

June 10th, 2022
Volume 239, Issue 1035
Week 23

QUOTE
of the
WEEK

“Be a positive energy trampoline – absorb what you need and rebound more back.”

– Dave Carolan

Highlights:

- Floor reached?
- Lower offers.
- Few new sales.
- Budgets loom.
- Steel stable.

• Scan to download
GMS Recycling App



MARKET COMMENTARY

WORST OVER?

After the recent falls sustained across all sub-continent recycling markets, there does seem to be a new floor in the low USD 600s/LDT that has been reached, which seems to be the price point where Recyclers feel increasingly comfortable offering at.

As expected, there have been instances of opportunistic offerings below the USD 600/LDT mark. However, very few sales (if any) have taken place in the high USD 500s/LDT, as there remain virtually no potential units to offer to Recyclers at these lower levels.

If any new sales do take place in the weeks ahead, it is certainly clear that a USD 100/LDT fall has been fully materialized and optimistically, the way forward now seems up, especially as fundamentals, sentiments, and prices, all (finally) seem to be stabilizing as the sub-continent enters the summer / monsoon months. Notwithstanding, with industry titans attending Posidonia this week, no market sales / transactions were to be expected.

Budgets in Bangladesh and Pakistan were announced on June 9th & June 10th respectively, with no news (positive or otherwise) having been announced that would directly impact each destinations recycling sector. While at the onset, this may seem like inaction on part of the respective governments to limit the downward spiral, it may give an opportunity for the markets to recover on their own and find a new stable ground.

At least, sub-continent steel plate prices have ceased their worrying downward spiral and with Chinese lockdown measures easing, it is hoped that the worst may well be over for the sub-continent recycling markets (for now).

On the West End however, Turkey continues to plummet without remorse as levels here too have dropped nearly USD 150/MT, and despite some stability seemingly appearing in the sub-continent markets this week, things bode no better for Turkey, with a weakening currency and plummeting steel plate prices making matters worse.

For week 23 of 2022, GMS demo rankings / pricing for the week are as below.

Demo Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Weak	620 / LDT	630 / LDT	640 / LDT
2	Bangladesh	Weak	610 / LDT	620 / LDT	630 / LDT
3	Pakistan	Weak	600 / LDT	610 / LDT	620 / LDT
4	Turkey	Weak	290 / LDT	300 / LDT	310 / LDT

We welcome you to visit the newly refreshed www.gmsinc.net

BANGLADESH

BATTERED AND BRUISED!

Starting to talk.

Fresh / new numbers have at least started to emanate from a battered Bangladeshi market this week, begrudgingly however, at levels far lower than those hoped for.

Additionally, the annual budget was announced on the 9th of June and there was no immediate news forthcoming of any new regulation or change in taxes / duties that would directly impact the domestic ship recycling sector or even key fundamentals (currency / plate prices) at this time.

No new sales.

While there may be some ancillary changes that may impact the sector or fundamentals (in general) in the coming weeks / months, as it stands, no immediate changes are expected that could ease much of the currency depreciation & inflation.

Moreover, until the government gets projects back on track after recently spiralling costs, product cannot start to shift from yards until then.

Finally, due to the performance of international freight markets, there are very few firm candidates for local Buyers to speak of at present. As such, it may be a bleak summer in terms of sales - unless prices improve moving forward.

INDIA

SLOW BUT STEADY!

India remains perhaps the steadiest of all sub-continent recycling locations as this market has been gradually declining over the recent past, rather than the drastic drops we have seen in Pakistan, Bangladesh, and even Turkey.

The overall economy in India is certainly more stable than the competing sub-continent markets, and less likely to suffer as tragically.

However, India is not insulated from the ongoing global crisis that is consuming the world and is also afflicting its key fundamentals i.e. local steel plate prices and the Indian Rupee, both of which have recorded some immense volatility of late.

While the Rupee briefly breached the historical low of Rs. 78 against the U.S. Dollar, there still remains volatility in local steel plate prices (down USD 11/Ton this week, but sometimes, down by this amount in nearly daily fluctuations) that has been testing the tenacity of Alang Recyclers at offering firm.

As such, with new lows being reported by the week, new sales and fresh activity has been on hold as much of the shipping world convened in Greece for Posidonia this week. And it certainly seems as though there will be a minimal number of vessels to work firm, whilst freight markets continue to employ vessels at decent rates, thereby keeping them away from the hands of Recyclers.

Slow decline.

Yards emptying.

PAKISTAN

LOWER THAN LOW!

Unwilling.

Pakistan remains the lowest placed of all sub-continent recycling destinations, and it is extremely doubtful whether Cash Buyers or Vessel Owners would be willing to bring any of their available units to Gadani, such has been the shocking nature of non-performance from this market of late.

Even if a competing market is offering lower levels, it makes more sense to go there rather than run risk of delays, endless headaches, and eventually a renegotiation at Gadani's waterfront that would ultimately yield a lower price in the finality of the transaction.

Raise level.

As such, Gadani End Buyers will just have to sit tight and raise their levels / performance, especially if they are to acquire any of the dwindling supply of vessels for recycling in the months ahead.

TURKEY

THE NEW BOTTOM?

The Turkish market seems to be hard-hit the most of all of the major ship recycling destinations, with levels having plummeted from over USD 450/Ton to below USD 300/MT – far more than the sub-continent woes.

Moreover, the declines seem unending with local steel and import steel plate prices have plummeted by USD 45/Ton and USD 35/Ton respectively. The Lira too has been declining gradually, having breached well past TRY 17 (to briefly hit TRY 17.20), only to end the week at levels closer to TRY 17.10 against the U.S. Dollar.

As a result, the negative sentiment continues to permeate the local mindset and levels have further re-adjusted to drop below USD 300/MT for the first time in a few months.

Will prices stay planted at these historic lows or will they bounce back towards the USD 400/MT remains to be seen. For now, high or low, this remains the only option for units departing EU ports.

USD 150/MT down!

Only option.

AMAZING FACTS

- *The oldest person ever to have lived (whose age could be authenticated), a French woman named Jeanne Louise Calment, was 122 years old when she died in 1997.*
- *Sliced bread was first manufactured by machine and sold in the 1920s by the Chillicothe Baking Company in Missouri. It was the greatest thing since...unsliced bread?*
- *The Four Corners is the only spot in the US where you can stand in four states at once: Utah, Colorado, Arizona and New Mexico.*
- *The original name for the search engine Google was Backrub. It was renamed Google after the googol, which is the number one followed by 100 zeros.*
- *Wombats are the only animal whose poop is cube-shaped. This is due to how its intestines form the feces. The animals then stack the cubes to mark their territory.*
- *The most common wild bird in the world isn't the sparrow or blue jay—it's the red-billed quelea, which live in Africa and have an estimated population of 1.5 billion.*
- *The heart of the blue whale, the largest animal on earth, is five feet long and weighs 400 pounds. The whale in total weighs 40,000 pounds. For comparison, an elephant's heart weighs around 30 pounds. And a human heart? A mere 10 ounces.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
No holidays in June	June 11 – June 20 June 25 – July 04

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
No holidays in June	June 13 – June 16 June 29 – July 02

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
June 03 – June 05 – Dragon Boat Festival	No holidays in June	No holidays in June

Prices indicated above are as reported in the market and are not necessarily accurate. This information is provided without prejudice and is given in good faith and without any guarantees whatsoever. While every care has been taken in the preparation of this report, no liability can be accepted for any loss incurred in any way whatsoever by any person relying on the information contained herein. Opinions expressed herein may be deemed subjective and arbitrary. This WEEKLY is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination, or other use of this information by persons or entities other than the intended recipient is prohibited.

ALANG - Port Position as of June 10, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bras VII (Under Tow)	11,946	Drill Rig	Beached June 09
2	Izabela	1,687	Oil Tanker	Arrived June 06
3	Jack 1 (Under Tow)	10,224	Rig	Beached June 02
4	Lomaiviti Princess V	3,653	Roro	Beached June 07
5	Splendour Sapphire	9,711	Oil Tanker	Beached June 04
6	Viator (Under Tow)	4,655	Bulk Carrier	Beached June 03
7	Warrior	4,167	Accommodation Barge	Beached June 07
Total Tonnage		46,043		

CHATTOGRAM - Port Position as of June 10, 2022

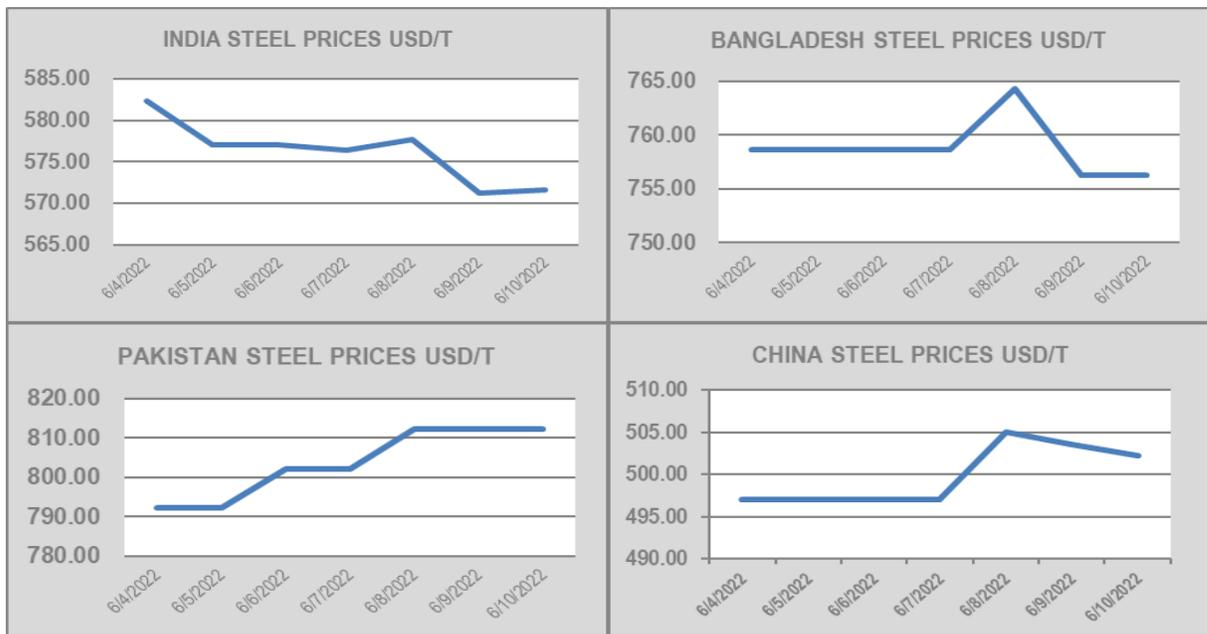
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Gala	16,885	Tanker	Arrived February 28
2	Ion	16,640	Tanker	Arrived June 08
3	Mary the Queen (Under Tow)	6,479	RoRo / Cargo	Arrived June 08
4	Smooth Sea 2	1,283	Tanker	Beached June 05
5	Tain Ning	2,055	Reefer	Beached June 06
6	Thanos	2,362	Offshore Tug	Arrived June 04
Total Tonnage		45,704		

GADANI - Port Position as of June 10, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Eagle II	2,000	Tanker	Beached June 08
2	Admarine 100	8,763	Tanker	Arrived June 06
3	Westin	3,803	Tanker	Arrived June 07
Total Tonnage		14,566		

WHILE EXTREME CARE HAS BEEN TAKEN IN THE PREPARATION OF THIS REPORT, NO LIABILITY CAN BE ACCEPTED FOR ANY LOSS INCURRED IN ANY WAY WHATSOEVER BY ANY PERSON RELYING ON THE INFORMATION CONTAINED HEREIN.

DATE	INDIA STEEL PRICES USD/T	INDIA STEEL PRICES	PAKISTAN STEEL PRICES USD/T	PAKISTAN STEEL PRICES	BANGLADESH STEEL PRICES USD/T	BANGLADESH STEEL PRICES	CHINA STEEL PRICES USD/T
6/4/2022	582.32	45,200.00	792.13	157,000.00	758.62	66,000.00	497.06
6/5/2022	577.10	44,800.00	792.13	157,000.00	758.62	66,000.00	497.06
6/6/2022	577.10	44,800.00	802.22	159,000.00	758.62	66,000.00	497.06
6/7/2022	576.43	44,800.00	802.22	159,000.00	758.62	66,000.00	497.06
6/8/2022	577.64	44,900.00	812.31	161,000.00	764.37	66,500.00	505.00
6/9/2022	571.21	44,400.00	812.31	161,000.00	756.32	65,800.00	503.66
6/10/2022	571.69	44,500.00	812.31	161,000.00	756.32	65,800.00	502.28



www.gmsinc.net



GMS_Leadership



GMS, Inc.



snp@gmsinc.net

Athens, Greece Tel: +30.210.899.0669
Cumberland, USA Tel: +1.301.759.9240
Hamburg, Germany Tel: +49.40. 3197.9963
Shanghai, China Tel: +86.216.075.1900
Singapore Tel: +65.6823.8037

Bhavnagar, India Tel: +91.278.300.5253
Dubai, UAE Tel: +971.4.423.0720
New York, USA: +1.240.505.9716
Seoul, South Korea Tel: +82.10.4650.0720
Tokyo, Japan Tel: +81.3.5453.6311