



## **DEMO MARKET REPORT & MARKET OUTLOOK – Jan 30, 2023**

Report No. 10/23270123/30012023

### **COMMENTARY**

**INDIA** – There was an improvement in local steel plate prices of USD 10/MT and there was no change in prices of imported scrap. There has been a softening of prices in the domestic market for rebars, billets and wire rods. Imported scrap activity also slowed down. However, in view of good demand from the construction sector, we would expect demand to strengthen shortly. The upcoming budget on 1<sup>st</sup> February is expected to focus on capital expenditure as a driver for growth by supporting manufacturing and infrastructure. Ship recyclers are getting keen to acquire tonnages and much anticipated flow of tonnages for recycling is not yet forthcoming. There have not been any major price increases noted (since there were hardly any deals concluded last week) and there is no price improvement expected immediately. But considering macro-economic factors, we would expect prices offered by ship recyclers to improve sooner than later.

**PAKISTAN** – Foreign exchange situation remains unchanged. Exchange company's association of Pakistan has informed Central bank of its decision to remove limit on dollar-rupee rate. This would curb black market rates and is also in line with one of the IMF conditions. As a result, we have seen the official currency rate has depreciated by 6%. Local steel prices have increased across steel segments by about USD 40/ MT though this is mainly on account of currency devaluation and increase in costs. Ship Recyclers are still not able to establish LCs for imports. While we expect some respite on exchange front, it might not be very soon.

**BANGLADESH** – There has been no change in foreign exchange situation and establishing LC for imports continues to be very difficult. Although ship recyclers are very keen to buy fresh tonnages, they are presently not able to work them due to LC problems. There have been 3 or more smaller sized unit sales for recycling. Domestic prices of plates have improved by about USD 10-12/MT though these price increases are not due to higher demand but mainly due to increase in costs. There are no major government projects and no large construction projects seen except that we see slow movement in construction from small builders. In view of foreign exchange problems, we will not see any major transactions of ship recycling in Bangladesh in the short run.

**TURKEY** – Local steel plate market has remained positive due to decent demand but apart from that other steel segments in the domestic market are not as positive where prices are either stagnant or under pressure. Imported scrap prices have improved by about USD 8/MT and



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could improve marginally further. Prices offered by ship recyclers continued to be at the same levels as last week and we would expect same prices to continue for some time.

**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** – There has been a limited supply of fresh tonnages this week as well though it is better than last week. Ship recyclers are looking to buy fresh tonnages now.

**MARKET OUTLOOK** – While secondhand prices have softened in the bulker segment, there is still an expectation of an improvement in freight rates in a month or two due to which we may not see increased flow from the dry segment immediately. Freight rates in the tanker segment are at present mixed depending on the trade route but the secondhand values as well as demand are good. The Container segment continues to be the promising segment from a recycling point of view in the next few months. Present supply is so slow that even requirement of Ship recyclers in India is not being met. The moment foreign exchange problem eases in Pakistan and Bangladesh and with this level of supply of fresh tonnages, it is not hard to see that prices may shoot up for a few weeks.

### **GLOBAL – GENERAL NEWS –**

1. Market sources believe that billet prices will increase next week as Chinese traders return after Chinese New Year.
2. Companies around the world are speeding up “electrolyzer” production, which will help create green fuel capable of decarbonizing industries such as steel, cement or shipping.

### **MAIN DEMOLITION SALES DATA FOR PERIOD JAN 23<sup>rd</sup> – JAN 27<sup>th</sup>, 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
-	-	-	-	-	-	-



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**MAIN DEMOLITION SALES DATA FOR PERIOD JAN 1<sup>ST</sup> – JAN 27<sup>TH</sup> 2023**

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Gen Cargo	Fu Ocean	1998	12000	3531	498	As is Batam
Tanker	Honour Luck	1988	5204	2044	523	Ctg
Tanker	De Xiang	1990	4978	1820	530	Ctg
Pallet Carr	Hakuru	1991	2510	5954		Alang
Reefer	Yong Hang 3	1993	11585	5701		Alang
Container	Vladivostok	1998	23800	7447		Alang
Container	Maersk Aberdeen	1999	17526	5966		As is Jebel Ali
Fish Factory	Pioneer Nikolayeva	1981	1815	3889	650	Alang, vsI has high non-ferrous content
Bulker	Lila Kyoto	1999	172566	20886	517	Original Pakistan sale did not materialise
Container	Akinada Bridge	2001	71336	23911	575	Original Pakistan sale did not materialise
Bulker	Pitsa D	2002	170109	23001		Gadani, incl bunker 850 MT
Bulker	Murat Bay	1990	42025	6729		Gadani
RORO	Super Shuttle RORO	1986	6897	5382		Alang
Container	SSL Kochi	1998	24554	8361	581	As is Srilanka/Jebel Ali in Seller's option
Container	Wan Hai 161	1996	17738	5194		Alang / HKC
Container	Wan Hai 162	1996	17697	5235		Alang / HKC
Container	Wan Hai 163	1998	17706	5233		Alang / HKC
Container	Wan Hai 165	1998	17697	5222		Alang / HKC
Container	Wan Hai 215	1994	23801	6999		Alang / HKC
Container	Wan Hai 216	1994	23837	6963		Alang / HKC
Container	Wan Hai 221	1994	23802	6998		Alang / HKC
Container	Wan Hai 222	1994	23805	6995		Alang / HKC
Container	Wan Hai 223	1994	23802	7001		Alang / HKC
Container	Wan Hai 225	1994	23792	7008		Alang / HKC



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### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JAN 2023, 2022, 2021**

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till 20 <sup>th</sup> Jan)	12	82,083	12	37,937	04	58,637
2022 (Till month end)	13	61,392	21	236,502	10	98,568
2021 (Till Month end)	28	227,855	10	166,339	06	77,431

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – UPTO JAN 2023, 2022, 2021**

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2023 (Till 27 <sup>th</sup> Jan)	16	116,200	15	53,676	05	81,638
2022 (Till month end)	13	61,392	21	236,502	10	98,568
2021 (Till month end)	28	277,855	10	166,339	06	77,431

#### **Indicative Price Levels for January in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)**

India	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(On 27 <sup>th</sup> Jan)	Jan 2023	540	530	590	540	515
(Till month end)	Jan 2022	570	565	630	590	
(Till month end)	Jan 2021	390	440	420	400	
(Till month end)	Jan 2019	400	390	435	410	

*\*We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards*

#### **Indicative Price Levels for January in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)**

Bangladesh	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(On 27 <sup>th</sup> Jan)	Jan 2023	535	535	560	560	520
(Till month end)	Jan 2022	635	625	650	650	
(Till month end)	Jan 2021	435	455	455	445	
(Till month end)	Jan 2020	415	400	425	420	

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### **Indicative Price Levels for January in Current Year Vs Previous Years (Prices LT/LDT, less 3% Add Comm)**

Pakistan	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Others	VLCC
(On 27 <sup>th</sup> Jan)	Jan 2023	555	545	585	565	520
(Till month end)	Jan 2022	615	610	620	630	
(Till month end)	Jan 2021	420	430	435	430	
(Till month end)	Jan 2020	400	390	405	410	

***\*We have introduced VLCC as a separate item in Wet segment from Jan 2023 onwards***

### **Indicative Price Levels for January in Current Year Vs Previous Years (Prices LT/LDT, less 2% Add Comm)**

Turkey	Year	DRY	WET	CONTAINER
(On 27 <sup>th</sup> Jan)	Jan 2023	300	310	320
(Till month end)	Jan 2022	320	330	
(Till month end)	Jan 2021	240	250	
(Till month end)	Jan 2020	265	270	

***\*We have introduced Container pricing from Jan 2023 onwards***

*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.*