

April 26th, 2024
 Week 17
 Volume 260, Issue 1131



“Your mind will give back to you exactly what you put into it.”

– James Joyce

Highlights:

- Mismatch.
- Sub par tonnage.
- Dreaming higher.
- Abject volume.
- No change.
- Scan to download and view the GMS Weekly on our Recycling App!



- MARKET COMMENTARY - CROP OF CORROSION!

On the back of freight markets that are finally facing their first set of 2024 jitters, the industry is gradually witnessing an increasing number of units being proposed for a recycling sale, all of which are being confirmed via the sudden influx of tonnage at the Indian and Bangladeshi waterfronts this week, just as the Pakistani market (as expected) starts to fall behind on its domestic arrivals and at this rate, India looks set to sneak past the Pakistani market in the rankings soon enough. Notwithstanding, the increased inflow of tonnage and subsequent (market / private) fixtures into the sub-continent recycling markets, there seems to be a slight mismatch in terms of price expectations vs. various market realities. Although there remain a limited number of open and able Recyclers with ready L/Cs to pick up units, this is proving increasingly troublesome for Owners & Cash Buyers who continue trying to conclude subpar, poorer condition units, and these vessels are not only seeing prices discounted in line with their reality, but some are even facing lower than expected levels – such sticklers have End Buyers become on the current crop of aged corrosion that has been greeting their way of late. As such, we are now witnessing a standoff between over exuberant Cash Buyers, Ship Owners, and increasingly reticent Ship Recyclers.

Meanwhile, after weakening in unison only last week, recycling nation currencies started to oddly firm up this week and Indian local steel plate prices continue their evergreen firmy-floppy dance as juicier tonnage starts to trickle back into the fray, we have noticed sub-continent Ship Recyclers seem to have kicked back their aggression to buy vessels at levels any firmer than prevailing fundamentals dictate, thereby increasingly cementing the idea that any sale at or above USD 600 / LT levels is unlikely to happen, especially as the industry heads towards deliveries in the traditionally quieter monsoon months – unless of course one with a lot of fuel shows up again. As such, during the first 4 months of the year, we have seen record low deals done amidst impressively performing freight sectors and ongoing geopolitical events that have helped vintage assets find continued profitability via further employment, resulting in recycling markets being choked of their usual share of the recycling tonnage that they (Recyclers) were historically accustomed to during this time of the year. Turkey, on the far end, though still quiet, is finally seeing its share of discussions at the bidding tables as fresh, small(er) LDT containers / general cargo units are now on offer.

Overall, the status quote for the recycling industry remains relatively twinned from that of last week, with sales at a premium still at large, and an existing demand that seems content waiting for the perfect vessel.

For week 17 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*	Stable	520 / LDT	540 / LDT	560 / LDT
2	Pakistan*	Stable	510 / LDT	530 / LDT	550 / LDT
3	India	Stable	500 / LDT	520 / LDT	530 / LDT
4	Turkey	Weak	320 / LDT	330 / LDT	340 / LDT

BANGLADESH

PICKY BUYERS...MEET LUCKY TIMES!

Cruel Time.

The current market leaders of the ship recycling world are gradually entering, what is turning into an unexpected and unlikely alignment of the stars for the Bangladeshi Ship Recycling community, as after 4 cruel quarters of banking & L/C restrictions, tonnage shortages, unreliable fundamentals, and Ship Owners and Cash Buyers continually pushing for the best bang of the shipping buck on nothing but controlled ration of poor-quality corroded ships that have delivered nothing other than renegotiation headaches with certainty at the country's waterfront, it certainly has been a trying time for Bangladesh since the end of Q1 2023.

110K LDT.

L/C restrictions had previously paralyzed the ability of Bangladeshi Recyclers from negotiating for any tonnage through much of 2023, and with the turn of 2024 alleviating L/C hurdles (making it easier for domestic Recyclers to acquire tonnage once again), the availability of vessels decidedly trotted down to a trickle at the most inopportune of times for Chattogram Buyers (and Gadani on the other side). Yet, domestic Recyclers continued to make busy with old, Far-Eastern built, laid up units that came available for a recycling sale as Owners of these assets saw Bangladeshi levels start to climb impressively since the easing of their L/C restrictions and these units have delivered nothing but renegotiation headaches at the country's waterfront, resulting in local Buyers getting increasingly pickier on their choices, over recent weeks.

Fire Sale?

When it seemed as though the situation couldn't get any worse, Bangladesh's waterfront seems to have been mercifully blessed (likely) by Ramadan prayers as post-Eid, freight markets unexpectedly witnessed a few well-timed hiccups, which saw Chittagong's anchorage fill up just as impressively this week, as nearly 110K LDT / 13 vessels (that are nothing more than another juicy mix from last week) are all awaiting their turn to get on the beach. These freight market jitters and (hopefully) even the historical pre-monsoon surge of units that the markets have been historically accustomed to, may see even further tonnage introduced into the recycling lanes in the coming week(s) and as such, the industry could well witness something of a 'fire sale' into Bangladesh before the rains come around. Meanwhile, despite facing weekly jitters, domestic fundamentals continue to support the overall purchasing mindset as the Bangladeshi Taka, though violently shaky between BDT 108.90 to BDT 109.98 against the U.S. Dollar, it ended the week there as local steel plate prices remain dead as a door nail at levels that continue to support the ongoing vessel pricing emanating from this market. As India is still a month away from Minister Modi's official victory and pending infrastructure projects that are set to potentially boost the country's economy further as the year progresses are set to come into effect thereafter, in addition to Pakistani levels that are starting to see shakes of their own given that last year's volume has been nearly consumed within last quarter, it does seem as though Bangladeshi Recyclers are finally in for some much-deserved lucky times.

NO MARKET SALES REPORTED

INDIA

IN THE SHADOWS!

Despite recently promising signs of a return to form from Indian Ship Recyclers via their improving offers, surprising HKC introduction / fixture over the last couple of weeks, decent-sized incoming tonnage at local anchorage, and all of it propped up by a growing sense of optimism surrounding Prime Minister Modi's inevitable win, Alang's ship recycling market fell surprisingly short of its anticipated take off this week and it does seem as though India will continue to operate in the shadows of its better performing sub-continent counterparts for the next 6 weeks at least.

Given that the country is currently going through the largest election in the world and post-June 2nd when the nation's economy could go either ways - depending on the outcome of the election results - Alang is expected down its current path for a little over the next 6 weeks at least, stuck between its better-priced neighbours acting as a decision-making fulcrum, assisting Ship Owners & Cash Buyers of incoming deliveries decide on which competing nation remains the better option for their non-HKC tonnage.

Domestic fundamentals have also turned more into a session of dune bashing rather than a roller coaster as the Indian Rupee violently thrashed between Rs. 83.39 – Rs. 83.29, as it ended the week at Rs. 83.37 against the U.S. Dollar, and local steel plate prices contradictorily and gently slid down USD 5/Ton, concluding the week about USD 3/Ton weaker than last.

Overall, as long as India maintains its current poise and as the nation currently votes in heavy anticipation of electing Minister Modi for a third term, it seems to be a promising future for the Indian market - especially from the infrastructure perspective - as the Modi government reportedly have firm plans to make India indistinguishable from the West.

Yet to take off.

Dune bashing.

Promising future.

NO MARKET SALES REPORTED

RED SEA WOES!

Without tonnage.

Pakistan has remained without any firm or workable tonnage for yet another week, as Ship Owners continue to avoid the troublesome Red Sea Shipping Lanes after recent terrorist attacks on passing merchant / commercial vessels there, eventually even resulted in the sinking of one.

Notwithstanding, in line with Chattogram's performance since the start of the year, Gadani Recyclers have been leveraging the strength of the easing of L/C restrictions of their own and the first batch of incoming vessel finances has more than helped this market conclude nearly all of 2023's recycled volume in under a 1/4th of the time. As such, it would certainly be acceptable to see the country's Recyclers ease of the 'aggression to buy' pedal as they gradually digest the quantum of recent deliveries.

Teetering.

Moreover, as Bangladeshi Buyers remain on fire and their Indian counterparts are gradually getting back into the picture with some impressive recent acquisitions (including another MSC HKC fixture), Pakistan's inadvertent 'cooling' may have come at the most opportune time, especially as current Indian sentiments suggest that that market should take off post June-2nd / Q3 once the elections results are announced there and both Pakistan / WC India continue to miss out on all of the tonnage coming in from the Far East, to a clearly aggressive Bangladesh.

Local fundamentals meanwhile remain on a relatively even-keel as local steel plate prices remain flatlined and the Pakistani Rupee weakens to PKR 278.50 once again, only to end the week at levels region PKR 278.30 against the U.S. Dollar.

Bleak port reports.

As a result, Gadani port reports remain expectedly bleak and should continue to do so, paving an easier way for Alang Recyclers to pick up the baton as we approach Q3 2024.

TURKEY

TRUDGING TURKEY?!

The Turkish market suffered through another week of an economic meltdown as sky-high inflation has led to domestic interest rates that are reportedly around region 65%, steel plate prices (both import and steel) that seem to be put on ice since the onset of Ramadan, vessel offerings that are now suspect at best (at least until physical delivery), and a Lira that continues to devastate the nation's economy making even everyday life, downright trudge worthy.

65%.

The only saving grace for the week seems to be the Turkish Lira that miraculously and finally firmed this week after spiking past TRY 32.65, ending the week at levels just shy of TRY 32.40 against the U.S. Dollar.

Yet to come forth.

Overall, despite the marginal increase in tonnage offerings over recent weeks, news of market of private fixtures are yet to come forth.

NO MARKET SALES REPORTED

INTERESTING SCIENCE & SPACE FACTS

- *Even above its surface, the planet Venus has a bizarre environment. Scientists have found that its upper winds flow 50 times faster than the planet’s rotation.*
- *The European Venus Express spacecraft (which orbited the planet between 2006 and 2014) tracked the winds over long periods and detected periodic variations. It also found that the hurricane-force winds appeared to be getting stronger over time.*
- *Another 2020 study that thrilled some astrobiologists detected phosphine, a possible sign of decaying biological matter, high in the Venusian clouds. Could they be a sign of life? Not without sufficient water, claim follow-up studies that firmly reject the possibility of life in Venus’ dry windy atmosphere.*
- *Water was once considered a rare substance in space. In fact, water ice exists all over the solar system: It’s a common component of comets and asteroids, for starters.*
- *Water can be found as ice in permanently shadowed craters on Mercury and the moon, although we don’t know if there’s enough to support prospective human colonies in those places. Mars also has ice at its poles, in frost and likely below the surface dust. Even smaller bodies in the solar system have ice: Saturn’s moon Enceladus, and the dwarf planet Ceres, among others.*
- *NASA scientists suspect Jupiter’s moon Europa may be the most likely known candidate for extraterrestrial life because, against all expectations, there is likely liquid water below its cracked and frozen surface. Europa, much smaller than Earth, may host a deep ocean that researchers suggest could contain twice as much water as all of Earth’s oceans combined.*

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
May 01 – Labor Day May 23 – Buddha Purnima	April 23 – April 29 May 05 – May 13 May 21 – May 29	

BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
May 01 – Labor Day May 23 – Buddha Purnima	May 07 – May 10 May 23 – May 25	

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
May 1 – May 5 – Labor Day Holidays	May 5 – Labor Day Holiday	May 01 – Labor & Solidarity Day

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ALANG - Port Position as of April 26, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ambur (Dead Vessel)	27,101	Drill Ship	Beached April 24
2	Asphalt Princess (Dead Vessel)	3,271	Oil Tanker	Arrived April 25
3	MSC Nilgun	12,553	Container	Arrived April 25
Total Tonnage		42,925		

CHATTOGRAM - Port Position as of April 26, 2024

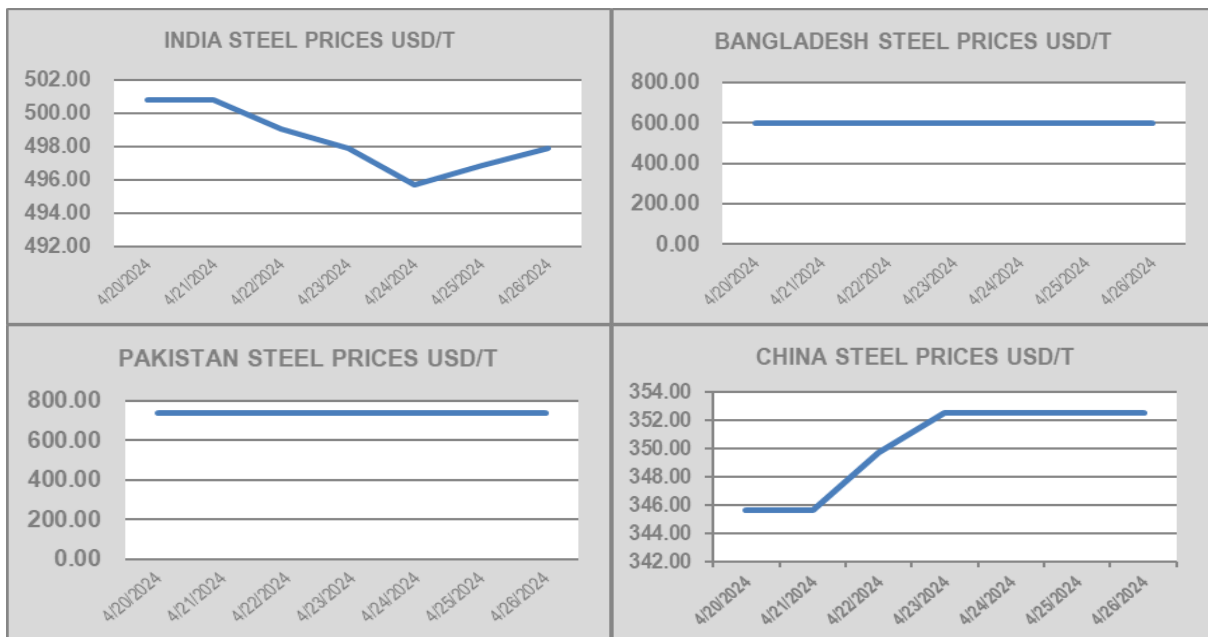
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Denak Voyager	9,519	Bulk Carrier	Beached April 25
2	Island (Dead Vessel)	41,374	FSU	Beached April 23
3	Lian Feng 6	6,537	General Cargo	Arrived April 19
4	Medan 2	7,284	Container	Arrived April 18
5	One Victory	7,685	Bulk Carrier	Beached April 23
6	S Maru 5	1,700	Research Vessel	Arrived April 25
7	Sawasdee Singapore	7,138	Container	Arrived April 23
8	Sinokor Hong Kong	5,475	Container	Arrived April 18
9	Sinokor Qingdao	4,735	Container	Arrived April 23
10	Swarajya	8,542	Tanker	Beached April 25
11	Thareratana 1	739	Tanker	Arrived April 23
12	Xin Run 66	2,908	Tanker	Beached April 22
13	Yamta	6,003	Bulk Carrier	Beached April 24
Total Tonnage		109,638		

GADANI - Port Position as of April 19, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Sea Flower	5,282	General Cargo	Beached April 25
Total Tonnage		5,282		

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
4/20/2024	500.78	41,800.00	736.28	208,000.00	600.00	72,000.00	345.68
4/21/2024	500.78	41,800.00	736.28	208,000.00	600.00	72,000.00	345.68
4/22/2024	499.04	41,600.00	736.28	208,000.00	600.00	72,000.00	349.79
4/23/2024	497.90	41,500.00	736.28	208,000.00	600.00	72,000.00	352.52
4/24/2024	495.68	41,300.00	736.28	208,000.00	600.00	72,000.00	352.52
4/25/2024	496.88	41,400.00	736.28	208,000.00	600.00	72,000.00	352.52
4/26/2024	497.90	41,500.00	736.28	208,000.00	600.00	72,000.00	352.52



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