



DEMO MARKET REPORT & MARKET OUTLOOK – Jan 9, 2023

Report No. 08/02060123/09012023

COMMENTARY

INDIA – Local steel plate prices were same as last week. Imported scrap prices improved by USD 4/MT. There have been price increases across various steel segments from local billet prices to local wire rod prices along with export prices of billets. Backed by these positive sentiments and coupled with the fact that much anticipated supply of fresh tonnage for recycling has not yet been seen, prices offered by ship recyclers have improved this week by about USD 10-12/MT. With Pakistan and Bangladesh facing foreign exchange problems, India is the only main destination offering ship recycling in the Indian sub-continent even this week. If there are more tonnages received, as is being expected for recycling at this time, we would expect prices offered for fresh tonnages to be under pressure.

PAKISTAN – Scarcity of foreign exchange and a consequent curtailment of imports has resulted in local price increase of steel products across all segments by about USD 20/MT. It is to be noted that end user demand is still weak. About 80% of the steel rerolling mills which work with material from Gadani ship recyclers are closed. Other steel mills are working at less than 50% of their installed capacity. Thus, should the foreign exchange supply be resumed for imports, local prices would move downwards due to lack of basic end user demand. Ship recyclers are not able to offer for fresh tonnage as they are not able to open LC or remit funds. Ships are either waiting at the anchorage for a few days awaiting LC opening and some ships have been diverted to India for recycling.

BANGLADESH – Foreign exchange problem continues to affect ability of many ship recyclers to offer for any fresh tonnages. We have seen sale of a few small vessels in Bangladesh last week. Some ship recyclers with strong links are able to establish LCs for small vessels but even for them, opening LCs for big vessels takes up to 10-15 days. Slow demand is expected to remain an issue for a few more weeks before we see a real rebound in business activities. Imported scrap prices have increased by about USD 15/MT over last week but traders have not been active to purchase due to foreign exchange problem. Local steel plate prices have been at about same levels during the week. Ship recyclers are not able to offer for fresh tonnages due to foreign exchange problem.

TURKEY – There has been better demand for plate in the country. Domestic steel plate prices have increased by USD 25-30/MT. Imported scrap prices have increased by USD 20/MT. There



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have been increase in local rebar prices as well as imported prices by about USD 30/MT. Ship recyclers have improved prices offered for fresh tonnages by USD 20/MT. We would expect the improved prices to be maintained.

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 – We have not yet seen major increase in tonnage supply though there is expectation of increased supply of fresh tonnages in container segment. Limited supply of tonnages seen this week has been mixed.

MARKET OUTLOOK – Foreign exchange problem continues in two of the major recycling destinations of the world due to which ship recyclers from Bangladesh and Pakistan are not able to make any offer for fresh purchases of recycling tonnages. There is no clear end in sight for this but there is optimism from some section that the situation could improve in about 2 weeks' time which we hope it does. On supply side, tankers freight rates are momentarily soft. Dry cargo freight rates have been going softer but there are hopes of improvement. Thus, we would not see many candidates from these segments for recycling. With India being the only major ship recycling destination in Indian sub-continent that can buy fresh tonnages and with some ship sales to Pakistan already being diverted to India, we could expect prices for fresh tonnages to be under marginal pressure and there could be more pressure on prices if supply increases. Globally, commodity prices have been volatile but at least in the near short term, steel prices are expected to remain firm.

GLOBAL – GENERAL NEWS –

- China has commenced the New Year with a bunch of measures to prop up its property market which includes lower borrowing restrictions and lower mortgage rates. General expectation in the market is that these measures will address debt problem but may not renew customer confidence to buy new property.
- With ongoing increase in covid cases, Europe's energy crisis not fully resolved and monetary tightening still on cards, recession fears are making some market players nervous.



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- Warmer than expected start to winter in large parts of the world which is expected to continue for weeks is easing fear of natural gas crisis for now.

MAIN DEMOLITION SALES DATA FOR PERIOD JAN 2ND – JAN 9TH 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Akinada Bridge	2001	71336	23911	575	Original Pakistan sale did not materialise

MAIN DEMOLITION SALES DATA FOR PERIOD JAN 1ST – JAN 9TH 2023

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Container	Akinada Bridge	2001	71336	23911	575	Original Pakistan sale did not materialise

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 6 th Jan)	01	581	05	19,910	00	00
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 6 th Jan)	01	581	05	19,910	00	00
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



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Indicative Price Levels for January in Current Year Vs Previous Years

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
(On 6 th Jan)	Jan 2023	527	533	582	540
(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

Indicative Price Levels for January in Current Year Vs Previous Years

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
(On 6 th Jan)	Jan 2023	530	520	560	550
(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

Indicative Price Levels for January in Current Year Vs Previous Years

Pakistan	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
(On 6 th Jan)	Jan 2023	550	540	580	560
(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

Indicative Price Levels for January in Current Year Vs Previous Years

Turkey	Year	DRY	WET
(On 6 th Jan)	Jan 2023	300	310
(Till month end)	Jan 2022	320	330
(Till month end)	Jan 2021	240	250
(Till month end)	Jan 2020	265	270

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.