



DEMO MARKET REPORT & MARKET OUTLOOK – June 17, 2024

Report No. 75/10140624/170624.

COMMENTARY

INDIA – The local steel market is facing a double impact – weaker sentiment due to the unexpected election result plus weaker Chinese property market spill over impact which has also been reflected in prices offered by ship recyclers. Local steel plate prices reduced by USD 11/MT whereas local scrap prices reduced by USD 8/MT. Billet as well as finished steel products prices have dropped by USD 10/MT. An obvious wait and see approach have set in at such times across the trade. Though, on the ship recycling front, two container vessels from MSC attracted active interest from buyers and were sold at above what would be a generally acceptable end buyer price level. While the local steel market is currently under pressure, it should be borne in mind that any major announcement on infrastructure/construction projects from government could directly/indirectly positively impact steel markets and this is very likely considering that the ruling government 3.0 has been sworn in and key ministers have taken charge. The local currency has been weaker this week mainly due to US Fed's announcement of slower rate cut, however, India's foreign exchange reserves have increased further, and the central bank will be able to protect the local currency. Present weak sentiments would keep prices offered by ship recyclers under pressure, but slower supply of tonnages would also help to keep prices at the same levels.

PAKISTAN – National budget has been announced this week with the government increasing taxes on cement, steel, cars, capital gains and income from mutual funds. Finer details are awaited and will be clear in the coming week. These tax increases could slow down businesses as they are already suffering from increased costs and high inflation rates of 11%. The budget could further increase inflation. But on a macro level, this budget is required to ensure IMF loan funding to repay maturing debts and put the country on growth path and this bold budget has been welcomed by investors. The local steel market was slow this week and we have local steel prices as well as imported scrap prices under pressure. Prices offered by ship recyclers were also lower by about USD 10/LT LDT. The central bank reduced interest rates by 1.50%, which is its first reduction in four years. In view of Eid celebrations, there will not be much activity next week. We would expect prices offered by ship recyclers to continue at the same levels.

BANGLADESH – Local steel market was slow this week with not much activity being seen. Local scrap prices were reduced by USD 9/MT. Imported scrap prices improved by USD 5/MT, but this has been mainly on account of freight increase. Although, there was active trade seen for imported scrap this week. Prices offered by ship recyclers continued at the same levels but there was not active buying interest seen from recyclers. With the Eid holidays also approaching, slow



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sales activity of this week could not be clearly associated with a weaker economic demand. The local currency weakened against the US Dollar this week by about 0.75% and considering the central bank's policy to loosen its grip on local currency, we can expect the local currency to weaken further. This adds to the problems of ship recyclers. Despite all their problems, it must be noted that this year, ship recyclers in Bangladesh have bought 80 vessels equivalent to half a million tons of lightweight which is substantially higher than India's 43 vessels of three hundred thousand tons of lightweight. In view of the Eid holidays, the local markets would resume by 25th June. During this period there would not be much activity and we would expect prices for fresh recycling tonnages to continue at the same levels.

TURKEY – The local steel market continued to be slow this week although prices offered by ship recyclers remain unchanged. Prices across the steel products have been stable this week except imported scrap prices which registered an improvement of USD4/MT. With Eid holidays approaching, we would be seeing a period of slow activity during the next week. 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 – There was a comparatively better supply of tonnages circulated this week which was a mix of dry and container vessels. We hear that there has been a VLCC circulated off market for recycling.

MARKET OUTLOOK – The dry segment experienced mostly a flat freight rate across the week, but the secondhand market was active. It was a mixed week in the tanker segment tending more towards softened rates this week. The container segment is enjoying a good market both in terms of freight and secondhand demand. Port congestion, mainly in the far east, is another reason for increased demand for vessels and with panic triggering, an advanced ordering by companies to avoid delays pushing demand further. A possible slowing down of demand for car carriers in view of ongoing tariff issue on cars coupled with an expected substantial new building deliveries starting from second half of this year up to end of 2025 could result in pushing some candidates from this segment to recycling. In the short term though, the supply of fresh tonnages for recycling would continue to be slow.



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MAIN DEMOLITION SALES DATA FOR 10th JUNE - 14th JUNE, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Tia II	1999	29250	9020	570	Alang
Container	MSC Grace F	1991	17298	7555	545	Alang, incl approx 150t Bunker
Reefer	Wan Tong	1990	11633	4897	425	As is Taizhou

MAIN DEMOLITION SALES DATA FOR PERIOD 1st June – 14th June, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
General Cargo	Sea of Waves	1993	3562	1037		Alang
Container	Contship Pro	2003	12864	4852		Aliaga
Tanker	Serano II	1999	106552	16290		Ctg
Container	MSC Tia II	1999	29250	9020	570	Alang
Container	MSC Grace F	1991	17298	7555	545	Alang, incl approx. 150T bunker
Reefer	Wan Tong	1990	11633	4897	425	As is Taizhou

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
June 2024	04	23,615	10	85,662	01	7,700
June 2023	09	75,847	16	97,108	0	0
June 2022	12	74,118	06	49,757	04	19,774

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 2 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	19	150,722	46	307,251	03	22,747
2023	25	196,317	53	402,696	0	0
2022	48	464,921	29	208,236	19	166.087



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2024	510	515	565	520	495
June 2023	505	510	540	530	495
June 2022	530	540	570	550	
June 2021	510	500	560	525	

**(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 June in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2024	545	545	570	565	530
June 2023	575	580	635	610	585
June 2022	570	570	590	590	
June 2021	580	570	590	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*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2024	520	525	540	535	505
June 2023	505	510	535	520	485
June 2022	555	550	570	570	
June 2021	575	565	580	590	

**(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 June in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
June 2024	340	350	360
June 2023	330	340	350
June 2022	240	260	250
June 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.