

March 27th, 2015
Volume 151, Issue 665
Week 13



**"If you are not willing to risk the usual,
you will have to settle for the ordinary."**

- Jim Rohn

Highlights:

- Will to offer returns.
- Price pick up.
- Several sales.
- Sensitive to change.
- Anti-dumping ban.

MARKET COMMENTARY

PERKING UP!

Sub-continent markets finally appear to have found the will to offer again with some improving prices and sentiment across the board. The recent catastrophic slump that has seen almost 30% slashed from the price has rattled many in the industry and there have been few signs of light, of late.

However, some heart can be gained from several weeks of positivity, where levels have come up by at least USD 20/LDT off the back of improving local steel plate prices and a settling Indian currency.

Capacity remains very good locally and it is encouraging to finally see end buyer enquiries emerge for all types of vessels in the sub-continent again. Consequently, several market sales took place this week at improving rates and a number of other units were under negotiation at speculative levels as cash buyer competition ramped into overdrive once again.

Of course, small changes in the fundamentals can reverse the current optimistic trend without warning and most end users are now tremendously sensitive to the micro and macro / international economic changes happening on an hourly basis, both in their local markets and in those of their competitors.

The Indian government has been talking this week, of finally implementing the mooted anti-dumping ban on Chinese steel and as stocks dwindle with no fresh batches having arrived post Chinese New Year, some confidence has begun to flow back to a hitherto beleaguered industry.

For week 13 of 2015, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	Bangladesh	Improving	USD 380/ltd	USD 400/ltd
2	Pakistan	Improving	USD 375/ltd	USD 400/ltd
3	India	Improving	USD 370/ltd	USD 390/ltd
4	Turkey	Steady	USD 230/ltd	USD 240/ltd
5	China	Steady	USD 200/ltd	USD 215/ltd

Cash Buyer to be
ISO 9001:2008
Certified



BANGLADESH

INTO THE FRAY!

Competitive pricing.

As a few more local buyers enter the fray to acquire tonnage, having seen a number of capesize bulkers sold to end users already this year, some increasingly competitive pricing was seen on an array of different units.

The Arpeni controlled panamax bulker CITRAWATI (9,517 LDT) fetched a fine USD 390/LT LDT, whilst the PIL MPP KOTA BERLIAN (7,439 LDT) was committed region USD 400/LT LDT in one of two sales from the group this week.

Capes – coming.

The sale of favored capesize bulkers has slowed somewhat over the previous few weeks into the sub-continent, but this is expected to change in the coming week or two with several new candidates due to hit the market as prices improve.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
CITRAWATI	Bulker	9,517	USD 390/LT LDT
KOTA BERLIAN	MPP	7,439	USD 400/LT LDT

INDIA

FORTUNES TURNING..?

Having missed out on a majority of the market tonnage to their Pakistani and Bangladeshi counterparts, Indian buyers (off the back of improving fundamentals and the expectation that an anti-dumping ban on Chinese steel could soon be enforced) realized that some greater aggression on pricing would be needed to secure their share of the tonnage on offer.

At the onset, local steel prices have picked up by at least USD 20/LDT and the Indian Rupee has finally settled into the Rs. 62s against the U.S. Dollar after some worrying volatility. Moreover, with yard capacity standing at almost 60% following a period of market decline and inactivity, now seems like the ideal time for many local recyclers to jump back into the buying.

As a result, several fresh sales were recorded with the PIL controlled MPP KOTA BERJAYA (7,175 LDT) sold for a decent USD 405/LT LDT and the Croatian built heavy LDT handymax bulker GOLDEN TRADER (10,283 LDT) from Goldenport, fetching an excellent USD 398/LT LDT (due to country of build and condition).

It has hardly helped matters that the majority of the market tonnage has been heavier LDT capesize bulkers (with almost 35 units sold already this year) as Indian buyers generally prefer to take on smaller LDT vessels and containers due to their shorter cutting times and smaller banking limits required, especially in such a volatile market.

Need to acquire.

Market sales.

Smaller = better!

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
GOLDEN TRADER	Bulker	10,283	USD 398/LT LDT
KOTA BERJAYA	MPP	7,175	USD 405/LT LDT

PAKISTAN

PLAYING CATCH UP!

Missing out.

Pakistani buyers lost out this week to an increasingly aggressive Bangladesh and a recovering Indian market as numerous units were fixed to competing locations. Having taken a number of capesize bulkers recently at the top rates in the sub-continent, perhaps a quieter period of time could be expected from Pakistan in the near future.

Need to improve.

Though demand remains impressive locally, sentiment would need to improve, in order to counter the gains witnessed in competing markets. However, Pakistan buyers are now playing catch up to their Bangladeshi rivals for the larger LDT units and with many capesize bulkers coming for sale positioned in the Far East, it looks like they will miss out on their share of the market tonnage in the foreseeable future.

With smaller LDT units, MPPs, and containers (which are less favored in Pakistan) and with India picking up again, it could be a quieter period of time in Gadani unless and until local buyers show their aggressive appetite to compete even on less favored types of vessels.

NO MARKET SALES REPORTED

CHINA

FADING OUT!

As Indian sub-continent markets showed signs of improvement this week, there were few signs of levels / sentiment mounting a comeback in China.

Domestic owners continue to offload their tonnage at knock down prices to local yards eligible for the generous government subsidies, with several Cosco capes and panamax bulkers sold in the past few weeks.

Steel output (for export abroad) has continued to slow as mills suffer (with some even facing closure) and this is a crucial factor to the continued vitality of the Indian sub-continent ship-recycling markets.

Domestic tonnage sells.

TURKEY

UP OR DOWN?

Lira troubles prevail.

The prevailing levels on units appear to have stabilized in the Turkish market, despite the volatility and depreciation of the local currency. Moreover, even though local steel plate prices have maintained a positive tone for the past few weeks, it seems evident that the import of foreign finished steel products is no longer affecting the local market at the same extent it was in the recent past.

As such, with demand gradually firming, end buyers appear to be banking on a continued improvement in domestic steel prices – at least in the short run.

The dithering state of the Turkish Lira appears to be the only factor, which raises a question mark as to whether the domestic ship-recycling sector could face a further correction, as the Lira has still not managed to stabilize below the TRY 2.60 mark.

Notwithstanding the recent local optimism, the Turkish recycling market is unable to compete with the Indian sub-continent recycling markets (in terms of pricing) and most of the units, which have therefore been sold domestically, are either committed for green recycling, or are special units (rigs) for whom it was not economically feasible to reposition them towards the sub-continent.

NO MARKET SALES REPORTED

HMMMMM...

- *During the 17th Century, the Sultan of Turkey ordered his hole harem of women to be drowned and replaced with a new one.*
- *Coffins used for cremation are usually made with plastic handles.*
- *"Almost" is the longest word in the English language with all the letters in alphabetical order.*
- *Human thigh bones are stronger than concrete.*
- *It is against the law to burp, or sneeze inside a church in Nebraska.*
- *In 1386 a pig in France was executed by public hanging for the murder of a child.*
- *Earth is the only planet not named after a god.*
- *The world's oldest piece of chewing gum is over 9,000 years old!*
- *Scientists have tracked butterflies travelling over 3,000 miles.*
- *The silkworm consumes 86,000 times its own weight in 56 days.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
April 13 – Mahavir Jayanthi April 18 – Good Friday	April 04 – April 09 April 16 – April 23

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
April 14 – Bangla New Year's Day	April 06 - April 08 April 18 – April 20

IMPORTANT BANK HOLIDAYS		
TURKEY	PAKISTAN	CHINA
April 23 - National Sovereignty and Children's Day	No Holidays in April	April 04 - April 06 - Qing Ming Festival

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ALANG - Port Position as March 26, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Dimitris Y</i>	11,850	Container	Beached March 26
2	<i>Gas Coral</i>	6,240	LPG	Beached March 25
3	<i>Indisun II</i>	6,940	Tanker	Beached March 23
4	<i>Mac</i>	7,404	Container	Beached March 26
5	<i>Pacific Sun</i>	6,363	Chemical Tanker	Beached March 25
6	<i>Panamax Jade</i>	9,215	Bulk Carrier	Beached March 26
7	<i>Punto Roso</i>	3,199	Reefer	Beached March 14
8	<i>Samar</i>	8,754	Container	Beached March 25
9	<i>Seagull D</i>	4,855	Bulk Carrier	Beached March 23
10	<i>Tatio</i>	7,374	Bulk Carrier	Beached March 26
11	<i>The Watchful</i>	9,646	Bulk Carrier	Beached March 25
12	<i>Tradewind</i>	3,611	Chemical Tanker	Arrived March 27
13	<i>Wizard</i>	2,386	General Cargo	Beached March 24
14	<i>Yong Jin Men</i>	7,820	General Cargo	Beached March 21
Total Tonnage		95,657		

CHITTAGONG - Port Position as of March 26, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Green Star (Dead Vessel)</i>	12,800	Bulk Carrier	Beached March 22
2	<i>Leo I</i>	10,935	Tanker	Beached March 23
3	<i>Luhezarnyy</i>	630	Fishing Vessel	Beached March 20
4	<i>Orapin 3</i>	1,948	Tanker	Beached March 25
5	<i>Silver Merchant</i>	17,970	Bulk Carrier	Arrived March 26
6	<i>Tressa 7</i>	5,160	Bulk Carrier	Arrived March 23
7	<i>Western Triumph</i>	1,510	Ore Carrier	Beached March 24
8	<i>Yuan (Dead Vessel)</i>	6,535	General Cargo	Arrived March 18
Total Tonnage		57,488		

GADANI - Port Position as of March 26, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Aqua Challenger</i>	23,270	Bulk Carrier	Beached March 21
2	<i>Grand Horizon</i>	21,996	Bulk Carrier	Beached March 26
3	<i>Qing</i>	9,717	Tanker	Beached March 25
4	<i>Shehab Al Muhieddine</i>	5,677	Bulk Carrier	Arrived March 26
5	<i>Tulja</i>	31,667	VLCC	Beached March 20
Total Tonnage		92,327		

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