

November 8th, 2024
Week 45
Volume 266, Issue 1159

QUOTE
of the
WEEK

"If you see a bandwagon, it's too late."

– James Goldsmith

Highlights:

- Trump term!
- Bottom out?
- Consolidation.
- Trade war fears.
- Stimulus sought.
- Scan to download / view the Weekly on the GMS App!



-- MARKET COMMENTARY --

VICTORY...OR DOOM?

Taking the limelight for all of 2024 was this week, where President-elect Donald J. Trump won the 47th Presidency of the United States of America, the ripples of which have already had near & far-reaching effects across a spectrum of positives and negatives resulting from the shockwave of his unprecedented victory. Starting with the immediate blast zone around his win, we saw swathes of protests not only from voters from the other side (no one's thankfully breached the Capital, yet), but also from thousands of undocumented members from the Latino communities, some of whom reportedly even managed to vote for Trump, who are now fearing their imminent deportation come January 2025 amidst Trump's ongoing rhetoric on shutting down the border and deporting all illegals. As these communities now march in (impending karmic) solidarity, the outer reaches of the blast from Trump's victory also saw him issue a warning to Hamas to release the remaining 97 hostages before he takes office on January 20th. In light of his statements and 3 reported phone calls with PM Benjamin Netanyahu, Qatar has now bowed out of the negotiations as mediator between Hamas and Israel on account of Hamas's failure to respond constructively and in time, whilst simultaneously vacating Hamas's Qatari office. While some fear that Trump's war-posturing will poke an exceedingly sensitive situation with the Iranians amidst their threats of counterattacks against Israel (resulting in compounding problems for the world), the Houthis have in the interim, engaged in talks of easing off their own attacks in the Red Sea Lanes, the likelihood of which would see logistical (and subsequently economic) constraints loosening sooner rather than later, which saw the American markets surge and Bitcoin reach record highs before the week ended (phew)! As the U.S. Fed also announced another 0.25% reduction in interest rates whilst inflation continues to hover around 2%, the U.S. Dollar surged against all ship recycling nation currencies in unison, making it that much more expensive to purchase recycling units.

For now, his win has certainly returned a modicum of stability to the ship recycling industry, with about USD 10/LDT gained across the board and Bangladesh leapfrogging India for pole position this week, including the purchases of 2 Panamax Bulk Carriers in the USD 470s/LDT. Although the general feeling is that sub-continent ship recycling markets have likely bottomed out, there remains cautious optimism within the community as we head towards 2025. We aren't suggesting that markets will hit or even exceed the ever-coveted USD 500/LDT mark before Q1 2025. However, the bleeding has seemingly abated and a period of consolidation ahead of Trump's inauguration on January 20th, 2025 is expected. And despite the short-term post U.S. election bounce in both trading and ship recycling markets, until Trump takes office and the incoming administration lays out its Middle Eastern & Global policies early next year, no major moves in the shipping markets will be permanent. Finally, as TSMC announces its own decision to not manufacture or export its AI Chips to China, all eyes will now be on how Mr. Trump's tariff war with China develops and what policies will finally be implemented next year. While the U.S. debt is expected to increase under the Republican run administration and global inflationary pressures will persist into 2025, there is optimism on the state of the trading & recycling markets. So keep an eye on the extent of the stimulus package that China announces to aid its ailing economy, something that could alleviate concerns around the trade war.

BANGLADESH

**LACKING ... MOMENTUM?**

Bulker sales.

Through weeks of disparaging performance by Bangladesh's ship recycling fraternity, the sale of several private Panamax bulkers at levels into the USD 470s/LDT has increasingly suggested that Bangladesh may be returning to some sort of form, especially after what has been a devastatingly bleak and inconsistent post-monsoon performance from Chattogram Choppers at the bidding tables that has lasted well into November thus far.

TLDR.

In fact, just last week, sales of several units (both small and large LDT) to the few open buyers with available L/C limits, was perhaps a precursor to the higher priced deals that followed on from current cash buyer inventories this week. Consequently, this sudden performance from the selective few buyers not only saw the Bangladeshi ship recycling community boost themselves to pole position ahead of India in the market rankings, but even local anchorage saw its usual collection of Far Eastern rusting beauties, head down their last passage as they were delivered to their new buyers in Chattogram. With no vessels at anchorage, will Bangladesh suffer the indignation of an empty port report next week? Time will tell.

Short lived?

Notwithstanding its welcome surprise in performance this week, Bangladesh's overall economy remains troubled by a lack of momentum under the interim government as ongoing inflation concerns, shuttering domestic businesses, unfolding unrest from the blatant corruption / theft of U.S. Dollar reserves, flailing employment across the country, members of PM Sheikh Hasina's administration reportedly trying to piece their party back into existence, volatile fundamentals that saw local steel plate prices flatline at a weak USD 528/LT LDT, and finally, the Bangladeshi Taka that lost 35 basis points against the U.S. Dollar and winding down the week at a record-breaking BDT 120.05, was the TLDR version of the nation state overall.

As U.S. Dollar reserves dwindle and the interim government cracks down on the issuance of fresh L/Cs, only a few buyers with demand and available credits were able to successfully negotiate units as the overall market generally remains cool and ship recyclers maintain their 'wait-and-watch' stance. One thing is certain, these relative periods of exuberance that are reserved for Tier 1 recyclers plush with finances, are usually short lived and Bangladesh slipping down the ranks of its market standing is likely imminent.

For now, the country remains focused on retuning security and reform to the masses, before kickstarting the economy via domestic infrastructure projects and fuelling steel movements once again.

INDIA

**LEAPFROGGED!**

After a few weeks of higher-than-expected activity and several sales recorded post Diwali and Indian New Year, it was once again an altogether quieter affair in Alang this week, especially as Bangladesh leapfrogged India with its improved vessel pricing. Although demand for recycling units from India at these increasingly acceptable levels in the mid USD 450s/LDT does remain, an incessant lack in the supply of tonnage has seen one of the slowest recycling years in Alang over the last decade.

Quieter affair.

To start, fundamentals are still in shambles as the Indian Rupee depreciated 33 basis points this week, to a record-breaking INR 84.37 against the U.S. Dollar, all while local steel plate prices, though at shocking lows, marked a minor USD 3/Ton improvement likely on the back of movements recorded on Chinese steel plate prices.

Lacking supply.

Additionally, as ever-competitive Chinese steel imports continue to shake the domestic steel sector, exclusive HKC only tonnage from major container owners / operators continues to greet India's waterfront marking several large LDT containers to be delivered into India over recent weeks, subsequently leaving Alang's waterfront as the busiest ship recycling destination in the world.

As India's current inflationary trajectory of 5.35% remains of domestic concern, the Reserve Bank of India (RBI) has reportedly deferred any intended interest rate cuts until February 2025, in order to curtail local spending in the interim and let the economy steady itself.

Notwithstanding, the fourth quarter of the year is slowly starting to grind into life with some smaller LDT feeder container sales, Handymax / Panamax bulker units, and even a dithering batch of reefers, ahead of what is expected to be a much busier backlog of vessels owing to the strong performance of freight markets across 2024.

Backlog.

NO MARKET SALES REPORTED

PAKISTAN

**UNABLE!**

Can only watch.

Pakistan has only been able to remain a silent spectator as both Bangladesh & India have managed to secure their respective shares from the slim pickings of tonnage that have come available over these recent weeks, as levels from Gadani remain the lowest of all Indian sub-continent ship recycling markets once again.

Like its regional counterparts, the Pakistani market continues to suffer the annoyances of unsteady fundamentals whereby the Pakistani Rupee took a lickin' this week as it fell by over 60 basis points to end the week at nearly PKR 279.22 against the U.S. Dollar, whilst local steel plate prices continue to perform poorly in the face of competitive Chinese steel imports even though they have firmed a marginal USD 4/Ton, similar to India.

Currency concerns.

A key concern for the Pakistani economy remains the availability of U.S. Dollars whilst the U.S. and IMF both investigate the mismanagement of over USD 400 million of relief funds awarded to the country, as a growing shortage of reserves is still keeping things challenging for ship recyclers under the current environment, even though incoming remittances from Pakistani expats across the Middle East reportedly exceeded USD 3 Billion through October alone. While this has greatly assisted the nation's external debt, the joint lack of tonnage has kept things on a lifeline for most of the year and in the face of consistently stronger prices regional competitors.

Full bore.

As a result, Pakistan's ship recycling fraternity has spent increasingly frivolous time at the bidding tables, unable conclude any meaningful business and Gadani's waterfront suffers in the process with no fresh arrivals for this week yet again, as the nation likely re-enters its "no new vessels reported" phase for the rest of Q4 2024 and regional recycling destinations remain on edge, uncertain whether Trump goes ahead full bore with the punitive tariffs on China, which he has been stressing throughout his presidential campaigns.

TURKEY



DESPERATE...YET DEAD?

Desperate yet dead, is how the Turkish ship recycling market continues to perform despite having a short burst of local offerings that have headed their way and Aliaga returns to the sidelines, lying in wait for tonnage that has gone missing once again.

Burnt gravy.

Surprisingly enough, and even though fundamentals have taken a beating with both import and local steel having reportedly tumbling only last week, it was the Turkish Lira that was the star of the depressing show as it fell nearly 8 basis points down to TRY 34.37 against the U.S. Dollar this week.

Finally, Trump's reported victory has done little in Turkey as the nation maintains its close ties with Iran and President Erdogan re-affirms his allegiance with the Ayatollah.

As such, it does seem like more bad news and burnt gravy for this market as we head towards 2025.

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 45 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	Steady	470 / LDT	490 / LDT	500 / LDT
2	India	Steady	460 / LDT	480 / LDT	490 / LDT
3	Pakistan	Steady	450 / LDT	470 / LDT	480 / LDT
4	Turkey	Unchanged	330 / LDT	340 / LDT	350 / LDT

2024 NEWS...IN SEQUENCE.

- Feb 25 - Algeria officially inaugurated the Grand Mosque of Algiers, the world's third-largest mosque. Algerian President Abdelmadjid Tebboune officially opened the new mosque. It can hold as many as 120,000 people and features an 869-foot (265-meter) minaret – the tallest in the world!
- Mar 4 - France became the first country in the world to include access to abortion in its constitution.
- Mar 10 - Christopher Nolan won Best Director, and his film "Oppenheimer" won Best Film at the 96th Academy Awards. Cillian Murphy also won an Oscar for his lead role in "Oppenheimer," Emma Stone won Best Actress in a Leading Role for "Poor Things," and Miyazaki's last film, "The Boy and the Heron" won Best Animated Feature Film.
- Mar 17 - Vladimir Putin won the Russian Presidential election again. While Putin supposedly won 88% of the vote, major Western nations, including the US, UK, and Germany, claimed that the vote was neither free nor fair. One key part of this was the fact that all viable political opponents were either imprisoned or censored.
- Mar 26 - Baltimore's iconic Francis Scott Key Bridge collapsed after being struck by a cargo ship. Fortunately, the event happened in the early hours of the morning rather than during peak hours. Although Dali, the cargo ship, was only going 9 mph (15 km/hr), its massive weight caused the entire span of the 1.6-mile (2.6-km) long bridge to collapse.
- Apr 2 - Taylor Swift became the world's first musician to become a billionaire solely from songs and concerts.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
No holidays in November	October 31 – November 07 November 14 – November 21

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
No holidays in November	October 30 – November 02 November 14 – November 17

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in November	No holidays in November	No holidays until Dec 24

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 November 08, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ali A	2,578	General Cargo	Arrived November 08
2	Bereg Mechty (Under Tow/Arrested)	7,263	Reefer	Arrived August 26
3	Green Bodo	2,957	Reefer	Delivered November 08
4	MSC Alexa	16,228	Container	Delivered November 02
5	Star	5,538	Reefer	Arrived November 07
6	Wind	2,489	General Cargo	Delivered November 07
Total Tonnage		37,052		

CHATTOGRAM - Port Position as of November 08, 2024

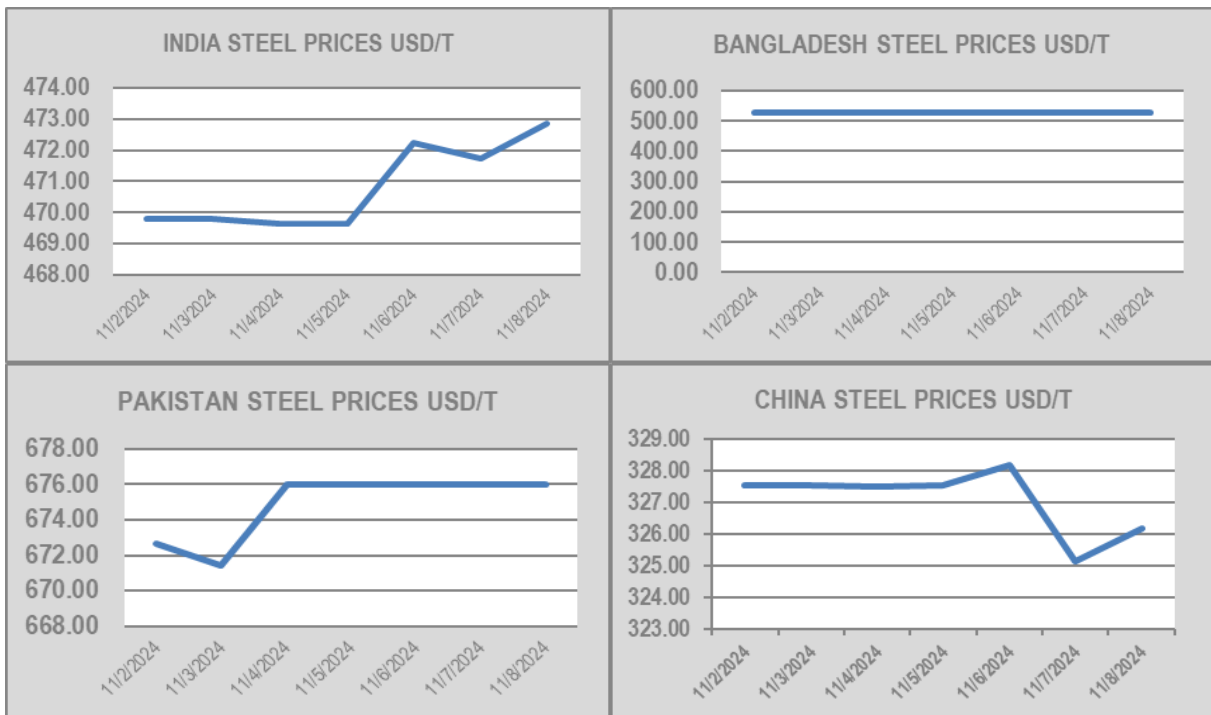
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Chang Fei Hai	2,943	Bulk Carrier	Delivered November 06
2	Chun Chao 9	2,736	General Cargo	Delivered November 08
3	Rada	18,860	Tanker	Delivered November 01
4	Yun Da Hai	2,881	Bulk Carrier	Delivered November 07
Total Tonnage		27,420		

GADANI - Port Position as of November 08, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
No new 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
11/2/2024	469.79	39,500.00	672.66	187,000.00	528.57	62,900.00	327.55
11/3/2024	469.79	39,500.00	671.45	187,000.00	528.57	62,900.00	327.55
11/4/2024	469.62	39,500.00	676.02	188,000.00	528.57	62,900.00	327.50
11/5/2024	469.62	39,500.00	676.02	188,000.00	528.57	62,900.00	327.55
11/6/2024	472.24	39,800.00	676.02	188,000.00	528.57	62,900.00	328.20
11/7/2024	471.73	39,800.00	676.02	188,000.00	528.57	62,900.00	325.15
11/8/2024	472.86	39,900.00	676.02	188,000.00	528.57	62,900.00	326.18



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