

March 18th, 2022
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Week 11

QUOTE
of the
WEEK

“One secret of success in life is for a man to be ready for his opportunity when it comes.”

– Benjamin Disraeli

Highlights:

- **Peaked?**
- **Cooling prices.**
- **Still firm.**
- **Short dip?**
- **Stability needed.**

MARKET COMMENTARY

CAUTION URGED!

There is talk this week that markets may well have peaked as Bangladesh, India and even Turkey suffered some falls from some of the record steel plate prices seen recently. Cooking oil and commodity prices are chiefly to blame for this dip, but it also cannot be expected that the markets will continually go up (as they have been doing for nearly the last two years).

The unfolding crisis in Ukraine certainly has affected global oil and gas prices and those countries that regularly purchase their reserves from Russia (such as India) are now having to hammer out new plans to sustain their local economies, especially given the bevy of sanctions currently in place.

Yet, these are decade long highs that we are witnessing at present, and not since the heady days of 2008 have vessel prices been so firm. As a result, most owners are witnessing values on their end-of-life ships at least double over the past year or so.

Notwithstanding, chartering markets, particularly in the dry and container sectors, continue to perform admirably and certain routes on tankers have once again started to pick up, which is increasingly depriving hungry Recyclers of tonnage and is keeping prices (artificially?) firm. Furthermore, despite this latest dip of about USD 20 – USD 30 / LDT, commodity prices remain firm and there certainly is scope for improvement once again, given that the end of the Ukraine crisis seems far from over at this juncture.

The Indian Rupee, despite firming marginally this week, has suffered some noteworthy currency reversals of late, compounding some of the drastic steel falls seen over the last 2 - 3 weeks. Finally, in the West End, steel fundamentals (both import and local steel plate) recorded depreciations of their own, with the Lira further aggravating the situation this week.

Overall, it may perhaps take a week or two of stability before we understand where the new reality on prices actually is, as the coveted USD 700/LDT level (and above) still appears somewhat illusory for the most part and on most standard units.

For week 11 of 2022, 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	Bangladesh	Weakening	660 / LDT	670 / LDT	680 / LDT
2	India	Weakening	640 / LDT	650 / LDT	660 / LDT
3	Pakistan	Weakening	630 / LDT	640 / LDT	650 / LDT
4	Turkey	Steady	450 / LDT	460 / LDT	470 / LDT

BANGLADESH

RESISTANCE!

Unwilling.

There is certainly some resistance from Bangladeshi Recyclers to dip back into the market at these extraordinarily firm numbers, even after this week's decline in local steel plate prices (to the tune of about USD 17/Ton).

Much of the talk recently has surrounded levels exceeding USD 700/LDT, but it would appear very few Recyclers are willing to seriously engage in discussions at these incredible numbers, given this week's cooling on commodity prices.

Bounceback?

India has bounced back from its precipitous fall in steel prices early in the week, so it may be that Chattogram Buyers respond equally firmly, especially given the ongoing sparsity of candidates.

For now however, the market remains rather muted, fearful of potential falls further ahead.

INDIA

Yo yo!

After the precipitous drop in steel plate prices early in the week (where levels fell nearly USD 65/LDT) coupled with a recent currency depreciation (to the tune of about 4% percent), the Indian market appeared to be in the doldrums this time last week.

Rebound.

However, steel prices clawed back much of that lost ground over this past week, up by over USD 45/Ton by the time the week ended, eliminating at least half of the recent losses and regain some of the local confidence.

End Buyers are still somewhat cagey about negotiating at levels in the mid (and higher) USD 600s/LDT, however they may be left with no alternative in order to fill plots and satisfy their L/C limits.

Fish factory sold.

The concern remains that should the Ukraine crisis be a prolonged one, India (who purchases a healthy chunk of its oil from Russia), may find it hard to sustain regular imports, especially in the wake of the recent crippling sanctions. It is feared that this in effect, may have long term economic implications for the Indian economy, whereby inflation may subsequently hit hard with the rising gas prices and especially if the Indian government is unable to sustain the sale of gas at current levels.

On the sales front, one specialist unit was concluded to Alang buyers this week as the Poland built, (locally favored - due to the prevalence of non-ferrous on board) fish factory SVEABORG (5,015 LDT) was committed for an excellent USD 795/LT LDT.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
SVEABORG	Fish Factory	5,015	USD 795/LT LDT

PAKISTAN

RELUCTANT!

Quieter.

Pakistani Buyers remain somewhat quiet, despite recently coming back into the picture to compete with India (and even Bangladesh on a couple of units) once again.

There does seem to be some reluctance to acquire tonnage at these higher rates after another stunning surge in prices across the sub-continent market at the start of this year, but if Gadani Recyclers wish to compete and continue to secure tonnage, they are left with no other options.

Not stepping up.

The lack of local market (and even seemingly private) fixtures has made its presence known, with the lack of any fresh arrivals at Gadani's waterfront this week and the only unit at local anchorage, finding its final resting place at a local yard.

As such, it has been another quiet week in Gadani, with end Buyers struggling to step up and get their heads around these higher numbers on show.

TURKEY

RE-ADJUSTING?

Just like in the subcontinent markets, local steel plate prices in Turkey went through a comparatively milder re-adjustment period this week. Not only did import steel decline by about USD 15 / Ton, but local steel plate prices also saw a minor correction – to the tune of about USD 10/Ton this week.

Steel plates fall.

Notwithstanding, the far firmer levels on offer from Recyclers on regular tonnage remain steady and Owners in European waters looking for sub-continent levels from 2 years ago will not be disappointed in concluding a quick sale (or two).

With the ongoing conflict in the Black Sea, local Recyclers remain conscious about the jump in levels and that prices could come rolling down with the end of the fighting. While that remains to be seen how long it will take, levels remain beyond impressive for now and certainly worth a quick fixture.

Impressive prices.

AMAZING FACTS

- Each year 16 million thunderstorms happen around the world, and at any given moment, there are about 2,000 thunderstorms in progress.
- Sweden has 267,570 islands, the most of any country in the world.
- Australia contains a number of pink lakes, but the most stunning is the Pepto Bismol-colored Lake Hillier. The color may be the result of certain algae.
- At over 29,000 feet tall, Mt. Everest is the highest point on Earth, but it doesn't compare to the deepest point on Earth, the Mariana Trench, which is over 36,000 feet deep—nearly seven miles—in the Pacific Ocean.
- This isn't exactly a "fun" fact, but there are over 200 dead bodies of climbers on Mt. Everest because it's so difficult to bring them down.
- Only two people have ever swum the entire length of the 2,350-mile Mississippi River: Slovenian long-distance swimmer Martin Strel in 2002 and American former Navy SEAL Chris Ring in 2015. Strel swam for 68 days in a row; Ring took one day off a week, taking 181 days.
- Visitors are not allowed to scatter loved ones' ashes at Disney World or Disneyland. This is apparently a problem, particularly around the Haunted Mansion attraction.
- There's a world record for the holder of the most world records: Ashrita Furman, who's set more than 600 records and currently holds more than 200. His records have ranged from fastest mile on a pogo stick, longest time to hula hoop underwater and greatest distance traveled on a bicycle balancing a milk bottle on the head.

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
March 19 – Holi April 10 – Ram Navami April 15 – Good Friday	March 17 – March 24 March 30 – April 05 April 16 – April 22

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
March 26 – Independence Day April 14 – Bengali New Year's Day April 29 – May Day	March 19 – March 22 April 01 – April 04 April 17 – April 20

IMPORTANT BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No holidays in March April 05 – Qinning Festival	March 23 – Pakistan Day No holidays in April	April 23 – National Sovereignty and Children's Day

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ALANG - Port Position as of March 18, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Al Baraka III</i>	1,963	<i>Livestock Carrier</i>	<i>Beached March 16</i>
2	Cape Enterprise	22,043	Bulk Carrier	Arrived March 07
3	<i>Harriet</i>	2,292	<i>Tanker</i>	<i>Beached March 13</i>
4	Helsingfors	3,930	Fishing Vessel	Arrived March 14
5	MNG Capt James Cook (Under Tow)	2,778	Supply Vessel	Arrived February 12
6	Moskovskaya Olimpiad	3,916	Fishing Vessel	Arrived March 08
7	<i>Myth</i>	4,540	<i>RoRo</i>	<i>Beached March 16</i>
8	<i>Nand Aparna</i>	796	<i>Barge</i>	<i>Beached March 18</i>
9	<i>Sapper</i>	5,503	<i>Chemical Tanker</i>	<i>Beached March 16</i>
10	<i>Tag 5</i>	1,764	<i>Supply Vessel</i>	<i>Beached March 09</i>
Total Tonnage		49,525		

CHATTOGRAM - Port Position as of March 18, 2022

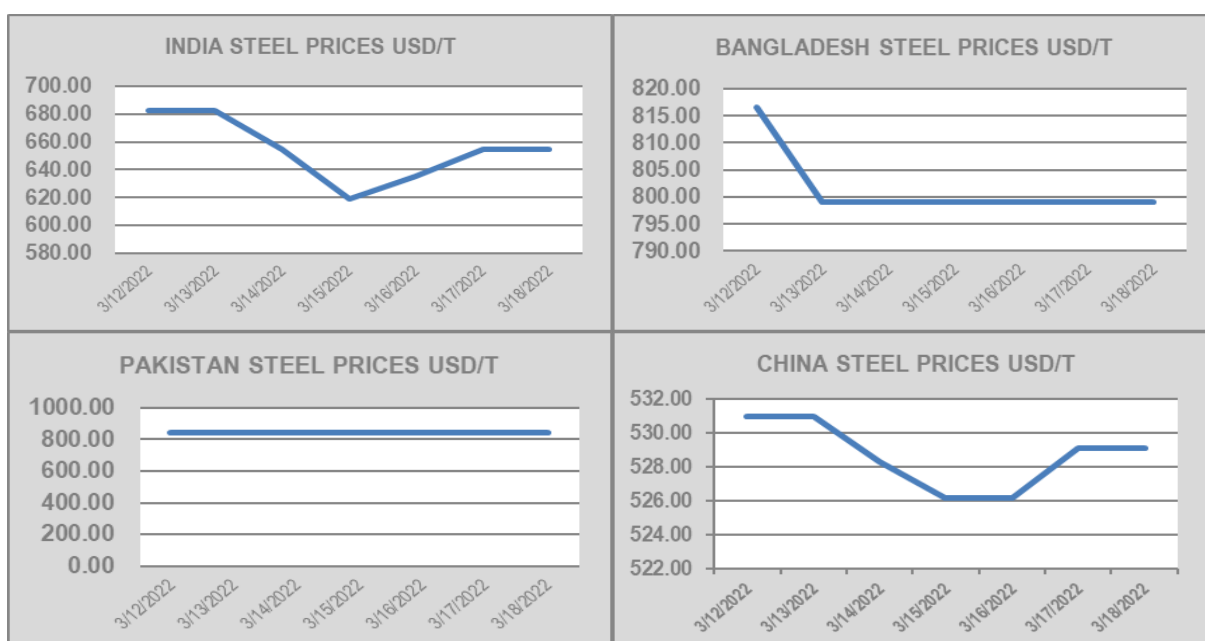
No.	VESSEL NAME	LDT	TYPE	STATUS
1	Aristos	10,529	Tanker	Arrived March 11
2	EX BNS Shahjalal	TBA	Supply Vessel	Arrived March 10
3	Gala	16,885	Tanker	Arrived February 28
4	Kapten Caroq	20,015	Tanker	Arrived March 11
5	One Vision	13,616	Bulk Carrier	Arrived March 15
6	Petrogaruda	19,015	Tanker	Arrived March 10
7	Rugen 7	8,865	Tanker	Arrived March 15
Total Tonnage		88,925		

GADANI - Port Position as of March 18, 2022

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Trident Bird</i>	2,000.00	<i>Tanker</i>	<i>Beached March 12</i>
Total Tonnage		2,000		

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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
3/12/2022	682.77	52,300.00	845.71	148,000.00	816.69	69,500.00	530.98
3/13/2022	682.77	52,300.00	845.71	148,000.00	799.06	68,000.00	530.98
3/14/2022	654.39	50,100.00	845.71	148,000.00	799.06	68,000.00	528.30
3/15/2022	618.72	47,400.00	845.71	148,000.00	799.06	68,000.00	526.19
3/16/2022	635.05	48,200.00	845.71	148,000.00	799.06	68,000.00	526.19
3/17/2022	654.35	49,600.00	845.71	148,000.00	799.06	68,000.00	529.13
3/18/2022	654.35	49,600.00	845.71	148,000.00	799.06	68,000.00	529.13



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