

October 16<sup>th</sup> 2015  
Volume 158, Issue 694  
Week 42



**“To be yourself in a world that is constantly trying to make you something else is the greatest accomplishment.”**

*- Ralph Waldo Emerson*

## Highlights:

- Yard foreclosures.
- Minimal yards operational.
- Sub-continent yards affected
- 100 cape sales expected.
- Focus on Pakistan.

## MARKET COMMENTARY

### FALLING FOUL!

As more yards fall foul of the banks in India, the anticipated fourth-quarter price improvement appears increasingly unlikely.

Currently, only about 20-25 yards are operational in India following the foreclosure of a large number of plots, some owned even by well renowned and major local players, as prices have slumped by almost 50% over this past year.

The import of cheap Chinese billets continues to plague the industry and will remain a prevalent factor in the new realities of this beleaguered sector.

Competing sub-continent markets in Bangladesh and Pakistan have likewise been affected and continue to closely monitor the (primarily) negative developments in India, subsequently deciding their pricing strategies in an attempt to get a cheap deal or two.

Following a number of capesize bulker sales last week, there were another few deals to report this week as owners continue to sell under pressure amidst worsening freight rates.

It seems likely that we will see 100 cape sales for scrap this year, with around 85 recorded sold so far this year.

If supply persists, demand may start to tell in Bangladesh with the focus then falling squarely on Pakistan to absorb some of the larger LDT units on offer, having acquired minimal vessels of late.

For week 42 of 2015, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	Bangladesh	Weak	USD 300/ltd	USD 330/ltd
2	Pakistan	Weak	USD 295/ltd	USD 325/ltd
3	India	Weak	USD 290/ltd	USD 320/ltd
4	Turkey	Weak	USD 160/ltd	USD 165/ltd
5	China	Weak	USD 125/ltd	USD 145/ltd

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**We invite our subscribers to read Dr. Sharma's interview with "The Maritime Executive" at <http://viewer.zmags.com/publication/940b86aa#/940b86aa/52>**

## BANGLADESH

### BOOKING BUYERS!

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#### *Cape sales.*

Following the sales of MARGOT N (37,254 LDT) for USD 327/LT LDT and the Bao Island pair - PACIFIC VITALITY (22,339 LDT) and PACIFIC NAVIGATOR (22,370 LDT) for USD 323/LT LDT 'as is' Singapore with 650 Ts and 500 Ts bunkers ROB upon delivery - another capesize sale was recorded into Bangladesh this week as the Chang Myung of Korea controlled C. SUMMIT (18,530 LDT) was sold for USD 334/LT LDT.

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#### *Fundamentals steady.*

With several larger LDT buyers now booked with tonnage, it may be that the focus falls on competing markets (Pakistan in particular) for capes in the last few months of 2015.

Fundamentals remain steady to positive, yet finding end buyers capable of opening LCs in a timely manner continues to be the most difficult aspect of doing business in Bangladesh. Going with a reputable and proven cash buying counterparty who have done their due diligence is the most important aspect of ensuring a successful and smooth sale in this regard.

### MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
C. SUMMIT	Bulker	18,530	USD 334/LT LDT
RUI FU UNION	Bulker	8,104	USD 310/LT LDT

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## INDIA

### LITTLE RESPITE!

There was little respite for Indian buyers, with small improvements seen in commodity prices doing little to counter the mammoth falls of over USD 20/LDT seen in the past few weeks.

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*Small improvements.*

The currency has at least been trading at an encouraging rate of Rs. 64 against the U.S. Dollar over the past week, but even that closed the week out trading a little above Rs. 65, further dampening the local mood.

As such, it has been an absolutely quiet period of activity with buyers unable to swing any tonnage away from either Pakistan or Bangladesh and unlikely to secure any vessels in the immediate future whilst such disappointing levels persist.

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*Minimal activity.*

Further aggravating the local situation is the minimum number of operational yards following bank foreclosures, with many end buyers unable to pay back loans or receive funding for new LCs following the recession-making tumble in prices that has seen this market halve in value over the past year.

Those buyers that are open to buy may need to stock their plots before the year-end in order to even out some of the higher priced purchases currently stocking their yards.

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*Seeking to even.*

## PAKISTAN

### HARDLY COMPETING!

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*Quiet week.*

Despite Indian prices being so low, it remained another quiet week in Gadani with local buyers only really picking up geographically positioned bargains.

For all the larger LDT tonnage, Bangladesh buyers have simply been far more determined and better placed on price (even for the C. SUMMIT positioned conveniently in Mundra for a Pakistan delivery).

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*Logger sale.*

There was one sale confirmed for the week as the Hengfa (of Fuzhou) controlled bulker OCEAN LOVELY (6,574 LDT) was committed for a lowly USD 290/LT LDT, having been discharging logs in the area.

#### MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
OCEAN LOVELY	Bulker	6,574	USD 290/LT LDT

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## CHINA

### EXPORTS EXPLOIT!

As the Chinese subsidies continue to see local yards secure their share of state controlled and Chinese flagged tonnage, a lack of any international sales is likely to be seen before the end of the year.

The most important facet on the global ship recycling agenda will continue to be the import of cheap Chinese billets to Turkey and sub-continent locations in particular.

As the Chinese economy slows, less steel is being consumed locally, which means the surplus continues to be exported abroad at such cheap prices that they continue to undercut existing steel inventories.

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*Lack of international sales.*

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*Economy slowdown.*

## TURKEY

### STEADY...LOW.

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*Couple of local fixtures reported.*

The Turkish market appears to display signs of stability as prices remained steady (albeit incredibly low) and a couple of units have even been reportedly committed for deliveries within November.

With steel prices remaining stable during the first half of October, end buyers seem willing to purchase once again at prevailing market levels.

When it comes to the currency, it was encouraging for local traders to see the Turkish Lira closing once again below TRY 3 levels against the U.S. Dollar for a second week in a row.

After a few weeks of constant depreciation of local prices, local buyers remain anxious for a market recovery that would justify purchases at previous levels.

**NO MARKET SALES REPORTED**

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### THE HUMAN BODY...

- *One out of every 2,000 newborn infants has a tooth when they are born.*
- *A fetus acquires fingerprints at the age of three months.*
- *Every human spent about half an hour as a single cell.*
- *After eating too much, your hearing is less sharp.*
- *About one third of the human race has 20-20 vision.*
- *If saliva cannot dissolve something, you cannot taste it.*
- *Women are born better smellers than men and remain better smellers over life.*
- *Your nose can remember 50,000 different scents.*
- *Even small noises cause the pupils of the eyes to dilate.*
- *Everyone has a unique smell, except for identical twins.*
- *The ashes of a cremated person average about 9 pounds.*
- *Nails and hair do not continue to grow after we die.*

### IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
October 22 – Vijaya Dashami October 24 – Muharram November 11 – Diwali November 25 – Guru Nanak Jayanti	October 26 – November 02 November 10 – November 17 November 23 – December 01

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
October 23 – Vijaya Dashami October 24 – Muharram November 09 – Birthday of Muhamma Iqbal	October 27 – October 29 November 11 – November 13 November 25 – November 27

IMPORTANT BANK HOLIDAYS		
TURKEY	PAKISTAN	CHINA
October 28 –29 – Republic Day	October 23 – 24 - Muharram	October 01 – 07 – National Day

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### ALANG - Port Position as October 16, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Celebration	16,034	RoPax	Arrived October 14
2	<b>Glory Morning</b>	<b>4,860</b>	<b>Bulk Carrier</b>	<b>Beached October 09</b>
3	Infinity	7,878	Bulk Carrier	Arrived October 04
4	<b>Reis G</b>	<b>8,287</b>	<b>Bulk Carrier</b>	<b>Arrived September 09</b>
5	Tsunomine	19,701	Bulk Carrier	Arrived October 09
<b>Total Tonnage</b>		<b>56,760</b>		

### CHITTAGONG - Port Position as of October 16, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Arca Emerald	10,743	Vehicles Carrier	Beached October 14
2	Banglar Moni	6,090	General Cargo	Arrived July 17
3	Gissar	3,120	Fishing Vessel	Beached October 16
4	Grace	22,091	Bulk Carrier	Beached October 16
5	Hanjin Haypoint	18,908	Bulk Carrier	Arrived September 26
6	K Pride	18,569	Bulk Carrier	Beached October 14
7	Seal	9,511	Bulk Carrier	Beached October 15
<b>Total Tonnage</b>		<b>89,032</b>		

### GADANI - Port Position as of October 16, 2015

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Revana 1	938	Tanker	Beached October 14
2	S. Atlantic	7,140	Bulk Carrier	Beached October 12
3	Sea Zar	938	Tanker	Beached October 05
4	Wan Voyager	7,137	Bulk Carrier	Beached October 12
5	Wei Fong	12,214	Bulk Carrier	Arrived October 07
<b>Total Tonnage</b>		<b>28,367</b>		

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