

January 19th, 2024
Volume 257, Issue 1118
Week 3



“Life becomes easier when you learn to accept the apology you never got.”

– R. Brault

Highlights:

- GMS SSORP.
- Ship Monitoring.
- Barren sales board.
- Low USD 500s/LDT.
- India suffers.
- Scan to download GMS Recycling App



MARKET COMMENTARY

2024, SSORP, & SHIP RECYCLING!

With 2024 well underway and HKC sales having taken center stage of late, GMS remains delighted to remind our readers that its *Sustainable Ship & Offshore Recycling Program (SSORP)* continues to surpass all of the stipulations & requirements for the environmentally safe and responsible recycling of ships that are currently set by the Hong Kong Convention (HKC). Significantly, SSORP has become a guardian that ensures compliance monitoring and auditing initiatives, a process that has been rigorously verified & endorsed by Lloyd’s Register Quality Assurance (LRQA). As adherence to safety and environmental standards becomes increasingly vital – ship owners, ship recycling facilities, and a growing number of maritime stakeholders are increasingly leveraging the strengths of SSORP, underscoring their own collective allegiances to sustainability.

In a testament to this fact, since inception, SSORP has not only completed the successful recycling supervision & compliance monitoring of over 120 ships & offshore assets, over the years, SSORP has also become the *only* choice for a growing number of prestigious maritime companies as over 30 ship & offshore owners have nominated SSORP as their only compliance monitoring partner. SSORP is also the *only program to estimate the carbon footprint of ship recycling* and with SSORP at the helm, your company’s ESG requirements are adeptly realized & aligned with your recycling needs, meeting the highest standards of environmentally safe recycling for your vessels.

For a complete overview of SSORP, we welcome you to a three-minute video that explains the essence, rationale, and operational aspects of GMS’s Sustainable Ship and Offshore Recycling Program at <https://www.youtube.com/watch?v=zcVW8vI53pE>. For further information, we also invite you to contact Dr. Anand Hiremath directly at anand@ssorp.net.

On the Ship Recycling front this week, even as vessel prices improved from the lows seen towards the end of 2023 and plate prices made a massive jump in Bangladesh over the last couple of weeks, only a trickle of sales have been confirmed into the recycling markets in 2024 thus far. There also seems a reluctance from ship owners to bite at current offers in the low USD 500s/LDT, having seen levels around USD 100/LDT higher only a couple of quarters ago. Mercifully, L/C restrictions have been easing in Pakistan & Bangladesh and as a result, a noticeable interest to buy has been emerging from both markets. India on the other hand continues to suffer with steel price declines that are leaving end buyers scratching their heads over whether they can (or even should) compete with their strengthening neighbors. Lastly, Turkey on the far end remains as invisible as ever.

For week 3 of 2024, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Pakistan*	Improving	500 / LDT	520 / LDT	540 / LDT
2	Bangladesh*	Improving	490 / LDT	510 / LDT	530 / LDT
3	India	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Steady	340 / LDT	350 / LDT	360 / LDT

*Subject L/C approval

BANGLADESH

TENTATIVELY DOES IT!

Few deals.

Despite last week's anticipated election victory for Prime Minister Sheikh Hasina's ruling party, a subsequent increase in L/C & financing approvals from various banks in the country, and a whopping USD 50/Ton jump reported in local steel plate prices over the last couple of weeks that resulted in a tentative return to action for Bangladeshi Buyers - meaningful deals are yet to be reported to Chattogram Choppers, thanks to a deathly dearth in the availability of recycling candidates that has and continues to permeate across all markets.

Geopolitical tensions.

On the local fundamentals front, after the recent USD 50/Ton firming of plate prices, steel flatlined at the higher levels for much of this week, all whilst the Bangladeshi Taka briefly spiked towards BDT 110 against the U.S. Dollar, only to strengthen marginally and end the week at levels closer to BDT 109.50.

Local port position also saw only a modicum of activity via a few fresh arrivals this week, as a bevy of recent arrivals said their last goodbyes to the waters for the final time a.k.a. beached.

Rising Geopolitical tensions across the globe could also see an increase in freight rates as a backlog gradually emerges and vessel owners continue to divert their ships away from the troubled Red Sea shipping lanes, resulting in firming chartering levels that could invariably lead to an increased lack of recycling candidates sooner than expected - perhaps even before Spring comes around.

Certainly, a frustrating time for Chattogram Choppers where finally available funds have nowhere to be spent and business cannot continue 'as usual'.

INDIA

KEEPING BUSY!

Despite being the only sub-continent destination that has been, and continues to remain rock-solid for transacting L/Cs & related financial matters, India has managed to sink to the bottom of the sub-continent price rankings, especially as the ongoing volatility in domestic steel has seen local plate prices decline by almost 10% in recent months (and a further USD 6/Ton this week), whilst the Indian Rupee weakens in unison, crossing over the dreaded Rs. 83 mark against the U.S. Dollar once again.

Decline.

Thankfully, the absence of readily available financing that has been haunting India's recycling neighbours for much of 2023 has inadvertently helped Alang Recyclers conclude a handy collection of decent deals - even across January 2024 so far – with a majority of the supply coming in from MSC who have not only sold a ship per week since the start of year, but they have also restricted the onward sale of their units to a select number of HKC approved yards in India (only).

Select units.

As such, MSC committed their third container vessel with the sale of MSC JEMIMA (12,677 LDT) at an ongoing & decent USD 525/LT LDT, a price that not only includes about USD 10/Ton worth of bankers onboard, but also restricts the HKC only recycling resale to a handful of Alang yards.

Meanwhile, similar to Chattogram, Alang's port position continues to see its share of fresh arrivals & ongoing deliveries to domestic yards on a weekly basis, all while local Buyers get increasingly nervous about the prospect of future units (especially) amidst the ongoing tonnage draught, and a firming regional competition that has displaced India to sub-continent's last place.

Notwithstanding, despite the presently firmer offerings from both Pakistan & Bangladesh, L/C financing issues that have never been an issue for the Indian market, a far greater number of open & available HKC yards, and a growing uncertainty in the Middle East that Pakistan inadvertently finds itself being pulled into, there is the lingering expectation that India will likely get more than its fair share of the supply of recycling units through 2024 (for whatever much that supply should be).

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MSC JEMIMA	Container	12,677	USD 525/LT LDT (for limited HKC approved recycling yards only)

PAKISTAN

LACK OF CONFIRMED DEALS!

Growing demand.

A noteworthy increase in the availability of financing & workable L/Cs coupled with a firming of demand in Gadani has yet to translate into any confirmed deals for Pakistani Recyclers, thanks to an ongoing deficiency in the overall availability of recycling units across the board.

Moreover, as Gadani's port position continues to get comparatively busier with decent, large LDT tonnage greeting the waterfront and some even beaching this week (*See Gadani's Port Position on Page 7*), local Recyclers with freshly available financing are reportedly getting frustrated at the ongoing lack of decent, larger LDT units to sink their teeth into.

Firing back.

This became even more apparent (in Pakistan) this week as despite only 3 vessels being at the Gadani's waterfront, the total amount of LDT is nearly identical to that of competing India & Bangladesh, where 8 & 7 vessels are at their respective waterfronts – clearly highlighting the volume of small LDT, discounted recycling tonnage that is currently in the market.

Meanwhile, with the conclusion of Bangladesh's General Election only last week, Elections are also in the works for both Pakistan (and India) in the month(s) ahead and as such, there may be some hesitancy / uncertainty to acquire units moving forward, at least until the outcome of the results of the election(s) are officially known and any potentially negative consequences have come about as a result of.

Finally, following on from the recent incursions and subsequent bombings by the U.S. and U.K. forces of various Houthi targets in Yemen, regional tensions appear to be erupting in Pakistan as well this week as reportedly, the country exchanged several missiles with neighboring Iran, in a greater blow to an already fragile situation that is unfolding across the region.

Certainly, a 'Tricky Spring' for this market.

NO MARKET SALES REPORTED

TURKEY

ANOTHER WILD SNOOZER!

Week 3 of 2021 has endured another wild snoozer for Aliaga Recyclers as there was no reported movement in local or import steel prices this week, all while the Turkish Lira continues to slip deeper into U.S. Dollar territory, ending the week at a historically tragic TRY 30.20.

As such, how long can local Recyclers maintain the level of their current offerings, remains to be seen - especially given that the Lira continues to collapse by the week and without remorse.

Meanwhile, as the ongoing shortage of prospective recycling tonnage remains extremely high, geopolitically, Turkey too has entered the unfolding crisis in the Middle East, whereby Turkish President Erdogan has reportedly confirmed his alliance with Iran and the Houthis.

Could this possibly result in potential sanctions against Turkey in the months ahead, subsequently affecting the ability of Turkish Recyclers in transacting U.S. Dollars – all at a time when the Lira continues to sink to breathtaking records by the week - remains to be seen.

For not, it seems Aliaga may be destined to the sidelines (and for the time-being) after all.

Lira digs deeper.

Sidelines after all?

INTERESTING FACTS

- *Plants make food from light. It is one of the most mysterious facts about plants and their ability to directly convert sunlight into food and energy via the process of photosynthesis, a process that is still not completely understood. It is argued to be one of the most efficient forms of harnessing Energy from the Sun.*
- *While there are an incredible number of energy sources in the universe, Light is the only energy we can see with our eyes.*
- *We see a rainbow because of the light as the water droplets in the air result in the light splitting up into colors, forming a marvelous rainbow.*
- *Sunlight can only penetrate to a depth of about 80m in the ocean.*
- *Unlike historically (mis)understood, Light does NOT travel in a straight line in space because of a process called 'Gravitational Lensing', whereby the gravitational force of a massive interstellar object will bend light traveling around it.*
- *The largest light source in the oceans is Bioluminescence. In fact, a majority of the creatures thriving below about 1,500 feet are luminous.*
- *Inside the closed space of an Easy-Bake oven, a 100-watt bulb can form a temperature of 325 F.*
- *Light doesn't have mass, but it certainly carries momentum that can be detected by sensitive detectors.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
January 26 – Republic Day No Holidays in February	January 23 – January 30 February 08 – February 15 February 23 – February 27

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
February 21 – Martyr's Day February 25 – Shab-e-Barat	January 27 – January 30 February 09 – February 14 February 24 – February 29

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
February 10 – February 16 – Spring Festival Holiday	February 05 – Kashmir Solidarity Day	No Holidays through February

Prices indicated above are as reported in the market and are not necessarily accurate. This information is provided without prejudice and is given in good faith and without any guarantees whatsoever. While every 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. Opinions expressed herein may be deemed subjective and arbitrary. This WEEKLY is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination, or other use of this information by persons or entities other than the intended recipient is prohibited.

ALANG - Port Position as of January 19, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Arkay AB 11 (Under Tow)	788	Dumb Barge	Beached January 16
2	Arkay AB 12 (Under Tow)	779	Dumb Barge	Arrived January 19
3	AT Middle Bridge	3,406	General Cargo	Arrived January 12
4	MSC Sophie	13,616	Container	Beached January 12
5	MSC UMA	10,455	Container	Beached January 13
6	Proliv Longa	1,270	Fishing Vessel	Beached January 13
7	Sas 4	935	Supply Vessel	Arrived December 16
8	Viliga	807	Fishing Vessel	Arrived January 18
Total Tonnage		32,057		

CHATTOGRAM - Port Position as of January 19, 2024

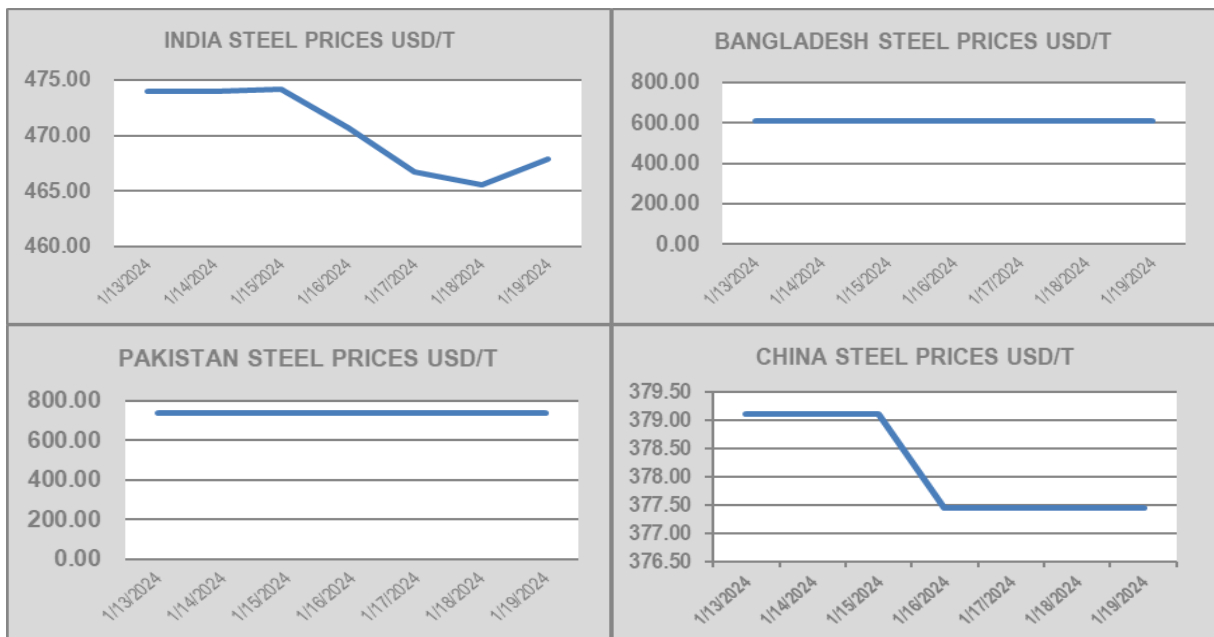
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Duta 1	5,913	RoRo / Cargo	Beached January 18
2	General Romulo (Dead Vessel)	2,553	General Cargo / Container	Beached January 17
3	Guangzhou	8,895	Container	Beached January 16
4	Jin Hai Xi	5,931	Bulk Carrier	Beached January 13
5	Sambong 3	2,570	General Cargo	Arrived January 18
6	Yi Cheng 58	4,301	MPP	Arrived January 16
7	Yong Feng	2,055	Tanker	Beached January 17
Total Tonnage		32,218		

GADANI - Port Position as of January 17, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	G Harmony	11,312	General Cargo	Beached January 13
2	SSL Delhi	10,669	Containers	Arrived January 16
3	Tune	9,986	Bulk Carrier	Arrived January 16
Total Tonnage		31,967		

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
1/13/2024	473.95	39,300.00	736.28	208,000.00	610.57	75,100.00	379.11
1/14/2024	473.95	39,300.00	736.28	208,000.00	610.57	75,100.00	379.11
1/15/2024	474.18	39,300.00	736.28	208,000.00	610.57	75,100.00	379.11
1/16/2024	470.69	39,100.00	736.28	208,000.00	610.57	75,100.00	377.46
1/17/2024	466.68	38,800.00	736.28	208,000.00	610.57	75,100.00	377.46
1/18/2024	465.59	38,700.00	736.28	208,000.00	610.57	75,100.00	377.46
1/19/2024	467.89	38,900.00	736.28	208,000.00	610.57	75,100.00	377.46



www.gmsinc.net



GMS_Leadership



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snp@gmsinc.net

Athens, Greece Tel: +30.210.899.0669
Cumberland, USA Tel: +1.301.759.9240
Hamburg, Germany Tel: +49.40. 3197.9963
Shanghai, China Tel: +86.216.075.1900
Singapore Tel: +65.6823.8037

Bhavnagar, India Tel: +91.278.300.5253
Dubai, UAE Tel: +971.4.423.0720
New York, USA: +1.240.505.9716
Seoul, South Korea Tel: +82.10.4650.0720
Tokyo, Japan Tel: +81.3.5453.6311