



DEMO MARKET REPORT & MARKET OUTLOOK – October 14, 2024

Report No. 92/07111024/141024.

COMMENTARY

INDIA – The continuous improvement in the local steel market seen over the previous two weeks has been reversed in some segments of steel products this week. Local steel plate prices were reduced by USD 10/MT whereas local scrap prices were reduced by USD 15/MT this week. Imported scrap prices were reduced by USD 4/MT. Prices of billets continued at the same levels whereas some finished steel product prices softened but this was more of an adjustment to big increases seen over the previous two weeks. Ship recyclers had been cautious when the prices were improving over the last two weeks and thus prices offered by them were reduced this week by USD 5/LT LDT. Though, it is also noted that no deals have been closed this week to confirm the actual price levels. The Indian Rupee crossed Rs 84 to 1 USD mark this week due to a strong outflow of USD 5.80 billion from stocks and bonds. The central bank has not aggressively intervened despite the country's strong foreign exchange reserves of USD 701.20 billion. We could expect some improvements in the local steel market after traders resume from ongoing holidays. We would expect prices offered by ship recyclers also to marginally firm up over the coming weeks.

PAKISTAN – Local steel market continues to be slow due to weak local demand of finished steel products. It is good to note that despite continuing weak local steel demand, prices have not been dropping and continue to hover around the same levels. Imported scrap prices increased by USD 5/MT this week whereas prices of local scrap equivalent to shredded as well as local rebar prices continued at same levels. Prices offered by ship recyclers continued at the same levels this week as they continue with a cautious approach. Local steel mills are trying to increase the prices of finished steel products, but it needs to be seen whether they will be able to raise them during the ongoing phase of weak local steel demand. There was a bulker sold this week which realized a slightly higher price though that may not be reflective of actual market sentiment. The country faced some protests on the proposed increase in taxes as part of IMF loan requirements. We would expect prices offered by ship recyclers to continue at the same levels except if the local steel mills agreed to rationing of production to improve finished steel prices.

BANGLADESH – The local steel market continued to be slow this week as well. However, prices of local steel plates improved by USD 4/MT, local scrap prices improved by USD 2/MT and imported scrap prices remained broadly unchanged. Prices offered by ship recyclers continued at the same level but there are not many ship breakers that are keen to buy fresh tonnages. Current longer import approval processes that they have follow also results in ship recyclers thinking well before submitting offers for purchasing fresh tonnages for recycling. A change in season should have resulted in an increase in construction activity and thus the steel demand but



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the present liquidity squeeze in the economy is delaying the resumption of construction demand. We would expect prices offered by ship recyclers to continue at the same levels.

TURKEY – We are seeing an improvement in local steel prices even though the local steel demand continues to be slow. Imported scrap prices improved by USD 5-6/MT this week and we are also seeing an increase in local billet price due to an increase in export prices of finished steel products. Local ship recyclers' sentiments have improved and due to a lower supply of recycling tonnages, some of the ship recyclers are willing to submit aggressive offers. Prices offered by ship recyclers have increased by USD 10/ LT LDT this week. The Turkish Ministry of Commerce has imposed anti-dumping duty on Hot Rolled Coils from China, India, Japan and Russia. The move is expected to increase capacity utilization of domestic steel mills. In another developing market situation, it is expected that the imported scrap prices in Turkey could reduce in the coming weeks due to improved supply position in the international markets. There would be more clarity to the situation on this in another week. In the meanwhile, prices offered by ship recyclers would continue at the same improved 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 – We have seen an improved supply of fresh tonnages for recycling this week as well though a few of them could eventually be sold for further trading. The candidates circulated have been from a mix of Dry, Container and LNG segments. Once again despite many candidates being offered, there are hardly any deals being concluded.

MARKET OUTLOOK – Freight in the dry segment experienced mixed sentiments across sizes with capesize softening, panamax improving, handy as well as supramax steady. However, there was good demand and deals reported in the secondhand market. The container segment enjoys a good freight market for all sizes, and the secondhand market has interested buyers for older candidates also. The tanker segment freight rates improved across most sizes. Middle east tensions and how the situation unfolds could play an important role in shaping demand position for the vessels required for voyages and freight levels. We have seen some improvement in the supply of tonnages for recycling, but the increased flow is still awaited.



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GREEN RECYCLING:

1. At the MEPC (*Marine Environment Protection Committee*) 82 held from September 30th to October 4th, ship recycling was one of the items on the agenda. The committee approved the provisional guidelines on implementation of HKC and Basel Convention with respect to transboundary movement of ships intended for recycling. The committee also noted that additional work was required to improve the guidance to provide further legal clarity and certainty, in cooperation with the secretariat of the Basel convention.

GLOBAL NEWS:

China – The country promised new measures to support the property market over the weekend. This will be a second quick announcement from the government as it tries to address the local property market crisis. No specific amount of support was mentioned, which brought in some disappointment since the size of stimulus package remained unclear.

MAIN DEMOLITION SALES DATA FOR 7th Oct – 11th Oct,2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
MPP	Atlas Wind	1997	5196	2486	445	As is Port Kelang

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Oct – 11th Oct, 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

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	05	52,446	03	17,446	0	0
Oct 2023	19	160,510	12	56,352	01	9,743
Oct 2022	07	83,439	17	173,078	05	28,803



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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	05	52,446	03	17,446	0	0
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	460	475	520	480	445
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)*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	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)*



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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.