



### **DEMO MARKET REPORT – JANUARY 2022**

#### **COMMENTARY**

**INDIA** – Local steel plate prices registered an improvement of about USD 10/MT by mid-January and thereafter there has been a gradual but solid improvement by another USD 40/MT till end of 1<sup>st</sup> week of February. Imported scrap prices have registered an increase during the month of about USD 10 / MT. The increase in local steel prices is due to stronger demand from construction and automobiles sector as well as price increase of finished products by Steel mills due to increase in raw material costs. However prices offered by ship recyclers for fresh tonnages has only improved by USD 10 / MT which is mainly due the fact that Ship recyclers were as such offering higher prices compared to local market situation in the previous month. Given the present shortage of fresh tonnages being offered and substantially higher prices being paid by Chittagong and Gadani, we could expect improvement in prices offered by Ship Recyclers in February. Though, Ship recyclers are very cautious due to very high prices and prefer to purchase smaller tonnages to reduce their long term exposure.

**PAKISTAN** – Local market during the entire month was almost stable and there was a marginal improvement towards last week of the month. There has been an improvement in imported scrap prices during the month by about USD 10/MT. Prices offered by Ship recyclers improved by about USD 5/ MT but Ship recyclers have been maintaining a cautious approach. Pakistani Rupee was stable and registered a small improvement against the USD. Given that the scarce supply of tonnage is expected to continue and that the recyclers from Bangladesh are upbeat on the prices for fresh tonnages, we should expect prices to improve in February.

**BANGLADESH** – Local market demand for steel had improved during the second half of the month and demand continues to be strong from construction activity. Imported scrap prices have improved by about USD 20/Mt. The strong market sentiments have reflected in prices offered by ship recyclers which has registered an improvement by about USD 15/ MT. The local currency lost 3% against the USD in January. Given present very scarce supply of fresh tonnages and good local demand with an improving imported scrap prices, we would see price improvements in February.



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**TURKEY-** Good news for the month was that there was no further decline in exchange rate against the US Dollar and Lira stabilized. Local demand had slowed down during the month but there was an improvement in prices of scrap by about USD 25-30/ MT. Production had slowed down due to power shortages. In view of mixed signals noted during the month, the prices offered by Ship recyclers have not improved but have remained stable during the month. We should however expect some improvement in prices in February.

**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** – The limited supply of fresh tonnages has further reduced in the month of January. This is due to an expectation of freight improvements in tanker markets due to which quite a few potential scrap candidates have found further trading buyers. With a consistent strong oil price, we have seen OPEC increase its daily production quota and we should see further increase in demand as we approach summer months and world comes out of Covid impact. It is expected that new buildings delivery in tanker sector is going to substantially improve in 2022 which could lead to older candidates being scrapped though this should not be before second quarter. Possibility of positive conclusion of a deal with Iran still lingers which could release substantial number of old tankers for scrapping. For the month of February, we expect scarce supply of fresh tonnages to continue.

**OUTLOOK FOR FEBRUARY** – In view of very scarce supply of fresh tonnages being experienced as well as good local demand from Bangladesh, we could expect prices for fresh tonnages to improve. Though, it must be noted that present high prices carry risk of dropping as soon as supply of fresh tonnages improves continuously for about a month. Though, we may not see such situation in February. We expect a strong market situation in February.

#### **GREEN RECYCLING:**

1. Volkswagen Group Logistics has become 31<sup>st</sup> member of Ship Recycling Transparency Initiative in month of January 2022. We have seen a slow but steady progress in the number of signatories to SRTI.



### DEMO MARKET REPORT – JANUARY 2022

#### MAIN DEMOLITION SALES DATA FOR JANUARY 2022

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Accom Barge	Kreuz Supporter	2007	10039	2866		As is UAE
AHTS	Wayne	2010	2059	2048		Alang
Fish Factory	Dmitriy Pashchemko	1998	1810	3825		Ctg
Fish Factory	Helsingfors	1982	1810	3930		Alang, Has 245 MT permanent ballast, Heavy Bronze Propeller, has some SS and aluminium content
Fish Factory	Moskovskaya Olympiada	1980	1815	3905	750	Alang, Has high non-ferrous content
Flat Top Barge	Hyundai B1006	1982	14659	11447		As is Vietnam
LPG	Apoda	1997	23469	9835		HKC - As is Singapore/Batam
MPP	Lavendar	1996	16113	6990		Gadani
Pass/Cargo/ Ferry	St. Damian	1972	1000	3643	425	As is Piraeus
Reefer	Ivan Polzunov	1976	5890	4829		As is China
Reefer	Ozersk	1984	1880	2260	600	Ctg
RORO	Eurocargo Patrasso	1998	11600	10613		Aliaga
RORO	Hodzi	1988	8044	7660		Ctg
Semisub	Orca	1970	10088	11323	125	As is South Africa, U/T
Siesmic Survey	Oceanic Challenger	2000	5197	3545		Aliaga
Tanker	Chem Transia	1991	1204	580		As is Korea
Tanker	Express	1999	8821	2999	830	Alang, Has abt 290T solid SS out total SS of 380 T
Tanker	Garin	1995	46699	9597	576	As is Oman
Tanker	Glorisilver	1992	5430	2182		Alang
Tanker	Niigata	1980	4977	2084		Ctg
Tanker	North	2003	105250	15968		Ctg
Tanker	Prosperity	1997	19481	5230	930	Alang, Has abt 520T solid SS out total SS of 780 T
Tanker	Rich Sino	1996	35657	7301		Ctg
Tanker	Saehan Chemstar	1992	9325	2518		Alang



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Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Sea Fortune	2010	17542	5515		Ctg, Fire/Explosion damaged condition, U/T
Tug	Linda	2003	3100	1833	660	As is Alang, via Auction
Tug	Nove	1991	1514	1147		Alang
Tug	Kigoriak	1979	2066	4855	745	Buyers have full Sub-Con option

### **STATISTICS**

#### **VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN JANUARY 2022, 2021, 2020**

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT - LT	Vessel	LDT – LT	Vessels	LDT – LT
2022	09	49,797	21	236,501	10	98,568
2021	28	227,855	10	161,339	06	77,431
2020	32	217,826	18	177,706	05	11,873

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#### **Indicative Price Levels for end of January in Current Year Vs Previous Years**

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
	Jan 2022	570	565	630	590
	Jan 2021	390	440	420	400
	Jan 2020	400	390	435	410
	Jan 2019	410	400	445	435



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#### **Indicative Price Levels for end of January in Current Year Vs Previous Years**

Bangladesh	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Tanker	
	Jan 2022	635	625	650	650	
	Jan 2021	435	455	455	445	
	Jan 2020	415	400	425	420	
	Jan 2019	440	420	455	450	

#### **Indicative Price Levels for end of January in Current Year Vs Previous Years**

Pakistan	Year	DRY			WET	
		Cape / Pmx	Handymax	Container	Tanker	
	Jan 2022	615	610	620	630	
	Jan 2021	420	430	435	430	
	Jan 2020	400	390	405	410	
	Jan 2019	435	420	445	445	

#### **Indicative Price Levels for end of January in Current Year Vs Previous Years**

Turkey	Year	DRY	WET
	Jan 2022	320	330
	Jan 2021	240	250
	Jan 2020	265	270
	Jan 2019	255	260

*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.*