

October 2nd, 2020
Volume 218, Issue 949
Week 40

QUOTE
of the
WEEK

"The only thing worse than being blind is having sight but no vision."

– Hellen Keller

Highlights:

- Corrections due.
- Mid 300s/LDT.
- Turkey tweaks.
- Covid chaos.
- Second waves.
- 'As is' limited.

MARKET COMMENTARY

REVERSAL TERRITORY!

After a stunning surge in the third quarter of the year that saw much of the losses incurred due to the pandemic reversed, the markets appear increasingly set for an upcoming correction in the near future.

Pakistan is rapidly starting to fill up and news has filtered through about the formation of a Cartel in Bangladesh that is looking to peg prices at an acceptable, profit-making level for End Buyers - or at least the powerful Local Buyers who have formed the Cartel.

Prices are starting to settle back down into the mid USD 300s/LDT on most decent vessels once again and levels in India are in the neighborhood of USD 25 - USD 30/LDT lower than its sub-continent competitors - the expectation being that they may secure their share of generally better priced HKC green tonnage.

In Turkey, steel plate prices also softened further this week (albeit marginally), yet vessel prices were reportedly unaffected since the only tonnage that seems to be working of late is units intended for EUSRR based green recycling, whilst the remaining majority of non-EU approved yards remain famished for tonnage.

Covid-19 cases continue to afflict the sub-continent and India (in particular) has been recording upwards of 100,000 infections per day, as hospitals fill up and authorities struggle to bring the deadly disease under control.

The news that President Trump has contracted the virus may also see further volatility enter the markets, as a second wave sweeps across parts of Europe and the U.S., ahead of what is expected to be a difficult winter season.

Finally, vessel take overs at various ports across the globe are becoming increasingly challenging, with stringent quarantine and entry rules limiting all but a handful of locations for vessel deliveries.

For week 40 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	Pakistan	Steady	340 / LDT	360 / LDT	370 / LDT
2	Bangladesh	Steady	330 / LDT	350 / LDT	360 / LDT
3	India	Steady	320 / LDT	340 / LDT	350 / LDT
4	Turkey	Weaker	195/ LDT	205/ LDT	215/ LDT

BANGLADESH

CONTROLLING PRICES!

Price opposition.

The formation of a cartel in Bangladesh has shaken up the industry in the last week or so. A few powerful local End Buyers are seeking to reign in prices, in order to avoid some of the heavy losses and speculation seen in previous years.

As such, it was unsurprising to see no new sales take place for the week, with vessels being diverted to higher priced locations.

Short lived venture?

It remains to be seen just how long this (new) cartel will remain in existence, with past experience telling us that these ventures usually last for no longer than a couple of weeks / a month or so, before desperate End Buyers who have been unsuccessful at negotiating a unit through the cartel, eventually break rank and start to offer whatever prices they want again.

NO MARKET SALES REPORTED

INDIA

FEARING FALLS!

Despite local steel plate prices ending the week up by about USD 6/Ton, levels had been depreciating over the course of the past few weeks, leaving Alang Buyers nervous and reluctant to dip back into the buying on any available vessels at current levels.

The problem lies in a dwindling supply of vessels for sale, as charter rates on dry bulk, containers and tankers have been picking up again of late.

However, there remain a number of HKC green fixtures for Alang Recyclers to consider, albeit at slightly reduced rates from the previous few months.

Decline.

Reduced rates.

NO MARKET SALES REPORTED

PAKISTAN

BOOKING UP!

VLOCs beached.

With several VLOCs having beached in Pakistan recently, a majority of the aggressive Local Recyclers with L/C limits for larger LDT tonnage have been booked up.

News of the Bangladeshi cartel has also filtered through to Gadani End Buyers, who, as a result, are starting to position their numbers slightly lower.

Notwithstanding, for the time being, Pakistan remains the top placed market, despite the dwindling supply of market tonnage that remains available to End Buyers.

Pak still top.

TURKEY

TRIPPING!

Even though the weaker Lira seems to have finally stabilized and even improved against the U.S. Dollar this week (down to TRY 7.76 by the time the week ended), it was the weakening local steel plate prices that caused some concern locally.

Plate prices weaker.

Weaker for the second week in a row, it was the scarcity of non-green tonnage that has compelled non-EU approved yards to keep levels aloft. In fact, news of a couple of yards even offering USD 20/MT above the prevailing levels surfaced this week. However, most locally recognize that this pricing is not the current state of affairs.

Offering higher.

With Covid-19 cases still on the rise, weaker supply of tonnage and at least 1 fundamental still shaky, the Turkish market seems like levels could trip in the coming weeks. Time till well.

AMAZING FACTS ABOUT THE SUN

- *The Sun is all the colors mixed together, this appears white to our eyes.*
- *The Sun is composed of hydrogen (70%) and Helium (28%).*
- *The Sun is a main-sequence G2V star (or Yellow Dwarf).*
- *The Sun is 109 times wider than the Earth and 330,000 times as massive.*
- *The Sun's surface area is 11,990 times that of the Earth's.*
- *The distance between the Earth and the Sun is an Astronomical Unit (AU).*
- *One million Earths could fit inside the Sun. A hollow Sun would fit around 960,000 spherical Earths. If squished inside with no wasted space, then around 1,300,000 would fit inside. The Sun's surface area is 11,990 times that of the Earth's.*
- *The Sun contains 99.86% of the mass in the Solar System. The mass of the Sun is approximately 330,000 times greater than that of Earth. It is almost three quarters Hydrogen, whilst most of the remaining mass is Helium.*
- *The Sun is an almost perfect sphere. There is a 10-kilometre difference between the Sun's polar and equatorial diameter. This means it is the closest thing to a perfect sphere that has been observed in nature*
- *The Sun will one day be about the size of Earth. After its red giant phase, the Sun will collapse. It will keep its enormous mass with the approximate volume of our planet. When this happens, it will have become a white dwarf.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
October 02 – Gandhi Jayanti October 26 – Vijaya Dasami October 29 – Eid-E-Milad	October 01 – October 06 October 14 – October 22 October 31 – November 06

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
October 26 – Durga Puja October 30 – Eid-E-Miladun-Nabi	September 17 – September 20 October 01 – October 03 October 16 – October 10

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
October 01 – 08 – National Day Holiday	October 30 – Eid-E-Miladun-Nabi	October 28 – 29 – Republic Day

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 Arrived October 02, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Arise	20,175	Container	Arrived September 31
2	Bazhenovsk	3,944	Fishing	Arrived September 30
3	F-V (Under Tow)	3,616	Drilling	Arrived September 28
4	<i>Deluxe</i>	21,731	<i>Container</i>	<i>Beached October 01</i>
5	<i>INS Viraat (Under Tow)</i>	19,390	<i>Aircraft Carrier</i>	<i>Beached September 28</i>
6	MCC Mergui	6,972	Container	Arrived September 30
7	Melanesian Chief	5,889	Container	Arrived September 26
8	Singapore Express	20,175	Container	Arrived September 27
9	Transfair	2,990	Gen Cargo	Arrived September 27

Total Tonnage **104,883**

CHATTOGRAM - Port Position as of October 02, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Heyma	7,656	MPP / Bulk / RoRo	Arrived September 27
2	<i>Ninos</i>	5,933	<i>Container</i>	<i>Beached October 02</i>
3	Panamax Energy	10,436	Bulk Carrier	Arrived September 30
4	PL	5,248	Container	Arrived September 29
5	<i>Sea Hero</i>	5,017	<i>Bulk Carrier</i>	<i>Beached October 02</i>
6	<i>Sinokor Yokohama</i>	4,769	<i>Container</i>	<i>Beached October 01</i>
7	VE 3	733	Tanker	Arrived September 30
8	Yu Rong	11,839	General Cargo	<i>Beached October 02</i>

Total Tonnage **51,630**

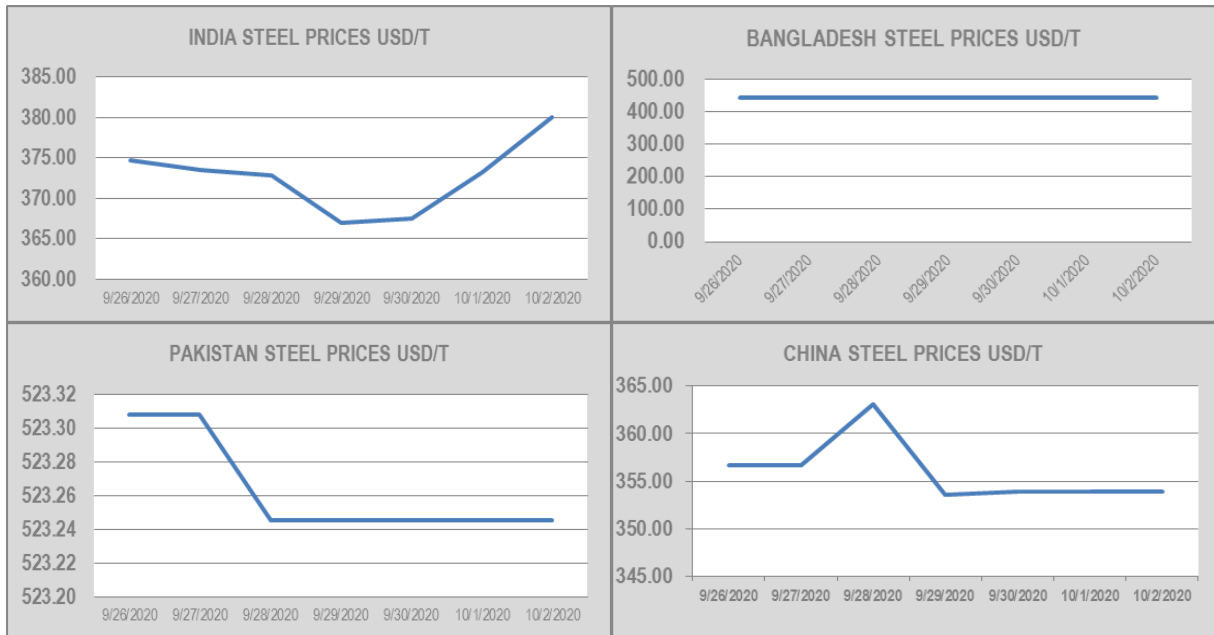
GADANI - Port Position as of October 02, 2020

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Aalaae</i>	830	<i>General Cargo</i>	<i>Beached October 01</i>
2	<i>Leen</i>	2,500	<i>General Cargo</i>	<i>Beached October 02</i>
3	<i>Nazlican</i>	3,898	<i>General Cargo</i>	<i>Beached October 03</i>
4	<i>Princess Sofea</i>	1,036	<i>Tanker</i>	<i>Beached September 30</i>
5	Ritaj A	2,877	General Cargo	Arrived September 18
6	<i>Santosa</i>	6,400	<i>Container</i>	<i>Beached September 28</i>
7	<i>Transocean</i>	5,262	<i>Bulk Carrier</i>	<i>Beached September 28</i>

Total Tonnage **22,803**

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
9/26/2020	374.75	27,600.00	523.31	87,000.00	442.11	37,800.00	356.72
9/27/2020	373.48	27,600.00	523.31	87,000.00	442.11	37,800.00	356.72
9/28/2020	372.78	27,500.00	523.25	87,000.00	442.11	37,800.00	363.10
9/29/2020	367.01	27,100.00	523.25	87,000.00	442.11	37,800.00	353.52
9/30/2020	367.46	27,100.00	523.25	87,000.00	442.11	37,800.00	353.89
10/1/2020	373.21	27,300.00	523.25	87,000.00	442.11	37,800.00	353.89
10/2/2020	380.04	27,800.00	523.25	87,000.00	442.11	37,800.00	353.89



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