



DEMO MARKET REPORT & MARKET OUTLOOK – March 11, 2024

Report No. 61/04080324/110324.

COMMENTARY

INDIA – Local demand of finished steel products has seen some improvement resulting in a stop to decline in finished steel prices as well as price increase of USD 6-7/MT in finished steel in some states. Secondary steel mills are looking to buy raw materials now though a sustained demand of finished steel products over next couple of weeks will encourage restocking process. Local billet prices have increased by USD 3-6/MT due to recovery in finished steel market. Local Steel plate prices continued at same levels this week whereas imported scrap prices reduced by USD 10/MT. Prices offered by ship recyclers continued at the same levels. Except for some HKC tonnages, very few fresh tonnages for recycling are being targeted for India as the prices offered by ship recyclers is the lowest in the Indian sub-continent. We expect prices offered by ship recyclers to continue at about the same levels but there may be some excitement from buyers willing to take a position in a conceivably improving market conditions, due to which there may be a marginal increase in prices for fresh tonnages being offered for recycling.

PAKISTAN – Local steel market continues to be slow due to low activity levels in the construction sector amidst tight liquidity. Prices of local scrap have reduced by about USD 15-20/MT in line with the reduction in prices of imported scrap this week of about USD 10-15/MT. Prices offered by ship recyclers have continued at the same levels as last week. The new government led by Prime Minister Shehbaz Sharif has a good track record of carrying out reforms and cutting fiscal deficit which fits well with IMF requirements which will make securing new loans from IMF easier. There are only some ship recyclers looking for fresh tonnages amidst problems in securing foreign exchange for LC, even though it may seem relaxed when compared to a few months earlier. Prices offered by ship recyclers would continue at the same levels though competition from ship recyclers in Bangladesh could result in marginal price improvements as the supply of fresh tonnage for recycling is low.

BANGLADESH – There has been an improvement in local steel demand. Local steel plate prices have remained unchanged this week and local scrap prices have improved marginally by USD 3/MT. It is a positive development that local steel plate prices that have improved by USD 18/MT over last 30 days seems to be sustainable. It should also be noted some ship recyclers are awaiting cutting permission due to which the supply of steel from ship recyclers is relatively lower at present. Prices of imported scrap has reduced by USD 3/MT. Prices offered by ship recyclers have improved by about USD 10-15/LT LDT this week. Considering the lower supply of fresh tonnages, we would expect prices offered by ship recyclers to continue at these improved levels.



DEMO MARKET REPORT & MARKET OUTLOOK – March 11, 2024

Report No. 61/04080324/110324.

TURKEY – Imported scrap prices have reduced by a substantial USD 20/MT during this week but may likely stabilize after this reduction as suppliers are reluctant for further reductions. Finished steel prices have also reduced by about USD 15-20/MT this week. Due to a slow local steel market, tight liquidity and weakening local currency, businesses are under pressure. The country's Treasury and Finance Minister Mehmet Simsek said that the monetary policy is tight enough and the policymakers expect inflation to peak above 70% in May and end the year at 36%. In line with falling prices in the local market, prices offered by ship recyclers reduced by another USD 10/LT LDT this week despite low supply of fresh tonnages for recycling. We would expect ship recyclers to continue prices 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 – Supply of fresh tonnages for recycling continues to be slow. Most of the tonnages were seen from the dry segment and fewer from container segment.

MARKET OUTLOOK – All sizes in the container segment are enjoying good demand, good freight rates and the Owners are also able to get long term charter. Considering the strong position, secondhand container vessel prices will strengthen. The tanker segment had a softer demand across most of the sizes across many routes but considering that freight is at generally higher levels, owners are comfortable but secondhand dealings were slower. The Bulker segment had a positive week across all sizes and there is a good demand for secondhand units with an expectation of further appreciation. Supply of fresh tonnages for recycling is expected to slow which will support the prices despite a lower offtake at the ship recycling destinations.

GLOBAL NEWS:

USA: Jobless rate increased to a two year high of 3.90% in February. However, the labour market is still resilient due to which any expectation of a rate cut in April seems less likely.

OPEC+ decided to extend its oil production cuts for another quarter till the end of June 2024.



DEMO MARKET REPORT & MARKET OUTLOOK – March 11, 2024

Report No. 61/04080324/110324.

China: The country's top economic officials reiterated the plan that the economy would grow by 5% this year and hinted at a possible liquidity boost

MAIN DEMOLITION SALES DATA FOR PERIOD March 4th – March 8th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Suvarna Swarajya	1998	32949	8360		Auction, As is Colombo
Container	Far East Cheer	2007	7746	3652		Divd Ctg, Feb sale did not go through
Bulker	Yamtai	1994	28460	6003	475	As is Singapore

MAIN DEMOLITION SALES DATA FOR PERIOD March 1st – March 8th, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Suvarna Swarajya	1998	32949	8360		Auction, As is Colombo
Container	Far East Cheer	2007	7746	3652		Divd Ctg, Feb sale did not go through
Bulker	Yamtai	1994	28460	6003	475	As is Singapore

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Mar 2024	0	0	01	5,032	01	1,010
Mar 2023	10	60,995	09	70,029	00	00
Mar 2022	21	157,334	15	193,958	08	72,796

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	23	114,039	27	157,539	04	48,748
2023	40	287,124	34	191,527	05	81,638
2022	50	307,278	46	511,086	25	241,369



DEMO MARKET REPORT & MARKET OUTLOOK – March 11, 2024

Report No. 61/04080324/110324.

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Mar 2024	475	485	525	490	455
Mar 2023	525	530	580	545	
Mar 2022	655	650	715	675	
Mar 2021	455	445	500	485	

**(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 March in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Mar 2024	530	530	555	540	505
Mar 2023	575	565	630	615	
Mar 2022	685	675	700	700	
Mar 2021	490	485	500	510	

**(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 March in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Mar 2024	530	530	545	540	510
Mar 2023	555	560	620	620	
Mar 2022	660	655	665	675	
Mar 2021	490	485	495	500	

**(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 March in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Mar 2024	330	340	350
Mar 2023	330	340	350
Mar 2022	450	460	470
Mar 2021	230	240	250

**(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.