# GMS WEEKLY

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*Week 49*

## Highlights:

- **Nerves enter fray.**
- **Candidates slow.**
- **Rupee struggles.**
- **Sentiment dips.**
- **Bangla travails.**

**Cash Buyer to be ISO 9001:2008 Certified**

QUOTE of the WEEK

**"Never drive faster than your guardian angel can fly."**

*- Unknown*

# MARKET COMMENTARY

## WATCHWORD: CAUTION!

The watchword turned to caution this week as circumstances conspired across the sub-continent to present a far more nervy market, as compared to a week or so ago. That filtered through to the sales as well, with very few new market units to report on.

Of course, freight rates remain in a far healthier position, which is seeing far fewer candidates for demolition as the year-end approaches. Volumes this year are set to be down by almost a third from last year, when all time scrap records were breached. Notwithstanding, 2013 itself is set to be another busy year with volumes on par with the previous historical watermark of 1985.

As the New Year looms however, Rupees in both Pakistan and India, failed to impress for another week – leading many end buyers to be unwilling to even offer on any new units whilst such volatility persists. Steel prices in India had likewise suffered another blip, only to recover some sort of form by the end of the week.

However, such a rollercoaster of sentiment on a daily basis, is not instilling end buyers with a great deal of confidence at present.

The situation in Bangladesh in the meantime remains gravely precarious, with elections set for January 5th and the opposition party continuing to stir up passions locally, many buyers are not focused on the buying as the immediate future still remains uncertain and of concern.

Finally, China was a mere spectator to activities elsewhere as rates showed few signs of improving and even vessels finishing discharge in the area were earmarked as cash buyer 'as is' tonnage for a final voyage over to the sub-continent (as was the case with the one market sale of this week).

For week 49 of 2013, GMS demo rankings for the week are as below:

| Demo Ranking | Country | Market Sentiment | GEN CARGO Prices | TANKER Prices |
|---|---|---|---|---|
| 1 | Bangladesh | Cautious | USD 400/lt ldt | USD 430/lt ldt |
| 2 | India | Cautious | USD 400/lt ldt | USD 425/lt ldt |
| 3 | Pakistan | Cautious | USD 390/lt ldt | USD 420/lt ldt |
| 4 | China | Weak | USD 330/lt ldt | USD 340/lt ldt |

# BANGLADESH

## POLITICAL PANDEMONIUM!

*Situation worsens.*

The political situation worsened further this week in Bangladesh, with strikes and blockades (instigated by the opposition party) bringing the country to a virtual standstill.

This has impacted negatively on the ship recycling scene with most end buyers pre-occupied with their safety and who the next ruling party might be, rather than stocking up on new units.

*Gambling on steel.*

A canny few however, had started to acquire vessels in the hope that commodity prices (steel in particular) would improve significantly, as tends to be the case, during times of crisis.

The one market sale for the week concerned the smaller container vessel STX SINGAPORE (6,663 LDT) from STX Korea (under the watchful eyes of the banks) for USD 375/LT LDT ('as is' Singapore with min bunkers remaining on board). The vessel may yet turn out to be an India or even China (if rates improve locally) candidate, depending on the best options open to the cash buyer upon delivery.

**MARKET SALES REPORTED**

| VESSEL NAME | TYPE | LDT | REPORTED PRICE |
|---|---|---|---|
| STX SINGAPORE | Container | 6,663 | USD 375/LT LDT ('as is' Singapore with min bunkers) |

# INDIA

## FEARING FLUCTUATION!

*Topsy-turvy week.*

It was another topsy-turvy week in the Indian recycling market with steel prices and the currency both gaining and losing ground. This has led to a glut of end buyers choosing not to offer at all due to the current volatility – something aptly illustrated by the fact that almost 50% of yards are currently empty in Alang.

*End buyers nervy.*

For that reason, there were no market sales to speak of – despite the best efforts of cash buyers to unload their inventory into a seemingly firming Indian market. There have also been a greater number of container vessels available for sale and it is now increasingly becoming the task of the cash buyer to find THE hot end buyer in Alang for any given tonnage and work with him to conclusion, rather than risk speculating and losing out heavily.

*Currency and steel prices waver.*

There were far fewer bulkers, tankers, reefers (due to the high season) or even MPP / tweens / general cargo units to speak of for sale due to improving freight rates. Container rates though remain poor and certain sizes and types (coupled with the new eco designs) are swiftly making vast swathes of this sector virtually redundant.

By the end of the week, the Indian Rupee was trading at a far more impressive 61.42 to the U.S. Dollar (having spent much of the week trading at Rs. 62 and higher). Steel prices (which had fluctuated by as much as 10-15/LT LDT back and forth) froze on Friday as truckers went on strike to push for their share from the recent increase in freight rates.

**NO MARKET SALES REPORTED**

# PAKISTAN

## CURRENCY HOLDS BACK!

*VLCC sales.*

As cash buyers started to shed some of their VLCCs, gas free for man entry only, into an improving Pakistan market, some of the demand that had been ramping up in the previous months began to be satisfied.

The Pakistani Rupee remains a source of frustration however, continuing to trade in and around Rs. 108-109 to the U.S. Dollar.

*Supply weakens.*

With very few of the favoured Pakistan market units available at present, it may be that if it wasn't for currency concerns, prices would push on to make Gadani the market of the moment – especially since steel prices and demand remain strong, whilst supply is currently weakening.

**NO MARKET SALES REPORTED**

# CHINA

## WOEFULLY SHORT!

*Cool down.*

Despite year end approaching and Chinese holidays in sight, there was no pick up of activity in the Chinese ship recycling market. Traditionally the months of December and January have seen prices improve as yards seek to fill quotas before renewing licenses.

Steel prices have however been deliberately pegged back by a government seeking to cool the Chinese economy, after fears it had been growing / overheating too fast.

There is also the suspicion that even if prices did start to improve from the current realities in the low USD 300s/LT LDT, there would still be no competing with a rampant Indian sub-continent market, for the time-being.

**NO MARKET SALES REPORTED**

## HMMMMMM…

- *Astronauts are not allowed to eat beans before they go into space because passing wind in a spacesuit damages them.*
- *Astronauts become between two and three inches taller when in space.*
- *Astronauts brought back about 800 pounds of lunar rock to Earth. Most of it has not been analyzed.*
- *At 188 decibels, the whistle of the blue whale is the loudest sound produced by any animal.*
- *At 4,145 miles, the Nile River is the longest in the world.*
- *At -40 degrees Fahrenheit, a person loses about 14.4 calories per hour breathing.*
- *At 840,000 square miles, Greenland is the largest island in the world. It is three times the size of Texas. By comparison, Iceland is only 39,800 square miles..*
- *At age 47, the Rolling Stones' bassist, Bill Wyman, began a relationship with 13-year old Mandy Smith, with her mother's blessing. Six years later, they were married, but the marriage only lasted a year. Not long after, Bill's 30-year-old son Stephen married Mandy's mother, age 46. That made Stephen a stepfather to his former stepmother. If Bill and Mandy had remained married, Stephen would have been his father's father-in-law and his own grandpa.*

## IMPORTANT DATES

| INDIA | |
|---|---|
| **BANK HOLIDAYS** | **BEACHING TIDES** |
| December 25 - Christmas | Dec 01 – Dec 09<br>Dec 16 – Dec 31 |

| BANGLADESH | |
|---|---|
| **BANK HOLIDAYS** | **BEACHING TIDES** |
| December 25 – Christmas<br>December 31 – Bank Holiday | Dec 02 – Dec 06<br>Dec 17 – Dec 20 |

## ALANG - Port Position as of December 06, 2013

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| *1* | *Al Naser* | *3,570* | *General Cargo* | *Beached December 04* |
| *2* | *B Camlica 1* | *8,337* | *Bulk Carrier* | *Beached December 06* |
| 3 | Balikesir | 5,561 | Bulk Carrier | Arrived November 28 |
| *4* | *Baltic Sun* | *7,277* | *Reefer* | *Beached December 04* |
| *5* | *Diamond (Dead Vessel) Ex. Diamond Way* | *3,655* | *General Cargo* | *Beached December 03* |
| *6* | *Elona Ex. Barcelona Express* | *16,798* | *Container* | *Beached December 06* |
| *7* | *Hammonia Adriaticum* | *5,103* | *Container* | *Beached December 06* |
| 8 | Huzur 1 | 5,287 | Bulk Carrier | Arrived November 25 |
| **9** | **Ji Yang** | **4,085** | **Reefer** | **Arrived July 23** |
| *10* | *Kalkaal* | *2,346* | *General Cargo* | *Beached December 02* |
| 11 | Maranjos | 1,773 | General Cargo | Arrived November 27 |
| *12* | *Marc Ex. PCE Madeira* | *7,000* | *Container* | *Beached December 03* |
| 13 | Ocean Gulfirst | 3,690 | General Cargo | Arrived November 27 |
| *14* | *Ryu Yoh* | *9,210* | *Woodchip* | *Beached December 06* |
| *15* | *Skua* | *1,289* | *Tug* | *Beached December 05* |
| *16* | *Solar Wing* | *11,315* | *Car Carrier* | *Beached December 05* |
| 17 | Star Prince | 5,526 | General Cargo | Arrived December 02 |
| *18* | *Theresa Atlantic* | *14,910* | *Tanker* | *Beached December 04* |
| 19 | Union Hellen | 7,318 | General Cargo | Arrived December 01 |
| 20 | Yuan Teng | 5,672 | General Cargo | Arrived December 04 |
| **Total Tonnage** | | **129,722** | | |

## GADANI - Port Position as of December 06, 2013

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| 1 | Branden Ex. Hansa Brandenburg | 8,696 | Container | Arrived December 05 |
| 2 | Hiba Alnour B | 6,267 | *Bulk Carrier* | Arrived December 02 |
| 3 | Noor 1 Ex. Princess Oula | 1,428 | *General Cargo* | Arrived December 02 |
| *4* | *Ram Prasad* | *19,492* | *Bulk Carrier* | *Beached December 06* |
| **Total Tonnage** | | **35,883** | | |

## CHITTAGONG - Port Position as of December 06, 2013

| No. | VESSEL NAME | LDT | TYPE | STATUS |
|---|---|---|---|---|
| *1* | *Banglar Gourab* | *4,680* | *General Cargo* | *Beached December 02* |
| 2 | Banglar Robi | 6,050 | General Cargo | Sold on Auction |
| *3* | *Banglar Urmi* | *4,395* | *General Cargo* | *Beached December 04* |
| *4* | *Darwin* | *20,672* | *Container* | *Beached December 04* |
| *5* | *Energy Ex. ISA Energy* | *8,179* | *Bulk Carrier* | *Beached December 05* |
| 6 | Eurocargo Europa | 13,167 | RoRo | Arrived November 29 |
| 7 | Ice Ex. Southern Juice | 8,017 | General Cargo | Arrived December 02 |
| *8* | *Marina Bay* | *2,640* | *General Cargo* | *Beached December 05* |
| *9* | *Msc Catania* | *23,887* | *Container* | *Beached December 04* |
| *10* | *Scipione* | *4,396* | *General Cargo* | *Beached December 03* |
| *11* | *South Star* | *8,920* | *Bulk Carrier* | *Beached November 29* |
| *12* | *Tradelink* | *7,915* | *Bulk Carrier* | *Beached December 06* |
| 13 | Victory Ex. Golden Victory | 38,953 | Tanker | Arrived December 01 |
| **Total Tonnage** | | **151,870** | | |

## GADANI - Port Position as of December 06, 2013

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|---|---|---|---|---|
| 1 | Branden Ex. Hansa Brandenburg | 8,696 | Container | Arrived December 05 |
| 2 | Hiba Alnour B | 6,267 | *Bulk Carrier* | Arrived December 02 |
| 3 | Noor 1 Ex. Princess Oula | 1,428 | *General Cargo* | Arrived December 02 |
| *4* | *Ram Prasad* | *19,492* | *Bulk Carrier* | *Beached December 06* |
| **Total Tonnage** | | **35,883** | | |