

November 15th, 2024
Week 46
Volume 266, Issue 1160

QUOTE
of the
WEEK

" If you obey all the rules, you miss all the fun."

– Katherine Hepburn

Highlights:

- BDI surge.
- Nuclear sites.
- Long range missiles.
- Charter still cool.
- Meetings and sales.
- Scan to download / view the Weekly on the GMS App!



-- MARKET COMMENTARY --

SIGN OF TIMES!

As the effects of Donald Trump's shock victory continues to have far-reaching effects of its own, the U.S. economy continues to strengthen under President Biden on the news that the country is opening up offshore drilling in order to further reduce American dependence on foreign oil. This, along with China's waning demand has caused crude oil to suffer this week and the barrel fell further to \$67, booking a 5% drop by Friday. As President Biden also greenlights Ukraine on finally using long range U.S. made missiles in Russia unfolding a wider possibility of war, in a weird twist of events and amidst American and Israeli forces hammering Houthi strongholds and their arms depots across Yemen, the Baltic Dry Index surprisingly surged 293 points to 3,229 points this week. Meanwhile, as the destruction of Iran's arms facilities continues to come to light, IDF's demolition of secret Iranian nuclear facilities previously unknown to the world has raged a fire in the Iranian establishment for revenge. As Israel continues decimating Hezbollah leaders and strongholds across Southern Lebanon, the IDF also avenged a senior Hezbollah commander responsible for striking Netanyahu's residence with a missile, killing the commander an air strike. As the sign of times get increasingly clear and a war-ready Trump gets ready to take office, the future, not only for the ship recycling community but the world at large, is seeing the writing on the wall. Economically as well, there are concerns Trump could be tough on China and mooted tariffs on Chinese imports (electric vehicles and steel in particular) could see an increased dumping of material into sub-continent locations – something both Pakistan & India have been struggling significantly with this year.

In the interim, as the U.S. economy continues to strengthen and the U.S. Dollar firms against nearly all recycling destination currencies (including China, where Chinese stocks recorded rallies this week), local steel plate falls from China saw various destination steel levels reciprocate in kind with declines of their own this week. Yet, deliveries of dry units continued at pace across Indian and Bangladeshi waterfronts over recent weeks of the declining BDA, including this one. Although supply has primarily been from the vintage container and dry bulk sectors, activity seems to have happily notched up a level as the industry heads towards the end of 2024, following one of the most barren years for ship recycling volumes in over a decade. As Bangladesh remains burdened by political instability and inflation, the Chattogram market has slow beyond all recognition for large parts of the year, leaving local buyers to cherry pick cheaper, geographically positioned units. Pakistan too continues to scramble for more IMF funding and stabilize its economy as buyers there have remained silent with only laughable offers coming forth of late. Finally, Turkey remains entrenched in its declining Lira, with both import and local steel recording USD 10/Ton declines across the week, leaving Aliaga levels down by USD 10/MT.

Overall, as various shipping events were underway across the world, most notably, the annual Tradewinds Ship Recycling conference in Copenhagen and Bahri week in Dubai, markets remained on a fairly even footing for the week with little movement and/or activity to report, given that industry players remained busy with meetings and sentiments finally seem to be on even keel as a healthy collection of sales continue to be confirmed to buyers with ready finances and empty yards.

BANGLADESH

**BANGLA BLISTERS!**

Demand returning.

Despite stepping up in recent weeks with the purchase of several Panamax bulkers and retaking their place atop the market rankings on the back of a re-emerging demand, the nation state of Bangladesh has been scorched to blisters across 2024, which has left the country overall struggling to cope with significant events that spanned across much of the year.

Starting with setting the benchmark for the highest priced sale of the year at over USD 600/LDT, followed by the election victory and dissolution of PM Sheikh Hasina's administration amidst violent riots that resulted in over 1000 dead, followed by the collapse of the domestic economy, disastrous monsoon flooding that brought local transportation & logistics to a standstill, unfolding corruption and theft of U.S. Dollars via unfulfilled bank loans leading to waning domestic reserves, L/C issues, further Taka collapse, and businesses increasingly shuttering of late, it has certainly been a wild ride for the Banglas this year.

Economic stagnation.

With GDP collapsing from 6.04% in Q1 2024 to 3.09% in Q4, the unfolding economic stagnation is eating away at the core of domestic confidence as there is still a lack of any meaningful activity via the resumption of some desperately needed infrastructure projects that would stimulate the nation's ailing economy. Given that +90% of domestic steel is being sourced from recycled ship's steel, the stall in infrastructure projects that has slowed local purchases of ships is clearly corollary, and telling of the current state of affairs.

Limited buyers.

Local demand too, though marginally up, is only coming forth from a select few buyers who have the 'deadly duo' handy i.e. yard capacity AND ready L/C limits. And this has shown its effects at the country's waterfront this week with nearly 27K LDT of fresh Far Eastern tonnage, including a tiny tanker readying itself for delivery to its rightful owner. As demand for certain units at the right price does persist, buying interest overall remains constricted as workable LCs / financing remains a big hurdle for most in the domestic ship recycling community whilst fundamentals remain devastated and still in shambles.

Work cut out.

Not only have the otherwise dormant local steel plate prices recorded a healthy drop of nearly USD 8/Ton (down to USD 521/Ton this week), but the Bangladeshi Taka also went through a roller coaster of a week, surprisingly being the only major recycling destination to record a marginal gain over the U.S. Dollar, still ending the week at a historic low of BDT 119.72 - and above the dreaded BDT 120.

Overall, as the ship recycling community hobbles its way through Q4 and there are increasing signs of the economy staying lethargic on the back of shuttered businesses and non-performing loans that are leading to a spiral of increasing taps into domestic reserves, the work is certainly cut out for the incoming administration (whenever the upcoming elections are held and a new party gains control) to repair the country in 2025.

NO MARKET SALES REPORTED

INDIA

**LYING IN WAIT!**

Despite India's shock election that saw a political reprioritization of India's infrastructure projects coupled with a manufacturing slump that's expected to bring India's GDP growth down to a six-quarter low, the country's overall economic outlook remains in the sweet spot amidst a moderated inflation rate and growing exports.

Active again.

Even on the ship-recycling front, India lies just behind a more bullish Bangladesh and remains open to negotiate vessels at the bidding tables at today's overall lower levels, especially as ship owners and cash buyers increasingly accept the unfolding realities on prices, and that sales into the USD 500/Ton will increasingly be on a case-by-case basis.

As a result, Alang ship recyclers have managed to secure a healthy collection of container vessels from a major container liner, for a limited yard recirculation and HKC only recycling over the last few weeks, further assisting Alang's waterfront establish a growing presence on GMS's Port Reports. In fact, overshadowing their Bangladeshi counterparts who are atop the pricing charts are Alang's recycling yards that are in the process of taking in nearly 40K LDT and 6 vessels, including a chemical tanker, as a marginal number of wet units start to trickle into the recycling waterways of late, possibly foretelling a sign of change in that sector.

Currency weakens.

Through the unfolding evenness of local sentiments are key fundamentals that have kept Indian buyers in check, with the Indian Rupee losing another 10 basis points this week, progressing down to another historic low of INR 84.49 against the U.S. Dollar. Indian steel plate prices too fell USD 6/Ton, keeping in line with the rest of the industry **and** Chinese steel plate prices, which themselves fell about USD 9/Ton this week.

USD 150/Ton drop.

As the overall industry adjusts to and increasingly accepts the new lows in pricing that has seen nearly USD 150/Ton wiped out since the heady sale of a USD 600/Ton unit into Bangladesh back in Q1 and offers steadily approach USD 450/Ton on most dry bulk units, Alang recyclers remain on the winning side as Pakistan too has all but disappeared from the scene, leaving India in charge of all units opening West of Alang - and the fact that the nation still leads in HKC only and specialist units that are yet to have a home in competing regional waters.



REDUNDANT!

Way below.

Pakistan's economy remains in shambles on account of a reported mismanagement of IMF funds as a recent investigation revealed nearly USD 440 Million in misappropriated funds by the current administration that is posing the biggest hurdle to the nation receiving a bailout package from the IMF to the tune of USD 7 billion, coupled with the nation state's tax shortfall that continues to affect Pakistan's ability to repay interest on their current loans. This increasingly handicapped position by the present administration has resulted in crippling restrictions on the availability of funds for the ship recycling via greater challenges in opening fresh L/Cs.

As a result, Pakistan remains positioned behind their sub-continent competitors for yet another week, unable to secure any of the few working units available, due to impossibly uncompetitive numbers that have seen Gadani's beaching reports turn barren for nearly a month now. As a perennially confused and nervous market that has more often than not, ignored the state of their own fundamentals whilst merely matching Indian levels in order to keep their yards full, Pakistan has clearly entrenched itself to another quiet month or so, until year the year has passed.

Not serious?

While China has offered its support to Pakistan at the recent BRICS meeting via financial aid packages of its own, the face of failing fundamentals has continued to give even less of a desire for local chop shops to compete on the international scene. With the Pakistani Rupee suffering a torrid shakedown this week ending it at a surprising PKR 277.54 and local steel plate prices themselves registered a drop of about USD 7/Ton, there seems little that Gadani recyclers can do to alleviate their own situation and be competitive on the global ship recycling front.

Investment needed.

The only hope was for this market to open up as a viable HKC alternative with news arriving early this year around Pakistan's announcement of entering the HKC into force. However, given how little (ship-recycling) business this country has conducted this year to date, the motivation to do anything on the back unavailable funding needed to undertake steps in right direction has left Gadani Recyclers far behind neighboring Alang, which has survived much of the gulch this year, with a healthy intake of HKC vessels – and continues to do so.

As such, we can only hope that the nation steadies itself moving into 2025 and make the necessary investments in order to ensure Pakistan's continued status on the weekly market ranking board.

TURKEY



LOW-ER AGAIN!

Turkey continues to fail on the ship recycling front as news of import and local steel plate prices declining to the tune of USD 10/MT, coupled with the Lira still falling into its own abyss as it closes the week 18 basis points weaker down to TRY 34.35 against the U.S. Dollar, finally saw Turkish vessel prices decline by about USD 10/MT, leaving this market further unable to snag any of the absent tonnage that is not coming their way.

Market drops.

Other than the unfolding negotiations on a couple of dry units that 'could' be Aliaga candidates, there remains little for Aliaga recyclers to be excited about, as this has been the current state of affairs in the sub-continent as well and the industry as large seems to be flowing down a 'lazy river', unable to get a foothold through the currents of unfolding global events.

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 46 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	Stable	470 / LDT	490 / LDT	500 / LDT
2	India	Stable	460 / LDT	480 / LDT	490 / LDT
3	Pakistan	Stable	450 / LDT	470 / LDT	480 / LDT
4	Turkey	Down	320 / LDT	330 / LDT	340 / LDT

2024 NEWS...IN SEQUENCE.

- Apr 7 - New York and New Jersey were struck by the strongest earthquake in over one hundred years. The 4.8 magnitude earthquake was felt across New Jersey and the New York metropolitan area, as well as parts of Virginia and Maine. The last quake of its size to hit New Jersey was in 1783.
- Apr 13 - Iran launched a drone and missile strike on Israel following an Israeli attack on its Damascus embassy.
- Apr 17 - Dua Lipa made the cover of the TIME100 list of the world's most influential people.
- May 4 - Madonna ended her "Celebration" world tour with a free concert in Rio de Janeiro, Brazil. OTD in 2024: Madonna ended her "Celebration" world tour with a free concert in Rio de Janeiro. 1.6 million people attended the historic concert at Rio's Copacabana beach, with some superfans waiting in place for days to get a good spot near the front.
- May 13 - OpenAI's newest version of ChatGPT, GPT-4 Omni (GPT-4o), went live. This latest iteration boasted unprecedented capabilities, including enhanced contextual understanding and multilingual proficiency, making it a significant milestone in AI development.
- May 21 - The International Criminal Court requested arrest warrants for Israeli leaders for alleged war crimes. Warrants were requested for Israeli Prime Minister Benjamin Netanyahu and Defense Minister Yoav Gallant, as well as three HAMAS leaders, for alleged crimes against humanity in Gaza.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
December 24 – 26 – Christmas Holidays December 26 – Boxing Day December 31 – New Year's Eve	November 14 – November 21 November 29 – December 07 December 12 – December 20 December 29 – January 2025

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
December 16 – Victory Day December 25 – Christmas Day December 31 – Bank Holiday	November 14 – November 17 November 30 – December 03 December 14 – December 17

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays through December	December 25 – Quaid-e-Asam Day December 26 – Day after Xmas	No holidays until 2025

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 15, 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
4	Elion	5,270	Chemical Tanker	Arrived November 13
5	Green Seje	2,979	Reefer	Delivered November 14
3	MSC Rafaela	16,024	Container	Arrived November 14
6	Star	5,538	Reefer	Delivered November 14
Total Tonnage		39,652		

CHATTOGRAM - Port Position as of November 15, 2024

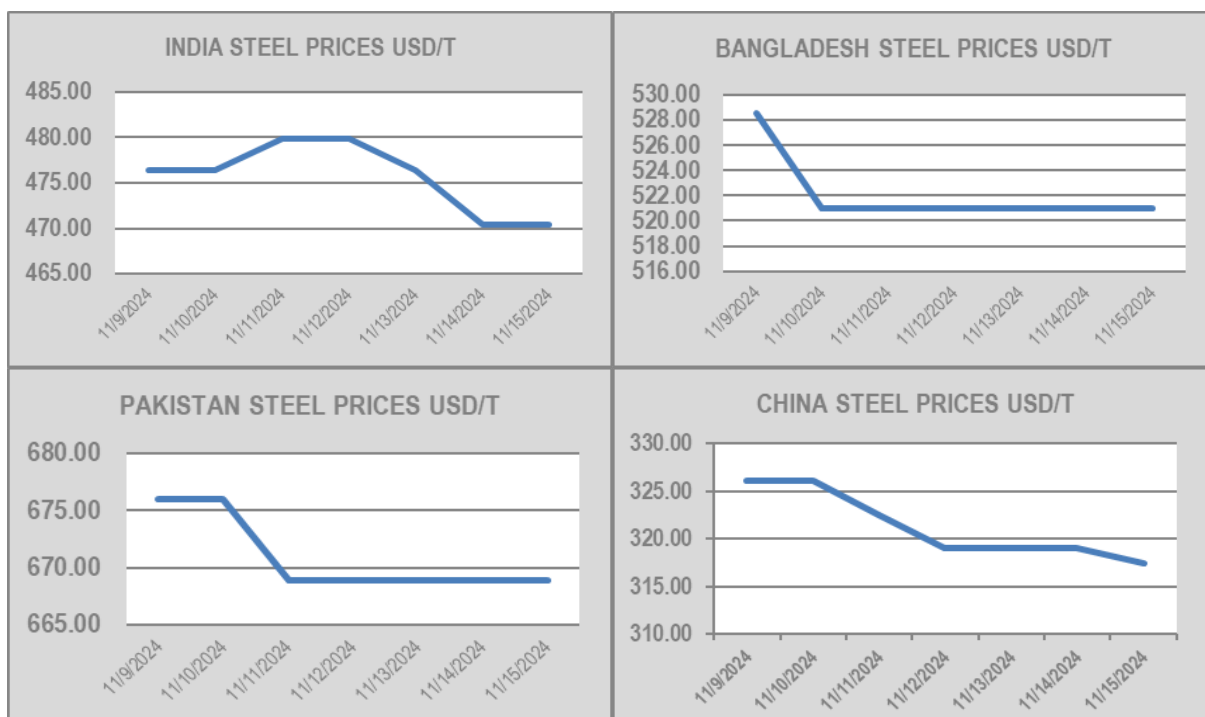
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Gold Bridge	6,889	Bulk Carrier	Arrived November 10
2	Ning Hua	9,713	Bulk Carrier	Arrived November 15
3	Rinch	9,214	Bulk Carrier	Arrived November 14
4	Thailaemthong 3	844	Tanker	Arrived November 11
Total Tonnage		26,660		

GADANI - Port Position as of November 15, 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
11/9/2024	476.42	40,200.00	676.02	188,000.00	528.57	62,900.00	326.18
11/10/2024	476.42	40,200.00	676.02	188,000.00	521.01	62,000.00	326.18
11/11/2024	479.91	40,500.00	668.82	186,000.00	521.01	62,000.00	322.49
11/12/2024	479.91	40,500.00	668.82	186,000.00	521.01	62,000.00	319.07
11/13/2024	476.36	40,200.00	668.82	186,000.00	521.01	62,000.00	319.07
11/14/2024	470.38	39,700.00	668.82	186,000.00	521.01	62,000.00	319.07
11/15/2024	470.38	39,700.00	668.82	186,000.00	521.01	62,000.00	317.40



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