



## **DEMO MARKET REPORT & MARKET OUTLOOK – June 24, 2024**

Report No. 76/17210624/240624.

### **COMMENTARY**

**INDIA** – Local steel markets continued its downward trend this week with substantial price drops across all steel products segments. Prices offered by ship recyclers were not affected by the market change due to the still slow supply of fresh tonnages, but we have seen hesitation in offering higher prices for fresh tonnages. Secondary steel mills are planning production cuts to fight inventory buildup. Local steel plate prices reduced by USD 10/MT, local scrap prices reduced by USD 9/MT, imported scrap prices have reduced by USD 7/MT and local billet prices dropped by USD 15-20/MT. The country's central bank stepped into the market to support the local currency against strengthening US Dollar due to which its reserves reduced by USD 2.90 billion this week. The upcoming national budget is expected on 22<sup>nd</sup> July and considering a fractured win in elections, it will be important to see the budgetary allocation of funds in terms of capex and social support. We would expect prices of fresh tonnages for recycling to be under pressure despite the slow supply of fresh tonnages.

**PAKISTAN** – Local steel market was closed for the Eid holidays this week due to which there has hardly been any activity. Ship recycling related activity was also negligible this week due to Eid holidays. Prices offered by ship recyclers continued at the same levels. There was an active interest seen from ship recyclers for a 14k MT LDT bulker showing that even though local steel market lacks firm direction, ship recyclers are willing to work actively on fresh tonnages for recycling. There is an expectation that the government will raise power costs by about 20%. Local steel markets will open next week, and some more budgetary clarifications will also come in basis which we expect to see some clear direction of the market. Prices offered by ship recyclers for fresh tonnages are expected to continue at the same levels.

**BANGLADESH** – Local steel market was closed due to the Eid celebrations this week and there has hardly been any activity. Prices offered by ship recyclers remained unchanged. Since the government has come up with a tight budget with lower government spending, overall sentiments now are neutral due to which the market is expected to continue unchanged. Crawling peg rate system has helped improve availability of foreign exchange though inflows of foreign exchange have reduced and there is an increasing demand for foreign exchange which could affect its easy availability in future as well as weaken the local currency against the US Dollar. Ship recyclers are still looking to acquire fresh tonnages and to that extent there is some demand from ship recyclers though we expect prices offered by them to continue at the same levels.



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**TURKEY** – Local steel market was very slow due to the Eid holidays this week. Local steel prices as well as prices offered by ship recyclers were stable and continued at about the same levels. On the economic front, there is a substantial inflow of foreign exchange in the country on the back of sound economic policies, but inflation is still very high. Country has seen 76% inflation in May and common man is not able to keep up with these increasing expenses. Ship recyclers are continuing to offer the same prices levels and we expect them to continue offering prices at 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 has been a comparatively better supply of fresh tonnages for recycling during the last two weeks as compared to earlier weeks, but we have only seen some deals being concluded, basis which we should expect to see more deals concluded in the next couple of weeks. Supply is mainly from dry and container segments, but we have been seeing some vessels from tanker segment being sprinkled in the mix.

**MARKET OUTLOOK** – Dry segment freight rates were mixed across sizes this week, but the secondhand market was active although high prices are making some secondhand buyers think twice. Container segments are enjoying good freight rates, good long-term demand and good secondhand prices. The tanker segment experienced a weaker freight market across all sizes this week. Overall, supply of fresh tonnages would continue to be slow, and prices offered by some buyers could be speculative during these times because of which the ship owners will stand to benefit and buyers could end up taking losses.

### **GLOBAL OUTLOOK:**

1. There is an increasing interest shown by some of the countries to consider joining BRICS to hedge against the Western led institutions. BRICS which initially consisted of Brazil, Russia, India, China, South Africa were joined also by Iran, UAE, Ethiopia and Egypt. There are 12 non-members that are showing interest which includes countries like Turkey, Venezuela, Thailand, Malaysia, Bangladesh.



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### **MAIN DEMOLITION SALES DATA FOR 17<sup>th</sup> JUNE – 21<sup>st</sup> JUNE, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Reefer	Tropical Sky	1986	11947	5358	545	Alang
Bulker	Moshtaraka 2	1995	94274	14398	540	As is Khorfakkan, incl 450T bunkers

### **MAIN DEMOLITION SALES DATA FOR PERIOD 1<sup>st</sup> June – 21<sup>st</sup> June, 2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Reefer	Tropical Sky	1986	11947	5358	545	Alang
Bulker	Moshtaraka 2	1995	94274	14398	540	As is Khorfakkan, incl 450T bunkers

## **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	08	41,361	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	23	168,468	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.*