

June 28<sup>th</sup>, 2024  
 Week 26  
 Volume 262, Issue 1140



“There can be no greater gift than that of giving one's time and energy to help others without expecting anything in return.”

– Nelson Mandela.

## Highlights:

- Down.
- Waiting budget.
- Reticent.
- Pak is back?
- Paucity.
- Scan to download and view the GMS Weekly on our Recycling App!



## - MARKET COMMENTARY -

### WHEN YOU DON'T KNOW WHERE YOU'RE GOING...

... the Indian sub-continent ship recycling markets during the summer / monsoon months are the last place we'd suggest you look for guidance during these current times given that vessel prices are already down by about USD 20 – USD 25 / LDT and will have further declined by the time we reach the first half of July (as previously forecasted in the GMS WEEKLY), as Ship Owners & Cash Buyers are now chasing down a declining market on the back of a Ship Recycling communion that is facing exacerbating economic challenges of their own. In that, not only are local steel plate prices in shambles, but currencies are also taking tumbles at key destinations and have unexpectedly delivered a monsoon retreat for industry players who are looking to conclude business at the various ship recycling destinations. In the interim, vessel availability is expected to coincidentally take a hit as Israeli strikes against Hezbollah Rebels in the North and U.S. Forces engaging Houthi Rebels in the South / Red Sea lanes should create further delays for commercial traffic. Should these strikes continue unabated, freight rates are not only expected to hold / get firmer, but the strikes could squeeze supply even more and potentially push global inflation higher.

Meanwhile, as prices cool off post-election and until the announcement of India's budget in late July, the Indian economy is expected to remain suspended in confusion not knowing what sort of infrastructure projects will make it off the drawing board, thereby resulting in sentiments and offers from India being overly cautious of late, as Alang buyers eagerly anticipate the Indian budget in order to formulate some sort of direction that the market could move for the remainder of the year and even in the years ahead. Bangladesh also remains reticent as nothing other a couple of small LDT units have arrived locally and vessel prices have dropped due to a hike in fuel duties – all of which are working against the local industry. Notwithstanding, the one bright spot for the week saw something of a renaissance for the beleaguered Pakistani market as news of a couple of private sales emerged this week. Although Gadani is not quite be on the same competitive level as Alang or even Chattogram, but for certain geographically positioned vessels looking for lower delivery costs and with certain crew nationalities on board seems to make more sense for such units to head to Gadani shores and contend with no beaching tides. Lastly, Turkey on the far end iszzz.

Overall, there remains a paucity of viable candidates for end byers in each market to acquire and as such, this summer really is an opportunity for sub-continent recyclers to digest the BOBs that have been delivered over recent weeks, and even offer above market levels to fill dormant plots at an operational loss, should the need arise.

For week 26 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>Uncertain</b>	520 / LDT	540 / LDT	560 / LDT
3	Pakistan	<b>Dull</b>	500 / LDT	520 / LDT	530 / LDT
4	Turkey*	<b>Dead</b>	360 / LDT	370 / LDT	380 / LDT

\* +10K LDT Units

## BANGLADESH

### WAYWARD!

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*Cautious.*

It has increasingly been a cautious & wayward time in Bangladesh's ship recycling sector of late, with no market sales to register for the week and very few local recyclers even coming forth with any reasonable offers on market / private units – and rightly so. The domestic economy isn't doing very well right now, something we have re-iterated in the report several times over the recent past.

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*IMF Tranche.*

After trading came to a complete halt during Eid, local steel plate prices are now back to flatlining at levels sub USD 600/LT LDT, the intentional depreciation of the Bangladeshi Taka is showing further signs of deteriorating against the U.S. Dollar as it ended the week at levels breaching BDT 117.55, the recent budget has done little to change domestic fundamentals to the point that despite inflation running rampant, the FY24 budget failed to compensate even for inflation or address pre-existing budget shortcomings that have decimated the Bangladeshi economy since early 2023 and saw L/C restrictions imposed thereafter. Critically, we may further see more restrictions set in place – at least until the Governing party meets the condition of its loan agreement and be granted another pending tranche of funds from the IMF - phew.

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*Quiet July.*

In addition to all of that, monsoon is now in full swing, Chattogram Recyclers have taken in a bunch of vessels over recent weeks and continue to do so week-after-week, as evident from Chattogram's port report this week as another batch of small arrivals can be reported. As a result, local buyers remain less than eager to negotiate tonnage and they don't seem to be offended by competing markets picking up the slack, especially as local recyclers are still reeling from the effects of increased duties on fuel aboard incoming recycling ships, a decision that was announced during the recent budget.

Overall, as weakening prices / sentiments are emanating from India following PM Modi's recent election victory there, Chattogram Buyers are also in the frame of mind feeling that perhaps they don't need to offer far above the odds in order to secure any (if at all) of the market tonnage making the rounds these days and as a result, we can certainly expect a quiet July for Bangladesh.

## INDIA

### DULL & DOUR!

Even though several units were concluded to Alang buyers for HKC only recycling over recent weeks, and that too at some seriously unexpected & impressive levels that were / still are well-above prevailing market conditions, local sentiments and offers emanating from India remain dull & dour, further cementing the fact that containers and Alang Recyclers are a match made in heaven and local Buyers are willing to put their money where their love lies.

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*HKC Sales.*

This recent splurge on containers also helped local port position get a belly ache on account of over 33K Tons of tonnage was delivered to local Buyers within a matter of a couple of days – a welcome unexpected rush during these harrowingly quiet times.

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*Banking on a budget.*

Buyers are therefore expected to keep their eyes acutely focussed on the upcoming budget around July 21<sup>st</sup>, eager to see just how many of the grand infrastructure projects announced during PM Modi's second term actually carry forward into and are executed during his third term, now that he still retains the PM's seat - albeit with a **controlled** political majority.

While India's inflation & economy have certainly suffered of late (as have other economies on the planet), it (the economy) certainly and desperately needs some form of intervention / stimuli in order to keep the domestic yards at the largest ship recycling destination in the world, churning away, and that too (hopefully) at pace since Indian ship recyclers are in the midst of a growing fear that a renewed batch of imported cheap steel will undercut ship's steel once again, and is what has been dragging local steel plate prices down.

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*Disconnect.*

It is this disconnect that has resulted in the jittery pricing that the markets have been witnessing for weeks on end from India (including this one) where plate levels dropped another USD 7/Ton and the Indian Rupee seems to have settled post-election results, firming about 0.25% against the U.S. Dollar and ending the week at INR 83.36.

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*Early Diwali?*

As such, with the Bangladeshi crew now further reclining their seats and a surprising Pakistan resurfacing this week (though not expected for far too long), July maybe a healthy month for Owners and Cash Buyers looking to conclude units into India, albeit it at potentially weaker levels from those of today – unless someone sneaks a container onto the bidding tables and watches an early Diwali from Alang.

**NO MARKET SALES REPORTED**

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## PAKISTAN

### SURPRISE RETURN!

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*Back to form?*

The one surprise of the week was the Pakistani market suddenly reemerging from the shadows and back into the scene with some more serious enquiries and offers on hand. This sudden & unexpected resurgence not only saw several Gadani ship recyclers actively negotiating for tonnage, but local port position also saw the arrival a couple of healthy sized Bulkers that likely caught the eye of the local fraternity, thereby causing them to return to the fore for and table some interesting offers on units on offer.

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*Jubilant sales!*

Some of the geographically positioned vessels with certain nationality crew onboard who cannot disembark in Alang were consequently / subsequently concluded to jubilant Gadani Recyclers and were the first sales to be reported into this market for some time now.

As such, it is certainly refreshing to witness this market return to form as fundamentals too are doing their bit to encourage local buyers, given that not only are local steel plate prices still steady (though flatlined) at levels region USD 705/Ton, but the Pakistani Rupee also made an encouraging improvement from a high of PKR 279.47 to PKR 278.21 against the U.S. Dollar by COB last Friday.

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*Price still off.*

Notwithstanding, vessel pricing remains noticeably off in comparison to where Indian & Bangladeshi levels stand today even though Pakistan holds an advantage with cheaper DAs / agency costs and no beaching tides for Owners and Cash Buyers to contend with locally.

Just which direction the Pakistani market will move next week remains to be seen, for now, the local market remains on even keel as every future purchase marks an increase over last year's restricted volume.

**NO MARKET SALES REPORTED**

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## TURKEY

**Q**UIE..ZZZZZ!

July comes around knockin,  
the summer has the yards cookin,  
regulations have the ships blockin,  
and onto the sub-continent is tonnage now flockin.

Vessel prices are steady, the Lira temporarily breached past TRY 33 against the U.S. Dollar,  
and the absence of tonnage means more *Zzzzzs*.

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*Cruel Times,  
Summer Rhymes.*

NO MARKET SALES REPORTED

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## ALL WORK AND NO PUNS?

- *Geology rocks, but geography's where it's at.*
- *I buy all my guns from a guy called T-Rex. He's a small arms dealer.*
- *My friend's bakery burned down last night. Now his business is toast.*
- *Four fonts walk into a bar. The bartender says, 'Hey! We don't want your type in here!'*
- *If you don't pay your exorcist, do you get repossessed?*
- *When the cannibal showed up late to the buffet, they gave him the cold shoulder.*
- *A Mexican magician tells the audience he will disappear on the count of three. He says, 'Uno, dos...' and poof! He disappeared without a tres.*
- *Fighting for peace is like screwing for virginity.*
- *A ghost walked into a bar and ordered a shot of vodka. The bartender said, 'Sorry, we don't serve spirits here.'*
- *The man who invented knock-knock jokes should get a no bell prize.*
- *I bought the world's worst thesaurus yesterday. Not only is it terrible, it's also terrible.*
- *A blind man walked into a bar... and a table... and a chair...*
- *A Freudian slip is when you mean one thing and mean your mother.*
- *I went to a seafood disco last week, but I ended up pulling a mussel.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
July 17 - Ashura	June 19 – June 28 July 02 – July 11 July 19 – July 27

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
July 17 - Ashura	June 22 – June 25 July 05 – July 08 July 21 – July 24

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in July	July 16 & 17 – Ashura	July 01 – Bank Holiday July 15 – Democracy & National Solidarity Day

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### ALANG - Port Position as of June 27, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	IDM Doodle	4,303	General Cargo	Delivered June 20
2	MSC Grace F	7,555	Container	Delivered June 23
3	MSC Tia II	10,611	Container	Delivered June 22
4	Professor B	5,121	Container	Delivered June 21
5	Victor Gavrilov	5,962	Fishing Vessel	Delivered June 21
<b>Total Tonnage</b>		<b>33,552</b>		

### CHATTOGRAM - Port Position as of June 27, 2024

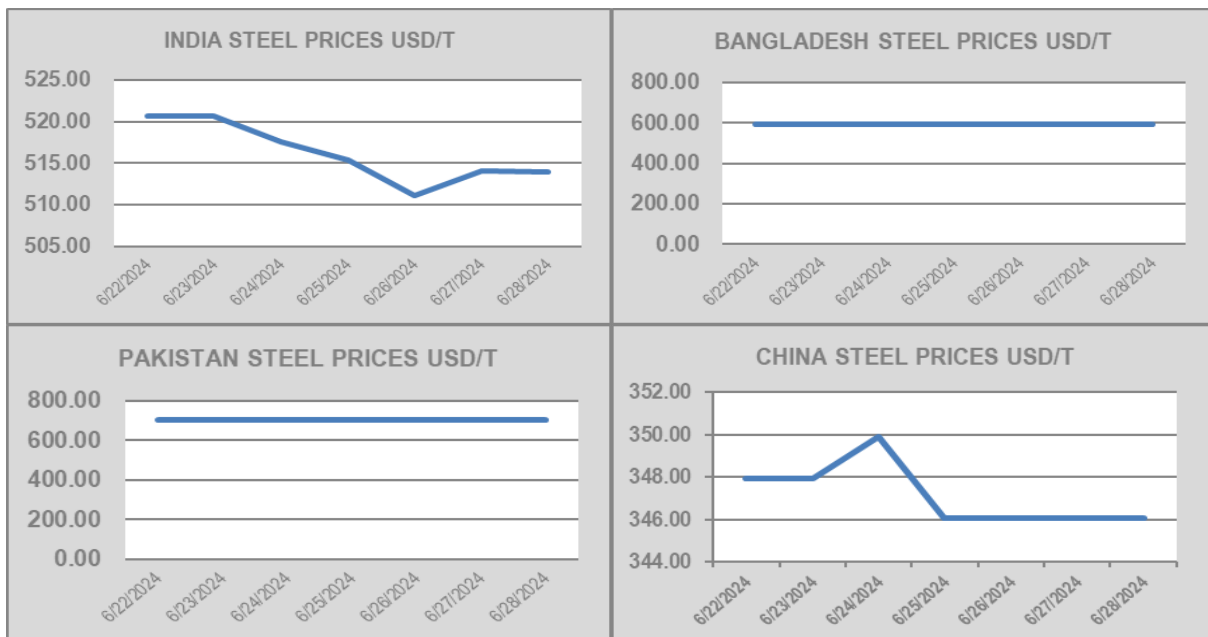
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Doowoo	9,543	Woodchip Carrier	Delivered June 26
2	Kai 1	2,404	Container	Delivered June 26
3	Pine Express	975	Bulk Carrier	Delivered June 25
4	Xing Tong 313	1,909	LPG Tanker	Arrived June 26
5	Yun Tai Long 66	2,091	Container	Arrived June 26
<b>Total Tonnage</b>		<b>16,922</b>		

### GADANI - Port Position as of June 27, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Alps	10,191	Bulk Carrier	Arrived June 21
2	Diyaa B	6,956	Bulk Carrier	Arrived June 20
<b>Total Tonnage</b>		<b>17,147</b>		

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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
6/22/2024	520.65	43,500.00	706.60	197,000.00	594.02	69,500.00	347.93
6/23/2024	520.65	43,500.00	706.60	197,000.00	594.02	69,500.00	347.93
6/24/2024	517.61	43,200.00	706.60	197,000.00	594.02	69,500.00	349.93
6/25/2024	515.40	43,000.00	706.60	197,000.00	594.02	69,500.00	346.09
6/26/2024	511.07	42,700.00	706.60	197,000.00	594.02	69,500.00	346.09
6/27/2024	514.02	42,900.00	706.60	197,000.00	594.02	69,500.00	346.09
6/28/2024	513.90	42,900.00	706.60	197,000.00	594.02	69,500.00	346.09



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