GMS WEEKLY

Your Source for Recycling News

April 21st, 2023
Volume 248, Issue 1079
Week 16

Highlights:

- **Decline evident.**
- **Steel fall.**
- **Strained approvals.**
- **Deals struggling.**
- **Patience required.**
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QUOTE of the WEEK

"You are never too old to set another goal or to dream a new dream."

– C.S. Lewis

MARKET COMMENTARY

TIME NEEDED!

The results of this most recent market decline have been on full display this week as those vessels previously sold at higher prices are now struggling to deliver in a U.S. Dollar starved Bangladesh (and Pakistan) and End Buyers are starting to (expectedly) create unnecessary turbulence at the waterfront, especially on those high-priced incoming units.

Steel plate prices continue to dither across all markets (including Turkey) over the past month or so, leaving the various recycling destinations far more precariously poised than they were during the bullish start of the year.

The key hurdle for Bangladeshi Recyclers (amidst the ongoing liquidity crunch in the country) is working with the Central Bank in getting fresh L/Cs approved, with all but essential items (food, fuel, and fertilizers) receiving approvals instead. As such, several of the higher priced deals that had been concluded into Bangladesh over the past few months, are only now starting to deliver after delays on arrival, as the industry overall is starting to witness how increasingly difficult it might just be to obtain L/C approvals on upcoming deliveries.

As such, it is highly recommended for Owners with any incoming vessels into Bangladesh, to either re-position their units towards competing markets (i.e., India at lower levels but a far more assured performance) or to ensure that a minimum of five days between arrival, tendering NOR, and payment release is provided by End Buyers to ensure they can open L/Cs, have funds arranged for, and then have their end of the transaction wrapped up in time for beaching.

Meanwhile, Pakistan remains in a rut, invisible to the Ship Recycling Community, whilst Turkey continues to sail through week after week, with nearly the same result.

These are certainly not the markets of old we are operating in any longer, and some more time & patience will be required moving forward, in delivering the larger LDT vessels. The end of the Holy month of Ramadan from next week should also bring some greater clarity and desire / demand to buy.

For week 16 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	Bangladesh	Steady	590 / LDT*	610 / LDT*	630 / LDT*
2	India	Steady	570 / LDT	580 / LDT	600 / LDT
3	Pakistan	Weak	540 / LDT*	550 / LDT*	560 / LDT*
4	Turkey	Steady	330 / LDT	340 / LDT	350 / LDT

***Subject L/C approval**

All at GMS would like to wish readers an Eid Mubarak!

BANGLADESH

ONGOING HEADACHE!

Delays.

After several tides of ongoing delayed deliveries, the end of the Holy month of Ramadan and Eid holidays see the overall ship recycling market at a softer level than when the month started.

It will be interesting to see whether prices show some resilience and start to bounce back at the conclusion of Eid Celebrations, or if levels remain static on the back of a demand that continues to make its rounds.

Performance key.

Certainly, demand remains ripe, with many Buyers keen to import fresh vessels at these current overall levels. However, the question on whether L/C approvals and subsequent performances are forthcoming remains, especially as we move into the summer / monsoon months, amidst tighter U.S. Dollar restrictions.

Fundamentals wise, the situation remains no different locally as local steel plate prices continue to flatline for several weeks now, all while the Bangladeshi Taka continues to waddle around the early BDT 106s against the U.S. Dollar.

NO MARKET SALES REPORTED

INDIA

ENDURING MARKET!

India remains the enduring market for those seeking a more assured and reliable performance, even at Alang's comparatively lower levels. A majority of HKC green tonnage and specialist units continue to head towards Indian shores, despite three yards now being Class NK approved in Bangladesh.

More assured.

Such was the case with another MSC container this week, as MSC continue their clear out of older tonnage, with the Danish built Panamax container MSC PILAR (23,740 LDT) that fetched a decent USD 544/LT LDT, considering the limited yards for a standard HKC Class NK resale.

Steady levels.

Local steel plate prices declined a marginal USD 8/Ton this week, whilst the Indian Rupee continues trading around the early Rs. 82 against the U.S. Dollar, giving End Buyers some more confidence towards acquiring vessels moving forward, especially at these more settled rates.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MSC PILAR	Container	23,740	USD 544/LT LDT

PAKISTAN

LITTLE CHANCE!

Unlikely to return.

As Eid holidays descend and the Holy month of Ramadan concludes, there is little expectation that the Pakistani ship recycling market will return to the bidding tables after the holidays.

Pakistani prices still remain some ways off their Indian sub-continent competitors and there is little confidence that Gadani Buyers can get approvals from domestic banks for the opening of fresh L/Cs and thereby incurring the expenditure of precious and dwindling U.S. Dollar reserves on vessels for recycling, rather than on more pressing domestic needs at the moment.

Quieter outlook.

This is clearly evident from the fact that only 1 vessel has arrived Gadani over the last 6 weeks and that unit too is facing L/C related issues and is unable to beach.

Even local fundamentals have done little to help the brewing situation as the Pakistani Rupee dangles dangerously over the PKR 280 level against the U.S. Dollar, while local steel plate prices, like in Bangladesh, have flatlined for several weeks now, given the near-zero tons of plate that is moving from Gadani yards.

As such, it is expected again to be a quieter few months in Pakistan with minimal activity, at the very least until the financial situation and currency can be stabilized / resolved.

NO MARKET SALES REPORTED

TURKEY

DROP EXPECTED?

The much-anticipated 2023 Spring boost in recycling activity has failed to materialize in Aliaga to date. Making matters worse, the ongoing & painful shortage of tonnage mixed in with the shaky fundamentals, are all conspiring to make the prevailing situation that much worse.

2023 Spring Boost.

The Lira continues to weaken against the U.S. Dollar as it briefly approaches TRY 19.41 against the U.S. Dollar, while import steel dropped another USD 15/Ton (north of $40/Ton over the last few weeks), local steel plate prices were unchanged but are expected to follow suit post-Ramadan.

Situation worse?

Meanwhile, Ramadan Celebrations during the week have also left local Recyclers distracted from the ongoing pain, thanks to the lack of any meaningful activity.

Overall, as Turkish vessel prices manage to hold their ground (uncertain for just how much longer) and sub-continent levels stay steady, the inevitable widening of the margin between Turkey and the sub-continent markets will only make things worse for Turkish Buyers as summer comes around.

NO MARKET SALES REPORTED

INTERESTING FACTS

- *There are about three trillion trees on Planet Earth, and between 100-400 billion stars, approximately, in the galaxy.*
- *Just as colors are made more dramatic in sunsets on Earth, sunsets on Mars, according to NASA, would appear bluish to human observers watching from the red planet. Fine dust makes the blue near the Sun's part of the sky much more visible, while normal daylight makes the Red Planet's familiar rusty dust color the most perceptible to the human eye.*
- *The universe extends far beyond our own galaxy, The Milky Way, which is why scientists can only estimate how many stars are in space. However, scientists estimate the universe contains approximately 1,000,000,000,000,000,000,000,000 stars, or a septillion. While no one can actually count every single grain of sand on the earth, the estimated total from researchers at the University of Hawaii, is somewhere around seven quintillion, five hundred quadrillion grains. That is an awfully big sandcastle!*
- *Venus has a slow axis rotation which takes 243 Earth days to complete its day. The orbit of Venus around the Sun is 225 Earth days, making a year on Venus 18 days less than a day on Venus.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	**BEACHING TIDES**
May 01 – Labor Day May 05 – Buddha Purnima	April 18 – April 25 May 04 – May 11 May 16 – May 24

BANGLADESH	
BANK HOLIDAYS	**BEACHING TIDES**
May 01 – May Day May 04 – Buddha Purnima	May 05 – May 08 May 18 – May 21

IMPORTANT BANK HOLIDAYS		
CHINA	**PAKISTAN**	**TURKEY**
May 01 – 03 – Labor Day	April 22 – April 24 - Eid-ul-Fitr May 01 – Labor Day	April 20 – April 24 – Ramazan Bayrami May 01 – Labor and Solidarity Day May 19 – Youth and Sports Day

ALANG - Port Position as of April 21, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	*Al*	*1,621*	*Fire Fighting Vessel*	*Beached April 20*
2	Augusta II	9,920	Oil Tanker	Arrived April 12
3	MSC Nora II	10,611	Container	Arrived April 20
4	MSC Veronique	23,450	Container	Arrived April 18
Total Tonnage		**45,602**		

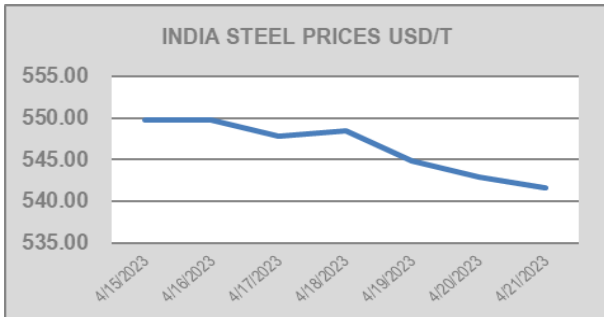
CHATTOGRAM - Port Position as of April 21, 2023

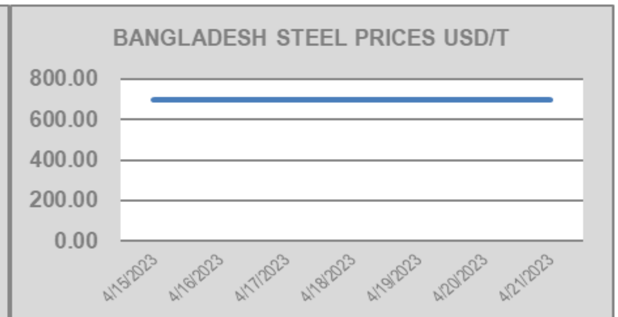
No.	VESSEL NAME	LDT	TYPE	STATUS
1	*Agia Trias*	*22,143*	*Bulk Carrier*	*Beached April 21*
2	*Grace Energy*	*30,426*	*LNG*	*Beached April 20*
3	Han	2,181	Reefer	Arrived April 18
4	Hong Yang	11,884	MPP / Container	Arrived April 18
5	*Ida*	*9,828*	*Tanker*	*Beached April 18*
6	*Lily Breeze*	*9,898*	*Bulk Carrier*	*Beached April 18*
7	*PI (Undertow)*	*12,038*	*FSO*	*Beached April 20*
8	*Rowan*	*2,755*	*General Cargo*	*Beached April 21*
9	*Salamis*	*9,238*	*Tanker*	*Beached April 19*
10	*Sunnine*	*6,013*	*Bulk Logger*	*Beached April 19*
11	*Sunny 1*	*21,215*	*Bulk Carrier*	*Beached April 21*
12	*Sunny Voyager*	*22,706*	*Bulk Carrier*	*Beached April 21*
Total Tonnage		**160,325**		

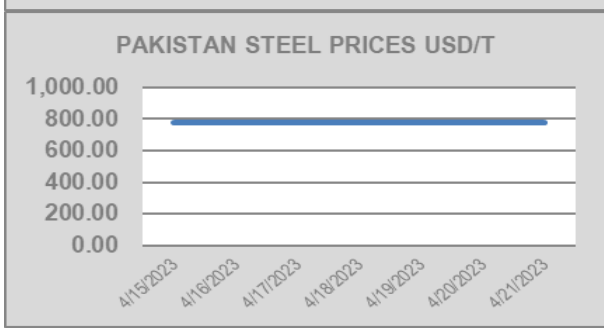
GADANI - Port Position as of April 21, 2023

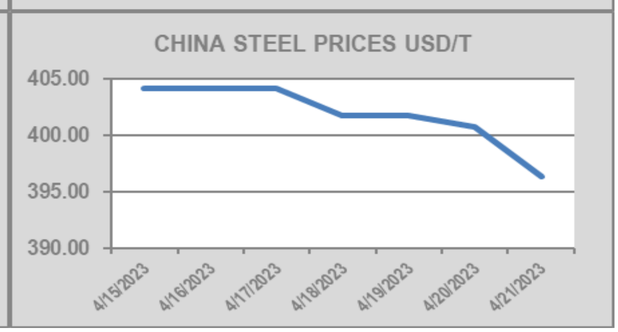
No.	VESSEL NAME	LDT	TYPE	STATUS
1	**Madina 1**	**1,657**	**Tanker**	**Arrived March 03**
Total Tonnage		**1,657**		

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
4/15/2023	549.79	45,000.00	777.39	220,000.00	697.12	72,500.00	404.18
4/16/2023	549.79	45,000.00	777.39	220,000.00	697.12	72,500.00	404.18
4/17/2023	547.76	44,900.00	777.39	220,000.00	697.12	72,500.00	404.18
4/18/2023	548.51	45,000.00	777.39	220,000.00	697.12	72,500.00	401.81
4/19/2023	544.88	44,800.00	777.39	220,000.00	697.12	72,500.00	401.81
4/20/2023	542.91	44,600.00	777.39	220,000.00	697.12	72,500.00	400.80
4/21/2023	541.56	44,500.00	777.39	220,000.00	697.12	72,500.00	396.35









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