

November 10th, 2023
Volume 255, Issue 1108
Week 45



"Hustle beats talent when talent doesn't hustle."

– Ross Simmons

Highlights:

- Still muted.
- Bangla disruption.
- Pakistan turn.
- Global gains.
- No pain yet.
- Scan to download
GMS Recycling App



MARKET COMMENTARY

YET TO MATCH UP!

Markets remain precariously poised as Diwali holidays are finally upon the sub-continent markets and the industry heads into the final months of the 2023. Although several sales have reportedly registered into India at some impressive levels, sentiments and pricing here remains muted overall.

On the Eastern end and in the lead up to the Bangladeshi elections due in mid-January 2024 - disruptions, protests, and even strikes have embattled the country and as such, it is expected to become even more challenging to get L/Cs open & deliveries completed into Chattogram, especially as the ongoing unrest persists.

Meanwhile, after another period on the sidelines, Pakistan is starting to see some buying interest reemerge, as the currency continues to depreciate once again; in that, as vessels get increasingly expensive, local steel plate prices would eventually have to firm in order to keep local business viable, and this is perhaps lending Local Recyclers some forward-thinking encouragement on potentially selling their product at workable levels in the near future / 2024.

Lastly, the Turkish market reports even more improvements as both local and import steel prices registered improvements this week, with even price indications seeming to firm about by about USD 10/MT.

Overall, with global steel prices now gaining some decent ground over the preceding weeks (including Turkey and notably even in China this week), there is the lingering hope that these improvements could filter through to the other recycling markets in the weeks ahead, especially upon the conclusion of Diwali holidays. And amidst the shaky hopes that markets do indeed rise to higher levels, there certainly were a handful of Cash Buyers who continue to be gambling on vessels with a forward delivery, all while prompt vessels are facing comparative discounts to those with a longer / forward laycan.

Finally, in terms of supply - vintage Containers and Dry Bulk vessels continue to dominate the recycling lanes, but are still missing the volumes that many had expected, especially as charter rates and secondhand values are yet to sink and compel Ship Owner's to recycle their units.

For week 45 of 2023, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Declining	510 / LDT	530 / LDT	550 / LDT
2	Bangladesh*	Weak	505 / LDT	525 / LDT	545 / LDT
3	Pakistan*	Weak	500 / LDT	520 / LDT	540 / LDT
4	Turkey	Improving	310 / LDT	320 / LDT	330 / LDT

*Subject L/C approval

BANGLADESH

UNCERTAINTY ABOUND!

Elections due.

Uncertainties abound in Bangladesh, with elections on the horizon in early January, and ensuing political strikes / unhealthy campaign efforts that are often turning violent in nature, only to further cripple the country and increasingly depress the local mindset.

Moreover, despite the Taka firming marginally this week, it remains suspended above BDT 110 against the U.S. Dollar, all while local steel plate prices have started flatlining once again as local resale of ship's steel seems to have come to a standstill.

Questionable performance.

As such, doing deals in Bangladesh and getting the requisite L/Cs in place, has been consistently challenging and many-a-deal are therefore making their way towards the far more stable Indian market (for the time being).

It therefore remains to be seen how the Chattogram market fares in the final months of the year and before the election date reportedly scheduled in January 2024, but even if demand is there, the ability to follow through and perform on deals is the big question that remains.

INDIA

DEALS DONE!

Despite the recent correction in prices – down between USD 20 – USD 25/LDT by this point - steel volatility continues as prices increased by about USD 6/Ton this week, while deals continue to be confirmed into Alang at some impressive numbers.

Steel down.

Firstly, the GearBulk controlled General Cargo vessel BONTRUP MALDIVES (10,993 LDT) was finalised for a decent USD 545/LT LDT, basis strictly HKC green recycling and with 350 Tons of bunkers reportedly included in the sale at the time of arrival.

Additionally, MSC sold the container vessel MSC CHIARA (14,305 LDT), for USD 535/LT LDT and for restricted HKC recycling, also with 330 Tons of bunkers on arrival.

Sales done.

Finally, Chinese owners sold their Handymax Bulker the WUYANG GODDESS (7,481 LDT) for a decent USD 480/LT LDT, basis an 'as is' China delivery and with 500 Tons of bunkers included in the sale at the time of delivery. As such, this vessel could end up in any market however, with no HKC restrictions.

Overall, as fundamentals (steel plate prices) and even the Indian Rupee continue their weekly dance, it seems this market may have started igniting the fuses for post-Diwali fireworks?

Time will tell.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
BONTRUP MALDIVES	General Cargo	10,993	USD 545/LT LDT (with 350 Tons bunkers on arrival for HKC recycling)
MSC CHIARA	Container	14,305	USD 535/LT LDT (for limited yards HKC sale only with 330 Tons bunkers on arrival)
WUYANG GODDESS	Bulker	7,481	USD 480/LT LDT ('as is' China with 500 Tons bunkers)

PAKISTAN

DEPRECIATION DEMAND!

Stability looms.

After months of unrelenting volatility in the currency and steel plate prices, surprisingly this week, further currency depreciations seem to have had little effect on local sentiments as Gadani Buyers seem to have come to accept their flaky fundamentals as normal and are simply looking to conclude units.

This seems to have led to this unexpected sense of stability for this market, especially after these incessantly long periods of wild and uncontrollable depreciations & appreciations that seem to have no sign of slowing down and have kept the Pakistani market on the sidelines for much of this year.

Hope for deals.

This could also indicate that with plate prices that have flatlined for months on end and with no vessels coming in for much of the year, End Buyers could finally be in a stronger position to sell their product at workable levels once again. There is also the ever-growing hope that moving forward, a further easing of L/C approvals may lead to an increasing number of deals being done into a starved Pakistani market.

However, looking in from the outside, the present doesn't seem to indicate a long (or even decently short) term run for this market, especially as local steel plate prices declined by about USD 5/Ton, all while the Pakistani Rupee devalues further this week – ending just shy of PKR 287 against the U.S. Dollar.

Overall, after the last batch of six or so Panamax Bulklers that were sold to the few tier-1 open Recyclers with L/C permissions, it has gone rather quiet in Gadani as Local Buyers continue to watch market falls and wait for the currency to stabilize again, but the hope for increasing deals before the end of the year seems like a challenge for this market.

NO MARKET SALES REPORTED

TURKEY

SURPRISES CONTINUE!

Like the Pakistani market, the Turkish market seems to be having a tiny surge of its own – especially as import steel plate prices jumped another USD 8/MT as local steel plate prices reported a USD 5/MT increase of their own.

Another USD 10/MT jump.

Moreover, even as the Lira corrodes deeper into TRY 28 levels against the U.S. Dollar, vessel prices seem to be having a moment in the limelight as well, especially as prices firmed by another USD 10/MT this week, further igniting local demand before the conclusion of 2023.

Supply, however, does remain the biggest problem for Aliaga Buyers as even though news of a couple of private sales did come through, the ongoing shortage of decent LDT tonnage has left this market virtually crippled.

Garnering interest.

As such, how this market ends the year, certainly seems increasingly aligned with Pakistan's – devoid of tonnage amidst prices that don't seem to be garnering much interest.

INTERESTING FACTS

- *As per the US Geological Survey reports, a cloud can weigh up to millions of pounds.*
- *According to the space journal Nature, published a few years back, the number of trees on the earth is much higher than the existing stars in the galaxy.*
- *Studies have found out, the length of days on earth is increasing. Reason? The moon is reducing the earth's rotation speed through the tides that it helps to form. The twisting force is responsible for making the days longer.*
- *It's one of the most intriguing science facts about our very own mother earth. Why this gravitational difference? Because the earth doesn't have an equal surface everywhere but a bumpy one. The variations are also known as gravity anomalies.*
- *Studies show, around 600-800 million years ago, Earth has been through intense climatic changes. It became so cold that many scientists believe our mother plant might have frozen at least a few times earlier.*
- *If you have always been into space and wanted to travel it at least once in your life, here's the science fact of the day for you. You can't stand on Uranus. In the list, there are Jupiter, Saturn and Neptune too. Though they have a rocky core, they're huge balls of hydrogen and helium.*
- *Mars is as freezing as the South Pole. Even if you ever make it to space, you need to carry your warmest coat to bear up with the -60 degrees Celsius temperature of Mars.*

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
November 12 – November 15 - Diwali	November 12 – November 19 November 25 – December 02	

BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
No holidays in November	November 12 – November 15 November 25 – November 28	

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in November	November 09 – Iqbal Day	No holidays in November

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ALANG - Port Position as of November 10, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Angel A	1,391	General Cargo	Arrived November 07
2	Great	9,759	Bulker	Arrived November 08
3	Mas Mulia (Under Tow)	5,601	Barge	Arrived November 08
4	One Destiny	7,698	Bulker	Arrived November 07
Total Tonnage		24,449		

CHATTOGRAM - Port Position as of November 10, 2023

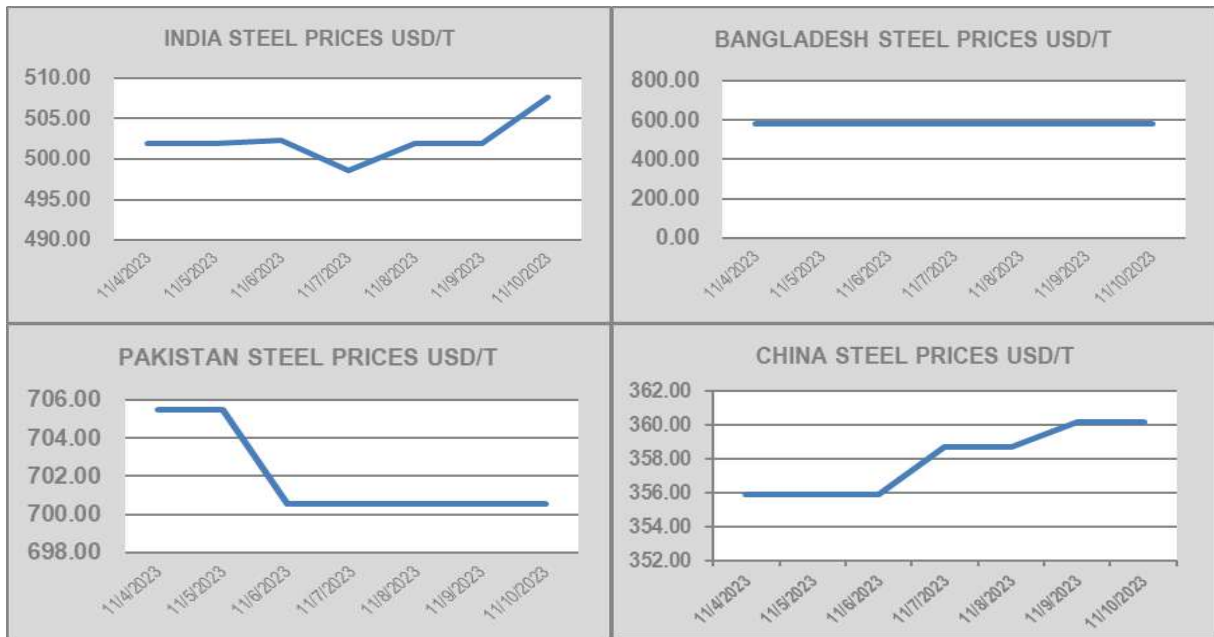
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Kokuryu Maru	2,473	RoRo / Cargo	Arrived November 05
2	Sighter	11,238	Vehicles Carrier	Arrived November 06
3	Yango	5,866	Container	Arrived November 08
Total Tonnage		19,577		

GADANI - Port Position as of November 02, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ventura	16,810	Tanker	Beached November 02
Total Tonnage		16,810		

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
11/4/2023	501.92	41,800.00	705.47	200,000.00	581.30	71,500.00	355.94
11/5/2023	501.92	41,800.00	705.47	200,000.00	581.30	71,500.00	355.94
11/6/2023	502.28	41,800.00	700.53	200,000.00	581.30	71,500.00	355.94
11/7/2023	498.56	41,500.00	700.53	200,000.00	581.30	71,500.00	358.76
11/8/2023	501.98	41,800.00	700.53	200,000.00	581.30	71,500.00	358.76
11/9/2023	501.92	41,800.00	700.53	200,000.00	581.30	71,500.00	360.17
11/10/2023	507.68	42,300.00	700.53	200,000.00	581.30	71,500.00	360.17



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