

April 17th, 2015
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Week 16



“The ones who are crazy enough to think they can change the world, are the ones that generally do.”

- Anonymous

Highlights:

- Pakistan securing.
- Buyers dwindling.
- Prices set to soften.
- India for capes?
- New realities imminent.

MARKET COMMENTARY

SALES AND SPECULATION!

An interesting week of sales and speculation saw the Bangladeshi market in deadlock, Indian market in limbo, and the Pakistani market picking up the pieces by securing the expected number of larger LDT market candidates.

With many capesize bulkers expected to work firm in the week ahead, it is swiftly becoming evident that the hotter, more financially capable buyers are going to become increasingly hard to find. It is therefore expected that prices will soften once again, especially once monsoon deliveries hit from June onwards.

Indian sentiment and prices have been improving steadily for the past few weeks, but there has not been the supply of their favored tonnage in the market and they have traditionally not been aggressive capesize bulker buyers.

It may be that once Pakistan has softened and end users start disappearing, Alang buyers do dip in to acquire a capesize bulker or two (at manageable rates) since capacity certainly remains decent there locally.

A whole host of capesize bulkers were concluded this week (both market and private) along with one high profile, large LDT VLOC from Berge Bulk of Singapore. It became increasingly evident that even by the end of the week, prices were starting to tail off into new realities, some 10-15 USD/LDT lower for the week ahead.

For week 16 of 2015, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	India	Improving	USD 390/lt ldt	USD 410/lt ldt
2	Pakistan	Steady	USD 385/lt ldt	USD 405/lt ldt
3	Bangladesh	Steady	USD 380/lt ldt	USD 400/lt ldt
4	Turkey	Steady	USD 240/lt ldt	USD 250/lt ldt
5	China	Steady	USD 200/lt ldt	USD 215/lt ldt

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BANGLADESH

LOOKING ON IN AWE!

Capes evade them.

Bangladesh buyers could only look on in desperation (and some awe) as their Pakistani counterparts secured ALL of the favored larger LDT capesize bulker and VLOC sales this week.

Having experienced a similar binge on units in the weeks preceding this, it is no surprise that Chittagong buyers are less active and aggressive on the price at the moment.

Panamax bulker sold.

One sale that was recorded for the week saw the Chinese controlled panamax bulker RONG YI (9,082 LDT) sold for USD 395/LT LDT.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
RONG YI	Bulker	9,082	USD 395/LT LDT

INDIA

FRUSTRATIONS MOUNT!

For all of the positive sentiment surrounding the Indian market at present, there were no new market sales to note – a source of immense frustration to eager end users.

No new market sales.

Of course, the market has been dominated by a supply of upwards of 40 capesize bulkers this year – a majority of which have been concluded into both Bangladesh and Pakistan, where larger LDT vessels are favored.

India tends to prefer container units and lower LDT vessels due to the generally lower steel wastage found on containers and the relatively volatile nature of the Indian market, which means that a quicker cutting time on yards is preferred.

Fundamentals settled.

Meanwhile, the Indian Rupee spent much of the week trading into a comfortable Rs. 62 against the U.S. Dollar whilst steel prices have now settled for the past few weeks – something that has given greater confidence to end buyers to start acquiring once again.

It will be an interesting few weeks ahead – perhaps Indian buyers will now focus their efforts on larger LDT capesize bulkers given a dearth of other favored candidates in the market!

May dip in for capes?

PAKISTAN

BAGGING THE BIG ONES!

4 market sales.

A plethora of market sales were concluded into Pakistan this week as the market finally took over the mantle from Bangladesh on the larger LDT units after their most recent binge.

The capesize bulkers ALPHA ACTION (18,615 LDT) and PROSPERITY (19,856 LDT) were concluded for a firm USD 422/LT LDT and USD 420/LT LDT from Greek owners. Whilst the show stopping sale for the week concerned the Singapore based Berge Bulk owned VLOC BERGE VIK (46,250 LDT), which sold for a very firm USD 430/LT LDT to one specific buyer with a hot end user in mind.

Numbers softening.

The fourth sale from the Angelikoussis group this year saw the panamax bulker ANANGEL OMONIA (10,472 LDT) sold 'as is' Fujairah for USD 400/LT LDT with sufficient bunkers for the voyage across.

Meanwhile, local anchorage too has been getting busy as a slew of fresh arrivals earmarked the increasing activity emanating from the shores of Gadani this week.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ALPHA ACTION	Bulker	18,615	USD 422/LT LDT
ANANGEL OMONIA	Bulker	10,472	USD 400/LT LDT ('as is' Fujairah with sufficient bunkers for the voyage)
BERGE VIK	VLOC	46,250	USD 430/LT LDT
PROSPERITY	Bulker	19,856	USD 420/LT LDT

CHINA

INTERNATIONAL SALE...?!

Talk of one of the first international sales for months into China were rife as a larger LDT LNG vessel that has been in situ for some years, was committed undertow for guaranteed green recycling.

LNG sold.

China has seen a fair supply of domestically controlled vessels head to local yards this year, but limited international tonnage has been sold there (unless for strict green recycling) due to the much better prices on show in the sub-continent – even for under tow candidates.

Even prices in competing South East Asian ship recycling yards – Indonesia, Vietnam and the Philippines have proven to be better choices for owners with vessels in the area.

TURKEY

PRICES IMPROVE, LIRA WEAKENS...

Several units being negotiated.

Despite another record low for the Turkish Lira this year, the local recycling market appeared to be steadily (and oddly) improving.

Last week we witnessed the currency breaching the TRY 2.7 levels, which is the second "red flag" for the Turkish Buyers, after the previous record low at TRY 2.6 against the U.S. Dollar earlier in the year.

Despite the negative fluctuations on the currency front, the rest of the fundamentals affecting prices seemed to remain healthy. As such, with improving steel prices and the gradually increasing demand from end buyers (due to lack of available tonnage), saw another small improvement in prices this week.

In view of the improvement in levels, several vessels were under negotiations with local yards. However, it remains to be seen whether prevailing levels are sufficient to secure market tonnage for the shores of Aliaga or if further market improvement is needed in order for the Turkish market to become competitive with the Indian sub-continent buyers.

NO MARKET SALES REPORTED

HMMMMM...

- *A baby spider is called a spiderling.*
- *You cannot snore and dream at the same time.*
- *The following can be read forward and backwards: Do geese see God?*
- *A baby octopus is about the size of a flea when it is born.*
- *A sheep, a duck and a rooster were the first passengers in a hot air balloon.*
- *In Uganda, 50% of the population is under 15 years of age.*
- *'Penis Fencing' is a scientific term for the mating ritual between flatworms. It involves two flatworms attempting to stab the other flatworm with their penis.*
- *Recycling one glass jar saves enough energy to watch TV for 3 hours.*
- *Smearing a small amount of dog feces on an insect bite will relieve the itching and swelling.*
- *Catfish are the only animals that naturally have an odd number of whiskers.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
No more holidays in April May 01 – May day May 14 – Buddha Purnima	April 16 – April 23 May 03 – May 10 May 15 – May 23

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
No more holidays in April May 01 – May day May 13 – Buddha Purnima	April 18 – April 20 May 06 – May 08 May 18 – May 20

IMPORTANT BANK HOLIDAYS		
TURKEY	PAKISTAN	CHINA
April 23 - National Sovereignty and Children's Day May 01 – Labor and Solidarity Day May 19 - Commemoration of Ataturk, Youth and Sports Day	May 01 – Labor Day	May 01 – May 3 – Labor Day

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ALANG - Port Position as April 17, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Evrialos	10,390	Bulk Carrier	Arrived April 16
2	Gas Crystal	2,525	LPG	Arrived April 10
3	Golden Trader	10,283	Bulk Carrier	Beached April 10
4	Mahakam River	2,413	General Cargo	Beached April 16
5	Tradewind	3,611	Chemical Tanker	Arrived March 27
Total Tonnage		29,222		

CHITTAGONG - Port Position as of April 17, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Barracuda I	1,135	Offshore Vessel / Tug	Arrived April 08
2	Best Trader	12,982	Bulk Carrier	Arrived April 17
3	Hope	6,727	Bulk Carrier	Arrived April 10
4	Jibrell Ameen (Dead Vessel)	10,800	Bulk Carrier	Beached April 10
5	Kota Berlian	7,439	General Cargo	Arrived April 12
6	New Hope Star	5,552	Bulk Carrier	Arrived April 15
7	Rui Fu Fa	9,711	Bulk Carrier	Arrived April 15
Total Tonnage		54,346		

GADANI - Port Position as of April 17, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	ABM Dynamic	5,487	Bulk Carrier	Arrived April 14
2	Byar Ali	548	Tanker	Arrived April 16
3	Emerald II	10,206	Bulk Carrier	Arrived April 17
4	Energy R	10,176	Bulk Carrier	Beached April 15
5	Green Line	1,050	Tanker	Arrived April 14
6	Konstantinos A	10,176	Bulk Carrier	Beached April 16
7	Muhammad	899	Fishing Vessel	Arrived April 07
8	Zaizoom	2,171	Tanker	Arrived April 16
Total Tonnage		40,713		

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