



DEMO MARKET REPORT & MARKET OUTLOOK – March 6, 2023

Report No. 14/27030323/060323

COMMENTARY

INDIA – Local Steel plate prices have remained unchanged during this week but slow market momentum has been the dominating factor which is affecting sentiments of ship recyclers. Local rebar prices which had improved the week before were short lived and we have seen a 3% import duty reduction on importation of floating structures for recycling but there have not been any deals concluded thereafter to know whether the benefit of cost reduction will be used by ship recyclers to improve their offers. India's large integrated mills have increased price of domestic flat products by about USD 18-24/MT mainly because of increase in their input costs. Imported scrap prices have also increased by USD 13/MT in line with an overall increase in international scrap prices but bookings at higher prices have been few, given the present slow local market conditions. We would expect ship recyclers to be cautious before increasing their offers because of slow movement of their products in local market due to which prices should continue at about same levels.

PAKISTAN – A double whammy of 3% increase in interest rate and 8% further depreciation of Pakistani Rupee has affected sentiments of the market. Pakistani Rupee depreciated due to higher than expect interest rate hike to control inflation which has surged past 30% in the last month. The steel market was already in a weak state and further setbacks this week have only made things more difficult. Some of the steel mills have stopped selling their products in the market due to increasing costs and lack of raw materials. All these measures are being taken to secure a USD 6.50 billion loan from IMF which the country badly needs for its imports as well as to repay USD 3 billion debt due in June. Given the present situation, ship recyclers would only need to wait till foreign exchange becomes available.

BANGLADESH – As has been seen over last few weeks, even with foreign exchange problems, some ship recyclers are able to make foreign exchange arrangements. We have seen 2 – 3 more deals being concluded this week by ship recyclers. Demand for steel in the local market is still not strong since end buyers are not building up inventories but only buying quantities to meet immediate requirements. Imported scrap prices have increased by USD 10/MT during this week and traders have booked at these higher prices. Local steel plate and scrap prices have improved and are at about same levels as in first week of February. Prices offered by ship recyclers have improved this week by about USD 10/MT and sentiments are strong. We would expect prices to continue at these high levels with the possibility that prices may marginally improve.



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TURKEY – There was an improvement in local ship scrap prices in line with imported scrap prices. Domestic ship scrap prices increased by about USD 15-20/MT whereas imported scrap prices further improved this week by about USD 10/MT. Although, Turkish mills are now resisting prices increases due to which there were lower fresh bookings of imported scrap. Prices offered by ship recyclers remain unchanged this week. Given the present domestic demand for steel we would expect the market to remain stable at present price levels.

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 a mix of candidates seen from dry and container segment.

MARKET OUTLOOK – Tanker freight market continues to perform well and considering a bullish outlook for tanker market in medium to long term, even if freight was to get weaker for a short time, we would not see tankers being sent for recycling due to active secondhand market. The dry segment has seen positive signs of the freight rate increase as well. Container segment continues to offer hope to supply required tonnages for ship recyclers in 2023, though an increased supply may be seen from second quarter and onwards.

GLOBAL – GENERAL NEWS –

1. There is an expectation that China's National People's Congress starting on March 5th could announce some more stimulus packages for the economy to improve the growth rate to 5% in 2023 as against a 3% growth in 2022.
2. Japan's biggest steel maker - Nippon Steel is considering setting up a green steel project powered by hydrogen as there has been a push to decarbonize one of world's most polluting industry.
3. There are contradictory views on impact of China's 5% growth target. There is one set which says that with a low growth target, stimulus measures will not be big enough to boost commodity demand. Whereas another set of oil traders feel that oil prices will



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reach USD 100 per barrel in second half of 2023 due to huge demand for oil from China and resultant supply deficiency.

MAIN DEMOLITION SALES DATA FOR PERIOD FEB 27th FEB – 3rd MAR, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LNG	Adriatic Energy	1983	67219	32303		Alang /Ctg delivery in buyer's option. Vsl has high quantity of specialised material
Bulker	Sunlight	2000	175572	21215	575	As is Singapore. Incl 400 MT ROB. Has 30 MT propeller
Bulker	Agia Trias	2002	185820	22132	569	As is Singapore, Buyers have full sub-con option
RORO	Pride of Burgundy	1993	5812	11558	320	Aliaga
Bulker	Hai Chang	1995	47574	7585		Ctg

MAIN DEMOLITION SALES DATA FOR PERIOD FEB 1ST – MARCH 3RD, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
LPG	Gas Spirit I	1980	55173	20300		As is Fujairah
Tanker	Rose	1988	4287	1959		Ctg
Tanker	Rome	1998	4287	1959		Ctg
Bulker	Samc Responsibility	2003	175775	24181	520	As is China
Bulker	Jasmine 201	1999	73807	9928		Ctg
Heavy Lift	Kamo	1998		4426		Ctg - HKC
Bulker	Mahavir	2000	74005	10540	515	As is Colombo, we believe that there is some ongoing court issue being worked upon
Container	MSC Floriana	1986	31205	8724	525	Alang, Strict HKC
Bulker	Ning Feng 316	1977	46585	11350		Ctg



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Bunga Mas Enam	1997	8668	4751	320	As is Malaysia, U/T
FSU	Nautica Muar	1992	39768	12164	426	As is Malaysia, U/T
Semi Sub Drilling	SS Pantanal	2010	16036	20663	742	As is Labuan
Bulker	Rio Balsas	1992	94191	14224	570	Full range subcon option
Ropax	Konpira No. 2	1989	2168	3488	400	Ctg
Bulker	Sea Win	1996	45693	7528		Ctg
Container	Bali	1998	34325	9991		Ctg
Dredger	Hang Jun 12	1998	2797	1351		Ctg
LNG	Seapeak Arctic	1993	48857	23668	643	Ctg - Aluminum content 3678 MT
Container	Tanto Sentosa	1984	6829	2726		As is Malaysia
Tanker	Da Qing 349	1999		9828	500	As is China
Bulker	Rio Balsas	1992	94191	14224	570	Ctg /Alang - Buyer's Option- High non-ferrous content. Vsl converted from tanker
Container	Xiumeni Shanghai	1997	22264	7282	640	Ctg - Incl 300 MT Bunkers
Container	OEL Shravan	1998	22020	7399		As is Colombo
Container	MSC Giovanna	1987	29623	11197	500	Alang, Strict HKC
Gas	Viet Dragon 68	1982	55361	20300	600	As is Fujairah, for Alang
Bulker	Vadi	1994	70087	10085	575	Ctg, has spare propeller, incl 300 MT ROB
Reefer	Tai Fu No. 1	1979		3670		As is Bangkok
Reefer	Shun Hang Leng 1	1988	6538	3230	400	As is Zhoushan - Enbloc
Refrigerated Cargo	Shun Hang	1982	3788	2213	400	As is Zhoushan - Enbloc
Livestock	Orion V	1973	4054	2482		Aliaga
OSV	Halul 20	2002	1273	1327		Alang
OSV	Halul 21	2003	1273	1327		Alang
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STATISTICS

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till month end)	14	109,930	10	67,822	00	00
2022 (Till month end)	16	88,552	10	80,626	07	70,005
2021 (Till Month end)	12	91,163	25	347,273	06	22,294

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till month end)	30	226,130	25	121,498	05	81,638
2022 (Till month end)	29	149,944	31	317,128	17	168,573
2021 (Till month end)	40	319,018	35	513,612	12	99,725

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 3 rd March)	00	00	00	00	00	00
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



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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 3 rd March)	30	226,130	25	121,498	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 February in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)

India	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till month end)	Feb 2023	535	540	585	550	525
(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 February in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)

Bangladesh	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till month end)	Feb 2023	570	575	635	595	570
(Till month end)	Feb 2022	665	655	680	680	
(Till month end)	Feb 2021	455	445	460	460	
(Till month end)	Feb 2020	380	365	390	385	

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

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

Pakistan	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(Till month end)	Feb 2023	555	545	585	565	520
(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	

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

Turkey	Year	DRY	WET	CONTAINER
(Till month end)	Feb 2023	330	340	350
(Till month end)	Feb 2022	370	370	
(Till month end)	Feb 2021	245	255	
(Till month end)	Feb 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. 221 12q wq