



DEMO MARKET REPORT & MARKET OUTLOOK – September 30, 2024

Report No. 90/2327924/300924.

COMMENTARY

INDIA – We have seen a much-awaited revival of demand in the local steel market, which is heartening, and this has also resulted in price increases this week. At the same time a good economic stimulus in China for the property market has also generally improved market sentiments. Sentiments of ship recyclers also improved this week. Local steel plate prices have increased by USD 11/MT and local scrap prices improved by USD 18/MT this week. Imported scrap prices increased by USD 10/MT. Finished steel product prices increased by USD 20/MT. Secondary steel mills have now started stocking up due to improvement in finished products demand. Though, a sustained demand over next couple of weeks will be important. A couple of vessels from dry segment offered in the market this week saw an improvement in offers by about USD 5-10/LT LDT this week. On economic front the manufacturing and services growth slowed down in August but there was a rise on the employment front. However, the central bank is expected to keep interest rate unchanged for next two months. The cautious approach amongst ship recyclers could continue for next two weeks but we would expect prices offered by ship recyclers to improve.

PAKISTAN – Weakness in the local steel market continues and the ship recyclers are being cautious in making offers for fresh purchases. Imported scrap prices reduced by about USD 5/MT and local scrap equivalent to shredded prices reduced by about USD 7-10/MT. Prices offered by ship recyclers remained unchanged this week, but the ship recycling market has been quiet. The country has been able to secure a USD 7 billion loan from IMF with USD 1.1 billion to be released immediately. The said loan comes with a requirement to continue and enhance policy measures to support the macroeconomic stability. The businessmen, including ship recyclers, would be keen to see if there are new government policies being announced. In the meanwhile, we would expect a slower interest from ship recyclers in Pakistan for making fresh purchases and prices offered by ship recyclers is expected to continue at about the same levels.

BANGLADESH – The local steel demand is still sluggish even though we have seen some price improvements in the local steel market. Ship recyclers are exercising caution in terms of prices being offered for fresh tonnages for recycling. Local steel plate prices improved by USD 8/MT and local scrap prices improved by USD 12/MT. Imported scrap prices reduced by about USD 3-5/MT. The country is trying to stabilize after the new government has taken over, but it is taking some time. In the meanwhile, IMF has assured to expedite its new loan approval program of USD 3 billion to improve countries foreign exchange reserves. The country's newly appointed central



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bank governor has said that they will not print money or sell foreign exchange reserves to improve liquidity in the country as they first need to meet their target to control inflation. These factors are short term challenges faced by businesses and in addition the ship recyclers also are facing delays in obtaining cutting permission which can take up to a month, which adds to the costs of production. On ship recycling front, there were a few units from dry segment circulated this week, but ship recyclers offered prices at about USD 10-15 lower than last week. In view of a weaker demand in local steel market, we would expect prices offered for ship recycling candidates to be under marginal pressure.

TURKEY – The local steel prices remained broadly stable this week but the local demand is still slow. In the meanwhile, prices offered by ship recyclers improved by about USD 10/LT LDT mainly as the supply of fresh tonnages for recycling is slow. Imported scrap prices continued at same levels. Local finished steel prices experienced a mixed response with a minor softening of about USD2/MT in some region whereas it continued to be stable in other parts of the country. Improved Chinese steel market prices have not affected sentiments or pricing in the local steel market. The country will introduce a 10% minimum corporate tax for companies starting from 2025 to narrow its budget deficit. We would expect prices offered by ship recyclers 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 – All the talks of expected increase in supply of fresh tonnages for recycling still needs to be materialized. As of now, the supply of recycling candidates is still slower with main candidates from the dry segment seen this week.

MARKET OUTLOOK – The freight market in the dry segment was weaker this week except for Capesize. Tanker segment also experienced a weaker freight rate across all sizes except LRs. Older tonnages in the tanker segment are not as much in demand in the secondhand market as is being seen for the modern tonnages. The container segment, on the other hand continues to see a good demand across all sizes. Supply of tonnages for recycling would continue to be slow but we should be seeing an improvement in supplies for recycling tonnages in the last quarter even though it may not be as significant.



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GREEN RECYCLING:

1. Pakistan – IMO has launched a new project called SENSREC-DW – The Safe and Environmentally Sound Recycling of Ships and Decent Work. This project is a collaboration between IMO and ILO.

GLOBAL NEWS:

1. **China** – The government has come out with bigger measures this week to address the factors affecting economic growth. The government announced interest rate cuts, plan to recapitalize banks and new facility to improve property market. However, it will need to be seen whether it really delivers expected results. This is because, despite many different measures taken over last two years to improve property market, the country has not yet got the positive results it needs.
The local steel market has already positively reacted as we have seen that the local steel prices have increased. But it needs to be seen whether the increased prices are sustained over the coming weeks.

MAIN DEMOLITION SALES DATA FOR 23rd Sept – 27th Sept, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Andulus 1	1995	28399	6046	abt 468	Alang
Bulker	MY Meray	1992	39110	6978		Alang
Fish Factory	Divo	1980		23078		As is Vladivostok
Fishing Trawler	Humpback Whale	1994	1904	3869		Alang

MAIN DEMOLITION SALES DATA FOR PERIOD 1st Sept – 27th Sept, 2024

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Aquila	1999	35841	8481	525	As is Oman
LNG	Coral Energy	1979	72629	30194		As is Labuan, Contains 3786 MT Aluminium
Container	MSC Agata II	1994	22450	7364	504	Alang
MPP	Omar Trader	1990	6358	1800	310	Aliaga
Container	MSC Gabriella	1985	31290	8911		Alang



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STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN SEPT 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
Sept 2024	06	38,390	10	57,150	0	0
Sept 2023	12	65,484	21	159,487	05	55,368
Sept 2022	10	69,561	05	22,003	01	872

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 3 2024, 2023, 2022.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2024	20	150,301	30	141,528	04	29,211
2023	27	217,333	54	322,353	05	55,368
2022	16	123,548	31	134,572	02	1,343

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Sept 2024	460	475	520	480	450
Sept 2023	515	525	575	530	505
Sept 2022	560	565	595	575	540
Sept 2021	555	545	620	590	560

*(a) (Prices LT/LDT, less 3% Add Comm)



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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Sept 2024	465	465	525	520	495
Sept 2023	490	490	530	515	480
Sept 2022	605	600	635	620	595
Sept 2021	565	555	585	585	555

*(a) (Prices LT/LDT, less 3% Add Comm)

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

Year	DRY		Container	WET	
	Cape / Pmx	Handymax		Others	VLCC
Sept 2024	475	480	510	495	470
Sept 2023	510	520	525	515	480
Sept 2022	605	600	635	620	590
Sept 2021	580	570	580	595	565

*(a) (Prices LT/LDT, less 3% Add Comm)

TURKEY - Indicative Price Levels for Sept in Current Year Vs Previous Years

Year	DRY	WET	CONTAINER
Sept 2024	320	330	340
Sept 2023	310	320	330
Sept 2022	230	240	250
Sept 2021	270	280	290

*(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.