



## **DEMO MARKET REPORT & MARKET OUTLOOK – January 29, 2024**

Report No. 55/22260124/290124

### **COMMENTARY**

**INDIA** – Sentiments of ship recyclers are weak as low demand in local steel market continues this week. Local steel plate prices stayed at the same levels this week whereas imported scrap prices were reduced by USD 2/MT. Local billet and rebar prices have remained at about the same levels but there is reduced buying activity and rebar market is giving mixed signals. The slowdown in the construction and industrial sectors along with tight liquidity has resulted in traders and mills refraining from stocking materials, which further reduces demand. With only a few fresh tonnages being circulated, the expected deluge of vessels for recycling has proved to be a mirage for over 14 months now. Prices offered by ship recyclers have continued at about the same levels, which are mainly due to inadequate fresh tonnages being offered. We would expect prices offered by ship recyclers to continue at the same levels even as weaker sentiments of ship recyclers will always work to push offered prices downwards.

**PAKISTAN** – There is a growing interest from ship recyclers to acquire fresh tonnages even as end user demand in the local steel market is slow amidst upcoming elections on 8<sup>th</sup> February. Local scrap equivalent shredded prices dropped marginally this week by about USD 5-7/MT whereas imported scrap and rebar prices have remained at about the same levels. Since ship recyclers in Pakistan are offering highest prices in the Indian sub-continent, we have seen growing interest in fresh vessels being discussed for recycling in Pakistan this week though deals have not yet been concluded. Though LC opening continues to be difficult, the country's foreign exchange situation is gradually improving with loan disbursements from IMF, Saudi Arabia, UAE and deposits from China. A strong government in the upcoming election can help strengthen confidence and could also result in improved inflows of foreign exchange. Prices offered by ship recyclers have improved by USD 5/MT this week and we would expect same prices levels to continue.

**BANGLADESH** – Ship recyclers interest is reviving after some months, but they are not able to work on the current price levels being offered for fresh tonnages as of now. Local steel plate prices were reduced by about USD 5/MT whereas local and imported scrap prices continued at same levels this week. There has been a slight easing in LC opening even though it is still not freely available. The central bank has adopted a crawling peg system for exchange rates which is a hybrid of fixed and floating rate. This though contrasts with the earlier market expectation of making the exchange rate completely market based which could have resulted in a bigger onetime adjustment of weakening the local currency but could also have improved the inflow of foreign currency. Prices offered by ship recyclers continued at same levels this week but considering a growing interest of ship recyclers there is a possibility that there could a marginal firming up of prices offered by ship recyclers for fresh tonnages.



## **DEMO MARKET REPORT & MARKET OUTLOOK – January 29, 2024**

**Report No. 55/22260124/290124**

**TURKEY** – Prices offered by ship recyclers continued at same levels this week as the local steel mills improved local scrap prices to adjust for depreciation in Turkish lira this week. Imported scrap prices have reduced by about USD 5/MT this week. However, prices of rebar and wire rod have improved by about USD 5/MT even though the steel mills are not able to tap the full export potential. There has been growing confidence in the construction sector and the outlook is optimistic, which will help in retaining and improving local steel demand. This is in line with an increasing consumer confidence in the economy. Good local steel market and a positive outlook puts Turkey in a good position compared to steel markets in recycling destinations in the Indian sub-continent. This can also be seen in prices offered for fresh tonnages where ship recyclers in Turkey are offering close to 400 levels. We would expect prices offered by ship recyclers to continue at about 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** – This week was very quiet in terms of new candidates offered for recycling.

**MARKET OUTLOOK** – Ship owners across dry, tanker and container segments continue to enjoy good demand and good charter rates. There has been a growing interest in secondhand assets across all these segments. The expected flow of fresh tonnages for recycling from container segment thus stands postponed for at least a couple of months. Units in the offshore segment are also seeing an increase in demand and rates. Gas carriers are presently seeing softer charter markets. Overall, supply of fresh tonnages for recycling will continue to be slower though this counters low steel demand in the recycling destinations of Indian sub-continent. Turkish ship recyclers would actively continue to look for fresh tonnages as they enjoy a good local steel market.

### **GLOBAL NEWS:**

1. China - To support the economy, the PBOC has revealed it would cut the RRR for the banks by 50 basis points which would increase liquidity with the banks by USD 139.45 billion. The said freeing of funds would be targeted to towards specific industries. More stimulus is expected to follow.



## **DEMO MARKET REPORT & MARKET OUTLOOK – January 29, 2024**

Report No. 55/22260124/290124

- EU and USA – Both have seen success in controlling inflation which brings in the speculation of when the first rate cut would be announced. European Central Bank has indicated that it will keep present interest rates for a sufficiently long duration. Whereas probability of Feds cutting first interest rate in March has reduced.

### **MAIN DEMOLITION SALES DATA FOR PERIOD Jan 22<sup>nd</sup> – Jan 26<sup>th</sup>, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Fukuda	1992	2455	750		Ctg
Bulker	Xin Xiang An	1992	22160	5364	490	Ctg

### **MAIN DEMOLITION SALES DATA FOR PERIOD January 1<sup>st</sup> – January 26<sup>th</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
Bulker	Xin Xiang An	1992	22160	5364	490	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



**DEMO MARKET REPORT & MARKET OUTLOOK – January 29, 2024**

Report No. 55/22260124/290124

Jan 2024	11	59,475	09	44,487	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 – QUARTER 1 2024, 2023, 2022.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	11	59,475	06	26,654	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	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.*



## **DEMO MARKET REPORT & MARKET OUTLOOK – January 29, 2024**

Report No. 55/22260124/290124

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		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

### **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.*