GMS WEEKLY

Your Source for Recycling News

August 23rd, 2024
*Week 34*
Volume 263, Issue 1148

*Highlights:*

- No positivity.
- Slipped.
- Bad flooding.
- India lackluster.
- Infection.
- Scan to download and view the GMS Weekly on our Recycling App!

QUOTE of the WEEK

**"What we do is more important than what we say or what we believe."**

*– Bell Hooks*

# -- MARKET COMMENTARY --

## GLUM TRAJECTORY!

As the world finally witnesses the first signs of aggression emanating in Northern Israel early Sunday AM hours where, on the back of intelligence that Hezbollah was expected to imminently launch several thousand unguided missiles that were aimed at Northern and Central Israel, the Israeli Air Force counterstruck several hundred targets housing thousands of missiles in Lebanon, in a raid that is now being labeled as one of the largest Israeli incursions in recent times. While Hezbollah did launch a few hundred missiles and 1 Israeli casualty was sadly reported, tensions remain high in the region as on the one side, Israel awaits an Iranian attack and on the other, Indian PM Narendra Modi marks his first visit to Ukraine amidst their surprise resurgence in the war against Russia and Ukraine defiantly takes control of larger territory in the Kursk region. Finally, Houthis detonated another (Greek controlled) Tanker in the Red Sea marking another sad and tumultuous week for shipping. Impressively, while the Houthi attack was being planned and executed in the South, IDF intelligence had already uncovered the imminent Hezbollah threat in the North and the Israeli Air Force was immediately mobilized to conduct pre-emptive strikes, which is telling of their military intelligence capabilities and one that seems to be stretched of late.

On the ship recycling industry front, Ship Owners & Cash Buyers continue to struggle with the ongoing tonnage shortage as sub-continent ship recycling markets continue down their current trajectory, with very little (if at all) to report in terms of sales, pricing, or anything other than negativity permeating across the industry on the back of a short supply of vessels and global economies that remain shaky. As such, ship recyclers continue to chip away at signs of a return to normality as vessel prices dip closer to USD 450/LT and nervy markets receive no respite in the face of declining steel prices, budget distresses, strained political situations, and even the weather.

Speaking of the weather, after the deadly riots that saw the recent abdication of PM Sheikh Hasina and the military & key student bodies maintaining peace through the unstable situation, the incessant rains have drenched much of the country over the week causing Bangladesh to suffer through yet another tragedy this week, as tragic floods ravage much of the country. India too remains lackluster as the import of cheaper Chinese product continues to weaken recycling sentiments, both here and in Pakistan where Gadani buyers seem oddly content to wait and watch market developments before committing afresh on the slim pickings of vessels that do come available. Finally, Turkey at the far end remains dead as ever and overall, through August and indeed much of these summer months, minimal vessel offerings have become the hallmark of an ailment that continues to severely infect our industry.

For week 34 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 | *Shaky* | 500 / LDT | 520 / LDT | 530 / LDT |
| 2 | India | Uncertain | 490 / LDT | 510 / LDT | 520 / LDT |
| 3 | Pakistan | Declining | 480 / LDT | 500 / LDT | 510 / LDT |
| 4 | Turkey | ~~Dead~~ | 345 / LDT | 355 / LDT | 365 / LDT |

# BANGLADESH

## Political flooding

*Operational Knees.*

In the wake of deadly student-led riots that resulted in several hundred reportedly dead and the subsequent abdication of PM Sheikh Hasina, Bangladesh has endured even further turmoil over this week with increasingly devastating rains and floods that have reportedly submerged large swathes of the country and bought the nation to its operational knees.

From a functioning standpoint, the week started with massive downpours that turned disastrous for the populous as unprecedented floods hit key districts around Chattogram, immobilizing millions of citizens including submerging the main Chattogram highway and stranding local commuter rails, all of which are all reportedly under water and have brought life in the nation to a complete standstill. With ongoing efforts aimed primarily at rescue and relief, we do foresee Bangladeshi officials burning through financial reserves, further challenging an already complicated state of affairs, in addition to the purchasing mindset of domestic ship recyclers.

*1.65%.*

Mercifully, non-resident Bangladeshi citizens have reportedly broken previous records for single day remittances into the country as they transfer funds back home and further support the Government to raise money through the unfolding monsoon crisis. Tragically, domestic fundamentals, especially the Bangladeshi Taka, took a noteworthy hit this week as the Central Bank revised its policy on foreign reserves & exchange that resulted in the Taka taking a hit of BDT 3 against the U.S. Dollar in a single day and end the week at levels sniffing the heels of BDT 120, a noteworthy decline of nearly 1.65% in a day. Even steel plate prices, though flatlined at about USD 555/Ton, remain relatively steady as local offerings continue to re-adjust and stabilize operational margins through the ongoing shortage of tonnage.

*"Standstill".*

Logically, on the back of adverse BDT movements, domestic ship recycling sentiments have taken a severe hit and overall end-product sales turn non-existent amidst the rising waters that have hardly seen any serious / active recyclers at the bidding tables of late, some of whom even lack the ability to open fresh L/Cs and perform in a falling market. Ship recycling has therefore missed the several top spots of the nation's unfolding agenda, given that the monsoon months have always resulted in softer sentiments amidst the heavy rains, minimal cutting, and product that fails to shift from local yards in time, bringing the domestic ship recycling industry to a proverbial standstill.

*Oldies from the East.*

What remains ever-impressive is the never-ending stream of Asian beauties at the Chattogram waterfront week-after-week, as another grand total of nearly 18K LDT has graced the nation's recycling anchorage this week, awaiting delivery to their new Owners. Certainly, a surprising (given the ongoing shortage of vessels) ongoing affair with Oldies from the East.

**NO MARKET SALES REPORTED**

# INDIA

## BANKING ON POLICIES!

*Wet summer slump.*

As this year's wet summer slump continues to ravage India's ship recycling sector, the ongoing absence of candidates to test where levels really stand, remains painfully present amidst impressively firm freight rates that are still astronomically suspended on the back of the ongoing crisis in the Middle East, all while Ship Owners remain unappreciative of the extent to which ship recycling prices have fallen since the peaks seen earlier this year, and will continue to fall in the coming weeks - certainly into early September at the very least – unless a few take advantage of the levels that are still at or above USD 5XX/LT LDT.

*Conduit.*

Meanwhile, amidst PM Modi's trip to Ukraine offering India's assistance at being a conduit for peace in the region, Indian steel plate prices registered marginal movements during the week that saw them end at the same level as the start of the week i.e. about USD 486/Ton. Moreover, they (plate levels) also registered an overall decline of about USD 60/LDT over the last several weeks, leaving offers on dry bulk vessels situated firmly below USD 500/LDT. Even the Indian Rupee, despite ending the week 7 basis points firmer than the U.S. Dollar at INR 83.81, did briefly breach a record INR 84.015 – a telltale sign of how terribly sentiments have unfolded across India's economic landscape post-election and post-budget.

*Protein bars.*

Somehow yet, like their Chattogram counterparts, Alang's waterfront has remained similarly busy this week taking in an identical number of units with another 5 vessels having arrived / delivered to their respective owners this week. Whether a market as massive as Alang (when compared to Chattogram or even Gadani) can sustain itself on a "Jane Fonda" diet of a few protein bars a week remains to be seen. What is impressive is that thus far, no adverse news of any local ship recycling yards having stuttered through the summer months, a has yet to come forth.

*As ok as a few ships.*

For what seems to be another uphill battle for this market in the near future - especially as the threat of a regional conflict in the Middle East comes ever closer to reality than before - the anguished state of affairs is destined to keep Indian ship recyclers wanting for tonnage. And for what it's worth, as Gadani recyclers ease off the pricing pedal even more this week, Indian Buyers are sure to be ok, as long as few ships a week make it so.

**NO MARKET SALES REPORTED**

# PAKISTAN

## SLIPPING OUT!

*Fashionably out of sync.*

As the lowest placed Indian sub-continent ship recycling destination that is unlikely to get involved in serious negotiations on any of the slim pickings that do present themselves in the current form, Pakistani recyclers have clearly been out of the picture as they continually lower their offers on proposed units, highlighting their growing dissatisfaction at the types (reefers, trawlers, SS-rich tankers, HKC only vessels) of incoming tonnage. Like a teenager who is fashionably out of sync with the ongoings of the market, reality has delivered a recycling twist that has made 'being picky' an interesting and unfolding reality for Pakistan's ship recycling sector.

*Torrids.*

And for whatever reason, this seems to be doing well for this market as week after week, when compared to neighboring ship recycling destinations, Pakistani fundamentals seem to have sailed through the torrids of the season with the Pakistani Rupee ending the week at the same level as the start, along with local steel plate prices that finally reacted to the import of cheaper Chinese steel and register a decline of about USD 7/Ton as the week ended. Speaking of imports, Gadani recyclers continue to deal with hassles of cheaper Chinese product that is undercutting local steel plate prices and as in the case of India, greater tariffs will be needed in order to keep the adverse effects of such imports, away from affecting domestic ship recycling businesses.

Luckily for local ship recyclers, the fact that no fresh vessels have been reported in Pakistan's recycling waterways this week is a clear indication that Gadani buyers are happy staying away from tonnage (market and / or private) and Pakistan may just return to an empty local port position from next week, should no meaningful candidates be introduced in the interim.

*Tarriff imposition?*

Overall, with appetites full and tonnage that doesn't meet local interest continuing to make the rounds, local ship recyclers remain happily off the pace where even offers being tabled are not reflective of the current reality at Pakistan ship recycling yards. The one fearful thing that is rearing its head are the declining plate prices could see further falls in coming weeks, unless the Pakistani government intervenes and imposes tariffs to ensure local business continue to operate without the fear of declining plate levels dragging local offerings even further down.

**NO MARKET SALES REPORTED**

# TURKEY

## QUIET …

All quiet on the Western seaboard as Turkey ends another week with nothing to report other than softening sentiments, declining steel plate prices, and a Lira that has lost nearly 0.9% against the U.S. Dollar, ending the week at a dreadful TRY 33.96.

*33.96.*

Ciao Constantinople.

**NO MARKET SALES REPORTED**

# WEIRD ONES

- *That you could legitimately travel at warp speed through the center of galaxies and never run any real risk of hitting a star. That's how spread-out space really is.*
- *The word "archaeology" comes from the Greek word "arkhaios," which means "ancient."*
- *Architecture was once an Olympic sport.*
- *"Archaeology yoga" is totally a thing.*
- *The first aerial images were captured using hot air balloons, kites, and even pigeons.*
- *Gold miners used to create water cannons to ease their mining operations.*
- *The Southeast region of the United States is home to about 2 million wild boars, also called "feral pigs".*
- *Women have always been a huge part of historic preservation.*
- *Certain Native American cultures mixed fragments of bone into the clay for their ceramics.*
- *Archaeologists do not study dinosaurs.*
- *Archaeologists lick findings to determine whether they are faunal.*
- *Giraffes are more prone to be struck by lightning than humans.*
- *In Switzerland, owning just one guinea pig is not allowed.*
- *The heart of a shrimp is in its head.*

# IMPORTANT DATES

| INDIA | |
|---|---|
| **BANK HOLIDAYS** | **DELIVERY TIDES** |
| August 26 – Janmashtami<br>September 08 – Ganesh Chaturthi | August 31 – September 06<br>September 15 – September 24 |

| BANGLADESH | |
|---|---|
| **BANK HOLIDAYS** | **DELIVERY TIDES** |
| August 26 – Janmashtami<br>September 16 – Eid Milad-Ul-Nabi | September 02 – September 05<br>September 17 - September 20 |

| BANK HOLIDAYS | | |
|---|---|---|
| **CHINA** | **PAKISTAN** | **TURKEY** |
| **No holidays in August**<br>September 16 – Mid-Autumn Festival | September 16 – Eid Milad-Ul-Nabi | August 30 – Victory Day<br>**No Holidays in September** |

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## ALANG - Port Position as of August 23, 2024

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| 1 | Ocmis Legends | 2,331 | General Cargo | Arrived August 21 |
| 2 | Ossora | 937 | Fishing Vessel | Arrived August 16 |
| *3* | *Ruda* | *5,728* | *Bulk Carrier* | *Delivered August 22* |
| *4* | *Tweedia* | *3,064* | *Reefer Vessel* | *Delivered August 18* |
| 5 | Y Glory | 7,771 | Container | Arrived August 17 |
| **Total Tonnage** | | **19,831** | | |

## CHATTOGRAM - Port Position as of August 23, 2024

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| 1 | Drago | 2,314 | Cement Carrier | Arrived August 20 |
| 2 | Honx Da Xin 7 | 4,296 | General Cargo | Arrived August 22 |
| *3* | *Indu* | *16,696* | *Tanker* | *Delivered August 19* |
| 4 | Nahide M | 6,984 | Bulk Carrier | Arrived August 19 |
| 5 | Sia 21 (Under Tow) | 3,958 | General Cargo | Arrived August 22 |
| **Total Tonnage** | | **34,247** | | |

## GADANI - Port Position as of August 23, 2024

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| *1* | *Moshtaraka 2* | *14,398* | *Bulk Carrier* | *Delivered August 16* |
| *2* | *Sea of Waves* | *1,037* | *Bulk Carrier* | *Delivered August 20* |
| **Total Tonnage** | | **15,435** | | |

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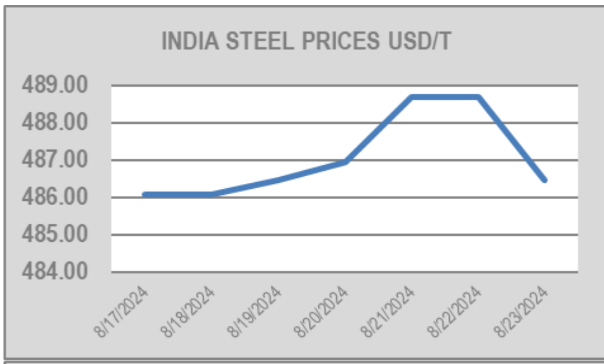
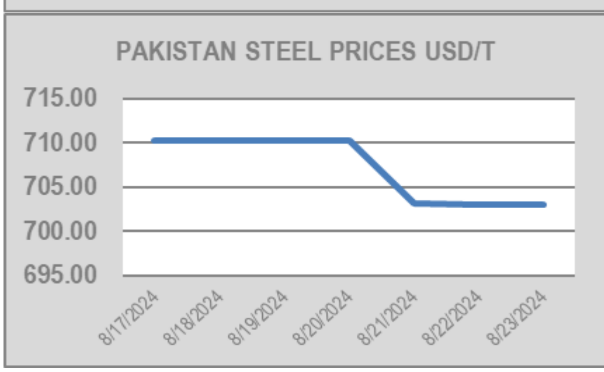
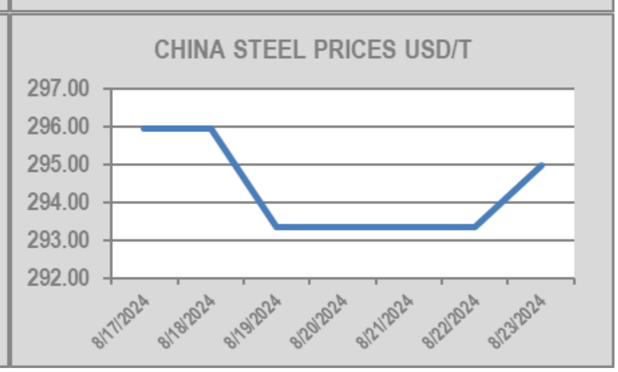
| DATE | INDIA STEEL PRICES USD/T | INDIA STEEL PRICES | PAKISTAN STEEL PRICES USD/T | PAKISTAN STEEL PRICES | BANGLADESH STEEL PRICES USD/T | BANGLADESH STEEL PRICES | CHINA STEEL PRICES USD/T |
|---|---|---|---|---|---|---|---|
| 8/17/2024 | 486.06 | 40,800.00 | 710.31 | 198,000.00 | 555.56 | 65,000.00 | 295.95 |
| 8/18/2024 | 486.06 | 40,800.00 | 710.31 | 198,000.00 | 555.56 | 65,000.00 | 295.95 |
| 8/19/2024 | 486.47 | 40,800.00 | 710.31 | 198,000.00 | 555.56 | 65,000.00 | 293.36 |
| 8/20/2024 | 486.93 | 40,800.00 | 710.31 | 198,000.00 | 555.56 | 65,000.00 | 293.36 |
| 8/21/2024 | 488.68 | 41,000.00 | 703.14 | 196,000.00 | 555.56 | 65,000.00 | 293.36 |
| 8/22/2024 | 488.68 | 41,000.00 | 703.01 | 196,000.00 | 555.56 | 65,000.00 | 293.36 |
| 8/23/2024 | 486.47 | 40,800.00 | 703.01 | 196,000.00 | 555.56 | 65,000.00 | 294.99 |





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