



DEMO MARKET REPORT & MARKET OUTLOOK – August 21, 2023

Report No. 33/1418823/210823

COMMENTARY

INDIA – Local steel plate prices increased by about USD 9/MT this week whereas imported scrap prices increased by USD 10/MT. Local billet prices have marginally reduced by USD 2/MT however overall mood is positive and private mills prefer to hold on to export sales instead of pushing out at lower price. Finished steel prices have rebounded though there was a small correction this week as prices had increased too fast. However, secondary mills are comfortable in restocking though quite a few traders would like to see a more continuous trend of stability before committing to more tonnages. Indian Rupee has weakened against US Dollar this week to a 10-month low as US Dollar continued its haven appeal, increasing inflation in India. Importers and ship recyclers are worried about this trend. The increase in food prices has pushed up inflation due to which the central bank will be cautious in easing the borrowing cost. Prices offered by Ship recyclers has remained at same levels as last week. With positive sentiments in the market and an expectedly increased demand outlook from September month, we would expect prices offered by ship recyclers to improve in coming weeks.

PAKISTAN – Prices have improved across all segments of steel this week, Local prices of scrap equivalent to shredded has increased with an expectation to further improve by USD 10-15/MT. Imported scrap prices have also improved by USD 5-10/MT this week. Local rebar producers have increased their prices due to increasing energy costs. Ship recyclers have also improved their prices offered for fresh tonnages by USD 5/LT LDT this week. There was one more deal concluded for a ship this week with LC being established. Although, it must be stated that foreign exchange problem continues with full vigour as the economy still has not yet come out of the difficult situation. There is an expectation that local currency would weaken further as imports increase. Even though the foreign exchange problem is not likely to be solved anytime soon, considering present steel market sentiments, locally and globally, we could expect prices offered by ship recyclers to marginally improve.

BANGLADESH – With foreign exchange situation getting tighter, we are getting to a situation where the ship recycler that can open LC is the king. Local steel end user demand is weak, and the economic conditions are unstable. Based on the prevailing situation prices offered by ship recyclers further deteriorated this week by about USD 10/ LT LDT. However, in line with global trend, imported scrap prices improved this week by USD 5/MT. Considering that foreign



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exchange problem is not likely to ease anytime soon we could expect prices offered by ship recyclers to be under pressure.

TURKEY – Imported scrap prices have improved by USD 12/MT whereas local scrap prices have improved by USD 15/MT. There is shortage of scrap supply from Europe and US scrap prices have increased. There is a growing feeling amongst traders and steel mills that prices would increase further in September. So, even though the local steel demand in Turkey is weak, traders and steel mills prefer to purchase and stock up materials at their current prices. Prices offered by ship recyclers improved by USD 10/LT LDT this week. Considering a positive outlook in terms of firming global prices in September, we could expect that prices offered by ship recyclers would improve.

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 – We have two more container vessels from Wan Hai for Oct-Nov delivery. It would be noted that six container vessels put up for further trading / recycling sale by Wan Hai in June 2023 were all sold for further trading. Supplies of fresh tonnages have been better this week mainly comprising vessels from container and dry segment.

MARKET OUTLOOK – Container segment across all sizes are seeing a good freight market with a good demand in the secondhand market as well. Tanker rates across all sizes and types have been flat / slightly under pressure this week whereas the dry market experienced a stable to improving freight rates this week. We would thus not expect any increase in tonnages sent for recycling but we also note that the quantity of tonnages presently supplied are still good looking at the buying constraints in Bangladesh and Pakistan. Considering that global as well as local steel market in recycling countries have a positive outlook for September with some price improvements being seen last week, we could expect improvement in prices offered by recyclers in India, Pakistan and Turkey. However, prices offered by ship recyclers in Bangladesh would continue to be under pressure.



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GREEN RECYCLING:

Bangladesh - As per circular from BSBRA, for all vessels with MOA signed after 31st August 2023, the Sellers will need to prepare Inventory of Hazardous Materials Part I.

GLOBAL – GENERAL NEWS

China – (a) With Chinese economy not seeing a rebound, expected oil demand is projected to be weaker. (b) Zhongzhi's troubles this week has further affected consumer confidence and increased concerns about the country's US Dollar 2.90 trillion trust sector. (c) Yuan has hit close to a 16 year's low and the central bank rate cut has hardly made any impact in bolstering activity or confidence

MAIN DEMOLITION SALES DATA FOR PERIOD August 14th – August 18th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Heng Hui 2	1993	44510	14775	540	As is Colombo. Incl 200 MT bunkers
Container	Sinokor Akita	1998	11386	4672	564	Alang/Ctg, inclt 100 MT ROB
Container	Sol Hind	1996	23403	7771		Ctg, incl 200 MT bunkers
Bulker	Jin Yuan Sheng 9	2007	10780	3000	490	Ctg, U/T
Tanker	Vladimir Kolechitskiy	1972	15010	6000		Ctg, U/T, damaged
Bulker	Ming Zhou 58	1990	52580	13400	425	As is China
Bulker	Ming Zhou 25	1990	42025	6729	400	AS is Zhousen, with removals incl heavy crane

MAIN DEMOLITION SALES DATA FOR PERIOD August 1st – August 18th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Lana II	1999	29240	10351		Alang
Container	SOL Straits	1997	22900	7772		Alang, incl ROB 250T
Bulker	Great Wenwu	1994	68621	9759		As is China
Container	MSC Ermina	1993	56152	17695	500	Alang



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Maersk Patras	1998	37842	12400	405	As is UAE
General Cargo	Tessa	1992	4706	1917	560	Ctg
Reefer	Nova Florida	1989	6729	3374		Alang
Bulker	Alba 1	2001	74750	12587		Ctg
Bulker	Tecumseh	1973	29984	7796		Canada
Well Sml	Big Orange XVIII	1984	3424			Denmark
Bulker	An Yue	1996	45194	7985		As is Singapore
Container	Sinokor Tianjin	1998	11031	4672	600	Delivered -Ctg/Alang in Buyer's option, incl bunkers 240 MT - Previous deal at 622 failed.
Bulker	Lila Ningbo	2002		24181	495	Alang
Bulker	BH Mally	1997	73867	9379	465	As is China, incl 200 MT bunkers
LPG	Pilatus 28	1987	1421	1030		Ctg
Bulker	Niko	2000	73992	9743		Alang
Reefer	Vila Dhauru	1983	2235	1253		Ctg
MPP	Queen Ayla	1992	7520	3753		Ctg
Tween	PKS 1	1998	1226	480		Ctg
Container	Heng Hui 2	1993	44510	14775	540	As is Colombo. Incl 200 MT bunkers
Container	Sinokor Akita	1998	11386	4672	564	Alang/Ctg, inclt 100 MT ROB
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STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
August 2023	02	13,985	12	59,450	00	00
August 2022	03	29,789	16	92,318	00	00
August 2021	16	84,481	21	154,186	12	69,133

Kindly note that there was an error in last week's report for Pakustan beaching. 2 vessels in Pakistan had not beached but deals were made and LC were established for those 2 vessels.

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	10	90,704	26	126,688	00	00
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 August in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	495	500	535	510	480
Aug 2022	540	545	575	555	
Aug 2021	565	555	635	590	
Aug 2020	335	325	365	350	

**(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 August in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	505	505	560	545	520
Aug 2022	605	600	635	620	625
Aug 2021	595	585	615	620	
Aug 2020	360	345	370	370	

**(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 August in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	495	500	520	505	470
Aug 2022	550	545	580	560	
Aug 2021	595	585	600	620	
Aug 2020	375	365	370	380	

**(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, only about 3 LCs have been established in last weeks. Prices indicated are subject to LC availability*

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

Year	DRY	WET	CONTAINER
Aug 2023	310	320	330
Aug 2022	250	260	270
Aug 2021	260	265	270
Aug 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.