



17th Jan 2014

# SHIP RECYCLING REPORT

Week 1 & 2

## India

Year started with a positive price index and encouraging sentiments. Ship breakers are showing purchase interest across the segment and yet another season where breakers are ready to park extra ship for future wrecking. Continuous steel demand, healthy Stock markets and stable forex markets add an extra boost for ship breakers to be confident about the current scenario.

Second week Jan shows that European owners have started coming to market in order to now scrap the awaited tonnage and don't want to miss out on the positive upswing that demo markets are promising at least for this month.

Containers again have been gaining attraction and testing upper circuit of the market. Counter at USD 480 gross are seen in the markets for containers and USD 470 fetched for Specialized RORO on gross basis. This in normal case might have given signal and a sense of doubt that buyers have been very speculative, but this time around sentiments continue to remain positive and strong. Steel prices are stable and steel makers are looking for more raw materials. This time we will have to wait and see if at all these gambles payoff.

No tonnages from south east Asia and China, as markets there are now awaiting Chinese new year and don't want to plunge into fixing business during this phase.

## Bangladesh

Ruling party has still maintained position in Bangladesh, this in turn has influenced breakers to come to fixing table and compete with the current Indian markets.

Large container Capes and Vlcc being though being ship breakers favorite they are also negotiating firm on even smaller candidates. Local markets though have appreciated 4000 taka per ton , the same appreciation has not been noted at the demo market level, indicating that Bangladesh holds enough stock to meet this demand.

# Pakistan

Local steel markets have not been able to compete the inflating Indian steel markets. This in turn is not supporting Pakistani ship breakers to be competitive with Indian markets. 7000 Ldt Tanker sold at USD 444 did aggravate the levels in Pakistan, but no sales recorded thereafter for last two weeks.

Winter has been harsh in Pakistan. Temperatures in the industrial areas have dropped below freezing causing output and local recycling activity to slow down substantially. It is expected that the region will come to life most likely only after the month of March 2014.

# China

China is already shutting doors on event of Chinese new year. No business but good wishes have started flowing across the business entities. Guess they will be back in action after CNY 2014.

## **Price (Gross levels)**

### **INDIA**

BULKERS – 430 USD / L.T  
CONTAINERS – 460 USD / L.T  
TANKERS - 450 USD / L.T (CLEAN)

### **BANGLADESH**

BULKERS - 420 USD / L.T  
CONTAINERS – 445 USD / L.T  
TANKERS – 430 USD / L.T

### **PAKISTAN**

BULKERS - 420 USD / L.T  
CONTAINERS - N/A\* USD / L.T  
TANKERS - 435 USD / L.T

### **CHINA**

BULKERS – 320 USD / L.T  
CONTAINERS – 320 USD / L.T  
TANKERS – 320 USD / L.T

*\* Container vessels are usually not accommodated at Pakistan due to draft issues*