



DEMO MARKET REPORT & MARKET OUTLOOK – October 7, 2024

Report No. 91/30041024/071024.

COMMENTARY

INDIA – Good times in the local steel market in terms of improvements in demand and prices has continued for second week. There has been a cautious improvement in sentiments of ship recyclers. Local steel plate prices increased by USD 6/MT whereas local scrap prices improved by USD 1/MT. Imported scrap prices increased by USD 9/MT and prices of billets, finished products increased by USD 10-17/MT. Sentiments improvement in the ship recyclers is with caution as they would like to ensure that the increase in demand and pricing is here to stay. Due to this, prices offered by ship recyclers improved by about USD 5-7 /LT LDT. There was one vessel from MSC sold this week for recycling, but it was very prompt delivery and thus may not have been able to attract better price levels. India's Ministry of Steel is communicating with Ministry of Finance seeking to double the Basic Customs Duty (BCD) on steel from 7.50% to 15%. We are on an overall positive and improving local steel market scenario and we hope this is sustained over next couple of weeks. We expect prices offered for fresh ship recycling tonnages should improve.

PAKISTAN – There is no change in the local steel market, and it continues to be slow. Prices offered by ship recyclers continued at same levels. Imported scrap prices increased by USD 10-15/MT whereas prices of local scrap equivalent to shredded continued at same levels. Finished steel product prices got a bit softer this week as the local finished steel demand remains slow. Local steel producers are working on low capacity since there is not much demand for the finished products. The business owners would like to see improved liquidity and hope for a substantial reduction in interest rates though that may not be immediately possible as the government does want to reverse the reduced inflation, they have achieved with many efforts (*from 40% last year to 9.64% increase in August this year*). The economy is now performing better, and we should see a general improvement in overall demand in the coming month or two. For the time being prices offered by ship recyclers are expected to continue at the same levels.

BANGLADESH – The local steel market is very slow, and prices offered by ship recyclers continue at the same levels this week. Local steel plate prices reduced by USD 7/MT whereas local scrap prices reduced by USD 4/MT. Imported scrap prices have increased by USD 8/MT though that is due to a global price increase. Construction activity is slow and there is not much buying interest for government projects. IMF has pledged to work with Bangladesh government to improve its foreign exchange reserves which will help the country to regain economic stability. Ship recyclers are being cautious in their approach now. We would expect prices offered by ship recyclers to continue at the same levels.



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TURKEY – The local steel prices in some of the steel products have improved though the demand for the steel products is sluggish. There has been an improvement in sentiments of ship recyclers. Imported scrap prices increased by USD 15/MT this week while some of the finished steel prices increased from USD 5 -10/MT. However, local scrap prices have not yet improved. Prices offered by ship recyclers have improved by USD 10/LT LDT which is very much in line with improvement of deep-sea scrap purchases. While some local finished steel prices in the long products have not increased this week, we can expect the same to improve next week as the international scrap prices as well as billet prices are on an increase. For the first time in last three years, the country's interest rate of 50% will be above the inflation rate of 48% which is a positive news for the economy. We would expect that improved prices offered by ship recyclers for the end-of-life tonnages will continue with a possibility of a marginal increase in prices.

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 has improved this week and the supply has mainly been from the dry segment. Though, there are hardly any deals that have been concluded this week.

MARKET OUTLOOK – Freight rates in the dry segment were soft whereas in tanker segment the rates were improving. In LPG segment, rates saw some improvement mainly in the West whereas LNG freight rates were softer this week. The container segment has been seeing good freight rates except for the smaller sized which are older tonnages. We may expect some more tonnages to be offered for recycling in this quarter especially because of an improvement in prices being offered for recycling, though now such increase is possible only in Alang in the Indian sub-continent.

GREEN RECYCLING:

1. Pakistan and Denmark have signed a Memorandum of Understanding for restructuring Pakistan's maritime sector. Pakistan's Minister of Maritime Affairs said that they will be able to use the MOU to integrate logistical hubs in ports, establish deep water container



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terminal and build Ship Recycling Facilities in Gadani that are following IMO and EUSRR requirements for ship recycling.

GLOBAL NEWS:

1. **The European Union** – On Friday this week, EU voted to impose tariffs of 45% on imported electric vehicles from China. When implemented, we could expect retaliatory measures from China on this. Reduction in vehicle sales could affect freight rates and demand for Vehicle carrier vessels.
2. **USA** – Considering latest US job growth numbers report as well as wage growth report, we may not expect another “big” interest rate cut in November.

MAIN DEMOLITION SALES DATA FOR 1st Oct – 4th Oct,2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Adele	1986	31205	8800	501	Alang

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Oct – 4th Oct, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Adele	1986	31205	8800	501	Alang

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	01	7,098	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	01	7,098	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	465	480	525	485	450
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	330	340	350
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.