

# GMS WEEKLY

Your Source for Recycling News

May 17<sup>th</sup>, 2024  
Week 20  
Volume 261, Issue 1134

QUOTE  
of the  
WEEK

"There is only one boss: the customer. And he can fire everybody in the company, from the chairman on down, simply by spending his money somewhere else."  
– Sam Walton (Founder, Wal-Mart)

## Highlights:

- Implications.
- Limiting L/Cs.
- Few sales.
- Pakistan struggles.
- HKC revival.
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## - MARKET COMMENTARY - SILENT STABILITY!

Following on from last week's unexpected shock via the intentional depreciation in the value of the Bangladeshi Taka, it has been an altogether quieter week of sales and activity in the country as domestic ship recyclers weigh in on the potential costs & implications of further depreciations, given that the Taka slipped further into BDT 117 territory against the U.S. Dollar this week. As Bangladesh's outflow of foreign currency reserves increases once again, there remain growing concerns of further restrictions on an already limited number of L/C approvals in the country, in addition to a plate price that's still in a coma, penalizing local Buyers by pushing the cost of recycling ships in Bangladesh, into increasingly costlier and clearly worrisome times.

Meanwhile, the recent and impressively renewed aggression to acquire the one-off unit that has been proposed for a recycling sale, has seen the Indian market display an impressive performance at the bidding tables of late, resulting in several interesting acquisitions by Alang Recyclers that have certainly captured the imagination – particularly on a collection of HKC only containers that have been committed into WC India so far this year. Further out West, despite there having been all of the positive / encouraging signs to continue on their recent trajectory, Pakistani struggles resume once again as the lack of motivation has seen Gadani Recyclers continually missed out on their 'swipe' at ongoing fixtures, given that sentiments and offer levels from Pakistan are failing to grab the attention of Ship Owners & Cash Buyers alike. On the far end, Turkey remains silently on fire, with nothing of note to report this week as well.

As global recycling economies endured a rare week of silent stability, the U.S. Dollar has left most ship recycling nation currencies on an even-to-firmer footing this week, while local steel plate prices in Pakistan / Bangladesh bunk together in the same coffin and Indian plate prices jumped again by about USD 5/Ton this week, further boosting Alang sentiments as the nation concludes its 4<sup>th</sup> week of voting in the upcoming General Election towards incumbent Minister Modi's likely victory.

In terms of workable candidates, there seem to be a few more vessels in the market (mostly for an HKC resale) and we should hopefully see a few more deals concluded in the week(s) ahead. Moreover, the condition of supply is hopefully set to improve come early July as further hiccups in freight rates are expected and supply is set to increase towards the end of Q3 / early Q4.

For week 20 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	<i>Shaky</i>	520 / LDT	540 / LDT	560 / LDT
2	India	<b>Firming</b>	510 / LDT	530 / LDT	550 / LDT
3	Pakistan	<u>Steady</u>	500 / LDT	520 / LDT	530 / LDT
4	Turkey*	<b>Hot</b>	360 / LDT	370 / LDT	380 / LDT

\* +10K LDT Units

## BANGLADESH

### WAITING AND WATCHING!

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*Taka woes.*

After the industry witnessed a couple of pre-and-post Taka depreciation sales into Bangladesh last week, it has been a surprisingly quieter week in the nation's ship-recycling sector this week, as most Chattogram Choppers are now deciding to wait-and-watch market developments before resuming negotiations and committing afresh on tonnage, especially as the domestic economy stands on the precipice of potentially tumultuous times in the coming weeks.

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*Budget due.*

Bangladesh's fiscal budget for the year 2024 – 2025 has reportedly received its preliminary nod from PM Sheikh Hasina, it is expected to be placed before the nation's Parliament for approval on June 6<sup>th</sup>, prior to entering into force for the next 4 quarters. This comes at a time when the pressure on the country's export sector intensifies amidst greater outflows in the nation's foreign currency reserves (compared to inflows) on the back of a widening trade deficit that has resulted in and will likely see further L/C restrictions put in place by next month. This is further forecasted to last through June / early July, when steel plate prices are expected report movements once again.

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*Rumours abound.*

While on the one hand, this may seem like a blessing to domestic ship recyclers as they have clearly been scraping away at their margins on account of cemented domestic steel plate prices, on the other hand, the Taka has been taking a beating as it depreciated against the U.S. Dollar even further this week, ending at levels approaching BDT 117.50 – a true record depreciation in the value of the Taka. This in turn is making the cost of opening fresh L/Cs on recycling vessels, ever more expensive and is begging the question as to just how these contradicting performances in local fundamentals will affect the performance of Bangladesh's ship recycling sector in the coming weeks, especially as Alang Buyers are clearly closing in Chattogram pricing as well as the top spot in the market rankings.

Notwithstanding, local fixtures seemingly continue at pace as fresh arrivals continue to greet Chattogram's anchorage with each passing week, making Bangladesh the busiest ship recycling destination in the world at this time. Additionally, rumours abound that the BDT is likely to peak come July and a joint firming of fundamentals (local steel plate prices and the Bangladeshi Taka) during the rains, though not fun, will be the most of a blessing this market would have received over the last 4 quarters. If so, the final handicap remains the supply, which come July / August, should themselves alleviate concerns for this market. Watch this space!!

## INDIA

### INCHING CLOSER!

The Indian market continues to increasingly impress week after week for over the last month or so, as domestic steel plate prices climbed once again this week (to the tune of about USD 5/Ton), resulting in a grand total jump that today stands in excess of USD 35/Ton and further affording Alang ship recyclers an increasing buffer on plate prices / vessel offers.

Additionally, the Indian Rupee, which has been struggling across recent weeks and that too at record lows in excess of Rs 83.5XX against the U.S. Dollar, finally saw levels firm sharply towards Rs. 83.25 by the end of the week, as both events only bolstered local confidence and in turn saw a rise in offer levels emanating from this market, on the marginal number of prospective unit(s) that remain(s) on offer.

Meanwhile, as the 4<sup>th</sup> week of voting in the General Elections of the world's most populous nation concludes this week, and despite a mild case of nerves / anxiety raising its head amongst the traditionally nervy mindset of the Indian ship recycling community over the course of the ongoing polling / counting of votes, a confident overall outlook on the seemingly inevitable victory of Minister Modi pervades, reassuring local Buyers of the upcoming and inevitable boost to the domestic economy in the near future. As such, not only are domestic Ship Recyclers, but Ship Owners and also Cash Buyers are keeping an eye out towards Alang's recycling lanes and the ongoing voting, the results of which are expected to be announced on or around June 2<sup>nd</sup>, 2024.

For now, as levels continue to impress, the industry continues to witness the outcome of several market and even private deals as Alang's ship recycling lanes remain relatively busy, taking in their share of small-to-medium sized LDT units on a weekly basis. Moreover, with Bangladesh expected to remain out of the game through much of June and well into July (on account of dithering fundamentals of their own), the near future may well be the re-invigorated period for Alang, one that many in the industry have been hoping / waiting for with bated breath.

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*Counting ongoing.*

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*Anxiety reigns.*

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*Reinvigorated?*

## PAKISTAN

### SLEEPING BEAUTY!

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*Suffering.*

Despite the Taka depreciating in Bangladesh last week and Alang recyclers increasingly on fire with each passing week as India gears up for PM Modi's upcoming victory, Pakistan remains stranded on the side of the interstate, unable to compete with its sub-continent brethren and seemingly enroute to having an extended meeting with the sleeping beauty, on account of

- competing markets that are placing offers increasingly beyond of the reach of Gadani recyclers,
- dithering vessel prices of their own, and
- fundamentals that are jointly applying an ongoing downward pressure on local offers.

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*Limited candidates.*

As domestic steel plate prices continue to bunk in the same coffin as their Bangladeshi counterparts, it was the Pakistani Rupee that saw its levels end the week at a steady, albeit weakened PKR 278.07 against the U.S. Dollar. Making matters worse remains the fact there are hardly any workable candidates for this market, as most of the tonnage for sale is for HKC recycling, especially as freight rates in the dry, wet, & container sectors once again start to perform admirably and are expected to do so - at least until we head well into the summer / rainy months.

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*Silver-lining?*

As such, most of the trickle of tonnage is getting scooped up in the blink of an eye, either by a competing India or the far better (pricewise) placed and geographically better-suited Bangladeshi market on all units that are sailing in from the Far East. The Pakistani market is therefore increasingly suffering against its competitors at the bidding tables and Gadani's anchorage mirrors this performance with every passing week, in that, the local waterfront has not seen any fresh arrivals over recent weeks, as Pakistan ends this week on a painfully empty note once again.

The only silver-lining for this market remains in the fact that Gadani Recyclers have certainly taken in a healthy chunk of fixtures during Q1 of this year, and with the rains standing a little over a couple of weeks ahead, the slower period may well carry the Gadani market into late Q3 (and slightly beyond).

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**NO MARKET SALES REPORTED**

## TURKEY

### SILENT FIRE – PART III!

As market sales into Turkey remain absent, there is no movement reported in import and domestic steel plate prices, the Turkish Lira has surprisingly ended the week where it started i.e. region TRY 32.15 against the U.S. Dollar, the central bank has steadied the domestic interest rate for over a couple of weeks now, and all of this while Aliaga Buyers remain on fire on the lookout for tonnage that simply refuses to head towards Turkish shores.

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*Refuse to...*

Here's hoping the expected dip in trading markets come late July will hopefully (and finally) come through for this market.

## SCIENCE & SPACE FACTS / MYSTERIES

- *As data from NASA’s New Horizons mission flowed in, scientists analyzed the haze and discovered about 20 layers in Pluto’s atmosphere that are both cooler and more compact than expected. This affects calculations for how quickly Pluto loses its nitrogen-rich atmosphere to space. NASA’s New Horizons team found that tons of nitrogen gas escape the dwarf planet by the hour, but somehow Pluto can constantly resupply that lost nitrogen. The dwarf planet is likely creating more of it through geological activity.*
- *We’ve known about Saturn’s rings since telescopes were invented in the 1600s, but it took spacecraft and more powerful telescopes built in the last 50 years to reveal more. We now know that every planet in the outer solar system — Jupiter, Saturn, Uranus and Neptune — has a ring system.*
- *But the rings differ from planet to planet: Saturn’s spectacular halo, made in part of sparkly, reflective water ice, is not repeated anywhere else. Instead, the rings of the other giants are likely made of rocky particles and dust. Rings aren’t limited to planets, either. In 2014, for example, astronomers discovered rings were around the asteroid Chariklo.*
- *Along with being the solar system’s largest planet, Jupiter also hosts the solar system’s largest storm. Known as the Great Red Spot, it’s been observed in telescopes since the 1600s and studied from modern instruments like NASA’s Juno, which recently provided evidence that the storm is hundreds of miles tall (and likely fed by winds from thousands of miles below, too). The storm has been a raging conundrum for centuries, but in recent decades another mystery has emerged: the spot is getting smaller.*

### IMPORTANT DATES

INDIA		
BANK HOLIDAYS	DELIVERY TIDES	
May 23 – Buddha Purnima June 01 – Public Holiday June 16 – June 18 - Bakri-Eid / Eid-UI-Azha	May 21 – May 29 June 03 – June 11 June 19 – June 28	

BANGLADESH		
BANK HOLIDAYS	DELIVERY TIDES	
May 23 – Buddha Purnima June 16 – June 18 - Eid-UI-Azha	May 23 – May 25 June 05 – June 08 June 22 – June 25	

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
June 01 – Dragon Boat Festival	June 17 – June 19 – Eid-UI-Azha	June 15 – June 19 – Kurban Bayrami

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## ALANG - Port Position as of May 17, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Fesco Trader	5,113	Container	Arrived May 09
2	New Courage	4,426	General Cargo	Arrived May 17
3	Ocmis Gar	2,477	General Cargo	Arrived May 17
<b>Total Tonnage</b>		<b>12,016</b>		

## CHATTOGRAM - Port Position as of May 17, 2024

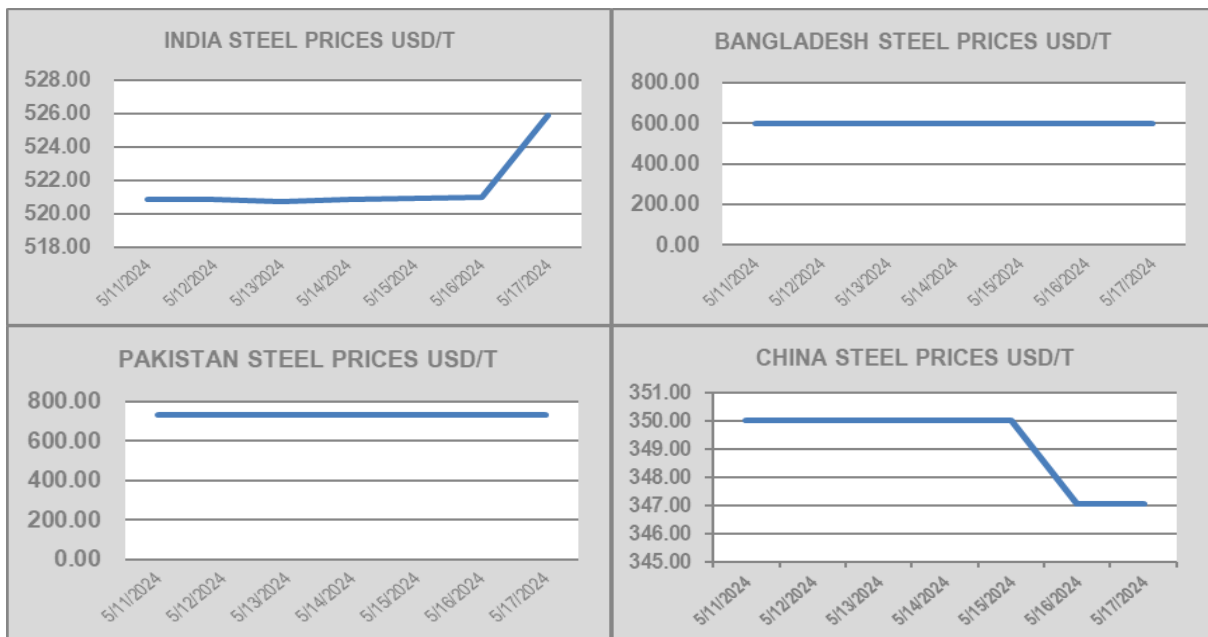
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bao Di Long 8	3,133	MPP	Arrived May 15
2	Gaku	7,795	Vehicles Carrier	Arrived May 16
3	Pilatus 21	890	LPG Tanker	Arrived May 11
4	Sia 2	1,836	General Cargo	Arrived May 11
5	Sinokor Qingdao	4,735	Container	Delivered May 08
6	Xin LB Bao Shi	7,957	Bulk Carrier	Arrived May 14
<b>Total Tonnage</b>		<b>26,346</b>		

## GADANI - Port Position as of May 17, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No Vessels Reported</b>				
<b>Total Tonnage</b>		<b>-</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
5/11/2024	520.83	43,500.00	735.29	205,000.00	600.00	72,000.00	350.03
5/12/2024	520.83	43,500.00	735.29	205,000.00	600.00	72,000.00	350.03
5/13/2024	520.71	43,500.00	735.29	205,000.00	600.00	72,000.00	350.03
5/14/2024	520.83	43,500.00	735.29	205,000.00	600.00	72,000.00	350.03
5/15/2024	520.90	43,500.00	735.29	205,000.00	600.00	72,000.00	350.03
5/16/2024	520.96	43,500.00	735.29	205,000.00	600.00	72,000.00	347.09
5/17/2024	525.87	43,900.00	735.29	205,000.00	600.00	72,000.00	347.09



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