



DEMO MARKET REPORT & MARKET OUTLOOK – October 2, 2023

Report No. 38/2529923/021023

COMMENTARY

INDIA – For a second consecutive week, local steel plate prices have reduced. This week the prices were reduced by USD 10/MT which is in addition to a reduction of USD 12/MT in the previous week. Import scrap prices were reduced by USD6/MT this week. Despite the drop, prices offered by ship recyclers for fresh tonnages were at the same levels. But we saw another vessel sold, this week a bulker – Tycoon (last week it as a container – Fortune Trader) on a seemingly speculative price, much above the levels that ship recyclers could afford. The local market for long products showed signs of weakness for a second consecutive week also affecting the appetite of secondary mills to buy large quantities. In what could be considered an interesting news in a softening local steel market for last two weeks, the Indian secretary of the ministry of steel, has said that availability of scrap in India is going to be challenging as more than 60 countries have either banned or are in the process of banning scrap exports (to meet their reduction in carbon emissions target). Pricier oil is affecting local currency which has now been above 83 mark against the US Dollar for almost two weeks due to widened trade deficit. Although, expected inflow of funds for Indian government bonds should help reduce the pressure on Indian Rupee. We would expect prices offered by ship recyclers to marginally strengthen despite an apparent softness in a fundamentally strong local steel market.

PAKISTAN – Local scrap prices have remained at about same levels as last week while the imported scrap prices have reduced by about USD 5-7/MT. Prices of local rebars have increased due to further increase in power costs. Local currency continued at improved levels this week as well. Thanks to government efforts to crackdown on illegal foreign currency trades, local currency continued to almost maintain the appreciated rates against the USD this week as well. Prices offered by ship recyclers remained at the same levels as last week. There are a couple vessels being worked up on by a few ship recyclers but on an overall basis ship recyclers would like to wait and watch before they commit into a fresh tonnage for recycling. Although, not many vessels would be worked due to present foreign exchange problems, we would expect prices offered by ship recyclers to marginally improve.

BANGLADESH – Local steel plate market was closed for another week. Ship recyclers association had decided to stop sales of steel plates to address the continuous fall in local steel plate prices (prices had dropped by USD 93/MT in three weeks). Weak construction sector for the lower- and middle-class segment has drastically affected demand for end steel products and thus the steel plate prices. Imported scrap prices marginally reduced by USD 2/MT and the



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demand for imported scrap was moderate. While there has not been any change in the prices offered by ship recyclers, there has not been an active interest shown by ship recyclers in making offers for new tonnages for recycling. Even though, foreign exchange availability problem continues to increase, now it is less about the foreign exchange problem and more about very poor demand for end steel products in the local market. We would not expect much interest from ship recyclers for new tonnages over the next couple of weeks.

TURKEY – Local scrap prices remained unchanged this week though due to weakening of local currency by 1% against the US Dollar, in USD terms local scrap prices reduced by about USD 2-3/MT. Some local mills however, offered price improvement of Turkish Lira 100-200/MT. Imported scrap prices remain unchanged this week. With effect from October 1st this year, prices of electricity for industrial and commercial users will increase by 20%. Increased production costs will make it more difficult for steel mills to compete in export market. Prices offered by ship recyclers for fresh tonnages remained at same levels this week and is likely to continue at same 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 – Fewer candidates from dry and container segments were seen circulating this week. Notably, we had one bulker – Tycoon was sold this week at a substantially higher price of USD 570/MT which much higher than what a ship recycler would be willing to pay. This is a second speculative deal with the last 2 weeks which in a way could point to the direction that some buyers think the market could move, Though, lower supply of fresh tonnages also has a role to play.

MARKET OUTLOOK – Tanker segment experienced a soft freight market this week whereas the dry segment continued enjoying a better freight market specially capesizes. In the container segment, 2000 -3000 TEU sizes face challenges in terms of demand whereas other sizes seem to be doing fine. In the secondhand market, container segment prices have reduced. Considering dry segment is expected to enjoy good freight market for the next month and tanker has a better longer-term outlook, we expect containers to meet the requirement of recyclers for now.



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MAIN DEMOLITION SALES DATA FOR PERIOD September 25th – September 30th, 2023

| Type | Name of Vessel | Built | DWT | LDT | Price | Remarks |
|-----------|----------------|-------|-------|-------|-------|--|
| Bulker | Tycoon | 2000 | 74716 | 12627 | 570 | Buyers have Alang/Gadani del option - incl ROB 550 T |
| Bulker | Ya Tai 1 | 1995 | 63045 | 10399 | 475 | As is Guangzhou, China |
| Container | MSC Jasmine | 1988 | 41771 | 14305 | 580 | Alang, incl 650T Bunkers |

MAIN DEMOLITION SALES DATA FOR PERIOD September 1st – September 30th, 2023

| Type | Name of Vessel | Built | DWT | LDT | Price | Remarks |
|----------------------|---------------------|-------|--------|-------|-------|--------------------------------------|
| Bulker | Sun Shine | 1999 | 73941 | 10317 | 523 | Gadani |
| Bulker | Winning Joy | 1999 | 172964 | 20512 | 500 | As is Singapore. Incl 250 MT bunkers |
| Container | UGL Hong Kong | 1998 | 22000 | 7009 | 530 | As is Oman |
| Bulker | APJ Mahadeva | 2000 | 74667 | 12660 | 480 | As is Colombo |
| Container | Uni Aspire | 1998 | 15534 | 7098 | | Alang |
| Container | Ever Devote | 1998 | 55604 | 21731 | | As is Singapore |
| Pass/Cargo/ Ferry | Rana | 1977 | 150 | | | Norway |
| Pass/Cargo/ Ferry | Tingvoll | 1972 | 400 | | | Norway |
| Container | Cul Huizhou | 1993 | 22000 | 8800 | 530 | As is Oman |
| Pass/Cargo/ Ferry | Vestveg To | 1962 | 50 | | | Norway |
| LCT | Mariner | 1973 | 850 | | | Norway |
| Container | Sinokor Vladivostok | 1998 | 11400 | 4691 | 589 | Alang |
| General Cargo | Kema | 1987 | 7130 | 2956 | | Ctg |
| Tug | Stone | 1969 | 100 | | | Norway |
| Tanker | Irma Dulce | 2023 | 72900 | | | Brazil - unlaunched NB |
| Tanker | Zelia Gattai | 2023 | 72900 | | | Brazil - unlaunched NB |
| Tug | Mohawk | 1980 | 500 | 2260 | | U/T |
| Offshore | Onyx Mahshahr | 1983 | | | | Alang |
| Container | Hua Da 606 | 2005 | 10624 | 3774 | | Alang |



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| Type | Name of Vessel | Built | DWT | LDT | Price | Remarks |
|---------------|----------------|-------|-------|-------|-------|---|
| PCC | Dapitan Bay | 1992 | 4489 | 5899 | | Ctg |
| Bulker | Abdullah | 1996 | 45653 | 7528 | | Ctg |
| Tanker | Maritime Riyal | 1998 | 45363 | 12246 | | Alang |
| LPG | White Purl | 1972 | 11832 | 5368 | | Alang |
| Container | MSC Maria | 1993 | 21380 | 3952 | | Alang |
| Bulker | Haseen | 1998 | 46750 | 7635 | | Alang |
| Container | Fortune Trader | 1994 | 24444 | 7078 | 612 | Buyers have option for India/Ctg/Gadani delivery. Incl bunker 100 T |
| Bulker | Fatema Jahan | 1995 | 45139 | 7528 | | Ctg |
| Reefer | Express 6 | 1979 | 2769 | 1265 | | Ctg |
| Container | GSS Yangoon | 1993 | 18421 | 5866 | 530 | As is Singapore |
| General Cargo | Angel A | 1988 | 5020 | 1391 | | Alang |
| Bulker | Ya Tai 1 | 1995 | 63045 | 10399 | 475 | As is Guangzhou, China |
| Container | Taxiarchis | 1976 | 4333 | 5326 | | Aliaga |
| Bulker | Tycoon | 2000 | 74716 | 12627 | 570 | Buyers have Alang/Gadani del option - incl ROB 550 T |
| Container | MSC Jasmine | 1988 | 41771 | 14305 | 580 | Alang, incl 650T Bunkers |

STATISTICS

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

| Year | INDIA | | BANGLADESH | | PAKISTAN | |
|----------------|---------|----------|------------|----------|----------|----------|
| | Vessels | LDT – LT | Vessels | LDT – LT | Vessels | LDT – LT |
| September 2023 | 12 | 65,484 | 21 | 159,487 | 03 | 29,500 |
| September 2022 | 10 | 69,561 | 05 | 22,003 | 01 | 872 |
| September 2021 | 13 | 141,728 | 24 | 133,164 | 07 | 48,434 |



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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 | 27 | 217,333 | 54 | 322,353 | 03 | 29,500 |
| 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 September in Current Year Vs Previous Years

| Year | DRY | | Container | WET | |
|-----------|------------|----------|-----------|--------|------|
| | Cape / Pmx | Handymax | | Others | VLCC |
| Sept 2023 | 515 | 525 | 575 | 530 | 505 |
| Sept 2022 | 560 | 565 | 595 | 575 | |
| Sept 2021 | 555 | 545 | 620 | 580 | |
| Sept 2020 | 345 | 335 | 375 | 365 | |

**(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 September in Current Year Vs Previous Years

| Year | DRY | | Container | WET | |
|-----------|------------|----------|-----------|--------|------|
| | Cape / Pmx | Handymax | | Others | VLCC |
| Sept 2023 | 490 | 490 | 530 | 520 | 490 |
| Sept 2022 | 605 | 600 | 635 | 620 | 625 |
| Sept 2021 | 565 | 555 | 585 | 585 | |
| Sept 2020 | 370 | 355 | 385 | 390 | |

**(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 September in Current Year Vs Previous Years

| Year | DRY | | Container | WET | |
|-----------|------------|----------|-----------|--------|------|
| | Cape / Pmx | Handymax | | Others | VLCC |
| Sept 2023 | 510 | 520 | 525 | 515 | 480 |
| Sept 2022 | 605 | 600 | 635 | 620 | |
| Sept 2021 | 580 | 570 | 580 | 595 | |
| Sept 2020 | 380 | 370 | 380 | 390 | |

**(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, prices indicated are subject to LC availability*



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

| Year | DRY | WET | CONTAINER |
|-----------|-----|-----|-----------|
| Sept 2023 | 310 | 320 | 330 |
| Sept 2022 | 230 | 240 | 250 |
| Sept 2021 | 270 | 280 | 290 |
| Sept 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.