

October 20<sup>th</sup>, 2023  
Volume 254, Issue 1105  
Week 42

QUOTE  
of the  
WEEK

"The only one who can tell you "You can't win" is you,  
and you don't have to listen."

– A.A. Milne

## Highlights:

- Cooling off.
- LC issues.
- Hesitating.
- Price peak?
- Empty sales.

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## MARKET COMMENTARY

### MOMENTUM STALLS!

This week, all of the major recycling markets seemed to be deteriorating at the same time as steel plate prices in India declined for a second straight week, further deteriorating Indian sentiments and making Alang Buyers increasingly hesitant to offer firm once again.

Additionally, as the Israeli conflict rages on in the region, not only are economic pundits predicting oil prices to rise in the near future, but it is also seeming to affect the forex value of recycling nation currencies as other than the Indian Rupee, all of the other currencies noted a simultaneous devaluing against the U.S. Dollar this week.

Ongoing difficulties in obtaining the relevant financing / L/C approvals also continues to pose a significant problem for recyclers in both Pakistan & Bangladesh and this has led to a minimal number of vessels being concluded into both markets over the past several weeks. With India leading the way during this time, several container units were concluded into Alang at fantastic prices (one even breaching the magical USD 600/LDT mark) as a result.

Meanwhile, many in the industry believe prices may have peaked and much of the chatter at the Tradewinds Ship Recycling Conference in Singapore last week, circled around prices and sentiments cooling down towards the end of the year, especially as some of the frantic buying seemingly concludes and the expected Diwali price cooling starts to loom larger.

Finally, Turkey also slips again this week as the Lira finally breaches past TRY 28, and on the back of slipping plate prices (both import and local steel), Turkish levels were seen slipping by about USD 10/MT themselves, dipping Aliaga below USD 300/MT for dry units.

Accordingly, it is unlikely to be the busy conclusion to 2023 that many were anticipating (especially based on recent sentiments) and expectations are that the next sales will likely take place at similar (if lucky) or (most likely) lower levels. An empty sale chart also suggests that a pickup in Dry Bulk and Container charter rates will likely keep vessels away from the beaches a little longer. However, this is only delaying the inevitable, of what is expected to be a busy 2024 (at the very minimum) for ship recycling.

For week 42 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	Declining	520 / LDT	545 / LDT	565 / LDT
2	Bangladesh*	Weak	510 / LDT	530 / LDT	550 / LDT
3	Pakistan*	Weak	505 / LDT	525 / LDT	545 / LDT
4	Turkey	Declining	290 / LDT	300 / LDT	310 / LDT

\*Subject L/C approval

## BANGLADESH

### UNABLE TO SHIFT!

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*Trying to compete!*

For Chattogram Ship Recyclers over the recent months, there has been no competing with a rampant India or even a firmer Pakistani Ship Recycling market and the days of concluding cheap / distressed sales amidst predatory pricing tactics from Local Buyers are certainly over, especially as this market struggles through its currently quiet phase, unable to secure any tonnage what-so-ever.

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*Troubles persist.*

The odd, yet interesting sale does occasionally pop up from the few Local Recyclers who have ready L/C limits (such as last week's sale of the Suezmax Tanker ALANA - 22,471 LDT), but this simply appears to be a strategy at keeping credit lines utilized, plots open, and workers employed during this tonnage drought, thereby minimizing variable costs during the slow time.

Indeed, as steel plate prices flatlined, much of the steel inventory from vessels sold over the first six months of the year had yet to really shift from local yards and this was causing significant troubles for Local Recyclers, who eventually resorted to boycotting / halting the sale of ship's steel to domestic mills, in turn causing the mills to shut down operations - so disappointing has demand for steel & steel plate prices consequently been of late.

However, now that steel has FINALLY started trading at levels around the mid USD 500s/Ton this week, it is very difficult to see how any Owner / Cash Buyer can accept offers from this market at recent levels and consider them to be a safe gamble at this time. Moreover, the Bangladeshi Taka has made matters (psychologically) worse as it firmly plants itself at BDT 110.20 against the U.S. Dollar this week.

As such, we do not expect much activity from this market in the coming weeks and perhaps even until the end of the year.

**NO MARKET SALES REPORTED**

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## INDIA

### REACHING PEAK?

As vessel prices finally started to cool off on the back of deteriorating local steel plate prices that have declined for two consecutive weeks (and to the tune of about USD 20/LDT), Alang Recyclers have expectedly retreated into their safe spaces once again and resumed their “wait-and-watch the market” mode before offering or even committing on fresh tonnage.

The prevailing expectation is that the next batch of vessel fixtures will take place at levels lower than those witnessed on recent sales and as we head towards Diwali Holidays & the end of the year, The Alang market may well have peaked for Q4 2023.

As mentioned above, while local steel plate prices did cool off by about USD 20/Ton over the last couple of weeks, the Indian Rupee however, was also the only currency that did not depreciate against the U.S. Dollar this week and it hung on to levels in the low Rs. 83.

Notwithstanding, on the back of these impressively rich fixtures of late, local anchorage is also the only destination that remained the busiest this week with 12 vessels and nearly 100K LDT that is either idling at anchorage or has ended up on the beach. These recently delivered units should certainly keep the local appetite fulfilled – at least until the turn of the year / 2024, when supply is expected to pick once again.

As such, it is unsurprising to see a slowdown in activity this week, not only as firm candidates dry up amidst a decrease in recycling levels, but also due to a recent pickup in charter rates that continue to keep vessels in their respective trades.

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*Steel stalls.*

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*No sales.*

**NO MARKET SALES REPORTED**

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## PAKISTAN

### ONE STEP FORWARD, TWO STEPS BACK!

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*Alarming appreciation.*

In a crackdown against illegal money hoarding, the alarming appreciation of the Pakistani Rupee by about 10% over recent weeks has once again seen Gadani Recyclers abstain from the buying for another week, unsure of just how far this volatility will continue, especially as the Rupee weakened against the U.S. Dollar for the first time in over a month.

While most in the country were starting to get accustomed to this extreme instability in the currency and the various effects it had on the domestic economy, this latest crackdown has rocked the nation and taken a majority of its citizens by surprise.

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*Difficult financing.*

Additionally, and as mentioned above, domestic fundamentals are not doing much to assist local sentiments either, as the Pakistani Rupee depreciates marginally against the U.S. Dollar once again, ending the week at PKR 278.40, all while local steel plate prices finally resume trading once again this week and immediately weaken by USD 5/Ton as well.

Overall, after the recent sales of 6 Panamax Bulklers for recycling into Gadani, vessel financing & L/C approvals have become increasingly difficult to obtain once again and just as some progress was starting to be made, the Pakistani market seems to have taken two steps back – evidence of which can also be noted in Gadani's Port Position this week as the waterfront once again reported an empty anchorage.

**NO MARKET SALES REPORTED**

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## TURKEY

### SLIPPING?!

Turkey appears to be the one market that seems to be constantly struggling to get any tonnage traction at all, and certainly far longer than any of its sub-continent competitors, who have stuttered through their cyclical recycling ride through much of what has certainly been a volatile 2023.

Amidst a tonnage drought that is being blamed for the ongoing state of domestic ship recycling affairs, weakening domestic fundamentals have not been much help either as not only did import and local steel plate prices decline by about USD 10/Ton in unison, but the Lira has finally breached the TRY 28.0 mark against the U.S. Dollar this week.

Meanwhile, as war in the neighboring region ravages on, how long is it before Turkish fundamentals take more of a hit and this market slips further? Dry Bulk offers from Turkey are certainly highlighting that as local indications slip below USD 300/MT and levels overall fell about USD 10/Ton as well this week.

Certainly, a market worthy of inheriting a wait-and-watch sentiment for the time-being.

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*TRY 28 is here.*

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*Below USD 300/Ton.*

## INTERESTING FACTS

- *Once in Oklahoma, a herd of cattle was picked up by a tornado and then set down across the countryside. None of the cattle were harmed.*
- *When a tsunami happens in the deepest part of the ocean, the waves are only one to three feet tall.*
- *The states in the United States that are most at risk of tsunamis are Hawaii, Alaska, Washington, Oregon, and California.*
- *The most common cause of a tsunami is an earthquake, but they can also be caused by volcanic eruptions, landslides, rapid changes in atmospheric pressure, as well as other things.*
- *Scientists guess that an asteroid hit the earth about 48 hundred years ago in the Indian Ocean and created a wave up to six hundred feet high.*
- *Most palm trees survive tsunamis because their trunks have adapted to strong winds and waves.*
- *Right before a tsunami (up to half an hour before), the ocean will appear to recede. This is called a "drawback".*
- *Some animals have the ability to detect tsunamis, such as elephants, flamingos, dogs, and other creatures.*
- *Two people will never see the same rainbow. This is because every human sees colors a different way. The same shade of red you see might be a completely different shade for your brother or sister.*

## IMPORTANT DATES

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

<b>BANGLADESH</b>	
BANK HOLIDAYS	BEACHING TIDES
October 24 – Durga Puja <b>No holidays in November</b>	October 27 – October 30 November 12 – November 15 November 25 – November 28

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

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### ALANG - Port Position as of October 20, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Dan	6,776	Container	Arrived October 20
2	Fortune Trader	7,912	Container	Beached October 17
3	Hal Anant	4,092	Supply Vessel	Beached October 20
4	Hua DA 606	3,473	General Cargo	Arrived October 17
5	Marsa Iris	7,852	Container	Beached October 15
6	Ming Zhou	13,370	Container	Arrived October 18
7	MSC Denisse	14,349	Container	Beached October 18
8	MSC Levina	12,858	Container	Beached October 20
9	Nanta 7	5,095	Container	Beached October 19
10	Nevey	3,435	General Cargo	Arrived October 17
11	Tycoon	12,651	Bulk Carrier	Beached October 19
12	Uni Aspire	7,098	Container	Beached October 15
<b>Total Tonnage</b>		<b>98,961</b>		

### CHATTOGRAM - Port Position as of October 20, 2023

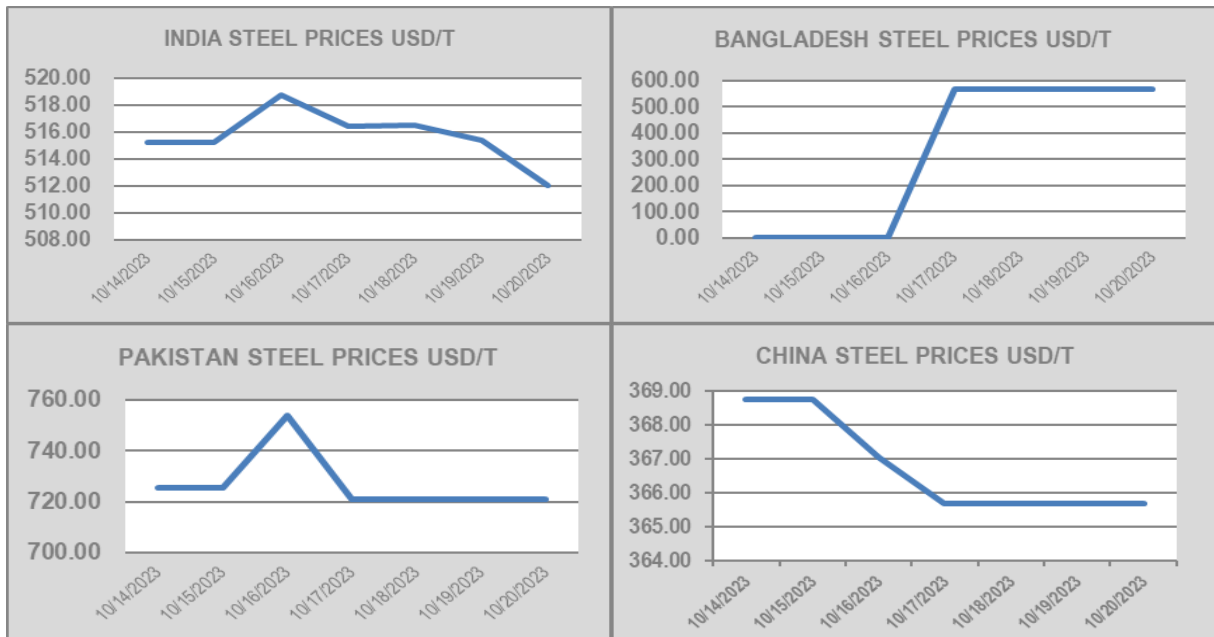
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Jahan	7,516	Bulk Carrier	Arrived October 18
2	S. Maru 4	1,095	Tanker	Arrived October 15
3	Tai H	4,044	RoRo / Cargo	Arrived October 10
<b>Total Tonnage</b>		<b>12,655</b>		

### GADANI - Port Position as of October 20, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No new vessels reported.</b>				
<b>Total Tonnage</b>		<b>0</b>		

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
10/14/2023	515.25	42,900.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/15/2023	515.25	42,900.00	725.49	222,000.00	NO TRADING	NO TRADING	368.76
10/16/2023	518.73	43,200.00	753.72	215,000.00	NO TRADING	NO TRADING	367.05
10/17/2023	516.45	43,000.00	720.72	200,000.00	569.11	70,000.00	365.70
10/18/2023	516.52	43,000.00	720.72	200,000.00	569.11	70,000.00	365.70
10/19/2023	515.38	42,900.00	720.72	200,000.00	569.11	70,000.00	365.70
10/20/2023	512.02	42,600.00	720.72	200,000.00	569.11	70,000.00	365.70



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