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GMS WEEKLY

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WORLD'S LARGEST CASH BUYER OF SHIPS

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QUOTE of the WEEK

""There are far, far better things ahead than any we leave behind."

- C.S. Lewis

Highlights:

- **Speculation overload.**
- **Rupee encourages.**
- **Bangla absent.**
- **Pakistan fraction behind.**
- **China + Turkey lagging.**

Cash Buyer to be ISO 9001:2008 Certified

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MARKET COMMENTARY

FEEDING FRENZY!

As cash buyer speculation once again delved into the realms of delirious optimism, some interesting sales took place this week, both approaching and even breaching the mythical USD 500/LT LDT mark.

The Indian Rupee has certainly made some encouraging gains over the course of the week, finishing for the first time (in over a year) below Rs. 60 against the U.S. Dollar. However, local fundamentals remain as volatile as ever and any fluctuations in the opposite direction could see cash buyers and owners alike, sweating over the heavy prices paid (by as much as USD 10-15/LT LDT from local realities).

Bangladesh buyers largely remained absent from the buying activity, unable to compete with some of the spectacular levels cash buyers were prepared to speculate on, for both Pakistan and India deliveries. The demand remains somewhat muted from Chittagong, and it appears, for the time being at least, that local buyers seem happy to see vessels (even those proceeding from the Fat East) committed to their competitors in the sub-continent.

Pakistan – having recently taken several container units, out of character for them – was competing on Indian tonnage for most of the week, whilst remaining only a fraction behind their neighbors. Some are attributing this largely due to the gains made on the Pakistani Rupee and due to the diverse range (and number) of open buyers in India who are severely limiting options for Gadani recyclers.

China and Turkey remained stranded some way behind the Indian sub-continent markets and for the most part, it was worth owners or cash buyers bringing vessels over themselves, from the Mediterranean or Far East, such was the difference (as much as USD 150/LT LDT) between both markets.

It will be interesting to see if the optimism and speculation from this week persists into the coming week, especially with monsoon season and elections on the horizon in India.

For week 13 of 2014, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	India	Bullish	USD 440/lt ldt	USD 470/lt ldt
2	Pakistan	Bullish	USD 435/lt ldt	USD 465/lt ldt
3	Bangladesh	Weak	USD 425/lt ldt	USD 455/lt ldt
4	China	Weak	USD 310/lt ldt	USD 330/lt ldt
5	Turkey	Cautious	USD 330/lt ldt	USD 340/lt ldt

BANGLADESH

BANGLA BYPASSED!

Muted.

Bangladeshi buyers could only watch as the majority of the market tonnage proceeded to Indian and Pakistani shores this week.

Many of the bigger buyers currently have their plots full and thus the aggression to buy is largely absent from the Bangladeshi market for the time being. However, it is still galling to see vessels of larger LDT, which have traditionally been Bangladeshi candidates, bypassing the shores of Chittagong to head to competing markets.

No competing.

There was no competing with India and Pakistan on tankers and containers where prices presently appear to be arrow-ing up to the USD 500/LT LDT mark. However, cash buyers are not as keen to speculate on Bangladesh, where a muted atmosphere seems to have enveloped much of the country's ship-recycling sector.

NO MARKET SALES REPORTED

INDIA

RUPEE REVELATIONS!

Speculation returns.

The bulk of the market sales were concluded into India this week, with some extremely speculative prices seen by over-zealous cash buyers.

As the Rupee made some extraordinary strides over the course of the week (finishing below Rs. 60 for the first time in over a year) and optimism swept through the industry, local levels were still not reflecting prices being offered up by cash buyers on international tonnage.

Risky strategies.

Just one poor day of reversals on the Rupee or significantly depreciating steel plate prices could see local sentiments and prices reverse very quickly. Thus, it is a risky strategy being employed by many, just to get their hands on available tonnage, and owners need to be aware of simply taking the top dollar.

Of the sales concluded this week, the Lomar controlled ATHENS TRADER (10,37 LDT) caught the headlines at USD 495/LT LDT less comms 'as is' Jebel Ali with 120 T bunkers remaining on board.

Two containers take big bucks.

Similarly, PIL owned KOTA WIJAYA (6,815 LDT) fetched an enormous USD 525/LT LDT with 350 T bunkers upon delivery (about 20 USD/LDT worth of value) – the smaller size, bunkers, and decent ownership secured the high prices. However, there was still the feeling that these levels were at least about USD 10-15/LDT away from reality.

In other sales, the Egyptian owned AMIRA MARIAM (5,853 LDT) was sold for a firm USD 465/LT LDT for prompt delivery Alang and the MPP converted from container AQUA LUNA (4,950 LDT) achieved a decent USD 480/LT LDT.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
AMIRA MARIAM	Bulker	5,853	USD 465/LT LDT
AQUA LUNA	MPP	4,950	USD 480/LT LDT
ATHENS TRADER	Container	10,317	USD 495/LT LDT ('as is' Jebel Ali with 120 T bunkers)
KOTA WIJAYA	Container	6,815	USD 525/LT LDT (with 350 T bunkers ROB)

PAKISTAN

EYE CATCHER!

Hot on Heels.

Pakistani buyers stayed hot on the heels of their Indian competitors this week and whilst not able to take in the volumes, certainly acquired the most eye-catching sale of the week.

The aframax tanker EAGLE OTOME (15,646 LDT) from U.S. based owners Icon Capital, looks destined for Gadani shores having been taken by the relevant cash buyer for an extremely firm USD 474/LT LDT 'as is' Malaysia - gas free for man entry only.

Container future?

The news last week that Pakistan had started to import their first container vessels took many by surprise. With the first vessels set to arrive imminently, it will be interesting to see how Gadani buyers get on (with draft issues the usual complaint) to see whether Pakistan can offer a viable alternative to India and Bangladesh on container units in the future.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
EAGLE OTOME	Tanker	15,646	USD 474/LT LDT ('as is' Malaysia)

CHINA

GAP PERSISTS!

Another frustrating week for Chinese recyclers saw a lack of market sales register and a number of prime vessels relocated elsewhere or taken over 'as is' by cash buyers, intent on making the final voyage over to Indian sub-continent range.

Frustrating week on international tonnage.

The price gap remains about USD 150/LT LDT between both markets – which is the amount state owners are receiving as a premium on their Chinese flagged tonnage scrapped locally.

The supply of private tonnage from the likes of COSCO, China Shipping, and AMCL (who are rumored to have sold one VLCC recently) persists at below market levels to keep local yards supplied.

NO MARKET SALES REPORTED

TURKEY

GEARING UP?

Improvements expected.

Another positive week was marked with local prices further improving along with a small rebound for the Turkish Lira. This should (hopefully) trigger some much-needed SNP and recycling activity as more vessels would s hit Turkish shores in the near future, to satisfy the demand.

From the currency perspective, the TRY appreciated against the USD from TRY 2.24, which was breached on Monday, to TRY 2.19 where it closed on Friday.

End buyers continue holding out for an up-swing in local recycling activity as positive post-election sentiments are expected.

NO MARKET SALES REPORTED

HMMMMMM…

- *More than 13,000 years of human life have been spent watching the Gangnam-Style video.*
- *In 1938, Time Magazine named Adolf Hitler Man of the Year.*
- *Your fingernails grow faster in cold weather.*
- *Four out of five people over the age of 100 are women.*
- *Moles can dig more than 300 feet in a single night.*
- *The average person eats about 60,000 pounds of food in their lifetime. That's six elephants, in case you were wondering.*
- *There is no word that rhymes with "month."*
- *The Mississippi River once started flowing backwards after an earthquake.*
- *The Ribbon Worm will eat itself if it can't find food.*
- *If there are three people involved in a duel, it's not a duel. It's a truel. I'm not making this up. It's truel!*
- *The first engines put into Fords? They were made by Dodge…*
- *Jimmy Carter once left nuclear launch codes in his dry cleaning. Oops.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	**BEACHING TIDES**
April 13 – Mahavir Jayanthi April 18 – Good Friday	Mar 28 – Apr 04 Apr 14 – Apr 21 Apr 26 – May 04

BANGLADESH	
BANK HOLIDAYS	**BEACHING TIDES**
April 14 – Bangla New Year's Day	Mar 30 – Apr 03 Apr 15 – Apr 19 Apr 29 – May 02

ALANG - Port Position as March 28, 2014

No.	VESSEL NAME	LDT	TYPE	STATUS
1	*Barbaros Kiran*	*10,431*	*Bulk Carrier*	*Beached March 22*
2	Buxsailor	7,030	Container	Arrived March 24
3	Carol Ex. Carola E	6,079	Container	Arrived March 24
4	**Ji Yang**	**4,085**	**Reefer**	**Arrived July 23**
5	Jolly	11,197	Container	Arrived March 28
6	*Meral Queen Ex. Abdul Prince*	*5,526*	*General Cargo*	*Beached March 27*
7	Mistral	6,332	Bulk Carrier	Arrived March 21
8	Moniuszko	7,455	General Cargo	Arrived March 22
9	MSC Ayala	12,492	Container	Arrived March 19
Total Tonnage		**70,628**		

CHITTAGONG - Port Position as of March 28, 2014

No.	VESSEL NAME	LDT	TYPE	STATUS
1	**Alcon**	**14,157**	**Tanker**	**Arrived December 28**
2	Inca Maiden	7,786	Car Carrier	Arrived March 25
3	Pioner Korsakova	3,937	General Cargo	Arrived March 25
4	Yong Xiang	2,367	General Cargo	Arrived March 25
5	Zhushui 2	17,312	Bulk Carrier	Arrived March 23
Total Tonnage		**45,559**		

GADANI - Port Position as of March 28, 2014

No.	VESSEL NAME	LDT	TYPE	STATUS
1	M. Faruk	11,123	Bulk Carrier	Arrived March 22
2	*Sea Breeze J*	*859*	*General Cargo*	*Beached March 22*
3	*Sea Wind 1*	*699*	*General Cargo*	*Beached March 22*
4	Southernpec 3	33,129	FPSO	Arrived March 27
Total Tonnage		**45,810**		