



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

COMMENTARY

INDIA – We are seeing some positive signs emerging in the local steel market. The local steel plate prices remained at about same levels and imported scrap prices marginally improved by USD 2/MT. Local demand for billet and construction grade finished steel is improving. Local billet trade prices have improved by USD 16/MT whereas the local rebar prices have improved by USD 24/MT as we approach the busy construction season starting from next month. Industry views this positive news with caution and would like to see that this price increase and demand sustains over next couple of weeks, but mood is positive. There could be tightening of liquidity as banks mop up excess liquidity just as India's retail inflation for July hit 15 months high at 7.44% which also has triggered a discussion at RBI whether another rate hike is necessary. Indian currency could be under pressure against the US Dollar in short term. There was an aggressive stance from ship recyclers as seen for two reefer vessels sold en-bloc this week. Given the present improving market and positive sentiments, we would expect prices offered by ship recyclers to improve.

PAKISTAN – Two more deals have been concluded by ship recyclers this week and two more vessels are being worked upon by ship recyclers. This news is worth reporting because it shows that offers from ship recyclers and delays have been consistent for the last two weeks. Though, it must be noted that LC opening for higher values is still a problem amid the foreign exchange problem being faced by the country. There could thus be a situation where a ship recycler may not be able to open a LC on a timely basis which can pose a problem to the deals made. It is interesting to note that two bulkers concluded by ship recyclers are at price levels better than India and Bangladesh. Imported shredded scrap prices improved by USD 5-10/MT and local prices have been at about same levels. In the meanwhile, the opening of exports and strengthening of the US Dollar has resulted in depreciation of local currency which has crossed 300 mark against the US Dollar and there could be a further decline. Prices offered by ship recyclers improved by USD 15/LT LDT and prices being paid by ship recyclers are at high levels compared to local market prices. We would thus expect prices offered by ship recyclers to continue at about the same levels.

BANGLADESH – Local steel plate prices dropped by a substantial USD 22/MT this week due to poor demand from local steel mills. Imported scrap prices increased by USD 7/ MT but there were no deals concluded due to foreign exchange problems. LC opening continues to be difficult though we did see some deals being concluded for a container vessel and bulker this



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

week. However, we understand that LC opening could get more difficult in the coming weeks and months. Prices offered by ship recyclers further reduced by about USD 15-20/LT LDT this week (thus prices offered by ship recyclers have dropped by about USD 25-30/ LT LDT within last two weeks). With such a drop in prices seen over the last two weeks, ship recyclers may prefer to wait and watch before making fresh offers. Looking at the present sentiments, weak local steel demand and foreign exchange problem, prices offered by ship recyclers for fresh tonnages could be under pressure in the coming weeks.

TURKEY – Imported scarp prices improved by USD 4/MT. Indication being received from Europe and US indicate that scrap prices may not reduce further but the scrap prices in Turkey could reduce as Turkish mills plan to reduce their capacity utilization resulting in lower demand for scrap. Turkish mills were silent this week as compared to last few weeks. Local billet sales have been generally weak as there is still a lack of clarity on the direction the prices may take going forward. In a significant move, Turkish Central Bank raised its benchmark interest rates to 25% from 17.50% basis which the local currency appreciated immediately by almost 5% and the local currency eventually settled by weekend at 2% stronger than last week. Prices offered by ship recyclers remained at the same levels but considering the present position we would expect prices offered by ship recyclers to be under pressure in coming weeks.

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 tonnage has improved this week as more owners are coming forward with their candidates for recycling. We are seeing more units from the dry segment that are being circulated along with some containers as well.

MARKET OUTLOOK – In the dry as well as tanker segment, secondhand interests have increased. Freight rates in the tanker segment have marginally improved and sentiments are bullish due to improvements expected with winter approaching. Dry freight rates remained at about the same / to a bit softer level. Container freight rates were softer this week. Steel production cuts announced in China till end of this year have not been enough to push up the prices as demand is still weak. Supply of fresh tonnages for recycling should improve in the coming weeks.



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

GLOBAL – GENERAL NEWS

1. The resilience of US economy despite the increasing interest rates is noteworthy. US Fed Chair has indicated that they may go for another rate hike as and when necessary to achieve inflation target of 2%.
2. BRICS group (Brazil, Russia, India, China, South Arica) have decided to admit 6 more nations to its block namely Saudi Arabia, Iran, Egypt and UAE with Argentina and Ethiopia to join from next year. The global share of output of this group would be bigger than G7 and this new group has 50% of world population. This group would also work to trade in non-US currency.

MAIN DEMOLITION SALES DATA FOR PERIOD August 21st – August 25th, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Reefer	Zefyros Reefer	1990	8946	4656	511	Alang - Enbloc with Frio
Reefer	Frio Olympics	1988	9743	4698	511	Alang - Enbloc with Zefyros
Bulker	Gloria 1	1998	77663	11167	525	Gadani
Reefer	Sein Star	1984	4173	2197		Alang
Bulker	Yong Ning	1996	48139	12724	500	Gadani
Fish Factory	Archimedes	1979	4150	5071		As is Mauritania
Tween	Quan Long	1996	13656	2930		As is Colombo
General Cargo	Harin Navee 10	1988	2750	975.01		Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD August 1st – August 25th, 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
Container	Maersk Patras	1998	37842	12400	405	As is UAE



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Container	Sol Hind	1996	23403	7771	565	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 Zhousan, with removals incl heavy crane
Trawler	Rosemarie	1998	365			Belgium
Tween	Harin Navee 7	1988	1300	670		Ctg
Tween	Wilson Skaw	1996	7460			Norway
LPG	Patcharawadee II	1976	1748	1040		Ctg
Bulker	Winda	1995	27321	5951		Ctg



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Reefer	Zefyros Reefer	1990	8946	4656	511	Alang - Enbloc Frio
Reefer	Frio Olympics	1988	9743	4698	511	Alang - Enbloc Zefyros
Bulker	Gloria 1	1998	77663	11167	525	Gadani
Reefer	Sein Star	1984	4173	2197		Alang
Bulker	Yong Ning	1996	48139	12724	500	Gadani
Fish Factory	Archimedes	1979	4150	5071		As is Mauritania
Tween	Quan Long	1996	13656	2930		As is Colombo
General Cargo	Harin Navee 10	1988	2750	975.01		Ctg

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	03	31,680	15	74,503	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	11	108,399	29	141,741	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	540	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*



DEMO MARKET REPORT & MARKET OUTLOOK – August 28, 2023

Report No. 34/2125823/280823

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	500	500	545	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.*

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
Aug 2023	520	525	540	530	505
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.