

December 1st, 2023
Volume 256, Issue 1111
Week 48

QUOTE
of the
WEEK

“If you want to live a happy life, tie it to a goal, not to people or things.”

– Albert Einstein

Highlights:

- Struggling.
- Losing ground.
- Pakistan HKC.
- Progress ahead.
- Financing lacking.
- Scan to download
GMS Recycling App



MARKET COMMENTARY

FADING!

Markets continue to struggle going into the final weeks of the year, and there has been very little activity or new sales to report as a result, with most end users abstaining from the buying and wishing to wait and watch developments before acquiring afresh.

Indeed, contrary to many expectations, India has lost around 3,000 rupees (USD 35/LDT) from steel prices and there has been completely the opposite of any post Diwali bounce as all buyers turn to caution at the end of another highly volatile year in ship recycling.

Pakistan was buoyed last week by the news that their country will adhere and sign up to the Hong Kong Convention – which will enter into force from 2025, so yards have time to upgrade and improve their facilities in line with HKC standards before then.

The EU will also revisit plans to approve select yards in India and add them to the EU list of approved ship recycling facilities – having previously visited but rejected plans to include them on any list several years ago.

So there is much progress to report and much to look forward to going into 2024, but the thorny issue of available financing and LCs remains of chief concern in both Pakistan and Bangladesh. Constantly fluctuating and depreciating currencies need to settle before banks can start to approve fresh LCs in those locations.

However, there is the general expectation that very few deals or new financing will be seen in Bangladesh until after the elections there in mid January, with the hope that a new government comes in to revitalize a struggling and stagnant economy.

For week 48 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 | Weak | 515 / LDT | 535 / LDT | 555 / LDT |
| 2 | Pakistan* | Improving | 510 / LDT | 530 / LDT | 550 / LDT |
| 3 | Bangladesh* | Weak | 500 / LDT | 520 / LDT | 540 / LDT |
| 4 | Turkey | Improving | 305 / LDT | 315 / LDT | 325 / LDT |

*Subject L/C approval

BANGLADESH

STATUS QUO!

Out of picture.

Bangladesh remains completely out of the picture for another week as workable financing / LCs is still hard to come by and demand is virtually non existent as a result (with no way to pay for new ships).

There is an expectation that this will be the status quo at least until after the general elections in mid January of next year, and there will be very limited purchases up until that time.

Election hopes.

The hope is that a new government will come in to revitalize the economy (particularly the burgeoning garment export industry) and stabilize a drastically deteriorating currency, so that new ship purchases and the freeing up of much needed US dollars for anything other than essential purchases can resume.

NO MARKET SALES REPORTED

INDIA

DISAPPOINTING & DETERIORATING!

After a couple of high priced purchases last week (including one Vietnamese bulker and one 11kldt container – sold ‘as is’ China), there was very little to report in terms of activity this week in India as prices keep on deteriorating and sentiments disappointing by the day.

Indeed, steel prices have lost some 3,000 rupees in the last month alone (USD 35/LDT) and the declining prices show few signs of stabilising or halting as yet. This is in stark contrast to a dry bulk chartering sector that has unexpectedly taken off over the last week.

This therefore suggests that it will be a far slower end to the year, with limited sales candidates and a depressed recycling sector that may even see levels fall below 500/LDT for the first time in months.

Looking down.

Limited sales.

NO MARKET SALES REPORTED

PAKISTAN

HOPES RECEDING!

Unable to pick up slack.

The hope in recent times is that the Pakistan market can make a sustained push to acquire vessels before the end of the year, to pick up some of the slack from the ailing India and Bangladesh markets.

However, a lack of available bank / LC financing remains the chief culprit in Pakistan and a constantly fluctuating and extremely volatile currency is not giving end buyers confidence to start buying again.

Few deals.

As such there is the possibility that only a few deals will be concluded to Gadani buyers (despite the completely empty port report there) before the year is out.

NO MARKET SALES REPORTED

TURKEY

FIRMER YET!

Turkey continues to surprise the industry, with weekly ongoing improvements amidst a key depreciating fundamental that should have taken the steam entirely out of its domestic ship-recycling market.

As import steel plate prices improved by another USD 8/Ton, which may have (directly or indirectly) affected local offerings by another USD 5/MT this week, the Lira continues to commensurate its ongoing demise against the U.S. Dollar, as it treads deeper towards an eventual TRY 29 leap.

Overall, this market, while firming, continues to suffer from the deathly starvation of meaningful tonnage.

USD 8/MT jump.

Closer to TRY 29?

INTERESTING FACTS

- *Did you know? The last letter added to the English alphabet was 'J'. The letter dates back to 1524, and before that the letter 'i' was used for both the 'i' and 'j' sounds.*
- *Human teeth are the only part of the body that cannot heal themselves. Teeth are coated in enamel which is not a living tissue.*
- *The Eiffel Tower can be 15 cm taller during the summer, due to thermal expansion meaning the iron heats up, the particles gain kinetic energy and take up more space.*
- *Venus is the only planet to spin clockwise. It travels around the sun once every 225 Earth days but it rotates clockwise once every 243 days.*
- *The heart of a shrimp is located in its head. They also have an open circulatory system, which means they have no arteries and their organs float directly in blood.*
- *The Japanese word 'Kuchi zamishi' is the act of eating when you're not hungry because your mouth is lonely. We do this all the time.*
- *The moon has moonquakes. They happen due to tidal stresses connected to the distance between the moon and the Earth.*

IMPORTANT DATES

| INDIA | |
|---|--|
| BANK HOLIDAYS | BEACHING TIDES |
| December 24 – Christmas Eve December 25 – Christmas Day December 26 – Christmas Holiday December 31 – New Year’s Eve | November 12 – November 19 November 25 – December 02 December 11 – December 19 December 24 – December 31 |

| BANGLADESH | |
|--|---|
| BANK HOLIDAYS | BEACHING TIDES |
| December 16 – Victory Day December 25 – Christmas Day December 31 – Bank Holiday | November 25 – November 28 December 12 – December 15 December 26 – December 29 |

| IMPORTANT BANK HOLIDAYS | | |
|--------------------------------|---|--------------------------------|
| CHINA | PAKISTAN | TURKEY |
| No holidays in December | December 25 – Quaid-e-Azam Day December 26 - Day After Christmas | No holidays in December |

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 24, 2023

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|----------------------|-------------|--------------|--------------|---------------------|
| 1 | Diamond Way | 3,016 | Bulker | Arrived November 23 |
| 2 | Western V | 868 | Fish Carrier | Arrived November 23 |
| Total Tonnage | | 3,884 | | |

CHATTOGRAM - Port Position as of November 24, 2023

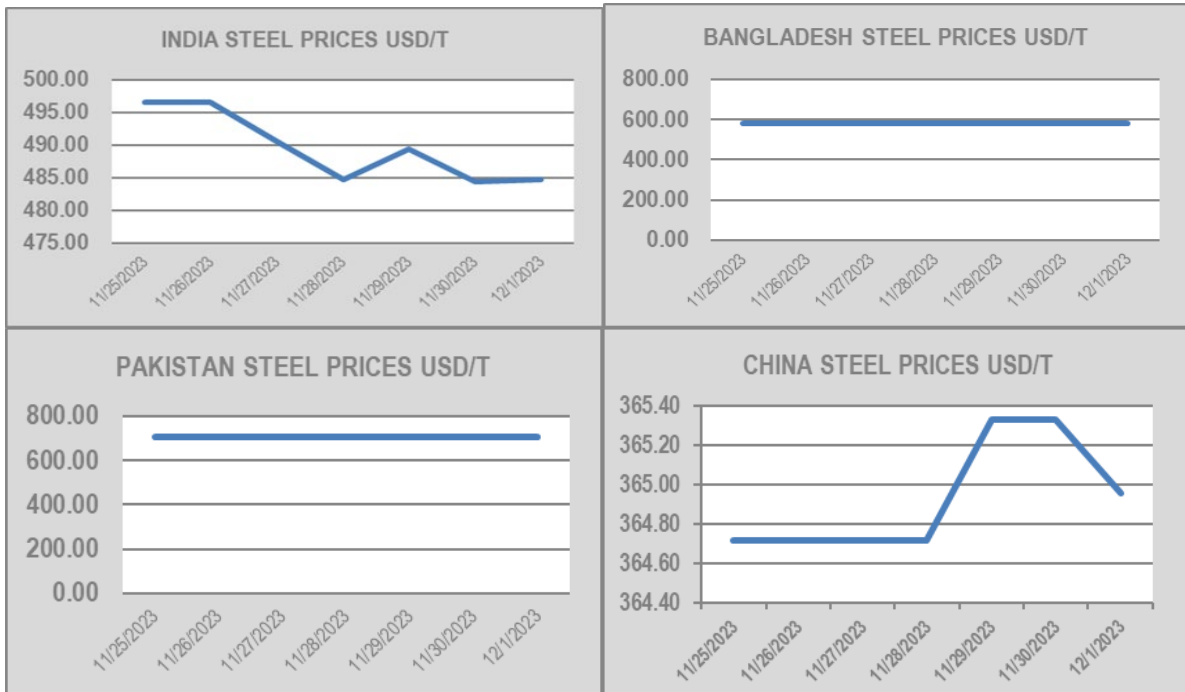
| No. | VESSEL NAME | LDT | TYPE | STATUS |
|----------------------|-------------------|---------------|---------------|---------------------|
| 1 | Tai 1 ex Ya Tai 1 | 10,339 | Bulker | Beached November 30 |
| 2 | Jin Hong Da 16 | 1,313 | General Cargo | Beached November 26 |
| 3 | Jin Yuan Xing 16 | 11,894 | Bulker | Beached November 25 |
| Total Tonnage | | 23,546 | | |

GADANI - Port Position as of November 24, 2023

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---------------------------------|-------------|----------|------|--------|
| No new vessels reported. | | | | |
| Total Tonnage | | 0 | | |

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| 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 |
|------------|--------------------------|--------------------|-----------------------------|-----------------------|-------------------------------|-------------------------|--------------------------|
| 11/25/2023 | 496.58 | 41,400.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 364.72 |
| 11/26/2023 | 496.58 | 41,400.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 364.72 |
| 11/27/2023 | 490.58 | 40,900.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 364.72 |
| 11/28/2023 | 484.82 | 40,400.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 364.72 |
| 11/29/2023 | 489.49 | 40,300.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 365.33 |
| 11/30/2023 | 484.47 | 40,400.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 365.33 |
| 12/1/2023 | 484.70 | 40,400.00 | 706.71 | 200,000.00 | 581.30 | 71,500.00 | 364.96 |



www.gmsinc.net



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snp@gmsinc.net

Athens, Greece Tel: +30.210.899.0669
Cumberland, USA Tel: +1.301.759.9240
Hamburg, Germany Tel: +49.40. 3197.9963
Shanghai, China Tel: +86.216.075.1900
Singapore Tel: +65.6823.8037

Bhavnagar, India Tel: +91.278.300.5253
Dubai, UAE Tel: +971.4.423.0720
New York, USA: +1.240.505.9716
Seoul, South Korea Tel: +82.10.4650.0720
Tokyo, Japan Tel: +81.3.5453.6311