GMS WEEKLY
Your Source for Recycling News

August 12th, 2022
Volume 241, Issue 1044
Week 32

Highlights:

- **Negligible.**
- **LCs strained.**
- **Import limits.**
- **Waiting game.**
- **Uncertain.**
- **Scan to download GMS Recycling App**

QUOTE of the WEEK

"Rivers know this: there is no hurry. We shall get there some day."

– A. A. Milne

MARKET COMMENTARY

SUMMER…LULL?

Despite ALL major ship-recycling destinations registering gains in steel plate prices (in unison) and to varying degrees this week, the summer lull continues across the board, with nearly no fresh tonnage to work on and a majority of vessels mooted for a recycling sale (both from Ship Owners and Cash Buyers alike) being converted back to trading again, especially by a re-energized second-hand market.

Due to tighter controls that were recently imposed by the Central State Bank on every fresh Letter of Credit (L/C) valued at over USD 3 Million, Bangladesh is simply unable to work on any vessels valued over this amount. Making matters potentially worse are the recently brewing rumors that the Bangladeshi Government may even restrict this further down to L/Cs valued at over USD 2 million, which could spell disaster for a market that is generally seeking large LDT units.

Pakistan is also placing similar limits on imports and Gadani Buyers are once again facing difficulties in arranging for U.S. Dollars for large value transactions. In the interim, India is trying its best to scoop up any available / remaining vessels (stainless Steel Tankers or specialist units such as Reefers / Passenger / Offshore vessels) that may be currently available.

Finally, the Turkish market, though slightly firmer this week, is still struggling through a torrid local sentiment that is making local Recyclers simply too nervous to offer, even on the rare unit that makes its appearance.

Overall, it seems to be that the markets need to wait at least until the fourth quarter (or later) of this year before seeing any increase in the volume of tonnage, as most Ship Owners and Cash Buyers remain disinterested to engage in recycling negotiations, whilst sentiments and pricing remain so shaky.

Indeed, it is not even certain if deliveries for large LDT units can take place in both Bangladesh and Pakistan, such is the dire situation regarding global currency depreciations & a shortage of U.S. Dollars, and no Owner is willing to do a deal subject to an uncertain bank / L/C approval.

For week 32 of 2022, GMS demo rankings / pricing for the week are as below.

Demo Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh	Weak	570 / (small) LDT	580 / (small) LDT	590 / (small) LDT
2	India	Weak	560 / LDT	570 / LDT	580 / LDT
3	Pakistan	Weak	550 / LDT	560 / LDT	570 / LDT
4	Turkey	Weak	240 / LDT	250 / LDT	260 / LDT

BANGLADESH

DOUBTS RAISED!

3 million to 2 million?

Despite firming local steel plate prices (by about USD 8/Ton this week), the Bangladeshi ship recycling market remains stranded in no man's land and there are fresh rumours now circulating that any vessel valued at over USD 2 million will need Central State Bank approval to open any fresh L/C (reportedly further down from the recently announced USD 3 million).

Almost all L/Cs breaching this limit have been reportedly rejected by the domestic government bank of late, so bad has the Bangladeshi Taka depreciation been and has led to a dire lack in the domestic availability of U.S. Dollars.

Stranded.

In fact, the Bangladeshi Taka has weakened to its worse against the U.S. Dollar where it's currently residing at BDT 95 – a historically record low for this currency.

This, therefore, raises doubts on any large LDT / large US$ value transactions being successfully completed for the time being and despite a drastic shortage of vessels on plots, it seems Chattogram Buyers are happy to sit out of the market for the time being, especially when times remain so uncertain.

NO MARKET SALES REPORTED

INDIA

WITHOUT RESTRICTION!

Fundamentals improve.

India remains the only sub-continent destination that is fully open at present, without any of the ongoing financial / L/C restrictions (currently in place in Bangladesh and Pakistan) that could not only affect the performance of recycling deals, but also the domestic ship-recycling sector overall.

The Indian Rupee appears to have gained some stability just below the Rs. 80 mark, settling in at Rs 79.6X against the U.S. Dollar as the week ended. Local steel plate prices have also demonstrated a degree of stability as levels jumped by about USD 15/Ton this week, leaving Alang Buyers on a firmer footing on any of the rare unit(s) presently on offer.

Chem tanker sold.

With nearly no fresh vessels to work on and with yards starting to empty as previously delivered tonnage starts to dry up, we can certainly expect to see some renewed speculation, at (or even above) market numbers, just so local Recyclers can start filling plots once again.

Such was the case with the small chemical tanker PISCO BRAVO (2,564 LDT) that was committed to one particularly bullish Buyer this week, for an impressive USD 1,200/LDT, thanks to the 538 Tons of Stainless Steel 316L on board.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
PISCO BRAVO	Chemical Tanker	2,564	USD 1,200/LT LDT (including 538 Tons of SS 316L)

PAKISTAN

EMPTY PORT REPORT!

Deprived.

With an empty port report and virtually all local yards deprived of tonnage after an extremely volatile and turbulent few months in the Pakistani ship recycling sector, the industry is finally witnessing signs of demand and increased enquiries starting to emerge from Gadani, despite the lower overall levels that (finally) seem to be settling down for now.

The silver-lining appears to be local steel plate prices that jumped nearly USD 20/Ton this week, in some positive news for a market that's been languishing on the side-lines of late.

Thorny issue.

Of course, there is still the thorny issue of L/Cs to tackle and whether Gadani Buyers & their banks will sanction the opening of large LDT / high dollar value L/Cs, such is the shortage of U.S. Dollars in the country and limits on imports being presently imposed by the government on all non-essential items.

End Buyers may therefore be faced with enquiries at lower numbers, but confidence has been shaken in the Cash Buying and Ship Owning fraternities for delivering ships to Gadani and as such, it may take more time and some proven deliveries before activity realistically resumes there.

NO MARKET SALES REPORTED

TURKEY

DULL & DUSTED!

The Turkish Lira is teetering on the edge of a record TRY 18 this week, and it seems TRY 18 could very well be breached in the coming week(s).

Plate Jumps.

Notwithstanding, like its sub-continent competitors, both import and local steel plate prices climbed by about USD 20/MT.

Meanwhile, Due to the drastic decline in prices over the recent past, Aliaga Buyers remain nervous to put forth any firms offers, so low and quickly have levels dropped. Moreover, keeping matters even duller has been the general unavailability of any market tonnage for some time now.

Offer low.

On the whole, the Turkish market is rather similar (in sentiment) with the Pakistani market, where End Buyers from both locations are nervous to offer (even low indications) on any units.

NO MARKET SALES REPORTED

AMAZING FACTS

- *Most Disney characters wear gloves to keep animation simple. Walt Disney might have been the first to put gloves on his characters, as seen in 1929's The Opry House, starring Mickey Mouse. In addition to being easier to animate, there's another reason for the gloves: "We didn't want him to have mouse hands because he was supposed to be more human," Disney told his biographer in 1957.*
- *The man with the world's deepest voice can make sounds humans can't hear. The man, Tim Storms, can't even hear the note, which is eight octaves below the lowest G on a piano—but elephants can.*
- *The current American flag was designed by a high school student. It started as a school project for Bob Heft's junior-year history class in 1958, and it only earned a B-minus. His design had 50 stars, even though Alaska and Hawaii weren't states yet; Heft figured the two would earn statehood soon and showed the government his design. After President Dwight D. Eisenhower called to say the design was approved, Heft's teacher changed his grade to an A.*
- *Cows don't have upper front teeth. They do have molars on top, in the back of their mouths, but where you'd expect upper incisors, cows, sheep, and goats have a thick layer of tissue called a dental pad. They use that with their bottom teeth to pull out grass.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	**BEACHING TIDES**
August 15 – Independence Day	August 08 – August 17 August 25 – September 02

BANGLADESH	
BANK HOLIDAYS	**BEACHING TIDES**
August 09 – Moharram August 15 – National Mourning Day August 18 - Janmashtami	August 11 – August 14 August 27 – August 30

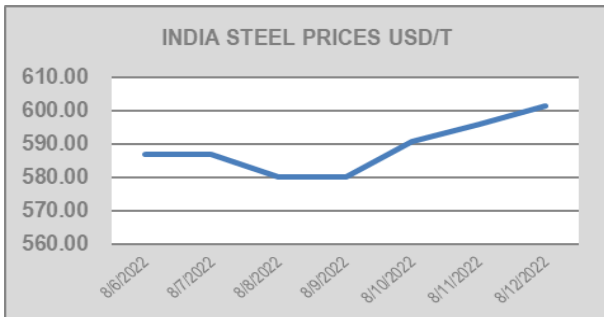
IMPORTANT BANK HOLIDAYS		
CHINA	**PAKISTAN**	**TURKEY**
No holidays in August	August 14 – Independence Day	August 30 – Victory Day

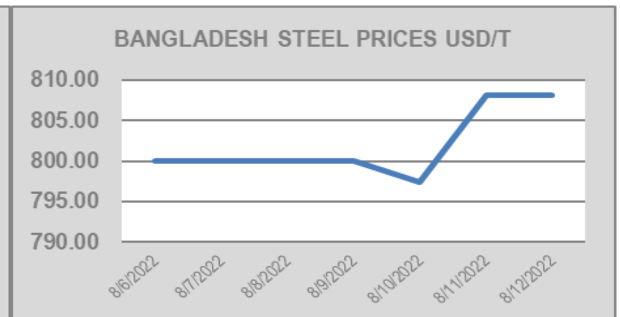
ALANG - Port Position as of August 12, 2022				
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Queensway	25,308	FSPO	Arrived August 11
Total Tonnage		25,308		

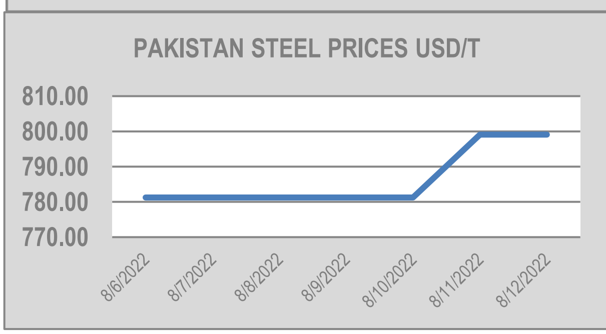
CHATTOGRAM - Port Position as of August 12, 2022				
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ampar 8	1,305	Tanker	Arrived August 09
2	**Ariana**	**15,672**	**Tanker**	**Arrived June 22**
3	BNS Agradoot	374	Navy Vessel	Arrived July 22
4	**Gala**	**16,885**	**Tanker**	**Arrived February 28**
5	Hai Soon 26	2,061	Tanker	Arrived August 11
6	*Jan Victoria*	*3,033*	*Tanker*	*Beached August 10*
7	Mascot	16,616	Tanker	Arrived July 27
8	Pylades	4,156	Tanker	Arrivd August 06
9	**Winton T128**	**975**	**Bulk Carrier**	**Arrived June 23**
Total Tonnage		61,077		

GADANI - Port Position as of August 12, 2022				
No.	VESSEL NAME	LDT	TYPE	STATUS
No new vessels reported.				
Total Tonnage		-		

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
8/6/2022	586.90	46,500.00	781.25	175,000.00	800.00	75,000.00	391.66
8/7/2022	586.90	46,500.00	781.25	175,000.00	800.00	75,000.00	391.66
8/8/2022	579.96	46,200.00	781.25	175,000.00	800.00	75,000.00	399.59
8/9/2022	579.96	46,200.00	781.25	175,000.00	800.00	75,000.00	400.24
8/10/2022	590.82	47,000.00	781.25	175,000.00	797.45	75,000.00	400.24
8/11/2022	595.85	47,400.00	799.09	175,000.00	808.08	76,000.00	401.79
8/12/2022	601.31	47,900.00	799.09	175,000.00	808.08	76,000.00	401.26







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