



DEMO MARKET REPORT & MARKET OUTLOOK – November 6, 2023

Report No. 43/30031123/061123

COMMENTARY

INDIA – Volatility across local and global steel market has been affecting the pricing and demand due to which ship recyclers are being cautious and their sentiments are subdued this week. Local steel plate prices reduced by USD 10/MT which wiped off a USD 7/MT price increase seen in the previous week which is due to lower demand in India. On the other hand, imported scrap prices which had reduced by USD 5/MT in the previous week has seen a price gain of USD 7/MT this week which was due to improved global sentiment. Local billet prices were also under pressure and the local rebar market is also weak. There is thus an overall lack of confidence resulting in lower purchases by secondary steel mills and traders. We feel that this is a temporary slowdown, and we should see a revival in local steel demand in next couple of weeks. Due to cautious mood amongst ship recyclers, prices offered by ship recyclers reduced by about USD 10/LT LDT this week. We could expect a cautious mood amongst ship recyclers for the next couple of weeks due to which prices may be under pressure and we may not see a major price increase.

PAKISTAN – Imported scrap prices improved by about USD 5/MT which was in lines with increase seen globally this week but there were hardly any purchases made by traders. Local steel scrap prices continue to be volatile due to the currency movements. But the overall demand for steel locally is weak. The foreign exchange problem continues to make it difficult for importers to carry out purchases. Inflation eased in October due to reduced fuel prices as well as reduced food prices and the country is in line with IMF targets which is expected to release another USD 700 million this month. While the ship recyclers have not reduced their price for fresh tonnages there are very few enquiries. In one of the few transactions for fresh tonnages, a tanker vessel of about 22000 LT LDT which was purchased earlier has beached Gadani this week. Prices offered by ship recyclers in India have reduced and are now in lines with prices being offered by ship recyclers in Pakistan (except for container where India still offers about USD 25-20/LT LDT higher). We could see some interest reviving among ship recyclers for fresh purchases though price levels are expected to continue at the same levels.

BANGLADESH – Sales of steel plates and scrap had been disrupted this week though sales have resumed by end of the week. Local steel prices remained unchanged with limited sales. Imported scrap prices increased by USD 5 /MT in line with global price improvement but there were hardly any bookings due to lower demand from local steel mills as well as foreign exchange problems. There was an improvement in foreign exchange inflow in October as the incentives were increased from 2.5% to 5% and a better exchange rate was available for inward



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remitters through official channels. We have seen at least 4 deals for fresh purchases of recycling tonnages being concluded in the last two weeks, which shows renewed interest from ship recyclers for fresh tonnages. We should note though that foreign exchange availability implies a limit on ship recyclers' ability and appetite to conclude purchases of fresh tonnages. Reduced prices being offered by ship recyclers in India has helped ship recyclers in Bangladesh to compete in dry and tanker segment, but India continues to offer about USD 25/LT LDT higher for containers. We should expect prices offered by ship recyclers to continue at the same levels.

TURKEY – Domestic scrap prices have remained broadly unchanged this week, but we have been seeing some possibility of domestic scrap price increase being contemplated by local steel mills in line with increased prices of imported scrap. Imported scrap prices increased by USD 12/MT this week. Domestic rebar prices have also increased by USD 5-10/MT this week in lines with an increasing raw material cost. The country's inflation (though still running very high at 61.40% compared to previous year) slowed for the first time since June this year which is a good start, and this could continue if the local currency stabilizes and there are no unexpected tax increases and energy subsidies continue. In the meanwhile, prices offered by ship recyclers remained unchanged this week and there is a possibility of an increase in prices offered by ship recyclers during the next two 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 – Very few fresh tonnages were seen offered this week from container and bulker segments.

MARKET OUTLOOK – Tanker segments enjoyed a good freight market except for clean product tankers where freight was softer this week. Whereas freight rates in the bulker segment across all sizes were under pressure this week. Secondhand asset buying interest in both tanker and dry segment is good. The container segment too experienced a better week in terms of charters compared to earlier week though secondhand asset prices are still taking a downward direction. There is a slight improvement in global steel sentiments backed by some news from China but we have to see over next 2-3 weeks if this positive direction persists. Overall, we can expect slow supply of fresh candidates for next few weeks.



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GLOBAL OUTLOOK:

1. Growing importance of circular economy concept with policies being implemented to retain steel scrap exports by Europe, UAE and others could affect India's imported steel scrap availability. India imports about 10 million tons of scrap steel per annum from Europe, USA, Middle East, Central and South America. On the other hand, Indian producers like Tata, JSW, Arcelor Mittal need more scrap for steel production to reduce carbon tax impact on exports. All these could well increase premium of ship recycled steel and importance of ship recycling in India and across the world.
2. Risk of Israel-Hamas war spreading further in the Middle East region remains and we hope for a quick and smooth resolution.

MAIN DEMOLITION SALES DATA FOR PERIOD Nov 1st – Nov 3rd, 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
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

MAIN DEMOLITION SALES DATA FOR PERIOD October 1st – October 31st, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Marsa Iris	1996	22982	7852		Alang
PCC	Foresighter	1987	13917	11061	512	As is Japan
Tanker	Leviathan	1999	105365	16809	500	As is Singapore, incl bunkers 250T, likely sold to Gadani
Tanker	Bradley	1999	106474	16368	500	As is Singapore, incl bunkers 250T
Container	MSC Dennise	1998	41399	14349		Alang
Tanker	Alana	1988	159899	22471	570	Delivered Alang / Gadani
Bulker	Sea Smile	1995	45744	8118	497	Ctg
Container	MSC Levina	1989	45644	12858	565	Alang, incl sbt 400T bunkers



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Kemp II	1984	3003	1000	460	Ctg
Tanker	Sampurna Rajya	1999	32950	8494		Alang
Semi-sub platform	King Maker	1973	8345GRT	8800		Buyers have Full Subcon delivery option
Dredger	Lelystad	1986	13200	8375		Aliaga
RORO	Trinidad 1	1993	5387	3940		Ecuador
Bulker	One Destiny	1995	45483	7698	535	Alanag, incl 350T Bunkers
Pipe Layer	Comanche	1969	9502	9331	390	As is Batam, U/T
Container	Lucky Dragon	1996	22198	8170	537	As is Singapore
Container	CMA CGM Tanger	2003	13760	5245		Aliaga
Pass/RORO	Pride of Kent	1992	7550	12600		Aliaga
Survey vsl	Posiedon	1974	793			Spain
Tanker	Sagna	1978	4935	2135		Alang
Pipelay Barge	Mas Mulia	2009	8818	5601		Alang, U/T

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	0	0	0	0	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	19	160,510	12	56,352	02	31,743
2022	27	271,729	32	236,479	08	45,548
2021	55	403,434	57	572,571	34	234,511



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	500	510	555	515	490
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*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Nov 2023	510	510	530	515	490
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	495	505	525	515	485
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*



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

Year	DRY	WET	CONTAINER
Nov 2023	300	310	320
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.