

November 17th, 2023
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Week 46

QUOTE
of the
WEEK

“The question isn't who is going to let me;
it's who is going to stop me.”

– Ayn Rand

Highlights:

- Filtering back.
- Steel sluggish.
- Slower on sales.
- Keep trading.
- L/C pains.

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MARKET COMMENTARY

BRIGHTER DAYS AHEAD?

As Diwali holiday celebrations concluded earlier in the week, Alang Recyclers seems to slowly be filtering back to work amidst declining plates prices, sentiments, and local offerings that remain stagnant.

Unfortunately, this remains the ongoing dilemma across much of the Indian sub-continent ship recycling markets, especially as steel plate prices are yet to gain ground to the extent many in the industry had been hoping for thus far, whilst currencies simultaneously continue to cause ongoing worries for respective domestic markets.

On the flip side, Turkey continues to record minor improvements in steel fundamentals and vessel prices, all while another slow week of sales activity permeates across all of the major ship recycling markets this week, with limited offerings on tonnage or even any market / private deals being reportedly concluded this week, which is subsequently pushing present day sales candidates further down the conclusion timeline, as key players in the industry continue to expect a decent / firmer end to the year and especially early 2024.

Meanwhile, Bulk Carriers and Containers continue to surprisingly trade at a fraction above their current Opex levels, even if recycling prices are at historically (and relatively) firmer levels today. This may perhaps be that these present-day slim earnings on vessel trades are likely not as (financially) troublesome to vessel who Owners who may have had quite the success and finances accumulated across the various sectors during the Covid-19 Pandemic.

Additionally, owing to the severe lack in the availability of U.S. Dollar reserves in the affected ship-recycling destinations and government mandates introduced to restrict the allocation of dwindling foreign currency reserves on essential items only, which has resulted in domestic banks becoming increasingly unwilling to sanction fresh L/Cs on recycling vessels in Pakistan and Bangladesh

As such, troubling times continue to persist across nearly all of the major ship-recycling locations as Recyclers continue to bid on tonnage, all with the ongoing anticipation of a firmer start to 2024 – particularly if international steel prices are anything to go by!

For week 46 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	Weak	510 / LDT	530 / LDT	550 / LDT
2	Bangladesh*	Weak	505 / LDT	525 / LDT	545 / LDT
3	Pakistan*	Weak	500 / LDT	520 / LDT	540 / LDT
4	Turkey	Improving	305 / LDT	315 / LDT	325 / LDT

*Subject L/C approval

BANGLADESH

OFF THE PACE!

Tentative and nervy.

Bangladesh has certainly endured a rough Q4 2023, with declining prices and declining local sentiments, both of which remain tentative & nervy on further unexpected / incoming depreciations, all of this while ongoing L/C frustrations continue to pervasively frustrate this market.

Accordingly, the barely active Chattogram market has been marginalized for yet another week, with no significant sales, offers, or even hints of demand emanating from the local market.

Looking lower.

With the Taka having passed the BDT 110.50 mark several times this week against the U.S. Dollar already and steel plate prices flatlining at region USD 580/Ton, the future of Bangladeshi vessel pricing is imminent in the tea leaves.

As such, all eyes remain on competing markets, especially India, to see where markets fully open up post Diwali this coming week and whether better-priced deals can be acquired from the Bangladeshi market moving forward. Judging on the recently bullish international steel prices, this may seem to shed some optimism for this market.

Notwithstanding, just how soon that will happen, is the missing crystal ball that our world truly deserves during current times.

NO MARKET SALES REPORTED

INDIA

POST DIWALI BLUES?

After several sales over preceding weeks, it has been a far-quieter period in India over the recent Diwali holidays, resulting in no fresh sales being reportedly being concluded into the Alang market this week.

Most in the industry remain optimistic about an end-of-year rally that would keep India in the lead – particularly as supply is expected to increase in 2024 and global steel prices gained decent ground over recent weeks, giving some much needed encouragement to domestic ship recyclers.

Moreover, India is the only market to resist U.S. Dollar depressions or even steel plate calamities like competing markets have endured all year long.

Notwithstanding, volatility does continue in Indian steel plate prices that have lost about 5% percent of its value over the last month and further depreciating another approximately 1% this week again. All while the Indian Rupee stays buoyant against the U.S. Dollar as it continues to trade in the low Rs. 83s.

As such, the much hoped for a post-Diwali resurgence has yet to take hold and offer increasing opportunities for Ship Owners to take advantage of, on their aging beauties.

No sales.

Steel losses.

NO MARKET SALES REPORTED

PAKISTAN

GETTING BACK?

Trying best.

Despite the ongoing currency and local steel plate price woes, Pakistani Buyers have been doing their best to get back into the action of late as are reportedly enquiries emerging from Gadani shores once again, especially from those Recyclers who are reportedly ready with L/Cs and who see ship acquisitions as a way of hedging against the ongoing currency depreciations and the economically depressed situation at present.

Despite this, no new / fresh sales have yet taken place into Pakistan, but Buyers here are monitoring activity in competing markets and getting their L/C approvals in place for the next round of acquisitions (in due course).

Fraction behind.

Firming local mindsets have also been bolstered by the Pakistani Rupee that once again firmed (albeit marginally) against the U.S. Dollar this week, but still remains at a depressed PKR 287.

Even local steel plate prices seem to be performing (comparatively) way better than the rest of the industry, especially as they remain flatlined week-after-week, at levels that have remained surprisingly firmer than the rest of the industry, i.e., north of USD 700/Ton at the time of writing.

Yet, Gadani Recyclers remain unable to be competitive and secure their fair share of vessels.

What then is causing this disparity in local offerings? Would it be the ongoing lack of tonnage? The crippling L/C requirements demanding heavier deposits that recyclers are unable to deliver on, or is it that steel plate prices remain suspended at the last-price traded in an effort to recuperate local losses?

Questions are certainly abound at this time.

Notwithstanding, prices remain behind India & Bangladesh, even though this market is now making indications to some increased aggression that may ultimately lead to finally acquire units in the coming week(s).

NO MARKET SALES REPORTED

TURKEY

FIRMER YET!

Turkey continues to surprise the industry, with weekly ongoing improvements amidst a key depreciating fundamental that should have taken the steam entirely out of its domestic ship-recycling market.

As import steel plate prices improved by another USD 8/Ton, which may have (directly or indirectly) affected local offerings by another USD 5/MT this week, the Lira continues to commensurate its ongoing demise against the U.S. Dollar, as it treads deeper towards an eventual TRY 29 leap.

Overall, this market, while firming, continues to suffer from the deathly starvation of meaningful tonnage.

USD 8/MT jump.

Closer to TRY 29?

INTERESTING FACTS

- *Did you know? The ring around Saturn is water frozen to ice. It lies far away from the sun and that's why the ice has frozen into water. The planet is the home to the Solar System's most amazing ice ring.*
- *Ganymede, Jupiter's biggest star, has a salty ocean and has more water than on the entire earth. Had it been orbiting the sun and not Jupiter, it'd be considered a planet.*
- *Yes, this might sound absurd but hold on! It's true. A day on earth is longer than a year on Venus. Venus takes 243 earth days to finish one rotation and 225 earth days to orbit the sun. Hence, a day on earth is longer than a year on Venus.*
- *According to American Scientist, Neptune, Uranus and Saturn have extreme atmospheres and the vast pressure can crystallize carbon atoms to turn them into diamonds, thereby resulting in a hail of diamonds.*
- *NASA suggests the energy solar flares release is equal to 100 million megaton atomic bombs exploding at the same time. It's a blessing that the earth's atmosphere protects us from such kind of radiation.*
- *Burping into space is impossible.*
- *You cannot BURP in space. When you burp on earth, gravity keeps down the solid and liquid food you ate. So, you only exhale the gas. In absence of gravity, gas can't separate from liquid or solid.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
December 24 – Christmas Eve December 25 – Christmas Day December 26 – Christmas Holiday December 31 – New Year's Eve	November 12 – November 19 November 25 – December 02 December 11 – December 19 December 24 – December 31

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
December 16 – Victory Day December 25 – Christmas Day December 31 – Bank Holiday	November 25 – November 28 December 12 – December 15 December 26 – December 29

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in December	December 25 – Quaid-e-Azam Day December 26 - Day After Christmas	No holidays in December

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ALANG - Port Position as of November 17, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Angel A	1,391	General Cargo	Beached November 11
2	Deva	12,660	Bulk Carrier	Arrived November 18
3	Great	9,759	Bulker	Beached November 12
4	Mas Mulia (Under Tow)	5,601	Barge	Beached November 12
5	One Destiny	7,698	Bulker	Beached November 13
6	Quality	3,700	Livestock	Arrived November 19
Total Tonnage		40,809		

CHATTOGRAM - Port Position as of November 17, 2023

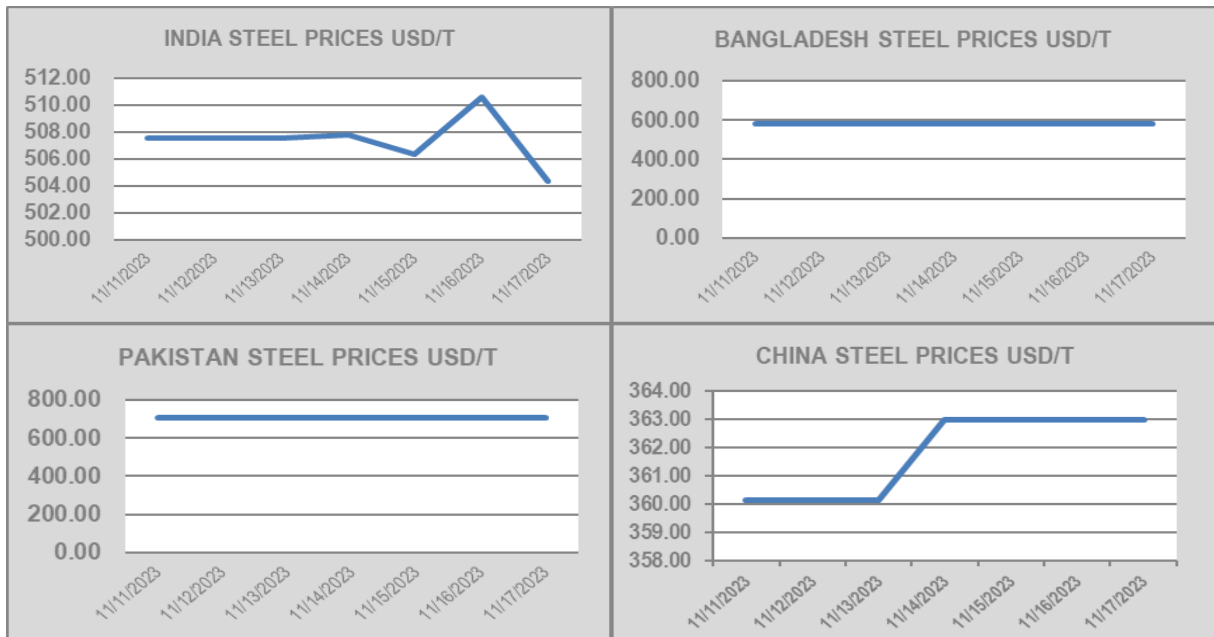
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Kokuryu Maru	2,473	RoRo / Cargo	Beached December 14
2	Loggerhead	1,088	Tanker	Arrived November 11
3	Sighter	11,238	Vehicles Carrier	Beached December 15
4	Yango	5,866	Container	Beached December 14
Total Tonnage		20,665		

GADANI - Port Position as of November 17, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
No new vessels reported.				
Total Tonnage		0		

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
11/11/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/12/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/13/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/14/2023	507.80	42,300.00	706.71	200,000.00	581.30	71,500.00	362.98
11/15/2023	506.37	42,100.00	706.71	200,000.00	581.30	71,500.00	362.98
11/16/2023	510.63	42,500.00	706.71	200,000.00	581.30	71,500.00	362.98
11/17/2023	504.32	42,000.00	706.71	200,000.00	581.30	71,500.00	362.98



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