

Week Ending: 2nd December 2011 (Week 48, Report No: 48/11)
(Given in good faith but without guarantee)

The week closed with 35 transactions reported worldwide in the secondhand and demolition market, up by 52% from previous week and up by 6 % from a similar week in 2010, when 33 transactions had been reported and secondhand ship purchasing activity was 15% lower than the ordering business. Currently, the highest activity has been recorded in the secondhand market, by 53 % while it is interesting to note that this week the reported dwt that went for scrap is 7.7% higher than the ordered capacity.

SECONDHAND MARKET

For one more week the buying momentum was towards modern units, especially in the bulkcarrier and tanker sector. Tankers hold the lion share both in number of units changing hands but also in terms on the invested capital.

Overall, 26 vessels reported to have changed hands this week at a total invested capital in the region of US\$ 334.6 mil, with 8 transactions reported at undisclosed price terms. In terms of the reported number of transactions, the S&P activity has increased by 100% from last week's activity, and down by 3% comparable with previous year's weekly S&P activity when 29 vessels induced buyers' interest with tankers grasping 44.8% of the total volume of S&P activity. In terms of invested capital, the tanker sector appears as the most overweight segment by attracting about 72.7% of the total amount of money invested and bulk carriers to follow with 12.3%.

NEWBUILDING MARKET

On the newbuilding market, the activity remains at low levels, presenting a total 19% decrease comparing to last week. Overall, the week closed with 17 fresh orders reported worldwide at a total deadweight of region 275,800 tons, while the total invested capital cannot be calculated since from the recorded orders, the contract price of just one has been revealed. Bulkcarriers are holding 29.4% of the units and 81% of the total dwt ordered and the offshore sector which was again active holds 41% of the reported orders. Comparing to the activity of similar week of 2010, the activity is down by 56%, when 39 vessels had been reported worldwide at a total deadweight of 2,789,400 tons. In 2010 bulkcarrier orders were holding a 64% and tankers a 25.6% of the total ordering activity.

DEMOLITION MARKET

The demolition activity remained at low levels again this week with 9 vessels reported to have been headed to the scrap yards of total deadweight of as low as 297,012 tons. In terms of the reported number of transactions, the demolition activity has been marked with a 10% week-on-week decrease and regarding the total deadweight sent for scrap there has been a 21 % decrease. In terms of scrap rates, the highest scrap rate has been achieved this week in the tanker sector again by Pakistan for a tanker of 135,915 dwt "FRONT BETA" with 23,563/ldt at \$505/ldt. While Bangladesh still remains close and the future of this market will most likely be decided from the next year, India attracted 44% while China and Pakistan followed. At a similar week in 2010, demolition activity was at even lower levels, in terms of the reported number of transactions, with 4 vessels had been reported for scrap of total deadweight 65,716 tons.

GREEK PRESENCE

Investments both in the secondhand and the newbuilding market were made by Greek investors this week however at low levels. In the secondhand market both tanker vessels, one 70,000 & one 4,285 dwt were acquired at auction sales. The sale of the small tanker MT Marim is rumoured to be part of the other two similar vessel MT PRODROMI & MT ANEFANI reported last week enbloc at auction. In the newbuilding front, Kyma Shipmanagement, a Greek – American investor, is reported to have ordered a Dolphin 64 type bulkcarrier at Jinhai of China for delivery in 2013, which has been constructed at an undisclosed price.

