



DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023

Report No. 16/1317323/200323

COMMENTARY

INDIA – Market sentiments across all segments of local steel market are weak. Local steel plate prices reduced by about USD 7-8/MT. Imported scrap prices reduced by USD 5/ MT as well. Indian currency was also under pressure against the USD this week though there was a marginal softening of 0.70% which is mainly due to risk aversion sentiment seeping in due to banking crisis in USA (the depth of which is not yet clear). Over all the sentiments were weak based on which prices offered by ship recyclers have reduced by about USD 5/LT LDT. NHA – National Highway Authority has undertaken a trial project to use steel slag for construction of highways. If any ship recycler does offer improved price in this market, it is only to try to compete with their counterparts in Bangladesh and not because of local market fundamentals. Prices offered by ship recyclers in India are much lower by almost USD 55-60/LT LDT than their counterparts in Bangladesh. We would not expect prices offered by ship recyclers to increase due to weak sentiments across local steel market.

PAKISTAN – There have been no changes in the situation over previous weeks. Foreign exchange problems continue. Strange enough, IMF now wants certain countries which made pledges to support Pakistan to first complete their pledge and bring in money into Pakistan before IMF can sign off the commencement of IMF USD 6.50 billion loan program. Local steel mills are being provided with some foreign exchange to import raw materials though it is only about 30% of their required amount. Ship recyclers will need to wait for foreign exchange problems to be resolved before they can step into making offers for fresh tonnages.

BANGLADESH – Local steel plate prices have marginally improved and imported scrap prices have remained unchanged during this week. Local steel demand is also just enough and not very strong, but the limited supply of fresh tonnages has resulted in a steep increase in prices offered by ship recyclers this week by another USD 25-30/ LT LDT. LC problems have not been resolved but we have seen that there has been some easing as some ship recyclers are able to arrange foreign exchange for their purchases. Russia is asking Bangladesh to open direct payment channel between Bangladesh and Russia to facilitate trade though this has not gained traction. It is still feasible for ship recyclers to buy at these prices due to which we would not say that the prices offered are not sustainable, but we would now expect ship recyclers to take some time before they can offer any further major increase. We might see a marginal price increase though.



DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023

Report No. 16/1317323/200323

TURKEY – Local steel market sentiments are mixed with some section offering resistance to price increase. Movement of prices offered by steel mills for ship scrap has also been mixed with some steel mills reducing prices offered and some offering same prices and some also offering increased prices. Local domestic billet rate has been silent this week. Prices offered by ship recyclers continued at same levels as last week.

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 fresh tonnages for recycling continues to be slow with some dry segment candidates. We also see some LNG candidates offered in the market though we do not believe that it is an indication of more LNG tanker to come for recycling.

MARKET OUTLOOK – On supply side there is no change in outlook over previous week. Supply of fresh tonnages would continue to be scarce for some time as dry and wet segments are doing well and container segment also seems to have met with a short-term improvement in freight and second hand vessel demand. Though, this is not likely to change long term outlook in the container segment where we expect good supply of vessels for recycling in later half of this year. Global demand for steel is at present slow and there are no strong signals of improvement of demand. Even though we are at beginning of construction season, activities have not picked up. Due to this, prices offered by ship recyclers could drop when supply of fresh tonnage increases and the drop in prices then could be more than proportionate.

GREEN RECYCLING

1. EU Commission has launched a public consultation to gather views of all stakeholders as well as citizens on EUSRR. This consultation exercise will run till 7th June 2023. This is a good time for all stakeholders to play their part in bringing about changes that are needed in EUSRR.

**DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023**Report No. 16/1317323/200323**GLOBAL – GENERAL NEWS –**

1. So far, three US banks (Silvergate, SVB, Signature) have collapsed and First Republic bank shares dropped 33% on Friday itself even after receiving USD 30 billion lifeline to stem the turmoil. Zurich based Credit Suisse had to be provided lifeline by Swiss central bank. Whether there are only some odd banks which are outliers or whether the whole system is going to be affected is worrying the market.
2. If banks are not safe to park your funds where do you keep them. One of the options is shares of companies with cash rich balance sheet and we have seen that their share prices increased as traders rush for safety.
3. Government of China reduced reserve requirements in banks by 0.25% to maintain strong bank lending. While country saw good consumer spending in first two months after loosening pandemic related restriction, recovery remains uncertain and reduction of RRR is an important measure to support improved consumer spending.

MAIN DEMOLITION SALES DATA FOR PERIOD 13TH MARCH– 17TH MARCH 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Salamis	1998	39999	9276	660	Ctg - incl ROB qty not disclosed, buyers have full sub-con option
Bulker	Sunny Voyager	2001	171509	22686	610	Ctg
Container	Vasi Star	1996	23064	7819		Ctg
LNG	Artica	1993	48857	23667		Alang
AHTS	Halul 22	2003	1273	1404		Alang, HKC
AHTS	Halul 27	2008	1586	1937		Alang, HKC
OSV	Diavlos Force	1983	1983			Denmark



DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023

Report No. 16/1317323/200323

MAIN DEMOLITION SALES DATA FOR PERIOD MARCH 1ST – MARCH 20TH, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LNG	Grace Energy	1988	127580	30426	684	Dlvd - Full subcon option - Aluminium content 2400T
MPP	Levant Horizon	1996	6917	3391	585	Dlv - Alang - incl ROB 170T
Tanker	Augusta II	1991	45425	9920		Dlvd Alang
Bulker	Yu Hai Xing	1995	16705	5017	585	Dlvd Ctg
Container	SSL Kutch	1998	25533	8302	616	As is Colombo - for Ctg
Bulker	Huang Shan	2003	175980	23976	614	As is Xinsha - China - incl good qty bunkers - HKC
Reefer	Xin Rui	1992	2695	1885		As is Zhoushan
Livestock	Spiridon	1973	4054	2482		Aliaga
Bulker	Man Jiang Hai	1995	15860	5017	585	Ctg
LPG	Monet	1995	3202	1816		Alang
Ropax	Amedeo Maticena	1986	800			Aliaga
Tanker	Salamis	1998	39999	9276	660	Ctg - incl ROB qty not disclosed, buyers have full sub-con option
Bulker	Sunny Voyager	2001	171509	22686	610	Ctg
Container	Vasi Star	1996	23064	7819		Ctg
LNG	Artica	1993	48857	23667		Alang
AHTS	Halul 22	2003	1273	1404		Alang, HKC
AHTS	Halul 27	2008	1586	1937		Alang, HKC
OSV	Diavlos Force	1983	1983			Denmark

STATISTICS

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till 17 th March)	08	26,131	07	65,695	0	0
2022 (Till month end)	21	157,334	15	175,876	08	72,796
2021 (Till Month end)	10	56,858	33	264,110	12	92,871



DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023

Report No. 16/1317323/200323

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – UPTO MAR 2023, 2022, 2021

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till 17th March)	38	252,260	32	187,192	05	81,638
2022 (Till month end)	50	307,278	46	493,004	25	241,369
2021 (Till month end)	50	375,876	68	777,722	25	192,596

Indicative Price Levels for March in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)

India	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till 17 th March)	Mar 2023	550	555	605	565	540
(Till month end)	Feb 2022	605	600	625	625	
(Till month end)	Feb 2021	420	410	465	445	
(Till month end)	Feb 2020	390	380	425	400	

**We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

Indicative Price Levels for March in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)

Bangladesh	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till 17 th March)	Mar 2023	605	620	665	680	655
(Till month end)	Mar 2022	665	655	680	680	
(Till month end)	Mar 2021	455	445	460	460	
(Till month end)	Mar 2020	380	365	390	385	

**We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

Indicative Price Levels for March in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)

Pakistan	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till 17 th March)	Mar 2023	555	560	620	620	595
(Till month end)	Feb 2022	655	650	670	670	
(Till month end)	Feb 2021	455	445	455	460	
(Till month end)	Feb 2020	385	375	390	395	

**(a) We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards (b) Due to foreign exchange problem, ship recyclers are not able to establish LCs due to which prices given for March 17th 2023 are only theoretical.*



DEMO MARKET REPORT & MARKET OUTLOOK – March 20, 2023

Report No. 16/1317323/200323

Indicative Price Levels for March in Current Year Vs Previous Years (Prices LT/LDT, less 2% Add Comm)

Turkey	Year	DRY	WET	CONTAINER
(Till 17 th March)	Mar 2023	340	350	360
(Till month end)	Mar 2022	370	370	
(Till month end)	Mar 2021	245	255	
(Till month end)	Mar 2020	240	245	

***We have introduced Container pricing from Jan 2023 onwards**

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.