

KTL shines on debut while Mercator skids

Oh Boon Ping

403 words

15 December 2007

[Business Times Singapore](#)

English

(c) 2007 Singapore Press Holdings Limited

Rigging equipment supplier closes 18% up, shipping line ends day 21% down

WHAT a contrast in fortunes. Shares of [KTL Global](#) shot up in price on its first day of mainboard trading yesterday, but those of fellow debutant [Mercator Lines \(Singapore\)](#) skidded.

The share price of KTL, a supplier of rigging equipment and services to the oil and gas industry, hit a day-high of 36 cents for a 28.6 per cent gain before closing at 33 cents - 18 per cent above its initial public offering (IPO) price of 28 cents. The stock's day low was 31.5 cents. Some 42 million shares changed hands.

KTL, which raised net proceeds of \$9.6 million by selling 40 million new shares in its initial share offering, plans to use part of the funds for potential acquisitions.

It has a presence in the Middle East and the Asia-Pacific with customers in Singapore, Hong Kong, China, Australia, and Europe.

From July 1 to Oct 26, KTL's confirmed sales orders amounted to about \$24 million, of which about \$19 million has been fulfilled.

Shares of Mercator, a unit of Indian shipping firm Mercator Lines, plummeted after trading briefly at a day high of 77.5 cents. The stock sank to close at its day low of 60 cents, 21 per cent below its IPO price of 76 cents. More than 66 million shares were traded.

Mercator grossed \$205 million in the IPO from 270 million shares at 76 cents each. Its plans for the funds include acquiring vessels, investing in maritime firms and partially redeeming its bonds.

Mercator is a leading Indian-owned, Singapore-headquartered international dry bulk shipping company focused on India and other high growth markets, like China. It specialises in transporting coal to India, and iron ore from India to countries such as China, Japan and South Korea.

It operates a relatively young fleet of 11 dry bulk vessels to primarily service large thermal-based power plants and steel companies in India.

Together with its parent company, it provides shipping logistics in the growing Indian dry bulk shipping market.

The company's strengths lie in its reputation for reliability and the good relationships it enjoys with major Indian customers, which include [Tata Power](#), Reliance and [Arcelor Mittal](#) unit Global. Tata has given Mercator a four-year contract for coal deliveries.