



March 29, 2012
Volume 116, Issue 510
Week 13

Highlights:

- Centre of power shifts
- All markets secure tonnage
- Indian struggles
- End of financial year
- Bangladesh – China firm

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“Logic will get you from A to B.
Imagination will take you everywhere.”

- Albert Einstein

MARKET COMMENTARY

POWER PLAY!

As one market fell, another rose, and the balance of power shifted from West to East in the power play between the competing markets. Almost all markets continued to secure tonnage (both private and market) in the clearest demonstration yet, of the importance of geographical locations. Vessels positioned in the Far East saw levels justifiably high enough to set sail for China and away from the sub-continent, while those on the way to WC India – Pakistan suddenly saw a firming Bangladesh alternative, as the week ended.

All of this bodes well for the continued influx of tonnage – particularly those capesize units expected to make their appearance over the coming weeks. Both Bangladesh and China are adept buyers of the larger units on offer, compared with Pakistan (where many of the open buyers have already satiated their appetites) and India (where a far more diverse buying approach is in place and fewer buyers of the largest units exist).

It was difficult to get any sense out of the Indian market this week due to the impending end of the financial year. This coincided with a dramatic fall in the steel prices (the single largest in the past 4 months) and a rupee that continued to struggle against the dollar. Consequently, we saw prices falling from the market titans as sales struggled to complete.

Bangladeshi rates in contrast showed signs of firming with a number of enquiries returning to the market from end-buyers claiming to have the required finance in place. The new formalities and increased waiting time (due to further necessary paperwork and inspections) were being well timed by cash buyers, end buyers and officials alike. Expect to see one or two more market sales concluded into Bangladesh in the coming weeks as owners and cash buyers look to exploit the current sentiment and test the regulations once again.

China too saw numbers pick up and bid strongly on a number of vessels on the market – a firming Bangladesh may not necessarily be the best thing for them, in terms of securing units, but there is currently a feeling throughout the industry that the number of candidates around is enough to satisfy even the most hungry of buyers.

For week 13 of 2012, GMS demo rankings for the week are as below:

Demo Ranking	Country	Market Sentiment	GEN CARGO Prices	TANKER Prices
1	Bangladesh	Weak	USD 455/ltr ldt	USD 485/ltr ldt
2	India	Weak	USD 455/ltr ldt	USD 485/ltr ldt
3	Pakistan	Weak	USD 450/ltr ldt	USD 480/ltr ldt
4	China	Bullish	USD 420/ltr ldt	USD 435/ltr ldt

BANGLADESH

ENQUIRIES TO BUY!

Returning to form..?

Bangladesh finally started to show signs of a return to form as the cash buyers involved there began to get to grips with the new regulations in place to import ships and a greater confidence returned to the numbers and the buying.

Interest on the available capesize and larger units in the market began to tell as more and more buyers began to step forward with enquiries to buy.

As ever though cash buyers had to be cautious in ensuring an onward sale was concluded to financially stable and capable end buyers – and owners need to be careful too, about whom they run with if they choose to sell their units into a still volatile and difficult Chittagong market.

Caution advised

NO MARKET SALES REPORTED

INDIA

MARKET MAYHEM!

A quieter overall start to the week in India, due to the impending financial end of year, sparked into life on the 30th with a bountiful number of sales.

End buyers cautious

The end of the high season for reefers saw yet more units fixed – and failed. The Roswell reefer committed at USD 460/LT LDT last week failed when the relevant cash buyer failed to sign the MOA. It was eventually resold as the week ended, at a comparatively paltry USD 445/LT LDT.

The abandonment of a number of deals (including the Star Reefers pair VALPARAISO STAR and TAURANGA STAR) was largely down to very few in the market even talking on levels. This was primarily due to the single most dramatic one day fall in steel prices over the past 4 months - USD 10/LT LDT - coupled with an increasingly under pressure Indian Rupee against the USD.

Deals fail – vessels unsold

However, as the week ended, a moderate recovery in steel prices did little to bring prices back up, however sentiment seemed to find some sort of stability. Yet, these seemed insufficient for the market leaders, especially as activity is expected to pick up next week as the financial year starts afresh and the markets continue to be hammered by the overabundance of units.

Afras achieve big numbers

A couple of interesting aframax tankers were sold this week both 'as is' Singapore and Colombo with the OVERSEAS REBECCA (17,045 LDT) fetching USD 485/LT LDT gas free for man entry only with 350 T bunkers ROB and the Croatian built NORTHERN BELL (16,283 LDT) picking up USD 488/LT LDT with 200 T bunkers and a gas free for hot works status.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
AL MIRQAB	Container	12,861	USD 488/LT LDT ('as is' Khor Fakkan with sufficient fuel for voyage to WC India)
EIGER	Reefer	4,179	USD 440/LT LDT
NAGOYA BAY	Reefer	6,140	USD 445/LT LDT
NORTHERN BELL	Tanker	16,283	USD 488/LT LDT ('as is' Colombo with 200 T bunkers ROB)
OVERSEAS REBECCA	Tanker	17,045	USD 485/LT LDT ('as is' Singapore with 350 T bunkers ROB)

PAKISTAN

TAKING A TANKER OR TWO!

Units secured

A number of units were this week committed to Gadani recyclers – as tanker owners in particular looked to the Pakistan market to take their tankers gas free for man entry only.

Prices have been similar in recent weeks to the Indian market – although if one end buyer sets his sights on a vessel, he is likely to go all out to secure the unit in question. This is something that occasionally prices the Pakistan market ahead of its competitors.

Laskarides sell tankers

Laskarides completed their clearout of the early 90s suezmax tankers they hold with the sale of the SEACREST (20,179 LDT) and sister SEAWAVE (20,179 LDT) for an enbloc price of USD 475/LT LDT 'as is' Singapore with approx 400 T bunkers and Fujairah with approx 150 T bunkers, both gas free for man entry only.

The gas free status suggests that they will most likely end up Pakistan candidates given the proximity of levels for all the Indian sub continent markets. This follows the sale of the GOLDWING and LOW RIDER (20,179) sold into Bangladesh earlier in the year from the same owners.

MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
SEACREST	Tanker	20,179	USD 475/LT LDT ('as is' Singapore with 400 T bunkers ROB)
SEAWAVE	Tanker	20,179	USD 475/LT LDT ('as is' Fujairah with 150 T bunkers ROB)

CHINA

UP FOR GRABS!

Firming of local numbers was evident this week in China as the bidding on the various cape bulkers available went into overdrive.

Holidays halt activities

A number of private units were committed and yet more under negotiation going into the Qing Ming festival this week.

Both Saturday and Sunday were working days in China to accommodate the first three days of the coming week off. As such, there may be a slowdown in activity – despite several units from owners and yards still being negotiated. This may play into the hands of Bangladesh and the rest of the Indian sub continent markets with plenty up for grabs over the coming weeks.

NO MARKET SALES REPORTED

RANDOM FACTS!

- *When you die your hair still grows for a couple of months.*
- *Rhode Island is the smallest state with the longest name. The official name, used on all state documents, is "Rhode Island and Providence Plantations."*
- *The Eisenhower interstate system requires that one mile in every five must be straight. These straight sections are usable as airstrips in times of war or other emergencies.*
- *It is believed that Shakespeare was 46 around the time that the King James Version of the Bible was written. In Psalms 46, the 46th word from the first word is shake and the 46th word from the last word is spear.*
- *Karoke means "empty orchestra" in Japanese.*
- *The surface area of an average-sized brick is 79 cm squared.*
- *The numbers '172' can be found on the back of the U.S. \$5 dollar bill in the bushes at the base of the Lincoln Memorial.*
- *The newspaper serving Frostbite Falls, Minnesota, the home of Rocky and Bullwinkle, is the Picayune Intelligence.*

IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
April 05 – Mahavir Jayanthi April 06 – Good Friday	Apr 05 – Apr 12 Apr 19 – Apr 26

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
April 14 – Bangla New Year's Day	Apr 06 – Apr 09 Apr 22 – Apr 25

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 March 29, 2012

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Alex D	13,752	Bulker	Beached Mar 27
2	Alexi I	6,316	General Cargo	Beached Mar 24
3	Ansera	6,505	Bulker	Arrived Mar 24
4	Ceren Urkmez	5,865	General Cargo	Beached Mar 27
5	Fisher K	7,340	Bulker	Arrived Mar 27
6	Fountain	6,485	Bulker	Arrived Mar 29
7	Hardt	2,677	Tanker	Beached Mar 27
8	Heron	10,797	General Cargo	Arrived Mar 18
9	Jia Xin	12,248	Bulker	Arrived Feb 22
10	Jia Yang I	12,161	Bulker	Beached Mar 27
11	Jolly	20,044	RoRo	Beached Mar 25
12	Miranda	14,275	Bulker	Arrived Mar 29
13	MSC Leila	7,900	Container	Arrived Mar 23
14	Napier	5,528	Reefer	Beached Mar 24
15	Navajo	19,797	Tanker	Arrived Mar 23
16	Pacific Express (Under Tow)	8,815	General Cargo	Arrived Mar 14
17	Ra Nam	4,687	General Cargo	Arrived Mar 22
18	Sea Cat	14,412	Tanker	Arrived Mar 22
19	Sea Dream	7,296	Bulker	Arrived Mar 06
20	Shao Shan I	7,989	Bulker	Arrived Mar 29
21	St. George	13,330	Bulker	Arrived Feb 27
Total Tonnage		208,219		
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.				

CHITTAGONG - Port Position as of 29, 2012

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Andakini	10,362	Bulker	Arrived Mar 22
2	Arch 1	17,269	Tanker	Arrived Mar 24
3	Anggraini	10,826	Tanker	Beached Mar 24
4	Curus Mas	2,371	Container	Arrived Mar 25
5	Goldwing	20,514	Tanker	Arrived Mar 25
6	Hyperlink	10,132	Bulker	Beached Mar 25
7	Intrepid	5,940	Bulker	Beached Mar 27
8	KS Trust I	10,334	Bulker	Beached Mar 26
9	Madina Ke Chaand	6,330	Bulker	Arrived Mar 14
10	Santa Cruz II	12,270	Bulker	Arrived Mar 22
11	Tinos	33,629	VLCC	Arrived Mar 21
12	Trust Integrity	15,379	Bulker	Beached Mar 24
13	Wan Da	11,725	Bulker	Arrived Mar 24
Total Tonnage		167,081		

GADANI - Port Position as of 29, 2012

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Glory 2	8,148	Bulker	Beached Mar 26
2	Lliyana Dimitrova	10,096	Bulker	Arrived Mar 30
3	Maheshwari	7,397	Bulker	Beached Mar 24
4	Nelson Star	5,528	Reefer	Beached Mar 22
5	Smooth Hound	14,830	Tanker	Arrived Mar 29
6	Trust 1	17,311	Tanker	Beached Mar 27
Total Tonnage		63,310		

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