



## DEMO MARKET REPORT & MARKET OUTLOOK – NOVEMBER 4, 2024

Report No. 95/28011124/041124.

### Wishing all our readers A VERY HAPPY DIWALI

#### COMMENTARY

**INDIA** – Lack of demand due to the holiday season has resulted in further softening of the local steel prices in some steel product lines this week. Prices offered by ship recyclers remained at the same level this week. Local steel plate prices continued to be at the same level whereas local scrap prices improved by a marginal USD 3/MT. Imported scrap prices were reduced by USD 8/MT and the local billet prices reduced by USD 8 - 11/MT. Local rebar prices softened by about USD 10-15/MT this week. A container vessel from Evergreen was circulated this week but the vessel has been most likely sold by the Sellers for further trading. The country's central bank continues to project robust economic growth of 7.20% for the year ended March 2025 (*not in line with market expectation which sees a slower growth of about 6.80%*) which means the central bank will not be keen to reduce interest rates till inflation targets are achieved despite a liquidity squeeze in the local market. There is an expectation that the local steel market demand could improve after the end of the Diwali holidays, which may support a price increase. However, we would expect prices offered by ship recyclers to continue at the same levels.

**PAKISTAN** – Local steel market continues to be slow and the demand for finished steel product continues to be weak. Prices offered by ship recyclers continue at the same levels. A very peculiar aspect of the local steel market is that the local steel prices have not been decreasing despite continuous weak demand. In fact, prices of local scrap equivalent to shredded were increased by USD 15-20/MT by traders and local steel mills increased prices of finished steel products by USD 8/MT this week. This is despite a reduction in prices of imported scrap by USD 10-12/MT. Whether the increased prices in the local steel market are sustained, needs to be seen over the seen coming week. Ship recyclers are interested and have been working on fresh tonnages for recycling this week, however, no deals have been concluded. Even as the country is restoring international confidence there is much that needs to be done to restore confidence amongst the local talented youth that has been emigrating from the country. It will need to be seen if the improved local steel prices are sustained over coming weeks. Till such time, prices offered by ship recyclers will continue at the same levels.

**BANGLADESH** – The local steel market continues to be weak, and prices offered by ship recyclers continue at the same levels. Local steel plate prices increased by USD 4/MT and local scrap prices improved by USD 2/MT. However, imported scarp prices were reduced by USD 2/MT. Local steel



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mills are not keen to restock due to weak finished steel demand. However, it is expected that they may start re-stocking by the end of November when the demand is expected to increase. Ship recyclers have been working to procure fresh tonnages for recycling and they are interested in bigger tonnages as well. As the country struggles to manage low foreign exchange reserves, we should not rule out the possibility of opening LCs becoming difficult over the coming weeks unless there is a major economic activity change. The country's GDP growth slowed in Q4 FY 2024 both in industrial as well as agricultural sector compared to Q4 FY 2023. We would expect prices offered by ship recyclers to continue at the same levels in the coming week.

**TURKEY** – Imported scrap prices have seen a price reduction bringing in an element of caution in the local steel market. Prices offered by ship recyclers in the meanwhile continue to be at the same levels this week. Imported scrap prices have reduced by USD 12/MT this week; however, the general market feeling is that it may not reduce any further. Prices offered by steel mills for domestic scrap showed a mixed trend. Demand for the finished steel products is slow. Ship recyclers are actively looking to buy fresh tonnages, the availability of which continues to be slow. This has allowed prices offered by ship recyclers to remain stable despite weak local demand. The country's credit rating was upgraded for a second time this year by S & P Global considering the reserve accumulation and reduction of inflation which is a good achievement. 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** – Slow supply of recycling candidates continued this week across all segments this week. Container vessel offered for recycling this week has been most likely sold for further trading at aa price level, substantially higher than the demo levels which is well possible considering active interest in secondhand container candidates.

**MARKET OUTLOOK** – The dry segment freight rates were flat across most sizes except supramax which got softer this week whereas the secondhand asset prices are presently mixed given the freight rate performance over past few weeks. The tanker segment also experienced softening of freight rates across all sizes except MR which is doing good. Secondhand asset prices in the tanker segment also softened a bit mainly for older tonnages this week. The container segment



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continues to experience a good freight market across all sizes as well as good demand for secondhand units. Freight rates in the LNG segment continue to face downward pressure. Overall supply of fresh tonnages for recycling may continue to be slow with only possible exception of vessels from LNG segment.

### **MAIN DEMOLITION SALES DATA FOR 28<sup>th</sup> Oct – 1<sup>st</sup> Nov,2024**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Fatma Sari	1994	43188	8012		Ctg

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

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Adele	1986	31205	8800	501	Alang
MPP	Atlas Wind	1997	5196	2486	445	As is Port Kelang, Malaysia
Tanker	PK10	1988	1905	724		Ctg
Bulker	Princess Lotus	1996	70189	9214	435	As is Shanwei, incl bunkers - FO 170T and 30T GO
Bulker	Ning Hua	1996	62858	9713	433	As is Taishan, China
Container	MSC Malin	1982	21370	10655		Aliaga
General Cargo	Seagrand	1986	9672	3320	460	Alang
Bulker	Ali A	1980	7107	2500	455	Alang
MPP	Happy Buccaneer	1984	13740	9900		Aliaga
Container	MSC Alexa	1998	50855	16123	491	Alang, incl Bunkers ROB abt 100T
Container	MSC Eyra	1982	21370	10655		Alang, incl bunkers
Bulker	Taha	1985	29319	8603	480	Alang
Container	Armada Sejati	1990	8528	3322		Ctg
Bulker	Venia	2001	171448	23118		Gadani
MPP	Musa Oba	2002	18855	6769		Aliaga, U/T, dqamaged by fire
Pass/Ferry/Cargo	GNV Aries	1987	6403	13484		Aliaga
Bulker	Fatma Sari	1994	43188	8012		Ctg



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### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN OCT 2024,2023, 2022.**

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Oct 2024	12	92,777	07	52,265	01	20,000
Oct 2023	19	160,510	12	56,352	01	9,743
Oct 2022	07	83,439	17	173,078	05	28,803

#### **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	12	92,777	07	52,265	01	20,000
2023	45	347,704	26	128,741	06	47,967
2022	27	271,729	32	236,479	08	45,548

#### **INDIA- Indicative Price Levels for Oct in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2024	445	460	500	465	435
Oct 2023	510	515	565	520	495
Oct 2022	575	580	615	590	575
Oct 2021	590	580	655	615	590

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

#### **BANGLADESH - Indicative Price Levels for Oct in Current Year Vs Previous Years**

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2024	465	465	525	520	495
Oct 2023	510	510	530	515	480
Oct 2022	610	605	640	625	600
Oct 2021	610	600	630	630	610

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



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### **PAKISTAN - Indicative Price Levels for Oct in Current Year Vs Previous Years**

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Oct 2024	475	480	510	495	465
Oct 2023	500	510	515	505	470
Oct 2022	595	590	625	610	585
Oct 2021	610	600	620	630	610

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

### **TURKEY - Indicative Price Levels for Oct in Current Year Vs Previous Years**

Year	DRY	WET	CONTAINER
Oct 2024	340	350	360
Oct 2023	300	310	320
Oct 2022	240	250	260
Oct 2021	300	310	320

**\*(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.*