



DEMO MARKET REPORT & MARKET OUTLOOK – March 25, 2024

Report No. 63/18220324/250324.

COMMENTARY

INDIA – While there has been a marginal improvement in prices of local steel plates as well as imported scrap prices, weak local demand for finished steel along with approaching election months would mean that, there may not be enough demand to result in sustained price improvements. There has been a marginal improvement in local steel plate prices by USD 3/MT and imported scrap prices by USD 4/MT this week. Ship recyclers despite their willingness and need to buy fresh tonnages for recycling are not able to improve their offer prices to compete with its neighboring ship recyclers in the Indian sub-continent. Multiple factors (such as weakening of Chinese Yuan and other Asian currencies, increase in oil prices, lack of Indian central bank intervention during later part of this week, strengthening US Dollar Index) weighed on Indian Rupee due to which Indian Rupee lost 0.80% of its value against the US Dollar this week. However, we would expect Central Bank to step in next week to support the Indian Rupee since the Central bank has been soaking up a lot of increased foreign exchange inflows during the year. Considering present market conditions, we would expect prices offered by ship recyclers would continue at the same levels and it would be mainly the green recycling tonnages that would be received.

PAKISTAN – The local steel market continued to be slow this week as well due to the Ramadan period. Lack of enough demand for finished steel has also resulted in lowering of production by local steel mills. While the price of local scrap equivalent to shredded continued to be at the same levels there was some softening in prices of finished steel this week. The price of imported shredded scrap was reduced by USD 5/MT this week. Ship recyclers have been quieter during the week for purchase of fresh tonnages for recycling. However, there is an expectation that the local market will improve after Ramadan. The Pakistani Rupee managed to show a minor improvement against the US Dollar which contrasts with other Asian currencies which faced a decrease in value against the USD. This was mainly because the country could secure release of final loan tranche of USD 1.10 billion from IMF. The country plans to seek a new IMF loan of USD 6 billion which could be considered favorably due to a good track record of economic improvement and adherence to program demonstrated over the last year. In the meanwhile, we would expect Ship recyclers to start getting ready for making purchases of fresh tonnages for recycling in the coming week and considering lower supply for fresh tonnages, we could expect a marginal improvement in prices offered for fresh tonnages.

BANGLADESH – There has been a slowdown in the local steel market due to Ramadan. This has also resulted in a further marginal price drop in price of local steel plates by USD 5/MT this week. Local steel mills are presently working at less than 50% of capacity. Ship recyclers however have



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been active in purchasing limited tonnage for recycling that is being offered in the market basis which prices offered by them have improved by about USD 5/LT LDT this week. Cash held outside the bank increased for third straight month and over last 2.5 years, cash held outside bank has increased by 25% which affects ability of banks to lend and weakens the effectiveness of monetary policy tools. Foreign exchange problems continue due to which opening of LCs for purchases continues to be a challenge for ship recyclers. The smaller units for recycling are thus preferred by ship recyclers. There is an expectation of improvement in local steel market after Ramadan. We would thus expect prices offered for fresh tonnages to marginally improve further during the coming week especially because there is a slow supply of fresh tonnages.

TURKEY – Import scrap prices improved marginally by USD 2-3/MT this week while domestic scrap prices have remained stable. While it needs to be seen whether the price improvement of imported scrap is sustained over the next few weeks, it is still a relief for now after having seen a price reduction of USD 40/MT during the last five weeks. Demand for finished steel in the local market continues to be sluggish. Prices offered by ship recyclers continued at the same levels this week. There was an unexpected interest rate hike of 5% (taking it to 41.50%) by the central bank which reinforced the country's commitment to keep up with its policies of monetary tightening to rein in the inflation. This has resulted in a small appreciation of the local currency against the US Dollar for the first time in the last 13 months over which the local currency has depreciated by 71% against the US Dollar. Considering an overall slow supply of fresh tonnages for recycling 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 – Supply of fresh tonnages for recycling was slow this week with mixed tonnages being circulated but no new candidates from the container segment were seen.

MARKET OUTLOOK – Tanker freight rates were mostly softer across most of the sizes in the crude whereas product tankers had a mixed trend this week. All sizes in the bulker segment except for Handy had a softening of freight rates. Although the secondhand market in the dry segment is active with lot of interested buyers. The container segment continues its good demand period mainly due to the Red Sea related problem and related longer voyages required otherwise the



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New Building deliveries would have pushed many candidates towards recycling. All in all, the supply of fresh candidates for recycling will continue to be slow which could well push up prices when demand from recycling destinations in Pakistan and Bangladesh improves after couple of weeks.

MAIN DEMOLITION SALES DATA FOR PERIOD March 18th – March 23rd, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Xin Run 66	2004	4918	2908	525	Ctg
Container	Stride	1997	25926	8952	120	As is Houston, incl ROB 585T, Fire Damaged
Pipe Layer Barge	Comanche	1969	9502	9331		As is Batam, U/T
Tanker	Jal Gamini	2000	149958	22572	541	Divd Indian Sub-con option
FPSO	Petroleo Nautipa	1975	137308	23590		As is Oman, U/T

Kindly note that we had reported vessel – Bos Lina (Tween, 1991 built, LDT 3287 MT) as being sold in our last report for Alang. However, the vessel remains unsold.

MAIN DEMOLITION SALES DATA FOR PERIOD March 1st – March 23rd, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Suvarna Swarajya	1998	32949	8360		Auction, As is Colombo
Fishing	Petr Zhitnikov	1989	10070	16331		
General Cargo	Arrow S	1974	3318			Aliaga
Container	Far East Cheer	2007	7746	3652		Divd Ctg, Feb sale did not go through
Tanker	LMS Laxapana	1986	3283	1205		Ctg
Bulker	Jahan Brothers	1994	43648	8032		Ctg
Heavy Lift	Lian Feng 6	1999	22229	6537		As is Singapore
Bulker	Yamtai	1994	28460	6003	475	As is Singapore
Tanker	Hong Yun You 19	1999	6413	2579		Ctg
Container	MSC Rossella	1993	43605	13305	529	Alang
Bulker	Denak Voyager	1996	72172	9519	540	Ctg
Tanker	Xin Run 66	2004	4918	2908		Ctg



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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	02	22,910	05	28,513	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	25	136,949	32	186,051	04	48,748
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 March in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Mar 2024	470	475	520	485	450
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



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Mar 2024	535	540	555	545	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			WET	
	Cape / Pmx	Handymax	Container	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.