

September 2nd, 2022
Volume 242, Issue 1047
Week 35

QUOTE
of the
WEEK

"I have never let my schooling interfere with my education."

– Mark Twain

Highlights:

- Candidates coming.
- Dry bulk dip.
- Economies on edge.
- Pak flooding.
- Bangla L/Cs.
- Scan to download
GMS Recycling App



MARKET COMMENTARY

ACTIVITY INCREASE!

Activity and availability of sales candidates seem to be finally starting to increase as we enter the month of September and the fourth (and final) quarter of the year.

Dry bulk (and particularly Capesize bulker) rates have declined noticeably of late, and this is seeing an increasing number of enquiries on dry units starting to come forth for a potential sale for recycling. This increase couldn't have come at a better time as local demand for tonnage has been gradually ramping up again, after an extremely quiet summer / flooded monsoon.

Of course, after the collapse of the Sri Lankan economy earlier this year, difficulties persist in the sub-continent markets as both Pakistan and Bangladesh have been teetering perilously close to the brink as well.

Pakistan has been beset by catastrophic flooding over the past week, with thousands of people losing their lives and millions displaced. In fact, some international media have been reporting that nearly one-third of the country is currently underwater. As such, calls for urgent humanitarian aid have reached the international community this week, with the situation becoming increasingly dire.

Bangladesh is still struggling with L/Cs with any transaction valued at over USD 2 – USD 3 million needing Central bank approval, which is ensuring that most large LDT / higher value candidates are being diverted to competing markets and even the lower placed India, as Cash Buyers and Ship Owners both do not want to run the risk of getting stuck there, especially when levels have already fallen so much.

India remains the most resilient market and is now becoming the go to destination (albeit at lower prices) for shipowners wishing to get their vessels delivered comparatively hassle and headache free, be it at a lower price.

Finally, the Turkish market remains marginally changed from last week, as import steel and the Turkish Lira both report decreases during the week, all while local sentiments remain in the doldrums.

For week 35 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	Bangladesh	Weak	570 / LDT*	580 / LDT*	590 / LDT*
2	India	Weak	560 / LDT	570 / LDT	580 / LDT
3	Pakistan	Weak	550 / LDT	560 / LDT	570 / LDT
4	Turkey	Weak	240 / LDT	250 / LDT	260 / LDT

*Small LDT

BANGLADESH

DEMAND GROWS!

Difficult summer.

Despite a growing demand in Bangladesh and a gradually emptying port report, it has been a difficult summer in terms of getting hold of new candidates, especially at some of the lower levels currently making their rounds on units, in addition to the ongoing L/C restrictions set in place by the Central Bank for any financial transaction valued above USD 2 – USD 3 million that were recently introduced.

Steel fall.

There was news of one VLCC sale last week that is currently expected to be a Bangladeshi candidate, although the unit may well go to Pakistan or even India, given the inability of Bangladeshi Ship Recyclers to perform on these high Dollar value / large LDT transactions – including the various Capesize bulkers that are currently working for a recycling sale.

Local steel plate prices are now on a downward spiral as levels have fallen another USD 32/Ton this week alone. As such, many End Buyers are content to sit and just wait-and-watch market developments before offering afresh on any tonnage (if available).

NO MARKET SALES REPORTED

INDIA

NEED TO COMPETE!

With Pakistan and Bangladesh both itching to return to the bidding tables and secure tonnage to fill their emptying plots, India may have to up their price offers in order to stay relevant and in contention.

Plots emptying.

Currently, Alang is unquestionably the most reliable market of the moment, due to the difficulties on L/Cs in Bangladesh and the expectedly questionable performance problems we have seen from the Pakistani market for much of this year.

Like the Bangladeshi market, Indian steel plate prices declined (marginally in comparison) about USD 8/Ton this week, whilst the Indian Rupee continues to teeter just shy of the Rs. 80 mark against the U.S. Dollar, in some continually worrying signs for the currency.

Currency wobbles.

As such, even though comparatively stable, the Indian market remains the best option for tonnage, especially large LDT units valued at over USD 3 Million.

NO MARKET SALES REPORTED

PAKISTAN

DEVASTATING FLOODS

Third underwater.

The devastating floods that have affected Pakistan this week has seen as much as a third of the country left under water.

Millions of people have been displaced, thousands of lives have been lost, and some urgent international aid will be needed and will likely result in years of rebuilding.

As such, ship recycling is far from the minds of most in the country and any of the small supply of candidates currently working are likely to end up in competing markets, given the loss of confidence in the domestic ship recycling sector.

Far from minds.

TURKEY

STAGNATING!

There's only so many different ways that we can describe the stagnating state of the Turkish market, whereby fundamentals seem waveringly 'settled' at their current levels and local sentiment is entirely too disinterested in offering on any of the rare unit (market / private) being proposed for sale.

Local steel plate prices remained steady through the week but import steel prices have reportedly fallen by about USD 10/Ton this week. The Turkish Lira too has been buoying around the TRY 18.2X mark against the U.S. Dollar, keeping the current Aliaga sentiment buried where it currently remains.

As such, unlike the silver lining that is currently forming over sub-continent markets, the outlook for the Turkish market, unfortunately, isn't as positive as Q4 gets underway.

Wavering 'Settled'.

Buried.

AMAZING FACTS

- The # symbol isn't officially called hashtag or pound. Its technical name is octothorpe. The "octo" means "eight" and refers to its points, though reports disagree on where "thorpe" came from. Some claim it was named after Olympian Jim Thorpe, while others argue it was just a nonsense suffix.
- You can thank the Greeks for calling Christmas "Xmas". In Greek, the word for "Christ" starts with the letter Chi, which looks like an X in the Roman alphabet.
- Movie trailers originally played after the movie. They "trailed" the feature film—hence, the name. The first trailer appeared in 1912 and was for a Broadway show, not a movie.
- Mercedes invented a car controlled by a joystick. The joystick in the 1966 Mercedes F200 showcase car-controlled speed and direction, replacing both the steering wheel and pedals. The car could also sense which side the driver was sitting in, so someone could control it from the passenger seat.
- H&M actually stands for something. This is one of those interesting facts you've probably never thought about before. The clothing retail shop was originally called Hennes—Swedish for "hers"—before acquiring the hunting and fishing equipment brand Mauritz Widforss. Eventually, Hennes & Mauritz was shortened to H&M.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
No holidays in September	September 07 – September 15 September 24 – October 02

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
No holidays in September	September 09 – September 12 September 25 – September 28

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
September 10 – September 12 – Mid-Autumn Festival	No holidays in September	No holidays in September

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 September 02, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Aba I	11,148	Drill Ship	Arrived August 30
2	Bongo	3,189	Chemical Tanker	Beached Aug 27
3	Malaviya Ten	1,969	Supply Vessel	Arrived August 25
4	Prisco Bravo	2,564	Oil Tanker	Arrived August 28
Total Tonnage		18,870		

CHATTOGRAM - Port Position as of September 02, 2022

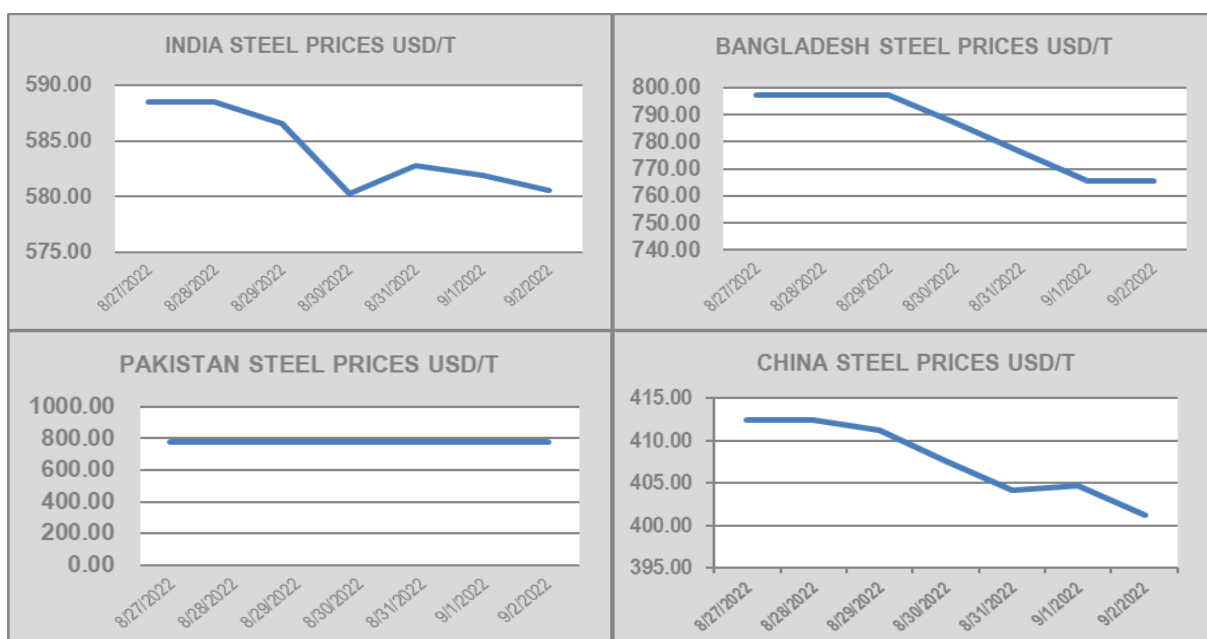
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ariana	15,672	Tanker	Arrived June 22
2	Bawean	3,212	Offshore Support Vessel	Beached August 28
3	Gala	16,885	Tanker	Arrived February 28
4	Ocean Ri	9,597	Tanker	Beached August 29
5	Vighnharta	16,479	Bulk Carrier	Beached August 31
6	Winton T128	975	Bulk Carrier	Arrived June 23
7	Yutoku	1,127	LPG Tanker	Beached August 27
Total Tonnage		63,948		

GADANI - Port Position as of September 02, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
No new vessels reported.				
Total Tonnage		-		

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
8/27/2022	588.53	47,000.00	780.05	172,000.00	797.45	75,000.00	412.49
8/28/2022	588.53	47,000.00	780.05	172,000.00	797.45	75,000.00	412.49
8/29/2022	586.54	46,900.00	780.05	172,000.00	797.45	75,000.00	411.22
8/30/2022	580.24	46,100.00	780.05	172,000.00	786.82	74,000.00	407.69
8/31/2022	582.76	46,300.00	780.05	172,000.00	776.18	73,000.00	404.17
9/1/2022	581.95	46,300.00	780.05	172,000.00	765.55	72,000.00	404.67
9/2/2022	580.56	46,300.00	780.05	172,000.00	765.55	72,000.00	401.21




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