



December 09, 2011
Volume 114, Issue 494
Week 49

Highlights:

- Upturn in confidence?
- Double huller – concluded to India
- Bangladesh – wait almost over?
- China strikes back

Cash Buyer to be
ISO 9001:2008
Certified



“You know, somebody actually complimented me on my driving today. They left a little note on the windscreen, it said 'Parking Fine.'”

- Tommy Cooper

MARKET COMMENTARY

UPPING THE OFFERS?!

End buyer confidence took something of a turn this week as many more recyclers seemed content to offer on the various vessels entering the market. To that end, a healthier chunk of deals were concluded this week – both from cash buyer existing inventories and from new vessels made available for sale.

With levels on all types of units' still – for the most part – comfortably below the USD 500/LT LDT mark, many end buyers finally decided to take the risk on an otherwise volatile market with a vessel that could take months to cut (and months more to sell off).

As speculated last week, the first double hull VLCC has been confirmed sold to a green yard in China (again for a price well below USD 500/LT LDT), but rumors of a second HOSCO controlled unit going, unfounded this week. It was understood at the time of writing that the M/T HEBEI MOUNTAIN had been sold for storage / conversion rather than for scrap into China as many had speculated.

The Bangladeshi market faces only a few more days of waiting before the hearing set for 14th December begins. In the hearing, it is expected that a timeline will be implemented for a market extension, subject to compliance with a revamped set of guidelines to see standards improve at the yards.

China were the big winners for the week as end buyers committed to a number of Chinese owned handysize vessels at prices in and around USD 400/LT LDT (a marginally improved standing on dry units). India concluded several more containers (at tanker prices – perhaps having seen most of the gas free for man entry wet units head to Pakistan) in the only other sales movement for the week.

For week 49 of 2011, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	India	Cautious	USD 465/lit ldt	USD 495/lit ldt
2	Pakistan	Weak	USD 460/lit ldt	USD 485/lit ldt
3	China	Weak	USD 395/lit ldt	USD 415/lit ldt
4	Bangladesh	Weak	N/A	N/A

BANGLADESH

HOPES REST ON HEARING!

Next week hearing takes center stage

With a lot resting on the hearing of 14th December, several inquisitive buyers began to express interest in various vessels waiting at anchorage.

So far, there remain no indications that the market is likely to open before the end of the year (worse, before the end of January) but there is a feeling that a positive resolution next Wednesday could set a timeframe for a market extension.

New set of guidelines forthcoming

Realistically though any extension may be ratified along with a new set of guidelines for the safe and practical recycling of vessels. End buyers will have to ensure worker and yard safety in order to be guaranteed a permit to import vessels to their yards once again.

NO MARKET SALES REPORTED

INDIA

CONTAINERS COLLECT THE CASH!

Containers seems to be the watchword in WC India presently – as several more were committed to cash buyers and end buyers alike, in another busy week of buying and selling.

Sales continue – more buyers emerging

Singaporean owners PIL sold their German built container KOTA ABADI (7,617 LDT) for region USD 490/LT LDT whilst Zodiac continued their clear-out of older vessels (with several sold already for recycling this year from their Capesize fleet), with the MSC MAHIMA (16,143) achieving an astonishing price of USD 517/LT LDT.

Containers – keeping on

The fact that she was built in France (decent country of build due to nonferrous content usually found on board) and was equipped with full spares (with each bronze propeller weighing a whopping 32 Tons as opposed to the standard 16 Tons found on vessels of this size/type) meant that a well-deserved premium was forthcoming.

Meanwhile, on the local fundamentals front, the Indian rupee and local steel prices both continued their erratic behavior as both suffered another bout of setbacks towards the end of the week. The Indian Rupee in fact suffered another 1 percent decline against the US Dollar and scrap steel prices fell by Rs. 300 (about \$6/Ton) per ton.

Stable days – not quite yet

Rather than hail the days of stability and serenity, the days of pain (that have been so evident recently) may not yet be at an end..

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
KOTA ABADI	Container	7,617	USD 490/LT LDT
MSC MAHIMA	Container	16,143	USD 517/LT LDT
ZIEMIA SUWALSKA	Bulker	6,622	USD 473/LT LDT

PAKISTAN

BACK FOR THE BARGAINS!

*Demand diverts
tonnage*

The demand from Pakistan buyers was once again evident for the week, with several cash buyer vessels (both 'as is' and acquired some weeks ago), finally committed to Gadani end buyers at prices (generally) below expectations.

Many end buyers previously reticent to offer even returned to the scene now smelling blood and perhaps a bargain or two.

Turnover or rollover

Tankers are now receiving well below USD 4/LT LDT – but due to costs of cleaning to hot works standards for WC India delivery, the lower price in Gadani usually makes sense to owners and cash buyers.

Given the need for many cash buyers to turnover their inventory and swallow whatever losses may already have been incurred, a pegging on levels has emerged, and it seems to be to the liking of many local buyers.

NO MARKET SALES REPORTED

CHINA

PEDDLE TO MEDDLE!

With year-end and Chinese new year fast approaching, Chinese buyers cranked into top gear once again to stock their yards with vessels before the holiday season / renewal of licenses.

Handysize hunting

With prices on dry vessels even creeping slightly over the USD 400/LT LDT mark on certain units (the KAI HONG at USD 405/LT LDT springs to mind this week), further progress was made on their Indian sub-continent competitors.

It favors the Chinese buyers whilst Bangladesh remains out of the game, as all the geographically positioned tonnage ends up in their hands. This week several handysize bulker were concluded – the SILVANA (8,023 LDT) at USD 395/LT LDT, the aforementioned KAI HONG (7,600 LDT), and the DA TONG (7,878 LDT), all direct from Chinese owner to yard.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
DA TONG	Bulker	7,878	USD 400/LT LDT
KAI HONG	Bulker	7,600	USD 405/LT LDT
SILVANA	Bulker	8,023	USD 395/LT LDT

ANIMAL TRIVIA!

- *A flamingo can eat only when its head is upside down.*
- *Certain frogs can be frozen solid then thawed, and continue living.*
- *The eye of the giant squid is fifteen inches in diameter -- the size of a basketball.*
- *A group of unicorns is called a blessing.*
- *A group of kangaroos is called a mob.*
- *Ninety-nine percent of all lobsters die a few weeks after hatching. In fact, the odds are 10,000 to 1 against any larval lobster living long enough to end up as a lobster dinner.*
- *Hummingbirds are the only animals that can fly backwards.*
- *Ancient Romans ate flamingo tongues and considered them a delicacy.*
- *Elephants and camels both have four knees.*
- *The muzzle of a lion is like a fingerprint -- no two lions share the same pattern of whiskers.*
- *Humans can infect dogs with yawning.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
December 06 - Muharram December 25 – Christmas Day December 31 – Reserve bank of India closed.	Nov 22 – Dec 01 Dec 08 – Dec 17 Dec 21 – Dec 30

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
December 06 – Muharram December 16 – Bijoy Dibosh (Victory Day) December 25 – Christmas	Dec 13 – Dec 16 Dec 26 – Dec 29

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 December 09, 2011

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Areti I	6,060	General Cargo	Arrived Nov 24
2	ESM Traveller	5,533	Container	Beached Dec 07
3	Flora S	4,416	General Cargo	Arrived Dec 06
4	Liquid Crystal	2,810	Tanker	Arrived Dec 08
5	Melina I	7,343	Bulker	Beached Dec 06
6	Mi Rae	7,200	Bulker	Arrived Nov 02
7	Michalis K	4,182	General Cargo	Arrived Dec 08
8	MSC Magali	14,703	Container	Arrived Dec 05
9	Paragon	6,804	Bulker	Beached Nov 30
10	Pari	8,774	Tanker	Beached Dec 09
11	R Shipper	5,783	RoRo	Arrived Nov 29
12	Ruhunupura	3,140	General Cargo	Arrived Nov 19
Total Tonnage		76,748		

CHITTAGONG - Port Position as of December 09, 2011

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Dibena Express	2,389	General Cargo	Arrived Oct 21
Total Tonnage		2,389		

GADANI - Port Position as of December 09, 2011

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Front Delta	23,054	Tanker	Beached Dec 03
2	George Lyras	8,261	Bulker	Beached Dec 07
Total Tonnage		31,315		

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.