WIRANA SHIPPING CORPORATION

DEMO MARKET REPORT – AUGUST 2021

COMMENTARY

INDIA – The month started with slightly lower sentiments for Ship recyclers because first half of the month was lost on transport strike which affected sales of Ship Recyclers as well as resulted in stock pile at yards. The transport strike was called off in second half of August helping resume sales activity but local steel plate prices got softer by about USD 15 / MT. Welcome news for Ship Recyclers though was that prices offered by Bangladesh and Pakistan dropped in second half by about USD 15/ MT LDT which helped India Ship Recyclers offers get a bit more competitive for non-HKC tonnages. Strengthening of Indian Rupee by about 2% also helped improve the sentiments. It is heartening to note that during the second half of the month, Ship recyclers improved their offers for fresh tonnages by about USD 15-20/ MT LDT. Lower international HMS prices, substantial drop in iron ore prices as well as increasing supply of fresh tonnages, have changed sentiments from bullish to cautious and we would expect prices to soften during the month of September.

PAKISTAN – The country was in lock down due to increasing Covid cases in the first week but the prices in the local markets were stable and ship delivery as well as beaching continued. Announcement by Federal Board of Revenue to raise the minimum value of product for levy of tax affected the sentiments of ship recyclers but did not affect prices offered immediately. During the third week of August, prices offered for fresh tonnages dropped by about USD 15 / MT LDT. With drop of HMS prices in international market, increased supply of fresh tonnages and Bangladesh recyclers not as hungry for fresh tonnages, we would expect prices to drop. Whether Sellers give in to lower prices or withhold sales will decide whether the drop is substantial or marginal.

BANGLADESH – Although the country was under strict lock down for first 10 days of the month, ship deliveries and beaching continued. The Ship Recyclers sentiments were also bullish and they continued to lead the sub-continent in terms of prices offered along with active buying interests. During the third week there was reduction in prices of steel plate by about USD 15/ MT which also affected prices offered by Ship Recyclers for fresh tonnages by about USD 15 -20 / MT LDT. In view of increased supply of fresh tonnages and Ship Recyclers not as hungry coupled with international drop in prices of HMS as well as iron ore, prices offered for fresh tonnages have dropped as of now but Sellers are withholding the sales. Depending on how much Sellers are able to withhold will decide whether the prices drop is substantial or marginal.

WIRANA SHIPPING CORPORATION

DEMO MARKET REPORT – AUGUST 2021

TURKEY- Price of imported HMS in Turkey has been dropping continuously during the month resulting in total price drop of about USD 30/ MT. Prices offered by Ship Recyclers for fresh tonnages also dropped by about USD 25 / MT LDT during the month. Yards in Aliaga have adequate tonnages to recycle and thus there is no factor of Ship Recyclers willing to pay more to acquire fresh tonnages. During the month of September we could expect prices to soften a bit.

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 – The story of supply remains the same month over month where due to weak markets experienced by tankers and offshore segment, we see units from these segments being put up for recycling and with good recycling prices presently offered more tonnages are being sent for recycling. Even within the tanker segment while the first 7-10 days of month saw improved supply, drop in prices offered by about USD 15-20/ MT LDT during second half resulted in Ship Owners deciding to wait rather than sell at lower prices. However, we have again seen increasing supply of fresh tonnages from tanker segment which has resulted in lower prices now being offered by Ship Recyclers. Supply of tankers and offshore units will continue as has been the case during the year. Though, we need to see whether the supply of fresh tonnages for recycling slows down because of drop in prices and if so, for how long can Sellers withhold.

OUTLOOK FOR SEPTEMBER – We have seen cooling down in prices offered by Ship Recyclers in second half of August. Further in view of increased supply of fresh tonnages, prices would drop in the immediate. However, in view of over strong fundamentals of global demand and regular supply (Chinese government controlling their steel production for 2021 will help to avoid over supply situation), we would expect prices to gain back some of the lost ground eventually. The possibility and extant of gain will depend how and whether the supply of fresh tonnages reduce at lower prices or not.

DEMO MARKET REPORT – AUGUST 2021

MAIN DEMOLITION SALES DATA FOR AUGUST 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Cendana	2004	46834	10313		Ctg
Bulker	Ara	1998	24021	5035		Aliaga
Bulker	Gdansk	1984	62163	13124	510	As is Abidjan, HKC
Bulker	Amal 1	1987	41574	7418	582	Gadani, Incl 300t ROB
Drillship	Bora	2010	61038	18000		As os Oman, U/T
FSO	Jubilee Star	1996	309982	42760	572	As is Malaysia
FSO	Sea Coral	1996	298321	42802	530	As is Malaysia
Gas	Standorf	1990	28820	11050	692	Dlv Subcon Buyer option, ROB 1000 – 100 T included
H. Lift	Eagle 2	1975	52092	8324		Alang
LNG	Teri F	1997	72519	26915		Ctg, As is Labuan, U/T
LNG	South Energy	1980	72561	31196	720	Ctg, incl 1300 T ROB, vsl has 3200 MT Aluminum content
Offshore	Tag 7	2010	1350	2331		Alang
OSV	GSP Licorn	1996	1142	1276		Aliaga
Pass/Cargo	Nancowry	1992	5014	7873	566.5	As is Port Blair
Research	Geo Hind Sagar	1980	836	2167	555	As is Mumbai
Tanker	Yason	1998	4700	1614		Alang
Tanker	SW 2	1979	4890	1835		Ctg
Tanker	Bull Sumbawa	2001	31632	7718	575	Ctg
Tanker	Sartstraun	1980	2533	1100	605	Alang, Has high Stainless Steel - Qty not disclosed
Tanker	Lila Dubai	2010	97135	18055		as is Oman, damaged, U/T to Gadani
Tanker	Atlantic 1 (FSO)	1996	146268	23318		Buyers have Full Subcon delivery option
Tanker	Dreamer (FSO)	1982	43981	9625		Gadani
Tanker	Sky	1991	7715	4950		Alang
Tanker	Palladly	1984	4999	3131		Ctg
Tanker	Seaways Hellas	2003	69636	13213	535	As is Singapore
Tanker	Splendour	1996	45217	10046	621	Gadani
Tanker	Chiron	1996	32250	9041	608	Gadani
Tanker	Evereti	2002	112056	18921		Ctg

DEMO MARKET REPORT – AUGUST 2021

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Stolt Selje	1993	36778	11287		Alang, HKC
Tanker	Seafortune	1995	8406	2592		Alang
Tanker	Piramerd	2003	47149	9375		Gadani
Tanker	Jade	2002	69708	13140		Alang, HKC
Tanker	Kasira	1984	4999	3131		Ctg
Tanker	Sistraum	1981	2550	1430	605	Alang
Tanker	Damas	1998	45999	9716		Gadani
Tanker	Oceania	2002	105560	16099		Ctg
Tanker	Risa	2000	46271	9820		Ctg
Tanker	Shun Sheng	1999	15876	6287		Ctg
Tanker	Sallie Knutsen	1999	153617	25553		Alang, HKC
Tanker	Shine	1996	7526	2556		Alang
Tanker	Sky Sino	1997	45375	12235		As is Batam
Tanker	Sea Glamour	2000	147093	23267	602	Ctg
TS Hopper Dredger	Leiv Eriksson	2010	78386	26629		Aliaga
Tug	A. Gaudi	1974	126			
Tween	Harin Navee 8	1987	1693	779		Ctg

STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN AUGUST 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	16	84481	20	150,886	12	69,133
2020	17	167,715	06	65,220	10	66,813
2019	13	102,031	07	66,295	04	17,510

WIRANA SHIPPING CORPORATION

DEMO MARKET REPORT – AUGUST 2021

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – JANUARY TO AUGUST 2021, 2020, 2019

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2021	141	983,678	173	1,830,353	96	775,393
2020	128	1,309,083	90	1,270,073	39	292,071
2019	136	1,109,474	172	1,853,122	27	91,404

Indicative Price Levels for end of August in Current Year Vs Previous Years

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Aug 2021	565	555	635	590
	Aug 2020	335	325	365	350
	Aug 2019	340	335	380	375
	Aug 2018	415	405	460	425

Indicative Price Levels for end of August in Current Year Vs Previous Years

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Aug 2021	595	585	615	620
	Aug 2020	360	345	370	370
	Aug 2019	400	370	410	410
	Aug 2018	440	415	450	445

Indicative Price Levels for end of August in Current Year Vs Previous Years

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Aug 2021	595	585	600	620
	Aug 2020	375	365	370	380
	Aug 2019	370	360	375	380
	Aug 2018	435	415	440	445

WIRANA
SHIPPING CORPORATION

DEMO MARKET REPORT – AUGUST 2021

Indicative Price Levels for end of August in Current Year Vs Previous Years

Turkey	Year	DRY	WET
	Aug 2021	265	270
	Aug 2020	200	210
	Aug 2019	250	255
	Aug 2018	250	255