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WEEKLY SHIP RECYCLING REPORT

17th to 23rd October 2020



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

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GLOBAL SHIP RECYCLING MARKETS



EC has published guidelines on EU-SRR regarding IHM certification since the deadline is approaching and vessels might not get certified due to COVID-19. Key highlight includes relaxation for ships that are crossing the European waters without a valid IHM report on board. The guidelines state that the master/owner of the ship should at least have a valid justification to provide.

At Alang, the sentiment among ship recyclers is positive. The local ferrous scrap market has improved from its previous week.

At Chattogram, there is a significant shift in both the sentiment of buyers and prices of HMS in the local market. Limited importation of HMS from the European markets is working as a booster for recyclers with tonnages here. Though the cartel pertains, but its power to dictate prices remains uncertain as Cash buyers are holding vessels in expectation of price relaxation.

Demand for finished steel continues to remain weak in Pakistan but on the other hand recyclers will grab tonnages if offered at lower prices. Maybe the drop in the demand is temporary in nature and will not last for long.

Financial Markets across the globe are looking forward to the result of U.S. elections to see its effects on economy and trade relations.

A second wave of COVID-19 is affecting the economy and putting some parts of the world back in lockdown.



INDIA

TANKER VESSEL: USD 330/LDT | BULK CARRIER: USD 330/LDT | CONTAINER SHIP: USD 370/LDT

Improved market conditions.

A boost in domestic demand from Automobiles, Consumer durables and Infrastructure sector ahead of festive season has pushed Steel consumption and led to higher restocking demand.

Prices of HMS in the local market of Alang have shown increasing trend since previous week. We anticipate that the increase in price is a result of surge in demand due to upcoming Diwali celebrations.

Recyclers that have vacant spaces in their facility are ready to book new tonnages. From a bird-eye view, the sentiment for booking new tonnages among recyclers is healthy as they are showing keen interest in enquiring and booking mid-sized tonnages available for green recycling purpose.

Importation of containerized HMS is improving.

Diwali, one of the most important Hindu festivals will be celebrated on 14th November 2020. During this time, all major offices will remain shut for a couple of days and trade activity will remain limited during this period.

Beaching Dates: 31st October to 6th November 2020



BANGLADESH

TANKER VESSEL: USD 370/LDT | BULK CARRIER: USD 360/LDT | CONTAINER SHIP: USD 380/LDT

Healthy market conditions

Recyclers have an appetite to book new tonnages, but the cartel needs to relax their price restriction to induce cash buyers towards finalizing the deals.

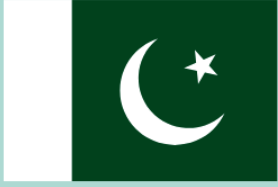
On the other hand, the good news is that the prices of melting scrap and ship plates have improved in the local market. This might be a result of limited availability of Europe originated containerized HMS sailing towards Bangladesh.

IMF's latest report on the economic success of Bangladesh is drawing a lot of Global attention especially from the U.S. and neighboring Asian countries.

Norwegian Ambassador to Bangladesh conveyed their inclination towards investing in the Ship recycling industry of Bangladesh.

Number of new COVID-19 positive cases is stable.

Beaching Dates: 30th October to 2nd November 2020



PAKISTAN

TANKER VESSEL: USD 360/LDT | BULK CARRIER: USD 350/LDT | CONTAINER SHIP: USD 370/LDT

Finished steel prices continue to remain weak

The sentiment among recyclers is being presumed as weak but still we feel that if tonnages are offered at lower prices, they will grab it.

Demand for finished steel is decreasing and as 90% of the mills use the EAF technology their dependence on ferrous scrap is extremely high.

Importation of containerized HMS is silent since the last two weeks majorly because Dubai has put a ban on exportation of ferrous and paper scrap to other countries.

Mills may very soon begin to start stocking up their inventories for winter season.

Pakistan's economy needs a positive FATF test report. The Financial Action Task Force will give its report on Friday. A negative report will make it difficult for the country to get financial aid from the International Monetary Fund (IMF), World Bank, Asian Development Bank (ADB) and the European Union, thus further enhancing problems for the nation which is in a precarious financial situation.

Beaching Dates: Throughout the month



TURKEY

TANKER VESSEL: USD 205/LDT | BULK CARRIER: USD 195/LDT | CONTAINER SHIP: USD 215/LDT

Stable market conditions.

Economic slowdown due to COVID-19 is giving a business opportunity to ship-breaking yards in Turkey, as a rising number of cruise liners are being sent to yards for their final journey.

Domestic scrap market continues to remain stable.

Turkish Lira is gaining strength against USD this week. Exchange rate at 7.95 and likely to remain at this level.

Import scrap is at USD 290/MT levels which is about USD 3/MT higher compared to last week. There are rumors in the market around traders trying to increase their business activity due to the upcoming U.S. elections scheduled early November.

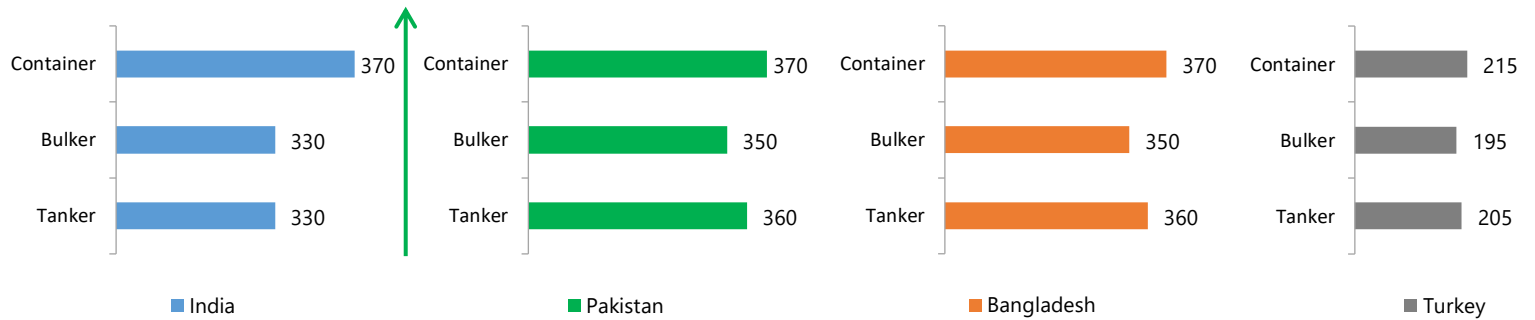
Two small units of about 1000/1500 LDT and a 8,000 LDT sized Bulk Carrier has arrived here for recycling.

COVID-19 cases are stable this week.

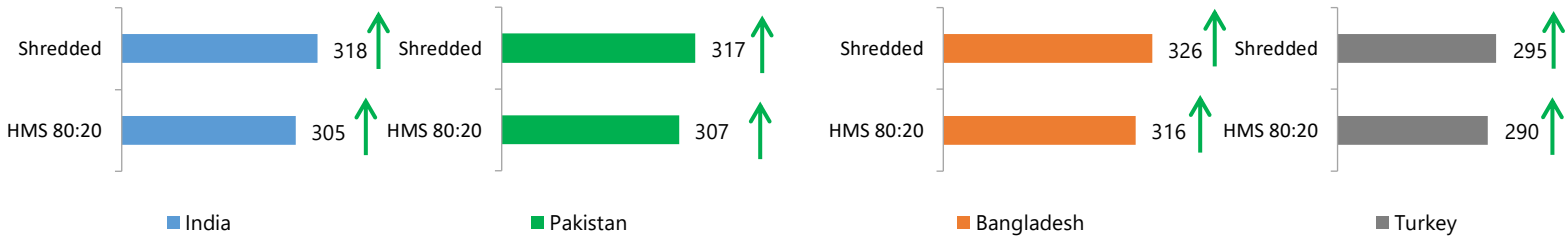
Beaching Dates: Throughout the month

PRICING INDEX

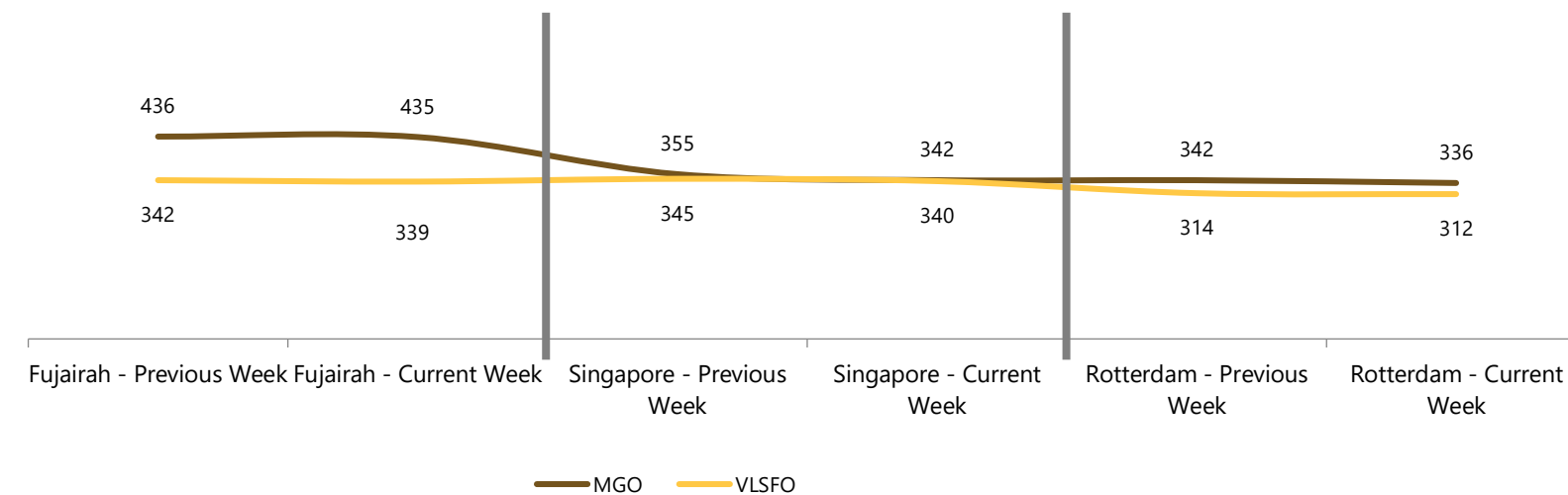
Prices of recycling ships within the subcontinent



Prices of foreign origin containerized HMS within the subcontinent



Bunker prices at Port - Fujairah, Singapore & Rotterdam



LIST OF VESSELS SOLD THIS WEEK

Vessels for conventional recycling purpose

Vessel Name	Type of vessel	Year of Build	Country of Build	LDT	Term of Sale	Location of Delivery	Sale Price (USD)
Almada	Tanker	1998	South Korea	17,002 MT	Delivered	Pakistan	USD 390/ LDT
Kulnatee	MPP	1997	Argentina	6,367 MT	Delivered	Pakistan	USD 350/LDT
Rockies Highway	PCTC	2006	Japan	12,900 MT	Delivered	India – Green Recycling	USD 370/LDT
Karadeniz Powership Sadun Boro	AHTS	2008	Singapore	3947.61 MT	As Is	Colombo	USD 1,770,000 Lumpsum

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