

July 26<sup>th</sup>, 2024  
 Week 30  
 Volume 263, Issue 1144



“The achievement of one goal should be the starting point of another.”

– Alexander Graham Bell

## Highlights:

- Attacks unfolding.
- All-out war?
- Walls of fundamentals.
- Pak atop.
- Cyclones.
- Scan to download and view the GMS Weekly on our Recycling App!



## - MARKET COMMENTARY - MIDDLE EAST MAYHEM!

The end of Week 30 marks a noteworthy moment in the Middle East conflict that is nowhere near end in sight and despite reports of meetings between Israeli PM Benjamin Netanyahu & several world leaders including a now cut-short visit to the United States, where despite repeated calls to bring the hostages home and end the incursions, Israel’s armed forces hammer away at the region reportedly even authorizing a squadron of previously classified design of jets to break cover this week, as it pounds suspected Hamas (and Hezbollah) strongholds where masterminds of the Oct 7 attack are believed to be, including midday Saturday local time when IDF jets struck a school in Gaza reportedly killing at least 30 displaced Palestinians in the process, and sadly, 7 children. In what seems to be a retaliatory strike within a matter of hours, a rocket attack on a soccer field in the Druze town of Majdal Shams in Israeli annexed Golan Heights killed at least 11 children & teens, and over 20 wounded, in what is now feared to be an imminent war with Hezbollah.

On the likelihood of an escalating conflict with Lebanon / Hezbollah and as highlighted in the last edition of the GMS WEEKLY, freight markets (will) continue to perform well and there remains little chance of a change in the flow of candidates into the ship recycling sector over the next several weeks. Accordingly, despite a pervading sense of enthusiasm at the bidding tables (and always at the right price), the latest trick unfolding in the sub-continent ship recycling markets is finding the right recycler who is willing to bet the right money on a short-term delivery bet that is inevitably routed to a loss, as any scarce vessels that do come the way of subdued global ship recyclers have to deal with the reality that the ship recycling community themselves have their backs against the walls of fundamentals that are themselves, delivering mixed / declining results on the regular.

Accordingly, and expectedly, amidst a prolonged absence of workable candidates, there has been no bounce to any of the markets this week, despite an overall positive budget being announced in India, Bangladesh remaining deathly silent with news of upwards of 200 people now reportedly dead, amidst communications blackouts & curfews imposed to keep the populous off & the army on the streets, as Turkey lies invisible. Pakistan is the only market to have displayed any optimism of late as Gadani Recyclers inadvertently become more competitive and even find themselves atop the market rankings this week. As steel declines further in India and remains dead on the floor in Bangladesh, the forecast does call for a gloomy next week, despite a rare reefer sale with significant non-ferrous onboard registering this week. The traditionally quieter monsoon months are also in full effect with incessant rains & even violent storms leading to reduced activity at yards, as laborers return to their hometowns.

For week 30 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	<i>Improving</i>	510 / LDT	530 / LDT	540 / LDT
2	India	<i>Uncertain</i>	500 / LDT	520 / LDT	530 / LDT
3	Bangladesh	<i>Declining</i>	490 / LDT	510 / LDT	520 / LDT
4	Turkey	<i>Dead</i>	360 / LDT	370 / LDT	380 / LDT

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**BANGLADESH**

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**S**AFETY FIRST!

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*Churlish.*

It certainly seems churlish to discuss ship recycling in Bangladesh this week, when all of the attention has squarely fallen on the disturbing cases of violent unrest unfolding across the country, one that has reportedly resulted in the untimely passing of about 200 students and protestors, probably far more given the ongoing communications blackouts being ordered throughout the country on account of 'security measures' that is leading to the uncertain quality of information emanating from Bangladesh over these tumultuous times. While we incorrectly reported based on premature news last week that the government was about to do an *about face* on the recent quota ruling, it was in fact the Supreme Court that had intervened and ruled on the matter by ordering the current administration to reverse the quota ruling in a timely, yet orderly manner. Leaders of the protesting body are meanwhile still making demands from the government, including formal apologies and monetary compensations to the families of those killed during the recent demonstrations, on account of the mishandling of events by the Police as well as the Army who are now patrolling the streets of Bangladesh, ensuring that calm persists.

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*Additional demands.*

As the possibility of communicating with anyone in the country or get a hold of local recyclers on potential candidates or even complete pending local deliveries becomes increasingly constricted, Force Majeure conditions seem to be setting in via ongoing restrictions in internet and mobile phone services that remain suspended for the most part, and the general population remains instructed to stay indoors at home for their own safety, as tensions linger on and curfews remain imposed across the nation. In addition to the communication blackouts, Chattogram has also been hammered by torrential rains and violent storms during this year's seemingly unforgiving Monsoon that has seen a Bangladeshi anchorage find a lifeline via a fleet of small-LDT, Far Eastern built / controlled tonnage that continues to arrive the nations waterfront every week, even though this market has managed to torpedo itself to the bottom of the sub-continent rankings on the back of local offerings that have suffocated down to USD 500/LT LDT (and even below on smaller units) this week.

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*Steady drizzle.*

The ongoing focus therefore remains on channelling some much-needed stability into the country, in addition to addressing the ongoing volatility seen in domestic fundamentals of late as the Bangladeshi Taka, despite engaging in a volatile shakedown against the U.S. Dollar, has ended the week even lower at BDT 117.90, all while local steel plate prices collapsed to floor as trading of steel came to a dead halt amidst the ongoing curfews.

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*Violent Q2.*

All in all, through an ironically inactive week, last week of July Q2 remained a violent affair in Bangladesh.

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**NO MARKET SALES REPORTED**

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## INDIA

## BUDGET ... BOON?

India's desperately awaited FY24 – FY25 Budget was finally announced this week, the first since PM Modi was re-elected amidst a monumental loss of governance powers and a delayed (questionable?) hope of revival for the domestic ship recycling sector in the short-term, as political wrangling was all but destined to surface sooner rather than later and has seen its first effects via this Budget that although is an overall positive one for the nation with the general theme focussing on the middle-class, employment, skilling, and future opportunities for the youth of the nation over the next 5 years / until the next election cycle; infrastructure and related spending fell to the bottom of the current administration's priority list of 9 publicly disclosed items and this was something Alang Recyclers were rather quick to point out in that, there were no announcements made that would lower duties / taxes or any direct positive news that would otherwise bolster an ailing, albeit largest ship recycling destination in the world.

This may or may not be a good thing for Alang, given that not only are market forces seemingly self-adjusting to where local offerings should realistically be so that all parties involved have a net positive transaction, it also is a giant caution to us all that mere expectations can and **will** continue to drive short-term markets to perform in unexpected ways, and fundamentals will eventually mirror reality far more than rumours & expectations will, this was certainly evident in how quickly India's steel plate prices have been reacting of late as they predictably fell even further this week (by about USD 4/Ton). Considering that local steel plate prices made an eye watering jump to the tune of nearly USD 50/Ton jump over several weeks early Q2, this ongoing decline almost seems to deliver a justifying jolt of reality, even for veterans in the industry at large. The Indian Rupee also continues to remain in a depressed state as it weakened further towards 83.75 COB Friday. Notwithstanding, various infrastructure projects totalling nearly USD 135 Billion still remain in the pipeline and will be spent on intended projects at some point during this administration's 5-year tenure. However, the 135-billion-dollar question is just when / how soon along in the next 5 years will necessary funding be allocated to the industry that will see steel prices race to the moon again. In the interim, tidbits highlight how USD 65 billion is reportedly being set aside for roads & railways alone and this is up by about 11% since the last budget. *Finally*, not only did another reefer arrive Alang's anchorage this week, but another reefer was also confirmed locally as the '84 Korean built ICE RUNNER (6,939 LDT) fetched a fantastic USD 615/LT LDT for HKC recycling, thanks in all to the 289 Tons of Aluminium onboard. Phew, India!

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*Overall positive.*

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*There's a list?*

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*Justifying jolt.*

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*USD 65 Billion on Roads & Rails*

## MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ICE RUNNER	Reefer	6,939	USD 615/LT LDT (with 289 Tons of AL on board)

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**PAKISTAN**

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**COLLECTED COOL!**

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*Top Placed*

Amidst a torrential monsoon coupled with an unaggressive and collected cool attitude at the bidding tables for nearly two months now, one of the inadvertent abilities of Gadani recyclers over the ongoing & rivetingly over-extended tonnage drought that continues to afflict global ship recycling markets, has been to continually take in a spate of deliveries across Q1 & even (sparingly) through Q2, thereby besting their 2023 volumes by a wide margin and (unintentionally) assisting Pakistani ship recyclers compete effectively at the bidding tables. Moreover, comparatively firmer domestic fundamentals are also playing their part in that, even though local steel plate prices remain dead on the floor at region USD 706/Ton for what seems like an eternity now, Pakistani plate prices largely remain the highest placed across all of its sub-continent ship-recycling competition. Even the Pakistani Rupee firmed 10 basis points against the U.S. Dollar, ending the week at levels approaching PKR 278.35 and is one of the only sub-continent ship recycling destinations to register an increase this week.

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*August...next week.*

As comparatively stable fundamentals assist Gadani offers remain on even keel over recent weeks (months?) and competing Indian and Bangladeshi fundamentals continue to rock to new lows week-after-week, Pakistan was the only market to enjoy an explosion of optimism this week as it encouragingly crossed the finish line atop the global ship-recycling market rankings, and it may not be long before we see a growing collection of non-specialist / non-HKC tonnage redirecting their navigational charts towards Gadani shores through the month of August ... next week.

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*Fragile state.*

While the combined drop in competing destination has not immediately translated into sales just yet, primarily on account of the ongoing lack of workable candidates as freight markets continue to perform admirably across the board, it also reflects the dithering state of Gadani's port position this week as not only has the only candidate at local anchorage finally found its way onto its rightful spot on the beach this week, it also remained the only recycling unit to greet Pakistan's waterways for nearly 3 weeks now.

Overall, even though Gadani seems destined to sizzle for available tonnage through this rainy August summer, U.S. Dollar reserve concerns remain omnipresent such that, even though domestic recyclers remain confident in opening fresh L/Cs and that too at the now unexpectedly firm levels across the industry, Pakistani banks have been hawk-eyeing market movements and closely keeping an eye on the fragile state of prevailing global inflation as the unfolding crisis in the Middle East starts to take center stage.

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**NO MARKET SALES REPORTED**

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**TURKEY**

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**SILENCIO'...CIAO!**

Back to base for Aliaga's ship recyclers this week amidst feeble fundamentals, a Lira that's dipped marginally below a record-breaking TRY 33 against the U.S. Dollar this week, an empty sales board highlighting Turkey's true state, and nothing but summer Italian wines to taste as Aliaga Recyclers & EU Ship Owners increasingly head on out for summer holidays, amidst a domestic ship recycling sector that is forced into hibernation in the heat.

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*Hibernation in the heat.*

## BAD PUNS AND WORSE JOKES!

- *How did Ebenezer Scrooge win the football game? The ghost of Christmas passed!*
- *Did you hear about the mediocre restaurant on the moon? It has great food but no atmosphere.*
- *What kinds of pictures do hermit crabs take? Shellfies.*
- *What do you get a man with the heart of a lion? A lifetime ban from the zoo.*
- *What do you call a person with a briefcase in a tree? A branch manager.*
- *Why did the baby cookie cry? Because its mother was a wafer so long.*
- *What's the difference between an alligator and a crocodile? One you'll see later, the other you'll see in a while.*
- *When is a door not really a door? When it's really ajar.*
- *What do you do when you see a spaceman? Park in it, man.*
- *Why do you never see elephants hiding in trees? Because they're so good at it!*
- *Did you hear about the claustrophobic astronaut? Poor guy really needed some space.*
- *What's the No. 1 cause of divorce? Marriage!*
- *Why did the coffee call the police? It got mugged!*
- *Why did Cyclops close his school? He only had one pupil.*
- *Where do skunks pray? In pews.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
August 15 – Independence Day August 26 - Janmashtami	July 19 – July 27 July 31 – August 08 August 17 – August 26

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
August 26 - Janmashtami	July 21 – July 24 August 04 – August 07 August 19 – August 22

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in July & August	August 14 – Independence Day	August 30 – Victory Day

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### ALANG - Port Position as of July 26, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Gordon	2,757	Fishing Vessel	Delivered July 24
2	Mersin 15	5,280	RoRo	Arrived July 23
<b>Total Tonnage</b>		<b>8,037</b>		

### CHATTOGRAM - Port Position as of July 26, 2024

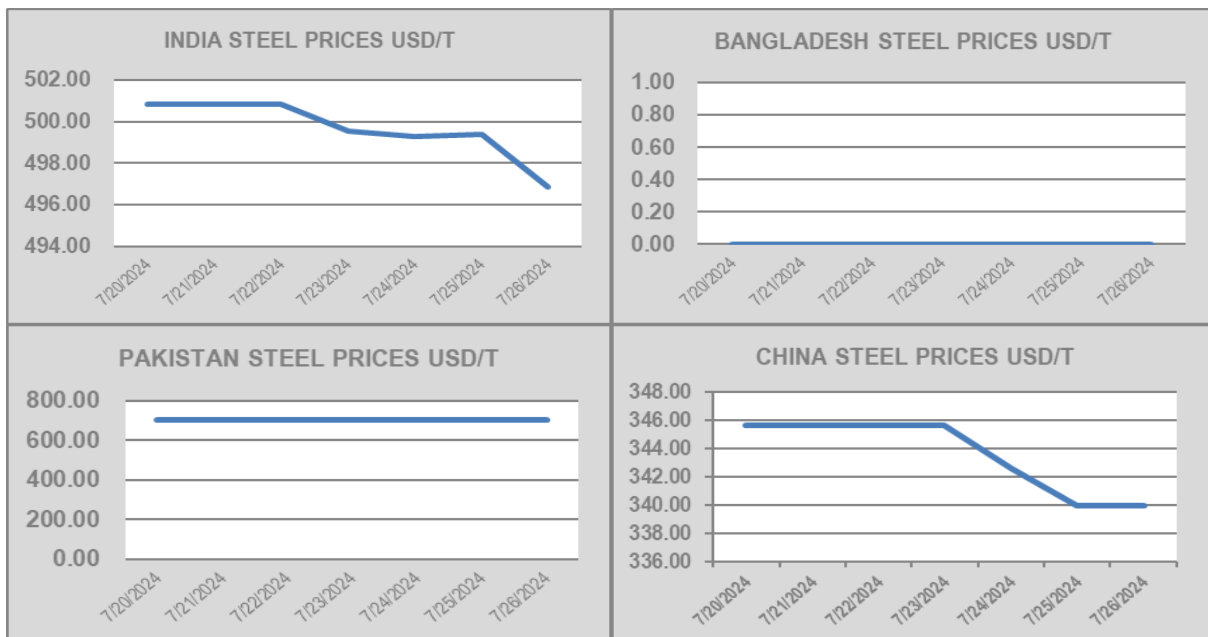
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Nareswar	10,308	Bulk Carrier	Delivered July 21
2	Pioneer	1,348	Offshore Tug	Delivered July 20
3	Sia 20	1,747	General Cargo / Container	Arrived July 20
4	Sia 30	2,587	General Cargo / Container	Delivered July 21
5	Tai 97	3,232	Bulk Carrier	Arrived July 24
<b>Total Tonnage</b>		<b>19,222</b>		

### GADANI - Port Position as of July 26, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Far East Grace	3,585	Container	Delivered July 24
<b>Total Tonnage</b>		<b>3,585</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
7/20/2024	500.84	41,900.00	706.60	197,000.00	-	NA	345.65
7/21/2024	500.84	41,900.00	706.60	197,000.00	-	NA	345.65
7/22/2024	500.84	41,900.00	706.60	197,000.00	-	NA	345.65
7/23/2024	499.52	41,800.00	706.60	197,000.00	-	NA	345.65
7/24/2024	499.28	41,800.00	706.60	197,000.00	-	NA	342.64
7/25/2024	499.40	41,800.00	706.60	197,000.00	-	NA	340.01
7/26/2024	496.84	41,600.00	706.60	197,000.00	-	NA	340.01



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