

January 20th, 2023
Volume 246, Issue 1066
Week 3

QUOTE
of the
WEEK

“Believe you can and you're halfway there.”

– Theodore Roosevelt

Highlights:

- Positivity.
- India sales.
- Other methods.
- Barren plots.
- CNY holidays.

• Scan to download
GMS Recycling App



MARKET COMMENTARY

SEEKING SUPPLY!

A degree of increased positivity has entered recycling markets this week, as prices push on in both India (off the back of firming steel and settling currencies) and Bangladesh (off of a rising demand and a currency that has recently found its stability around BDT 105).

In fact, a number of sales have reportedly even taken place at increasingly firm numbers, giving Ship Owners a greater sense of confidence to offer their recycling candidates up for sale, especially after an altogether bleak 2 quarters.

Financing problems persist in both Bangladesh and Pakistan, but End Buyers in both locations are endeavoring to find alternate solutions (rarely successful at this stage) to open L/Cs (including private financing not going through government banks, foreign currency L/Cs and even usance L/Cs), now that markets seem to be stabilizing and even firming up again.

Plots across most locations remain fairly barren after one of the slowest years (in terms of recycling volumes) in decades and as such, demand for new units is ramping up across all markets and as prices increase, so too do the number of available candidates for sale after a relative dearth at the end of last year.

Even in Turkey, despite a drop in steel plates and a currency that has been relatively unchanged for the last couple of weeks, prices have held their ground amidst growing news of units being talked about basis a Spring delivery.

Overall, the supply of vessels is mostly coming from the container sector (with another sold this week) and an increasing number of HKC green sales – thus putting the deal focus squarely on Alang for another week. Moreover, as dry bulk charter rates weaken and we enter a period of relative inactivity due to Chinese New Year holidays, we do expect to see even more dry candidates heading the recycling path in the weeks / months ahead.

For week 3 of 2023, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Positive	540 / LDT	550 / LDT	560 / LDT
2	Bangladesh	Improving	535 / LDT*	545 / LDT*	555 / LDT*
3	Pakistan	Weak	525 / LDT*	535 / LDT*	545 / LDT*
4	Turkey	Weak	300 / LDT	310 / LDT	320 / LDT

*Subject L/C approval

All at GMS would like to wish readers a Happy Chinese New Year (of the Rabbit) ahead!

BANGLADESH

ABOVE & BEYOND!

Frustrations.

Prices are improving in Bangladesh; however, frustrations persist over the ongoing inability to open L/Cs and import vessels onto their emptying yards.

Now that market levels appear to be firmer, End Buyers are currently looking at alternate methods of securing financing, including either privately financed L/Cs or Usance L/Cs, but with little success so far.

Pushing on.

Fundamentals wise, Bangladesh is doing better than before. Although local steel plate prices did drop marginally this week, it was the newfound stability in currency exchange at region BDT 105 that has helped in gradually driving prices and demand up.

Indian levels too have pushed on for another week, meaning Chattogram Buyers have to now go above and beyond their nearest competitors to give nervous Cash Buyers and Owners the confidence to head back to an underfunded and underperforming market again.

INDIA

ATOP THE RANKINGS!

Indian prices and demand remain atop the sub-continent ship recycling rankings, and Alang is still the preferred destination for Owners & Cash Buyers due to their L/C and performance issues in competing Bangladesh and Pakistan.

Reliable market.

As a result, several sales have reportedly taken place into India this week, as tonnage flow increases heading into the quieter week (or two) of Chinese New Year holidays.

Firstly, the fish factory PIONER NIKOLAEV (3,899 LDT) managed to fetch a decent USD 630/LT LDT, thanks to these vessels having a greater prevalence of non-ferrous resulting in the premium price on the unit.

Several sales.

Subsequently, a favoured container unit (with heavy propeller and bunkers for voyage) SSL KOCHI (8,362 LDT) received an equally firm price in the region of USD 580/LT LDT basis an 'as is' Colombo delivery.

Indian fundamentals were promising this week, with the Indian Rupee improving sharply from Rs. 83 to Rs. 80.9 against the U.S. Dollar. Even local steel plate prices firmed during the early part of the week, only to decline and still end the week on positive note.

Overall, and has historically been the case, first quarter improvements have been a tradition of sorts and it's only a matter of time till further positivity creeps in as the year progresses.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
PIONER NIKOLAEV	Fish Factory	3,899	USD 630/LT LDT
SSL KOCHI	Container	8,362	About USD 580/LT LDT ('as is' Colombo with bunkers for voyage)

PAKISTAN

CUT ADRIFT!

Rooted.

Pakistan stays rooted in the sub-continent rankings this week and Gadani Buyers remain at risk of being swept adrift with their lowly levels and fading ability to open L/Cs and take delivery of units.

Almost all Cash Buyers are steering well clear of the Gadani market at present, on account of the recent performance issues where vessels that were committed are now finding reasons to fail, citing local inability to open fresh L/Cs and it is clear that Pakistan needs some more time to sort their affairs out before getting back to the buying.

LC failures.

The chief issue (as with Bangladesh) is that all new L/Cs & financing for ships has to go through the central state government bank, which is refusing to approve new purchases as it stands, due to the dire shortage of U.S. dollars in the country and constantly depreciating Pakistani Rupee that is now approaching PKR 230 against the U.S. Dollar.

As such, Pakistan seems like it will be out of the fray for the time-being, especially as most of the recent tonnage seems to be heading for HKC recycling anyways.

TURKEY

JUMPY?!

After a couple of weeks of stable fundamentals and prices that jumped by about USD 50/Ton, Aliaga Buyers were greeted with a surprising drop in import steel (by about USD 15/Ton) and even local steel prices (by about USD 5/Ton). Even the Lira, though slightly weaker than last week, has stabilized a touch over recent weeks.

Steel drops.

Notwithstanding, the economics of a practically still cash flow is pushing local Recyclers to offer firmer on the few units that are reportedly being discussed for a recycling sale – so barren has the local landscape been through much of 2022.

For now, there is still no news of a fixture, but the tantalizing possibility of sales being concluded into Turkey is much more a reality today than 2 weeks ago.

Tantalizing possibility.

INTERESTING FACTS

- *Lobsters taste with their feet. Tiny bristles inside a lobster's little pincers are their equivalent to human taste buds. Meanwhile, lobsters' teeth are in one of their three stomachs.*
- *The British royal family is named after Windsor. You'd think Windsor Castle was named after the House of Windsor, but it's the other way around. The royal family changed its name from Saxe-Coburg-Gotha in 1917 so it would sound less German and chose Windsor because they had ties with the English town.*
- *3 Musketeers bars got their name because they used to come with three flavors. The original 3 Musketeers bars of the 1930s came in three-packs, with a different nougat flavor in each: vanilla, chocolate, or strawberry. World War II rations made that triple threat expensive, so the company cut down to one.*
- *Before toilet paper was invented, Americans used to use corn cobs. Alternatively, they'd use periodicals like the Farmers Almanac, which was designed with a hole so it could hang in outhouses. Necessity is the mother of invention, after all.*
- *The Empire State Building has its own ZIP code. It's home to 10118.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
January 26 – Republic Day No holidays in February	January 19 – January 27 February 04 – February 10 February 18 – February 25

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
February 21 – Shaheed Day.	January 22 – January 25 February 08 – February 11 February 21 – February 24

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
January 21 – 27 – Spring Festival No holidays in February	February 05 – Kashmir Solidarity Day	No Holidays in February

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 January 20, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Aladdin (Under Tow)	507	Utility Boat	Beached January 18
2	Chennai Express	4,038	Container	Beached January 20
3	Delta 1	7,852	Container	Arrived January 17
4	Evgeniy Zotov	734	Reefer	Arrived January 18
5	Farquhar No. 2	462	Fishing Vessel	Arrived January 10
6	Hakuru	3,954	Pallet Carrier	Beached January 13
7	Latte	782	Tug	Beached January 18
8	MNG Grenville	976	Research Vessel	Beached January 20
9	Richards Bay 1	18,109	Bulk Carrier	Arrived January 13
10	SPM Agility	10,933	Tanker	Arrived January 18
11	Ven C	4,394	Container	Beached January 20
Total Tonnage		52,741		

CHATTOGRAM - Port Position as of January 20, 2023

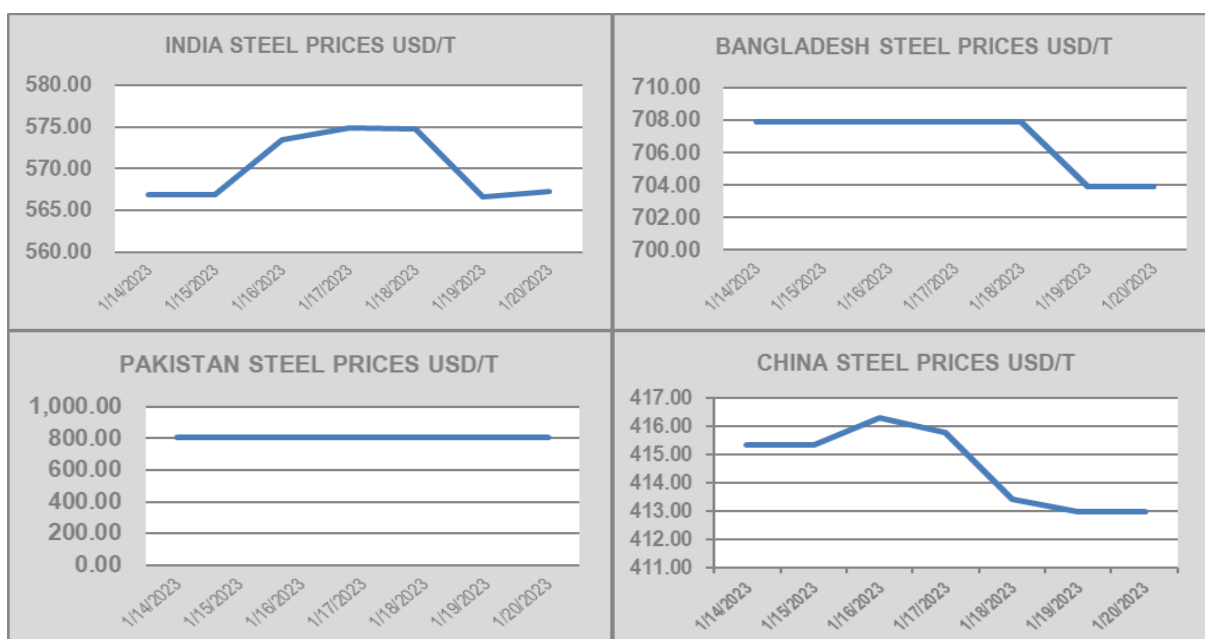
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ariana	15,672	Tanker	Arrived June 22
2	De Xiang	1,820	Tanker	Beached January 14
3	Fu Ocean	3,532	General Cargo	Arrived January 17
4	Gala	16,885	Tanker	Arrived February 28
5	Hai Feng 698	7,240	Reefer	Arrived December 21
6	Hang Shun	1,217	Tanker	Arrived January 13
7	Sun Shun	1,207	Tanker	Beached January 14
8	Tian Long	2,163	General Cargo	Beached January 16
9	Winton T128	975	Bulk Carrier	Arrived June 23
10	Xiang Shun	1,314	Tanker	Beached January 14
Total Tonnage		52,025		

GADANI - Port Position as of January 20, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Murad Bay	6,729	Bulk Carrier	Beached January 13
2	Witty	23,001	Bulk Carrier	Arrived January 18
Total Tonnage		29,730		

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
1/14/2023	566.83	46,100.00	809.63	185,000.00	707.92	71,500.00	415.35
1/15/2023	566.83	46,100.00	809.63	185,000.00	707.92	71,500.00	415.35
1/16/2023	573.46	46,800.00	809.63	185,000.00	707.92	71,500.00	416.33
1/17/2023	574.85	47,000.00	809.63	185,000.00	707.92	71,500.00	415.79
1/18/2023	574.77	46,700.00	809.63	185,000.00	707.92	71,500.00	413.45
1/19/2023	566.62	46,100.00	809.63	185,000.00	703.92	71,800.00	413.01
1/20/2023	567.24	46,100.00	809.63	185,000.00	703.92	71,800.00	413.01



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