

February 16<sup>th</sup>, 2024  
Volume 258, Issue 1122  
Week 7



“Basically, the first half of life is writing the text, and the second half is writing the commentary on that text.”

– Richard Rohr

## Highlights:

- Dearth of tonnage.

- Rate rise.

- Container delay.

- Geopolitical moves.

- Growing demand.

- Scan to download  
GMS Recycling App



## MARKET COMMENTARY

### STILL SLOW... AND IT'S 2024!

Despite Chinese New Year Holidays concluding on Friday, a pervading theme of an unrelenting dearth in the overall availability of tonnage across global ship recycling markets has been enduring for several quarters now, resulting in another dry and dreary week of market inactivity and silence across all recycling destinations.

The industry also re-introduced us to Econ 101 this week, in that, charter rates continue to remain artificially elevated (especially) in the dry bulk sector, consequently placing a tighter squeeze on the overall supply of vessels for recycling, a subsequent firming of demand & offers from the Bangladeshi and Pakistani markets, and a simultaneous cooling of sentiments & pricing from an inexplicably reserved India - the forever anomalous market regularly defying predictable patterns.

Even in the container sector, wherefrom an overall clearing of older units has been overdue, this segment continues to (surprisingly) generate a bevy of second-hand buyers of overaged box carriers who are willing to fix & operate these aged units at levels marginally above Opex / Capex rates, just to make the most of this unseasonable uptick in the trading markets while they can.

As previously reportedly, what has been keeping freight rates artificially propped up during recent times are ongoing geopolitical concerns that continue to dominate the trading landscape via two wars, in addition to the unrelenting Houthi Rebel attacks that are maintaining disruptions for merchant vessels traversing the Red Sea area, all while many were expecting fewer ‘wakes’ in the shipping lanes over these traditionally quieter Chinese New Year holidays.

Moreover, with the conclusion of general elections in Bangladesh & even in Pakistan last week, a final and **major** election is expected to conclude in India next month as currently governing Prime Minister Modi is up for re-elections and (likely) victory, in what has turned out to be a noteworthy Q1 of voting and possible change across the major sub-continent ship recycling destinations this year. In the West End, Turkey reported further negative movements in import steel as well as the Turkish Lira, making matters further worse for a market that is rapidly running out of Oxygen.

Overall, as China’s workforce is expected to filter back to work next week and most businesses resume operations, all in the industry continue to hope for a busier finish to Q1 2024.

For week 7 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	Bangladesh*	Improving	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Improving	500 / LDT	520 / LDT	540 / LDT
3	India	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Weak	340 / LDT	350 / LDT	360 / LDT

\*Subject L/C approval

## BANGLADESH

### TOP DOGS!

---

*Ready to buy.*

Upon the recent conclusion of Bangladesh's general elections and with the uncertainties surrounding the outcome of the voting now in the rear-view mirror, a subsequent easing in the overall availability of L/Cs for domestic ship recyclers has been protuberant across Chattogram's ship-recycling landscape ever since, resulting in a far greater demand emanating from this market.

As such, industry players have been witnessing an overtly apparent aggression to negotiate on and conclude any available tonnage at the bidding tables, an apparent act of tonnage-induced hunger that has elevated Bangladesh to the top of the market rankings once again.

In fact, over the last 6+ months, a disastrous reason for the malignant L/C problems in both Bangladeshi & Pakistani markets has primarily been on account of a tragic shortage in the availability of U.S. Dollar reserves in both countries, which in turn resulted in both governments cracking down on the availability of their dwindling U.S. Dollar reserves and creating a torturous lack in the availability of much-needed financing for recycling ships via a blanket restriction on the issuance of L/Cs from domestic banks.

---

*Fundamentals stable.*

Notwithstanding, even though a small number of these problems are being randomly reportedly, a **majority** of the deathly L/C issues have been seemingly resolved and this in turn has generated a firestorm of interest & demand from Chittagong Choppers.

Unspoken evidence of this lies at an empty Chattogram anchorage, whereby nearly a dozen vessels / almost 91K LDT arrived and were even promptly delivered to their new owners / local recyclers who removed all their respective units from the waterfront and beached them within this week. In comparison, Bangladesh's competing neighbors seem like ghost town beaches (*See Port Positions on Page 8*).

---

*Best placed.*

Finally, on the local fundamentals front, despite minor daily fluctuations through the course of the week, the Bangladeshi Taka has seemingly found its resting place at BDT 109.48 against the U.S. Dollar, all while local steel plate prices fluctuated similarly and ended the week USD 1/Ton lower than last.

Overall, the Chattogram ship recycling market certainly seems to be in a far healthier position today and is certainly the best placed it has been for some time now.

**NO MARKET SALES REPORTED**

---

## INDIA

### EMPTY HANDED!

India's ship-recycling sector seems to have firmly setup basecamp at the bottom of the sub-continent market rankings as for yet another week, Alang Buyers have found it increasingly difficult to compete with the firmer numbers currently on offer, not only from competing Gadani buyers, but also from an even more aggressive bunch of Chattogram Choppers – invariably creating an unsolved puzzle around India's ongoing performance (or lack thereof).

Could the lack of tonnage coupled with upcoming Holi holidays blended into a cup of uncertainty surrounding the country's highly anticipated general elections keep local sentiments appreciably underwhelmed?

What has been evident of late is that the country's fundamentals certainly couldn't have contributed to the ongoing lethargy as they (fundamentals) have been relatively steady of late, even mimicking the recent stability of the Bangladeshi Taka whereby the Indian Rupee has been continually hovering around (slightly under more often than over) the Rs. 83 mark against the U.S. Dollar, all whilst local steel plate prices, despite suffering heavy losses in preceding months, have been largely stable over recent weeks.

In fact, (and ironically) this week, inverse to the performance of Bangladeshi steel plate prices, has been the performance of Indian plate prices, which similarly saw steel levels indulge in a 50 shades of volatility of its own, closing the week USD 1/Ton higher than last.

Yet, the single 760 Ton unit awaiting its final sprint to a spot on Alang's beach confirms the lack of arrivals at the waterfront and this has never been more apparent given India's far lower offer levels that have left Alang Buyers relying heavily on a malnourished diet of (non-existent) HKC only units instead, hoping to circumvent an aggressive price-match that will inevitably brew with neighbouring Bangladesh (and even Pakistan to an extent) – a match that India would certainly lose (if the current trends persist), as they are electing to engage with strictly 'green' candidates instead.

Unfortunately for Alang buyers, this strategy is also falling far short of its intended target as ever since MSC's a-ship-a-week purge across January that saw them committing a collection of containers into India for HKC only recycling, neither has MSC nor has any other ship owner (environmentally conscious or otherwise) propose another unit for sale into India and there have been no other market fixtures into the country as a result, delivery another **zero** for Alang's scoreboard!

---

*Rooted to bottom.*

---

*Steel Stable.*

---

*HKC reliant.*

---

**NO MARKET SALES REPORTED**

## PAKISTAN

### UN-SETTLED!

---

*Elections done.*

After the conclusion of Pakistan's general elections just last week, in addition to the announcement that a coalition government would be established with Shehbaz Sharif being nominated as the new Prime Minister, much of the pre-election uncertainty and violence that shook much of the country has seemingly settled this week and local recyclers can hopefully look forward to resuming business with a sense of 'normality' once again.

---

*Supply slow.*

In fact, ever since the conclusion of the election cycle in Bangladesh, simultaneous news of a reported IMF loan agreement with Pakistan emerged across the nation, which rapidly saw Pakistan's own easing in the issuance of L/Cs of vessels for recycling. These positive unfolding events promptly elevated demand from Gadani Recycles and vessel prices also followed suit, regrettably, at a time when tonnage availability is practically non-existent and this has left local Recyclers feeling even more un-settled.

As such, Gadani remains a troubled market, not only because of the ongoing and unrelenting shortage in the supply of vessels for recycling, but also due to the ongoing effects of its volatile domestic fundamentals whereby local steel plate prices have been flatlining for weeks on end (justifiable, given the likely lack of ship's steel to onwards sell to), all while the Pakistani Rupee weakens once again as it taps out the working week at PKR 279.30 levels against the U.S. Dollar.

Finally, as Bangladesh has remained well-ahead on the numbers since the conclusion of its elections, it is also expected to remain the destination of choice for a majority of units that were (and will likely continue) opening up in the Far East now that Chinese NY Holidays have concluded, thereby making Bangladeshi shores their logical final resting place.

This has been and continues to be evident from Chattogram's Port Position of late, including this week, which has left Gadani's **empty** port-report looking like a Ghost Town - and it is more than likely that future units will also end up in competing waters, especially if HKC units and Chinese owned tonnage resume recycling sales once again.

## TURKEY

### LIRAARRGGHH!!!

Reportedly this week, while import steel plate prices fell by about USD 6/Ton in Turkey, the true star of Turkey's economy was the currency that's seemingly purchased a one-way ticket down a bottom-less slide, as the world witnessed the Lira spike dangerously (and briefly) close to TRY 31 against the U.S. Dollar, only to have relaxed & spike a second time to finish the week at levels closer to TRY 30.81.

---

*31!!*

In light of this incessant & ongoing volatility and while Turkish offers on ships have miraculously survived any declines over these recent months - thanks in big part to the deathly absence of viable tonnage - this most recent of drops in fundamentals has finally seen rumors of a softening in prices coming from Aliaga next week, and it only stands to be seen where future indications may finally lie.

---

*Shutter!*

Regardless of all the hoopla, none of this will matter in the face of no recycling tonnage to bid on and if yards slowly & eventually shutter.

## INTERESTING FACTS

- *Another one of the most intriguing science facts about the ocean is that it contains 50 times more carbon than the atmosphere and hence is an amplified storehouse. It stores, absorbs, and releases greenhouse gas in various ways, thus acting as a global climate regulator.*
- *The human body has enough DNA to stretch from the Sun to Pluto and get back 17 times.*
- *Hot water freezes faster than cold water. According to scientists, velocities water particles have a particular disposition when they are hot that pushes them towards a rapid freezing.*
- *Orbicularis oculi is the fastest-moving muscle in the human body. It can contract in less than 1/100th of a second.*
- *A study by scientists at Harvard Medical School, in the US, found that sleep is most efficient and restful for older adults at temperatures between 15–25°C (60–77°F)*
- *Another study found that people who visit the dentist regularly, and who have more of their natural teeth before receiving a diagnosis of either head or neck cancer, were more likely to survive the disease.*
- *Forget 10,000 steps...walking just 4,000 a day could be enough. If you fall short of your daily walking targets, cardiology research published in August might put a spring in your step. The research revealed that health benefits start when you take as few as 3,867 daily steps – including reducing your risk of death.*

## IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
<p><b>No Holidays in February</b>                      March 08 – Maha Shivratri                      March 25 – March 26 – Holi                      March 29 – Good Friday</p>	<p>February 23 – February 27                      March 08 – March 15                      March 26 – March 30</p>	
BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
<p>February 21 – Marty’s Day                      February 26 – Shab-e-Barat                      March 17 – Sheikh Rehman’s Birthday                      March 26 – Independence Day</p>	<p>February 24 – March 01                      March 09 - March 14                      March 23 – March 30</p>	
BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
<p><b>No Holidays through March</b></p>	<p><b>March 11 – Bank Holiday Only</b>                      March 23 – Pakistan Day</p>	<p><b>No Holidays through March</b></p>

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 February 16, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Hasan (Under Tow)	3,174	General Cargo	Beached February 14
2	Nand Rajgadi (Under Tow)	760	General Cargo	Arrived February 15
<b>Total Tonnage</b>		<b>3,934</b>		

### CHATTOGRAM - Port Position as of February 16, 2024

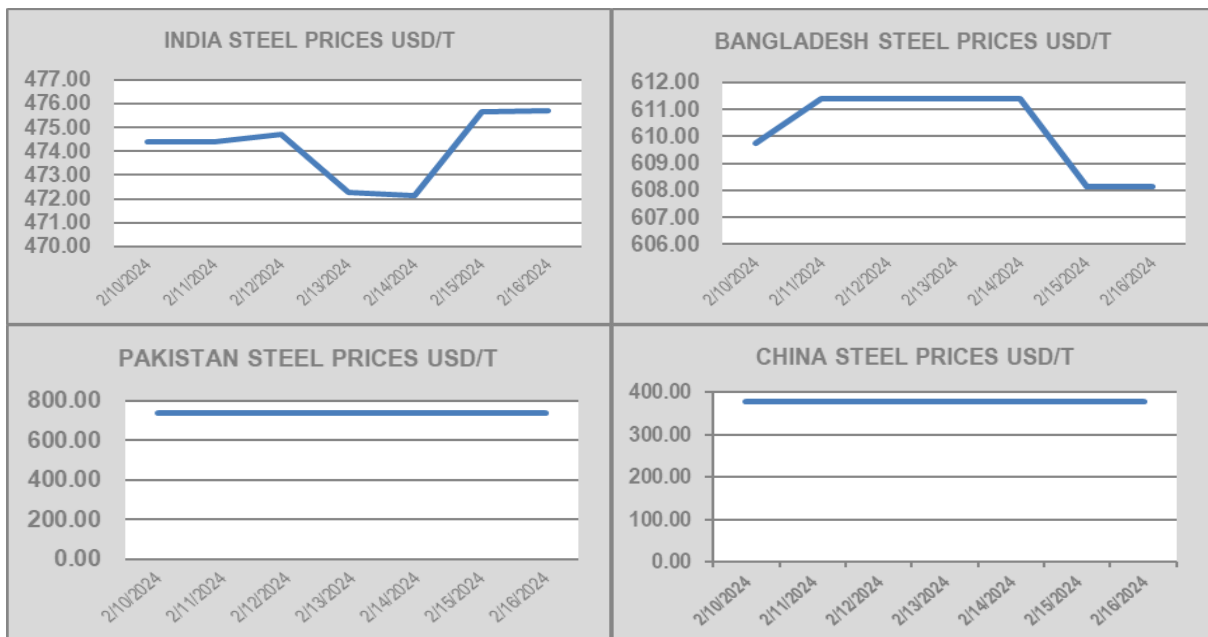
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Dong Fang	2,405	Container	Beached February 16
2	Fukuda	750	Tanker	Beached February 15
3	Konstantinos	7,979	Bulk Carrier	Beached February 13
4	Legaspi	1,506	General Cargo	Beached February 15
5	Lila Nantong	23,982	Bulk Carrier	Beached February 12
6	Luffy	4,636	General Cargo	Beached February 13
7	Manis 7	5,468	Container	Beached February 15
8	Sia	12,605	Bulk Carrier	Beached February 13
9	Wadi S	10,248	Bulk Carrier	Beached February 11
10	Zeus One	21,364	Bulk Carrier	Beached February 14
<b>Total Tonnage</b>		<b>90,942</b>		

### GADANI - Port Position as of February 16, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No Vessels!</b>				
<b>Total Tonnage</b>		<b>0</b>		

WHILE EXTREME CARE HAS BEEN TAKEN IN THE PREPARATION OF THIS REPORT, ABSOLUTELY NO LIABILITY CAN AND / OR WILL BE ACCEPTED FOR ANY LOSS(ES), DAMAGE(S), OR ANY OTHER REASON(S) WHATSOEVER, BY, AND / OR ON BEHALF OF ANY PERSON, PARTY, OR ENTITY IRRESPECTIVE OF WHO MAY RELY ON THE INFORMATION CONTAINED HEREIN, MAY DO SO AT THEIR OWN RISK.

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
2/10/2024	474.41	39,400.00	736.28	208,000.00	609.76	75,000.00	377.46
2/11/2024	474.41	39,400.00	736.28	208,000.00	611.38	75,200.00	377.46
2/12/2024	474.70	39,400.00	736.28	208,000.00	611.38	75,200.00	377.46
2/13/2024	472.29	39,200.00	736.28	208,000.00	611.38	75,200.00	377.46
2/14/2024	472.12	39,200.00	736.28	208,000.00	611.38	75,200.00	377.46
2/15/2024	475.67	39,500.00	736.28	208,000.00	608.13	74,800.00	377.46
2/16/2024	475.73	39,500.00	736.28	208,000.00	608.13	74,800.00	377.46



[www.gmsinc.net](http://www.gmsinc.net)



GMS\_Leadership



GMS Leadership



[snp@gmsinc.net](mailto: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