



## **DEMO MARKET REPORT & MARKET OUTLOOK – July 15, 2024**

Report No. 79/08120724/150724.

### **COMMENTARY**

**INDIA** – The local steel market has slowed down, and prices are under pressure which has affected sentiments of ship recyclers as well. Local steel plate prices reduced by marginal USD 2/MT where local scrap prices remain unchanged over previous week. Imported scrap prices reduced by USD 2/MT. However, for finished and semi-finished steel products demand has slowed down and prices have reduced by about USD 8-15/MT depending on the product, this week. Prices offered by ship recyclers were softer by USD 5-10/MT although this week too there were hardly any vessel dealings. While the Indian economy is on path to achieve 7% -7.2% growth in 2024, inflation is still at 5% which is above the 4% target meaning the interest rates will likely continue unchanged for next few months. On ship recycling front, current slow demand and the likelihood of it continuing due to monsoon means that the prices offered by ship recyclers for fresh tonnages may be under pressure.

**PAKISTAN** – The local steel market is a bit softer due to subdued demand levels because of increasing costs in the economy. Prices offered by ship recyclers have continued at same levels this week. Prices of local scrap equivalent to shredded reduced by about USD 5-8/MT this week whereas imported scrap prices reduced by USD 3-5/MT. Rebar prices which were recently increased by Steel mills (of about USD 20-25/MT) have not been fully accepted due to which prices reduced this week by USD 8/MT. The country has reached a new loan deal with IMF for USD 7 billion which offers a good respite to the government which has a huge debt repayment program to manage. Despite customs duty increases, the ship recyclers are for time being holding on to the same price levels offered for fresh tonnages this week, but we could well expect prices offered by ship recyclers to be under pressure due a slowing local steel demand and increasing production costs.

**BANGLADESH** – Ship recyclers have given into pressures from the local steel price pressures as well as a slow movement. Prices offered by ship recyclers reduced by USD 10/LT LDT this week. The local steel plate prices reduced by USD 2/MT this week but over the last five weeks they have reduced by USD 26/MT. Local scrap prices reduced by USD 9/MT this week and have reduced by a total of USD 30/MT during the last five weeks. Imported scrap prices have remained at the same levels as last week and have reduced by only USD 5/MT during the last five weeks. It must be mentioned that the ship recyclers have reduced their prices offered for fresh tonnages by only USD 10/LT LDT during the last 5 weeks which is mainly due to low supply of fresh tonnages for



## **DEMO MARKET REPORT & MARKET OUTLOOK – July 15, 2024**

**Report No. 79/08120724/150724.**

recycling. As such, the demand during the monsoon season is expected to be slow which will also affect appetite and sentiments of ship recyclers. We would expect prices offered by ship recyclers to be under pressure.

**TURKEY** – The local steel market has been stable this week and prices offered by ship recyclers continue unchanged. Local scrap prices remained at the same levels as last week and imported scrap prices as well as rebar continued at same levels. However, it is noteworthy that market sentiments are weak due to lower consumption in the economy. Amidst the good news of inflation having slowed down for first time in eight months, the central bank governor has clarified that interest rate cut should not be expected in the next few months as the country targets to achieve 2024 inflation target first. In the meanwhile, prices offered by ship recyclers may be under pressure in view of weaker demand.

**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 tonnages for recycling was low this week. Supplies of smaller vessels were mainly from dry. One LNG was vessel circulated for recycling or further trading.

**MARKET OUTLOOK** – It was a better week for dry segment freight rates as there was some improvement over the previous week except handysize where the rates remained unchanged. The secondhand market has been active in the dry segment. The tanker segment has continued to see softer freight rates and lower secondhand activity. The container segment is busy in terms of freight but there is still a level of slowness creeping in due to summer and secondhand activity is also slow. Supply of recycling tonnages will still be slow and with slower steel markets in the recycling destinations, there is not much incentive for Owners to send their tonnages for recycling if they have a choice.



## DEMO MARKET REPORT & MARKET OUTLOOK – July 15, 2024

Report No. 79/08120724/150724.

### MAIN DEMOLITION SALES DATA FOR 8<sup>th</sup> JULY – 13<sup>th</sup> JULY, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Shun Da Fa Zhan	1994	43246	7985		As is Zhejiang

### MAIN DEMOLITION SALES DATA FOR PERIOD 1<sup>st</sup> JULY – 13<sup>th</sup> JULY, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Yun Shuo 7	2008	12099	3531		Ctg
MPP	Onur	1972	3510	1310		Aliaga
Trawler	Artemis	1985	3350	4150		Aliaga
Bulker	Xiang	2020	7757	3947	470	Ctg
Bulker	Shun Da Fa Zhan	1994	43246	7985		As is Zhejiang

### STATISTICS

#### VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JULY 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
July 2024	02	26,516	05	12,522	01	3,500
July 2023	08	76,719	14	67,238	0	0
July 2022	03	24,198	10	20,250	01	471

#### VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 3 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	02	26,516	05	12,522	01	10,673
2023	27	217,333	54	322,353	05	55,368
2022	16	123,548	31	134,572	02	1,343



## **DEMO MARKET REPORT & MARKET OUTLOOK – July 15, 2024**

Report No. 79/08120724/150724.

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
July 2024	490	495	550	500	475
July 2023	490	500	530	515	475
July 2022	540	545	575	555	530
July 2021	555	545	615	570	545

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
July 2024	535	535	560	560	525
July 2023	560	555	605	595	570
July 2022	615	610	645	630	605
July 2021	600	590	620	625	600

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
July 2024	520	525	540	535	505
July 2023	505	510	535	520	485
July 2022	610	605	640	620	590
July 2021	600	590	605	625	595

*\*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

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

Year	DRY	WET	CONTAINER
July 2024	340	350	360
July 2023	300	310	320
July 2022	230	240	250
July 2021	280	285	290

*\*(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.*