

1st to 8th June, 2020



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OUR OFFICES

WEEKLY SHIP RECYCLING REPORT



CERTIFICATE

The largest ship ever scrapped is the ST Mont with a deadweight of 564,763 tonnes, which was achieved by Priya Blue Industries Pvt. Ltd. (India) and Best Oasis Ltd (Hong Kong) at Plot No. V-1, Alang Ship-Breaking Yard, Gujarat, India, and was completed on 12 November 2010

OFFICIALLY AMAZING



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LIST OF VESSELS
SOLD IN THIS
WEEK

GLOBAL SHIP RECYCLING MARKETS



Due to exportation ban levied across the .U.A.E. selling price of domestic scrap across the sub-continent is improving.

Presently, all rolling mills in India, Bangladesh, Pakistan and Turkey are operating at 20-25% of its actual production capacity.

With an absence of containerized scrap supplies from U.A.E to Pakistan, mills and traders in Pakistan are going long on booking bulk and containerized scrap of other origin.

On the other hand, it's immediate competitor Bangladesh has sufficient inventory in hand. They have carefully adopted just in time option in booking scrap supplies.

Turkish mills have gone back to their US suppliers with fresh enquiries.

Beaching / landing of vessels is now allowed in India, Pakistan and Bangladesh with foreign crew onboard. Prices of domestic scrap is attracting gains in India.

Current days are more like a wait and watch period for ship recyclers until everything goes back to normal. There are high chances that the market will correct from it's present levels as more supplies are available around the world.

Surprisingly, Dow Jones index has matched its pre-corona period market levels by hitting 27,110 points this week, despite an unemployment rate of 20% across the nation.



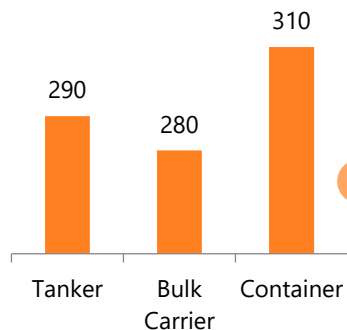
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Basel Ban Amendment arrives as a shock to EU-SRR audited yards.
Local market condition is stabilizing.

Covid19 Cases

Confirmed – 257,000
Recovered – 124,000 (48%)
Deaths – 7,135

INDIA



1

Basel Ban Amendment has been passed by the EU-Commission.

Basel Ban Amendment basically prohibits exportation of all hazardous wastes covered by the Basel convention including end of life vessels for disposal, reuse, recycling and recovery from the OECD and EU to all other countries. None of the three largest recycling nations are a part of the OECD countries. This amendment washes away all the efforts put in by Indian recyclers to meet the EU-standards. Huge investments made by recyclers have gone in vein and it is now upon the EU-SRR on how they will react to this decision made by the EU-Commission.

2

Beaching of ships with foreign crew is permitted in India with SOPs and guidelines. Both sign on and sign off of foreign crew can be carried out with approvals from competent authorities.

3

Offices located in non-containment zones can open with either 10% of workforce or 10 members which ever is less. Lifestyle may sooner settle to the 'new normal' in India. IT giants such as TCS, Google, Infosys etc. are constantly promoting the work from home policy to ensure safety and well being of their employees.

4

Positive kicks in the prices of domestic scrap across the country is being witnessed, this may infuse some buying interest among ship recyclers.
Lack of workforce is a challenge now, workers have gone back to their villages where they are being provided with free food and other provisions.
Under such circumstances, the economy will continue to fall until they return back to work.

Beaching Dates: 2nd to 10th June followed by 19th to 27th June, 2020

All figures are in USD values

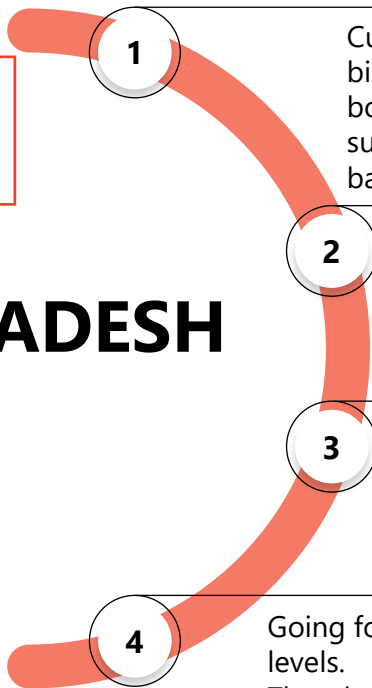


'Demand lead supplies' is the new vibe here.

Covid19 Cases

Confirmed – 68,504
Recovered – 14,507 (21%)
Deaths – 930

BANGLADESH

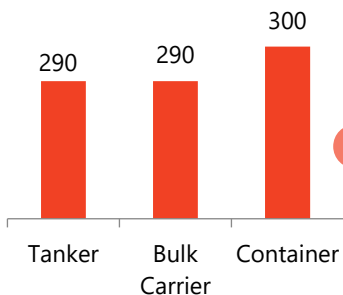


1 Currently, the demand for scrap has diminished. This means that ship recyclers won't have a bigger room of profits by selling ship plates. Traders that smartly leveraged the market by booking bulk scrap previously in the month of March, still have sufficient inventory to supply their mills. Due to liquidity issues, discounting of L/Cs issued using Bangladeshi banks is facing a lot of resistance in the international financial markets.

2 With 68,000+ cases across the country, the infection is spreading like wild fire. Public health experts say that the actual number of Covid19 positive cases will be much higher.

3 Recyclers with an appetite to purchase new tonnages fail to offer competitive prices. Due to poor demand of ferrous scrap in this region, all recyclers are facing a setback in sales.

4 Going forward the buying of HMS scrap / demolition vessels will not be at the normal price levels. The whole industry here will be very cautious in booking their scrap supplies and eventually the demand will change the supply and not the other way round.



Beaching Dates: 4th to 7th June followed by 21st to 24th June, 2020



Recyclers are actively looking for tonnages at current price levels.

Covid19 Cases
Confirmed – 104,000
Recovered – 34,355 (33%)
Deaths – 2,076

PAKISTAN

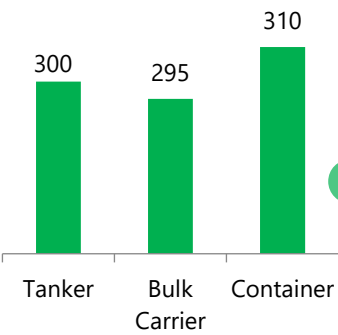


1 Rolling mills have resumed their production, but supplies through their favorite source .U.A.E. is temporarily suspended. For the first time in the year 2020, Pakistani traders have purchased bulk as well as containerized scrap. Basis the present market scenario, Pakistan is the only country within the subcontinent, where there is a robust demand for HMS scrap to complete pending and pre-monsoon orders.

2 Ship recyclers have started offering competitive prices for demolition vessels. Sources recall that recyclers here need 500,000 MT of ship scrap. At port Gadani, Importation of ships for recycling have resumed after a long hibernation period.

3 Domestic and international airports within the country have resumed. Emirates is starting special flights from Pakistan to U.A.E. Stringent entry restrictions remain in place upon arrival in U.A.E. which includes a mandatory DHA test on arrival; a mandatory 14-day quarantine and a follow up test before release.

4 As the Government here has eased the restrictions related to the lockdown, infection cases have hit it's new highs.



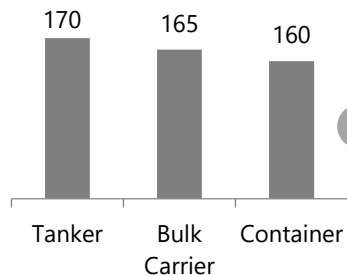
Beaching Dates: 1st to 30th June, 2020



Swift recovery from Covid19 is being witnessed across the country

Covid19 Cases
Confirmed – 170,000
Recovered – 138,000 (81%)
Deaths – 4,692

TURKEY



- 1** Domestic scrap prices has moved USD 5 on the positive side due to tight supply chain from the U.S. scrap mills, scrap peddlers etc.
With situation normalizing in Turkey 1 USD is being traded for 6.77 Turkish Lira.
- 2** Turkish airlines have started domestic flights.
International flights may resume on 18th June and at first, all international flights will fly only towards European countries.
- 3** There exists a demand for demolition ships from the non-green Turkish yards, but ship owners are looking for EU-approved yards only.
At present, all EU-Approved yards are occupied.
- 4** With life going back to normal in this region, all rolling mills will start increasing their production capacity and the demand for ferrous scrap may tend to increase.

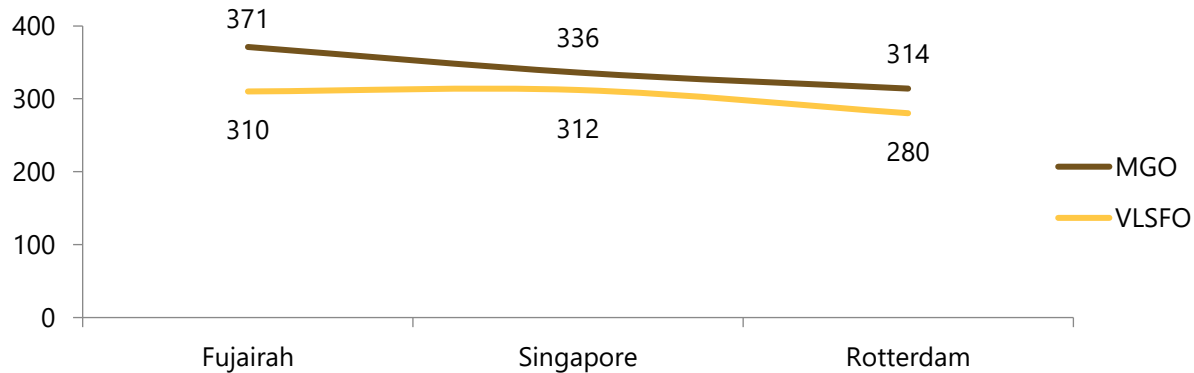
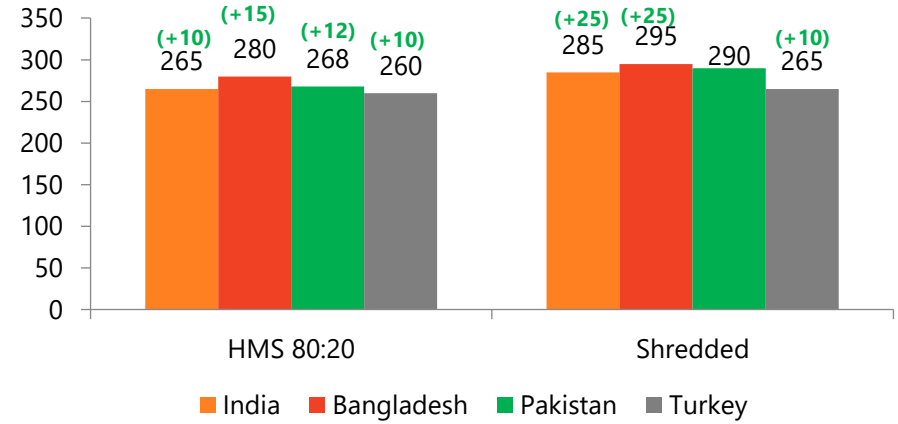
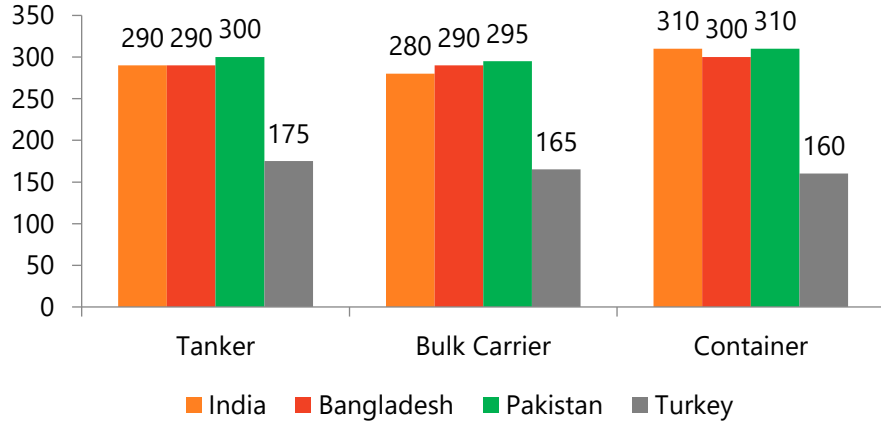
Similar to it's previous week, HMS 80:20 is priced at USD 263 basis CnF Turkey

Beaching Dates: 1st to 30th June, 2020

PRICING INDEX



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All figures are in USD values

LIST OF VESSELS SOLD IN THIS WEEK



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Vessel Name	Type	Year of build	Country of Built	LDT	Term of sale	Location of delivery	Sale Price (In USD)
Kokura	Container Ship	1997	Denmark	33,100 MT	Delivered	Buyers have a full sub-continent delivery option	\$ 328
Kure (Sister vessel of Kokura)	Container Ship	1996	Denmark	33,100 MT	Delivered	Alang, India	\$ 318
Zea Tokyo	General Cargo Ship	2002	China	12,408 MT	AS-IS	Mumbai for recycling in Alang, India	\$ 303
Zea Antwerp (Sister vessel of Zea Tokyo)	General Cargo Ship	2003	China	12,323 MT	AS-IS	Mumbai for recycling in Alang, India	\$ 302

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Vessel Name	Type	Year of build	Country of Built	LDT	Term of sale	Location of delivery	Sale Price (In USD)
Cougar Ace	Vehicle Carrier	1993	Japan	13,500 MT	Delivered	Alang, India	\$ 300
Utrillo	Container Ship	1999	China	11,676 MT	AS-IS	U.A.E	\$ 330
GSL Matisse	Container Ship	1999	China	11,984 MT	AS-IS	U.A.E	\$ 330
Grand	Container Ship	1992	Poland	5,645 MT	AS-IS	Fujairah for delivery to India	\$ 300



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