

March 29th, 2024
 Week 13
 Volume 259, Issue 1127



“Do you really want to look back on your life and see how wonderful it could have been had you not been afraid to live it?”

– Caroline Myss

Highlights:

- Thinning out.
- Complaints.
- Dormant yards.
- India bleak.
- Finance concerns.
- Scan to download and view the GMS Weekly on our Recycling App!



MARKET COMMENTARY

STAY HIGH...OR NIGH?

Whilst various port positions remained thinned out across the Indian sub-continent ship recycling waterfronts over recent weeks, many of the tired old complaints about poor & adverse market conditions (particularly in India) or those of an extremely malnourished spread of recycling tonnage that remains available for sale, continue to fall on deaf ears especially given that the saturated state of affairs has brushed **all** industry players the wrong way since the start of the year. Accordingly, the longer the complaining seems to linger, the more these ever-pervading objections from End Buyers – valid or otherwise – seem to suggest they are being made with the sole intention of securing a cheap deal – but are they justified in doing so?

Inversely, this week concluded surprisingly for the sub-continent ship recycling nations whereby their respective port reports turned out busier (from an LDT perspective) than recent weeks, leaving local Recyclers scrambling to get their respective shares of the odd unit in, and that too at ever-competitive rates. As such, the dearth of vessels currently available for a recycling sale will certainly ensure that any mis-directed dreams of discounted deals at this juncture of the year, are likely to remain just that...i.e. dreams. In the same vein, given the onslaught of a rich diet of low(er) quality selection of laid up, small(er) LDT, Chinese built tonnage that has been consistently proposed for recycling, is simultaneously frustrating the Ship Recycling community into offering lower & lower numbers on such units – several reportedly seeing even below USD 500/Ton.

As such, it remains appreciable if Ship Recyclers would rather their yards sit dormant through this time, than have to deal with the possibility / headaches in paying firmer levels on the questionable quality of incoming vessels that will more than likely have issues at the time of delivery, and we are therefore witnessing a small, yet growing number of yards that could be entering a vegetative state sooner rather than later. And why not? With so little activity to keep global Recyclers even interested (let alone busy), it's certainly worth a try given that it has helped Aliaga Recyclers.

Overall, conditions in India remain bleak as steel plate volatility resumes, the Indian Rupee starts to struggle, and a discernable election anxiety (in case the Modi party fails to win another term) has been increasingly permeating of late. Bangladeshi and Pakistani markets continue to fare comparatively better, though many units are likely to be ignored as most End Buyers are now preferring to wait and watch the market, rather than fill their plots with subpar tonnage. Whiffings of L/C restrictions also remain of concern as it may not be 'business as usual' for far too long.

For week 13 of 2024, GMS demo rankings / pricing for the week are as below.

| Rank | Location | Sentiment | Dry Bulk USD / LDT | Tankers USD / LDT | Containers USD / LDT |
|------|-------------|-----------|-----------------------|----------------------|-------------------------|
| 1 | Bangladesh* | Steady | 510 / LDT | 530 / LDT | 550 / LDT |
| 2 | Pakistan* | Steady | 500 / LDT | 520 / LDT | 540 / LDT |
| 3 | India | Weak | 480 / LDT | 500 / LDT | 520 / LDT |
| 4 | Turkey | Weak | 320 / LDT | 330 / LDT | 340 / LDT |

BANGLADESH

DEMAND & DRIVE LACKING!

Leaving empty.

As Chattogram Choppers (and the nation overall) remain pre-occupied with prayers and celebrations through the Holy month of Ramadan this March, the ongoing scarcity of quality workable tonnage has left them (and the industry at large) with not much else to do since the start of the year. As such, it has been glaringly obvious that sub-continent Recyclers are simply frustrated and fed up with the sorry state of unstoppably negative affairs that the industry has been mercilessly hammering them with, and that too for well over a year now.

Trickle.

Starting with the ill-timed geopolitical conflicts of Ukraine and now the Red Sea, which are not only affecting critical shipping lanes and devastating some global economies with inflation (i.e. Turkey), but ship recycling candidates have also been nearly choked out of the recycling landscape at the opportune time when L/C restrictions were just being eased via lifeline IMF loans into both Bangladesh & Pakistan, after what has been (and continues to be) a miserably quiet time on the recycling sidelines for both locations across much of 2023 and into 2024 thus far.

Moreover, with nothing but poor(er) quality laid-up tonnage that has primarily been in rotation of late, having to pay top US\$ / Ton through a tonnage crisis and then suffer the indignation of having to renegotiate because the units are truly that terrible upon arrival, is a scene we are starting to witness far too many times this year and as such, we do empathize with the Ship Recycling / End Buying community since things have clearly come to this.

Wait and watch.

Consequently, a growing number of End Buyers are electing to simply idle their yards, rather than pay top Dollar / Ton and lose money over near-certain quality issues. Local port reports also reflected the growing mindset as other than a decent sized Bulker that was beached this week, there's not much else on the literal or figurative horizon for Chattogram in the coming week, as a case of wait-and-watch slowly settles in for better quality candidates, and / or a greater demand (or simply a drive) to acquire once again.

Finally, as local steel plate prices continue to flatline and the Bangladeshi Taka starts to lean hard on the gates of BDT 110 against the U.S. Dollar (further indicating that local Recyclers waiting may not be a bad thing), at least one small container sale managed to squeeze in this week as the sale of the HE SHENG (4,833 LDT) was confirmed at a decent USD 552/LT LDT, as Chinese owners clear out their share of the world's aging fleets.

MARKET SALES REPORTED

| VESSEL NAME | TYPE | LDT | REPORTED PRICE |
|-------------|-----------|-------|----------------|
| HE SHENG | Container | 4,833 | USD 552/LT LDT |

INDIA

PLEASE WAIT...YOUR CALL IS IN QUEUE!

With meaningful tonnage still at large, elections on the horizon, a bunch of holidays incoming, and key domestic fundamentals starting to dither once again, it was another bleak week / month / quarter of limited activity and subpar offerings from the world's largest ship recycling destination this year – to the point, it seems as though Alang Buyers are simply out of tune from the industry (or its offerings) for the time-being, willingly – or otherwise.

Meanwhile, despite ending the week marginally higher than the last (by just about a U.S. Dollar / Ton), local steel plate prices resumed their weekly volatility again, all while the currency dug its tunnel deeper into Rs. 83 territory against the U.S. Dollar this week.

Even with Ramadan ongoing and several upcoming holidays scheduled next month, which are expected to keep local Buyers celebrating through the festivities, it would be a Modi government victory that would take the country by storm and would certainly be a big reason for Alang Buyers to celebrate with a (hopeful) pre-monsoon price positive purge.

Until then, however, it is likely to remain 'Holi Hibernation'.

As would expectedly go along with the territory, local offerings also remain a long ways away from a station called "competitive", as Alang Buyers ride along a train that's currently being overcrowded by their Chattogram & Gadani counterparts, and this has consistently been depriving the Indian market from a significant bulk of the recycling tonnage that has been entering the markets since the start of the year.

Finally, (and surprisingly), local port reports dialled in a busy number this week as not only does the volume of arrivals at anchorage remain low, but it was the total amount of LDT that was the 'looker of the week' as just over 44K of container LDT goodness is currently reportedly to be at Alang at present.

Limited sales.

Holi Hibernation.

Container goodness.

PAKISTAN

LACKING CONVICTION!

Disparity.

With Ramadan in full swing, missing tonnage from the horizon, and the odd batch of Gadani deliveries that have been ongoing by the week (resulting in gradually decreasing local appetites), the only recently (and glaringly) emerging disparity in Pakistani pricing has seen Owners receive as much as a USD 50/LDT price-variance on the same vessel from two Gadani Buyers, in what has been a confusing Pakistani market emerging at the bidding tables amidst the Holy Month.

As such, given that there are far higher prices on the Pakistani spectrum at present, it is clear that those at the lower end of the pricing scale are not really on the lookout for tonnage, instead are probably just chancing a gamble on a select unit.

Chancers.

Moreover, since local Recyclers have taken deliveries of several units over recent weeks (including this one), in addition to ongoing Ramadan festivities (as aforementioned), it doesn't seem as though Pakistani Buyers stand to lose anything major at this time and as a result, are clearly lacking their share of conviction at the bidding tables.

Notwithstanding the above, of all of the major ship recycling destinations, the Pakistani market has been the only one whose fundamentals haven't cartwheeled into Spring 2024, as not only have local steel plate prices continued to flatline at levels healthy enough to sustain local acquisitions (whilst leaving their Indian counterparts in third place in the market rankings), it is their recently eased L/C limits (since January of the year) and the volume of subsequent deliveries that has left a lingering prohibitive attitude towards getting deals done – especially while the going is still good.

No confidence.

With bellies now full and local offerings comparatively on fire, it may be a lack of confidence to compete / acquire on the open market is holding Pakistani Buyers back, or maybe it is just the holiday mood after all.

TURKEY

SILENT AS EVER.

As with most of their sub-continent counterparts, it was an extremely quiet week in Turkey, with almost no movement being reported from Aliaga. It was so quiet in Turkey this week that even the Lira seemingly froze at about the same levels as when it started the week (mid-week fluctuations aside).

Local steel plate prices (import and local) in addition to local offerings were also invisible amidst the ongoing tonnage drought & Ramadan celebrations and as such, we do not expect much movement or even noteworthy non-Lira news until Week 15 / Mid-April.

Let's hope Ramadan festivities are keeping them happily distracted from work stresses.

Lira froze?

Week 15?

INTERESTING SCIENCE & SPACE FACTS

- NASA's *Voyager 1* spacecraft was launched in 1977. More than three decades later, in 2012, it became the first human-made object to enter interstellar space by crossing the heliopause, or the edge of the heliosphere. That's the boundary beyond which most of the sun's ejected particles and magnetic fields dissipate.
- According to NASA, "if we define our solar system as the Sun and everything that primarily orbits the Sun, *Voyager 1* will remain within the confines of the solar system until it emerges from the Oort cloud in another 14,000 to 28,000 years."
- Depending on how carefully you do the calculations and how you arrange them, all of the planets in the solar system could fit in between Earth and its moon. The distance between the Earth and the moon varies, as does the diameter of each of the planets — they're wider at their equators, so Saturn or Jupiter or both would have to be tilted sideways for this to work, according to news site Slate.
- However, imagine lining all of the planets up, pole to pole. They'd just barely squeeze in between us and our closest companion in space, blocking out the sky with their rings and gas giant bulk as they did so. (Of course, in all practicality we'd have other problems to worry about, too. Our little moon creates vast tides on Earth already — the gravitational perturbation from our new proximity to Jupiter alone would keep any of us from admiring the view.)
- The moon is the farthest from Earth that we've ever sent humans, and it's both mind-bogglingly distant and incredibly close depending on how you think about it. Eight enormous planets could fit between here and there, and yet according to NOAA, the distance from Earth to the sun is more than 390 times the distance from the Earth to the moon.

IMPORTANT DATES

| INDIA | |
|---|---|
| BANK HOLIDAYS | BEACHING TIDES |
| April 01 – Bank Holiday April 06 – Jumat-Ul-Wida April 09 – Gudi Padwa April 10 – Eid-ul-Fitr April 14 – Dr. Ambedkar Jayanti | March 26 – March 30 April 06 – April 13 April 23 – April 29 |

| BANGLADESH | |
|--|--|
| BANK HOLIDAYS | BEACHING TIDES |
| April 05 – Jumatul Bidah April 07 – Shab-e-Qadr April 10 – April 12 – Eid April 14 – Bengali New Year | April 08 – April 11 April 23 – April 26 |

| BANK HOLIDAYS | | |
|---|-----------------------------------|--|
| CHINA | PAKISTAN | TURKEY |
| April 04 – April 06 – Ching Ming Festival | April 10 – April 12 – Eid-ul-Fitr | April 09 – April 12 – Ramazan. April 23 – National Sovereignty & Children's Day |

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ALANG - Port Position as of March 29, 2024

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|----------------------|-------------------|---------------|---------------|------------------|
| 1 | Al Jamil | 2,127 | General Cargo | Arrived March 16 |
| 2 | Erica (Under Tow) | 30,713 | Container | Beached March 24 |
| 3 | MSC Rossella | 13,306 | Container | Arrived March 27 |
| Total Tonnage | | 46,146 | | |

CHATTOGRAM - Port Position as of March 29, 2024

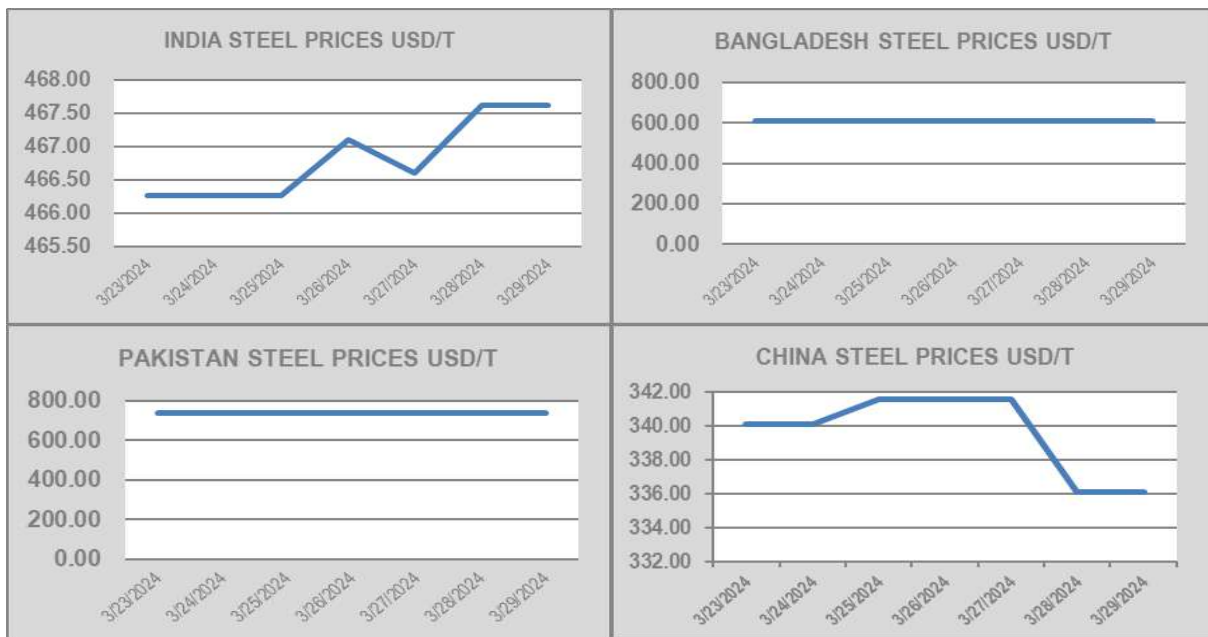
| No. | VESSEL NAME | LDT | TYPE | STATUS |
|----------------------|----------------|---------------|--------------|------------------|
| 1 | Far East Cheer | 3,651 | Container | Arrived March 25 |
| 2 | ISL Star | 10,177 | Bulk Carrier | Beached March 27 |
| 3 | Xin Xiang Rui | 4,933 | Bulk Carrier | Beached March 29 |
| Total Tonnage | | 18,761 | | |

GADANI - Port Position as of March 29, 2024

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|----------------------|-------------|---------------|---------------|------------------|
| 1 | Brad | 16,368 | Tanker | Beached March 29 |
| 2 | Oscar 1 | 2,620 | General Cargo | Arrived March 20 |
| 3 | Qatar Ana | 8,015 | Bulk Carrier | Arrived March 26 |
| 4 | Sea Flower | 5,282 | General Cargo | Arrived March 27 |
| Total Tonnage | | 32,285 | | |

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 |
|-----------|--------------------------|--------------------|-----------------------------|-----------------------|-------------------------------|-------------------------|--------------------------|
| 3/23/2024 | 466.26 | 38,900.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 340.12 |
| 3/24/2024 | 466.26 | 38,900.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 340.12 |
| 3/25/2024 | 466.26 | 38,900.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 341.57 |
| 3/26/2024 | 467.10 | 38,900.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 341.57 |
| 3/27/2024 | 466.59 | 38,900.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 341.57 |
| 3/28/2024 | 467.63 | 39,000.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 336.16 |
| 3/29/2024 | 467.63 | 39,000.00 | 736.28 | 208,000.00 | 607.32 | 74,700.00 | 336.16 |



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