

November 29th, 2024
Week 48
Volume 266, Issue 1162

QUOTE
of the
WEEK

"No failure means no risk, which means nothing new."

– Richard Branson

Highlights:

- Arab Spring.
- Elections over.
- Supply slow.
- China stimulus.
- Uncertainty.

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-- MARKET COMMENTARY --

UNFAMILIARLY FAMILIAR!

As the recently sensitive ceasefire between Israel & Hezbollah gradually takes hold and the Russia-Ukraine fighting sees the use of increasingly deadlier weapons, this week, likely emboldened by the Gaza conflict, the world saw Syrian rebels recapture Aleppo from government forces, and they are reportedly enroute to engage the capital city of Damascus. This saw WTI crude futures drop early in the week and steady around USD 69 / barrel as the week ended. The news of the ceasefire also saw the already declining Baltic Exchange Dry Index fall over 4.5% this week, and to its lowest level since January '24. Meanwhile, despite incoming president Trump's announcement of applying sweeping tariffs to the tune of 25% on China, Mexico, and even Canada, the U.S. economy continues to firm as U.S. inflation drops to (globally) fantastic levels and the U.S. Dollar strengthens against nearly all ship recycling nation currencies this week. The news of the ceasefire also continued to see tensions around trade routes ease and a healthy number of already beach-worthy yet still employed ladies finally make their appearances at the various ship recycling waterfronts, especially Alang. With sub-continent markets gradually settling into a familiar routine of introductions & acceptances at the bidding tables at prevailing levels, a fragile sense of stability in a market that has otherwise seen the worse an industry could offer, is gradually starting to come through. As recycling nation currencies weaken and steel prices remain shaky, plate levels plummeted in Pakistan (and even Turkey) this week, sending Gadani sentiments further South for the upcoming Winter and all but wiping out sensible exchanges with Gadani buyers. Bangladesh, on the other hand, descended into a week of virtually no activity at the bidding tables other than local deliveries, as this market looks ripe for possibly no fresh arrivals next week. In the middle of it all lies India, with an INR that continues to strike at the economic heart of domestic ship recyclers, despite this market performing the best in the industry at present. Finally, Turkey on the West end had an INR-mirroring Lira performance that is well on its way to breach TRY 34 against the U.S. Dollar.

Overall, as both India and Bangladesh will likely have concluded key elections within Q1 2025, ship recyclers in these markets can hopefully move forward on the back of some sensible modifications to upcoming domestic / infrastructure projects and steel from local yards should start to shift at pace once again. Mercifully, the lack of domestic demand for recycled steel within ship recycling nations has been met with a supply of tonnage that has been equally pitiful over the course of the entire year, and perhaps the lowest in over a decade as trading markets have performed above expectation, in turn, keeping shipping lanes the busiest we have seen over the recent years (and across all sectors of vessels), further delaying the scrapping of vintage assets across the board. As Chinese businesses gear up for their stimulus package, which offers hope not only for their beleaguered economy (over the next year), but also for steel plate price patterns at competing nations, which remain volatile due to consistently cheaper Chinese steel imports. The stimulus package is further expected to impact shipping markets & global trade patterns at large, especially as President Trump's announcement of punitive tariffs has already seen economic forces reacting to his intent. While we hope that things will be under control, or at least allayed to ease already sensitive global sentiments; supply, demand, and vessel pricing should be able to pick up soon after i.e. well into Q1 2025.

GMS demo rankings / pricing for week 48 of 2024 are on Page 5.

BANGLADESH

**MUTED – UNTO THE END!**

Securing sales.

Despite being a nation that has single handedly maintained pole position on the recycling market rankings for a majority of the year, Bangladesh has disappointingly registered a muted welcome to December 2024, as Chattogram's port position dreadfully starts to reflect the true state of local affairs, with only one 7K LDT vessel reported to have arrived the nation's waterfront and no deliveries throughout the week.

Local port position is in fact, reflecting the overall willingness of Chattogram Choppers to engage effectively at the bidding tables given that despite the unimaginable hurdles that have occurred through the course of the year, they are now being overshadowed by unfolding Hindu – Muslim race riots in the Muslim majority nation. As though Bangladeshis have not been through enough turmoil through the year via the collapse of and still lack of a proper government that is able to take charge and lead the populous through the unfolding final stretch of 2024, and into 2025.

8.5% drop.

The unfolding result of 2024s insanity has also left domestic fundamentals spiralling down, as local steel plate prices have so far seen about USD 100/Ton wiped clean through the year, unlike this week, where they decided to take the time to play dead on the floor at USD 521/Ton. Even the Bangladeshi Taka tangoed in sync, staying stranded at a disastrous level of BDT 119.70. Of note, the BDT has lost over 8.5% of its value against the Dollar YTD. All of the untold economic statistical trend analysis aside, the reality is that the nation simply has not established a functioning government so that the necessary determinations / grants can be made towards relevant sectors (including infrastructure), which should then see trade of recycled ship's steel between local recycling yards and steel mills, resume to normal levels.

Finance issues.

Local corruption that saw the embezzlement and fraud of massive U.S. Dollars from domestic banks, has also seen the availability of reserves become tighter for the rest of nation, including ship recycling and invariably tightening the chokehold that a lack of ships has already gripped local recyclers in. As disappearing Dollars and disappearing ships made business virtually impossible for this market, a collection of smaller ship recyclers have temporarily shuttered businesses and this is a trend that has permeated the domestic industry at large, where closed businesses within the small-scale sector have seen unemployment drastically rise as the nation heads into the final month of the year. This unemployment is also adding fuel to the already dangerous unfolding race-riots, further baking an already charring situation.

Overall, as the nation continues to secure a majority of non-HKC and even LNG sales opening in the Far East, merely trumping India in the rankings after a period on the sidelines doesn't seem as glorious under the current circumstances. As a result, we can safely presume that prices won't be back to previous levels of USD 500/LDT (or in excess of) any time soon, and it is proving to be a far more muted end to the ship recycling year.

NO MARKET SALES REPORTED

INDIA

**2ND... BUT FIRST?!**

Given the present circumstances, India's performance, though based on a pricing chart that has left it in 2nd place and squarely behind a largely uncompetitive Bangladesh, has been nothing short of first place worthy as a shockingly impressive collection of units (including large LDT oil rigs) were delivered to local recyclers this week, and this has driven the total LDT at Alang's anchorage to well above 50K LDT for just one week – certainly impressive given the current atmosphere in the supply of tonnage.

Half closed.

Moreover, even though numerous HKC only container sales have taken place into Alang over the course of November (and even across the year so far), it has been one of the slowest years for the nation's ship recycling sector over the last decade as many local ship recycling yards lie dormant / temporarily shuttered on account of the merciless lack of tonnage that continues on to this day.

Magnet of Misery.

And like the rest of the year and as we have badgered in the weekly for just as long, domestic fundamentals are doing the already nervy mindset of local recyclers, no post-Diwali favours as not only have local steel plate prices moved to not move this week i.e. end the week at nearly the same shockingly low rate of USD 467.73/Ton, but it is the Indian Rupee that has been the magnet of misery for Alang's competitive pricing as it closed at another record breaking INR 84.57 against the U.S. Dollar, 14 basis points lower this week, and nearly 1.5% lower overall this year.

This has healthily seen local offers fall from nearly USD 600/Ton to lows approaching USD 450/Ton of late, leaving ship owners and cash buyers unable and unwilling to immediately grasp on to the unfolding declines. Mercifully for the industry, we do see some resistance from levels dropping to or even below the dreaded USD 450/Ton mark, as the quality and even (comparative) quantity of tonnage improves; and by all accounts, indications moving north of USD 450/LDT seem to be increasingly pervasive on the back of a growing demand for vessels, and a degree of stability returning to this market of late.

Optimism returning.

Cheap Chinese steel of course remains a concern for India, although they have mercifully mirrored a Bangladeshi steel performance and levelled out for the week. Notwithstanding, a growing optimism for 2025 seems to be entering Alang and we can only hope that the historical post-New Year firming is welcomed in 2025 as well.



LAGGING!

Little hope.

Pakistani fundamentals and the state of the domestic economy has ensured it lags behind its Indian sub-continent ship recycling counterparts for yet another week, accompanied by an entirely empty local port position that has not seen a vessel for nearly 6 weeks now. And there seems to be little that Gadani recyclers are interested in securing at this time or even in the near future, especially amidst an already constricted supply of candidates, or as they simply waive them goodbye as units head towards a higher-paying Alang.

And although local steel plate prices were the ones to register a noteworthy USD 10/Ton decline this week, the Pakistani Rupee registered a comparatively marginal drop of 7 basis points against the U.S. Dollar, down to nearly PKR 278. Of note, Pakistani Rupee has been the only major ship recycling destination where its currency actually firmed 2.71% against the US\$ during the course of the year.

No chance.

Yet, domestic woes on the back of a constricted availability of U.S. Dollars via conveniently ready L/Cs has cut off even negotiations by local recyclers at the bidding tables. Naturally, ongoing price checks with open buyers remains akin to fishing i.e. if she bites, she bites, clearly highlighting the eagerness of Gadani recyclers to engage in discussions, instead, staying hopeful of securing the one of unit at a lucky price despite a growing demand emerging from India once again. If Pakistan continues to mirror India's pricing trend, this will only mean that the overall ship recycling price floor for the sub-continent will rise in January 2025.

Missed opportunities.

Notwithstanding, work remains to be done in order to stabilize the domestic economy via readily available reserves for local businesses. And the sooner that IMF's pending USD 7 Billion loan comes through, the sooner can Gadani recyclers have a bite behind their offerings. Moreover, the loans should also assist domestic ship recycling yards with improving their facilities / operating standards, in their runup to making yards HKC compliant by 2025.

As meaningful tonnage starts to infiltrate the market once again and buyers in competing India are already gearing up for the upcoming week, we suspect it will likely be another silent week and a 2024 of missed opportunities amidst abysmal supply for a Pakistan ship recycling market will likely maintain the trend until the turn of the year.

TURKEY

**PERSISTENT ... DECLINE!**

Mirroring the performance of Pakistani steel plate prices were Turkish plate levels that recorded another USD 10/MT decline this week, leaving local offerings on units somehow hanging on to their current levels (and dear life). For as lifeless as this market has been on the back of a tonnage flow that's been all but absent for the past 2 years, like the rest of the industry, reports of shuttering local ship recycling businesses have finally made the rounds this year. Even the Lira fell 52 basis points this week, down to TRY 34.70 against the U.S. Dollar and merrily on its way to TRY 35.

While Turkey generally does not involve itself with international affairs, the Turkish army has been reported to be involved with the recent rebel uprising in Syria as the Turkish PM has empathized with the plight of displaced Syrians from the resulting civil war.

However, with the latest and larger "ceasefire" deal earmarking a renewed sense of peace in the region once again, we can only hope business resumes and fundamentals can finally find stable footing again.

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 48 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	Weak	330 / LDT	340 / LDT	350 / LDT

2024 NEWS...IN SEQUENCE.

- Jul 21 - US President Joe Biden withdrew from his re-election campaign and endorsed Kamala Harris as his preferred successor.
- Jul 24 - "Inside Out 2" became the highest-grossing animated film ever, earning \$1.462 billion worldwide and surpassing "Frozen II," which previously held the record with \$1.453 billion.
- Jul 26 - The Summer Olympic Games opening ceremony was held outdoors for the first time ever. In a spectacular event, 6,800 athletes paraded in 85 boats along the Seine River in Paris, heading towards the Eiffel Tower. There, the Olympic flame was launched into the sky from a cauldron attached to a hot air balloon.
- Aug 5 - British graffiti artist Banksy created the first in a series of animal artworks in London. Banksy's first piece was the silhouette of a goat near Kew Bridge, followed by a new piece each day for seven days. All the works in the series were of animals, including monkeys, a cat, and piranhas on a police box.
- Aug 11 - Regions around Athens, Greece, were evacuated due to wildfires after the hottest June and July on record.
- Aug 24 - Pavel Durov, founder of the encrypted messaging app Telegram, was arrested in France for alleged involvement in organized crime. After his release, he was placed under formal investigation over Telegram's use in criminal activities and banned from leaving the country during the investigation.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
December 24 – December 26 – Christmas Holidays December 31 – New Year's Eve	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 30 – December 03 December 14 – December 17

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays until 2025	December 25 – Quaid-e-Azam Day December 26 – Day after Christmas	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 29, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	A Star	14,856	Drilling Rig	Arrived November 30
2	Bereg Mechty (Under Tow/Arrested)	7,263	Reefer	Arrived August 26
3	<i>Cean (Under Tow)</i>	21,962	<i>Drilling Rig</i>	<i>Delivered November 26</i>
4	<i>Maher</i>	3,519	<i>Gen Cargo</i>	<i>Delivered November 28</i>
5	<i>Sea Nass</i>	697	<i>Gen Cargo</i>	<i>Delivered November 27</i>
6	<i>Sofi</i>	3,732	<i>Container</i>	<i>Delivered November 30</i>
Total Tonnage		52,029		

CHATTOGRAM - Port Position as of November 29, 2024

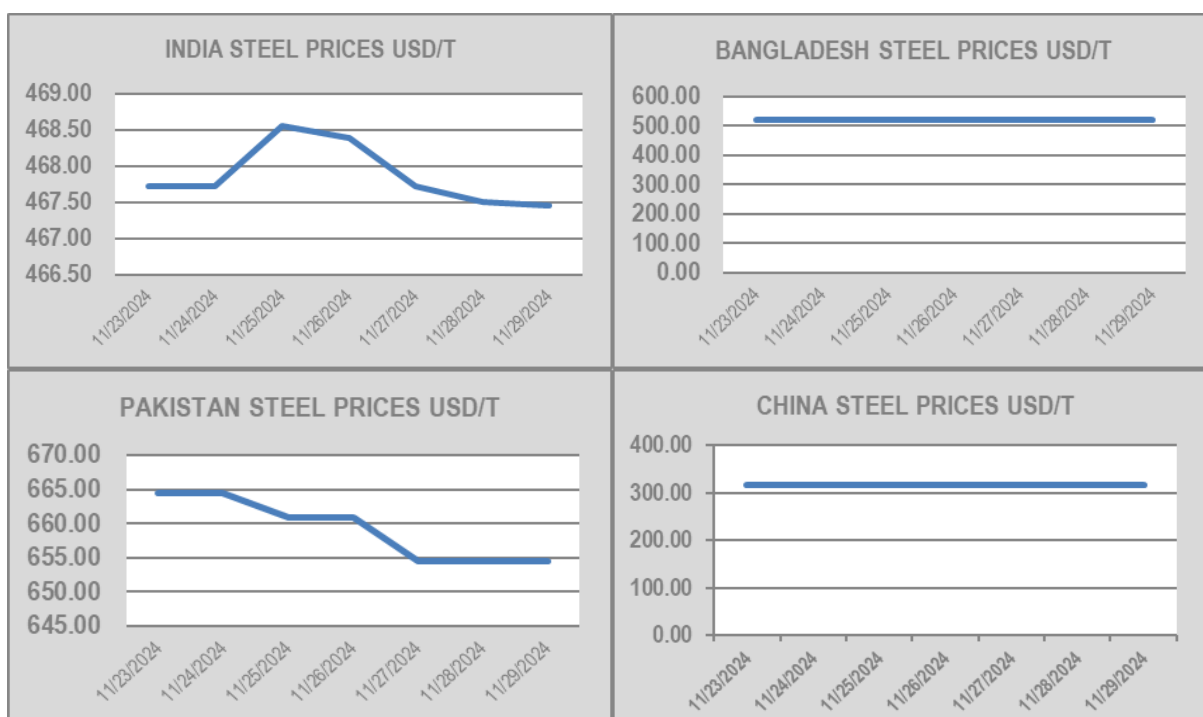
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Jule	9,726	Bulk Carrier	Arrived November 22
2	Pro	7,226	Bulk Carrier	Arrived November 25
Total Tonnage		16,952		

GADANI - Port Position as of November 29, 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
11/23/2024	467.73	39,500.00	664.51	185,000.00	521.01	62,000.00	316.38
11/24/2024	467.73	39,500.00	664.51	185,000.00	521.01	62,000.00	316.38
11/25/2024	468.56	39,500.00	660.92	184,000.00	521.01	62,000.00	316.38
11/26/2024	468.40	39,500.00	660.92	184,000.00	521.01	62,000.00	316.38
11/27/2024	467.73	39,500.00	654.44	182,000.00	521.01	62,000.00	316.38
11/28/2024	467.51	39,500.00	654.44	182,000.00	521.01	62,000.00	316.38
11/29/2024	467.46	39,500.00	654.44	182,000.00	521.01	62,000.00	316.38



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