



DEMO MARKET REPORT & MARKET OUTLOOK – June 5, 2023

Report No. 22/2902623/050623

COMMENTARY

INDIA – Fundamentally weak steel local market is affecting the sentiments in local trade. Local steel plate prices remain unchanged this week while imported scrap prices were reduced by USD 6/MT. Despite the drop in imported scrap prices, there were not as many bookings as traders are looking for further reduction to compensate for a weakening of local currency. Local billet prices have dropped by USD 5/MT and the local rebar prices dropped by USD 7/MT. We have a weak steel local market and with monsoon season almost here which would result in further slowdown in construction activity, producers and traders are trying to liquidate their stocks at discount. Ship recyclers have maintained the same price levels this week, but their sentiments are not strong, and they remain cautious in view of the present weak local steel market. With slow supplies of fresh tonnages, we would expect prices to continue at about the same levels.

PAKISTAN – Activities in local steel market is not so slow as we see scattered demand from some places from time to time. Prices of local scrap equivalent to shredded remain unchanged during the week though rebar prices dropped by about USD 15/MT. Prices of imported scrap have reduced by USD 5/MT, but only smaller lots of imported scrap is being booked which is just enough to meet requirements. State Bank of Pakistan has released some US Dollars in the market to ease the pressure due to which premium for US Dollar in parallel market has reduced by about 5% and considering that this measure from State Bank of Pakistan is likely to continue till end of July, premium for US Dollar in the premium market is likely to fall further by about 4%. The government is continuing its work with IMF to release the balance of USD 2.70 billion loan (off the total loan of USD 6.70 billion). Ship recyclers are not able to make any offers for fresh tonnages as they are not able to open LCs due to foreign exchange problems.

TURKEY – Prices of imported scrap has improved by USD 5/MT this week. While steel mills are accepting a gradual higher price for scrap, they are resisting any significant increase in scrap prices as the finished steel demand is still slow because the end user demand has not improved. The local currency has come under pressure as chance of changes in policy making reduced with re-election of President Erdogan. It is seen that local currency has weakened by 7% against the US Dollars over last 15 days. In the meanwhile, prices offered by ship recyclers continued to be at same levels and given the slower flow of fresh tonnages for recycling, we would expect prices offered by ship recyclers to continue at same levels.



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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 – There were fewer fresh tonnages circulated this week which were mainly from dry and offshore segment.

MARKET OUTLOOK – Container segment experienced good demand in the freight market for all sizes except for feeders below 2000 TEU where the demand continued to be weak for about three weeks now and this could result in softening of freight rates for feeders below 2000TEU. We understand that shipyards in South Korea are taking firm measures to avoid delays in new building deliveries. While the market has been talking a lot of container segment being the main source of recycling candidates that has proved elusive so far, it may not be surprising to see dry segments sending their candidates for recycling earlier going by present weak freight markets as well as lack of adequate demand for its units in secondhand market. However, we will have to see if present scenario in dry segments continues longer. The tanker segment in the meanwhile continues to be in a good position with reference to its outlook for freight and secondhand market. Since supplies of fresh tonnages would be slow in the shorter term, we would expect prices to be at about the same levels despite weakness of local steel markets in recycling destinations.

GLOBAL – GENERAL NEWS

1. Global Steel - Hot Rolled Coil market has showed a slowdown in price decreases this week as the futures prices in China increased after many weeks of downtrend.
2. A mixed US jobs report released where payrolls growth exceeds forecast but jobless rate hits seven months high could result in Feds not hiking interest rate this month when they meet on June 13th though we have two other reports that Feds will receive and review before they convene for decision on rate hike.

MAIN DEMOLITION SALES DATA FOR PERIOD MAY 26th – June 2nd, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	HC Beauty	1999	73744	9502	530	As is Hong Kong
Container	Maersk Atlantic	1999	17733	5914		Alang, HKC - Maersk RSRS



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Wellwin	1994	42529	8932	575	Ctg
Fishing	Bodr	1984		925	600	Ctg, vs1 has SS content
Bulker	Ze Rui 1	1998	45279	7836	530	As is Zhoushan, incl 110T ROB
Bulker	Chang Ming 2	1997	73763	9483	535	As is Hong Kong, incl 250T ROB
Bulker	Golden Sun	1996	27760	6179	585	Ctg
General Cargo	Jia Liang 18	2007		3826	560	Ctg
LPG	Daebokgasho	1996	1432	1112		Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD MAY 1st– June 2nd, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Pablo	2000	26518	7362	535	Ctg
Tanker	Cynth	1997	10588	3349		Alang
Container	Xin Zhou Shan	2004	9500	3772		Ctg
OSV	Sudarshan	1991	2336	1762		Alang
Container	Ever Diadem	1998	55604	21387	514	As is Singapore
Woodchip Carrier	Shandon Express	1989	43661	8658	605	Ctg incl ROB 360T
Bulker	Hai Teng	1977	33374	7450	560	Ctg
Bulker	Xiang Jiang 6	1977	29566	7290	560	Ctg
Bulker	Western Endeavoieur	1988	3630			Ctg
Bulker	Great Wenxian	1998	45713	7528		Ctg
Reefer	Neru	1992	2635	1885		Alang
Platform Rig	Pit	1981	5260 GRT	6819		Alang, U/T
Pipelay Barge	Scanlay 1	1982	2563	1571		Alang, U/T
Fishing	Novo 23	1981	1815	3861		Alang
Container	Horizon Pacific	1979	31213	17224		As is San Diego
LNG	Gandria	1977	66999	29035	534	As is Labuan, HKC
Reefer	Yun Run 8	1990	6116	3045	475	As is China
LPG	Tauogas	1993	3566	1892	404	Aliaga
Container	Blue Ocean	1989	14900	4361	625	Ctg
MPP	Xin Hai Zhou 7	1999	22297	6496	563	Ctg



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Tiang He Shun	1977	37212	7450	563	Ctg
Container	Mississauga Express	1998	40881	15644	380	Aliaga, EUSRR - En bloc with lots of spares
Container	Ottawa Express	1998	40879	15644	380	Aliaga, EUSRR - En bloc with lots of spares
Container	Milan Express	1996	33659	14161	380	Aliaga, EUSRR - En bloc with lots of spares
Bulker	Eternal Luck	1996	45654	7525	575	Ctg, ROB 260T
Bulker	Fu Sheng	1994	77447	10780	580	Ctg, ROB 380T
Tanker	Tubtim	1979	2190	702		Ctg
Container	Kai Hong 3	1976	6699	3906		Ctg
Reefer	Winwin	1973	3724	2076		Ctg
OSV	Era	1983	2550	2200		Gadani
Bulker	HC Beauty	1999	73744	9502	530	As is Hong Kong
Container	Maersk Atlantic	1999	17733	5914		Alang, HKC - Maersk RSRS
Bulker	Wellwin	1994	42529	8932	575	Ctg
Fishing	Bodr	1984		925	600	Ctg, vsl has SS content
Bulker	Ze Rui 1	1998	45279	7836	530	As is Zhoushan, incl 110T ROB
Bulker	Chang Ming 2	1997	73763	9483	535	As is Hong Kong, incl 250T ROB
Bulker	Golden Sun	1996	27760	6179	585	Ctg
General Cargo	Jia Liang 18	2007		3826	560	Ctg
LPG	Daebokgasho	1996	1432	1112		Ctg

STATISTICS

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

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
May 2023	08	54,568 (Up to 26.5.23)	18	78,557	01	2200
May 2022	16	182,668	10	54,183	07	75,563
May 2021	19	144,017	24	179,838	22	112,702



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VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – QUARTER 2 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	16	120,470 (up to 26 th May)	37	305,589	01	2200
2022	48	464,921	29	208,235	19	166,087
2021	60	440,696	71	742,299	45	320,448

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2023	510	515	545	525	490
June 2022	530	540	570	550	
June 2021	520	510	570	535	
June 2020	285	275	320	305	

*(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 May in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2023	575	580	625	595	570
June 2022	570	570	590	590	
June 2021	570	560	580	585	
June 2020	300	285	325	325	

*(a) (Prices LT/LDT, less 3% Add Comm) (b) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
June 2023	<i>Due to foreign exchange problem, ship recyclers are not able to establish LCs</i>				
June 2022	555	550	570	570	
June 2021	565	555	570	580	
June 2020	320	305	335	340	

*(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, ship recyclers are not able to establish LCs due to which prices given for March 24th, 2023, are only theoretical.



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

Year	DRY	WET	CONTAINER
June 2023	330	340	350
June2022	240	250	260
June 2021	280	285	290
June 2020	200	210	

***(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.