

January 04, 2012  
Volume 126, Issue 550  
Week 01

## Highlights:

- First week fireworks.
- Steel price upswing.
- Cash buyers – speculating again.
- Words of warning.
- China tug of war.

Cash Buyer to be  
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“You make a living by what you earn; you make a life by what you give.”

- Winston Churchill

## MARKET COMMENTARY

### BULLISH ACROSS THE BOARD!

The first week of 2013 brought with it plenty of fireworks as prices pushed on in all markets, amidst an increasing hunger to buy and some sensational deals were concluded off the back of this. It has been some time since we have been able to say that markets are bullish across the board, but going into the second week of 2013, it certainly appears to be that way!

Improving steel prices saw an upswing in levels in both China and India and the quieter December / Christmas / New Year period seems to have given local buyers, a chance to recharge their batteries and regain their hunger.

Cash buyers too have begun the year in fine fettle, speculating on a number of larger LDT container vessels from big owners, apparently convinced that a further upswing in price is imminent.

Of course, this is all very well if the current price trend does continue, but there were signs towards the end of the week of a wavering sentiment, with the Indian rupee once again trading at a dire Rs. 55 to the US Dollar (amidst speculation that it could yet depreciate further).

India has been such a volatile force over the past year or so, with short peaks and persistent, agonizing troughs. The losses incurred in 2012 by the majority of industry players were heavy and those prepared to put their faith in such unstable market dynamics, should have surely learnt their lessons by now.

Not wishing to be outdone, the Chinese market provided serious and real competition to the Indian sub-continent (particularly Bangladesh for geographically positioned units), and there was a real tug of war between the larger vessels on offer (as to who would eventually secure).

Encouraging signs though for the first week of 2013 and long may it continue with another record year seemingly set on the horizon!

For week 01 of 2013, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	Bangladesh	Bullish	USD 410/ltd	USD 435/ltd
2	India	Bullish	USD 405/ltd	USD 430/ltd
3	Pakistan	Bullish	USD 400/ltd	USD 425/ltd
4	China	Bullish	USD 390/ltd	USD 400/ltd

## BANGLADESH

### BACK TO BUY!

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*Making do on available tonnage.*

Through a dearth of preferred larger units (capesize and suezmax / VLCC tankers), the Bangladeshi market this week had to make do with the only tonnage on offer to them – handysize bulkers (and those either in the area or discharging Chittagong).

It was a particularly tough year in 2012 for owners of vessels plying the clinker trade into Chittagong and looking to sell for demo. Bangladeshi buyers took an extreme aversion to buying these sorts of units – generally older and in poor condition due to the nature of the cargoes carried and the excessive residue left on board upon delivery.

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*Prices there for right units.*

Increasingly though, it is easier to find buyers for the better grain carrying handy bulkers kept in good condition for instance (much as it is in WC India) and these sorts of vessels might even obtain a premium rather than a discount if marketed correctly, especially if a buyer takes interest in the unit.

Prices on the right units therefore saw Bangladesh lead the way for another week as more buyers emerged to the table, eager to import vessels once again following a prolonged period (encompassing much of the fourth quarter of 2012) on the sidelines.

### MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ELVER	Bulker	7,402	USD 420/LT LDT
HERON	Bulker	7,324	USD 415/LT LDT

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## INDIA

**BAGGING SOME STUNNERS!**

After another turbulent fourth quarter where prices tumbled off the back of currency and steel price volatility, 2013 has started in stunning fashion for WC Indian recyclers.

Seemingly through sheer speculation, several incredible high priced deals were concluded this week by eager cash buyers, confident of a hefty market upswing (following on from the impressive sale of the 14kldt Tsakos controlled MSC BRASILIA 'as is' Singapore for USD 442/LT LDT the previous week - including some 300T bunkers at time of delivery).

Another Taskos container fetched USD 463/LT LDT for a delivery WC India whilst Cyprus Maritime bagged an unbelievable USD 473/LT LDT for their ALEXANDER (17,348 LDT) – all clear signs that the Indian love affair with decent container units remains untouched.

The good size and ownership of the above two largely being responsible for the numbers on show – still highly speculative though on a market that may well bite back once again with the rupee trading at excess Rs. 55 to the USD dollar.

The other deal for the week saw the AL QAWIYU (7,604 LDT) fetch a fine USD 426/LT LDT with approximately 200 T bunkers upon arrival.

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*Prices roar on.*

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*Containers strike it rich!*

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*Bulker bags big.*

## MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
AL QAWIYU	Bulker	7,604	USD 426/LT LDT (with approx 200 T bunkers ROB)
ALEXANDER	Container	17,348	USD 473/LT LDT
IRENESE DREAM	Container	12,135	USD 463/LT LDT

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## PAKISTAN

### TOO LITTLE TOO LATE!

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*Competing markets  
push on.*

Pakistan could do little but watch in awe as their sub-continent competitors roared on aggressively, picking up several units at increasingly impressive numbers.

Indeed, just to stay in the hunt on certain vessels, Pakistan recyclers saw themselves having to stretch out and adjust their numbers upwards accordingly – often in vain.

A quieter week therefore ensued for Gadani buyers, with their offers left largely in the shade from the likes of India and Bangladesh and the improving China market swinging geographically positioned capes and larger sized tonnage (favored for Pakistan) away from their clutches.

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*Unable to secure.*

NO MARKET SALES REPORTED

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## CHINA

### PRICES FLY PRE CNY!

Chinese ship recycling levels shot up this week off the back of improving steel prices and the need for yards to import ships before the onset of Chinese New Year holidays at the start of February.

There were rumors of capesize vessels and other favorably sized dry tonnage receiving offers close to USD 400/LT LDT.

Indeed one such vessel, the TURNBERRY GLORY (10,363 LDT) was committed for an extraordinary price of USD 430/LT LDT – albeit with almost 1,000 T bunkers onboard the vessel upon arrival into North China.

Any ships arriving in January are likely to receive premiums amidst the usual pre-Chinese New Year flurry of activity / speculation on prices.

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*Prices push on*

#### MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
TURNBERRY GLORY	Bulker	10,363	USD 430/LT LDT (including 950 T bunkers)

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**HMMMMM!**

- ↘ *When fat is broken down in your body, it turns into water and carbon dioxide, which are expelled by sweating, urinating, and breathing.*
- ↘ *In China, sight-impaired people are trained as masseurs so they can earn money and feel useful society.*
- ↘ *Liam Neeson was an Irish amateur boxing champion, a forklift driver for Guinness, and dropped out of degree in Computer Science, all before the age of 25.*
- ↘ *A restaurant in L.A. gives 5% off to patrons that give up their cell phones before being seated.*
- ↘ *Research has shown that the Beer has nothing to do with the “Beer Gut”.*
- ↘ *Playstation 3’s are being used to research Black Holes.*
- ↘ *Not a single engineer made it off the Titanic; they stayed and kept the power on so others could escape.*

**IMPORTANT DATES**

<b>INDIA</b>	
<b>BANK HOLIDAYS</b>	<b>BEACHING TIDES</b>
January 01 – New Years Day January 25 – Id-E-Milad January 26 – Republic Day	Jan 10 – Jan 17 Jan 26 – Feb 02

<b>BANGLADESH</b>	
<b>BANK HOLIDAYS</b>	<b>BEACHING TIDES</b>
January 01 – New Years Day January 25 – Eid Milad un-Nabi	Jan 12 – Jan 15 Jan 27 – Jan 30

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## ALANG - Port Position as January 04, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Avanta Ex Oriental Swan</i>	6,207	<i>Bulk Carrier</i>	<i>Beached Dec 29</i>
2	Bharani	7,815	General Cargo	Arrived Dec 27
3	<i>Bow Leopard</i>	9,598	<i>Tanker</i>	<i>Beached Jan 04</i>
4	<i>Emden I</i>	4,351	<i>General Cargo</i>	<i>Beached Dec 30</i>
5	Friendship V	6,865	Bulk Carrier	Arrived Dec 27
6	Hae Un	6,227	Bulk Carrier	Arrived Dec 29
7	<i>Ilya</i>	5,060	<i>General Cargo</i>	<i>Beached Dec 29</i>
8	<i>Matilda</i>	14,690	<i>Bulk Carrier</i>	<i>Beached Jan 03</i>
9	<i>MSC Dymphna</i>	12,774	<i>Container</i>	<i>Beached Jan 01</i>
10	MSC Washington	19,220	Container	Arrived Dec 27
11	<i>Nica</i>	8,515	<i>Container</i>	<i>Beached Jan 02</i>
12	<i>Ora Ex Soraya</i>	9,843	<i>Container</i>	<i>Beached Jan 01</i>
13	Sejin	12,203	Vehicles Carrier	Arrived Jan 01
14	Sujin	4,950	Container	Arrived Jan 03
15	<i>SV Nikolay</i>	7,848	<i>Bulk Carrier</i>	<i>Beached Jan 03</i>
16	<i>TSM</i>	15,580	<i>Container</i>	<i>Beached Dec 29</i>
<b>Total Tonnage</b>		<b>151,746</b>		

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### CHITTAGONG - Port Position as of January 04, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Attractive</i>	7,468	<i>Bulker</i>	<i>Beached Jan 01</i>
2	<i>Energy</i>	24,131	<i>Bulker</i>	<i>Beached Jan 31</i>
3	<i>Eridge</i>	16,035	<i>Bulker</i>	<i>Beached Jan 02</i>
4	<i>Great News</i>	13,676	<i>Tanker</i>	<i>Beached Dec 30</i>
5	<i>Italiano</i>	14,465	<i>Container</i>	<i>Arrived Dec 29</i>
6	<i>Kee Lung</i>	7,923	<i>Bulker</i>	<i>Beached Jan 03</i>
7	<i>Piri Ex Torben Spirit</i>	16,841	<i>Tanker</i>	<i>Arrived Dec 30</i>
<b>8</b>	<b>Ratan Pearl</b>	<b>3,318</b>	<b>Bulker</b>	<b>Arrived Nov 11</b>
9	<i>Ross Ex Glenross</i>	18,668	<i>Tanker</i>	<i>Beached Jan 03</i>
10	<i>Sardinia</i>	14,093	<i>Container</i>	<i>Beached Jan 29</i>
11	<i>Spring Breeze I</i>	7,415	<i>Bulker</i>	<i>Beached Jan 01</i>
12	<i>Vine</i>	15,071	<i>Bulker</i>	<i>Beached Jan 03</i>
<b>Total Tonnage</b>		<b>159,103</b>		

### GADANI - Port Position as of January 04, 2013

No.	VESSEL NAME	LDT	TYPE	STATUS
1	<i>Amira Dina</i>	6,244	<i>Bulker</i>	<i>Beached Dec 29</i>
2	<i>Anna</i>	23,521	<i>Tanker</i>	<i>Beached Jan 01</i>
3	<i>Arauelos Ex Caravelas</i>	6,841	<i>Tanker</i>	<i>Beached Dec 31</i>
4	<i>Lady Sera</i>	6,406	<i>Bulker</i>	<i>Beached Dec 30</i>
5	<i>Lanka ex Rofos</i>	13,707	<i>Tanker</i>	<i>Beached Dec 30</i>
6	<i>Maud</i>	16,811	<i>OBO</i>	<i>Beached Dec 29</i>
7	<i>Pheonix</i>	17,898	<i>Bulker</i>	<i>Beached Jan 01</i>
<b>Total Tonnage</b>		<b>91,427</b>		

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