

June 30th, 2023
Volume 250, Issue 1089
Week 26

QUOTE
of the
WEEK

"Perfection is not attainable,
but if we chase perfection, we can catch excellence."

– Vince Lombardi

Highlights:

- Not biting.
- Below expectation.
- HKC positives.
- Pakistan risks.
- India low.
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MARKET COMMENTARY

SUMMER LULL(ING)!

Ongoing Eid holidays and a serious lack of tonnage have meant a much quieter week in the ship-recycling industry, as the ongoing lull (in terms of new sales and activity) firmly descends across the markets.

Therefore, any price ideas that are still forthcoming remain noticeably below the market and not worth considering at this time and until we see liquidity issues ease in the industry, we are not likely to make much sense out of local markets.

Instead, the industry continues to move ahead with other improvements, such as the historical news from Bangladesh and its recent accession to the Hong Kong Convention, another positive step forward to finally getting the convention enter into force in another market – certainly a big win for the overall industry. In fact, Bangladesh has become the latest country (amongst 20 others) to ratify the convention, and this is indeed an important milestone for the country.

Conversely, Pakistan is at real risk of being left behind, having failed to follow India and Bangladesh in upgrading their facilities to follow HKC guidelines / requirements, atop the ongoing profound economic, political, and financial chaos that is currently afflicting the nation - Gadani really has become virtually redundant as a viable sub-continent recycling destination.

India has endured another steady if unspectacular week, as prices remain muted and well below expectations, mixed in with the lack of tonnage and no fresh arrivals at the waterfront, leaving another week of unfulfilled sales.

On the Western front, Turkey spends a quiet week on holidays, with no real movement locally, as Eid celebrations get underway.

Overall, tonnage flow has, as expected, cooled over the recent month and the industry is certainly hoping on some post-holiday improvement in prices, in order to get the industry moving again.

For week 26 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*	Stable	575 / LDT	605 / LDT	625 / LDT
2	India	Stable	520 / LDT	540 / LDT	560 / LDT
3	Pakistan*	Weak	510 / LDT	530 / LDT	550 / LDT
4	Turkey	Steady	320 / LDT	330 / LDT	340 / LDT

*Subject L/C approval

BANGLADESH

LACKING LIQUIDITY!

Virtual halt.

Eid holidays and a post-budget crackdown on fresh L/Cs have seen local resales come to a virtual standstill in Bangladesh.

This is somewhat disappointing as the market had been doing rather well before the budget and L/Cs now need to be re-approved, in order to satiate some of the improving demand / capacity in local yards.

Sales unlikely.

Moreover, Eid celebrations and local holidays further added to the damper on SNP activities as Chattogram Recyclers were busy with friends and family this week.

On the local fundamentals front, the Bangladeshi Take treads weakly at levels just shy of BDT 108.50, while local steel plate prices flatlined through the week once again, on account of Eid celebrations and a total lack of trading.

As such, until these financing issues ease and prices start to improve, it may be a far quieter summer to what we had been expecting in Chattogram.

INDIA

MORE TENTATIVE!

Levels in Alang have declined since the peaks seen earlier this year and the local market landscape shows an overall more tentative scene, with many End Buyers preferring to wait and watch market developments, before committing on new units.

Fundamentals-wise, Indian local steel plate prices went through a flurry of volatility, only to end the week USD 1/Ton over last. The Indian Rupee too suffered a minor setback as it breached Rs. 82 against the U.S. Dollar once again, leaving a curious after taste with end buyers who are now continually talking down the market.

As such, there seems little overall danger of Owners and / or Cash Buyers being tempted by these lower levels, and if charter markets (though more muted since the first quarter of the year) continue to offer a modicum of profit, fleet removal will be delayed.

This is also glaringly evident from the fact that local anchorage has only registered one fresh arrival since last week, as no fresh vessels were reported this week.

Waiting.

Curious after taste.

NO MARKET SALES REPORTED

PAKISTAN

NO CHANGE!

Inert market.

Ongoing Eid celebrations and holidays in Pakistan have not changed the fact that this has been an inert market since January when the last units were beached locally, unable to compete with Bangladesh or India, and even unable to gather the requisite finances / LCs in order to perform on deals – even small LDT vessels.

Financially, Pakistan is in the doldrums with some international media reporting that its U.S. Dollar foreign reserves are down to USD 2 Billion, which aren't expected to last more than a few weeks (if that) and as a result, ship-recycling has slipped down the totem pole of Pakistan's priorities.

Uncertainties.

Notwithstanding, the silver lining is that the IMF is expected to reportedly redirect some critical financial aid to the country. Yet, how much of that will be allocated to ship-recycling remains to be seen.

Fundamentally, the currency has endured a brutal couple of years, having lost a significant portion of its value as it currently trades north of PKR 286.10 against the U.S. Dollar, while local steel plate prices have flatlined for probably months on end now.

Regrettably, the ongoing domestic coups, constantly changing leadership, and political turmoil has further driven the economic state of the country in an overall mess.

As such, it remains uncertain when Pakistan will get back to the buying, and it seems pointless even discussing vessels with Gadani Recyclers under the current circumstances.

TURKEY

CELEBRATIONS!

Given the torrid shortage in the supply of tonnage coupled with weak sentiments, the Turkish recycling community kept distracted with Eid celebrations this week.

TRY 26

Moreover, given the current state of the Turkish Lira, which briefly breached TRY 26 against the U.S. Dollar, only to settle just shy of, by the time the week ended, local sentiments remain the doldrums. Even import and local steel plate prices reported no major changes this week, whilst Eid celebrations took priority.

As such, like the Pakistani market, there seems to be little happening with the Aliaga market, now or even in the near future.

Little happening.

INTERESTING FACTS

- *The moon has “earthquakes” called moonquakes that can change the tides of the ocean.*
- *Lunar dust is as fine as flour but it’s very course and it clings to everything, much like dust on Earth.*
- *The shadows on the moon are a lot darker than the ones on Earth.*
- *Neil Armstrong was the first man to walk on the moon in 1969, many still believe this was a conspiracy by the Americans filmed on Earth in order to show the Russians they been to the moon first.*
- *Earthquakes cause about 8 thousand deaths a year.*
- *There are more earthquakes in the Northern Hemisphere of the Earth than the Southern Hemisphere.*
- *There are four types of faults in the Earth: normal, thrust, reverse, and strike-up.*
- *The longest earthquake recorded in Earth’s history was in the Indian Ocean. The earthquake was in 2004 and it lasted nearly ten minutes.*
- *The largest earthquake recorded in the United States was in Alaska in 1964. The earthquake was a 9.2 on the Richter Scale.*
- *An earthquake has the potential to release hundreds of times more energy than the atom bomb the United States dropped on Hiroshima, Japan in 1945.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
June 28 – June 30 – Eid Ul Azha July 28 – July 29 - Ashura	June 30 – July 09 July 13 – July 22

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
June 28 – June 30 – Eid Ul Azha July 01 – Bank Holiday July 29 - Ashura	July 03 – July 06 July 18 – July 21

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No Holidays in July	June 29 – July 01 – Eid Ul Azha July 03 – Bank Holiday July 27 – July 28 – Ashoora	June 27 – July 01 – Kurban Bayrami July 15 – Democracy and National Solidarity Day

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ALANG - Port Position as of June 30, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	MSC Nicole	14,305	Container	Arrived June 23
Total Tonnage		14,305		

CHATTOGRAM - Port Position as of June 30, 2023

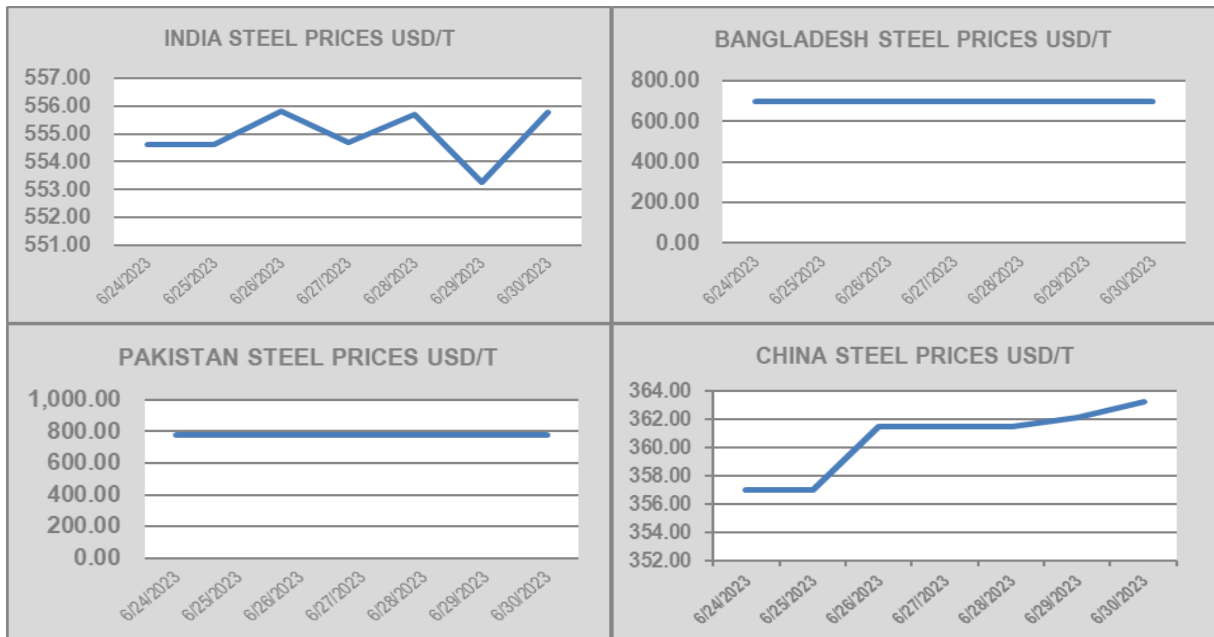
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Chian Jin	1,416	Reefer	Arrived June 27
2	Daebokgasho	1,108	LPG	Beached June 23
3	DPL Ayur	1,020	General Cargo	Arrived June 29
4	Hong Hao	11,857	General Cargo	Arrived June 20
5	Jasmine II	9,563	Bulk Carrier	Arrived June 27
6	SCO Qingdao	3,771	Container	Arrived June 30
Total Tonnage		28,735		

GADANI - Port Position as of June 30, 2023

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

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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
6/24/2023	554.61	45,500.00	777.39	220,000.00	695.24	73,000.00	357.00
6/25/2023	554.61	45,500.00	777.39	220,000.00	695.24	73,000.00	357.00
6/26/2023	555.83	45,600.00	777.39	220,000.00	695.24	73,000.00	361.52
6/27/2023	554.68	45,500.00	777.39	220,000.00	695.24	73,000.00	361.52
6/28/2023	555.69	45,600.00	777.39	220,000.00	695.24	73,000.00	361.52
6/29/2023	553.25	45,400.00	777.39	220,000.00	695.24	73,000.00	362.15
6/30/2023	555.76	45,600.00	777.39	220,000.00	695.24	73,000.00	363.28



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