

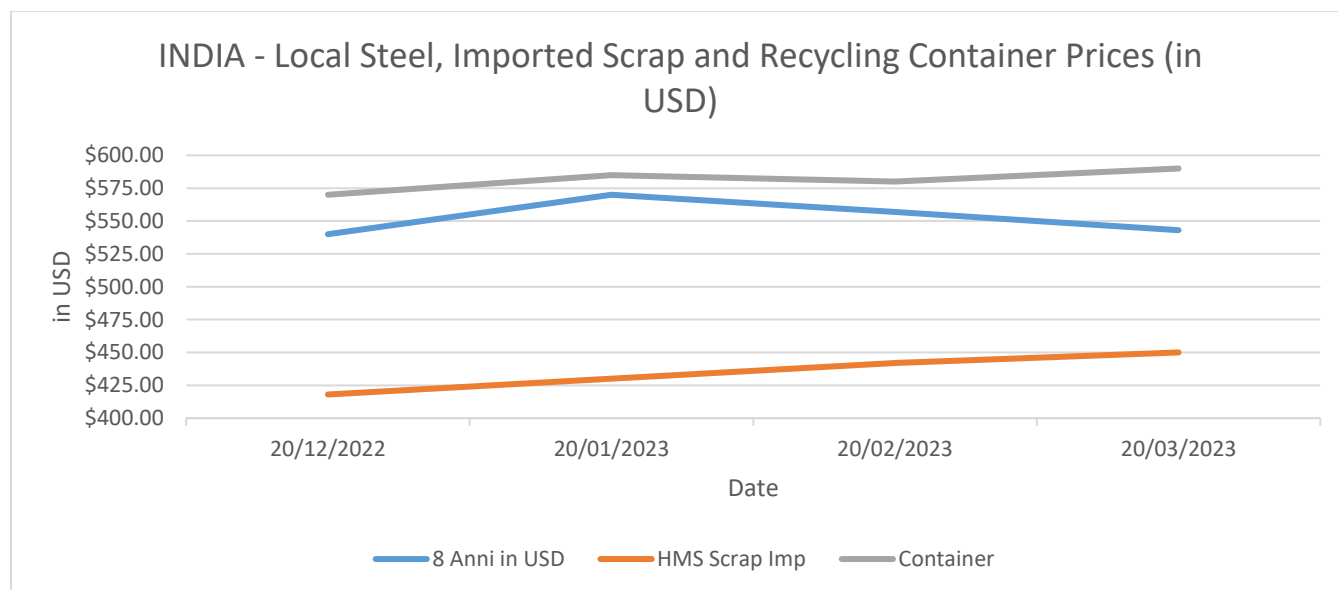


DEMO MARKET REPORT & MARKET OUTLOOK – March 27, 2023

Report No. 17/2024323/270323

COMMENTARY

INDIA – Local steel plate prices continue to be volatile with an increase of about USD 7/MT this week whereas imported scrap prices were reduced by USD 5/MT. Local steel plate price volatility, low local demand and pressure on Indian Rupee against US Dollar are weighing down the sentiments of ship recyclers. Prices offered by ship recyclers reduced by USD 5/-. Given below is a three-month graph of local steel plate prices, imported scrap prices and indicative container prices (indicative container prices are before deduction of 3% address commission). We would see that imported scrap prices have shown an increasing trend (though there has been volatility here also), whereas local steel plate prices are almost at same levels thus affecting ability of ship recyclers to offer higher prices but despite that we see that prices offered by recyclers for containers has shown a marginally increasing trend. Local steel demand is slow and due to slow down in global demand as well, exports from India have reduced thus pushing up inventory levels of finished steel. Secondary mills have a bearish outlook due to lower demand and liquidity squeeze. Except if there is a speculative deal from a desperate buyer due to slow supplies of fresh tonnages, we would expect prices to be under marginal pressure.



PAKISTAN – There have been no changes in the situation over previous weeks. Foreign exchange problems continue. Local steel mills are being provided with some foreign exchange to import raw materials though it is only about 30% of their required amount. Local rebar prices have reduced by about USD 40/MT during last week partially in line with reduction of imported



DEMO MARKET REPORT & MARKET OUTLOOK – March 27, 2023

Report No. 17/2024323/270323

shredded scrap prices and partially due to government pressure to reduce prices. One small ship with LDT of 1647 LT which was at anchorage for about 4 weeks is expected to beach next week. Ship recyclers are willing to buy but they will need to wait for foreign exchange problems to be resolved before they can step into making offers for fresh tonnages.

BANGLADESH – Local scrap prices have reduced by about USD 10/MT and local steel plate also reduced by about USD 8-10 /MT. Imported scrap prices have reduced by about USD 18/MT during last week. With Ramadan setting in, local demand and markets are expected to slow down. Prices offered by ship recyclers softened by about USD 5- 10/MT this week and there is an attitude of caution that has set in for purchasing fresh tonnages at high prices amongst ship recyclers. Another important development that is likely to affect demand from fresh tonnages is the foreign exchange situation, which is becoming tighter. It is expected that Bangladeshi Takka could get weaker against the USD by about 10% which will increase the costing of ship recyclers. We would thus expect prices to be under pressure and could partially shed the massive price increases seen over the last two weeks.

TURKEY – Low demand of finished steel last week due to resistance from buyers to accept higher prices has affected sentiments of steel market. Import scrap prices have reduced by USD 10/MT. Expected increased demand for steel required for reconstruction after earthquake has not been fully seen but the market expects this could be just due to postponement of demand from end buyers. Prices offered for ship scrap have not reduced and ship recyclers continue to maintain same prices as last week. We would expect prices to be under pressure for some time due to slow local demand.

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 candidates seen from dry and container segment.



DEMO MARKET REPORT & MARKET OUTLOOK – March 27, 2023

Report No. 17/2024323/270323

MARKET OUTLOOK – Supply of fresh tonnage is expected to be scarce since freight across all segments – Wet, Dry and Container are doing well. There has been a global slowdown in steel offtake. Steel demand and steel prices in local markets in major recycling destinations has slowed down which has affected ship recyclers willingness to go for bigger tonnage at these high prices. We would expect prices offered by ship recyclers to be under pressure and could soften in the coming weeks.

GLOBAL – GENERAL NEWS –

1. With reference to banking turmoil, US Fed has warned that “recent developments are likely to result in tighter credit conditions for households and businesses and to weigh on economic activity, hiring and inflation. The extent of these effects is uncertain”.
2. US Fed have stated that they would continue with rate hikes despite banking turmoil since they state that controlling inflation is still required. However, the European Central Bank has gone ahead with a half point cut.
3. China seems to have seen a weaker Covid infection wave upon reopening due to which the much-expected re-opening effect of China is starting to emerge.

MAIN DEMOLITION SALES DATA FOR PERIOD 20TH MARCH – 24TH MARCH 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	MSC Veronique	1988	84090	23450		Alang, HKC

MAIN DEMOLITION SALES DATA FOR PERIOD MARCH 1ST – MARCH 24TH, 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



DEMO MARKET REPORT & MARKET OUTLOOK – March 27, 2023

Report No. 17/2024323/270323

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Tanker	Mandana 1	1979	4831	1657		Gadani
Bulker	Sun Bulk	1997	28572	7553		Ctg
RORO	Express I	1987	3178	1820		Ctg
RORO	Tramola 2	1977	2780	2660		Aliaga
Pass/Cargo/ Ferry	Star N	1965	1199	3170		Aliaga
Frigate	BNS Umar Farooq	1955		2170		Ctg
Container	MSC Veronique	1988	84090	23450		Alang, HKC

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 24 th March)	10	60,995	09	70,029	01	1,657
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 27, 2023

Report No. 17/2024323/270323

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 24th March)	40	287,124	34	191,527	06	83,295
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 24 th March)	Mar 2023	535	540	590	560	520
(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 24 th March)	Mar 2023	605	595	660	650	620
(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 24 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 24th, 2023, are only theoretical.*



DEMO MARKET REPORT & MARKET OUTLOOK – March 27, 2023

Report No. 17/2024323/270323

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

Turkey	Year	DRY	WET	CONTAINER
(Till 24 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.