

October 11<sup>th</sup>, 2024  
Week 41  
Volume 265, Issue 1155

QUOTE  
of the  
WEEK

"Never burn bridges. Today's junior jerk, tomorrow's senior partner."

– Sigourney Weaver

## Highlights:

- 'Hot-zone'.

- Below 500.

- Hiccup pull.

- Currencies down.

- Any bets?

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## -- MARKET COMMENTARY --

### EERIE CALM!!

A comparatively (and mercifully) quieter week (in comparison to those past) ensued, not only across the warring landscapes but even a static sub-continent ship recycling market that refuses to show any signs of stability (far from any marked improvement), as our world spins through its final lap around the sun. In the 'hot-zone', other than ongoing skirmishes in the Russia – Ukraine war as well as the regular state of incursions by Israel into Gaza in the West and Lebanon in the North, the world (and global economies) terrifyingly await Israel's deadly and pending incursion(s) against Iran, which it says will primarily be aimed at crippling key economic sectors of the Iranian nation, resulting in crude oil already on the rise in anticipation of such an attack.

As an eerie calm descended across tense global economies including a destitute ship recycling sector, it truly has been a hot minute since a regular supply of a decent variety of vessels has been available on the regular (likely the worst in a decade), as levels themselves having declined by over USD 100/LDT since the peaks of early 2024 and offerings continually retreat, firmly relegating all vessels below the commensurate USD 500/LDT mark. Geopolitical events have also to blame for much of the trauma across the ship recycling markets this year, such has been the unpredictable nature of global instability at present that sentiments are yo-yoing wildly from one week to the next.

Turning up the zoom reveals much of the same as Bangladesh remains virtually out of the picture for over a couple of weeks now, given that most infrastructure projects remain on hold under the current interim government. Whilst off of a recent hiccup in positivity India managed to haul in a massive tranche of tonnage, ship recycling yards across Bangladesh and (especially) Pakistan lie empty on account of comparatively weak(er) sentiments that have left demand stifled in contempt of an ongoing and temporary shuttering of ship recycling yards at these destinations. As cheaper Chinese steel continues to flood the markets and has been a key source of frustration for Indian and Pakistani recyclers across recent times, meaningful tariffs have done little to stabilize local steel plate prices at these destinations, which are either under the floor or crawling on it. The "other" fundamental i.e. U.S. Dollar resumed its untoward advances against competing ship recycling nation currencies as all ship recycling destinations reported depreciations of varying degrees this week.

Overall, the interim, while tense and on edge, leaves the industry with a forecast that is one of certain economic pressures waiting to be delivered across Q4 and even into Q5, marking a feared 8<sup>th</sup> year resurgence of terrible times across the ship recycling industry (and the world at large), given that we have now witnessed economies tumble on an 8 year cycle i.e. 2007 - 2008 / 2015 - 2016 / 2023 – 2024. Makes you wonder if this is a cyclical trend to the performance of global and ship recycling economies. Notwithstanding, despite there being a noticeable cooling in the dry bulk sector of late, freight rates remain firm across the board and there are not too many candidates expected to head for recycling through the rest of the year. Any bets on tankers, though?

GMS demo rankings / pricing for week 41 of 2024 are on Page 5.

## BANGLADESH

**LITTLE TO CHEER!**

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*Lowest placed.*

As a sub-continent destination that is currently setting the floor price for the regions ships recycling sector, Bangladesh finds itself precariously positioned at the bottom of the market rankings joined by domestic steel plate prices that have mirrored their performance i.e. dead on the floor and that too at a tragic USD 533/Ton.

As such, there seems there's little to celebrate in Chattogram and until a more permanent regime starts to stabilize the local economy and initiate pending infrastructure projects once again, it seems there is little that will change the current and unfortunate state of affairs. Further adding peppers to an already spicy situation is the Bangladeshi Taka that too continues to suffer against the U.S. Dollar as it ends the week 3 basis points lower than last, at BDT 119.50.

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*Failing to shift.*

Slow moving recycled steel from domestic ship recycling yards remains the culprit as there is no demand for steel from local steel mills, which is causing a lack of trade to slow recycling processes at domestic yards and even stunt demand for ships from local recyclers. Unsurprisingly, local port position reported the arrival of just one large LDT tanker, highlighting just how much local demand is struggling to cope with the present.

As the economy overall struggles from a shortage of U.S. Dollars and trade deficits balloon by over USD 80 Billion over the last 15 years, L/C openings reportedly dipped for the first time in Q3 and it is a clear sign that large US\$ value L/Cs are likely being silently restricted, thereby contributing to the regular inflow of small(er) LDT Far Eastern tonnage across much of this year.

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*Boon or Bane?*

Boon or bane? Time will tell.

For now, the Bangladeshi ship recycling community seems destined to spend early Q4 on the sidelines as withered offerings likely stand to ensure that Bangladeshi buyer's wave by to even Far Eastern tonnage that stands to be potentially be redirected to West Coast India. Although the Indian community is comparative ablaze at this time and even has a leg up on Bangladesh via its interest / higher offers on a wider range of tonnage types (including reefers, trawlers, SS Tankers, and even HKC only tonnage), Bangladesh does revel in the security of smaller LDT "as is" tonnage offerings that still have more than a chance at a local yard.

For now, local buyers sit dormant at the bidding tables quietly sneaking in what they can, and while they're still good for it.

## INDIA

**SHAKEDOWN!**

India remains the go to market in the sub-continent for owners of any type of vessels having any serious intention to sell at the moment, given India's comparatively stable economy with workable LCs, comparatively more reliable performance, a wider array of open and available buyers, and some of the best levels on show at present across a beleaguered ship recycling sector. Painfully yet, fundamentals continue to wreak havoc on the local mindset as they spent weeks & months on a trampoline giving local sentiments a proper shakedown.

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*Beleaguered.*

To start with, we have seen local steel plate prices drop by over USD 75/LDT since it first became evident back that PM Modi's ruling party would not be able to maintain a majority in India's Parliament through its recent election cycle in May, followed by a marginal revival of steel over recent weeks that was chased by another drop as levels fell USD 6/Ton this week. What a ride.

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*What a ride.*

Even the U.S. Dollar seems to have been conjointly afflicted by these declines as the Indian Rupee itself fell about 12 basis points again, registering a historically high Rs. 84.11 week against the U.S. Dollar.

Last week's brief but much-needed bout with stability has certainly excited local recyclers to the extent Alang's waterfront turned into the busiest we have seen for some time now. And that too with some juicy LDT (given the times) resulting in nearly 10 vessels and nearly 76K LDT idling or being delivered to their rightful recycler at Alang. Amidst it all, noteworthy is the flavour of vessels at Alang, ranging from HKC only Containers, Bulkers, Reefers, and even a rare ITB.

Although these have been just some of the deals to capture the new realities from India, we now see several buyers tentatively stepping back into their comfort zones by positioning their levels just below USD 500/LDT, especially as India is the only destination where plate prices remain far below ongoing offers.

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*New lower realities.*

As such, India truly needs to find its feet through the unfolding times, given that fundamentals remain far from steady and India's size to momentum ratio seems off just as quickly as this market reported equilibrium only last week. The realities of ship recycling are far more mysterious than the mysteries of the universe, it would seem.

## PAKISTAN

**FIRMING!**

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*Leapfrogging.*

An unexpected firming from the Pakistani market seems to have helped leapfrog Gadani back into the picture this week, and even manage to jump past a woeful Chattogram market into 2<sup>nd</sup> place in the market rankings, with stronger offers and improved sentiments. But why? There is nothing really helping the Pakistani ship recycling sector at present. In fact, several factors ranging from the ongoing shortage of tonnage, a firmer India, and even dithering fundamentals of their own are just some of weekly changing dynamics that are correspondingly altering Pakistani sentiments.

To start, local steel plate prices plummeted a whopping USD 14/Ton in a matter of a couple of days midweek, ironically around the same time that Chinese steel plate prices themselves jumped an astronomical USD 27/Ton. The Pakistani Rupee also fell marginally against the U.S. Dollar, ending the week 2 basis points weaker at PKR 277.60. As such, this recent come back at the tables with fresh enquiries is certainly a welcome change of recycling tempo.

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*Performance issues.*

Part of the reason is that political turmoil is still rife in the nation and amidst ongoing crisis in the neighboring region, the Central Government has curtailed the exposure of large U.S. Dollar / L/C transactions “just in case” war does break out and Pakistan does share a large chunk of its border with Iran. This may have inadvertently helped domestic fundamentals a great deal more than their neighboring counterparts across recent times as domestic reserves have reportedly remained steady and this may have boosted sentiments this week.

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*Hangover.*

Notwithstanding the unfolding events in Pakistan’s ship recycling sector and that too at a time when owners are trying to get the best of the recycling market (in terms of prices), performance issues during trying times have always been a hangover waiting to happen, especially as this market has been on the sidelines for some time now and a deal has yet to be successfully concluded into Gadani, before a benchmark for the market can be reset for October 2024.

## TURKEY



## DOWN ... AGAIN!

Titles says it all.

*USD 3.35 Billion.*

No movement from Turkey this week other than a Lira that's down another 10 basis points as it ended the working week at levels approaching TRY 34.30 against the U.S. Dollar. There is no tonnage to contend with and an impending attack on Iran has left Turkey on edge resulting in economic pressures building up in the country once again, especially since Turkey procures over USD 3.35 Billion worth of Oil and Energy products from neighbouring Iran.

Our Turkish counterparts seem destined to greet 2025 with an empty scoreboard for the most part.

NO MARKET SALES REPORTED

## GMS Weekly – Market Rankings

*For Week 41 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	Improving	470 / LDT	490 / LDT	500 / LDT
3	Bangladesh	Declining	460 / LDT	480 / LDT	490 / LDT
4	Turkey	Steady	330 / LDT	340 / LDT	350 / LDT

## INTERESTING ONES!

- *There are parts of Africa in all four hemispheres. For people whose education was largely focused on the Western world, it may be surprising to find out exactly how huge the continent of Africa is. For instance, it spans all four hemispheres and covers nearly 12 million square miles.*
- *The cornea is one of only two parts of the human body without blood vessels*
- *The cornea is the clear part of the eye that covers the pupil and other parts of the eye. Cartilage and the cornea are the only types tissue in the human body that do not contain blood vessels, according to scientists at the Harvard Department of Ophthalmology's Schepens Eye Research Institute.*
- *The world's first animated feature film was made in Argentina. Even if you know a lot of Disney trivia, you might assume that the honor of first animated feature film belongs to Walt Disney's 1937 movie Snow White and the Seven Dwarfs. But 20 years earlier, a full-length animated feature film was made in Argentina. It was a political satire called El Apóstol made up of 58,000 drawings and had a running time of 70 minutes, according to the Guinness Book of World Records.*
- *German chocolate cake was invented in Texas. The "German" part of German chocolate cake comes from an American man — not a European country. Specifically, it's named after Sam German, who in 1852 created the formula for a mild dark baking chocolate bar for Baker's Chocolate Company, which was subsequently named Baker's German's Sweet Chocolate. Fast-forward to June 13, 1957. The Dallas Morning Star published the recipe for the cake, invented and submitted by a reader identified as Mrs. George Clay, according to What's Cooking America.*

## IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
October 10 – October 12 Dussehra October 13 - Durga Puja October 31 – Diwali & Sardar Patel's Birthday	October 15 – October 23

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
October 13 – Durga Puja	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 12, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Andulus 1	6,064	Bulk Carrier	Arrived October 12
2	<b>Bereg Mechty (Under Tow/Arrested)</b>	<b>7,263</b>	<b>Reefer</b>	<b>Arrived August 26</b>
3	Divo	26,136	Fishing Vessel	Delivered October 06
4	Green Maloy	2,975	Reefer	Arrived October 10
5	MSC Adele	8,800	Container	Delivered October 09
6	My Meray	6,925	Bulk Carrier	Arrived October 07
7	Uni III	7,098	Container	Delivered October 05
8	Yu Hai To	1,721	ITB - Tug	Delivered October 10
9	Yu Hai To (Under Tow)	8,691	ITB - Barge	Delivered October 10
<b>Total Tonnage</b>		<b>75,673</b>		

## CHATTOGRAM - Port Position as of October 11, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Chang Hua Hai	2,988	General Cargo	Delivered October 06
2	Ion (Under Tow)	23,236	Tanker	Arrived October 08
3	Shun Da Fa Zhan	7,809	Bulk Carrier	Delivered October 05
<b>Total Tonnage</b>		<b>34,033</b>		

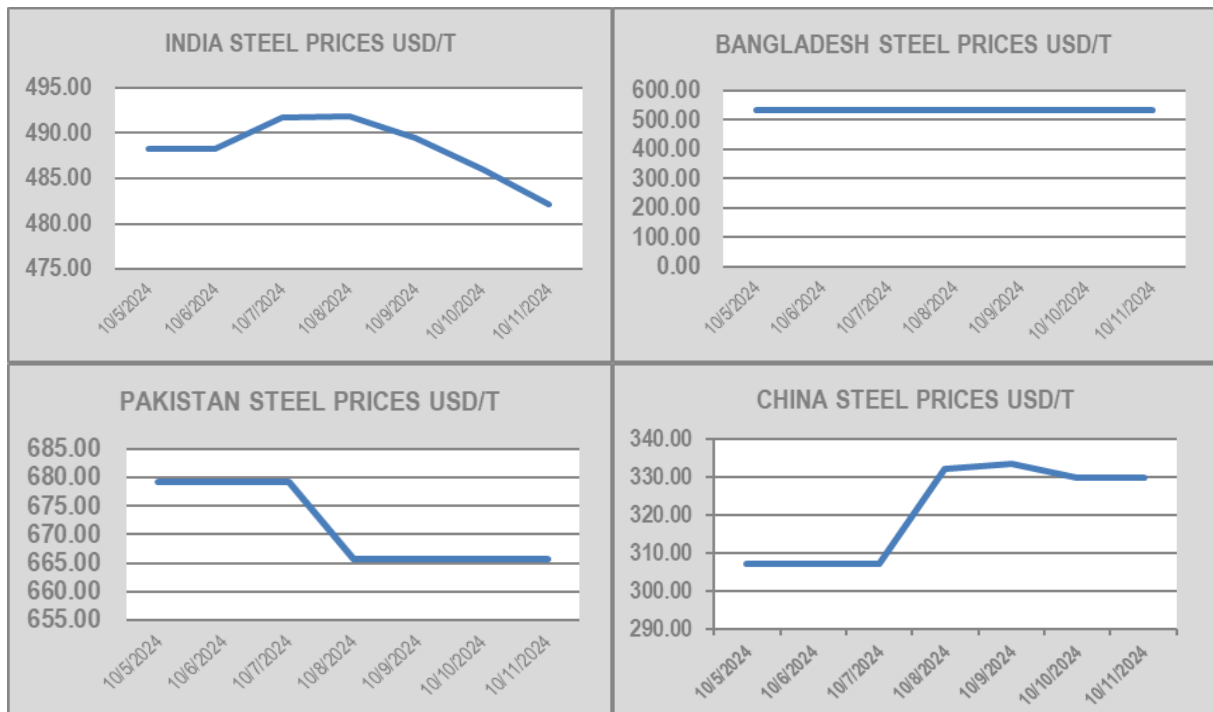
## GADANI - Port Position as of October 11, 2024

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
10/5/2024	488.27	41,000.00	679.29	189,000.00	533.61	63,500.00	307.41
10/6/2024	488.27	41,000.00	679.29	189,000.00	533.61	63,500.00	307.41
10/7/2024	491.78	41,300.00	679.29	189,000.00	533.61	63,500.00	307.41
10/8/2024	491.90	41,300.00	665.71	185,000.00	533.61	63,500.00	332.35
10/9/2024	489.52	41,100.00	665.71	185,000.00	533.61	63,500.00	333.72
10/10/2024	485.95	40,800.00	665.71	185,000.00	533.61	63,500.00	330.07
10/11/2024	482.14	40,500.00	665.71	185,000.00	533.61	63,500.00	330.07



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[snp@gmsinc.net](mailto:snp@gmsinc.net)

**Athens, Greece** Tel: +30.210.899.0669  
**Cumberland, USA** Tel: +1.301.759.9240  
**Hamburg, Germany** Tel: +49.40. 3197.9963  
**Shanghai, China** Tel: +86.216.075.1900  
**Singapore** Tel: +65.6823.8037

**Bhavnagar, India** Tel: +91.278.300.5253  
**Dubai, UAE** Tel: +971.4.423.0720  
**New York, USA:** +1.240.505.9716  
**Seoul, South Korea** Tel: +82.10.4650.0720  
**Tokyo, Japan** Tel: +81.3.5453.6311