

December 22nd, 2023
Volume 256, Issue 1114
Week 51

QUOTE
of the
WEEK

“At Christmas, all roads lead home.”

- Marjorie Holmes

Highlights:

- Disappointing.

- Price collapse.

- LC needs.

- Steel firm.

- Regulation time.

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MARKET COMMENTARY

FINAL FURLONG!

As we enter the last week of 2023, sub continent markets struggle on, going the final furlong to round out what has been an overall disappointing year in terms of pricing and volumes.

Prices have once again collapsed from over USD 600/LDT to below USD 500/LDT over certain stages this year, seeing around USD 150/LDT wiped from residual values in a shock for owners and cash buyers alike.

Now that currencies and steel prices seem to have stabilized across the board for the time being, many will be hoping for a more bullish 2024, particularly as the supply of tonnage is set to increase – from both the dry bulk and container sectors.

Ready and available financing and LCs will of course remain the chief component in how far markets are able to push on in the new year, and there is some hope that incoming IMF loans and settled elections will bring with a greater desire of buyers to fill their plots and for banks to loan again.

International prices have actually gained good ground over the last quarter of the year – but markets in India have yet to keep pace – instead actually losing around 7-8 percent of value in the last month alone, with further losses biting also this week.

Regulatory aspects are certain to cause disruption in 2024 also – with the new UAE ship recycling directive coming into effect and the EU finally willing to consider adding Indian yards to their approved recycling list.

For week 51 of 2023, GMS demo rankings / pricing for the week are as below.

All at GMS would like to wish readers a very **Happy Christmas!**

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Weak	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Weak	500 / LDT	520 / LDT	540 / LDT
3	Bangladesh*	Weak	490 / LDT	510 / LDT	530 / LDT
4	Turkey	Improving	305 / LDT	315 / LDT	325 / LDT

*Subject L/C approval

BANGLADESH

GRINDING TO HALT!

Wait and watch.

It is very much wait and watch time in Bangladesh, with elections looming on the horizon and most buyers keen to see the outcome before offering afresh on tonnage.

There is also the thorny issue of a lack of funding to address, with LC banks unwilling to sanction many new LCs for any significant amount, and this in turn is seeing any new deals grind to a halt.

Central Bank measures.

The Central Bank is also trying to take emergency measures to arrest the upward rise of USD rates, with little success so far. Bleak times ahead for Bangladesh.

NO MARKET SALES REPORTED

INDIA

NOT MEETING EXPECTATIONS!

Some local sales on smaller feeder sized containers have taken place into India over the last few weeks – at far lower numbers than many had been hoping for however.

Lower than hoped.

The constant decline of local steel prices has not been tempered either, with almost 1,000 rupees wiped from the price in another disastrous week for the market. Indian buyers can rest easier over Christmas in the knowledge that we may have reached bottom and they are dealing in a far more settled market finally. Perhaps the only way is up from here?

Nationwide elections – as is the case across the sub continent – will take place early next year (in February), and there is expected to be very little change from the status quo, with the Modi government expected very much to retain power.

Little change.

NO MARKET SALES REPORTED

PAKISTAN

DEALS AHEAD..?

New sales await.

Fresh LC approvals for various buyers are expected to come through early next year, and we may see a raft more deals concluded into Gadani as a result.

Favoured tonnage through the year has been around the 9-10kldt mark for bulkers (panamax BCs and below) – a small enough size for local banks to sanction fresh LCs and allow expenditure of precious and limited US dollars.

Big year ahead.

With Bangladesh largely in the doldrums it could be a big year ahead for the Pakistan market (also for the upgrade of yards to HKC standards after the recent accession of Pakistan to the Hong Kong Convention), and it is certain deals will be done if buyers in Gadani can maintain their financing ability and stay sharp on the price.

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

- Scientists calculated that for Santa to deliver presents to every home in the world, he would have to travel at a speed of 4,921,200 miles per hour!
- Our needley favorite, the Christmas tree, doesn't need to be thrown away every year; some parts are edible, including the needles themselves, which are a source of Vitamin C.
- In 2015, the world's first Christmas card commissioned by Sir Henry Cole in 1843 sold for £8,469 (\$10,513.84). The hand-colored card pictured a family drinking wine.
- The star of Bethlehem that guided the wise men is believed to be a comet or Uranus.
- Our favorite pudding, the Christmas pudding, was initially a soup made with raisins and wine.
- Edward Johnson invented the first electric tree lights in 1882.
- The first Christmas was supposedly held in York, the UK, in 521AD.
- Santa Claus has worn many colors in his time, including blue, green, white, and red. The red suit came about when Coca-Cola had an advertisement campaign in the '30s.

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

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ALANG - Port Position as of December 15, 2023

No.	VESSEL NAME	LDT	TYPE	STATUS
1	One Story	7,775	Bulker	Beached December 14
2	Yang	7,481	Bulker	Beached December 15
3	Aleksandr Shalin	839	Fish Carrier	Beached December 16
Total Tonnage		16,095		

CHATTOGRAM - Port Position as of December 15, 2023

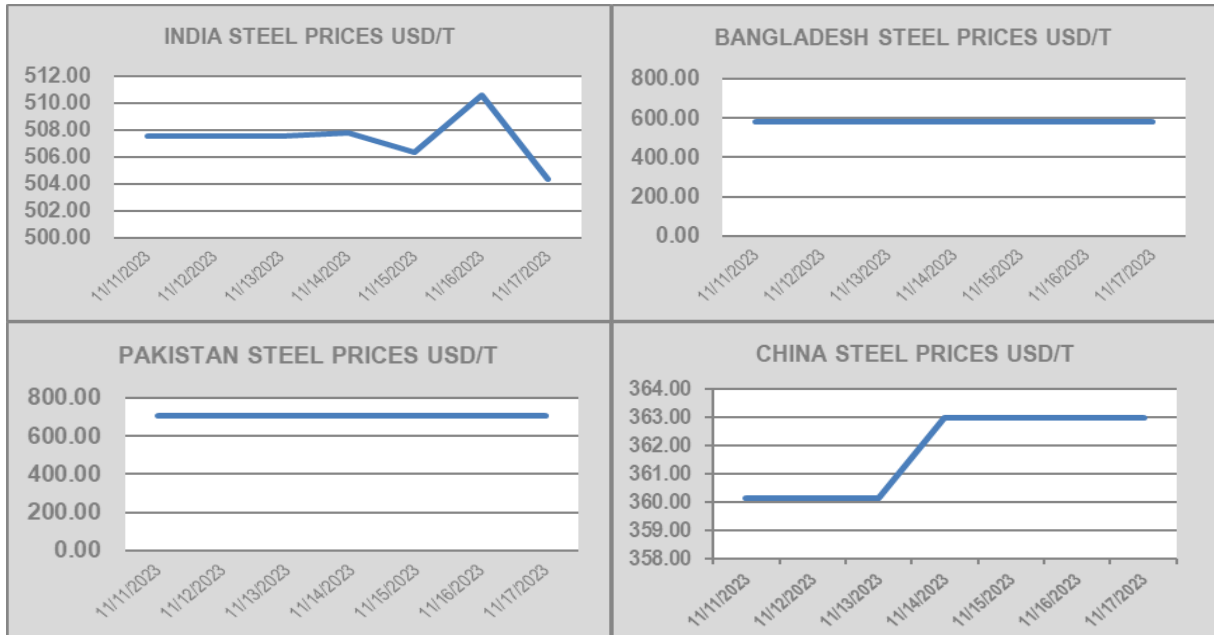
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Shun Shin	527	General Cargo	Beached December 11
Total Tonnage		527		

GADANI - Port Position as of December 15, 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
11/11/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/12/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/13/2023	507.56	42,300.00	706.71	200,000.00	581.30	71,500.00	360.17
11/14/2023	507.80	42,300.00	706.71	200,000.00	581.30	71,500.00	362.98
11/15/2023	506.37	42,100.00	706.71	200,000.00	581.30	71,500.00	362.98
11/16/2023	510.63	42,500.00	706.71	200,000.00	581.30	71,500.00	362.98
11/17/2023	504.32	42,000.00	706.71	200,000.00	581.30	71,500.00	362.98



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