

June 6th, 2025
Week 23
Volume 273, Issue 1188



“You are never too old to set another goal or to dream a new dream.”

– C.S. Lewis

Highlights:

- Out of the blue.
- Tawdry tariffs.
- Bangla delays.
- Capacity limited.
- Pak HKC change.

• Scan to download / view the Weekly on the GMS App!



-- MARKET COMMENTARY --

DEMAND GETS RAINED!

Global markets continue struggling, having to constantly re-adjust to the weekly jitters from the White House on the back of proclaimed tariffs that are yet to go into effect and this week saw freight markets surge again with both Panamax and Cape sectors jumping 2% and 1% respectively, hitting the highest levels recorded since March. Oil futures too followed suit marking an over 6.5% increase over the last 3 weeks, closing the week out at USD 64.60 / barrel on the back of ostensibly optimistic trade discussions between Trump and President Xi, including further news of easing Canadian sanctions that came through mid-week.

While the lingering tariffs on steel imports into the U.S. hang in the balance, steel plate prices across the Indian sub-continent meanwhile continued to display their respective shares of volatility, all as the U.S. Dollar ended the week with a mixed bag of performances against various recycling nation currencies including Turkey, where it ended the week on a surprisingly even note. While charter rates in the dry segments certainly impressed, a recent influx of large(r) LDT wet tonnage (four LNGs) and even a VLOC that was recently sold for recycling certainly captured the attention of the ship recycling fraternity, despite the deteriorating levels due to the ongoing global economic turmoil and ensuing market volatility that has culminated on the back of inconsistent U.S. policies.

And with the aforementioned tariffs on steel imports still looming large, the ship recycling industry can almost certainly expect a knock-on effect on recycling offers in the coming weeks, with India being the market to react most negatively to the news and compounding the already destitute state of offerings from Alang recyclers, which have fallen about 5% over the last month or so, as local steel plate prices maintain an overall downward trajectory over recent weeks. The situation in Bangladesh is trotting along in a similar fashion as HKC yard upgrades now take centerstage and continue at pace. However, with local capacity diminishing along with the number of open and HKC-approved Chattogram recyclers disappearing from the bidding tables, demand and prices from Bangladesh, just like India, have started to rapidly dampen.

Pakistan meanwhile has been tragically lagging behind on their HKC schedule, which also saw a healthy collection of confused local recyclers hesitant to place offers as uncertainties surrounding the imminent enforcement date of the HKC on June 26th draws ever closer. Of note, local authorities are now being requested by various ministries to ensure future incoming recycling units have recent and valid IHMs on board, with the same being presented at the time of tendering the Notice of readiness, in what is clearly a landmark moment for Pakistan's ship recycling sector. Finally, Turkey at the far end posted mixed performances in the face of fundamentals that have essentially been 'absent parents', which has clearly left Aliaga recyclers starving for some tonnage attention.

Overall, as we are firmly in the treacherous, yet traditionally quieter monsoon season when the constant rains disrupt cutting / recycling processes and laborers use the slower time to return to their hometowns, leaving yards short staffed and product moving slower onto steel mills, leaving Q3 in a state of possible limbo.

BANGLADESH

**BUYING...NO MORE!***Demand drop.*

Given that there have been a number of high profile, large(r) LDT units committed to Bangladeshi recyclers over the last couple of weeks, including several LNGs and even a VLOC that was offered for a recycling sale to a recently compliant HKC yard, local demand has essentially tanked from Chattogram this week. The number of open yards that are also HKC approved remains at 9, with no fresh approvals being reported this week. In essence, the local market has gone from about 35 domestic ship recycling yards down to only 9 HKC approved facilities and even those have been stuffed with the recent ambush of tonnage fixtures and deliveries across recent weeks including this one, which has unexpectedly reported a single smaller sized unit arrive at the waterfront.

HKC progress.

Impressively however, the big sale of the week that certainly captured the market's attention was that of the Berge Bulk controlled VLOC BERGE FUJI (37,379 LDT) receiving USD 440/LT LDT, in the largest dry bulk recycling sale to have taken place in 2025 thus far. As evident from this fixture, levels are certainly on the retreat with local demand now full and restrictions for the rest, coupled with domestic fundamentals and ongoing economic instabilities that continue to rattle the nations day-to-day operations.

VLOC sold.

Eid celebrations and time off for the populous with family also commenced across Bangladesh this week, which also saw local steel plate prices fall another USD 7/Ton down to about USD 548/Ton, a drop totaling nearly USD 30/Ton over the last month or so. Yet, any transaction concluded in line with current levels should remain in the green for all parties involved. The incredibly depreciated state of the Bangladeshi Taka also saw some reprieve this week as it registered a minor 26 basis point improvement against the U.S. Dollar, still ending the week at a disastrous BDT 122.57.

Unique challenge

Meanwhile, the announcement of the Bangladeshi budget for FY 2025 – 2026 mid-week saw some significant and material changes that are set to adversely impact the nation's ship recycling sector via increases in import tax structures and duties that are expected to affect vessel values to the tune of about USD 5/LDT lower moving forward, adding to the festering negativity surrounding pricing while being simultaneously drenched in the torrential rains of 2025. As election fever continues, reports of opposition members staging potential riots and continued closure post-Eid, which is expected to last for the next 10 days, will likely see ship recycling activities including post-recycling sales to steel mills, being marred by protests and business closures.

What happens with local fixtures post July 1st as more and more yards attain certification amidst the ongoing burp of tonnage availability, remains to be seen. One thing is certain, the next 3 weeks of concluding units to a local buyer will be a unique challenge, both pre- and post-fixture.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
BERGE FUJI	VLOC	37,379	USD 440/LT LDT

INDIA

**SINKING LOWER!**

Following the cessation of a potentially lethal conflict with its nuclear neighbour Pakistan, India's fundamentals have endured a torrid few weeks on the back of both declining steel plate prices and a Rupee that is running up the totem pole of depreciation as it heads towards Rs. 86. once again.

Rough weeks.

To start with, Indian steel prices not only opened at levels lower than those registered close of last week, but they also proceeded to lose another USD 2/Ton this week totalling a nearly USD 18/Ton decline over the last couple of weeks alone. Trump's Tariff Tango is meanwhile compelling the Rupee to weaken as it slips another 28 basis points and closes the week out at Rs. 85.90 against the U.S. Dollar, as pending tariff negotiations frustrate the Indian market and leaves a lot of uncertainty, especially for Alang recyclers who are operating in such a capital-intensive industry to boot.

The clear and cumulative effect of the weakening state of fundamentals has also seen about 5% knocked off vessel values from Alang over the month of May. And if fundamentals continue to slide at this rate, the ongoing drop in prices will more than likely continue across June as prospective ship owners stand on the precipice of chasing down markets once again - especially now that Bangladeshi yards are stuffed, and Pakistani authorities will likely not be granting permissions for local yards to get stuffed post June 26th. India has therefore sunk to the bottom of the sub-continent pricing board with even the seemingly confused Pakistani market outbidding Alang buyers on some of the tonnage offerings that are scheduled to arrive before the June 26th deadline, which could prohibit them from importing any more units into Pakistan (and until HKC certifications are handed out), and the HKC advantage for nearly all of Alang yards will also come under threat in a post HKC world.

Tariff Tango

Notwithstanding, the drop in prices and the seeming doom and gloom brewing in Alang amidst the pouring rains, a silver lining via lack of / limited options in Bangladesh and even a confused Pakistan has mercifully seen the volume of incoming units at Alang's anchorage skyrocket (in comparison to its neighbours) this week as not only will Alang recyclers imminently take deliveries of over 31K LDT of tonnage, the amount of tonnage at Alang rivals both of its sub-continent neighbours combined. While the country's economic trajectory remains in good standing through the first week of June and inflation drops to 3.1% beating domestic expectations, the government is also reportedly inducing tax savings and bank schemes to further boost domestic industries, as India's treasury remains healthy at just short of USD 700 Billion.

Outbid.

Overall, for June, other than the rocky fundamentals and likely lower pricing, should the volume of tonnage continue to flow at ongoing levels, Alang's anchorage will likely have an unlikely healthy start to its Monsoon season, especially as its competition remains shackled by governance.

Likely unlikely.

NO MARKET SALES REPORTED



DECISIVE STEPS?

IHMs needed.

According to our local offices, Pakistan authorities are now demanding that vessels arriving Gadani for recycling need to include a valid IHM on board upon the unit's arrival at Gadani – the first in what will potentially be decisive steps towards ensuring that Pakistan's ship recycling industry becomes HKC compliant. Logically, it is still a step too small given that a bare minimum number of infrastructure development projects have been initiated until now and this still leaves much to be desired, with the Hong Kong Convention coming into force on June 26th and Gadani recyclers stand miss out on a majority of the tonnage until they can get their collective acts together and get their yards upgraded soon.

Little work so far.

Meanwhile, despite news of a couple of eager local buyers looking to stack their yards before the end of the month, prices have certainly moved ahead and are nearly on point with Bangladesh, clearly moving past their Indian competitors this week. But this seems to be without much effect as the lonely vessel still outside Gadani has been there for the last 3 weeks and there have been no fresh arrivals outside Pakistan ever since.

Post-IMF funding has also seen Pakistan's economy take a turn for the better over the last couple of weeks as not only have local steel plate prices remained flatlined at a comparatively healthier USD 611/Ton, but the Pakistan Rupee was the only recycling nation currency to register a 12-basis point improvement against the U.S. Dollar and closing the week out at PKR 282.18. This, coupled with the lack of any meaningful deliveries of late has motivated local buyers to act decisively before the shackles of HKC prohibit them from July on, and offer firmer levels.

Pricing on point.

And like Bangladesh, rumors surrounding possible increases in certain taxes between the local provinces for the upcoming FY budget for 2025 – 2026 may have a direct / indirect effect on local offerings once the budget is announced. Mixed in with a lack of locally developed yards and Pakistani recyclers may find themselves in a blender of pickles as Q3 kicks in.

What happens in July remains to be seen. For June, other than the occasional arrival of a unit before the end of the month is likely the only action we anticipate to report from Pakistan over the coming weeks.

TURKEY

**DEAD AGAIN!**

No change from Turkey to report other than the usual i.e. Lira weakened marginally by just 2 basis points, inflation down a whole 3% points through May, and a return to the visuals of an empty Aliaga anchorage all over again.

3%

NO MARKET SALES REPORTED

GMS Weekly – Market Rankings

For Week 23 of 2025, GMS Market Rankings / vessel indications are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh	Weak	440 / LDT	460 / LDT	470 / LDT
2	Pakistan	Weak	430 / LDT	450 / LDT	460 / LDT
3	India	Weak	420 / LDT	440 / LDT	450 / LDT
4	Turkey	Weak	250 / LDT	260 / LDT	270 / LDT

WEIRD ONES!!

- **Stay underwater up to ten minutes** - If 30 seconds of holding your breath induces panic, you'll appreciate the powers of the Bajau, sea nomads in Southeast Asia. A recent study published in *Cell* found that the Bajau have evolved an extra-large spleen that serves as a repository of oxygen-rich blood cells. They're able to calmly spend five to ten minutes fishing underwater without once coming up for air.
- **Built-in compass** - While some of us can't even travel to the grocery store without the help of Google Maps, others can turn to their natural wayfarer capabilities. History has shown explorers who can navigate and point in cardinal directions without a compass. Researchers at the Queensland Brain Institute discovered that a person's uncanny ability to find their way is learned gradually and that the brain eventually becomes attuned to a sense of direction in new environments. Find out more about the 9 biggest unsolved mysteries of the human body.
- **Echolocation** - You probably know that dolphins and bats can navigate the world through emitting a sound and locating its echo, but did you know they aren't the only ones with this ability? Although it's rarely found in humans, some people can "see in the dark" by replicating this process. A blind man named Daniel Kish has made headlines for the clicking sound he uses as flash sonar to ride bikes and hike through the wilderness.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	DELIVERY TIDES
June 07 – Bakri-Eid	June 09 – June 17 June 22 – June 30

BANGLADESH	
BANK HOLIDAYS	DELIVERY TIDES
June 07 - 12 – Eid-ul-Azha	June 11 – June 14 June 24 – June 27

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
May 31 – June 02 – Dragon Boat Holiday	June 05 – Day or Arafah June 06 - 09 – Eid-ul-Azha	June 05 – 09 – Kurban Bayrami

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 June 06, 2025

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Asmaa	7,616	Bulk Carrier	Arrived June 02
2	Dhezi	10,407	Oil Tanker	Arrived June 04
3	Lord 17	2,583	General Cargo	Arrived May 11
4	Mimi	1,227	General Cargo	Arrived June 03
5	Nirvana	9,623	Oil Tanker	Arrived May 07
Total Tonnage		31,457		

CHATTOGRAM - Port Position as of June 06, 2025

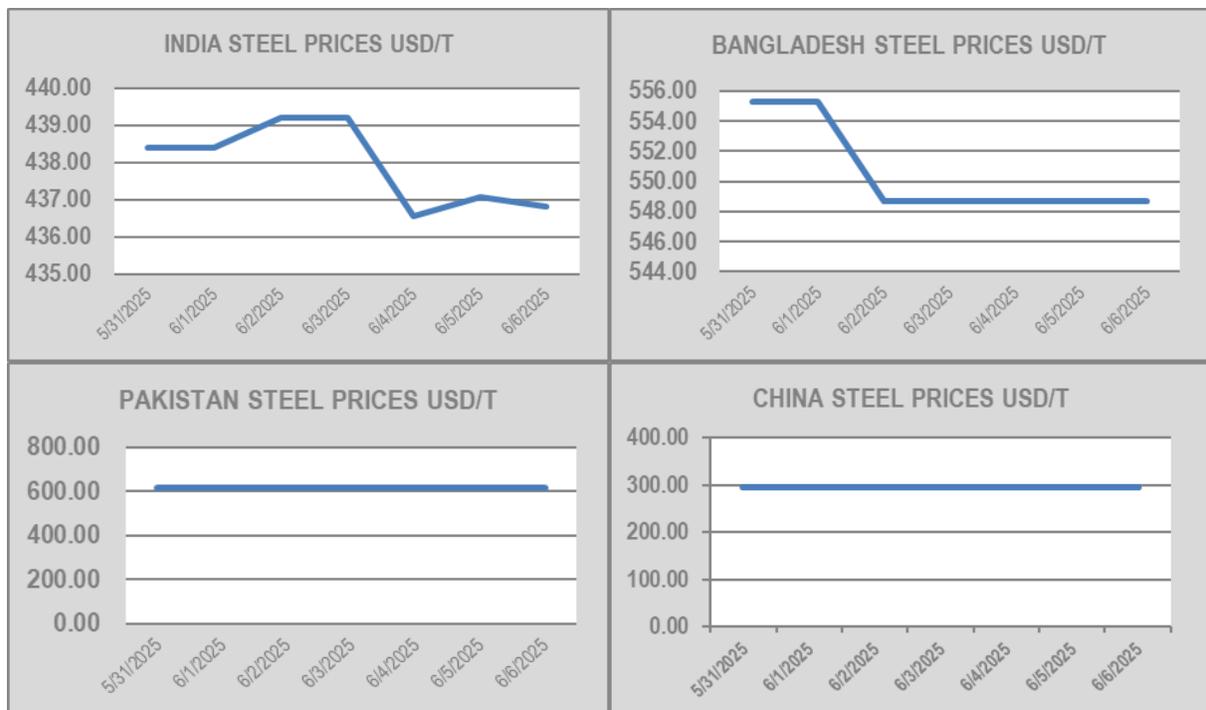
No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Futong Express</i>	8,857	<i>Woodchip Carrier</i>	<i>Delivered May 31</i>
2	Sidimi	2,985	RoRo Cargo Vessel	Arrived May 16
		11,842		

GADANI - Port Position as of June 06, 2025

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Pete	10,176	Bulk Carrier	Arrived May 27
Total Tonnage		10,176		

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
5/31/2025	438.39	37,500.00	616.04	174,000.00	555.28	67,300.00	295.65
6/1/2025	438.39	37,500.00	616.04	174,000.00	555.28	67,300.00	295.65
6/2/2025	439.21	37,500.00	616.04	174,000.00	548.68	66,500.00	295.65
6/3/2025	439.21	37,500.00	616.04	174,000.00	548.68	66,500.00	295.65
6/4/2025	436.55	37,500.00	616.04	174,000.00	548.68	66,500.00	295.65
6/5/2025	437.06	37,500.00	616.04	174,000.00	548.68	66,500.00	295.65
6/6/2025	436.81	37,500.00	616.04	174,000.00	548.68	66,500.00	295.65



www.gmsinc.net



GMS_Leadership



GMS Leadership



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