



Triplewall Containers Limited

In continuation to our previous mail on the above subject we would like to update you on the current market scenario.

We had informed you that in the first week of February most mills had indicated an additional Rs 1000 PMT increase in the price of Kraft paper but due to sluggish demand the increase did not come through.

In the last 10 days there have been some very far reaching changes in the market.

Due to the Corona Virus effect on China, exports from China has literally come to a standstill. Consequently this has resulted in shipping containers shortage in the world markets as containers are going in but now coming out.

Due to the above factors waste paper is being given the last priority during loading due to which shipments are getting delayed by more than 30-45 day.

This is resulting in a break in the supply chain of imported waste paper which is adversary effecting the availability of waste as well as the price of local waste.

Moreover the cost of containers has increased by close to 25-40 USD per MT which in turn has increased the overall cost of imported waste paper. That has prompted the increase of local waste paper.

The worrying factor is that by end of March due to shortage of imported waste the availability of higher BF (from 22 onwards) will become a challenge.

With China now limping back to some amount of normalcy in the southern region where manufacturing is the largest sector the demand for pulp paper from India is very high. The export requirements has negated the dull demand sentiment locally and added to the demand which is helping the mills to implement the price increase with immediate effect

With the inevitable now happening, the spread of corona virus in India, the future of supply and pricing seems very uncertain.

Sir the synopsis of the above scenario is one sided.

The price of Kraft has increased by Rs 2000 PMT as on date and is expected to increase by another Rs 1000-2000 PMT before end of this month.



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Even with lower demand, but propped up by export demand for paper, shortage of containers, increased price of imported waste by sellers in Europe and USA for the DSOC variety, delay in supplies of imported waste and if COVID 19 spreads in India the collection of local waste reducing which will increase prices again, all support a sustainability of the price increase and future increase in the short term.

Looking at the above we would like to give you a heads up on 2 factors.

1. We will wait till the 15th of March and then approach you for an increase in price of boxes depending on the pricing then. As on date the increase is Rs 2000 pmt but we expect it to become Rs 3000 by mid-March.

2. Please expect some issues in supply due to non-availability of high-quality paper in the immediate future. We are stocking up but due to the additional order placement to mills it is fuelling the third increase which seems imminent.

We hope the above information is useful to you and look forward to your support as always.