



DEMO MARKET REPORT & MARKET OUTLOOK – November 20, 2023

Report No. 45/13171123/201123

COMMENTARY

INDIA – Local steel market is giving mixed signals across its product range, but it is leaning more towards an improving scenario. The local steel market will get active after the festive holiday season from the coming week, and we should be able to see a proper direction of market. Local steel plate prices have reduced marginally by USD 3/MT this week whereas prices of imported scrap have increased by another USD 4/MT this week. Local billet prices have reversed the falling trend and have improved by USD 5/MT this week though the sales offtake is low. Exports of billet are opening, which provide additional sales support and help support prices locally as well. However, local rebar prices have reduced marginally by USD 4/MT this week. The country's inflation eased for third straight month. Reserve Bank of India have asked lenders to increase provisions against personal loans and credit cards borrowing which could hurt consumer spending. This is a prudent measure for long term quality of banking assets but can affect the pace of economic growth in short run. Prices offered by ship recyclers improved marginally and due to low supply fresh tonnages we see some deals where a vessel get higher price than normal. There is a good possibility that prices offered by ship recyclers could improve and this would become clearer within the next couple of weeks.

PAKISTAN – Imported scrap prices increased by USD 5/MT but local scrap equivalent to shredded prices have reduced by USD 10/MT, local rebar prices have also reduced by USD 20/MT and prices across other steel products in local market have gone softer this week. Traders are buying imported scrap to restock as the stock levels are running low. There has been a shortage of raw materials because of the LC opening problems which have been faced for months now. The country has met the IMF guidelines based on which IMF reached a staff level agreement this week to release further USD 700 million which is a good boost for the confidence in the economy. We hope that the release of loan amount of USD 700 million should bring a short-term respite in LC opening problems. Prices offered by ship recyclers continued at same levels this week. The only major problem is LC opening because of which there would be very limited deals that could be made by ship recyclers. We could see prices offered by ship recyclers would continue at same levels with a possibility to marginally firm up further.

BANGLADESH – Imported scrap prices have continued at same levels this week but there are not many purchases due to LC problems. Local steel plate prices increased by USD 18/MT and local scrap prices improved by USD 13/MT. There has been an improvement in local demand, which is a good development. The Central Bank advised money changers to restrict the maximum exchange rate to 1 USD = Tk117 and this move became essential as the exchange rates against a US Dollar had reached Tk 124 in banks & Tk128 outside the banks during the



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second week of November. Such restrictions in rate can provide temporary relief but remittances will be held back in anticipation of getting better rates later. The Bangladesh Bank increased policy rate by 75 basis point this week to contain the increasing inflation. There is an improvement in sentiment amongst ship recyclers, and we are seeing some interest in fresh tonnages this week with deals being worked though prices offered by ship recyclers continued at the same levels. However, foreign exchange problems are a major hurdle which only very few ship recyclers can overcome.

TURKEY – Imported scrap prices improved by USD 6/MT this week. It would be noted that imported scrap prices have increased by USD 25-28/MT over the last 30 days. Domestic scrap prices also increased this week by USD 5-15/MT. Billet prices have been registered a marginal improvement as supplies from Russia have slowed down and there is a price improvement in rebars. Good monetary policies have started showing good results and it is likely that the pressure on exchange rates should start easing over the next few months. In another positive, the country recorded a trade surplus in its current account of USD 1.90 billion in September 2023. Prices offered by ship recyclers improved by USD 10/MT this week. It is expected that the positive trend is likely to continue, and we can see an improvement in prices offered for fresh tonnages in the coming weeks.

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 continues to be low with bulkers and containers being the main segments from where the units are being offered for recycling. This week we saw comparatively more container vessels being circulated as compared to previous weeks.

MARKET OUTLOOK – Dry segment continues to enjoy good freight rates across all sizes whereas tanker segment had a mixed week in terms of freight rates. Secondhand market in the dry segment was active compared to the tanker segment. The bigger sized units in the container segment are experiencing a good demand and freight rate unlike smaller sized tonnages. There is an increasing buildup in the supply of container units with more new building tonnages to be delivered in coming months. Worth noting is an increase in demand for bigger sized secondhand container ships being seen from Chinese buyers which will help push



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up secondhand prices of these sizes. Supply of fresh tonnages for recycling would continue to be generally slower which will help support the prices being paid by ship recyclers.

GREEN RECYCLING:

- 1. There is a very interesting development for recycling of EU flagged vessels. As per the new agreement between the European Parliament and the Council on Waste shipment which is subject to a formal approval by the Council and European Parliament before the end of the year, EU flagged ships can be recycled at EU approved ship recycling facilities outside the EU and OECD.**

This will mean (a) there would be increase in EU approved facilities around the world – outside EU and in non-OECD countries (b) more recycling facilities will become available for recycling EU flagged ships (c) Owners of EU flagged ships could get better realization for their end of life ships (d) There could be more competition for EU listed ship recycling facilities in Turkey (e) EU listed ship recycling facilities that are dedicated to ship recycling activities only could face more challenges in terms of pricing being offered.

GLOBAL OUTLOOK:

1. Chinese President Xi Jinping's visit to USA has been successful to the extent that it has helped to reduce tension between USA and China. It would also mean more co-operation in handling areas of crisis in the world and better prospects for trade growth between China and USA.
2. Oil prices were under pressure this week (with brent going down to USD 77/Bbl) on weaker demand prospects and the only reason a its surge back to USD 80/Bbl is a possibility that there might be production cut at OPEC meeting later this month.
3. A quicker than expected cooling of inflation in Europe should help increase spending power of European consumers next year which will be beneficial for the economic growth.



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MAIN DEMOLITION SALES DATA FOR PERIOD Nov 13th – Nov 17th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Daytona Dynamic	1990	27877	6058	510	Alang
Container	MTT Tawau	1997	14099	5730		As is Malaysia - En-Bloc
Container	MTT Tanjung Manis	1999	12171	5467		As is Malaysia - En-Bloc
Bulker	Silver Wind	1986	2859	1011		Divd Alang/Ctg in Buyer's option
Container	Xin Feng Guang Zhou	1994	33522	8895	495	As is Zhoushan
Container	Duck	1997	21519	6961		Divd Sub-con in Buyer's option

MAIN DEMOLITION SALES DATA FOR PERIOD November 1st – November 17th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Xin Feng Ning Bo	1995	35551	10316		As is Zhoushan
Bulker	APJ Uma Kismat	2001	74107	10438	510	As is Colombo
Fishing	Western V	1980	1200	868	600	High non-ferrous content and special materials
Bulker	Jin Yuan Xing 16	1977	66400	11190		As is Hong Kong
Container	Casablanca A	1996	9303	4666		Aliaga
Bulker	Xin Dong Guan 3	1996	69512	9700	473	As is Hong Kong, incl 80T FO and 13T MGO
MPP	Bontrup Maldives	1984	42913	10820	547	Alang, incl 350T bunkers
LPG	Gas Dollart	1990	4998	2491	700	Alang, high quantity of special materials
Bulker	Wu Yang Goddess	1995	45700	7481	480	AS is China, incl 500T bunkers
Container	MSC Chiara	1987	41815	14305	537	Alang, incl 350T bunkers
Reefer	Shun Ze Leng 6	1991	12700	6904		As is Zhoushan
Bulker	Catherine Bright	1998	77828	10962	535	Alang
Bulker	Jin Yun Xing 16	1977	66400	11190		Ctg, Has Spare propeller
PCC	Sighter	1987	13898	11238		Ctg
Livestock	Quality	1966	2045	3700		Alang
Container	Yango	1993	18166	5866		Ctg
Bulker	Daytona Dynamic	1990	27877	6058	510	Alang
Container	MTT Tawau	1997	14099	5730		As is Malaysia - En-Bloc



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STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN NOVEMBER 2023,2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Nov 2023	06	42,085	04	20,340	01	22,000
Nov 2022	11	112,658	7	16,398	01	6,475
Nov 2021	16	148,117	19	218,544	10	24,093

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 4 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	25	202,595	16	76,692	02	31,743
2022	27	271,729	32	236,479	08	45,548
2021	55	403,434	57	572,571	34	234,511

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	505	515	560	520	495
Nov 2022	500	505	540	515	
Nov 2021	575	565	640	600	
Nov 2020	395	385	415	405	

*(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 November in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	520	520	535	520	495
Nov 2022	535	540	575	550	
Nov 2021	615	605	635	635	
Nov 2020	400	390	405	410	

**(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 November in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	525	525	540	535	505
Nov 2022	525	515	545	535	
Nov 2021	615	605	625	635	
Nov 2020	390	380	390	400	

**(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 November in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Nov 2023	320	330	340
Nov 2022	240	250	260
Nov 2021	320	330	340
Nov 2020	210	220	230

**(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.