



DEMO MARKET REPORT & MARKET OUTLOOK – September 18, 2023

Report No. 36/1115923/180923

COMMENTARY

INDIA – Strong local steel market and strong economic indicators have improved sentiments of ship recyclers, and this is expected to stay for some time. Local steel plate prices improved by USD 12/MT this week. Imported scrap prices have reduced by USD 6/MT due to lower demand but this could just be a pause and not permanent shift in demand pattern. Local billet prices have reduced by USD 12/MT this week partly due to steep increase seen in previous weeks as well as improvement in supply from mills. However, the local rebar market is getting stronger and that is a strong positive. India's local currency could come under some pressure as trade deficit has increased in August due to increased oil prices, higher imports by growing economy and slower exports. Prices offered by ship recyclers improved by about USD 10/LT LDT. Sentiments amongst the ship recyclers is strong. Given the overall good economic situation and strong local steel demand for construction grade steel, we could expect prices offered by ship recyclers to firm up.

PAKISTAN – Despite foreign exchange problems, we still have ship recyclers who are presently on look out for good tonnage and considering that there are only few ship recyclers with LC opening capability they can afford to be choosy. In the meanwhile, local steel market prices continued at about same levels and there has been no change in local steel demand. Imported scrap prices have dropped marginally by USD 3/MT. Prices offered by ship recyclers continued at about the same levels this week. Government's effort to crackdown on illegal dollar trade initiated in the earlier week has shown some positive effect and local currency has appreciated by 2% and at the same time gap between bank rate and parallel market rate has reduced substantially. The central bank has left the discount rate unchanged in their meeting this week considering that inflation slowed to 27.38% in August. Considering that there are limited ship recyclers able to open LC and slow local steel demand, we would expect prices offered by ship recyclers to remain at about same levels.

BANGLADESH – Local steel plate prices dropped substantially this week by another USD 33/MT. Over the last four weeks local steel plate prices have dropped by USD 93/MT. Considering the ever-dropping price, ship recyclers have decided to suspend sale of steel plate from the middle of this week. Main reason for this drop is that lot of local steel mills buying steel plates have closed as it is no longer feasible for them as the operating costs keep increasing but the final product prices remain sluggish, and the market is not accepting price increase. Rising prices of key construction materials have affected construction and real estate sector badly. There seems to be some anomaly as we understand that local rebar mills are restocking and ordering



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imported scrap materials. Country foreign exchange reserves have now dropped to USD 21.70 billion which even below IMF prescribed minimum reserve of USD 24.46 billion for the loan program. Prices offered by ship recyclers for fresh tonnages have reduced by USD 10-15/ LT LDT this week. Considering the weak local steel plate market with dropping prices, ship recyclers for the moment have decided to wait and watch before they get into fresh tonnages. We would thus expect prices offered by ship recyclers to remain under pressure in the coming weeks and there would not be much demand till their local steel plate market revives and shows some signs of stabilization.

TURKEY – The local steel market has been stable this week across all segment even though end user demand continues to be weak. Imported scrap prices as well as domestic scrap prices continued at about the same levels this week. Local rebar prices have increased by about USD 5/-MT on average this week. Ship recyclers too have maintained the same price levels this week. In a sign of confidence in local currency based on recent monetary policy changes, the hedging premium of local currency has been reduced even though the trade deficit widened in August. We would expect prices offered by ship recyclers for fresh tonnages to be stable.

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 from dry and container segment are being circulated by ship owners though no significant volume was seen this week as well.

MARKET OUTLOOK – The Container segment seems to be doing fine across all segments in terms of freight as well as secondhand market which begs the question as to whether we would see deluge for recycling from container segment in 2023 at all and the answer depends on new building deliveries schedule. Freight in the crude tankers segment was soft while the product tanker segment freight levels were firm. Freight rates across dry segments firmed up this week. From a supply perspective some containers and dry bulk tonnage are expected to continue though still nothing major. Ship recyclers specially from India would be keen to grab the tonnage and thus there would be a good demand and price levels offered from ship recyclers in India.



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MAIN DEMOLITION SALES DATA FOR PERIOD September 11th – September 15th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Maritime Riyal	1998	45363	12246		Alang
LPG	White Purl	1972	11832	5368		Alang

MAIN DEMOLITION SALES DATA FOR PERIOD September 1st – September 15th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Sun Shine	1999	73941	10317	523	Gadani
Bulker	Winning Joy	1999	172964	20512	500	As is Singapore. Incl 250 MT bunkers
Container	UGL Hong Kong	1998	22000	7009	530	As is Oman
Bulker	APJ Mahadeva	2000	74667	12660	480	As is Colombo
Container	Uni Aspire	1998	15534	7098		Alang
Container	Ever Devote	1998	55604	21731		As is Singapore
Pass/Cargo/ Ferry	Rana	1977	150			Norway
Pass/Cargo/ Ferry	Tingvoll	1972	400			Norway
Container	Cul Huizhou	1993	22000	8800	530	As is Oman
Pass/Cargo/ Ferry	Vestveg To	1962	50			Norway
LCT	Mariner	1973	850			Norway
Container	Sinokor Vladivostok	1998	11400	4691	589	Alang
General Cargo	Kema	1987	7130	2956		Ctg
Tug	Stone	1969	100			Norway
Tanker	Irma Dulce	2023	72900			Brazil - unlaunched NB
Tanker	Zelia Gattai	2023	72900			Brazil - unlaunched NB
Tug	Mohawk	1980	500	2260		U/T
Offshore	Onyx Mahshahr	1983				Alang
Container	Hua Da 606	2005	10624	3774		Alang
PCC	Dapitan Bay	1992	4489	5899		Ctg
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STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
September 2023	05	21,869	16	114,888	02	17,500
September 2022	10	69,561	05	22,003	01	872
September 2021	13	141,728	24	133,164	07	48,434

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 3 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	20	173,718	49	277,754	02	17,500
2022	16	123,548	31	134,572	02	1,343
2021	44	308,825	59	446,797	34	311,774

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2023	515	525	575	530	505
Sept 2022	560	565	595	575	
Sept 2021	555	545	620	580	
Sept 2020	345	335	375	365	

**(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 September in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2023	490	490	530	520	490
Sept 2022	605	600	635	620	625
Sept 2021	565	555	585	585	
Sept 2020	370	355	385	390	

**(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.*



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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2023	525	535	540	520	495
Sept 2022	605	600	635	620	
Sept 2021	580	570	580	595	
Sept 2020	380	370	380	390	

**(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 September in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Sept 2023	310	320	330
Sept 2022	230	240	250
Sept 2021	270	280	290
Sept 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.