

September 13<sup>th</sup>, 2024  
Week 37  
Volume 264, Issue 1151

QUOTE  
of the  
WEEK

**"Politics is the art of looking for trouble, finding it everywhere, diagnosing it incorrectly, and applying the wrong remedies."**

– Groucho Marx

## Highlights:

- Mid East crisis
- Ben Gurion Intl. targeted?
- Ukraine's offensive.
- Way too low.
- Snooze Cruise.
- Scan to download / view the Weekly on the GMS App!



## -- MARKET COMMENTARY --

### AT WAR!

In what is clear and imminent danger unfolding across the Middle East whereby various Iranian proxies seem to have risen in unison against Israel this week, as not only is there growing unrest in Jordan as Jordanians vow to become a part of the Muslim Brotherhood in defiance against Israel's ongoing incursions into Gaza, but the Houthis in the South (likely emboldened by their Jordanian counterparts) launched a Hypersonic Ballistic missile early Sunday that flew from Yemen into the heart of Israel (about 1250 Kms in under 11 minutes) before Israel's internal Air Defense System near Ben Gurion Airport tracked and shot it down just outside Tel Aviv. An already defiant and determined Israel that has nearly wiped Hamas out from Gaza and has now shifted its focus onto Hezbollah in the North, will deliver a violent response to this most volatile of aggressions from the Houthis, as Israeli PM Netanyahu himself vows to avenge. On to the Northeastern end of the world map, Ukraine has been on its own offensive against Russia, as Ukrainian Special Forces pounded downtown Moscow with 171 drones, attacked Russian war ships in ports, and even detonated a Russian oil rig in the North Sea that then saw Russia launching a barrage of long-distance missiles into Ukraine killing scores. While the U.S., U.K., and their NATO allies now ponder the release of authority to Ukraine on using Western made long range missiles, President Putin made veiled threats against the West this week, all while the Chinese Navy in the East increased its provocative stance when a Chinese Navy vessel rammed into a Philippine patrol boat, resulting in the world getting a real international whiff of not only political war at best, but a real one at worse.

As a result of the politics, warring, and ensuing global financial instability, ship recycling markets continue to endure profound challenges as the industry heads towards Q4 2024. On the financial side, we witnessed a seesawing of fundamentals as on the one hand, likely on the back of news that the U.S. Fed are revising another reduction in interest rates, the U.S. Dollar seemed to have declined a hair or stayed even across the board and offer Indian sub-continent & Turkish currencies a much-needed opportunity to stabilize this week, while on the other hand, local steel plate prices in both India & Pakistan suffered tragic declines, all at a time their +USD 500/LDT levels were the only things keeping Ship Owners / Cash Buyers interested in these recycling destinations. Even in the West, Turkish steel registered falls through late August at a time where local levels were their only safety net and are now collapsing under the feet of local recyclers. These declining steel levels have also shown few signs of easing in India & Pakistan where Gadani recyclers refuse to be a competitive resale option for no reason other than they can, and Bangladesh continues to dance to several soundtracks at the same time. What's the bright side? **None!** The availability of candidates remains abysmal because of world affairs, and this continues choking out the possibility of determining where the new recycling lows lie, which themselves are changing every week. As a result, ship recycling markets themselves need to find some sort of floor / stability before even offering afresh on any units, thereby driving themselves to a complete standstill. Any candidates that do come for sale are met with comical numbers, as recyclers choose to wait and see where prices finally settle before, before returning to their snooze cruise again amidst a historically firmer time that is doing the opposite in 2024.

## BANGLADESH

**DOLDRUMS!**

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*Changes.*

Amidst a smorgasbord of unfolding calamities that have seen over 1,000 dead in Bangladesh on the back of riots, political upheavals, and even tragic monsoon flooding; an improperly cleaned tanker recently added to the death toll in Chattogram, resulting in blame being quickly shifted from Cash Buyers to local authorities and even Gas Free Inspectors, the true cause of which will be reported once the relevant local investigations have been completed. Unfortunately, this tragedy comes at a time the incoming head of the country's environmental department only recently issued a ruling stating that every vessel arriving Chattogram's waterfront for recycling must have an approved IHM on board, and this event is likely to put these new safety / cutting procedures & standards, that much deeper under the recycling microscope, at least for the near foreseeable future.

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*Note to all.*

*Note to all:* On the back of unfolding disagreements on recent deliveries of low quality small LDT vessels, the BSBRA has reportedly announced this week that future incoming vessels will also have to undergo post beaching, pre-cutting, permanent ballast surveys to ensure recycling tonnage is sold on an actual & fair NETT LDT basis to Chattogram recyclers, free of any weight of ballast on board. Questions? You know where to find us.

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*Fundas steady.*

While these protective & preventive measures certainly help domestic ship recyclers, what remains beyond the address of local reach is the ongoing shortage of recycling tonnage that has seen Bangladeshi prices swim into the doldrums and stay there for yet another week, as 2024 sub-continent monsoons continue to fracture the cutting of ship's steel, halt the processing of steel at local recycling yards, and even submerge highways to such an extent that recycling yards are unable to shift recycled product, resulting in yard operations falling to from sensible capacities. The incredible rains have also paralyzed local transportation of goods to such an extent that not only is there recycled steel inventories stockpiling at ship recycling yards that is unable to shift, but remnants of uncut ships are gradually suspending the Bangladeshi ship recycling sector into a comatose state.

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*Clearer skies & firmer times.*

Furthermore, the country is still coming to grips with swearing in the new government after the recent forced abdication of PM Sheikh Hasina that suspended Bangladesh in something of a chaotic state, especially as the interim government battles domestic economic instability, which itself has seen extreme volatility in fundamentals, on the back of local steel plate prices and even the Bangladeshi Taka, both of which have weakened across the summer / monsoon months, only to have found a modicum of stability this week - and that too likely on account of external factors. While the Bangladeshi Taka clocked out a hair weaker at BDT 119.50 against the U.S. Dollar, local steel plate prices remain at a tarnished, yet steady USD 537/Ton. Swimming through flooded waters is activity at anchorage that saw a couple of deliveries and even a fresh arrival this week, as the Bangladesh wades towards the end of the monsoon season, hoping for clearer skies and firmer times

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**NO MARKET SALES REPORTED**

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INDIA



## HAMMERED HOPES!

Ever since the commencement of India's election cycle this year, followed by an unsavoury conclusion to the nation's FY24 – FY25 budget that deprioritized domestic infrastructure projects, the Indian ship recycling sector seems to be parading through a river of misery (some self-induced) resulting from the excessive hype behind the nation's fervent hopes of a positive election that is now being smelted into streams of misery. In fact, the only reason that India is even in 2<sup>nd</sup> place in the market rankings is that Gadani buyers have chosen to intentionally price themselves marginally below India, which should quickly sink in as to just how scattered are the shambles of the Indian economy at present. In fact, Indian fundamentals have been collapsing so rapidly since the inability of PM Modi's government to maintain a majority in India's recently concluded general election, and the subsequent coalition government changing just how soon funding will be allocated to domestic construction projects has seen Alang steel plate prices collapse by over US\$ 65/Ton since June.

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*Steel collapse.*

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*Cheap Chinese.*

Unfolding global crises have furthered local hassles by driving the incessant tonnage shortage to such an extent that amidst the ongoing starvation for ship's steel, a new culprit has emerged of late by way of cheaper Chinese steel imports that have taken centre stage to offset the unavailability of ship's steel, thereby dropping local steel plate prices by over USD 10/Ton this week, in increasingly worrying signs for a market that has been spiralling uncontrollably since the start of the summer / monsoon months, and the historical late Q3 / pre Q4 firming seems even further out of reach under the present circumstances. Local port report, unlike that of the Pakistani waterfront, has been just about making it on a diet of 'a vessel a week' that has been drip fed to local buyers, keeping Alang yards engaged just enough to stay on the hunt for tonnage.

Notwithstanding, there was some positive news this week, in that, 30% tariffs will be reportedly imposed on the import of Chinese billets, which should give the ship recycling sector, temporary relief amidst the ensuing uncertainty. Indeed, it has been so quiet on the ship recycling front for the last 4 – 5 quarters at least, such that a majority of the ship recycling yards are operating at a limited capacity and many have temporarily shut their doors as well, where end buyers claim it is now a loss making business and only about 20% of the yards are fully open for business.

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*Tariffs announced.*

And why not, local steel plate prices are currently at region USD 474/Ton, making the resale price of ships steel well below the purchase price of ships. Far from a return to some form economic stability, the big question is just where Indian steel plate prices will eventually even out and whether that level will be enough, not only to keep India competitive but will it also be backed by tonnage availability to maintain an industrywide momentum.

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*Plate below.*

NO MARKET SALES REPORTED

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## PAKISTAN

**LAZING OUT!**

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*Not competitive.*

Pakistani ship recyclers are intentionally lazing themselves out of the picture for yet another week, unwilling to even compete on the occasionally introduced vessel despite a thoroughly weakened & beleaguered state of competing Bangladeshi and even neighboring Indian markets, but...why? The only problem we are currently aware of is that the Pakistani market, much like its Indian counterpart, is getting hammered by the dumping of cheaper Chinese steel into the local market, which is undercutting the minimal amount of steel inventories that remain at the few open ship recycling yards, resulting in the only safety net that Gadani Buyers were very comfortable with i.e. margins from prevailing local steel plate prices, to fell USD 10/Ton (to USD 680/Ton).

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*Steel dumping.*

While tariffs similar to those recently imposed in India will be needed to alleviate this particular problem in Pakistan, for now, comparatively satiated Pakistani ship recyclers are happy to let fundamentals slide as they aren't really in the market for a reefer or an HKC only unit. As a result, this unhealthy outlook has manifested into an empty port position that has persisted for the second running week, even though Pakistan has far surpassed its own 2023 recycling volume of 16 vessels / nearly 185K LDT, having already imported 24 ships through August 2024 this year. Surprisingly, however, only about 184K LDT in comparison was delivered to Gadani recyclers, highlighting how small LDT tonnage has infiltrated the recycling flavor of the market, for much of 2024.

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*Conflict woes*

As the U.S. Dollar remains relatively steady at region PKR 278, the L/C & finance situation also seems to be easing as a growing number of Pakistani recyclers have come forth to enquire on any available, smaller LDT units – and logically so. Fundamentals remain shaky at best, and the world seems to be slowly but surely trudging towards a wider conflict, leaving any long-term loans on large LDT units, at that much of a greater risk under the present conditions. Moreover, as interest rates remain high across the world, omnipresent interest in smaller LDT vessels is another reason that smaller overall LightWeight units are likely to be of interest for the remainder of the year.

Notwithstanding, recycling candidates are not likely to be proposed en masse any time soon, as the suffocated supply of tonnage is expected to remain heading into next year, given just how firm freight markets remain across the board and with conflicts due to get worse, a silent overall time will earmark its case for the near future.

## TURKEY



## STILL SLIPPING!!!

Despite Turkey's surprisingly quick, yet clearly inevitable decline that finally graced itself as August concluded in Aliaga, levels are feared to fall even further in the coming weeks given that the Lira continues to slip without guilt, losing another nearly 5 basis points against the U.S. Dollar as it wrapped up the week at TRY 33.96.

*Incoming steel.*

Even steel plate prices reported no movements and as tonnage availability remains crushed, local anchorage lies in anguish, in wait of incoming steel.

NO MARKET SALES REPORTED

## GMS Weekly – Market Rankings

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For Week 37 of 2024, GMS Market Rankings / vessel indications are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh	<i>Declining</i>	480 / LDT	500 / LDT	510 / LDT
2	India	<b>Declining</b>	470 / LDT	490 / LDT	500 / LDT
3	Pakistan	<i>Declining</i>	460 / LDT	480 / LDT	490 / LDT
4	Turkey	<b>Dead</b>	310 / LDT	320 / LDT	330 / LDT

## INTERESTING ONES!

- *Each dog has a different nose print. This is similar to our fingerprint.*
- *In 1905, an 11-year-old boy accidentally invented ice pops. Frank Epperson a wooden stirrer in a cup of water and soda pop overnight in the middle of winter. When he discovered it next morning, it was frozen. But, he also discovered the very first ice pop.*
- *Argentina is where the world's first animated feature film was created. Before Disney's Snow White was made in 1937, Argentina was home to the first full-length animated feature film called El Apóstol. It was a political satire consisting of 58,000 drawings and ran for 70 minutes.*
- *The first airplane flight happened on December 17, 1903.*
- *Kitty Hawk, North Carolina, Wilbur and Orville Wright flew the airplane four short times.*
- *Chainsaws began to be used for woodchopping at the start of the 20th century. But before then, chainsaws were used for childbirth to speed up the widening of the pubic cartilage.*
- *In the 1840s, children were taught to say "prunes" instead of "cheese." This was in order to have their mouths closed. Just another weird history fact in the world of photography.*
- *In the Olympics, competitive art was once an official sport. Between 1912 and 1952, artists won medals in architecture, music, painting and sculpture.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
No more holidays in September	August 31 – September 06 September 15 – September 24

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
September 16 – Eid Milad-Ul-Nabi	September 02 – September 05 September 17 - September 20

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
September 16 – Mid-Autumn Festival	September 16 – Eid Milad-Ul-Nabi	No Holidays in September

Prices indicated above are as reported in the market and are not necessarily accurate. This information is provided without prejudice and is given in good faith and without any guarantees whatsoever. While every 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. Opinions expressed herein may be deemed subjective and arbitrary. This WEEKLY is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material. Any review, retransmission, dissemination, or other use of this information by persons or entities other than the intended recipient is prohibited.

### ALANG - Port Position as of September 13, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bereg Mechty (Under Tow) (Arrested)	7,263	Reefer	Arrived August 26
2	Ela	8,990	Bulk Carrier	Delivered September 05
3	Ivan Moshlyak	914	Trawler	Arrived September 07
<b>Total Tonnage</b>		<b>17,167</b>		

### CHATTOGRAM - Port Position as of September 13, 2024

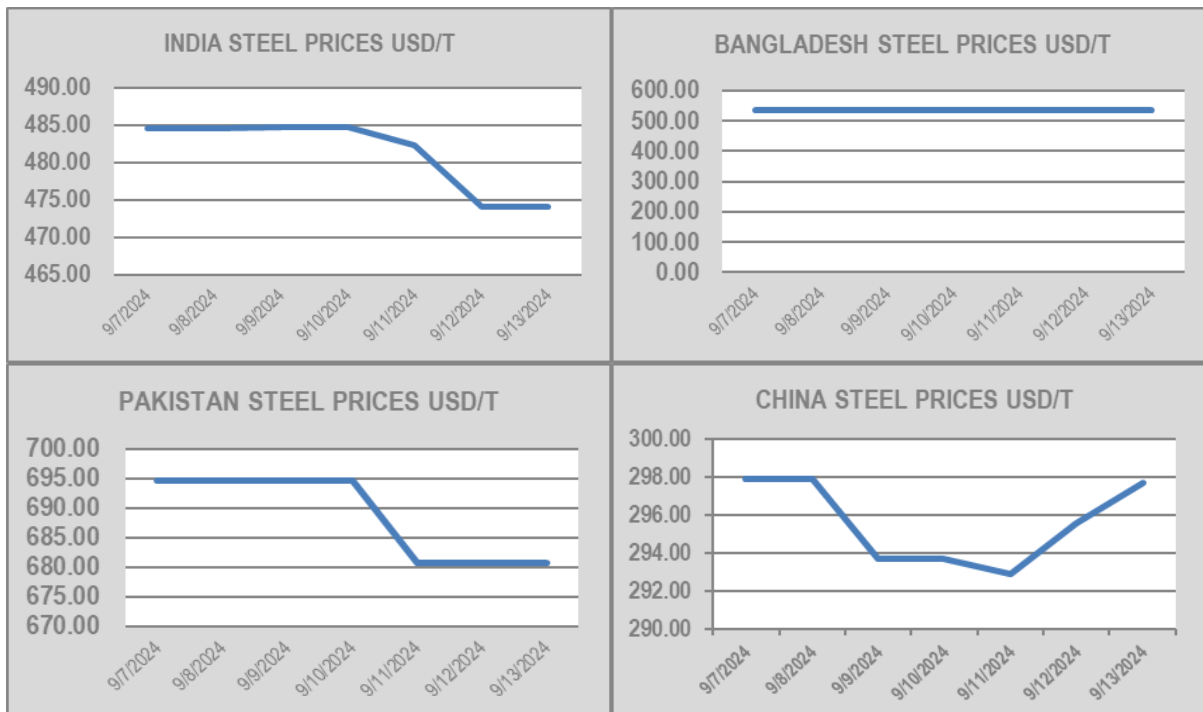
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Serenity 1	6,352	Bulker / Logger	Arrived September 07
2	Sia 21 (Under Tow)	3,958	General Cargo	Arrived August 22
3	Tao (Under Tow)	4,160	RoRo	Delivered September 08
4	Uni Profit	5,903	RoRo	Delivered September 08
<b>Total Tonnage</b>		<b>20,372</b>		

### GADANI - Port Position as of September 13, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No vessels reported.</b>				
<b>Total Tonnage</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
9/7/2024	484.64	40,700.00	694.59	194,000.00	537.82	64,000.00	297.93
9/8/2024	484.64	40,700.00	694.59	194,000.00	537.82	64,000.00	297.93
9/9/2024	484.81	40,700.00	694.59	194,000.00	537.82	64,000.00	293.71
9/10/2024	484.70	40,700.00	694.59	194,000.00	537.82	64,000.00	293.71
9/11/2024	482.37	40,500.00	680.76	190,000.00	537.82	64,000.00	292.91
9/12/2024	474.04	39,800.00	680.76	190,000.00	537.82	64,000.00	295.58
9/13/2024	474.09	39,800.00	680.76	190,000.00	537.82	64,000.00	297.76



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