

*"Great leadership usually starts with a willing heart,
a positive attitude, and a desire to make a difference."
-Mac Anderson*



February 7th, 2020
Volume 210, Issue 916
Week 6



"Do not judge, and you will never be mistaken."

- Jean-Jacques Rousseau

Highlights:

- Shaky fundamentals.
- Virus situation.
- Gains halved.
- Oversupply.
- Pak non-event.
- Turkey only tonnage.

MARKET COMMENTARY

MARKET MALAISE!

Shaky fundamentals, not only in the freight markets, but also the overall international economy, have finally started to seep into the recycling markets this week, with falling steel plate prices (in India and Bangladesh), nervy offerings, and troubled deliveries of late.

The world, and shipping markets in particular, are still trying to come to terms with how to deal with the fallout from the ongoing Coronavirus threat that has surpassed both SARS & MERS and the Indian and Bangladeshi markets are currently not permitting Chinese crew to disembark at their respective recycling locations on government orders. Perhaps a forced period of quarantine may have to ensue, even if the crew displays no signs of having contracted the virus.

This has tied in with some of the ongoing market malaise as steel prices have declined by about USD 18/Ton in India over the course of two weeks (halving the USD 35/LDT gains made over the previous month) and many End Buyers are simply waiting-and-watching before offering on fresh tonnage, perhaps (rightfully) fearing further falls ahead.

Bangladesh has (once again) seen an extraordinary volume of large LDT tonnage head to Chattogram shores over the previous month, as a majority of the approximately ten Capesize Bulk Carriers and VLOCs have ended up in Chattogram. As such, open and capable End Buyers with ready-to-establish L/Cs are naturally starting to dwindle once again. This is placing a downward pressure on prices, given the nearly crippling over-supply of vessels that are coming daily into the market, amidst increasingly dire freight rates.

Overall, it really is time for the Pakistani market to finally stand up and be counted, but every time a competing market corrects, thereby giving Gadani Buyers a chance to secure tonnage, they seem to conveniently lower their numbers in response, citing one excuse or another as to why it is not feasible for them to compete, thus leaving this market empty handed on serious tonnage once again (as it has been for the past two years).

Lastly, the Turkish market remains suspended in a situation that they seem unable to escape from, save for the rare pieces of tonnage that get proposed basis a Turkey only delivery.

For week 6 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	Declining	USD 380 / LT	USD 390 / LT	USD 400 / LT
2	Bangladesh	Declining	USD 370 / LT	USD 380 / LT	USD 390 / LT
3	Pakistan	Weak	USD 360 / LT	USD 370 / LT	USD 380 / LT
4	Turkey	Weak	USD 230 / MT	USD 240 / MT	USD 240 / MT

BANGLADESH

CAPES KEEP COMING!

Running out.

Large LDT Capesize and VLOC tonnage keeps coming into Bangladesh and capable and open End Buyers, who are able to establish these large Dollar value L/Cs at fairly prompt notice, are starting to noticeably run out once again.

This, therefore, may start pushing these remaining vessels towards Indian or Pakistani shores as the Bangladeshi market starts to rapidly fill up, after what has turned out to be another busy start to 2020.

Capes sold.

On the sales front this week, Berge Bulk of Singapore sold their **BERGE ENTERPRISE** (25,285 LDT) for an impressive USD 395/LT LDT (the third such sale from the group this year alone), whilst the Chinese owned Caper **BLUE ISLAND 8** (19,233 LDT) managed to fetch an equally impressive USD 396/LT LDT. Finally, the MR tanker **CAVALIER** (9,606 LDT) fetched a reportedly healthy USD 370/LT LDT basis an 'as is' Singapore delivery.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
BERGE ENTERPRISE	Bulker	25,285	USD 395/LT LDT
BLUE ISLAND 8	Bulker	19,233	USD 396/LT LDT
CAVALIER	Tanker	9,606	USD 370/LT LDT ('as is' Singapore)

INDIA

PENDULUM SWINGS!

The market in India has suffered the most dramatic of reversals over the last two weeks, with steel plate prices and the Indian Rupee having declined further and many End Buyers preferring to wait and watch market developments, rather than diving in on fresh purchases at present.

Reversals.

Having lead the demo rankings since the start of 2020, over the last week, competing markets in Bangladesh (where the remaining Buyers are increasingly looking towards smaller LDT tonnage) and Pakistan (some what) are seemingly starting to come back into the picture once again and it is not surprising that we have seen several vessels focusing on the competing markets.

Container sold.

One sale did however conclude to Alang Buyers this week as the container vessel PURKI (4,950 LDT) was committed at a decent USD 412/LT LDT in the only confirmed market sale of the week.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
PURKI	Container	4,950	USD 412/LT LDT

PAKISTAN

GOLDEN OPPORTUNITY!

Sale recorded.

For the first time in months, all subcontinent markets recorded sales for the week, as one Handysize Logger / Bulker from Glory of Singapore called UNITY (7,433 LDT) was reportedly committed for a firm USD 385/LT LDT into Pakistan.

After what seemed like a never-ending self-induced restriction on the sidelines, this may well be the opportunity that Pakistani Buyers have been looking for, in order to jump back into the buying, with rates in both India and Bangladesh having declined this week, after the peaks witnessed earlier this year.

Strong supply.

It will therefore be an interesting few months to see if the Gadani ship recycling sector is able get back on its feet, particularly as the supply of vessels is expected to remain steady as freight rates remain in the doldrums.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
UNITY	Bulker	7,433	USD 386/LT LDT

TURKEY

LUCKY STUCK?

Turkey's situation isn't improving by a long shot. While Turkish steel plate prices are still down by USD 25/MT and the Turkish Lira even breached TRY 6.0 this week, there is a growing fear that prices may continue to fall in the coming week(s).

Lira breaches 6.

While at the onset, this would not have been a problem from most Ship Owners as there was very little tonnage opening up in the area that would be viable Turkey candidates, this week, at least 3 Tidewater units were proposed for sale basis an EUSRR recycling, something that has inadvertently thrust Turkish Buyers back in the fray for tonnage (albeit on small LDT units).

3 TW units.

While this certainly is a lucky break for local Recyclers, industry players are still wondering just how long the Turkish market will continue to stagger their way through this drought, without completely withering away for want of tonnage.

FUN FACTS

- The “I’m Feeling Lucky” feature in Google search actually cost Google \$110 million a year, as 1% of all searches use this feature and bypass all advertising.
- Magpies are considered one of the most intelligent animals in the world, and the only non-mammal species able to recognize itself in a mirror test.
- Expedia.com, Hotels.com, Hotwire.com, Trivago, Travelocity, and Orbitz are all owned by the same company, Expedia Inc.
- Before the term “bloopers” was coined, ‘out-takes’ were called ‘boners’.
- Baked beans are actually not baked, but stewed.
- Rowan Atkinson – also known as Mr. Bean – is the voice of Zazu in The Lion King.
- The most popular item at Walmart is bananas. They sell more bananas than any other single item they have in stock.
- Sunsets on Mars are blue.
- The small indents in the bottom of frozen pizzas are there to prevent air bubbles forming inside the dough.
- The term ‘footage’ comes from films being measured in feet, when being edited in the early days of film making.
- In 2005, Mark Zuckerberg unsuccessfully tried to sell Facebook for \$75 million. Back then it was called TheFacebook.

IMPORTANT DATES

INDIA		
BANK HOLIDAYS	BEACHING TIDES	
No Holidays in February	February 07 – February 15 February 22 – February 28	

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

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
January 24 –February 09 – Chinese New Year	February 05 – Kashmir Day	No holidays in 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 February 07, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Abi - 1	3,946	Barge	Beached February 01
2	Amur	3,861	General Cargo	Arrived February 06
3	Crassier	21,295	Bulker	Beached February 07
4	Fewell	2,083	Oil Tanker	Arrived February 07
5	Karadeniz Powership Suat Bey	2,348	Chemical Tanker	Arrived February 06
6	Lady Massa	4,143	General Cargo	Beached February 08
7	Parna Berlian 2	4,355	LPG Tanker	Arrived February 02
8	Shirdi (Under Tow)	10,830	Oil Tanker	Arrived February 03
Total Tonnage		52,861		

CHATTOGRAM - Port Position as of February 07, 2020

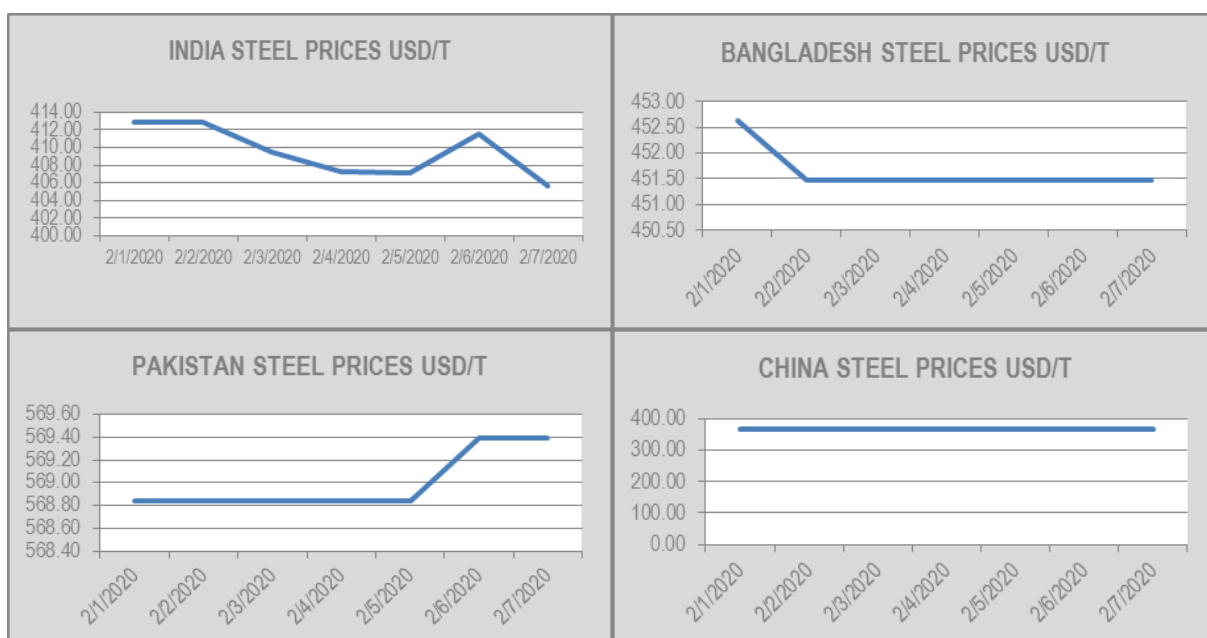
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Balwa	9,260	Tanker	Arrived February 05
2	Berge Elbrus	37,782	Ore Carrier	Arrived January 29
3	Capricorn	1,650	Supply Tug	Arrived January 28
4	Dang	18,773	Bulk Carrier	Arrived January 29
5	Dior	9,453	Tanker	Arrived February 04
6	F Star	12,611	Bulk Carrier	Arrived February 06
7	Solar Breeze	22,729	Bulk Carrier	Arrived January 31
8	Uni Harvest	9,483	Woodchip Carrier	Arrived February 04
9	Victor	20,939	Bulk Carrier	Arrived February 05
10	Xina	10,586	Bulk Carrier	Arrived February 04
Total Tonnage		153,266		

GADANI - Port Position as of February 07, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Al Rooh	1,295	Tanker	Beached February 05
2	Hyundai B1008	830	Barge	Beached February 07
Total Tonnage		2,125		

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
2/1/2020	412.88	29,500.00	568.84	88,000.00	452.63	38,700.00	368.78
2/2/2020	412.88	29,500.00	568.84	88,000.00	451.46	38,600.00	368.78
2/3/2020	409.42	29,200.00	568.84	88,000.00	451.46	38,600.00	368.78
2/4/2020	407.25	29,000.00	568.84	88,000.00	451.46	38,600.00	368.78
2/5/2020	407.07	29,000.00	568.84	88,000.00	451.46	38,600.00	368.78
2/6/2020	411.52	29,300.00	569.40	88,000.00	451.46	38,600.00	368.78
2/7/2020	405.61	28,900.00	569.40	88,000.00	451.46	38,600.00	368.78



www.gmsinc.net



GMS_Leadership



GMS, Inc.



snp@gmsinc.net

Athens, Greece Tel: +30.210.899.0669
Cumberland, USA Tel: +1.301.759.9240
Hamburg, Germany Tel: +49.40. 3197.9963
Shanghai, China Tel: +86.216.075.1900
Singapore Tel: +65.6823.8037

Bhavnagar, India Tel: +91.278.300.5253
Dubai, UAE Tel: +971.4.423.0720
New York, USA Tel: +1.240.505.9716
Seoul, South Korea Tel: +82.10.4650.0720
Tokyo, Japan Tel: +81.3.5453.6311