



DEMO MARKET REPORT & MARKET OUTLOOK – April 3, 2023

Report No. 18/2731323/030423

COMMENTARY

INDIA – Local Steel plate prices have remained at about same levels this week, though on a weekly average basis, this week local plate prices were higher. Imported scrap prices have reduced by USD 15/MT. Local billet prices have remained at about the same levels but export billet prices have reduced by USD 15/MT due to slow demand in Asia and MENA region. However, large integrated mills have announced increase in prices of flat products by about USD 12/MT. India's central bank will likely go for a quarter point increase in interest rates in the month of April. Prices offered by ship recyclers have softened by about USD 10/ LT LDT due to weaker sentiment amidst a generally softer demand locally and globally, however, there is always a possibility of an odd speculative purchase at higher price. The Indian Rupee is likely to benefit from the country's shrinking current account gap. A low supply of fresh tonnages will help support the current prices and considering that we are entering the summer season, which is a good construction period, we should expect a marginal improvement in prices over the next few weeks.

PAKISTAN – There have been no changes in the situation over previous weeks. Foreign exchange problems continue. Local steel prices from mills have reduced this week amidst government pressure and partial weakening in global imported prices. The government is working to get written assurances from Saudi Arabia and UAE on financing as per IMF requirement. IMF has rejected the country's initial proposal for fuel subsidy on petroleum and this adds to one more point that country needs to comply with, before IMF loan disbursement. In the meanwhile, ship recyclers are constrained from offering for fresh recycling tonnages due to foreign exchange problem.

BANGLADESH – Local steel plate prices have dropped by about USD 30/MT and imported scrap prices have dropped by about USD 3-5/MT. Activities have slowed down due to Ramadan and there is a low demand from end users. Ship Recyclers have reduced prices offered for fresh tonnages by about USD 20/ LT LDT and many ship recyclers would prefer to wait and watch before they commit on fresh tonnages. The foreign exchange problem continues and there is an expectation that the local currency may weaken against the USD. We would expect prices to remain under pressure.

TURKEY – Low demand for finished steel is affecting the prices. Local ship scrap prices were reduced by USD 20/MT and imported scrap prices reduced by about USD 15/MT this week. Due to announcement this week by the President that electricity prices will be lowered by 15% and gas prices for industrial users will be reduced by 20%, there is an expectation that steel mills



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will return to market for new purchases due to their improved margins. Turkish Lira has seen new lows, falling to 19 against the US Dollar. Some banks believe that Turkish Lira could depreciate by 15%-20% over next 3 months depending on the election results and if Central banks decides to withdraw its currency intervention. Ship recyclers have continued to offer the same prices for fresh tonnages this week mainly due to low supply. We would expect prices to be at about same levels.

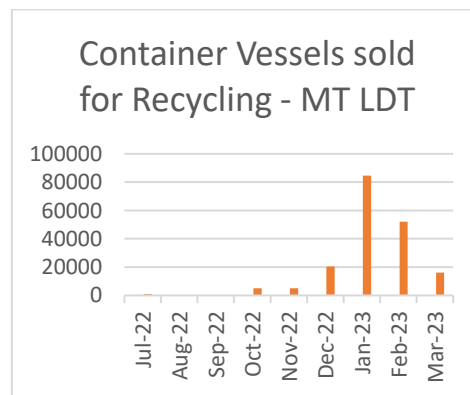
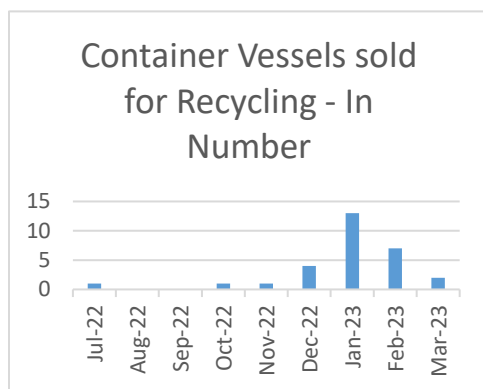
CHINA – With effect from 1.1.2019, China has stopped accepting any foreign flagged ship for recycling as per directives from Government. Breakers now can only recycle local ships from China.

SUPPLY – Supply of fresh tonnages for recycling continues to be slow with some candidates seen from dry and container segment.

MARKET OUTLOOK – Supply of fresh tonnage is expected to be scarce since freight across all segments – Wet, Dry and Container are doing well. While tanker segment had already been experiencing a good secondhand market for a long time, we are seeing demand for second-hand container vessels from Chinese operators since about a month. Lower supply of tonnages will continue to support prices offered for fresh tonnages by ship recyclers despite the presently prevailing weak sentiment in the local and global steel markets.

Container Sales Summary Over last 9 months period

The much-awaited flow of containers for recycling is not yet forthcoming. However, there are signs that we would see a good flow of containers for recycling in the second half of the year.





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GLOBAL – GENERAL NEWS –

1. Chinese economy is in a revival mode with an increase in domestic consumption and a stronger economic growth outlook. This would be a much-needed support to the tepid demand in the global economy.
2. Britain saw the first increase in real income since 2021 and there has been a pickup in economic output which has reduced the risk of recession in the country.
3. Deposits at US Banks continued to fall resulting in declined lending by the most in nearly two years.

MAIN DEMOLITION SALES DATA FOR PERIOD MARCH 27TH– 31ST, 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Drillship	Ice	1959	9806	9646		Alang
Gen Cargo	Shang Hang 68	1998	22928	7379		As is China

MAIN DEMOLITION SALES DATA FOR PERIOD MARCH 1ST – 31ST, 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



DEMO MARKET REPORT & MARKET OUTLOOK – April 3, 2023

Report No. 18/2731323/030423

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
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
Drillship	Ice	1959	9806	9646		Alang
MPP	Shang Hang 68	1998	22928	7379		As is China

STATISTICS

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

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
March 2023	10	60,995	09	70,029	01	1,657
March 2022	21	157,334	15	175,876	08	72,796
March 2021	10	56,858	33	264,110	12	92,871

VESSELS AND QUANTITY BEACHED IN INDIAN SUBCON – UP TO QUARTER 1 2023, 2022, 2021.

Year	INDIA		BANGLADESH		PAKISTAN	
	Vessels	LDT – LT	Vessels	LDT – LT	Vessels	LDT – LT
2023	40	287,124	34	191,526	06	83,295
2022	50	307,278	46	511,086	25	241,369
2021	50	375,886	68	777,772	24	192,596



DEMO MARKET REPORT & MARKET OUTLOOK – April 3, 2023

Report No. 18/2731323/030423

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

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
April 2023	525	530	580	545	505
April 2022	665	645	715	675	
April 2021	485	475	530	515	
April 2020	Markets closed/uncertain due to COVID-19				

**(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 April in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
April 2023	575	565	630	615	585
April 2022	665	665	680	680	
April 2021	505	500	515	525	
April 2020	Markets closed/uncertain due to COVID-19				

**(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 March in Current Year Vs Previous Years

Year	DRY			WET	
	Cape / Pmx	Handymax	Container	Others	VLCC
April 2023	555	560	620	620	595
April 2022	670	665	675	685	
April 2021	510	505	515	520	
April 2020	Markets closed/uncertain due to COVID-19				

**(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.*

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

Year	DRY	WET	CONTAINER
April 2023	330	340	350
April 2022	420	430	
April 2021	230	240	
April 2020	225	225	

**(a) (Prices LT/LDT, less 2% Add Comm) (b) We have introduced Container pricing from Jan 2023 onwards*



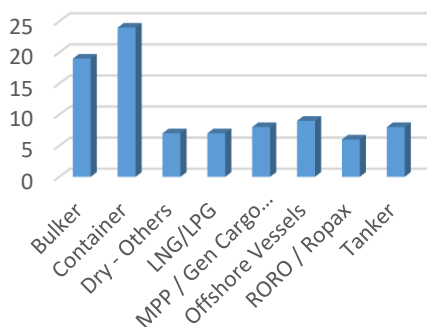
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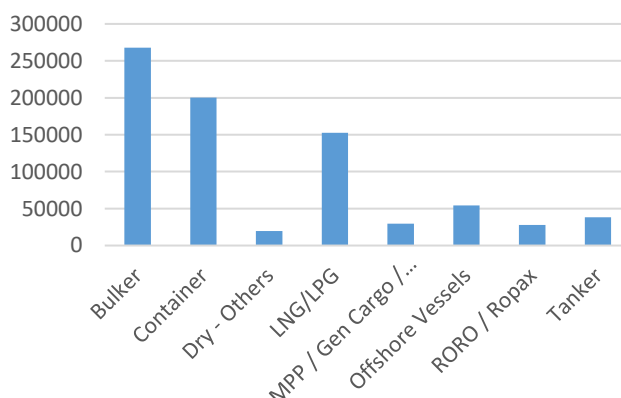
Break up of Recycling Vessel Sales in Quarter 1 - 2023

Vessel Type	No.	LDT MT
Bulker	19	267857
Container	24	200174
Dry - Others	7	19718
LNG/LPG	7	152480
MPP / Gen Cargo / Reefer / Ref Cargo	8	29587
Offshore Vessels	9	54245
RORO / Ropax	6	28078
Tanker	8	38463
	88	790602

Categorywise Vessel Sales in Number for Quarter 1, 2023



Categorywise Sales in LDT MT for Quarter 1, 2023



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.