

# Weekly Ship Recycling Report

16 December - 23 December 2022



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# Highlights of the Week

We thank you for your continued support and wish everyone a joyful & productive 2023. This will be the last report for the year 2022.

Prospects for steel companies remain gloomy in Europe due to high and volatile energy costs, the looming recession, waning consumer confidence, and the greater need to re-design supply chains for the steel sector and possibly its end markets. However, in some markets, including North America, India, Turkey, and Brazil, sentiment remains more positive than our mid-cycle assumptions, benefiting from protectionist trade measures, government support for infrastructure spending, and cost advantages in some markets.

From 2022 to 2027, the scrap metal recycling market is anticipated to grow by 340.73 million tons, at a CAGR of 8.15%. The rise in raw material costs, the expansion of metal recycling into important end-user sectors, and growing environmental awareness will all contribute to the market's expansion.

The Bank of Japan's (BoJ) unexpected move to increase the permitted band around 10-year Japanese government bond (JGB) yields, higher U.S. rates, and a steeper Treasury curve.

Chinese stocks fell as a spike in coronavirus cases weighed on the country's growth outlook. The World Bank cut its China economic growth forecasts for this year and next due to the pandemic and the country's ongoing property market slump. The bank projected that China's economy would grow 2.7% this year and 4.3% in 2023, down from its September forecasts of 2.8% growth this year and 4.5% in 2023.

## Exchange Rates:

### USD / INR

This Week : 82.45  
Previous Week : 82.80  
Decreased : 0.59 %

### USD / BDT

This Week : 103.27  
Previous Week : 104.42  
Decreased : 1.15%

### USD / PKR

This Week : 224.87  
Previous Week : 226.24  
Decreased : 1.37 %

### USD / TL

This Week : 18.67  
Previous Week : 18.66  
Gained : 0.006 %

# India

## *Buyers waiting and observing*

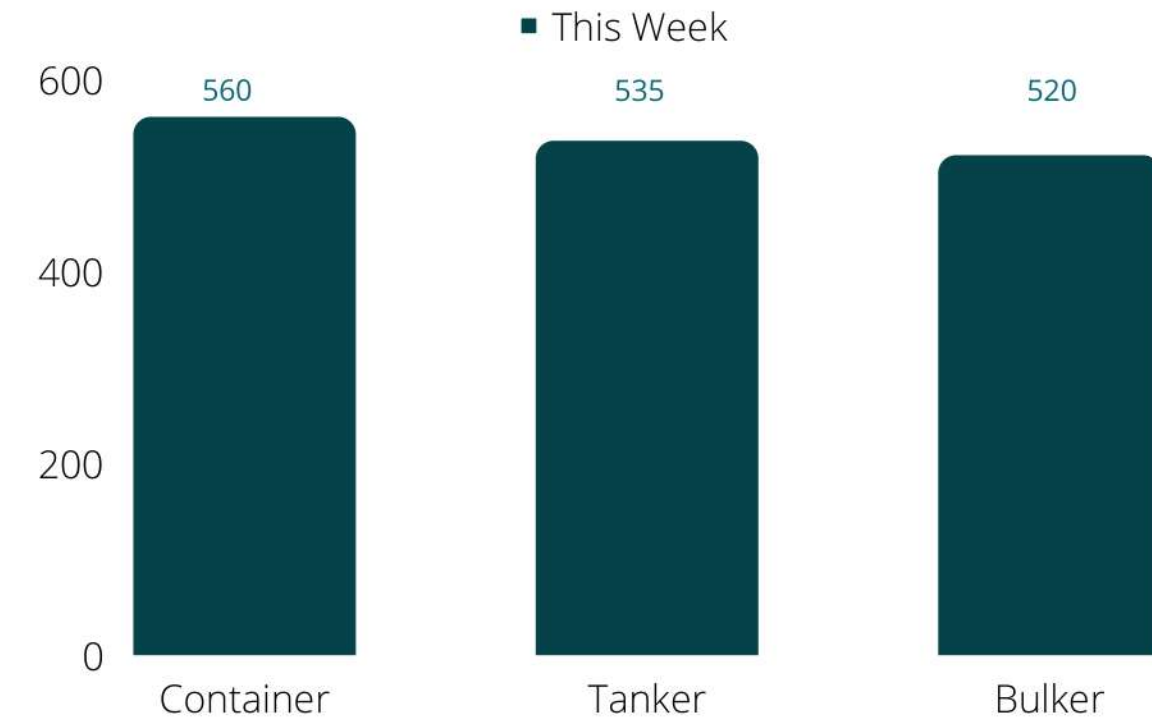
- The ship recycling market has been downcast over in the past week, consolidating the general market pessimism of the last month. The steel markets continue to fall daily with small upticks during the end of the week.
- In the upcoming months, it is anticipated that domestic steel demand will continue to be strong, helped by expansion in the infrastructure, construction activities and allowance of the exporting steel with export duty waiver ahead of the 2024 general elections in India.
- The Indian ship recyclers are anticipating that there will be several green recycling units available in the year 2023 after dismissal of 2022.

### **Beaching Dates**

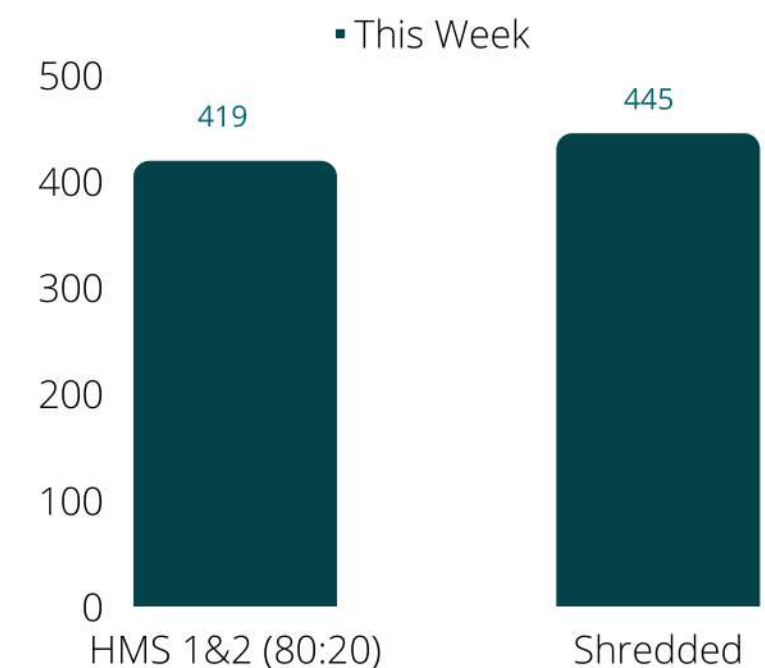
5 December to 13 December 2022

21 December to 29 December 2022

### **Price for Recycling Ships in India**



### **Price of HMS 1&2 (80:20) and Shredded**



# Bangladesh

## Glimmer of hope is the IMF loan

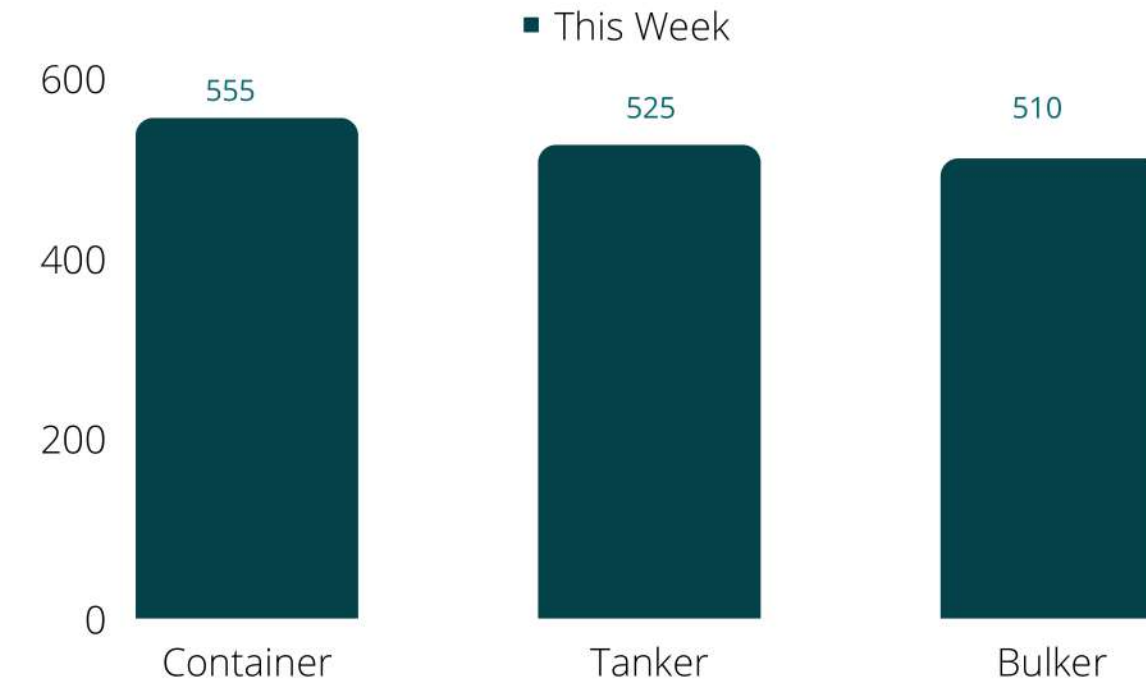
- Although Bangladesh is still having trouble with LC financing constraints, the IMF loan is reportedly close to being approved and we anticipate a rebound in demand.
- In particular, the IMF loan will first cover the country's immediate needs for food and medicine, and some liquidity is anticipated to be pumped into the domestic market.
- The local market is supportive, recyclers are looking to bag in lower-priced deals to get higher margins.
- Bangladesh's yearly steelmaking capacity is anticipated to exceed 10 million tonnes as a result of the growth drive. There are several new companies entering the steel sector. Going forward we anticipate good demand for the recycling of vessels in the year 2023.

## Beaching Dates

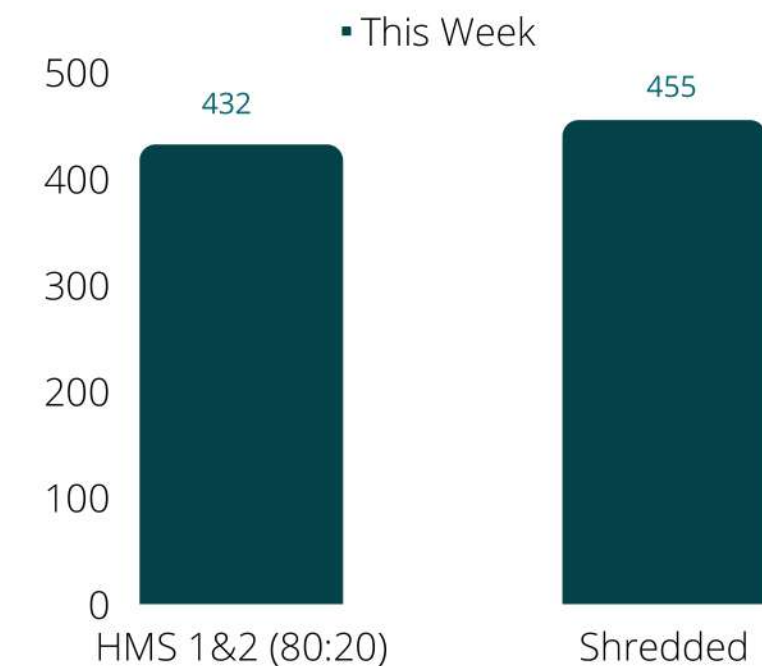
06 December to 09 December 2022

23 December to 26 December 2022

## Price for Recycling Ships in Bangladesh



## Price of HMS 1&2 (80:20) and Shredded



# Pakistan

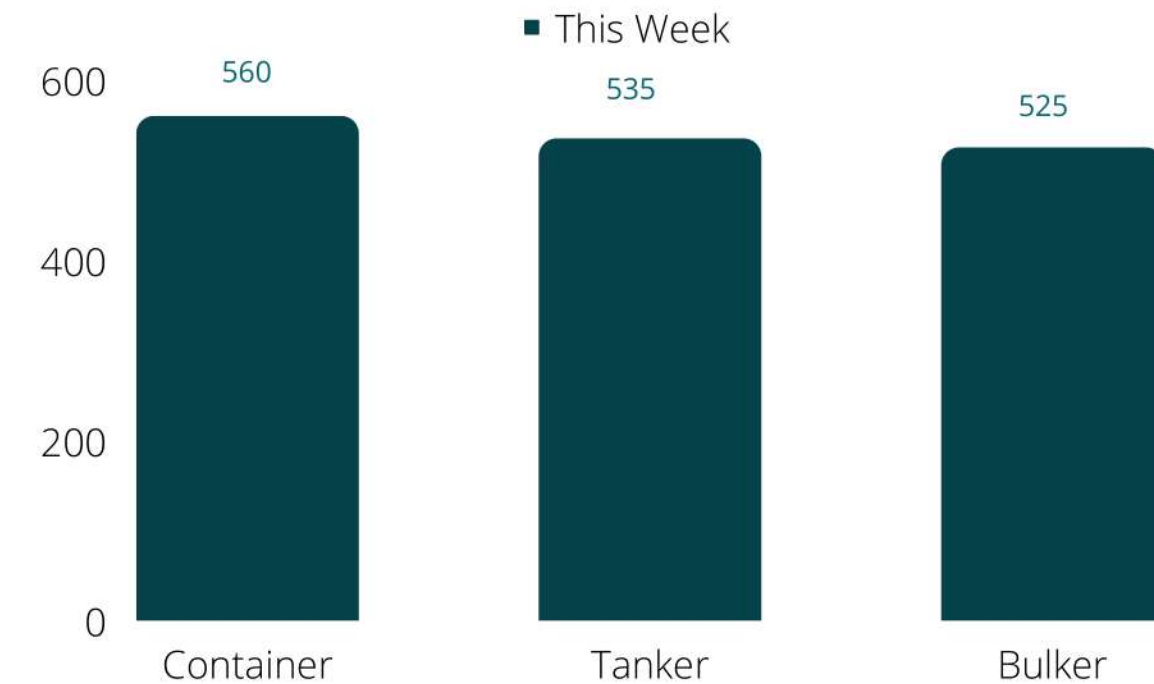
## *Instability in the economic spheres*

- Steel producers are already experiencing severe supply shortages and are worried that if this problem is not resolved right away, it will be catastrophic and result in substantial price increases for steel, which could reach PKR 230,000/PT to PKR 240,000/MT.
- The Pakistani market no longer functions only on the basis of steel demand and supply; a number of other factors, such as the depreciation of rupees, the lack of foreign exchange, the availability of minimal steel supply, etc., are also at play.
- Ship Recyclers are still hesitant to make new purchases due to this year's decline in both currency and steel prices.
- Buyers are worried that their market may also face the same LC crisis as their Bangladeshi counterparts.
- This past week despite having difficulty in opening L/Cs, Pakistani recyclers managed to purchase 3-4 expensive vessels.
- With Fewer vessels on the beach, the ship recyclers are anticipating better prices for their material.

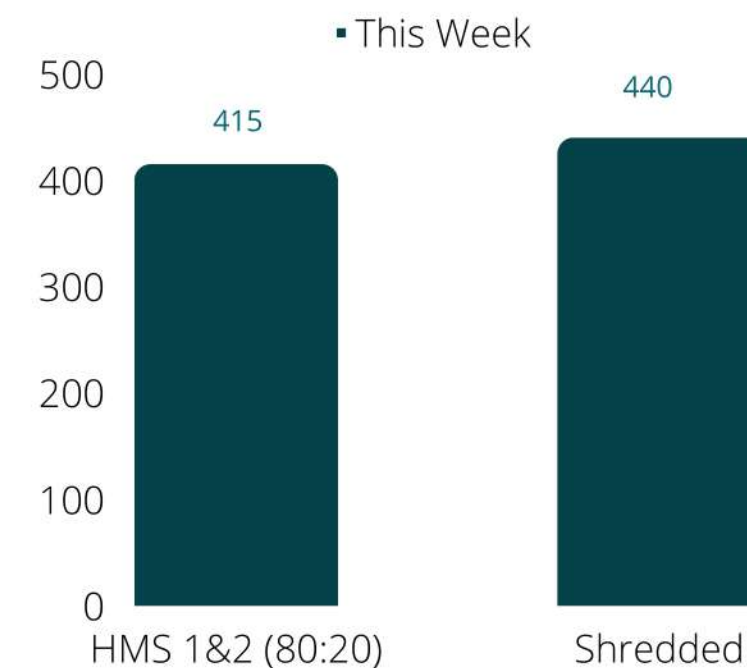
### **Beaching Dates**

Throughout the month

## **Price for Recycling Ships in Pakistan**



## **Price of HMS 1&2 (80:20) and Shredded**



# Türkiye

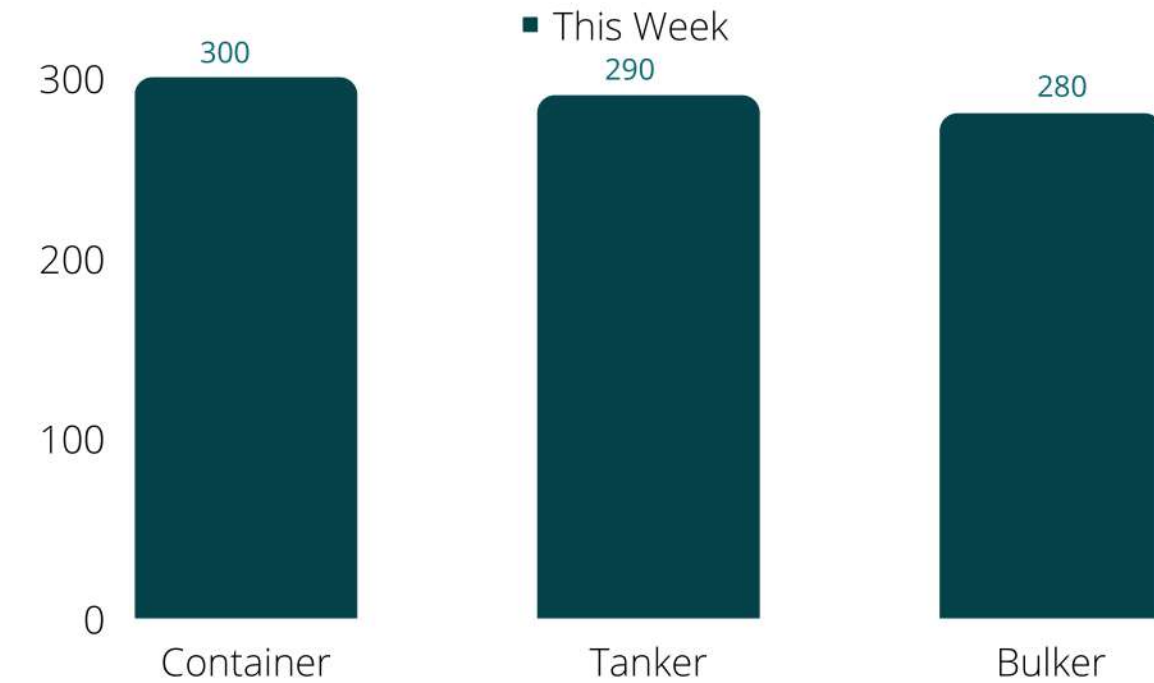
## Lackluster market outlook

- Turkish producers were compelled to further lower their rebar bids on Tuesday, suggesting that the pressure on the country's scrap prices may be growing. Despite the current sales' reprieve and the likelihood of price increases after the holidays, suppliers are seen remaining firm to their offers.
- The Turkish mills' needs for January-shipment cargoes have not yet been satisfied, they can be seen attempting to fill any remaining tonnages from local and short-sea markets despite hefty imported scrap offers. But right now, there aren't many short-sea options available.
- Turkey decreased its monthly steel production by 22.4% in November 2022. Since September 2022, Turkey has increased the cost of gas and electricity by 50%. The regulatory body attributed the increase in electricity costs to the increase in energy costs, particularly in light of the conflict in Ukraine.

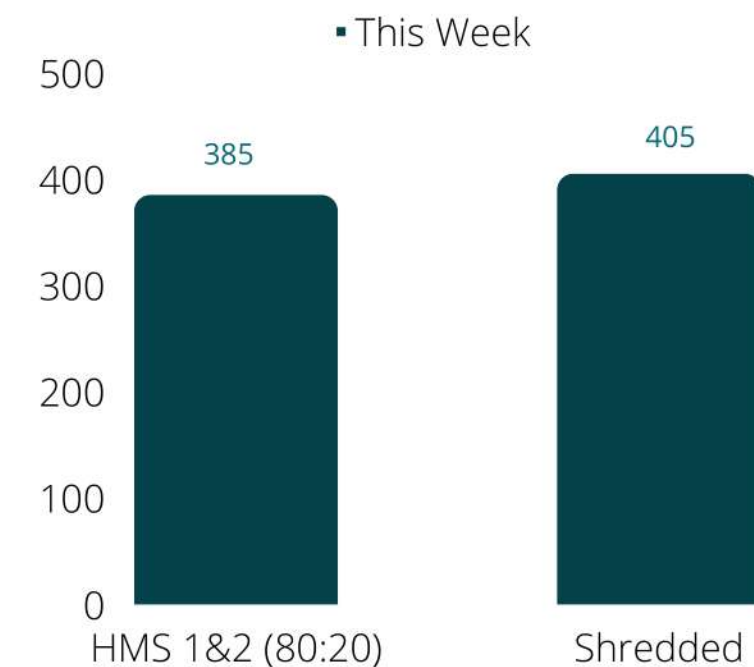
## Beaching Dates

Throughout the month

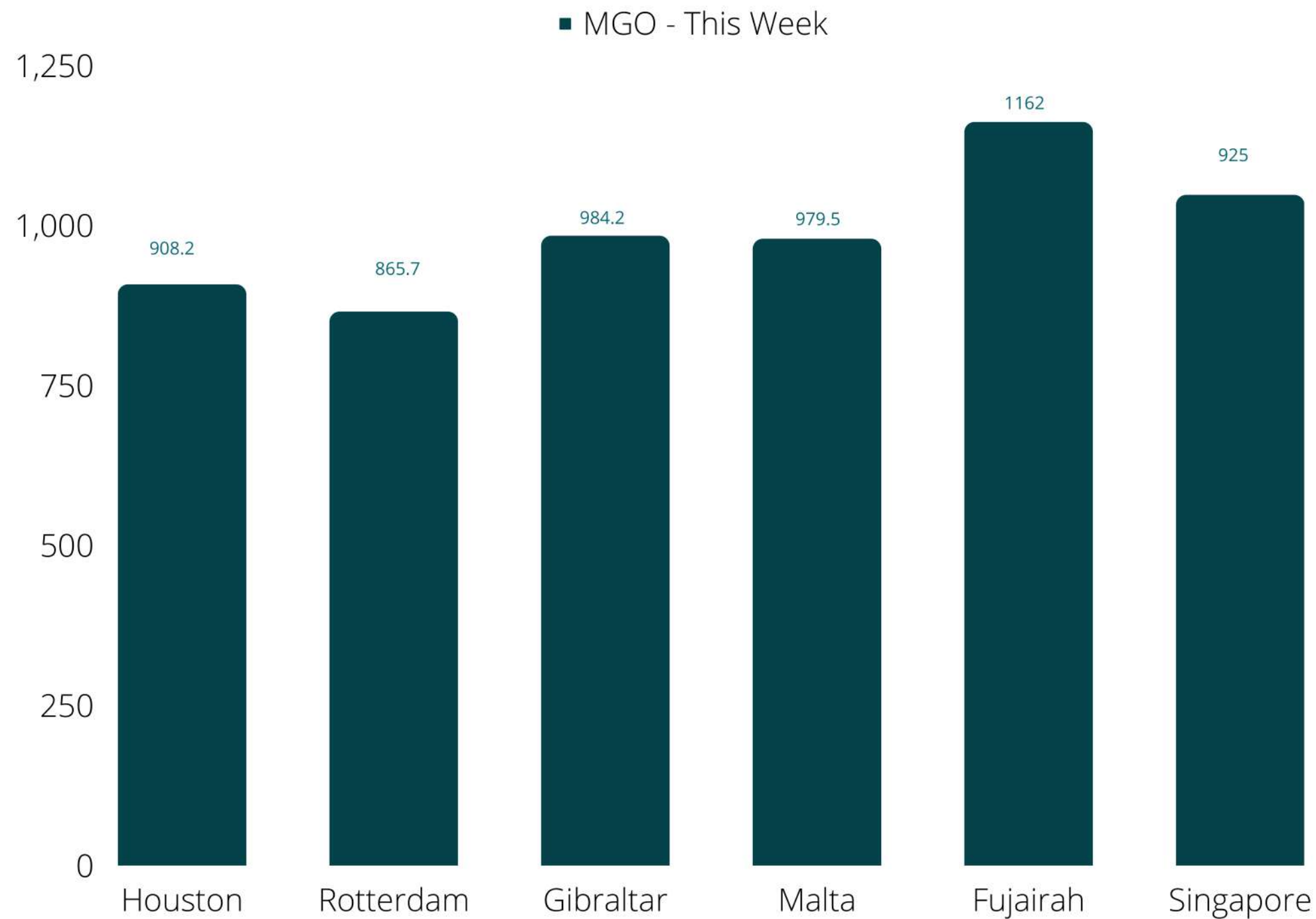
## Price for Recycling Ships in Türkiye



## Price of HMS 1&2 (80:20) and Shredded



# Bunker Prices at Port



## Brent Crude

This Week : 81.980  
Previous Week : 81.360  
Movement : +0.62 %

## WTI Crude

This Week : 79.56  
Previous Week : 76.11  
Movement : +3.45 %

# List of Vessels Sold this Week

Vessel Name	Type of Vessel	IMO No.	Year of Build	Country of Build	LDT	Term of Sale	Location of Delivery	Sale Price/LDT (USD)
PK 27	TANKER	8202587	1982	JAPAN	1,004	DELIVERED	UNDISCLOSED	UNDISCLOSED
PASCHALIS D	BULKER	9227376	2002	SOUTH KOREA	22,922	AS-IS	SINGAPORE	525
HAI KE 102	BULKER	9276860	2002	CHINA	2842	AS-IS	CHINA	UNDISCLOSED
UNI-ARDENT	Container	9130561	1998	JAPAN	7,098	AS-IS	HONG-KONG	UNDISCLOSED
JIN HANG ZHENG LIAN	BULKER	9000857	1990	JAPAN	9,535	AS-IS	SINGAPORE	UNDISCLOSED
NAUTA	Cargo Ship	8812796	1990	SPAIN	2,867	DELIVERED	INDIA	UNDISCLOSED
AKINADA BRIDGE	CONTAINER	9224532	2001	SOUTH KOREA	23,911	DELIVERED	PAKISTAN	595
OCEAN STAR	BULKER	9008677	1990	JAPAN	6407	AS-IS	VIETNAM	460
DE XING HAI	BULKER	8912314	1990	JAPAN	8,015	AS-IS	CHINA	384 (AUCTION SALE)



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