

WEEKLY SHIP RECYCLING REPORT



6th May to 13th May 2022

Highlights of the Week

Ship recycling market is experiencing significant price corrections in tune with the ongoing economic crisis being felt worldwide. The offers from recyclers have come down by about USD 40/LDT in the past two weeks, but the prices are expected to stabilize at the current levels due to a paucity of tonnage supply in the recycling market. The ongoing war and supply chain chaos have led to creation of longer sailing routes, thereby increasing the demand for all segments of vessels including the aging assets which could have been potential recycling candidates under normal trading conditions. As a result of this shortage of units available for recycling, the end buyers will have to bid competitively to secure tonnage.

The ambitious EU proposal to ban all Russian oil imports remains stuck in negotiations, as several member states fear that the rapid energy switch will wreak economic havoc whereas the sanctions require unanimous approval from all 27 member states. It is expected that a solution of the highest political level will be found at the extraordinary EU summit to be held on 30-31 May. WTI is currently trading at USD 108 per barrel.

The world economy is simultaneously dealing with three major challenges, the rising cost of debt, the war in Ukraine and the frequent lockdowns due to pandemic. The resulting high inflation is devastating for developing countries, and what's happening in Sri Lanka can happen to other countries as well. UN has identified 69 such countries, 25 in Africa, 25 in Asia and 19 in Latin America which are at high risk of facing extreme economic pressures.



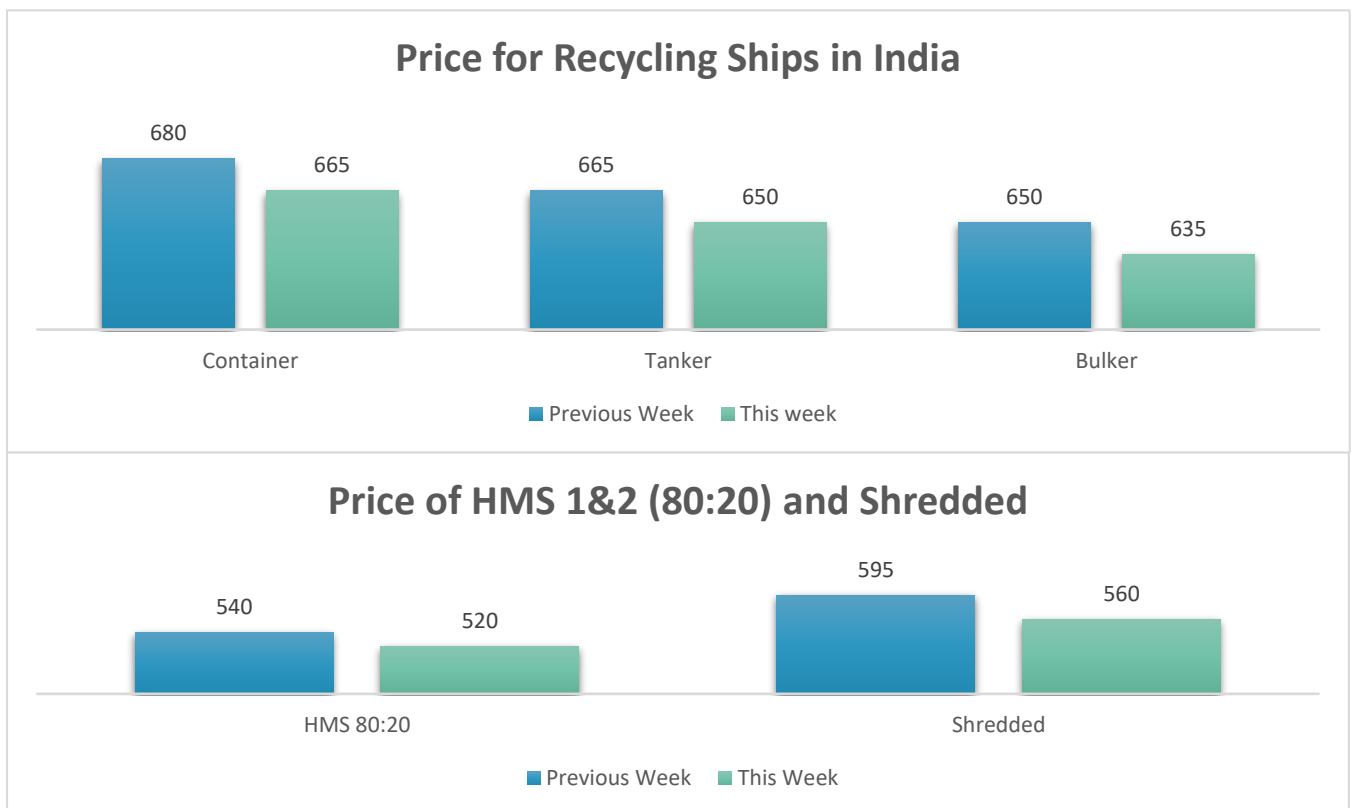
INDIA

Leading the subcontinent market

The offers from end buyers have gone through some price correction this week due to weak economic sentiments and overall decline in international scrap prices. However, stable domestic demand and promising export markets are likely to maintain steel prices in India, ensuring good offers from recyclers of Alang.

Indian Rupee tumbled to a record low, while stocks retreated amid growing concerns that accelerating inflation may force the central bank to tighten rates more aggressively. It is currently trading at INR 77.43/USD.

Sharp outflow of foreign portfolio investor (FPI) money from Indian markets amid concerns over global growth, rising inflation and monetary tightening by central banks has accelerated the fall in equity markets.

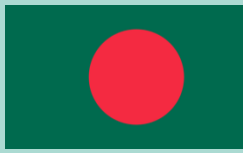


Beaching Dates:

14th May to 22nd May 2022

27th May to 4th June 2022

11th June to 20th June 2022



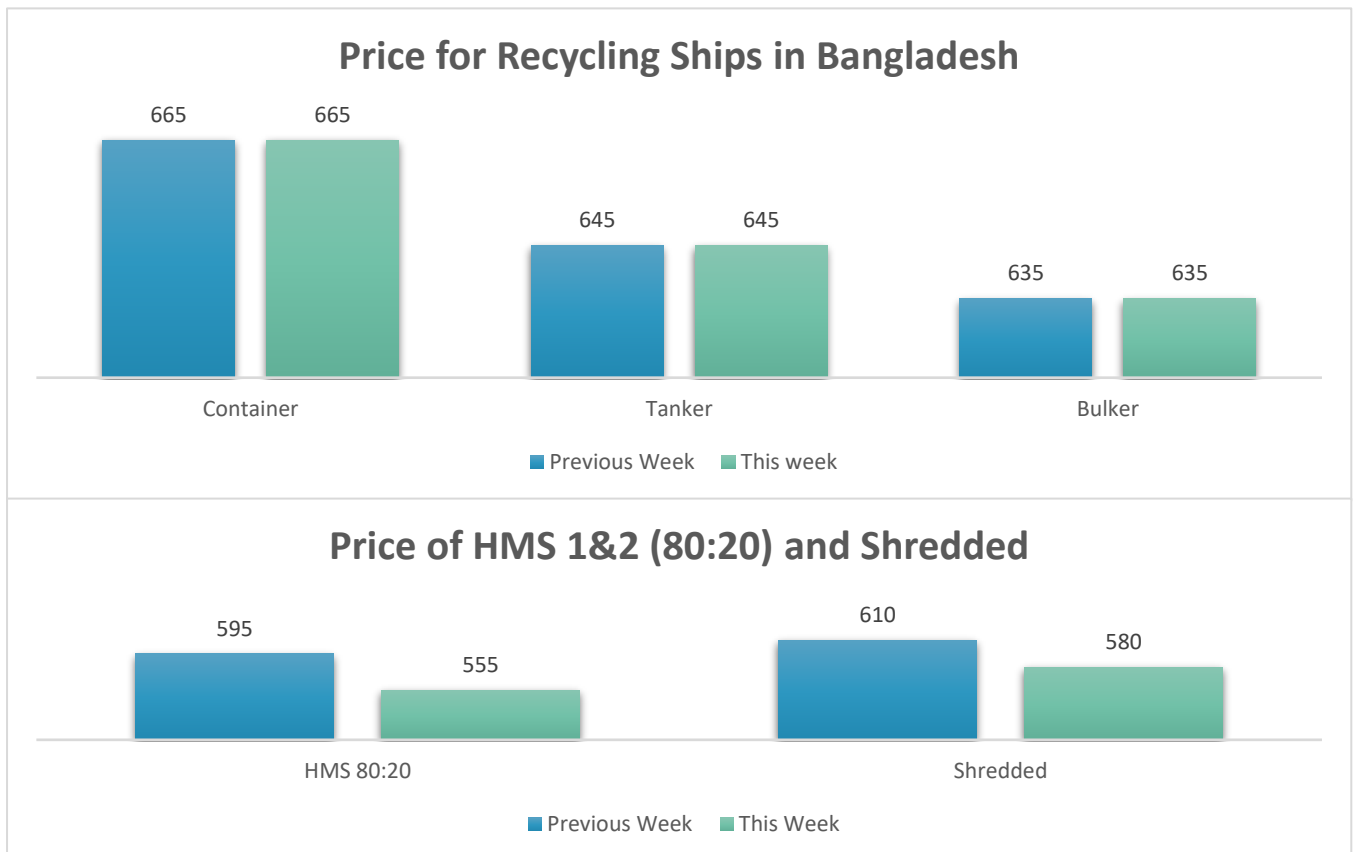
BANGLADESH

Demand yet to pick up

The market participants are back after long Eid holidays, but the enquiries have not seen an uptick as the recyclers have sufficient inventory on hand and they are willing to wait and watch for the global scrap prices to stabilize.

The depreciation of BDT against USD has kept the market sentiments subdued this week. The demand for the US currency increased recently due to higher prices of essential items following the ongoing Russia-Ukraine war. The currency is trading at BDT 86.67/USD.

Imported scrap prices have softened by USD 35-40/MT after the market reopened following Eid holidays.



Beaching Dates:

16th May to 19th May 2022

29th May to 1st June 2022

13th June to 16th June 2022

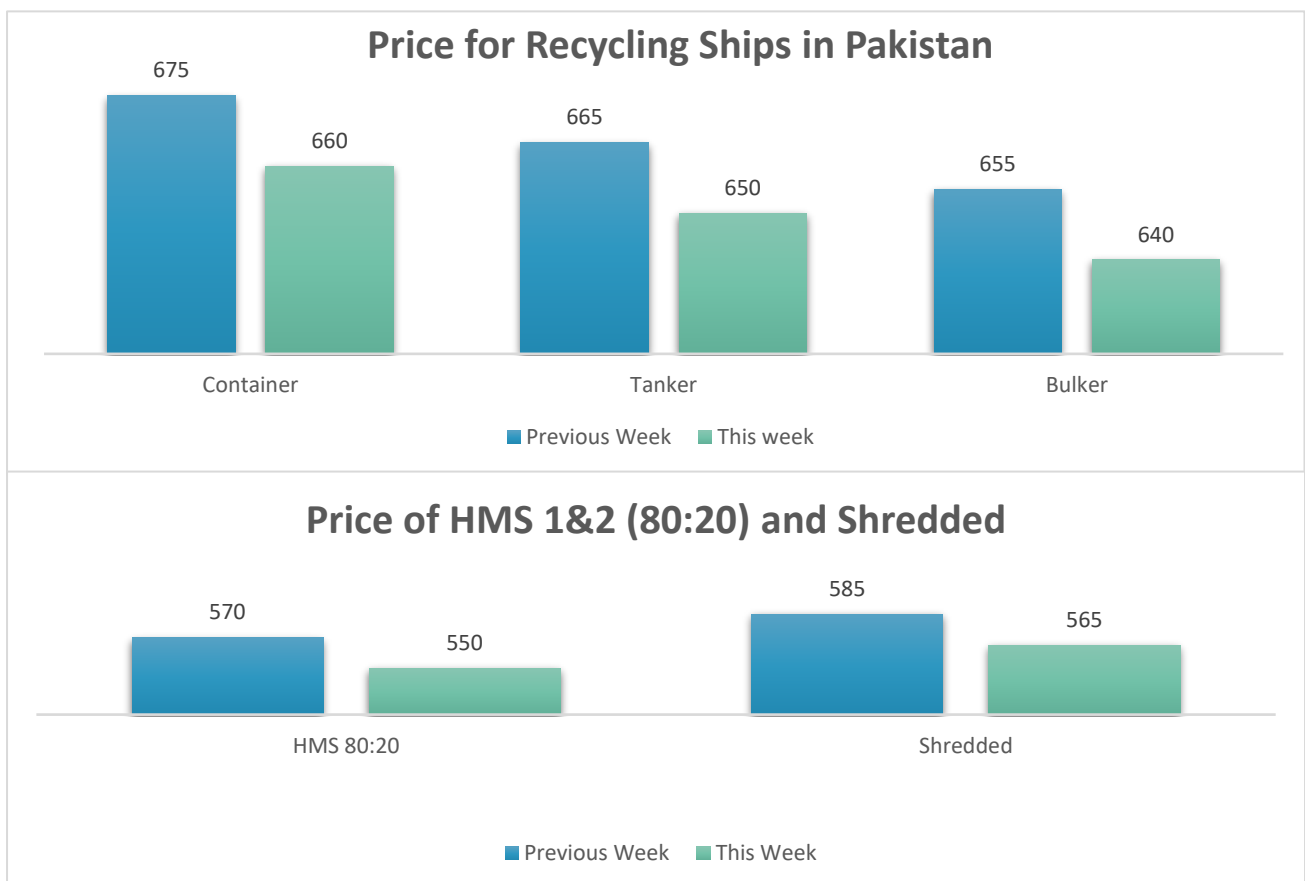


PKR hits a new all-time low

The recyclers from Gadani remained quiet this week as imported scrap prices went on a downward spiral when the markets reopened after Eid holidays. The end buyers are willing to secure tonnage to meet the domestic demands but are delaying in anticipation of a further price correction.

Dried-up foreign currency inflows, coupled with the delay in the revival of the IMF's bailout package and political instability in the country are adding to the pressure on the PKR which has maintained a downtrend trend for a year. PKR which traded at 152.27 in May 2021, is currently trading at 192/USD, losing about 20% of its value within a year.

Imported scrap prices softened by about USD 20/MT week-on-week.



Beaching Dates:

Throughout the month



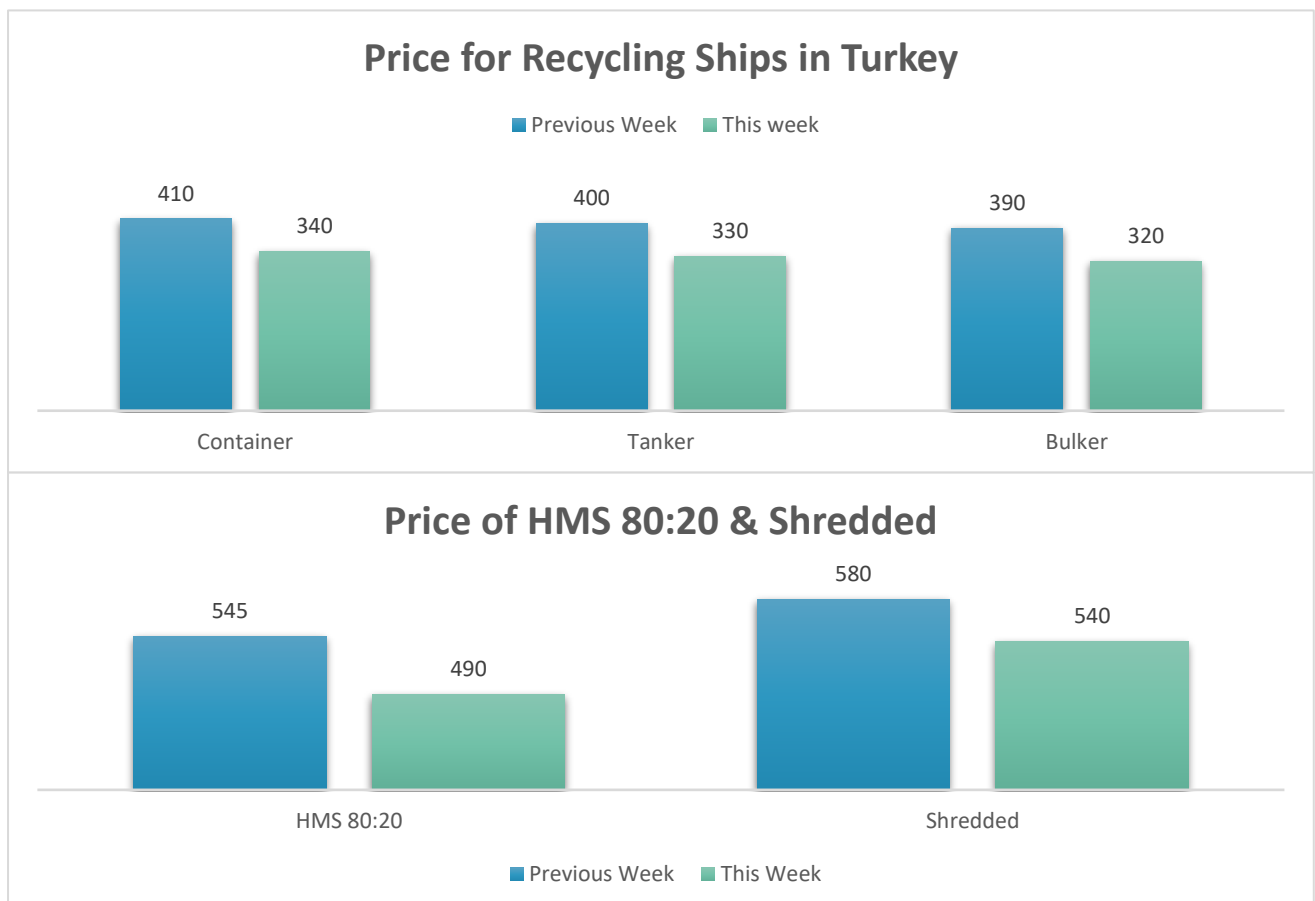
TURKEY

Sharp drop in prices due to weak demand

The end buyers of Turkey are hesitating to secure tonnage amidst the collapse of steel prices in the domestic market. There are sharp price cuts in the local market amid sluggish buying interest as the mills seek to spur sales by offering lower prices.

Inflation in Turkey has reached an unprecedented level, and everything is becoming more expensive day by day. The Turkish Lira lost ground against the dollar for seventh straight session on Friday and is currently trading at TL 15.46/USD while the authorities are using depleted foreign currency reserves in an effort to stabilize the exchange rate.

Imported scrap prices have weakened by about USD 60/MT this week.



Beaching Dates:

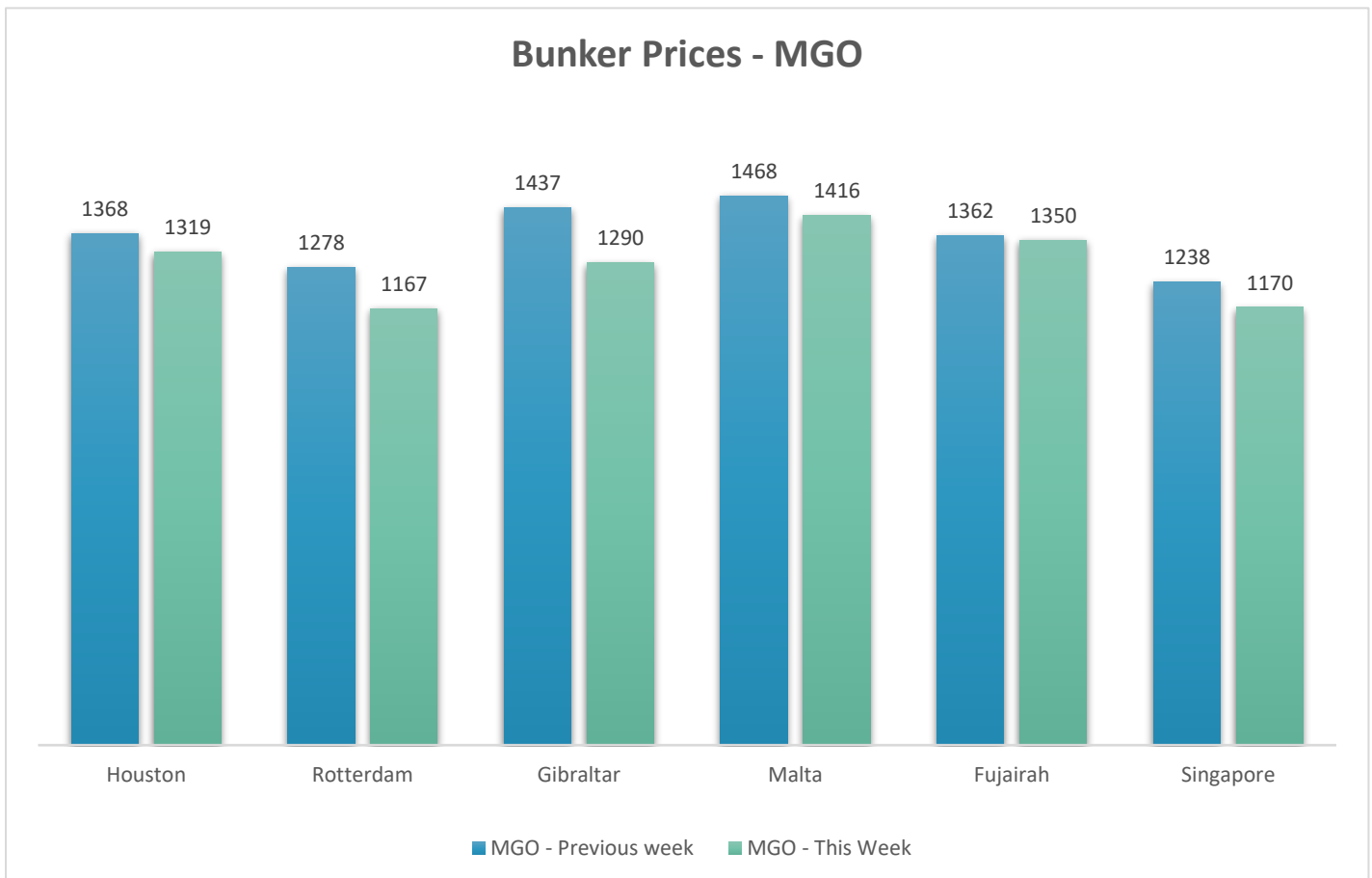
Throughout the month

LIST OF VESSELS SOLD THIS WEEK

Vessel Name	Type of Vessel	Year of Build	Country of Build	LDT	Term of Sale	Location of Delivery	Sale Price/LDT (USD)
HL RICHARDS BAY	BULKER	1997	S. KOREA	18,109.00	AS-IS (For HKC compliant recycling)	SINGAPORE/ S. KOREA	UNDISCLOSED

BUNKER PRICES AT PORT

Bunker Prices - MGO



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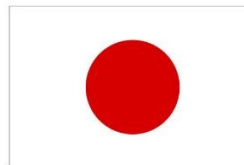
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