

December 27, 2013
Volume 136, Issue 600
Week 52

Highlights:

- Christmas slowdown.
- Markets sentiments improve.
- Prices firm.
- Market sales reported.
- 600th Issue of the GMS WEEKLY.

Cash Buyer to be
ISO 9001:2008
Certified



"Don't follow in my footsteps. I think I stepped in something."

- Unknown

MARKET COMMENTARY

CHRISTMAS EASE...

Although a few market sales were reported this week, SNP activity for the most part came to a much slower pace (in comparison to recent weeks), thanks to the majority of the ship-owning fraternity celebrating Christmas (for a good part of the week) away from business / regular SNP activities.

Moreover, with New Year just around the corner and the traditionally holiday / festive period setting at ease the normally aggressive pace of the recycling industry, we do expect marginal activity for most of next week as well. As a result, very few units were working this week and few fixtures being reported.

On the local market front, India remained steady with the INR bouncing between Rs. 61 – 62 against the U.S. Dollar. Local steel plate prices saw a strong firming post-Christmas and local buyers came forward seeking tonnage that remained missing from the bidding tables. The Pakistani Rupee too found itself stabilizing post-Christmas, after some early-week spikes that sent jitters through local sentiments. Notwithstanding, levels managed to hold as Pakistani recyclers too were eager to offer for their preferred tonnage i.e. tankers gas free for man entry.

On the other side, even though demand remained relatively firm and steel prices marginally improved, Bangladeshi political strife, blockades, and shutdowns, all impeded levels from improving and restricted the ability of local recyclers to compete effectively for tonnage. Lastly, the Chinese market saw demand and prices firming up this week as the dithering supply of Chinese flagged vessels has likely motivated buyers in North and South to come forth and pick a few units.

With the New Year just around the bend, the (expected) historical firming of the markets in January mixed with relatively steady / marginally firming fundamentals this week does make for a potentially interesting launch to 2014.

For week 52 of 2013, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	India	Bullish	USD 415/ltr ldt	USD 445/ltr ldt
2	Bangladesh	Bullish	USD 410/ltr ldt	USD 440/ltr ldt
3	Pakistan	Bullish	USD 405/ltr ldt	USD 440/ltr ldt
4	China	Weak	USD 340/ltr ldt	USD 350/ltr ldt

We would like to wish our readers a Merry Christmas and a Happy New Year.

BANGLADESH

WEAK...& STRONG??

Speculative purchase?

On the one hand, even though demand and prices remained steady and local steel plate prices even improved marginally this week, local hurdles (Bangladeshi political problems, blockades, and shutdowns) contributed to the unwillingness of Bangladeshi buyers to offer firmer levels for available tonnage.

Yet, cash buyers, in their ever optimistic / speculative mindset are anticipating a post-election (during the second week of January) market jump and willing to place their bets as such.

Quiet end to the year.

Evidence of this presented itself via the sale of the panamax bulker MV CARPIO (10,019 LDT) at a massive \$442/LT less standard commissions. Considering that the only thing the vessel has going for it is a February 2014 delivery schedule (i.e. no spares or bunkers to significantly enhance her value), the fixing price is indeed an eye-opener and a welcome Christmas present to the respective ship-owner (so long as the vessel does get beached without incident).

Notwithstanding, prices remain steady and the market is expected to maintain status quo entering 2014.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
CARPIO	Bulker	10,019	USD 442/LT LDT

INDIA

GEARING UP TO JUMP?

Key market indicators this week seemed to hint at a potentially firming end of the year and (further) improving prices as 2014 comes around.

Firming imminent?

The only limiting factor to harness the potential of the market is the dearth of readily working tonnage as most ship-owners remained absent from the bidding tables due to Christmas holidays and upcoming New Year celebrations. Consequently, India witnessed a no (market) sale week this week.

The Indian Rupee has remained steady, hovering around the Rs. 61 – 62 against the U.S. Dollar, while local steel plate prices saw notable firming as the week ended. However, a dearth of negotiable tonnage kept the reins on market fixtures.

Rupee remains steady.

As the year nears an end, India has once again shown itself to be the market of the 2013 with its record purchases and number of deals concluded.

NO MARKET SALES REPORTED

PAKISTAN

TANKERS FOR THE TAKING!

Pakistan takes 2.

With gas free for hot works expenses eating into the potential profitability and success of present-day margin strapped recycling deals, Pakistan has found itself a successful niche via its comparatively less stringent gas free requirements, the least expensive inward clearance expenses of the various recycling destinations and no-wait times for tides for beaching.

As such, it is no surprise to see a majority of owners with tankers seriously considering, and making their way to Gadani shores.

Quiet week ahead?

This week, at least one private fixture (owing to gas free for man entry requirement) and another tanker - M/T HALIFAX (7077 MT LDT) - sold basis "as is" West Africa at USD 300/LT could also likely end up here, as long as Pakistan prices remain competitive.

Meanwhile, the Pakistani Rupee saw weekending stability/improvements and the availability of locally preferred tonnage saw levels firming up (albeit marginally). As the year nears an end and the holiday / festive mood remains beset amidst the ship-owning community, next week could end a quiet one for Gadani buyers.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
HALIFAX	Tanker	7,077	USD 300/LT LDT (As Is W. Africa)

CHINA

YEAR END ACTIVITY!

The traditional pre-Chinese New Year surge that sees end buyers keen to stock their yards and fulfill quotas before the renewal of licenses, finally showed signs of springing into life this week.

Pace picking up.

Steel prices and demand started to bounce back - presumably due to a dwindling supply of Chinese flagged vessels from state owners - and several markets sales were concluded for the week as a result.

The panamax bulker YUN TONG (11,843 LDT) was concluded direct from Chinese owners to yard with 200 T of crane removals not deducted from the LDT for a decent USD 350/LT LDT. Additionally, Hoegh continued their clear out of older tonnage with the sale of their PCC HOEGH TROPICANA for guaranteed green recycling. Being a private deal, both price and vessel's lightweight remain to be determined.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
HOEGH TROPICANA	PCC	TBD	TBD
YUN TONG	Bulker	11,843	USD 350/LT LDT

HMMMMMM...

- *Average number of squirts from a cow's udder needed to yield a gallon of milk: 345.*
- *Avocados have the highest calories of any fruit at 167 calories per hundred grams.*
- *If the government has no knowledge of aliens, then why does Title 14, Section 1211 of the Code of Federal Regulations, implemented on July 16 1969, make it illegal for U.S. citizens to have any contact with extraterrestrials or their vehicles?*
- *Like fingerprints, everyone's tongue print is different.*
- *It is physically impossible for pigs to look up into the sky.*
- *Only one person in two billion will live to be 116 or older.*
- *It's possible to lead a cow upstairs...but not downstairs.*
- *Women blink nearly twice as much as men.*
- *A snail can sleep for three years.*
- *The cigarette lighter was invented before the match.*
- *Before he became a dictator Fidel Castro tried to become a baseball player and did have a pretty good curve ball*
- *An albatross can sleep while it flies at 25 mph.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
December 25 - Christmas	Dec 01 – Dec 09 Dec 16 – Dec 31

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
December 25 – Christmas December 31 – Bank Holiday	Dec 02 – Dec 06 Dec 17 – Dec 20

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ALANG - Port Position as of December 27, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Hoang Son 28 (Dead Vessel)	7,155	Bulk Carrier	Arrived December 26
2	Hong Kong Ex. Conti Hong Kong	7,629	Container	Beached December 24
3	ICGS Tarabai (Dead Vessel)	147	Patrolling	Beached December 25
4	Ji Yang	4,085	Reefer	Arrived July 23
5	Maranjós	1,773	General Cargo	Arrived November 27
6	MSC Anafi	13,850	Container	Arrived December 24
7	Om Shakti Ex. Win Eagle	4,418	Bulk Carrier	Arrived December 26
8	Paul Ex. Paula 1	6,894	Bulk Carrier	Arrived December 19
9	Thebeland	10,880	Roro	Beached December 22
10	Vum Ex. Acrobat	9,279	Bulk Carrier	Arrived December 23
Total Tonnage		66,111		

CHITTAGONG - Port Position as of December 27, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ice	8,017	General Cargo	Beached December 24
2	Simple (Dead Vessel) Ex. Simple I	6,137	Tanker	Arrived December 21
3	Vasily Burkhanov	11,034	RoRo / General Cargo	Beached December 21
Total Tonnage		25,188		

GADANI - Port Position as of December 27, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Barawati	14,567	Tanker	Beached December 26
2	Charm Ex. T.M. Harmony	37,833	VLCC	Arrived December 23
3	Ilios	11,476	Bulk Carrier	Arrived December 26
4	Leila	1,242	RoRo	Beached December 18
Total Tonnage		65,118		

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