



DEMO MARKET REPORT & MARKET OUTLOOK – NOVEMBER 18, 2024

Report No. 97/11151124/181124.

COMMENTARY

INDIA – The resumption of market after the Diwali holidays has not brought in the revival of local steel demand so far. Prices offered by ship recyclers continue at the same levels. Local steel plate prices were reduced by USD 5/MT thus reversing price gains of the earlier week. Local scrap prices were reduced marginally by USD 2/MT whereas imported scrap prices were reduced by USD 7/MT. Local finished steel demand from retail trade, real estate developments as well as from rural construction is weak due to which the secondary steel mills are not keen to stock up materials. This week saw a good number of vessels circulated from the container and LNG (though it is not yet clear whether the LNG is for Alang). A container ship was concluded this week at a higher price of about USD 15/LT LDT which is mainly due to higher ROB on board the vessel. We still need to see whether the LNG vessels will be recycled in Alang. An increased imports of both Gold and Petroleum in October coupled with an outflow of foreign exchange from stocks has weakened Indian Rupee which traded at its lowest levels of Rs. 84.42 against US Dollar. Even as the central bank is expected to intervene, the market players are expecting Indian Rupee could continue its weakening trend towards Rs. 85 against the US Dollar in the coming month. Given the prevailing weakness of the steel market, we could expect prices offered by ship recyclers could be under marginal pressure.

PAKISTAN – The local steel market continues to experience slow demand even as expectation of improvement in local steel market continues. Prices offered by ship recyclers in the meanwhile continued at the same levels. Imported scrap prices were reduced by about USD 5-7/MT this week, but the traders were still not keen to book the purchase. There is an expectation of a reduction in the electricity tariff which may result in a reduction in prices offered by steel mills due to which some local customers would try to wait before they make new purchases, if possible. Ship recyclers in the meanwhile are working to procure recycling tonnages but are not keen to improve their offer prices due to the present local steel market condition. Even though there are some positive indications of economic growth, the prices offered by ship recyclers will continue at the same levels with the possibility of a marginal increase in the following weeks.

BANGLADESH – A diverse trend in local steel demand is being seen in the last couple of weeks wherein local steel plate prices have been increasing but prices of local scrap remain same and prices of imported scrap reduced by USD 3/MT. Prices offered by ship recyclers continued at the same levels this week. Local steel plate prices have increased further by USD 10/MT this week,



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thus taking the total increase of steel plate prices to USD 31/MT over the last 2-3 weeks. Ship recyclers have now become active and are seen to be looking to acquire fresh tonnages for recycling of sizes, big and small. It should be noted that the demand increase is limited only to the local steel plates and overall economic growth is still weak. This could mean that price reduction of steel plates in the local steel market could be equally quick about which ship recyclers would be aware. In the meanwhile, we would expect prices offered by ship recyclers could improve.

TURKEY – Local steel market prices have reduced, and prices offered by ship recyclers have also reduced. Imported scrap prices reduced by USD 9/MT this week and ship scrap prices reduced by USD 10/MT this week. Prices offered by ship recyclers were thus also reduced by USD 10/LT LDT. A sluggish export market for finished steel products and a weak local steel market which cannot absorb reduced export quantities are affecting sentiments as well as prices of finished steel products locally. There is an expectation that imported scrap prices would also likely remain weak for the rest of the year. It is heartening to note that the country received more ships for recycling this year as compared to the past year mainly due to EU flagged ships as well as semi-submersible platforms. On the economic front, the government had removed rent cap a couple of months earlier and an increasing rent could boost return on investment made for home purchases which could boost home sales going forward. Prices offered by ship recyclers would likely continue at the same level.

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 – Slow supply of tonnages continued this week mainly from dry segment this week. We would like to advise that at one of TradeWinds session which focused on market outlook for 2025, there was a general opinion emerging from panelists that the proposed increased flow of tonnages could be starting from Q2/Q3 of 2025.

MARKET OUTLOOK – Freight rates in the tanker segment continue to be soft and the secondhand asset demand is low as buyers are hesitant because of subdued freight rates and lack of clear direction on freight rates. In the dry segment, except for Capesize, all the other sizes experienced a flat to soft freight market and there is not much activity in the secondhand market. The

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container segment is enjoying good freight rates in all sizes as well as good demand in the secondhand market. The supply of tonnages for recycling is still expected to be slow but we may see a small increase in tonnages over the coming month.

GREEN RECYCLING:

1. BIMCO launches Ship Recycling Alliance:

BIMCO has launched a Ship recycling Alliance to provide support so as to enable a robust implementation and enforcement of HKC during the lifetime of ship. As well as enable implementation and enforcement of Basel Convention with respect to environmentally sound management of wastes originating from Ship's recycling process. The Alliance is established to promote and defend the joint shipping and ship recycling industries' interest. The Alliance will communicate and coordinate with IMO and other international authorities as required for smooth coordination of international regulations relating to safe and environmentally sound ship recycling.

Wirana is happy to be a part of this BIMCO Alliance with which we can play our role in enabling a robust implementation and enforcement of regulations relating to green ship recycling.



- #### **2. India - Ministry of Steel (MoS) has adopted star rating system for green steel.** MoS states that green steel is best defined in terms of the percentage of greenness of steel produced in steel plant with CO₂ equivalent emission intensity of less than 2.2 tonne of CO₂ per tonne of Crude Steel (tCO₂/tcs).



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MAIN DEMOLITION SALES DATA FOR 11th Nov – 15th Nov,2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Rafaela	1996	51210	16024	510	Alang, incl bunkers 400-500MT
LNG	SK Summit	1999	76064	29970		As is Singapore
LNG	SK Supreme	2000	75519	29017		As is Singapore
LNG	SK Splendor	2000	75154	29182		As is Singapore
LNG	SK Stellar	2000	75135	29135		As is Singapore

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Nov – 15th Nov, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Horizon Enterprise	1980	31477	13667	315	As is San Diego
Container	MSC Rafaela	1996	51210	16024	510	Alang, incl bunkers 400-500MT
LNG	SK Summit	1999	76064	29970		As is Singapore
LNG	SK Supreme	2000	75519	29017		As is Singapore
LNG	SK Splendor	2000	75154	29182		As is Singapore
LNG	SK Stellar	2000	75135	29135		As is Singapore

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Nov 2024	10	66,684	06	34,599	00	00
Nov 2023	10	71,504	09	58,271	01	16,809
Nov 2022	11	112,658	07	16,397	01	6,475

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 4 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	22	159,261	13	86,864	01	22,747
2023	45	347,704	26	128,741	06	47,967
2022	27	271,729	32	236,479	08	45,548



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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Nov 2024	450	460	495	465	435
Nov 2023	485	495	540	500	475
Nov 2022	515	520	555	530	505
Nov 2021	575	565	640	600	575

*(a) (Prices LT/LDT, less 3% Add Comm)

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Nov 2024	480	480	525	520	495
Nov 2023	520	520	535	520	495
Nov 2022	535	540	575	550	525
Nov 2021	615	605	635	635	610

*(a) (Prices LT/LDT, less 3% Add Comm)

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Nov 2024	475	480	510	495	465
Nov 2023	525	525	540	535	505
Nov 2022	520	510	540	530	505
Nov 2021	615	605	625	635	610

*(a) (Prices LT/LDT, less 3% Add Comm)

TURKEY - Indicative Price Levels for Nov in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Nov 2024	320	330	340
Nov 2023	320	330	340
Nov 2022	260	270	280
Nov 2021	320	330	340

*(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.