

October 6th, 2023
Volume 254, Issue 1103
Week 40

QUOTE
of the
WEEK

“Opportunities don't happen, you create them.”

– Chris Grosser

Highlights:

- Upwards.
- India firm.
- Pakistan competes.
- Bangla disappoints.
- Container supply.
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MARKET COMMENTARY

RESURGENT!

After a dire summer that saw over USD 100/LDT wiped off vessel recycling prices in the Indian sub-continent ship recycling markets (and even Turkey to an extent), nearly all of the markets have enjoyed somewhat of an upward resurgence entering the fourth quarter of the year.

India has been the primary beneficiary of this recent resurgence with some stunning (container) purchases, some even approaching the USD 600/LDT mark once again. As China too entered a holiday period, Indian local steel plate prices were the only ones to have traded this week and even gain marginal ground, all while the Indian Rupee remained relatively steady against the U.S. Dollar. Demand from Alang Buyers also remains rampant pursuant to a successful G20 summit and the announcement of various infrastructure projects.

It is therefore unsurprising to see most of the tonnage head towards Alang, which remains the market of the moment with the top payers / players / performers and has been the most reliable destination for transacting L/Cs of all sub-continent markets.

Pakistan has certainly come back into the picture of late and several End Buyers have even managed to secure L/C approvals to purchase 5 - 6 (mostly Panamax sized) Bulkers. With those vessels successfully beached, Gadani subsequently endured a slight dip and cooling of local demand as bank restrictions resumed. However, as L/C approvals seemingly start to filter through once again, we can expect sales to take place into Pakistan before the year is out.

Bangladesh has been the great disappointment of late, as prices tumbled uncontrollably during the summer / monsoon months and the Chattogram market has yet to fully recover. Indeed, LC approvals are struggling once again as steel plate prices remain stranded well behind their competitors, to the extent that the BSBRA has had to temporarily halt the sale of inventory from local yards to domestic steel mills, in order to prevent underselling at these loss-making levels.

Overall, the supply of tonnage has primarily been Containers over the last month, but as Dry Bulk vessels continue to trade at less than impressive rates, we have witnessed a steady introduction of vintage Handy and Panamax Bulkers, with Capes seeming set to come as well.

For week 40 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	Improving	540 / LDT	560 / LDT	580 / LDT
2	Pakistan*	Steady	520 / LDT	540 / LDT	560 / LDT
3	Bangladesh*	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Improving	300 / LDT	310 / LDT	320 / LDT

*Subject L/C approval

BANGLADESH

SALES SUSPENDED!

Week to forget.

It has been another unmemorable week in Bangladesh, with prices well off their sub-continent counterparts - in what has turned into one of the biggest disappointments of the ship recycling sector all year.

Things have gotten so bad domestically, that the Bangladesh Ship Breakers & Recyclers Association (BSBRA) even suspended all sales of ship's steel from local yards to domestic steel mills - so poor are steel plate prices at present. This is subsequently leading to a backlog of inventory at local yards, with little to no offers from Chattogram Recyclers on any of the recycling tonnage that is currently on offer, at anywhere near sensible levels.

Quiet year end.

From this week on however, the BSBRA has reportedly decided to resume the sale of plates only, with scrap sales still suspended. Notwithstanding, little to no sales of plates have reportedly taken place and with such low demand for tonnage, many of the smaller domestic mills have reportedly shut down.

While fundamentals are certainly the key drivers behind local pricing and with steel so miserably down / out, the Taka is doing its best to stay steady as it regrettably breached BDT 110 several times this week, only to end it a couple of pennies shy.

Chattogram anchorage is also starting to display the after-effects of such poor offers as local arrivals start to diminish, with only a couple of units left idling at anchorage amidst a slew of beachings of old fixtures of small LDT vessels this week.

As such, it remains to be seen how the Chattogram market fares moving into the final months of the year, but basis its present performance, it seems destined to remain rather quiet.

NO MARKET SALES REPORTED

INDIA

GOING STILL GOOD!

Further sales and deliveries have been confirmed into a firm Indian market this week, with Alang Buyers still desperate to secure their share of the tonnage, especially whilst the going remains good.

Keen to acquire.

Even with steel prices enduring their usual rollercoaster over the course of a week – still ending the week a modest USD 5/Ton over last – and the Indian Rupee firming back down towards Rs. 82 against the U.S. Dollar once again, fundamentals have certainly been on a firm to improving mode this last month.

Optimism abounds.

Moreover, after news of a successful conclusion of the G20 summit that was held in India several weeks ago, in addition to several new infrastructure projects being announced, a wave of optimism has swept through the country and certainly the Alang market.

Meanwhile sales and deliveries continued at pace as a locally favoured PCC from Japanese owners was committed this week basis a full range HKC resale, as the FORESIGHTER (11,238 LDT) managed to fetch a decent USD 512/LDT basis an 'as is' Japan delivery, in the latest trend of well-priced Alang deals.

Even on the local anchorage front, a situation similar to Chattogram unfolds wherein the number of vessels at anchorage is the same, but Alang has far more LDT at the waterfront / beached this week, ensuring that this Local Recyclers remains well stocked during and post the anticipated Diwali slowdown.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
FORESIGHTER	PCC	11,238	USD 512/LT LDT ('as is' Japan for HKC resale only)

PAKISTAN

BACK IN BIZ!

Securing tonnage.

Whilst not quite as exuberant and bullish as their Indian counterparts, the Pakistani market has certainly had a successful few months, securing some much-needed tonnage after almost a year out of the buying.

5 - 6 Panamax Bulkers have already been sold and beached / delivered to Gadani Recyclers, who managed to open and obtain local L/Cs with great difficulty during these hard financial times, and their efforts have certainly paid off, resulting in this market's most recent shaky run.

Encouraged.

Just a reminder that the country has suffered through disastrous floods last year, in addition to various political and financial / economic turmoil, which in turn led to severe banking restrictions, resulting in Gadani Buyers having their hands tied only until recently – in terms of their ability to purchase and import recycling tonnage.

Coupled with local steel plate prices that have pretty much flatlined for months on end and a currency that only until several weeks ago, was teetering on the edge of PKR 310 against the U.S. Dollar, Pakistani sentiments seemed to be at an all-time low.

However, with recent weekly improvements in the Pakistani Rupee that is now trading under PKR 283.50 against the U.S. Dollar, in addition to the relative stability in the market, a raft of sales into Pakistan has given Gadani, the much-needed encouragement that Local Buyers were in need of.

NO MARKET SALES REPORTED

TURKEY

HOT BUYERS – NO STEAM?!!

After last week's offer frenzy, which reportedly saw a few Local Buyers present offers that were approaching USD 400/MT (even though the reality of pricing is much lower), this week saw just as much interest from Aliaga Recyclers, regrettably with no steam.

Offer frenzy.

In a bitter reminder of the harrowing shortage of tonnage for this market amidst a firming sub-continent sector that has certainly given pause to Ship Owners on a possible / potential redelivery – Aliaga certainly has its work cut out for itself.

Moreover, as steel plate prices remain dormant in Turkey, the Lira continues to weaken and present increased hurdles for Local Buyers, especially as it passes TRY 27.60 and likely on its way to TRY 28 against the U.S. Dollar.

TRY 28?

While the present is certainly an encouraging time for the Turkish market, the end of Q4 or even early Q1 2024 could present further challenges to this market, should the Lira continues to depreciate.

An interesting time ahead for this market.

INTERESTING FACTS

- Oxygen is made in stars. Oxygen is part of the 'ash' that is formed when a star burns.
- When you hyperventilate, it's not an excess amount of oxygen that makes you feel lightheaded and dizzy. It's the fact that you're forcing too much carbon dioxide out of your lungs.
- There are three types of solar eclipses: a total solar eclipse, an annular solar eclipse, and a partial solar eclipse.
- There can be two to five solar eclipses each year, depending on the geometry of the sun, moon, and earth.
- The longest amount of time that a solar eclipse can last is only seven and a half minutes.
- If there are planets in the sky during a solar eclipse, they can be seen as points of light in the sky.
- The longest solar eclipse of the century was on July 22 over India, Nepal, Bhutan, and China. It lasted six minutes and twenty-seven seconds.
- Watching an eclipse with a naked eye is extremely dangerous and will harm your vision, it can also potentially make you blind.
- The colors in the Aurora Borealis are from different kinds of protons and electrons slam into the Earth's magnetic field.
- The Aurora Borealis is visible from space.
- The Earth isn't the only planet that has astronomical anomalies like the Aurora Borealis. Jupiter, Saturn, Uranus, and Neptune all have similar spectacles.

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
October 24 – Vijaya Dashami October 31 – Sardar Vallabhbhai Patel Jayanthi	October 14 – October 20 October 26 – November 03	

BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
October 24 – Durga Puja	October 13 – October 16 October 27 – October 30	

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
October 01 – 06 – National Holiday	October 24 – Founding Day	October 29 – Republic Day

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ALANG - Port Position as of October 06, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Austin III	2,402	Chemical Tanker	Arrived October 06
2	Berry	6,499	Container	Beached October 05
3	E Drill (Under Tow)	4,904	Jack-up	Beached October 05
4	Fortune Trader	7,912	Container	Arrived October 04
5	Frio Olympic	4,698	Reefer	Beached October 04
6	Hongkong	7,009	Container	Beached October 04
7	MSC Jasmine	14,305	Container	Beached October 05
8	MSC Maria	3,958	Container	Beached September 29
Total Tonnage		51,687		

CHATTOGRAM - Port Position as of October 06, 2023

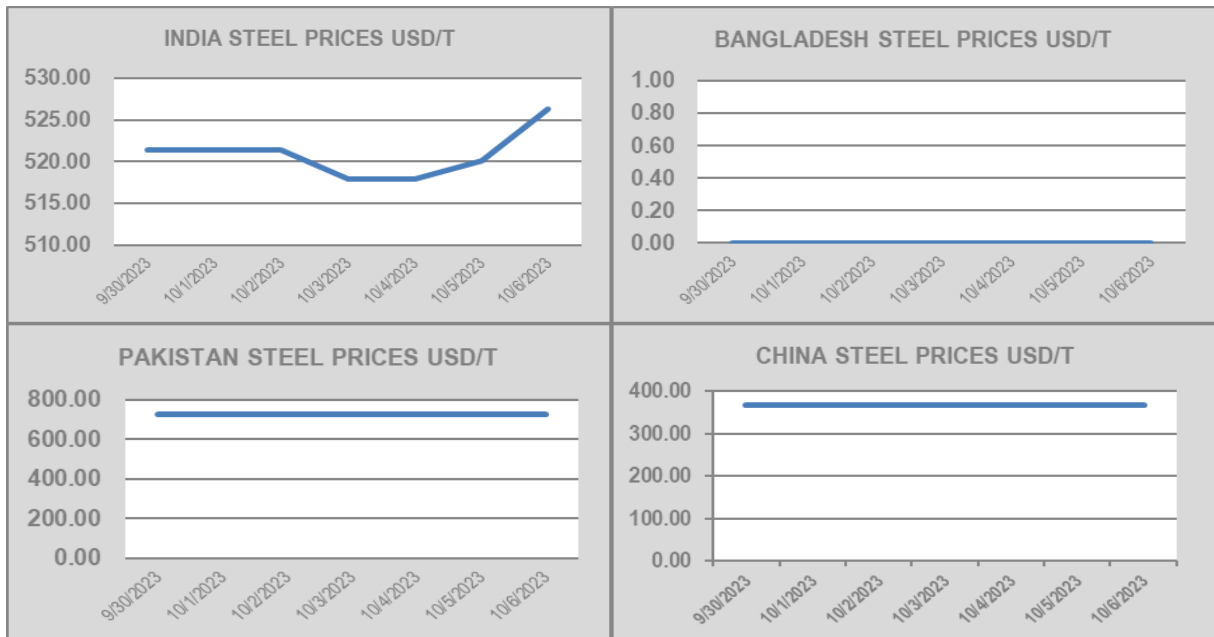
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ana	7,981	Bulk Carrier	Beached October 04
2	Express 6	1,265	Tanker	Beached October 03
3	Harin Navee 10	975	General Cargo	Arrived October 01
4	Harin Transport 1	1,065	General Cargo	Beached September 30
5	Haven Guarder	6,079	Bulk Carrier	Beached October 02
6	Heng Hui 2	14,546	Container	Beached October 02
7	Sirtanasin	757	Tanker	Beached October 04
8	Yi Ding 9	1,552	Tanker	Arrived September 21
Total Tonnage		34,219		

GADANI - Port Position as of October 05, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Agios Nikolaos I	9,743	Bulk Carrier	Arrived October 03
2	Yong Ning	12,724	Bulk Carrier	Beached September 28
Total Tonnage		22,467		

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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
9/30/2023	521.44	43,300.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/1/2023	521.44	43,300.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/2/2023	521.44	43,300.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/3/2023	517.97	43,100.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/4/2023	517.90	43,100.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/5/2023	520.12	43,300.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/6/2023	526.25	43,800.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76



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