



DEMO MARKET REPORT & MARKET OUTLOOK – October 30, 2023

Report No. 42/23271023/301023

COMMENTARY

INDIA – Local steel plate prices which were otherwise under pressure during most of the week, improved by USD 7/MT on Friday this week. Imported scrap prices reduced by about USD 10/MT. Domestic rebar market has been slow and prices under pressure because of which secondary steel mills are not confident of buying new stocks. The increase seen on Friday in local market could be due an optimism seen in Chinese market for futures prices due to expectation of huge government spending on infrastructure and steel production cuts in Hebei. Prices offered by ship recyclers remained at about the same levels but there was active interest from ship recyclers this week to acquire tonnages which has resulted in prices offered by ship recyclers being pushed up for some vessels being worked. Considering present parameters, we would expect prices offered by ship recyclers could firm up.

PAKISTAN – The appreciation being made by local currency against the US Dollar in past few weeks has stopped this week and the local currency has marginally softened. Local steel demand is weak and expected demand for steel will likely be under pressure since the demand from the North of Pakistan will be slowed down due to the onset of cold months from November to January. Prices of local shredded equivalent to scrap has further reduced by USD 15/MT this week. On HKC front, we are seeing some developments taking shape with about 10 yards working to develop their yard for HKC complaint recycling. There are also some ongoing discussions for the development of downstream waste facility management. Prices offered by ship recyclers have remained unchanged but there are no active workings for purchase of fresh tonnages since ship recyclers in Pakistan cannot compete with the price levels being offered by ship recyclers in India. We would expect prices offered by ship recyclers to continue at about the same levels with a small possibility of a marginal firming up.

BANGLADESH – Sales of steel plate in local market has opened and the movement is slow, but it is a positive news for ship recyclers. Prices of steel plates in the local market have remained unchanged. Local demand is still weak due to which any immediate improvement in local steel plate prices is less likely. In the meanwhile, the foreign exchange problem continues to trouble import-dependent businesses. Exports and remittance receipts are two major sources of foreign exchange for the country. For the month ended September while exports were 10.4% high y.o.y basis, remittance inflow dropped to a 41 month low thus affecting net foreign exchange reserves position. With the opening of the local steel market, we have seen interest from some ship recyclers being revived and we have seen resumption of transactions for purchase of fresh tonnages. While the prices offered by ship recyclers are still at the same



DEMO MARKET REPORT & MARKET OUTLOOK – October 30, 2023

Report No. 42/23271023/301023

levels, we could expect a marginal upward push as more ship recyclers get interested in buying fresh tonnages (this of course goes with a caveat that foreign exchange should be available for fresh tonnage purchases).

TURKEY – Local steel market which had almost gone quiet has seen some interest being revived. Imported scrap orders are being placed, which makes the prices firm. Steel mills have seen demand for their long products from European countries making exports workable. While one cannot be certain if the prices will start increasing but the changes in the market situation seem to suggest that drop in prices is now less likely. However, industry faces a huge challenge in terms of the high cost of capital. It is expected that the Central bank's monetary policy committee will increase interest rates by another 5% to cool inflation, which could reach 70% by the end of the year. Prices offered by ship recyclers continued at the same levels this week and is expected to continue at 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 – The supply of fresh tonnages continued to be slow with some tonnages being seen from container and bulker segments.

MARKET OUTLOOK – While the tanker segment enjoyed good freight rates this week, the dry segment experienced softening of freight rates in the capsize and supramax. LNG, LPG, PCC/PCTC are all enjoying good demand and freight rates. The offshore segment is at its best levels in terms of demand and day rates over last 10 years. The container segment has been seeing demand but there is pressure on charter rates and period especially on the smaller sized vessels. The second-hand market in the container segment has also noted declining offers. Supply of fresh tonnages would continue to be slow. There is a possibility that global steel market which has been under pressure for a few weeks now could stabilize in terms of price though we will have to wait for a week more to see whether it unfolds as expected.



DEMO MARKET REPORT & MARKET OUTLOOK – October 30, 2023

Report No. 42/23271023/301023

GLOBAL OUTLOOK:

1. The ongoing Israel Hamas conflict while still contained, is still very unstable and still carries the risk of spreading into a wider regional war. Apart from the human sufferings, there would be big commercial impacts since this region covers 1/3 of global oil supply. Any supply disruption would push up oil prices affecting local currencies of countries which rely on oil imports.
2. China – There is an expectation that China will approve over USD 139 billion in new sovereign debts which will boost infrastructure construction. This has improved market sentiments of traders in the steel industry.

MAIN DEMOLITION SALES DATA FOR PERIOD October 23rd – October 27th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	One Destiny	1995	45483	7698	535	Alang, incl 350T Bunkers
Pipe Layer	Comanche	1969	9502	9331	390	As is Batam, U/T
Container	Lucky Dragon	1996	22198	8170	512	As is Singapore

MAIN DEMOLITION SALES DATA FOR PERIOD October 1st – October 27th, 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
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



DEMO MARKET REPORT & MARKET OUTLOOK – October 30, 2023

Report No. 42/23271023/301023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Dredger	Lelystad	1986	13200	8375		Aliaga
RORO	Trinidad 1	1993	5387	3940		Ecuador
Bulker	One Destiny	1995	45483	7698	535	Alang, incl 350T Bunkers
Pipe Layer	Comanche	1969	9502	9331	390	As is Batam, U/T
Container	Lucky Dragon	1996	22198	8170	512	As is Singapore

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
October 2023	18	138,779	09	24,421	01	9,743
October 2022	07	83,439	17	173,079	05	28,803
October 2021	21	131,370	19	147,359	14	164,452

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	18	138,779	09	24,421	01	9,743
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 October in Current Year Vs Previous Years

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Oct 2023	510	515	565	520	495
Oct 2022	575	580	615	590	
Oct 2021	590	580	655	615	
Oct 2020	355	345	385	375	

*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023



DEMO MARKET REPORT & MARKET OUTLOOK – October 30, 2023

Report No. 42/23271023/301023

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2023	510	510	530	515	490
Oct 2022	610	605	640	625	
Oct 2021	610	600	630	630	
Oct 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) There is a lot of problem in establishing LC. Thus, prices indicated are subject to LC opening.*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Oct 2023	500	510	515	505	470
Oct 2022	595	590	625	610	
Oct 2021	610	600	620	630	
Oct 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 October in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Oct 2023	300	310	320
Oct 2022	240	250	260
Oct 2021	300	310	320
Oct 2020	200	210	220

**(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.