



DEMO MARKET REPORT & MARKET OUTLOOK – January 8, 2024

Report No. 52/01050124/080124

COMMENTARY

INDIA – Local steel plate prices as well as prices of imported scrap remained at same levels. The demand for the steel products continued to be weak although there are signs that the billets price may strengthen in view of positive news from China though the mood is still cautious. There were hardly any firm working for any vessel this week except for MSC Sophie which got a high price on account of high bunker levels of about 1250T. Prices offered by ship recyclers have been higher by about USD 5-10/LT LDT this week. Indian economy grew at 7.20% last year and is projected to continue at same levels. Softer commodity prices will favour its local currency's position against the US Dollar. Country expects its interim budget on 1st February before the national elections. While the prices offered by ship recyclers may not improve immediately due to a weaker demand, we could expect speculative tendencies to push up prices offered for fresh recycling tonnages by some ship recyclers.

PAKISTAN – Local steel market continued at same levels. Prices of local scrap equivalent to shredded as well as imported scrap remained at the same levels this week. Even though traders are aware that prices of European origin scrap may go up due to increasing freight rates they are not in a hurry to book imported scrap. Local rebar prices continued at the same levels. In line with the local market, prices offered by ship recyclers continued to be at the same levels. There are some ship recyclers who are looking to purchase fresh tonnages despite difficulty in getting foreign exchange. As the country remains committed to sticking to the IMF program which may mean an increase in fuel and electricity prices, but it also could increase possibility of getting a second bailout loan from IMF thus reducing risk of default in 2024. Prices offered by ship recyclers are expected to continue at the same levels with a possibility to marginally firm up.

BANGLADESH – Local steel plate prices have improved this week by USD 4/MT and we are also seeing demand for same although the movement is still slow as majority of market players adopt a wait and see approach before the elections on 7th January. Imported scrap prices have remained at the same levels. Prices offered by ship recyclers have remained at the same levels this week. Foreign exchange problems continue to pose challenges to ship recyclers for opening of LCs. While we expect prices offered by ship recyclers to continue broadly at the same levels, an increased freight being charged for scrap imports could encourage some ship recyclers to offer a higher price for fresh tonnage.



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TURKEY – Local domestic prices have continued at the same levels, however, due to the weakening of local currency, domestic prices have reduced in US Dollar terms. Imported scrap prices are showing signs of firming up due to which local steel mills may improve domestic scrap prices. Domestic rebar prices have improved by about USD 5/MT. Prices offered by ship recyclers have continued at the same levels this week. We would expect prices offered by ship recyclers to continue at the same level but a firming imported scrap market could mean that there is a possibility for prices offered by ship recyclers could firm up in a couple of weeks.

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 – The year has started off on a positive note as we are seeing more units being circulated than we saw during the last month. While there may not be quick conclusion in terms of finalized deal with a week, we are seeing an increased circulation.

MARKET OUTLOOK – The container segment saw an increase in freight due to the Red Sea related problems and the availability of tonnages was also at minimum. There are still active buyers in the secondhand container segment. Whereas charter rates in the dry segment were under pressure across all sizes except the Capesize. The tanker segment is enjoying a strengthening of the charter rates. The supplied of fresh tonnages for recycling from the container is likely to be delayed because of the ongoing problems in the Red Sea which has increased freight rates. Though, we hope the problem is short lived due to protection forces getting together and the world does not need another bout of inflation. The supply of fresh tonnages for recycling should be slow over the next couple of months.

GLOBAL OUTLOOK:

1. Disruption of free Red Sea navigation seems to be a challenge that is difficult as well as delicate to handle due to which it may take longer than initially expected to ensure safety of ships on Red Sea route.
2. US inflation has slowed down in December basis which indicates that the interest rates have peaked and US Fed would hold interest rates for some time before starting to reduce interest rates thus year.



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MAIN DEMOLITION SALES DATA FOR PERIOD Jan 1st – Jan 5th, 2023

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

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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	0	0	0	0	0	0
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	0	0	0	0	0	0
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	465	475	520	480	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



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Jan 2024	520	520	535	520	495
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	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	340	350	360
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.