



*"If your actions inspire others to
dream more, learn more, do more and
become more, you are a leader."*

— John Q. Adams



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GMS Leadership



GMS, Inc.

January 17th, 2020
Volume 209, Issue 913
Week 3

QUOTE
of the
WEEK

"What we call the beginning is often the end. And to make an end is to make a beginning. The end is where we start from."

- T.S. Eliot

Highlights:

- Prices improve.
- India strong.
- Pakistani limbo.
- Green compliance.
- Rankings steady.

MARKET COMMENTARY EXUBERANCE MAINTAINS!

It has been another positive week across the Indian subcontinent ship recycling locations, with further improvements on levels and demand, particularly on favored container vessels that have been making the rounds of late.

Overall, India remains the market of the moment, with several sales from various Cash Buyers reportedly taking place at ever impressive numbers (despite no fresh market sales to report).

However, Bangladeshi Recyclers are still determined to get their hands on the vessels that do remain, even if capable and available End Buyers are swiftly running out for the largest units on offer. Pakistan remains suspended in limbo, with no real change affecting the purchasing prowess of local Buyers.

And finally, on the far side, the Turkish market remains in limbo, firmer overall, yet struggling to conclude any units amidst this seemingly unending dearth of tonnage.

Meanwhile, several green vessels continue to be introduced into the market for recycling and ensuring compliance of green recycling contracts has increasingly become a headline risk for Sellers in recent times, especially as several vessels that were sold for recycling as per the HKC guidelines into India, were eventually delivered into Bangladesh.

This is why it is important for socially & environmentally conscious Sellers to start ensuring they are committing their vessels for green / HKC recycling to reputable cash buying counterparties with a proven track record. Please see the accompanying Press Release in this regard.

For week 3 of 2020, GMS demo rankings / pricing for the week are as below.

Demo Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	India	Improving	USD 390 / LT	USD 400 / LT	USD 410 / LT
2	Bangladesh	Improving	USD 380 / LT	USD 390 / LT	USD 400 / LT
3	Pakistan	Improving	USD 370 / LT	USD 380 / LT	USD 390 / LT
4	Turkey	Steady	USD 230 / MT	USD 240 / MT	USD 240 / MT

BANGLADESH

FRUSTRATIONS SHOW!

Second best.

The Bangladeshi market remains positioned behind their Indian competitors for another week and some frustration is starting to show, especially as Chattogram Buyers continue to lose out on vessels to the superior prices emanating from Alang.

Having already concluded a number of large LDT VLOCs this year and with capable End Buyers with workable L/Cs from domestic banks gradually dwindling once again, the overall industry focus has been shifting towards India where firmer prices are on show, albeit with the penalty of an additional delivery cost on those units that are opening up in the Far East.

Feeding on scraps.

For the time being however, Bangladeshi Buyers remain aggressive on select tonnage where levels well into the USD 400s/LDT can be seen from local Recyclers who are cherry-picking on geographically positioned vessels and perhaps some smaller LDT units once again, whilst they remain behind an aggressive India.

INDIA

PUSHING ON!

Having spent much of 2019 trading in the mid USD 300s/LDT (and below on some units) as levels tumbled by over USD 100/LDT over the course of the year, India has made a remarkable recovery of late, pushing even further this week, securing a number of HKC based green recycling units at increasing numbers, well into the USD 400s/LDT.

Increasing numbers.

Despite declining marginally this week, Indian local steel plate prices have gained tremendous ground over the last several weeks – up by over USD 40/Ton - and the currency has also settled into the low Rs. 71s against the U.S. Dollar.

Taking majority.

As such, sentiments and prices have firmed impressively, giving Ship Owners and Cash Buyers (especially those with inventories on hand), some breathing room that their units will fetch stronger levels – especially on select types of units.

On the supply side of things, it is not only HKC green vessels heading to Alang shores at present, but the majority of container units and those that are suited for a WC India delivery, especially with a Pakistani market that has rarely threatened Alang Buyers on price for nearly 2 years now.

PAKISTAN

SOME WAYS BACK!

Unable to acquire.

Pakistan continues to stagger behind its subcontinent competitors and Gadani recyclers have subsequently been unable to get their hands on a multitude of fresh tonnage that has been available for recycling so far this year.

India keeps gaining ground on price leaving Pakistan continually playing catch up and there remains little opportunity for Gadani Buyers to conclude any geographically positioned units - even of the smaller LDT variety.

Few capable buyers.

Buyers with capable L/Cs and the confidence to really go out and acquire any vessels after two years on the sidelines is still proving problematic and it could be some time before we see Gadani Recyclers back in the swing of things.

NO MARKET SALES REPORTED

TURKEY

STUCK IN A RUT!

There is nothing new to report that hasn't been repeated week after week for the Aliaga market, for a few months now.

Nothing new to report.

Plate prices strong, Lira relatively stable, little to no incoming tonnage or available units for Aliaga Recyclers to bid on, leaving this market in a deathly silent spell for quiet some time now.

We are still hoping that the new low Sulfur regulations would have helped this market with some fresh incoming tonnage. However, that has yet to happen so far this year.

Banking on new regulation.

Overall, industry players remain hopeful that this market will encounter some sort of resurgence, given the firmer prices now on show.

FUN FACTS

- Japan is facing a ninja shortage. There is a high demand for “ninja shows,” but it is a dying tradition and companies have trouble time finding properly trained ninjas.
- The process by which bread toasts is called the ‘Maillard Reaction’.
- Snails have 14,000 teeth and some can even kill you!
- Admiral Ackbar from Star Wars Episode VI: Return of the Jedi was not a man in a suit, it was actually a giant puppet.
- Sonic the Hedgehog’s full name is actually Ogilvie Maurice Hedgehog.
- Even though Froot Loops are different colors, they all have exactly the same flavor.
- George Clooney did the voice for ‘Sparky’ – a gay dog in South Park.
- Most toilet paper sold for home use in France is pink.
- Marmite was one of most confiscated items at airports from the U.K. – to overcome this issue, Marmite made smaller ones for traveling.
- The human nose can remember 50,000 different scents.
- Cards against Humanity bought an island in Maine to preserve wildlife. It is called Hawaii 2.
- The television was invented only two years after the invention of sliced bread.

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
January 26 – Republic Day No Holidays in February	January 21 – January 30 February 07 – February 15 February 22 – February 28	

BANGLADESH		
BANK HOLIDAYS	BEACHING TIDES	
February 21 – Shaheed Day	January 26 – January 29 February 10 – February 13 February 26 – February 29	

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
January 24 –30 – Chinese New Year No holidays in February	No holidays in January February 05 – Kashmir Day	No holidays in January + February

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 January 17, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Amil 12 (Under Tow)	1,612	AHTS	Beached January 11
2	Amil 14	1,505	AHTS	Beached January 10
3	Amil 60 (Under Tow)	1,311	AHTS	Beached January 10
4	Bothnia 1	9,912	Bulk Carrier	Beached January 15
5	Actinia (Under Tow)	13,422	Drilling Rig	Beached January 14
6	Denas	1,375	Tanker	Arrived January 13
7	Energy 1 (Under Tow)	7,042	MODU	Beached January 13
8	Ever Diamond	21,820	Container	Beached January 11
9	Jinsei Maru	15,258	Vehicles Carrier	Beached January 12
10	Rina	5,541	General Cargo	Beached January 14
11	Trinity London	1,380	Supply Vessel	Beached January 15
Total Tonnage		80,177		

CHATTOGRAM - Port Position as of January 17, 2020

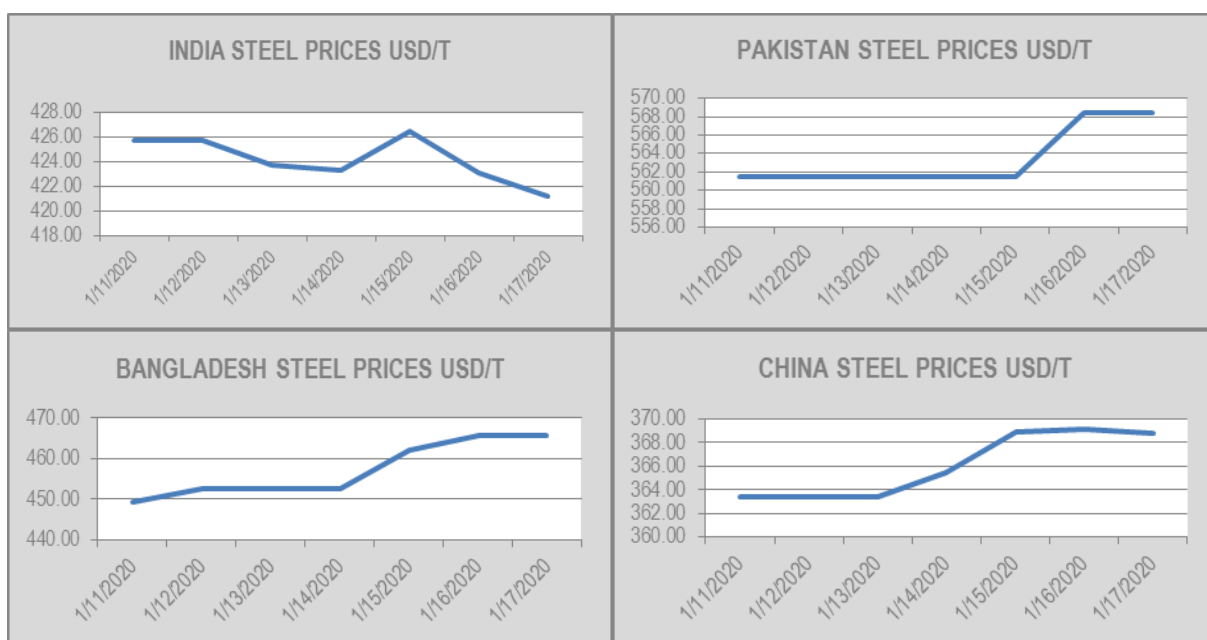
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Bank	17,600	Bulk Carrier	Beached January 11
2	Bramco 1	10,977	Bulk Carrier	Beached January 12
3	Ji Tai No. 8	2,091	Tanker	Arrived January 16
4	Kotha Hadiah	5,313	Container	Beached January 12
5	Lien Li 57	2,734	Tanker	Beached January 14
6	PB-33 (Under Tow)	3,608	Hopper Barge	Beached January 11
7	Richid	8,437	Tanker	Beached January 12
8	Stellar	39,118	Ore Carrier	Beached January 13
9	Total	8,744	FSO	Beached January 12
10	V.L. 5	1,028	Tanker	Beached January 16
11	VE 2	682	Tanker	Beached January 16
Total Tonnage		100,332		

GADANI - Port Position as of January 17, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Jamal	1,527	Tanker	Beached January 17
Total Tonnage		1,527		

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
1/11/2020	425.71	30,200.00	561.44	87,000.00	449.12	38,400.00	363.37
1/12/2020	425.71	30,200.00	561.44	87,000.00	452.63	38,700.00	363.37
1/13/2020	423.73	30,000.00	561.44	87,000.00	452.63	38,700.00	363.38
1/14/2020	423.25	30,000.00	561.44	87,000.00	452.63	38,700.00	365.46
1/15/2020	426.43	30,200.00	561.44	87,000.00	461.99	39,500.00	368.94
1/16/2020	423.07	30,000.00	568.48	88,000.00	465.50	39,800.00	369.15
1/17/2020	421.25	29,900.00	568.48	88,000.00	465.50	39,800.00	368.77




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