



DEMO MARKET REPORT & MARKET OUTLOOK – Jan 2, 2023

Report No. 07/26301222/02012023

WE WISH ALL OUR BUSINESS ASSOCIATES AND FRIENDS A VERY HAPPY 2023!!

COMMENTARY

INDIA – There have been positive signals in terms of local steel demand. Local steel plate prices have improved by about USD 18/MT though imported scrap prices have remained at about same levels. Local rebar prices improved by USD 10-15/ MT due to improved demand from regional markets – mainly from large construction projects. It is still to be noted that retail demand from real estate is still lukewarm. Secondary mills are planning to increase prices in January. Ship recyclers have improved their prices marginally by about USD 5/MT. With Pakistan and Bangladesh facing foreign exchange problems, India is the only main destination offering ship recycling in the Indian sub-continent and with more tonnages expected for recycling, we would expect prices offered for fresh tonnages to be under marginal pressure.

PAKISTAN – As per the circular from Exchange Policy Department to Authorised Dealers of foreign exchange over the weekend, allocation of foreign exchange will be prioritized to essential goods. There have been price increase across all segments of steel such as plates, local rebar, CRC, HDG, by about USD 12- 20/ MT in Pakistan, though, the increase is mainly due to shortage of materials and foreign exchange problems (official rate Pak Rs. 226 to 1 USD against the parallel market rate of Pak Rs. 236 to 1 USD). End user demand in the country still remains weak. Prices offered by ship recyclers remains at the same level. Difficulty in opening LCs is making buying of fresh tonnages difficult for recyclers even though they are willing to buy fresh tonnages.

BANGLADESH – Foreign exchange problem continues to affect ability of many ship recyclers to offer for any fresh tonnages. However, some ship recyclers have been able to procure LC for purchase of fresh tonnages. Slow demand is expected to remain an issue for a few more weeks before we see a real rebound in business activities. While imported scrap prices remained unchanged, local steel plate prices increased by USD 20/MT during the week though this is mainly on account low imports leading to shortage of material in local market.

. **TURKEY** – There have been price increases across all segments of steel. Turkish mills have raised ship scrap procurement prices by USD 4-7/ MT. Business activities have slowed down as we are coming to end of the year 2022. Supplies of fresh tonnages have not yet increased and



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prices offered by Ship recyclers for fresh tonnages have improved by about USD 10/ MT. We would expect good market to continue and prices offered by ship recyclers would be at about same levels with a possibility of slight improvement

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. We have seen some supply of tonnages from container and bulker segment.

MARKET OUTLOOK – With Ship recyclers from Pakistan and Bangladesh presently facing difficulties in opening LC for imports, India remains the only major destination for recycling of vessel in Indian sub-continent. The supply of fresh tonnages has not yet increased as is expected but should the supply of fresh tonnages increase in the new year, prices offered by ship recyclers could come down and at the same time we have ship recyclers who are waiting to buy fresh tonnages in view of good local demand for steel but are holding back due to expected price decreases. Which way does the price swing will definitely depend on supply of fresh tonnages.

GLOBAL – GENERAL NEWS –

- In an effort to diversify from US Dollars and boost bilateral trade:
 - a. India seeks to agree Rupee-Dirham (UAE) trade payment plan in January
 - b. India and Bangladesh are deciding to begin talks on a free trade agreement and bilateral trade in Indian rupee currency.
- ECB President indicated that borrowing costs will increase again to temper soaring consumer price growth.
- China's home sales continued the slump in December amid Covid outbreaks, a month after policy makers unveiled sweeping plans to rescue property market.
- US Dollar is expected to weaken in first quarter of 2023 from its present strength as the interest rate hikes are expected to slow down



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MAIN DEMOLITION SALES DATA FOR PERIOD DEC 26TH –DEC 31ST 2022

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Bulker	Ocean Star	1990	27000	6407	460	As is Vietnam
Bulker	Jing Hang Zheng Lian	1990	69315	9535		As is Singapore

MAIN DEMOLITION SALES DATA FOR PERIOD DEC 1ST – DEC 31ST 2022

Type	Name of Vessel	Built	DWT	LDT	Price	Remarks
Tanker	Vivia	1992	9736	2782		Ctg
OSV	GSP Perseu	1994	1146	1276		Aliaga
Tanker	Bosfor	1989	1887	779	510	Ctg
LPG	Gaschem Phoenix	1993	5560	2705		As is Singapore
Fishing	Marshal Novikov	1982	4378	3971		Alang
Fishing	Unter	1986	1810	3918		Alang
Fishing	Lobster	1989	1765	3136		Alang
Tanker	Dora	1999	45438	12626		Alang
Container	Uni-Ardent	1998	15511	6866	505	As is Kaohsiung
Container	SSL Chennai	1998	11506	4039	563	As is Colombo, incl abt 200 MT ROB
Reefer	Hai Feng 698	1985	9339	7240	435	Ctg
Bulker	Paschalis D	2002	170188	22922	525	As is Singapore, incl abt 500 MT ROB
Container	Venus C	1989	14400	4394		Ctg
Floating Dock	Floating Dock V			9176		Alang, U/T
Bulker	Hong De	1996		7415	500	As is Batam with sufficient bunkers for voyage
Bulker	Ocean Star	1990	27000	6407	460	As is Vietnam
Bulker	Jing Hang Zheng Lian	1990	69315	9535		As is Singapore



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STATISTICS

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – IN DEC 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2022 (Till month end)	09	75,632	08	47,003	02	10,270
2021 (Till month end)	18	123,947	19	206,668	10	45,966
2020 (Till Month end)	26	175,923	19	193,353	18	150,000

VESSELS AND QUANTITY LDT BEACHED IN INDIAN SUBCON – UPTO DEC 2022, 2021, 2020

	INDIA		BANGLADESH		PAKISTAN	
	Vessel	LDT – LT	Vessel	LDT – LT	Vessels	LDT – LT
2022 (Till month end)	141	1,167,477	138	1,090,372	54	454,347
2021 (Till month end)	209	1,528,840	255	2,539,390	137	1,059,328
2020 (Till month end)	197	1,855,872	145	1,825,476	107	898,903

Indicative Price Levels for December in Current Year Vs Previous Years

India	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
(Till month end)	Dec 2022	515	528	575	528
(Till month end)	Dec 2021	555	545	620	580
(Till month end)	Dec 2020	415	405	445	425
(Till month end)	Dec 2019	385	380	415	415

Indicative Price Levels for December in Current Year Vs Previous Years

Bangladesh	Year	DRY			WET
		Cape / Pmx	Handymax	Container	Tanker
(Till month end)	Dec 2022	530	520	560	550
(Till month end)	Dec 2021	615	605	635	635
(Till month end)	Dec 2020	445	430	450	450
(Till month end)	Dec 2019	385	365	395	395



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Indicative Price Levels for December in Current Year Vs Previous Years

Pakistan	Year	DRY		WET	
		Cape / Pmx	Handymax	Container	Tanker
(Till month end)	Dec 2022	550	540	580	560
(Till month end)	Dec 2021	605	595	615	625
(Till month end)	Dec 2020	435	420	435	445
(Till month end)	Dec 2019	380	370	385	390

Indicative Price Levels for December in Current Year Vs Previous Years

Turkey	Year	DRY	WET
(Till month end)	Dec 2022	280	290
(Till month end)	Dec 2021	320	330
(Till month end)	Dec 2020	250	260
(Till month end)	Dec 2019	270	275

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.