

April 19th, 2024
 Week 16
 Volume 260, Issue 1130



“Life is one fool thing after another, whereas love is two fool things after each other.”

– Oscar Wilde

Highlights:

- Hols over.
- Steel gains.
- Picky buyers.
- Biding time.
- Geopolitics rule.

• Scan to download and view the GMS Weekly on our Recycling App!



MARKET COMMENTARY

VERSIONS OF VOLATILITY!

This week, various holidays concluded across the globe just as Indian sub-continent ship recycling markets started to perk up amidst fundamentals that have independently enjoyed varying degrees of volatility and resurgence over recent weeks. In fact, steel plate prices in Bangladesh & Pakistan remained flatlined at respectively firm levels - the effects of which has only helped these markets grab their share of high-priced fixtures since the start the of the year - all while the ever-volatile Indian plate price that fell last week, firmed, and even surged impressively this week. Currencies too have suffered tragic fates of late as nearly all recycling nation currencies have individually agonized through their own versions of volatility. The recent downtick in freight rates across key trading sectors has finally seen a sudden (and merciful) surge of containers, general cargo vessels, and even tankers being offered for sale into the various destinations - including Turkey, where the situation has gradually suffocated itself into non-existence since about a year now. As such, the overall 2023 dearth of tonnage, which has been further exacerbated by geopolitical violence of late, has eventually led to the virtual shutdown of various ship recycling yards as a result of.

Notwithstanding, a recent re-introduction of containers was the brick to break the price-dam once again as a solo container managed to clear the coveted USD 600/LDT mark (albeit with about USD 20/LDT of fuel included) and this sale in turn has been the pricing aphrodisiac to tempt several Owners of vintage units to test the markets once again, especially now that the various freight sectors may likely see shakes of their own. This ongoing tonnage drought has also made Ship Recyclers increasingly selective on their purchases, especially as Ship Owners and Cash Buyers continue to push for the firmest of levels – even on the occasional overaged vessel that is of a less than preferred Far-Eastern built, or poorly maintained, or laid up, and has eventually resulted in renegotiations at the time of delivery, due to the overall condition these units arrive in.

Recyclers are therefore inclined to bide their time & wait for the right value units to come available, rather than offering firm on whatever comes first in line, just to fill empty plots & end up with a vessel that struggles with weight loss issues during recycling, on account of a higher-than-average wastage of steel or having poorly maintained unsellable machinery onboard. With a majority of such vessels now being largely ignored, Recyclers are also risking leaving their yards empty and precious L/C & banking limits unfulfilled, especially in the event of an uptick in the supply of tonnage amidst further cooling freight rates. As such, it does seem as if each week brings with it, renewed tensions & drama now that the situation between Iran & Israel escalates by the week.

For week 16 of 2024, 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*	Improving	520 / LDT	540 / LDT	560 / LDT
2	Pakistan*	Improving	510 / LDT	530 / LDT	550 / LDT
3	India	Improving	500 / LDT	520 / LDT	530 / LDT
4	Turkey	Weak	320 / LDT	330 / LDT	340 / LDT

*Subject L/C approval

BANGLADESH

WHACKY WATERFRONT!

Juicy blend.

As Bangladeshi Recyclers return to work after month-long Ramadan / Eid celebrations, deservedly recharged and reportedly equipped with fresh L/C and bank limits, several high-priced sales have been reported to Chattogram Choppers (including the well-cited above USD 600/LT LDT container fixture from only a couple of weeks ago), resulting in a local port position that has immediately followed suit with 10 vessels & nearly 103K Tons of a juicy blend of vintage recycling tonnage that includes Tankers, Containers, and even an FSU, all of which are either idling at local anchorage or have already been introduced to their designated spot on the beach.

Magical USD 6XX/LT.

Moreover, as an increasing number of L/C approvals have been forthcoming, Owners of several overaged units have been seduced into taking advantage of the recent price surge from this market, and that too conveniently timed with a simultaneously dithering freight market, has resulted in a notably larger collection of fixtures to Chattogram Choppers at increasingly firmer levels – all of which are aiming for, but so far falling short of the magical USD 6XX/LT LDT price point.

Amazingly, local sentiments remained chirpy through the torrid performance of local fundamentals that not only saw the unending flatlining of local steel plate prices take an unexpected plunge during the Eid, but the Bangladeshi Taka also depreciated further (albeit marginally) towards BDT 110, ending the week at BDT 109.98 against the U.S. Dollar.

Best of 2024.

Overall, as fundamentals remain poised at levels that seem decent enough to keep this market atop the rankings chart, Bangladeshi Buyers have certainly put the pedal to the metal at the opportune time, now that Owners with tonnage to sell are once again looking to snag the best of the recycling world, given that the trading world has seemingly offered it's best through 2024 thus far.

NO MARKET SALES REPORTED

INDIA

ELECTION TIME!

Elections are finally underway in the most populous and largest democracy of the world, a process that is reportedly expected to last about 6 weeks and the results of which are due to be announced on June 2nd. As such, over-eager Cash Buyers with a penchant for offering well-above market levels are certainly keeping their eyes peeled, for what seems to be an imminent victory for the incumbent Modi Party once again – and deservedly so, especially with the raft of intended infrastructure projects that are expected to shift India's economy into overdrive for 2024 (and beyond).

Modi wins?

These projects should in turn, boost local steel plate prices and overall domestic demand for steel, whilst simultaneously firing up demand for ships and overall vessel prices from the world's largest ship recycling destination whose recycling waterfront has been mercilessly drug into non-existence of late. To the extent that for the second straight week, Alang's anchorage is the only sub-continent ship recycling destination to suffer the indignity of an empty anchorage, all while Gadani still has one vessel at its waterfront and Chattogram Buyers seem to have whipped out the winning tonnage lottery ticket this week.

Infrastructure hopes.

Domestic fundamentals continue to perform ever-so drastically over recent weeks, to the extent that local steel plate prices climbed about USD 20/Ton only to collapse by about USD 10/Ton last week and subsequently surge another USD 20/Ton as this week ended, while the Indian Rupee briefly surged past another record-breaking Rs. 83.70 this week, subsequently ending at levels approaching Rs 83.30 against the U.S. Dollar.

Last disport.

Overall, as regional competitors continue to position their offers just ahead of those from Alang Recyclers and enticing Ship Owners / Cash Buyers to (so far) re-direct their units onto neighbouring Pakistan or Bangladesh (depending on the last port of discharge), we can certainly expect Alang Buyers to get temptingly aggressive on their pre-monsoon offerings in the coming week(s), given that:

- Prime Minister Modi's election-run will almost certainly end in his victory.
- A larger number of containers / dry / wet units are now coming on offer, on account of shaky freight rates.
- An imminent & expectedly worse monsoon is due this year, given that Pakistan is already facing deadly floods in its South-West region.

Certainly, an interesting start to Q2 for the Indian market.

NO MARKET SALES REPORTED

PAKISTAN

UNABLE TO KEEP PACE!

Struggling to keep up.

With Chattogram's anchorage on fire this week, and Indian aggression also following suit amidst a brewing optimism on domestic infrastructure projects, the Pakistani market has struggled to keep up with an improving Bangladeshi market and even a firming India, which has resulted in domestic Recyclers reportedly losing out on several favored vessels this week.

Logically, those vessels positioned in the Far East are always likely to head to the better priced Bangladeshi market (in order to maximize the overall return on the transaction), but to see Alang Buyers starting to eclipse Gadani offerings once again is certainly a welcome opportunity for increased competition, especially when the inflow of tonnage seems finally ready to receive a welcome boost (in light of recently shaky freight rates) and it will be interesting to see just how Pakistani Ship Recyclers re-adjust their levels again next week.

Alang eclipse.

As the larger, dry-bulk, freight markets continue to impress, the resulting shortage of (locally preferred) Panamax & Capesize Bulk Carriers continues unabated, as Containers, General Cargo, and even Tankers have been clearly on offer. Moreover, as Bangladeshi Buyers take in a healthy collection of tonnage this week, Gadani's anchorage, though active (as compared to that of India) with at least one vessel still at the local anchorage, its arrival is from nearly a month ago and the vessel is still awaiting beaching, at a destination that has no tides. Seems increasingly as though there's trouble in paradise.

Meanwhile, there is little to report in terms of change in the domestic fundamentals, in that, local steel plate prices remain horizontal, and the Pakistani Rupee has started to disappoint once again, as it depreciated and ended the week at PKR 278.25 against the U.S. Dollar. Mother nature also hasn't been too kindly towards South-Western Pakistan this week with heavy rains, flash floods, and even lightning storms, reportedly killing scores of people in the region this week.

Quieter quarter?

As such, with Bangladeshi offerings continuing to surge and India gradually bridging the pricing gap that has kept Gadani's anchorage well-blessed through much of Q1 2024, it seems as though Pakistan's fallback to 3rd place in the market rankings is nearly imminent, especially as the weather has already started to worsen, and with the domestic ship recycling community already on the verge of breaking past last year's recycling volume record, it seems as though it will be a quieter upcoming quarter for the Pakistani Ship Recycling sector.

NO MARKET SALES REPORTED

TURKEY

AILING ALIAGA?!

After what seems to have been an exceptionally brutal 4 quarters ailing Aliaga, the recent hiccup in freight rates has mercifully sent several small-to-medium sized container vessels on offer to Turkish Ship Recyclers this week.

Brutal 4.

Unlike the sub-continent markets however, where Ship Owners proposing vessels into those markets are more than likely to receive impressive offers on their units in the coming week(s), Owners of vessels intended for Aliaga shores will only be greeted by weakening levels that are likely expected to fall even further in the coming weeks, especially if local steel plate prices and the Turkish Lira jointly report further declines. Of caution, the Turkish Lira has resumed its unstoppable decline as it passes TRY 32.50 against the U.S. Dollar this week.

An antithesis.

Overall, as an antithesis to the performance of the Indian sub-continent ship recycling markets, Turkey seems set to face even more performance hurdles, despite the strong possibility of an increase in tonnage flow.

INTERESTING SCIENCE & SPACE FACTS

- Mars' largest Valley could eat the Grand Canyon for a snack.
- At 2,500 miles (4,000 km) long, the immense system of Martian canyons known as Valles Marineris is more than 10 times as long as the Grand Canyon on Earth.
- Valles Marineris escaped the notice of early Mars spacecraft (which flew over other parts of the planet) and was finally spotted by the global mapping mission Mariner 9 in 1971. And what a sight it was to miss, or how could it have even been missed — Valles Marineris nearly stretches from coast-to-coast of the entire United States!
- The lack of active plate tectonics on Mars makes it tough to figure out how the canyon formed.
- Scientists think that a chain of volcanoes on the other side of the planet, known as the Tharsis Ridge (which includes Olympus Mons), somehow bent the crust from the opposite side of Mars.
- That cataclysmic force activated cracks in the crust, vast amounts of sub-surface water that emerged to carve away rock, and glaciers that crunched new pathways into the canyon system.
- Venus is a hellish planet with a high-temperature, high-pressure environment on its surface, and swept by super-powerful winds that...some think may harbor life. Bone-dry and hot enough to melt lead, it's not exactly a welcoming environment (and has probably always been inhospitable to life).
- When heavily shielded Venera spacecraft from the Soviet Union landed there in the 1970s, according to NASA, each lasted a few minutes or, at most, a few hours before melting or being crushed beyond their ability to function.

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
May 01 – Labor Day May 23 – Buddha Purnima	April 23 – April 29 May 05 – May 13 May 21 – May 29	

BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
May 01 – Labor Day May 23 – Buddha Purnima	April 23 – April 26 May 07 – May 10 May 23 – May 25	

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
May 1 – May 5 – Labor Day Holidays	May 5 – Labor Day Holiday	April 23 – National Sovereignty & Children's Day May 01 – Labor & Solidarity Day

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 April 19, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
-----	-------------	-----	------	--------

No new vessels reported.

Total Tonnage

-

CHATTOGRAM - Port Position as of April 19, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
-----	-------------	-----	------	--------

1	Denak Voyager	9,519	Bulk Carrier	Arrived April 18
2	Hong Yuan 01	11,481	Container	Beached April 13
3	Hong Yuan You 19	2,580	Tanker	Beached April 13
4	Island (Dead Vessel)	41,374	FSU	Arrived April 16
5	Medan 2	7,284	Container	Arrived April 18
6	One Victory	7,685	Bulk Carrier	Arrived April 17
7	Sinokor Hong Kong	5,475	Container	Arrived April 18
8	Swarajya	8,542	Tanker	Arrived April 12
9	Xin Run 66	2,908	Tanker	Arrived April 08
10	Yamta	6,003	Bulk Carrier	Arrived April 17

Total Tonnage

102,850

GADANI - Port Position as of April 19, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
-----	-------------	-----	------	--------

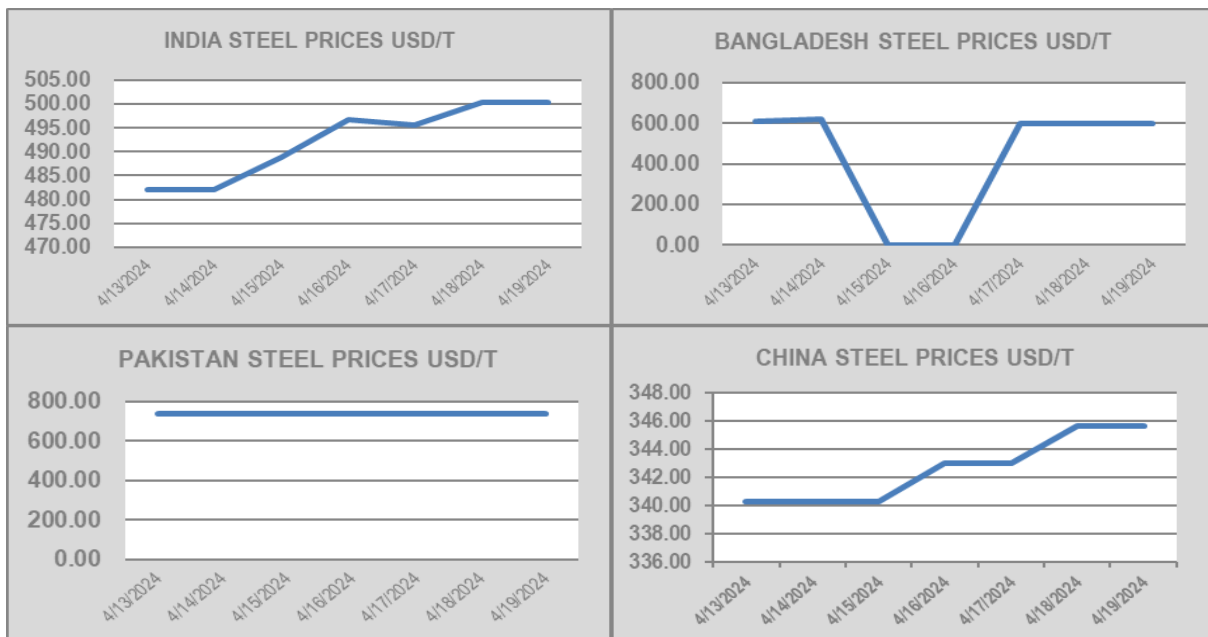
1	Sea Flower	5,282	General Cargo	Arrived March 27
---	------------	-------	---------------	------------------

Total Tonnage

5,282

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
4/13/2024	481.96	40,200.00	736.28	208,000.00	607.32	74,700.00	340.30
4/14/2024	481.96	40,200.00	736.28	208,000.00	622.50	74,700.00	340.30
4/15/2024	488.92	40,800.00	736.28	208,000.00	#VALUE!	NA	340.30
4/16/2024	496.77	41,500.00	736.28	208,000.00	#VALUE!	NA	343.06
4/17/2024	495.63	41,400.00	736.28	208,000.00	600.00	72,000.00	343.06
4/18/2024	500.36	41,800.00	736.28	208,000.00	600.00	72,000.00	345.68
4/19/2024	500.42	41,800.00	736.28	208,000.00	600.00	72,000.00	345.68



www.gmsinc.net



GMS_Leadership



GMS Leadership



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