

October 13th, 2023
Volume 254, Issue 1104
Week 41



“Rivers know this: there is no hurry. We shall get there some day.”

– A.A. Milne

Highlights:

- Positive.
- Steel fluctuation.
- Healthy debate.
- Volumes low.
- Feeder supply.
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MARKET COMMENTARY FORUM FUNDAMENTALS!

As deals continue to be concluded into Alang, the Indian ship recycling sector remains on a positive footing overall, with Pakistan and (especially) Bangladesh still lagging behind. Despite steel plate prices coming off by about USD 11/Ton and the Indian Rupee weakening marginally over the course of the week, the overall outlook for India still remains positive.

Several Ship Recyclers from the sub-continent markets were gathered at the annual Tradewinds Ship Recycling Conference in Singapore this week, as they discussed market sentiments, fundamentals, and the latest regulations moving forward. There was also a healthy debate about the potentially blurry and contradictory nature of EU vs HKC Recycling and the various rules and requirements imposed on each vessel.

Owners, regulatory bodies, End Buyers, Cash Buyers, monitoring companies, Underwriters, Brokers, and various other key players from the industry, all convened for what was another good turnout at the forum, in a landmark year in which, the HKC has **finally** been ratified in Bangladesh, ahead of its entry into force two years later, whereafter, all yards in Chittagong must be HKC approved by a certain date in the future, in order to operate.

There remains no change in the overall inertia of all markets as steel plate prices continue to flatline in both Bangladesh and Pakistan and their respective currencies continue down the same trajectory as last week. Even Turkey spent much of the week as last, with steel plates that were slightly weaker and still without any fixtures to support local demand.

In terms of supply, expect the usual flow of feeder Containers and Dry Bulk vessels as we approach the end of the year, at what is perceived to be historically firm recycling levels in the low to mid 500s/LDT.

Overall, even though the volumes of recycling tonnage remain muted, many in the industry are expecting supply to pick up going into 2024, and all of the recycling markets are firing (hopefully) on all cylinders once again, with the ability to open L/Cs with greater security and efficiency than we have seen thus far this year (especially in Pakistan and Bangladesh).

For week 41 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	Steady	530 / LDT	550 / LDT	570 / LDT
2	Bangladesh*	Steady	515 / LDT	535 / LDT	555 / LDT
3	Pakistan*	Weak	510 / LDT	530 / LDT	550 / LDT
4	Turkey	Steady	300 / LDT	310 / LDT	320 / LDT

*Subject L/C approval

BANGLADESH

BACK IN PICTURE?

Growing hope.

An improvement in indications has seen Bangladesh re-enter the picture this week, as there is increasing hope that moving forward, the remainder of 2023 could be a relatively better end to the year for Chattogram Recyclers than the last few months have been.

While local fundamentals are doing nothing to assist the local sentiments i.e., steel plate trading has come to a dead halt with prices flatlined at \$0/Ton and the Bangladeshi Taka jumping into BDT 110 territory against the U.S. Dollar several times and ending the week just shy of – it seems Local Buyers have simply accepted their depressed state of affairs and are willing to return to the bidding with more serious offers on hand.

Can divert?

Accordingly, a Suezmax tanker was confirmed at an enormous level to a particularly bullish Cash Buyer as the ALANA (22,471 LDT) was sold for a previously unthinkable price of USD 570/LT LDT with gas free for hot works clean upon arrival.

Accordingly, now that some serious and firm indications have been emanating from the Bangladeshi market this week, moving forward, it remains to be seen whether this market can snag and divert any of the recent fixtures that may presently be heading towards Alang shores, especially if these Buyers are able to obtain the various L/C & bank approvals that they have been struggling with once again of late.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ALANA	Tanker	22,471	USD 570/LT LDT

INDIA

MUCH CHATTER!

Much of the chatter at the annual Tradewinds Ship Recycling Conference from Indian recyclers has seemingly painted a slightly bleaker picture for this market in the coming week(s), with levels overall being generally lower than what was being indicated last week, due declining steel plate prices that depreciated by about USD 11/Ton this week.

Slightly bleaker.

As such, a potentially re-emerging Bangladesh has managed to secure the showstopper sale of the week – although granted that larger LDT wet tonnage generally tends to go for a premium at Chattogram shores.

Price rebound?

Indian demand does remain good, with only a moderate supply of tonnage thus far to Indian yards in 2023. And if steel prices and the currency stabilises, then perhaps we could see prices even pick up again towards the end of the year.

However, as mentioned above, this week steel did decline in India, while the Indian Rupee continues to dance around Rs. 82 and Rs. 83 – only to end the week just north of Rs. 83.20.

On the sales front, MSC continued their clear-out of older tonnage as the MSC LEVINA (12,857 LDT) was confirmed for a decent USD 565/LT LDT with 400 Tons of bunkers included in the sale and basis a guaranteed resale to a limited 10 yards and for strictly HKC recycling.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MSC LEVINA	Container	12,857	USD 565/LT LDT (with 400 Ts bunkers for limited yards only HKC recycling)

PAKISTAN

RUPEE FLUCTUATES!

10 percent appreciation.

Only after a reported governmental crackdown against illegal money exchangers and hoarders, has the Pakistan Rupee seemingly endured another interesting week, having appreciated over 10% since September, and ending the week at levels under PKR 277 against the U.S. Dollar.

As such, much of the offerings from Gadani Recyclers during the recent Rupee collapse have been far more muted and most remain in a wait-and-watch mode – ready to step back in once the currency and local steel plate prices (which are still flatlined) stabilize, and improvements to L/C approvals are set in place.

Quieter year end.

It therefore seems to be a quieter Q4 for the Pakistani market, despite the recent flurry of Panamax Bulker sales into Gadani, which had once again put this market back in the picture after almost a year on the sidelines.

NO MARKET SALES REPORTED

TURKEY

EXPEXTEDLY INACTIVE!!

With no firm tonnage on offer, marginal changes in fundamentals, and a war brewing amongst its neighbors, there was expectedly little that could have been expected from Aliaga this week.

Other than marginal movements in steel plate prices (USD 10/Ton down on import and about USD 5/Ton on local steel plate prices) and a currency that continues to slither towards oblivion – currently over TRY 27.80 against the U.S. Dollar – there remains little to keep local Recyclers motivated.

Will Turkey head in the same direction as Pakistan i.e., a quiet end to Q4, remains to be seen. For now, it's been still waters in Aliaga for nearly the 2 quarters now.

TRY 28?

Still waters.

INTERESTING FACTS

- *The Aurora Borealis is easier to see with a camera than the naked eye.*
- *You can't predict the pattern of the Aurora Borealis. It is completely random each time.*
- *The Aurora Borealis is only in the North Pole. The South Pole has its own set of lights, called the Aurora Australis.*
- *The colors of the Aurora Borealis depend on the altitude of the lights. Lower altitudes produce blue and green lights, and the higher altitudes produce red and orange lights.*
- *The country with the most tornado touch downs is the United States of America. Each year, about a thousand tornadoes touch down.*
- *There have been people who have been sucked into a tornado and lived to tell the tale.*
- *A tornado that originated in Oklahoma destroyed an entire motel. The motel's sign was later found in Arkansas.*
- *A tornado in Mississippi picked up an 83-ton train and tossed it eighty feet away from the rails.*
- *Tornadoes can make lots of noise, or no noise at all. It depends on what debris the tornado has sucked up and is carrying along.*
- *The winds in a tornado are so strong that knives and forks that have been picked up by the winds are later found embedded deep into tree trunks.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
October 24 – Vijaya Dashami October 31 – Sardar Vallabhbai Patel Jayanthi November 12 - Diwali	October 14 – October 20 October 26 – November 03 November 12 – November 19 November 25 – December 02

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
October 24 – Durga Puja No holidays in November	October 13 – October 16 October 27 – October 30 November 12 – November 15 November 25 – November 28

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in November	October 24 – Founding Day November 09 – Iqbal Day	October 29 – Republic Day No holidays in November

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ALANG - Port Position as of October 13, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Austin III</i>	2,402	<i>Chemical Tanker</i>	<i>Beached October 12</i>
2	Fortune Trader	7,912	Container	Arrived October 04
3	Marsa Iris	7,852	Container	Arrived October 07
4	MSC Denisse	14,349	Container	Arrived October 13
5	Tycoon	12,651	Bulk carrier	Arrived October 13
6	Uni Aspire	7,098	Container	Arrived October 08
Total Tonnage		52,264		

CHATTOGRAM - Port Position as of October 13, 2023

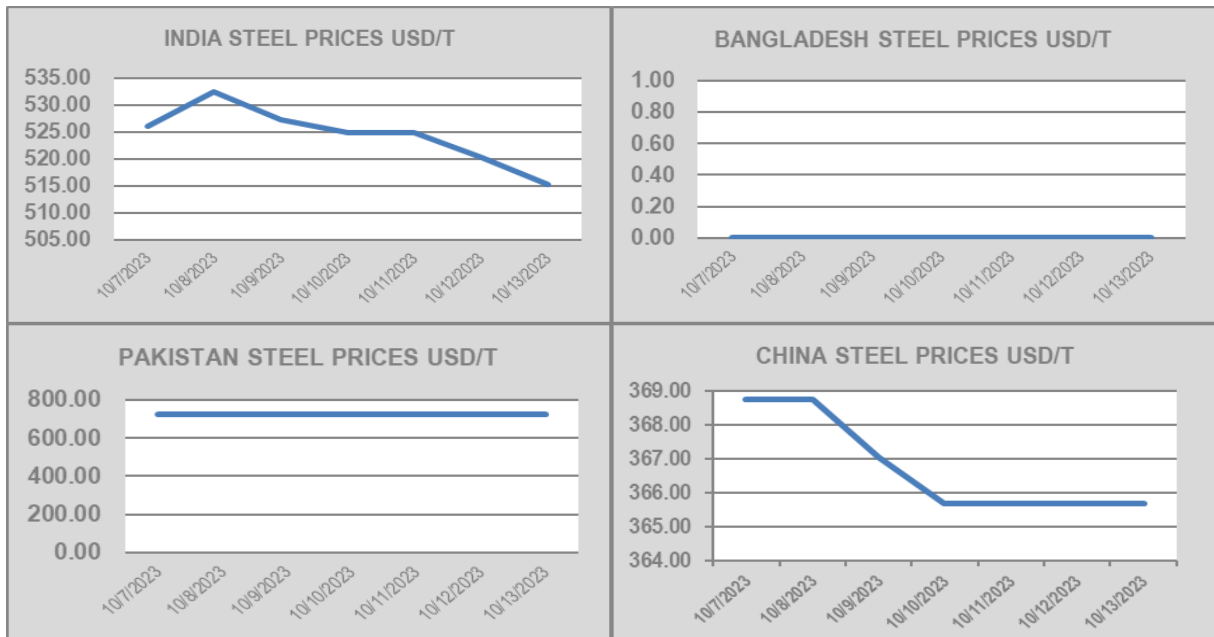
No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Harin Navee 10</i>	975	<i>General Cargo</i>	<i>Beached October 06</i>
2	Tai H	4,044	RoRo / Cargo	Arrived October 10
3	Yi Ding 9	1,552	Tanker	Arrived September 21
Total Tonnage		6,571		

GADANI - Port Position as of October 12, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Nikos Ex Agios Nikolaos I</i>	9,743	<i>Bulk Carrier</i>	<i>Beached October 03</i>
Total Tonnage		9,743		

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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
10/7/2023	526.19	43,800.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/8/2023	532.59	43,800.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/9/2023	527.39	43,900.00	725.49	222,000.00	NO TRADING	NO TRADING	367.05
10/10/2023	524.99	43,700.00	725.49	222,000.00	NO TRADING	NO TRADING	365.70
10/11/2023	524.99	43,700.00	725.49	222,000.00	NO TRADING	NO TRADING	365.70
10/12/2023	520.25	43,300.00	725.49	222,000.00	NO TRADING	NO TRADING	365.70
10/13/2023	515.38	42,900.00	725.49	222,000.00	NO TRADING	NO TRADING	365.70




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