1997	300361	48100	Abt 447	Alang
Container	MSC Esha F	1993	12854	4950		Alang
Tweendecker	Len	1977	2677	1170		Aliaga
Tanker	Banglar Jyoti	1987	14541	3740		Ctg - En-bloc - local auction
Tanker	Banglar Shourabh	1987	14494	3787		Ctg - En-bloc - local auction
Bulker	Luiz	1994	42815	9100		Aliaga
Reefer	Tai Fu No. 3	1980	4166	2596		As is Bangkok
Tanker	Ark Progress	1995	7355	2635		Ctg
General Cargo	West Ocean 22	1993	4152	2461		Ctg
Tweendecker	Diamond Arrow	1992	6654	1990	310	Aliaga
Bulker	Rong Yuan	1997	70257	9165	460	Ctg
Bulker	Wellgem	1995	69925	9478		As is China
Bulker	Golden Orient	1998	73326	10644		As is Hong kong
Bulker	Ocean Peace	1994	73144	10848		Ctg
Bulker	Leena	1994	22050	5040	441	Alang
LNG	Hyundai Greenpia	1996	71684	29976	Abt 635	Dlvd - Indian subcon option
Chemical Tanker	Martha Option	1993	13360	3868		As is Belawan, Contains SS



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**STATISTICS**

**VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JAN 2025,2024, 2023.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Jan 2025	09	73,487	05	49,267	0	0
Jan 2024	15	90,219	14	59,788	03	31,967
Jan 2023	16	116,200	15	53,676	05	81,638

**VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 1 2025, 2024, 2023.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2025	09	73,487	05	49,267	0	0
2024	45	347,704	34	199,663	11	105,845
2023	28	183,096	34	191,527	05	81,638

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2025	445	450	490	470	440
Jan 2024	475	485	525	490	455
Jan 2023	540	530	590	540	515
Jan 2022	570	565	630	590	560

\*(a) (Prices LT/LDT, less 3% Add Comm)

**BANGLADESH - Indicative Price Levels for Jan in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2025	460	460	510	500	460
Jan 2024	515	515	545	540	505
Jan 2023	550	555	580	580	555
Jan 2022	640	630	655	655	625

\*(a) (Prices LT/LDT, less 3% Add Comm)

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2025	465	470	500	485	455
Jan 2024	530	530	545	540	510
Jan 2023	555	545	585	565	530
Jan 2022	625	620	630	640	635

\*(a) (Prices LT/LDT, less 3% Add Comm)

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

Year	DRY	WET	CONTAINER
Jan 2025	290	300	310
Jan 2024	350	360	370
Jan 2023	310	320	330
Jan 2022	320	330	340

\*(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.*