



DEMO MARKET REPORT & MARKET OUTLOOK – October 28, 2024

Report No. 94/21251024/281024.

COMMENTARY

INDIA – A second consecutive week of slowdown and prices drops across the local steel market has resulted in dampening the positivity seen in the week earlier. Sentiments of ship recyclers have also been affected by the present weakness. Local steel plate prices were reduced by USD 12/MT and local scrap prices reduced by USD 15/MT. Imported scrap prices remained unchanged, but the buyers are not buying materials considering the local steel market. Prices of billets and the finished steel products dropped by about USD 15 -18/MT this week. Prices offered by ship recyclers were reduced by about USD 15/LT LDT. Two MSC container vessels were also sold at reduced prices this week. The local market lacks liquidity due to which any reduction in demand would force Sellers to reduce prices if the need sales to meet their working capital requirements. The central bank in the meanwhile does not intend to reduce interest rates till Q1 2025 nor does it intend to improve liquidity as it works to meet inflation targets. Liquidity problems would mean that the local steel market could be very reactive to any demand changes. However, there is a likelihood of price improvement after the end of festive holidays due to the revival of demand, and we could expect some improvement in prices offered by ship recyclers for fresh tonnages helping to reverse some of the decline seen this week.

PAKISTAN – Weakness in the local steel market continues for yet another week though prices offered by ship recyclers continues at the same levels. Main problem is that there is weakness in finished steel demand, and this affects all the products down the line. Imported scrap prices reduced by USD 5/MT whereas prices of local scrap equivalent to shredded as well as prices of finished steep products continued at the same levels. Ship recyclers are working for fresh recycling tonnages but are not willing to improve prices in view of the weak local steel market. The country has secured a positive response from China on rescheduling of the loans which is a positive news. Considering the present challenges, it may take time before the government is able to get the country on to the growth mode by bringing in policy changes. We would expect prices offered by ship recyclers to continue at the same levels.

BANGLADESH – The local steel market continued to be weak, and the demand is limited but local steel prices continued at about the same levels. Ship recyclers continued to offer prices at the same levels. Local scrap prices were reduced by USD 4/MT whereas local steel plate prices continued at the same level. Imported scrap prices were reduced by USD 3/MT this week. Ship recyclers are keen to book vessels at the right prices only with a few ship recyclers looking for bigger sized recycling tonnages. The central bank has announced an interest rate increase of



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0.50%, taking it to 10% to achieve the targeted rate of inflation. Businesses are expected to face a challenging environment as the new government tries to steer the economy back to improved growth rates of 5.50% next year. In the meanwhile, we would expect prices offered by ship recyclers to continue at the same levels.

TURKEY – The local steel market has been stable although there is a weakness in certain segments of finished steel products. Prices offered by ship recyclers continued at the same levels. Imported scrap prices remained at the same level, but we may expect imported scrap prices to drop marginally in the coming week. Local steel plate demand continues at the same levels whereas the prices are a bit softer by about USD 10/MT as compared to the previous month's prices. The lower supply of fresh tonnages for recycling is helping the prices offered by ship recyclers to continue at the same levels. The tight monetary policy as well as interest rates are expected to continue into next year till which time the businesses will have to operate in a challenging environment. We would expect prices offered by ship recyclers to soften 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 tonnages for recycling was slow with a mix, dominantly from dry and container segment being circulated.

MARKET OUTLOOK – Freight rates in the dry segment were softer for capsizes and panamax while they were balanced for smaller sizes whereas the secondhand asset prices were softer this week specially for the older tonnages. Freight as well as secondhand asset market demand across all sizes continued to be good this week in the container segment. The tanker segment had a softer freight market and a slow demand for secondhand assets given the present freight market scenario. All said and done, the supply of tonnages for recycling is still expected to be slow from these segments for now. However, considering the present soft LNG freight market which has seen a good amount of reduction over last few months, we could be expecting a supply of LNG vessels for recycling. The only challenge here is that these vessels are bigger lightweight vessels



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which some of the ship recyclers may be worried about working as there is an expectation of an increased supply of tonnages which could result in a substantial drop in prices offered for fresh tonnages for recycling.

MAIN DEMOLITION SALES DATA FOR 21st Oct – 25th Oct,2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Oct – 25th 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, Malaysia
Tanker	PK10	1988	1905	724		Ctg
Bulker	Princess Lotus	1996	70189	9214	435	As is Shanwei, incl bunkers - FO 170T and 35T MDO
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



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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	09	71,723	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	09	71,723	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.