

September 20<sup>th</sup>, 2024  
Week 38  
Volume 264, Issue 1152

QUOTE  
of the  
WEEK

"If you think you are too small to make a difference,  
try sleeping with a mosquito."

– Dalai Lama

## Highlights:

- Clandestine attacks.

- Drug into battle.

- Steel surprise.

- Containers low?

- Inertia.

- Scan to download  
/ view the Weekly  
on the GMS App!



## -- MARKET COMMENTARY --

### POWDER KEG!

Unlike anything seen in the movies and in what has been nothing short of a series of impressively coordinated & covertly organized attacks that were executed with surgical precision this week, saw Mossad and the IDF plant explosives into several thousand Hezbollah pagers & walkie-talkies that were only recently circulated amongst the ranks on account of increased internal security. Within a short window of issuance, these devices were trigger detonated by the IDF this week, starting with the first wave of pager detonations on Tuesday, followed by a second wave of exploding walkie talkies that were similarly in the hands of Hezbollah members who had gathered to mourn those that had passed in the attacks a day prior, cumulatively killing several dozen across Lebanon and critically injuring several hundreds more. After wiping out Hamas's major Rafah brigade, PM Netanyahu's vow to eliminate Hezbollah saw Israeli jets further leveling thousands of Hezbollah missile launchers across Lebanon that were primed in retaliation to the recent attacks, in addition to leveling a city block in Beirut where senior Hezbollah commanders reportedly met to discuss further attacks. As the world remains assured of an impending IDF assault against the Houthi's for targeting Ben Gurion airport, looming further North is a growing swell of ISIS fighters who are targeting various U.S. bases across Iraq in support of the Muslim Brotherhood, as Ukraine's successful incursions across Western Russia themselves saw Russian depots, cities, & even infrastructure targeted, as the region gradually turns into a large Powder Keg being drug into war.

On the Macro end of the global ship recycling front, fundamentals remain shaky as Indian and Pakistani steel plate prices reported unexpected (and surprising) moves bought on by the 30% tariffs levied on a variety of goods being imported from China, and the U.S. Dollar continues to belly dance around the various recycling nation currencies reporting the (comparatively) worst week for the Bangladeshi Taka, as the interim government continues struggling to control the currency since May. The free flow of turmoil since the start of the year has therefore seen vessel offers fall firmly by over \$90/Ton since the highs of +USD 600/LDT, down to firmly below USD 500/LDT even on favored container units in India, in light of MSC's strictly India only HKC pre-approved yard list policy, which certainly (yet briefly) perked not only the mood in Alang, but even the incoming volume of tonnage at Alang's waterfront amidst a bevy of prompt MSC sales that were truly the recycling highlight of the week, especially for dreary Indian ship recyclers who were just happy being greeted with an irregular dosage in the supply of tonnage.

Indeed, limited and even laughable offers continue emanating from the various sub-continent shores as recyclers remain nervous about current ongoings and even about the immediate future, as the industry would logically prefer to see a few weeks of global and currency stability, before putting down firm offers on any viable units. Whilst the inertia remains staggered and dire ship owners are abstaining from introducing any fresh vessels into the market, unwilling to accept the lowly ongoing prices, these remain concerning times for global ship recycling markets even though the general feeling is that a bottom may have been reached and the only way is up from here. Unless the Middle East has different plans for 2025.

## BANGLADESH

**WORRISOME!**

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*Woeful offers.*

Woeful offers continue to emanate from a broken Bangladesh that has, as a result, seen zero market sales (likely even private ones) concluded into Chattogram this week, leading to a port position that reported **no** fresh arrivals, in addition to the only deliveries to Chattogram yards being arrivals from last week. If domestic fundamentals don't report a positive change in the coming week (which seems unlikely given the country's overall trajectory through 2024 thus far), the industry will witness Bangladesh suffering the indignation of an empty port position, possibly for the first time this year. Due to such unmotivated offerings surfacing from the market leaders, there are increasingly pervasive concerns over whether these are just numbers being tossed at the ceiling in the hopes something might magically stick, given that these levels simply do not correspond to the state of prevailing fundamentals, which themselves aren't doing too hot.

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*Fundamentals flawed.*

Starting with the intentional devaluing of the Bangladeshi Taka against the U.S. Dollar back in May, which was followed on by violent riots that saw the ousting of PM Sheikh Hasina's regime, over a thousand deaths resulting from the regime change that were further exacerbated by the deathly flooding, all while the interim government introduced a "Crawling Peg" system to control the collapsing state of domestic U.S. Dollar reserves that finally saw the Taka collapse nearly 25 basis points (at the time of writing) by the end this week, to levels just shy of BDT 120.

Addressing the other vital fundamental are local steel plate prices that remain dead on the floor at levels region USD 538/Ton, providing all the demotivation that this market doesn't need, in order to table boomerang offers into the ether, on units they know will resulting head elsewhere. Moreover, despite the rains easing through September, output of recycled ship's steel continues to suffer at Bangladeshi recycling yards along with output of steel at domestic mills, which is expected to ramp up again as the rains continue to ease.

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*Incident fallout.*

Additionally, the accident that led to an explosion on a tanker being recycled at a local yards is still under investigation, with the death toll now sadly up to 6. It remains to be seen whether any of the new regulations and / or stricter standards that will be introduced in the wake of this disaster, will influence pricing as well as speed of inward clearances on incoming vessels, thereby increasing idle costs outside Chattogram.

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*Mired.*

For now, Bangladesh remains mired in inertia, offering laughably low numbers on the slim picking of vessels that seem destined to head elsewhere, as owners of rusting old beauties are now having to withdraw their tonnage from the recycling scene and find cargoes / trading options instead, especially as freight markets remain impressively high.

## INDIA



## SURPRISING SEPTEMBER!

On the back of self-imposed restrictions to a select batch of pre-approved HKC yards, it was a surprising turn of events to not only to see even container levels dip firmly below USD 500/LT from Alang this week, but MSC also introduced and concluded a few HKC-only containers in quick succession, in what is starkly unlike Alang's unfolding reality across 2024 thus far.

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*Below 500.*

On the sales front, MSC continued their clear-out of older units for 2024 with a couple of fixtures this week including that of MSC GABRIELLA (8,911/LDT) for a previously unthinkable USD 499/LT despite having about 320 Tons of bunkers included in the sale, followed on by sale of the newer built MSC AGATA II (7,364 LDT) at USD 505/LT and about 200 Tons of bunkers ROB upon arrival. These prices are handily below industry expectations, which has led sellers to realizing just how lowly prices are at present, resulting in several parties abstaining from introducing their tonnage into the markets (for now).

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*MSC containers sold.*

These prices are certainly surprising given that on the back of the 30% tariffs recently imposed on the import of cheap Chinese product, local steel plate prices jumped by nearly USD 8/Ton over the last couple of days of the week, whilst the Indian Rupee seemed to be on a crusade firming nearly 50 basis points against the U.S. Dollar, down to INR 83.50. Although this has done little to contribute to the state of India's ship recycling sector, the number of fresh arrivals at Alang's anchorage this week has 6 vessels and over 36K LDT awaiting delivery to their new owners.

Notwithstanding, the overall situation in Alang remains grim and the near-certain late Q3 / early Q4 resurgence that the industry has been used to from Alang, seems far from reality in 2024 and with the global scape unfolding the way it has been of late, the situation for India's ship recycling sector remains strained. Unless a Bangladesh recovery takes longer than expected the fall out of which will certainly thrust Alang into the limelight and shockingly perhaps, even into first place in the market rankings.

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*Fallout.*

## MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
MSC AGATA II	Container	7,364	USD 505/LT LDT (limited pre-approved HKC yards, 200 Ts ROB on arrival)
MSC GABRIELLA	Container	8,911	USD 499/LT LDT (limited pre-approved HKC yards, 320 Tons ROB on arrival)

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## SILENT!

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*So subdued.*

Pakistan's ship-recycling sector remains so tragically off the mark that far from being disallowed on India only units that themselves are below USD 500/LT this week, Gadani recyclers are even unable to compete with the off-form Bangladeshi market this week, which should tell you just how willfully subdued in their engagement at the bidding tables have Gadani recyclers been of late.

In fact, on the back of a near total lack of offers or simply even enquiries emerging from an already depressed Gadani, the Pakistani ship recycling market remains virtually silent, driving port reports down the same empty and depressed lanes as those over the last several weeks.

And this is certainly curious considering at least 1 tanker and 1 container that likely could have been sold into Pakistan, was delivered into India only this week; highlighting just how disinterested Gadani buyers remains for tonnage at this moment.

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*No offers.*

But why, remains the million-dollar Q?

While on the hand, the Pakistani Rupee has comparatively been the most stable of all recycling nation currencies over much of 2024 as it ended the week at PKR 278.35 against the U.S. Dollar, local steel plate prices firmed a marginal USD 2/Ton, which should have provided some impetus for local recyclers to beat out their Indian counterparts on their share of non-HKC arrivals. But this is clearly not the case.

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*Overextended Holiday.*

As Gadani Buyers remain on an overextended holiday despite there being no seeming restriction on the availability of L/Cs and vessel financing, their sheer unwillingness to partake in active negotiations remains of concerns for such a prominent sector and given that their levels could easily redirect tonnage from neighboring markets.

## TURKEY



## SAND PIT.

Turkey remains stranded in its sand pit, unable to make mention-worthy movements other than downwards, on the back of local domestic steel that declined by about USD 5/Ton along with the Turkish Lira losing over 50 basis points against the U.S. Dollar this week, ending it firmly above TR 34, at TRY 34.10.

*Incoming steel.*

Like the rest of the industry, Turkey is destined to be a spectator to unfolding global events

NO MARKET SALES REPORTED

## GMS Weekly – Market Rankings

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For Week 38 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!

- *The Hollywood sign used to say Hollywoodland.*
- *Which American president had a pet hyena? President Theodore Roosevelt.*
- *Back in the day, ketchup used to be sold as medicine.*
- *When dinosaurs were alive, there were active volcanoes on the moon.*
- *The first commercial passenger flight lasted 23 minutes.*
- *Before Americans had toilet paper, they used corn husks. This weird history fact proves to be uncomfortable as well.*
- *The Statue of Liberty was once functioning as a lighthouse. In 1886, the famous statue was a working lighthouse for years. You could see its light from 24 miles away.*
- *On May 27, 2005 at 10:07 p.m. Big Ben's clock stopped. It was a hot summer day in London, and the heat is presumed to be what caused the famous clock to stop.*
- *Queen Elizabeth II was a trained mechanic. When she was a teenager, Queen Elizabeth II joined the Labor Exchange's British employment agency. There, she learned about repairing tires, trucks and engines.*
- *In 1969, Salvador Dalí created the Chupa Chups logo.*
- *In 1524, the last letter to be added to the English alphabet was the letter "J." Before it became a letter, the letter "i" was used for both "i" and "j."*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
October 02 – Mahatma Gandhi's Birthday Oct 10 – Oct 12 Dussehra October 13 - Durga Puja October 31 – Diwali & Sardar Patel's Birthday	September 15 – September 24 October 03 - October 08 October 15 – October 23

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
October 13 – Durga Puja	October 01 – October 04 October 16 – October 19 October 30 – November 02

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
Oct 01 – Oct 07 – Chinese Natn'l Day Holiday	October 24 – Founding Day	October 29 – Republic Day

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### ALANG - Port Position as of September 20, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Aquila	8,084	Oil Tanker	Arrived September 19
2	Asia	3,729	Container	Arrived September 20
3	Bereg Mechty (Under Tow) (Arrested)	7,263	Reefer	Arrived August 26
4	Ivan Moshlyak	914	Trawler	Delivered September 13
5	MSC Agata II	7,364	Container	Arrived September 20
6	MSC Gabriella	8,911	Container	Arrived September 20
<b>Total Tonnage</b>		<b>36,265</b>		

### CHATTOGRAM - Port Position as of September 20, 2024

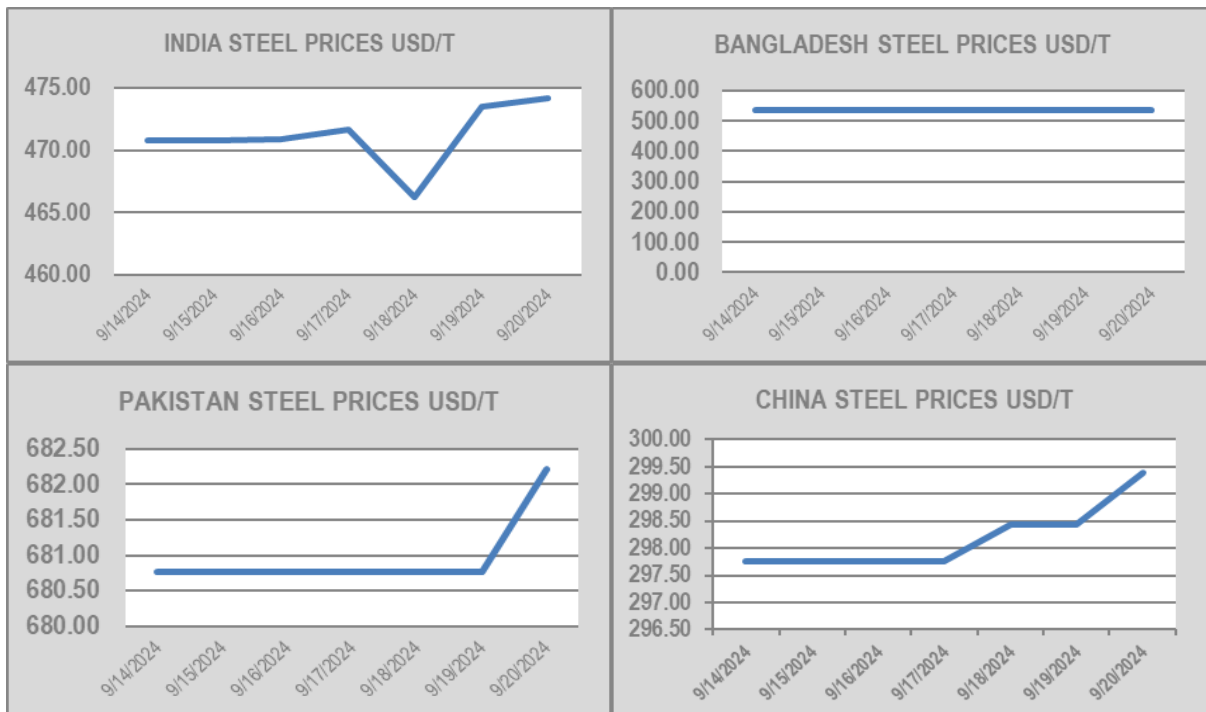
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Serenity 1	6,352	Bulker / Logger	Delivered September 15
2	Sia 21 (Under Tow)	3,958	General Cargo	Delivered September 17
<b>Total Tonnage</b>		<b>10,310</b>		

### GADANI - Port Position as of September 20, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
<b>No vessels reported.</b>				
<b>Total Tonnage</b>		<b>-</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
9/14/2024	470.80	39,500.00	680.76	190,000.00	537.82	64,000.00	297.76
9/15/2024	470.80	39,500.00	680.76	190,000.00	537.82	64,000.00	297.76
9/16/2024	470.85	39,500.00	680.76	190,000.00	537.82	64,000.00	297.76
9/17/2024	471.64	39,500.00	680.76	190,000.00	537.82	64,000.00	297.76
9/18/2024	466.24	39,500.00	680.76	190,000.00	537.82	64,000.00	298.43
9/19/2024	473.46	39,600.00	680.76	190,000.00	537.82	64,000.00	298.43
9/20/2024	474.19	39,600.00	682.23	190,000.00	537.82	64,000.00	299.39



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