GMS WEEKLY

Your Source for Recycling News

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QUOTE of the WEEK

"I've always felt it was not up to anyone else to make me give my best."

- Akeem Olajuwon

Highlights

- **Large collection of sales take place.**
- **Pakistan moves into 3rd gear.**
- **Turkey in the game?**
- **India remains Market-of-the-Week.**

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MARKET COMMENTARY

UNRELENTING!

The recycling industry dropped another cracker of a performance as week 8 ended. With the constant source of supply that is encouraging an increasing number of recyclers to come forth and bid on tonnage, the volume of sales and subsequent deliveries (especially from India) continues to leave even the veterans in the industry, simply amazed. Despite the seemingly never-ending inflow of tonnage, demand and prices continue to remain steady. Incredibly, the laws of economics have continually lapsed as far as recycling is concerned.

On the local markets front, India continues to single-handedly dominate the negotiation charts consuming virtually every bit of tonnage that is presented locally. Prices from India remain jittery and are lower than what the competition is offering. Competing Pakistan moved into third gear this week, with its demand, prices and the volume of tonnage concluded locally *(See Page 3)*. While Pakistan still does not pose as serious a competitive threat to India (because of the fewer number of local local recycling yards), Gadani recyclers are ensuring that their counterparts in Alang remain very aware of their neighbors, who stand to take away some of better tonnage in the market.

Bangladesh remained dormant for a majority of the week, with only a few market fixtures to report for their corner. Notwithstanding, prices here remain the healthiest and Sellers of tonnage preferred locally, stand to can exploit the best from this market. Lastly China, where prices are the weakest, but local recyclers continue to exploit the advantage of locally discharging tonnage and secure their sales. This week, reportedly another 2 PNC sales have taken place here this week. M/V YM SUN (13,764 LDT container) and M/V IRIS ACE (16,462 Car Carrier) were both concluded here at USD 235/LT and USD 238/LT respectively. Finally, even Turkish recyclers have reportedly committed a PNC vessel this week.

India remains yet again, the **GMS Market-of-the-Week**.

GMS demo rankings for the week are summarized below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	Bangladesh	Neutral	USD 265/lt ldt	USD 305/lt ldt
2	Pakistan	Cautious	USD 255/lt ldt	USD 275/lt ldt
3	India	Cautious	USD 250/lt ldt	USD 270/lt ldt
4	China	Optimistic	USD 240lt ldt	USD 255lt ldt

BANGLADESH

WATCHFUL

Country with the slowest week.

Sentiment in Bangladesh remained relatively calm this week. The number of market fixtures was the smallest in the sub-continent and local port position has been the weakest we have seen in a long time. Other than PNC sales of locally preferred tonnage, most recyclers remained uninterested towards offerings of available tonnage.

Notwithstanding, prices here remain the healthiest and Sellers offering the right tonnage are greeted with guaranteed lottery tickets.

Plate prices relatively steady.

Local yards are still full of tonnage and steel plate prices too have remained relatively steady (for the most part). As a result, purchase prices have remained steady, save for the raging disparities over types of vessels preferred locally and those not-as-prefferred.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
EAST SUNRISE II	Bulk Carrier	7,800	USD 277 / LT LDT

INDIA

SWEET AND SOUR

Week of ups and downs.

Alang continues to deliver a blinding spell of good and bad as the weeks progress. Early this week, the Indian Rupee weakened by about 3% against the US Dollar. As the decline spanned over the first 2 days of the working week week, come Wednesday, we saw even local steel plate prices fall by about USD 10/Ton. By this time, recyclers were getting nervous to bid brazenly for tonnage.

However, the sentiment changed quickly as plate prices bounced back on Thursday and recyclers quickly came forward with improved numbers. Subsequently, as we have been seeing over the last several months now, the week saw an incredible number of vessels being fixed locally.

Still seeing renegotiations and failed deals.

Additionally, local anchorage too remained busy as the sheer volume of incoming vessels at Alang just does not seem to be letting up.

Notwithstanding the gung-ho times, renegotiations and failed deals keep cropping up. As the number of untested buyers from the local markets are increasing, Sellers who continue to push for the highest dollar are quickly realizing that the glittering gold remains just out of arms reach.

India has, and continues to impress the shipping world with every passing week swallowing ships whole and balancing out the tremendous inflow of tonnage into the market.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
AGIA SOFIA	Bulk Carrier	7,612	USD 262 / LT LDT
DANA MUHIEDDINE	Bulk Carrier	7,428	USD 268 / LT LDT
DARIA	General Cargo	5,242	P N C
FJORDSTONE	Container	9,015	USD 285 / LT LDT
KRIPA	RoRo/Container	5,396	USD 250 / LT LDT (“As is” Jebel Ali)
MIKHAIL STENKO	Tweendecker	4,470	USD 265 / LT LDT
MERCS RUHUNU	Tweendecker	1,750	USD 260 / LT LDT
MORNING ACE	Vehicles Carrier	8,209	USD 237 / LT LDT (“As is” Korea)
MORNING CHARM	Vehicles Carrier	8,895	
RIALTO	Container	4,539	P N C
ZARECHENSK	Bulk Carrier	7,412	USD 266 / LT LDT

PAKISTAN

COMPETITIVE STRENGTH

Gadani taking on Alang?

Over the last couple of weeks, not only has Pakistan made a strong comeback to the recycling game by negotiating an increased number of market vessels, Gadani recyclers have also managed to strengthen their global presence by flexing their competitive muscles against India via stronger prices.

As a result, we have seen a surprisingly healthy collection of sales (and deliveries) into the local market.

What is even more amazing is the fact that Gadani recyclers no longer seem to be taking cues from their Alang counterparts for building their pricing strategies but are paving their own pricing paths and in the process, have also managed to keep their price levels steady. Moreover, given the quicker and less expensive local formalities at Gadani in addition to less importance on beaching tides, Pakistan is inching its way into Alang's territory, to become the next best go to market.

Fewer recyclers = short-lived performance?

However, having only a fraction of the yards as compared to India, this self-induced spell of glamorous performance may eventually burn itself out, as it has in Bangladesh.

Notwithstanding, the local market continues to reap the benefits of their performance as the local recycling industry has now breathed a new life into itself.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ELLISPONTOS	Bulker	7,296	USD 265 / LT LDT
GEORGIOS III	Bulk Carrier	6,744	USD 277 / LT LDT
HYDERABAD	General Cargo	5,522	USD 273.50/LT LDT
MALAKAND	General Cargo	5,555	USD 273.50/LT LDT
SIBI	General Cargo	6,733	USD 273.50/LT LDT

DID YOU KNOW…

- *The average person falls asleep in seven minutes.*
- *A pig's orgasm lasts for 30 minutes.*
- *Reindeer like to eat bananas.*
- *The praying mantis is the only insect that can turn its head.*
- *Owls are one of the only birds who can see the color blue!*
- *Recycling one glass jar, saves enough energy to watch T.V for 3 hours!*
- *The state of Florida is bigger than England!*
- *The placement of a donkey's eyes in its' heads enables it to see all four feet at all times!*
- *Camels have three eyelids to protect themselves from blowing sand!*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	**BEACHING TIDES**
February 19 – Shivaji Jayanti February 22 – Maharishi Jayanti February 23 – Maha Shivratri	Feb 25 – Mar 01
March 09 - Eid-e-Milad March 11 - Holi	Mar 09 – Mar 15 Mar 27 – Mar 31

BANGLADESH	
BANK HOLIDAYS	**BEACHING TIDES**
February 21 – International Mother Language Day	Feb 26 – Mar 01
March 09 – Eid-e-Milad March 26 – Independence Day	Mar 11 – Mar 14 Mar 27 – Mar 29

ALANG - Port Position as of February 13, 2009

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Aboudi III	5,420	General Cargo	Arrived Feb 20
2	Car Star I	14,047	Car Carrier	Arrived Feb 15
3	Iran Nabuvat	8,156	General Cargo	Arrived Feb 13
4	*Jebel Ali*	*8,542*	*Container*	*Beached Feb 13*
5	King	3,676	General Cargo	Arrived Jan 10
6	Lady Josephine	7,634	Bulk Carrier	Arrived Feb 17
7	Maxim M	14,755	Passenger Vessel	Arrived Feb 20
8	Minerali	15,986	Bulk Carrier	Arrived Feb 10
9	Mira	7,338	Bulk Carrier	Arrived Feb 19
10	*OBS Anita*	*4,120*	*Bulk Carrier*	*Beached Feb 15*
11	Olinda Castle	8,921	General Cargo	Arrived Feb 15
12	*Pacific No. 1*	*8,400*	*Bulk Carrier*	*Beached Feb 14*
13	Princess II	7,081	General Cargo	Arrived Feb 20
14	*Stolt Condor*	*9,338*	*Chemical Tanker*	*Beached Feb 14*
15	Svyatoy Marfa	6,712	Bulk Carrier	Arrived Feb 18
16	Svyatoy Nikolay	4,300	Bulk Carrier	Arrived Feb 17
17	Veracruz I	9,396	Car Carrier	Arrived Feb 15
Total Tonnage		***143,822***		

CHITTAGONG - Port Position as of February 13, 2009				
No.	**VESSEL NAME**	**LDT**	**TYPE**	**STATUS**
1	*Athos*	*14,455*	*Bulk*	*Beached Feb 15*
2	Energy Falcon	6,166	Bulk	Arrived Feb 14
3	Kyriakos	7,380	Bulk	Arrived Feb 13
4	*Thor Star*	*4,912*	*Cargo*	*Beached Feb 14*
5	Tacoma	16,639	Container	Arrived Feb 11
6	Walka Mlodych	8,430	Bulk	Arrived Feb 17
Total Tonnage		**57,982**		

GADANI - Port Position as of February 13, 2009				
No.	**VESSEL NAME**	**LDT**	**TYPE**	**STATUS**
1	*Barceloona*	*15,500*	*Container Vessel*	*Beached Feb 18*
2	*Liparit*	*5,653*	*Bulk Carrier*	*Beached Feb 14*
3	*Lucky Lady*	*6,275*	*Bulk Carrier*	*Beached Feb 18*
4	*Sea Dream*	*7,567*	*Bulk Carrier*	*Beached Feb 14*
5	*SV Ioan*	*11,629*	*Bulk Carrier*	*Beached Feb 18*
Total Tonnage		**46,624**		