

October 4th, 2024
Week 40
Volume 265, Issue 1154

QUOTE
of the
WEEK

"I am happy because I'm grateful. I choose to be grateful.
That gratitude allows me to be happy."

– Will Arnett

Highlights:

- Illusory gains?
- Fiery forecast.
- Chinese plate moves.
- More tankers?
- Cockeyed.
- Scan to download / view the Weekly on the GMS App!



-- MARKET COMMENTARY --

NUCLEAR QUICKSAND!

As war increasingly rips through the seams across Middle Eastern borders and news of even larger ordnances being used on civilians in the Russia - Ukraine war breaks out, death tolls of the innocent continue to regrettably climb every week, all whilst world economies themselves become victims of widening nuclear threats emerging from the area that stand to quicksand the entire region into a global conflict and has even left an unrelated ship recycling industry afflicted and devoid of tonnage for over a year now, as manifestations of illusory gains were coming forth this week. With Hamas and Hezbollah in its crosshairs, Israel continues its unrelenting incursions into Gaza & Lebanon, the world fearfully awaits a certain and greater conflict with Iran, which Israel has sworn to avenge and has even been green-lit by the Americans this week, turning the situation frighteningly grim given that the U.S. itself has executed targeted air strikes across Yemen (including the capital city of Sanaa) on the back of the Houthis unjustifiably bombing another British Oil Tanker as the CORDELIA MOON was struck in the Red Sea this week, turning the forecast for the future "fiery with a chance of a wider war". Whilst news on prospective Iranian targets remains uncertain as rumors of strikes against Iran's nuclear facilities make the rounds, strikes against Iranian oil refineries / installations and major seaports are expected, causing crude oil prices to jump as the week came to an end. Whilst Iranians threaten further escalation via the retaliatory use of nuclear weapons in the event of an Israeli strike, global economies stand to endure another round in the ring with inflation in the near future, and questionably beyond.

Meanwhile, for the 2nd running week and on the back of firming Chinese plate prices last week, ship recycling markets endured some positive moves as local plate prices remain on a positive to firm footing across the board. Increasing magnification into local markets proved to be a reality check via the ongoing lack of tonnage that is once again rearing its head across various recycling waterfronts, in typifying this dark year in ship recycling. After the U.S. Fed rate cut of 0.5% on interest rates a couple of weeks back and global currencies took a moment to adjust, this week, nearly all recycling nation currencies resumed their depreciations against the U.S. Dollar adding further jitters to a skirt of tonnage that is **barely** covering the ship recycling body. The Indian markets witnessed the most positivity of the week, but any gains seem destined to being stalled with the general expectation that the market has reached a state of equilibrium. Bangladesh continues to slip landing at last place in the market rankings, whilst Pakistan (perhaps reactionarily) responded to firming plate prices in China from recent weeks, recording improvements of their own that were followed by firming prices from Gadani as well. Turkey at the far end reported further improvements in steel, drops in TRY, and firming prices, all in the hopes of enticing tonnage once again. As global stock markets rally in the wake of announcements on economic stimuli in China in the wake of measures being set in place for the 75th Anniversary of CCP rule, the ongoing October holidays (in China) have stalled any positive moves that may otherwise be in the process of being garnered. And with oil expected rise, could tankers for recycling become the diet for Q4 or even 2025? Time will tell. For now, the world turns cockeyed, with one eye on how China opens after the holidays and the other on the Middle East, where a wider war now seems imminent.

GMS demo rankings / pricing for week 40 of 2024 are on Page 5.

BANGLADESH

**FALSE DAWN!**

Riots and Rains.

After a bout of recent positivity, the Bangladeshi ship recycling market plummeted to the bottom of the market rankings once again, as another woeful week of declining demand, declining levels, and declining sentiments collectively sailed into Bangladesh's ship recycling sunset this week. As the interim government works to reportedly turn the tide by implementing critical reforms that address over 15 years of alleged misrule under the PM Sheikh Hasina-led Awami League government, Bangladesh's bounce back continues to face hurdles as increasing worker unrest via rising insecurities of shuttered businesses on accounts of the recent riots and the rains continues to hamper the performance and rebound of the economy.

Eastern flavor.

Pending infrastructure projects have also stalled under the current interim government and with the rains still hammering down and some major highways reportedly still facing disruptions, steel product continues failing to shift from local recycling yards at normal levels, causing steel plate prices to flatline on the floor once again, driving demand to come to a grinding halt, and even cutting activities being barely noticeable of late at domestic yards.

The lack of demand has also resulted in a lack of meaningful arrivals at the Bangladeshi waterfront as other than small-ish LDT Far Eastern tonnage that continues to be the flavour of the year thus far, Bangladesh has had to deal with a series of debilitating social and political issues and this is hardly helping deliver any form of stability to broken nation that is still far from finding its overall footing.

Gains?

And the situation doesn't look like it's about to get better any time soon, especially at a time the country has simultaneously taken steps backwards, in the face of plummeting sentiments via steel that is still flat on the floor at a slightly lower rate of USD 533/Ton, whilst competing sub-continent currencies have registered noteworthy gains at a time that the world is still expecting the worst to come (tonnage shortage and rising inflation again?). Even the Bangladeshi Taka plummeted briefly past the BDT 120 mark against the U.S. Dollar, closing the week 10 basis points weaker at historically record breaking levels of BDT 119.55. Of note, the new "baseline" for the Taka seems to be in the BDT 119 – BDT 120 region, quite the collapse from the time when BDT 77 – BDT 78 against the U.S. Dollar was a norm, and that too only a few years ago.

These constant disruptions to the Bangladeshi economy doesn't stand to do any favors for the nation overall, and bullish freight sectors look like they are further set to keep tonnage away from most markets, will see Bangladesh struggle until the end of the year.

INDIA

**FAILING UPWARDS?**

After consecutive weeks of firming steel plate prices and subsequently rising vessel prices from Alang amidst a well-timed batch of tonnage offerings that saw a decent collection of sales concluded into India for the first time in months, the Alang buyers were greeted, first with a batch of MSC containers, followed by a second round of geographically positioned bulk carriers last week. and even another private unit reported this week, as India certainly seems to have hit a ship recycling lottery of sorts (given the current times).

Quiet the sales.

Yet, unbeknownst to local Buyers, who are simultaneously heading into an overall quieter time, as not only has the Indian Rupee taken a dive for the worse (once again), but zooming out to the Macro reveals rising oil prices from a potential Iranian strike that will see the Indian market react much sooner than the rest of the world, as a majority of India's oil is purchased from Iran, and if Iranian oil infrastructure is hit, India's economy could potentially spiral out of control for a short time.

Steel gains.

Moreover, tonnage offerings that are suffering, are destined to continue down this path in the short run, at least until a likely purge of tankers could see Alang buyers get their hands on some India only / HKC intended units or SS tanker or even Fishing vessels as another mammoth 26K LDT fishing vessel arrives Alang' waterfront.

The possibility of Iran entering into war with Israel will see the Indian market suffer in terms of pricing, domestic confidence, and the general feeling seems to be that vessel prices have peaked under current geopolitical / economic factors and that any price improvements have so far been factored in after nearly USD 20 / LDT of steel gains recorded over recent weeks, and even more this week.

Firm, yet nothing.

Additionally, even though the scourge of cheap Chinese steel billets (though minimally invasive) still plagues the local market and the recent announcements on economic stimuli made by the CCP, coupled with ongoing October holidays in China from October 1st– October 7th has seen steel climb even further by a about USD 5/Ton, approaching the USD 500/Ton barrier once again having closed the week at levels nearly touching USD 492/Ton. This rebound seems to be buying relief to a wet and battered market, whilst the U.S. Dollar manages to keep things in check as it gains 35 basis points against the Indian Rupee this week, ending it at levels sniffing Rs. 84 again.

While India's infrastructure projects remain lost in Alice's political wonderland, should war breakout and India's economy starts to suffer, will the powers that be alter the trajectory of workings of the nation by speeding up domestic construction projects? For now, India seems to be in the same boat as Pakistan. Firm, yet nothing to bid on.

NO MARKET SALES REPORTED

PAKISTAN

**UNEXPECTED!**

Unexpected gains.

This week, the unexpected bright spot for the international ship recycling community came in the form of a previously dormant Pakistani market, where similar to their Indian counterparts, firming Pakistani steel plate prices jumped USD 8/Ton this week, likely in response to firming Chinese plate prices across recent weeks.

Moreover, is it likely that recent small-LDT deliveries are also nearing completion of their recycling processes, resulting in local demand starting to stir up and enquiries for available tonnage surface from Gadani shores. Notwithstanding, this change of heart seems to have just missed the opportune time to have snagged one (or both) of the recent bulker offerings that were concluded into competing India only last week, as Pakistan spends another week devoid of market purchases and expectedly, devoid of any arrivals at Gadani's anchorage.

PKR rising.

Making matters worse was the fact the former U.S. Envoy to Pakistan has raised concerns about an increase in terrorism related activities involving local political groups that could not only affect how local business is conducted every day, and it could even affect the overall stability of the State of Pakistan. Moreover, as Pakistan shares a border with Iran, the fact that its neighbors could be engaging in a major conflict that could alter the financial state of affairs for Pakistan's economy, local recyclers remain cognizant of the impending conflict while evaluating their purchases. Yet, unlike the other major ship recycling destinations, the Pakistani market was impressively the only country where its currency gained 5 basis points and it ended the week at a firmer PKR 278.30 against the U.S. Dollar.

Rusting chances.

This firming in both fundamentals has seen local offers start to correspondingly firm up, helping Gadani buyers push Pakistan into 2nd place in the market rankings. Unfortunately, given that this market has been away from the bidding tables for over a month now, it may be some time before ship owners and cash buyers feel comfortable enough to commit vessels into a tentative Gadani market at the moment, given that their last interaction with this market ended with performance issues that left most involved with a bitter taste, especially when availability of tonnage itself is rusting Pakistan's chances at the bidding tables.

An uncertain time lies in wait for Gadani, especially as neighboring juggernaut India is also simultaneously firming up.

TURKEY



JUMP...BUT, WHY?

Like the Pakistani market, the Turkish market recorded an impressive and unexpected improvement this week as both, import and local steel plate prices reported jumps of about USD 15/Ton and USD 10/Ton respectively. However, unlike the Pakistani market, the Turkish Lira recorded a nearly 30 basis point decline that saw the Lira end the week at an all-time record-breaking low of TRY 34.26 against the U.S. Dollar.

Replenished.

Moreover, even though Turkey's inflation rate has improved from the highs of over 70%, it is still at an incredible 52% (as of September reports) and with the U.S. Dollar being so much more expensive, it is therefore puzzling to see local offerings for tonnage firm by about USD 20/MT this week, likely in the face of a couple of vessels being discussed with local buyers.

Perhaps Turkey's domestic exports stands to gain from the weakening Lira and while it is still time before the country is back on its feet (when compared to its ship recycling counterparts), the weakening U.S. Dollar could help domestic reserves get replenished in the interim.

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 40 of 2024, GMS Market Rankings / vessel indications are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Steady	480 / LDT	500 / LDT	510 / LDT
2	Pakistan	Weak	470 / LDT	490 / LDT	500 / LDT
3	Bangladesh	Declining	460 / LDT	480 / LDT	490 / LDT
4	Turkey	Firming	330 / LDT	340 / LDT	350 / LDT

INTERESTING ONES!

- *The world's oldest wooden wheel has been around for more than 5,000 years. It was found in 2002, approximately 12 miles south of Ljubljana, the capital of Slovenia, and is now housed in the city's museum. Radiocarbon dating was used to determine the wheel's age, which is somewhere between 5,100 and 5,350 years old.*
- *Dead skin cells are a main ingredient in household dust. According to researchers at Imperial College London, humans shed around 200 million skin cells each hour—and they have to go somewhere when we're indoors. If the idea of skin dust isn't sitting well with you, you should know that a report from the American Chemical Society found that a skin oil called squalene naturally helps reduce indoor ozone levels by up to 15 percent.*
- *Sudan has more pyramids than any country in the world. Not only does Sudan have more pyramids than Egypt, but the numbers aren't even close. While 138 pyramids have been discovered in Egypt, Sudan boasts around 255.*
- *The bumblebee bat is the world's smallest mammal. Weighing in at 0.05 to 0.07 ounces, with a head-to-body length of 1.14 to 1.29 inches and a wingspan of 5.1 to 5.7 inches, the bumblebee bat—also known as Kitti's hog-nosed bat—is the smallest mammal in the world, according to the Guinness Book of World Records. To see it, you'd have to visit one of a select few limestone caves on the Khwae Noi River in Kanchanaburi Province of southwest Thailand.*
- *The circulatory system is more than 60,000 miles long. If a child's entire circulatory system—we're talking veins, arteries, and capillaries—were laid out flat, it would stretch for more than 60,000 miles, according to the Franklin Institute. By the time we reach adulthood, our bodies have become home to approximately 100,000 miles of blood vessels.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
Oct 10 – Oct 12 Dussehra October 13 - Durga Puja October 31 – Diwali & Sardar Patel's Birthday	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

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 October 04, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bereg Mechty (Under Tow/Arrested)	7,263	Reefer	Arrived August 26
2	Divo	26,136	Fishing Vessel	Arrived October 03
3	Ice Runner	6,974	Reefer	Delivered September 28
4	Uni III	7,098	Container	Arrived October 03
Total Tonnage		47,471		

CHATTOGRAM - Port Position as of October 04, 2024

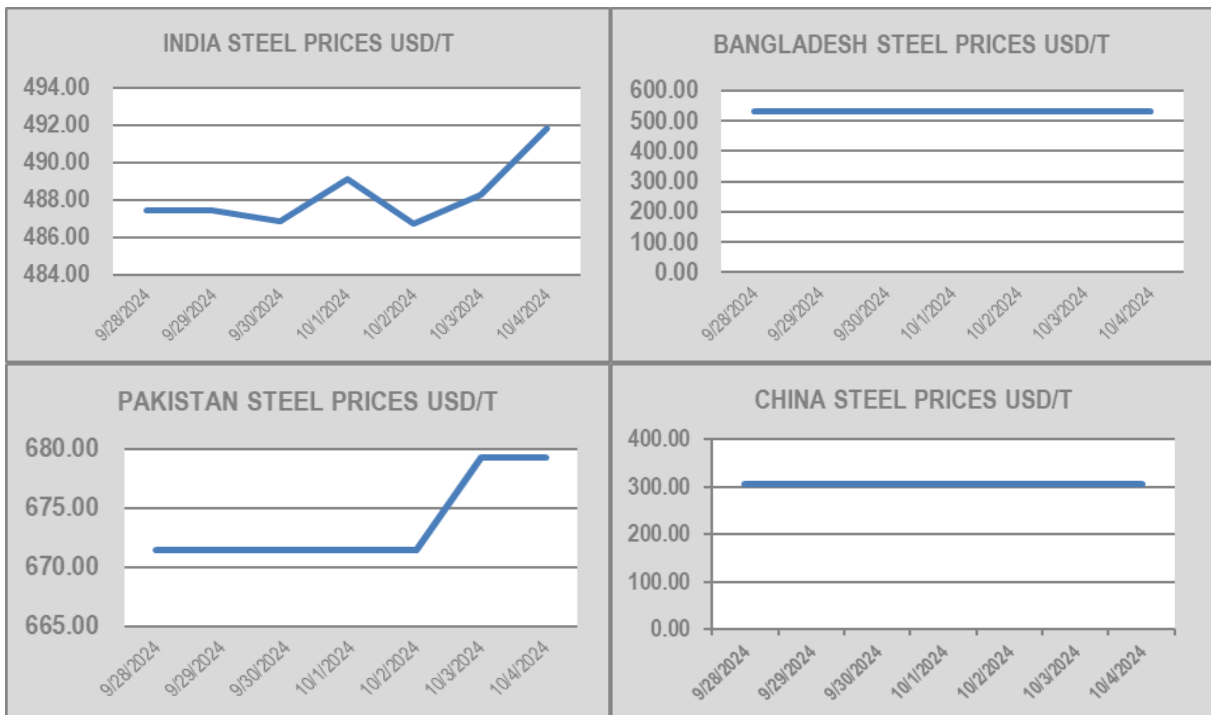
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Chang Hua Hai	2,988	General Cargo	Arrived September 30
2	Ipek	6,751	General Cargo / Container	Delivered October 01
3	Shun Da Fa Zhan	7,809	Bulk Carrier	Arrived September 28
4	Sola Gratia	2,051	Cement Cargo Vessel	Delivered October 01
Total Tonnage		19,599		

GADANI - Port Position as of October 04, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
No vessels reported.				
Total Tonnage		-		

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
9/28/2024	487.46	40,800.00	671.45	187,000.00	533.61	63,500.00	307.41
9/29/2024	487.46	40,800.00	671.45	187,000.00	533.61	63,500.00	307.41
9/30/2024	486.87	40,800.00	671.45	187,000.00	533.61	63,500.00	307.41
10/1/2024	489.14	41,000.00	671.45	187,000.00	533.61	63,500.00	307.41
10/2/2024	486.76	40,800.00	671.45	187,000.00	533.61	63,500.00	307.41
10/3/2024	488.27	41,000.00	679.29	189,000.00	533.61	63,500.00	307.41
10/4/2024	491.84	41,300.00	679.29	189,000.00	533.61	63,500.00	307.41



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