

Some term comfort

The Baltic Dry Index (BDI) after an agonizing wait of three months finally recrossed the psychological mark of 1,000. Over the month the Index gained 296 points and closed at 1,070, mainly due to a surge in iron ore chartering.

It had been known for quite some time that Chinese companies were looking for greater control on the supply side. But it was not expected in the present scenario when worldwide markets have slumped. Lately, Aluminium Corporation of China (Chinalco) acquired a 12% stake in the UK listed iron ore giant Rio Tinto, which is seen by them as a "strategic investment". Chinalco will be paying more than \$14billion, which will make it the largest overseas investment ever made by a Chinese enterprise.

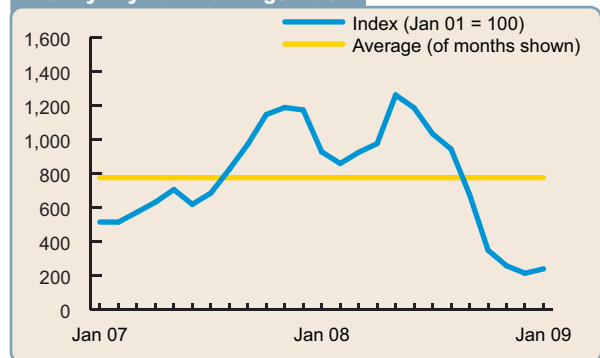
Over the last few months, because of contract defaults by steel mills, miners and commodity traders, a number of shipping companies, such as Industrial Carriers, Parkroad and Atlas Shipping, have been forced to file for bankruptcy. However it looks like this sector can expect better relations and support from chartering counterparts in the near future. In a significant move, Fortescue Metal Group and Bocimar reached an agreement to settle the dispute that had emerged when the Australian miner cancelled its period contracts with shippers including Bocimar. They have agreed to establish a shipping joint venture, which will charter three Capesize vessels from Bocimar. Two of the vessels will be immediately delivered, while the third is due for delivery in 2010. Under the terms of the agreement Fortescue Metals Group will be by taking up the vessels on a low charter rate but giving company shares worth millions to Bocimar.

TCE Earnings (\$pd)

	2008	2009*	2008/09	
			Dec	Jan
Capesize	115,860	19,080	8,055	19,080
Panamax	67,950	12,300	13,290	12,295
Handymax	35,650	3,480	4,270	3,480
Handy	22,310	3,080	3,470	3,075

* Average - Year to Date

Drewry Dry Bulk Earnings Index



Market Barometer



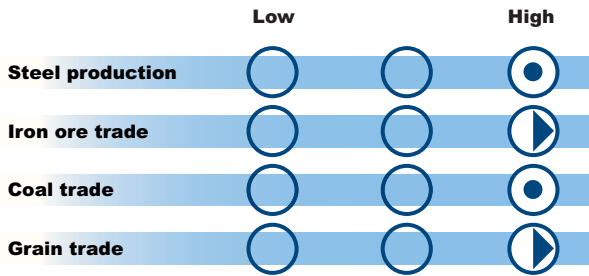
Our view

Soon after the conclusion of the Chinese New Year, the second round of annual iron ore negotiations is expected to start. Also during this time Chinese iron ore traders are expected to increase iron ore procurement, which was also evident during last year's contract negotiations between CISA and Australian Miners. All this is expected to provide further strength to freight rates in the short term.

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Market Indicators



Seaborne Dry Bulk Trade (Mt)

	2008(p)	3Q08	4Q08(p)	1Q09(f)	2Q09(f)
Iron Ore	889.4	228.1	211.8	235.7	247.5
Steam Coal	601.3	152.1	159.0	147.0	147.2
Coking Coal	254.4	65.1	64.6	60.7	67.8
Grain	237.2	57.6	60.2	62.7	58.7
Minor Bulks	1,200.3	306.3	303.0	306.6	309.2
Total Trade	3,182.7	809.2	798.5	812.7	830.6

(P) Provisional Data (F) Forecast Data

Trade set to fall further

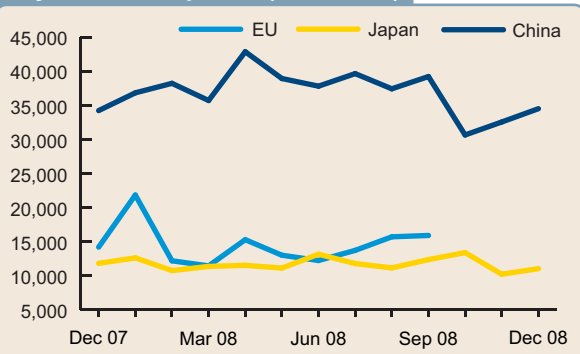
Protectionism by many economies to save domestic industries and an over cautious approach by big companies have further added to an already limping performance across most sectors. The EU has already imposed a 25% duty on the import of steel wire rods from China and also slapped anti-dumping duties of 26.5% to 85% on China-made bolts and screws. The Indian steel ministry is working towards imposing import duty on certain steel items up to 15%, as a measure against dumping to help protect its industry. At present, the import duty on all categories of steel products used by the automobile, consumer durables sectors and construction industry in India, is 5%.

Production cuts continue with many more companies announcing fresh closures of units and a slow down on production figures. It is reported that Indian steel maker Rashtriya Ispat Nigam has cut its production by nearly 30% following slackening demand.

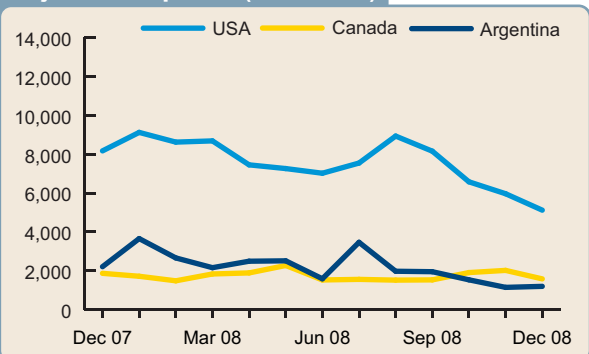
One of largest ferrochrome producers in South Africa, Xstrata has announced further production cuts by suspending six furnaces in addition to the already announced suspension of 11 ferrochrome furnaces. The total suspended ferrochrome production capacity represents 80% of its annual operating capacity. BHP Billiton has also announced a reduction in manganese ore production by 21% reducing alloy production by 23%.

Meanwhile, Latin America is facing the fear of one of the worst drought crises in the decade. This casts doubt on the production and export prospects for Argentina, one of the leading grain exporters.

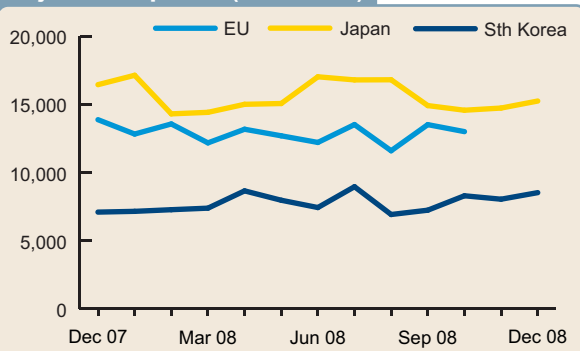
Major Iron Ore Importers ('000 tonnes)



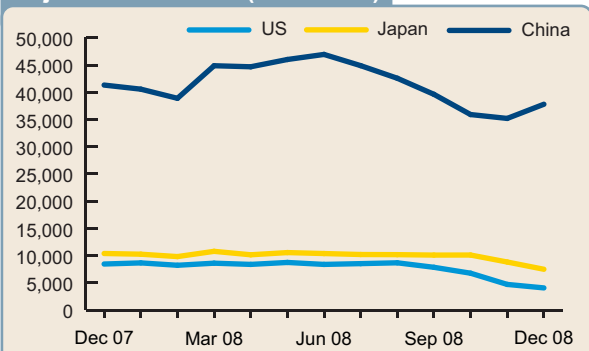
Major Grain Exporters ('000 tonnes)



Major Coal Importers ('000 tonnes)



Major Steel Producers ('000 tonnes)

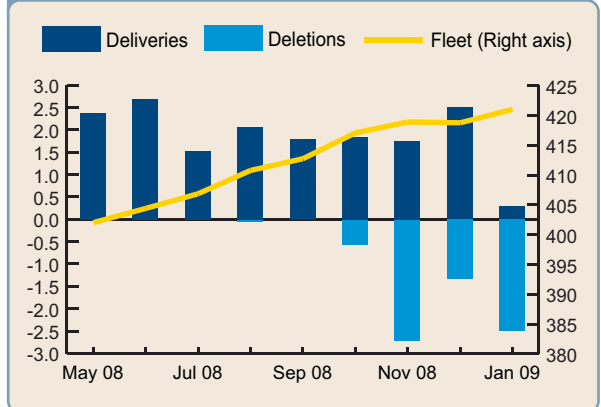


Total Dry Bulk Fleet: December 2008

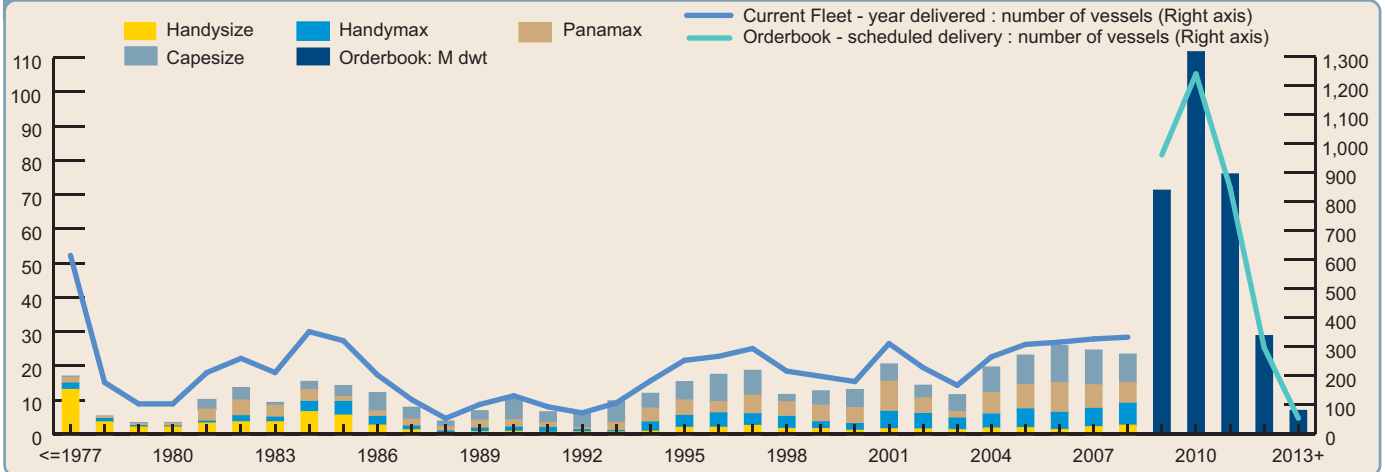
Size (^{'000 dwt})	Total			Fleet Size
	No.	Dwt	Fleet Size	
10-40	2,976	79,408,439	◀	
40-60	1,715	83,343,012	▶	
60-80	1,363	97,709,230	◀	
80-110	210	18,375,768	▶	
110-200	680	112,054,409	◀	
200+	131	30,128,202	▶	
Total	7,075	421,019,060	◀	

Legend: Position ○ Rising ▶ Falling ◀ Static ●

Fleet Development (^{'000 dwt})



Fleet Age Profile and Orderbook Delivery Schedule (m dwt)



Total Dry Bulk Fleet & Orderbook: January 2008

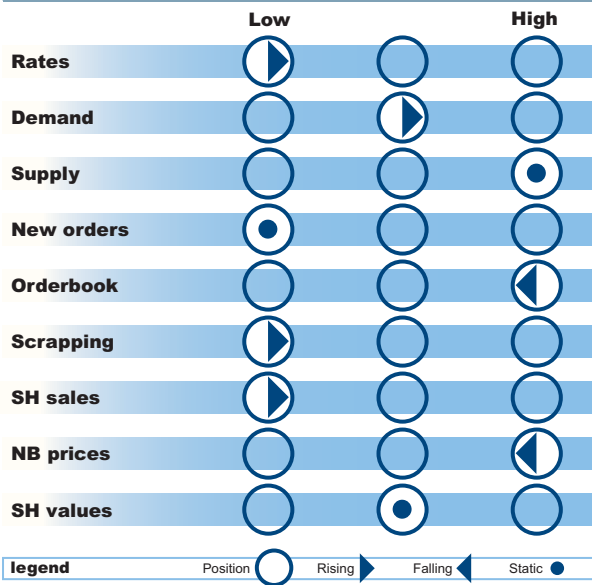
Size (^{'000 dwt})	Existing Fleet		Orderbook										% of Fleet Dwt
	No.	Dwt	2009		2010		2011		2012+		Total		
	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	Dwt
10-40	2,976	79,408	309	9,235	282	8,774	194	6,441	94	3,195	879	27,645	34.8
40-60	1,715	83,343	338	18,799	335	18,875	218	12,331	68	3,861	959	53,866	64.6
60-80	1,363	97,709	59	4,326	80	5,872	53	3,754	35	2,230	227	16,181	16.6
80-110	210	18,376	89	7,735	204	17,516	180	15,584	58	4,988	531	45,823	249.4
110-200	680	112,054	143	25,007	316	54,392	161	25,777	43	6,687	663	111,863	99.8
200+	131	30,128	24	6,164	24	6,249	43	12,145	53	14,886	144	39,444	130.9
Total	7,075	421,019	962	71,265	1,241	111,679	849	76,032	351	35,847	3,403	294,822	70.0

Major Dry Bulk Builders

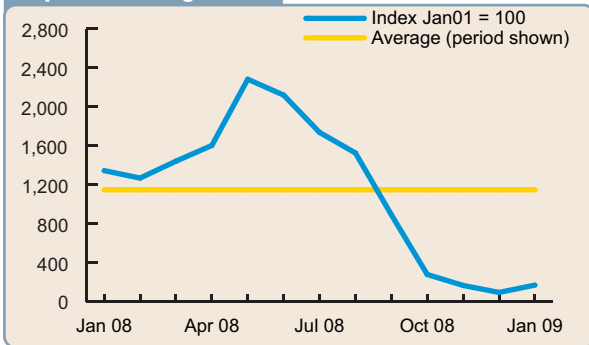
Size (^{'000 dwt})	10-40		40-60		60-80		80-110		110-200		200+		Total	
	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt
China	365	11,548	513	28,971	118	8,635	268	23,585	294	47,150	60	17,720	1,618	137,608
Japan	218	6,758	179	9,855	81	5,451	164	14,068	106	18,069	75	18,953	823	73,154
S. Korea	214	7,066	92	5,334	0	0	99	8,171	214	37,903	9	2,772	628	61,245
Others	82	2,274	175	9,707	28	2,094	0	0	49	8,741	0	0	334	22,815
Total	879	27,645	959	53,866	227	16,181	531	45,823	663	111,863	144	39,444	3,403	294,822

capsize 110,000 + dwt

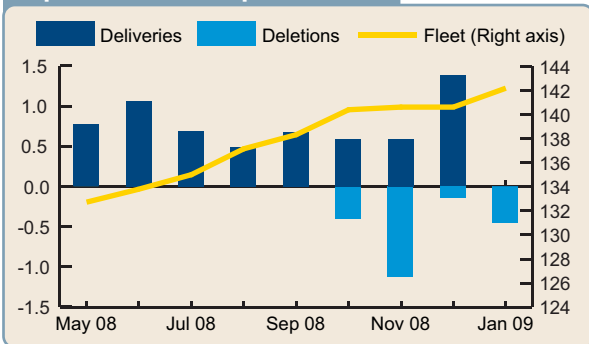
Market Indicators



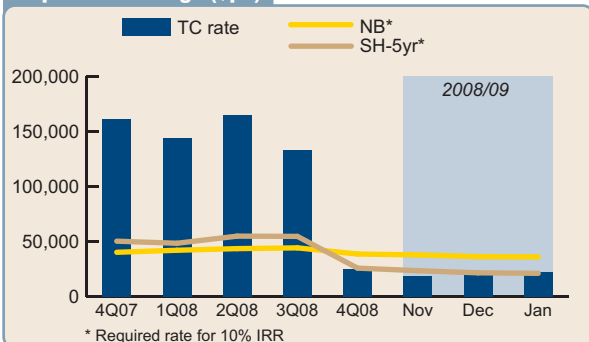
Capesize Earnings Index



Capesize Fleet Development - m dwt



Capesize Earnings (\$pd)



Iron ore chartering activity picks up

Chinese iron ore traders, mainly supplying iron ore to the medium and small sized Chinese steel mills, procured a huge amount of iron ore over the month. This also happened last year, when traders stockpiled these cargoes at the ports while contract negotiations were underway between Baosteel and Australian miners. At that time this action led to a huge increase in freight rates. However this year it looks set to undermine the negotiating position of the Chinese steel mills, which are led by Baosteel and the China Iron & Steel Association. As per reports, spot iron ore FOB prices by end of January have increased by 40% from the November low of \$50/mt. Spot prices on the Brazil-China route have also increased by a stark \$8/mt.

With GDP growth in China now estimated at 7% for 2009 it does not look like a good time to invest in the newbuild market to meet Chinese demand. Due to this Capesize newbuild activity continued to dwindle and underwent a further decline of more than 4% from last month.

Capesize Rates (\$pd)

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
Tubarao-Rttdam (\$/mt)	30.7	7.2	5.1	5.0	7.2
Tubarao-China (\$/mt)	60.1	13.9	8.8	8.4	13.9
WAus-China (\$/mt)	23.8	5.9	4.3	5.0	5.9
Pt Bolivar-ARA (\$/mt)	31.8	7.5	5.4	5.3	7.5
Fronthaul Trip	143,520	23,380	7,740	9,260	23,380
Transpacific Trip	101,870	12,780	2,640	7,985	12,780
Time Charter (1yr)	116,180	22,000	18,500	19,600	22,000
Time Charter (3yr)	75,030	21,000	19,200	19,800	21,000

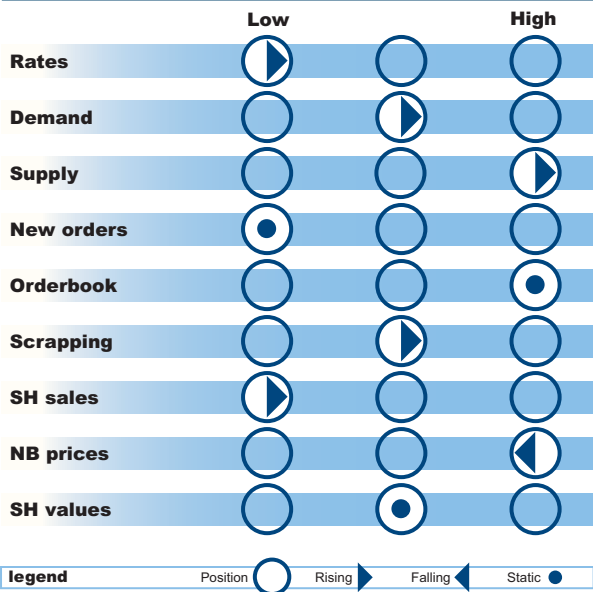
Newbuild, Secondhand Scrap Values

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
NB Price \$m					
170,000 dwt	97.3	77.5	85.0	81.0	77.5
220,000 dwt	101.2	81.0	88.5	84.5	81.0
SH Price \$m					
170,000 dwt (5yr)	123.2	43.0	53.5	47.5	43.0
170,000 dwt (10yr)	101.2	33.5	43.0	37.0	33.5
150,000 dwt (10yr)	82.3	28.5	35.0	31.5	28.5
SH 5yr % of NB	124.4%	55.5%	62.9%	58.6%	55.5%
Scrap Value \$m	14.3	7.8	8.0	7.8	7.8

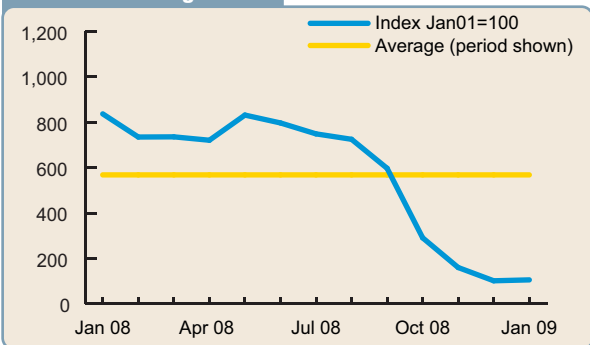
Investment Returns

	Jan 2009 Newbuild	Jan 2009 Secondhand (5yr)
Cost - \$m	77.5	43.0
Operating Costs - \$pd	6,525	6,525
Required TC Rate - for 10% IRR \$pd	36,200	21,300
Current Rate - T/C \$pd	22,000	22,000
Current Rate of Return (IRR) %	3.98%	10.68%
Sensitivity (+/- \$1,000 T/C rate)	0.52%	11.66%

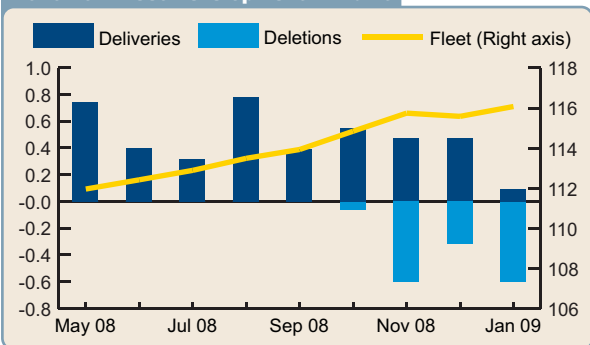
Market Indicators



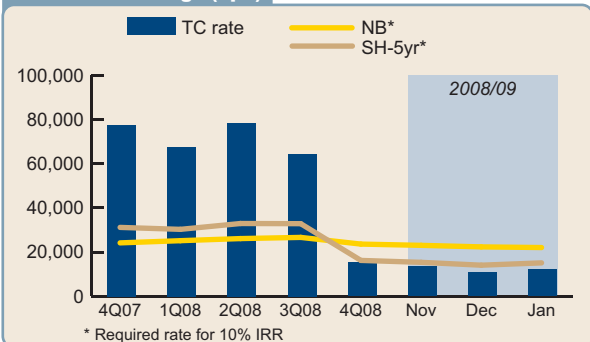
Panamax Earnings Index



Panamax Fleet Development - m dwt



Panamax Earnings (\$pd)



Panamax sector follows the Capes

The Baltic Panamax Index posted a gain of 237 points and closed at 795. Over the last couple of months, China has increased iron ore shipments from India. The India/Far East route has predominantly been the domain of this particular vessel segment due to draft restrictions at Indian ports. It has been reported that Chinese traders and steel mills buy 87% of the Indian iron ore shipments. Large Chinese steel mills that had contracted long term contracts with raw material suppliers are sourcing more and more Indian iron ore, which is currently quoted at \$30/mt lower than the global benchmark price of \$90-\$95/mt. In the Atlantic, on the back of slackening coal demand in Europe spot rates on the Richards Bay-Mediterranean coal route stood at \$7.60/mt, down by 6.7%.

On the newbuild market prices continued to decline and no new contracts were signed. On the other hand, secondhand tonnage showed some optimism and both old and well as modern tonnage exchanged hands.

Panamax Rates (\$pd)

	2008 Avg	2009 Avg	2008/09		
			Nov	Dec	Jan
US Gulf-Japan (\$/mt)	93.6	24.4	28.3	24.4	24.4
E.Aus-Japan (\$/mt)	30.3	6.8	9.5	7.7	6.8
Richards Bay-Med (\$/mt)	32.3	7.6	9.2	8.2	7.6
TA Trip	62,330	9,140	10,330	7,075	9,140
TP Trip	43,270	2,125	6,290	3,060	2,125
India-/FE	53,530	8,250	5,500	8,500	8,250
Time Charter (1yr)	56,480	12,000	13,500	10,700	12,000
Time Charter (3yr)	41,860	16,200	15,900	16,200	16,200

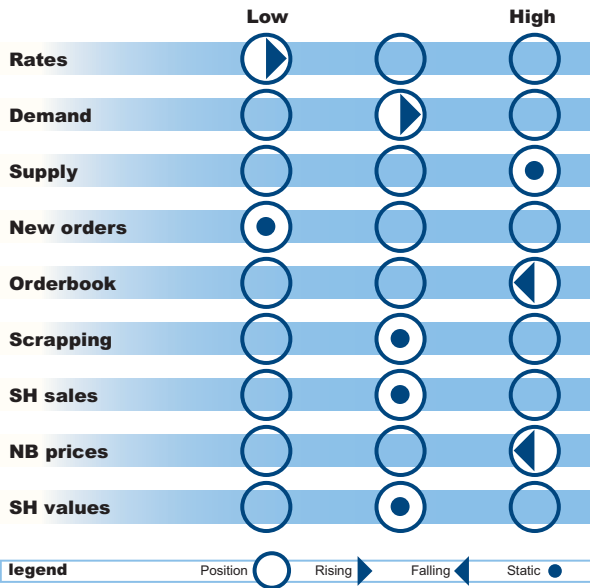
Newbuild, Secondhand Scrap Values

	2008 Avg	2009 Avg	2008/09		
			Nov	Dec	Jan
NB Price \$M					
75,000 dwt	54.4	43.0	48.0	46.0	43.0
95,000 dwt	58.8	47.0	52.5	50.0	47.0
SH Price \$M					
75,000 dwt (5yr)	70.4	27.5	31.0	27.0	27.5
75,000 dwt (10yr)	59.9	22.0	26.5	22.0	22.0
SH 5yr % of NB	127.4%	64.0%	64.6%	58.7%	64.0%
Scrap Value \$M	6.1	3.2	3.4	3.2	3.2

Investment Returns

	Jan 2009	
	Newbuild	Secondhand (5yr)
Cost \$M	43.0	27.5
Operating Costs \$pd	5,745	5,745
Required TC Rate - for 10% IRR \$pd	22,500	15,550
Current Rate - T/C \$pd	12,000	12,000
Current Rate of Return (IRR) %	1.09%	3.95%
Sensitivity (+/- \$1,000 T/C rate)	0.52%	1.90%

Market Indicators



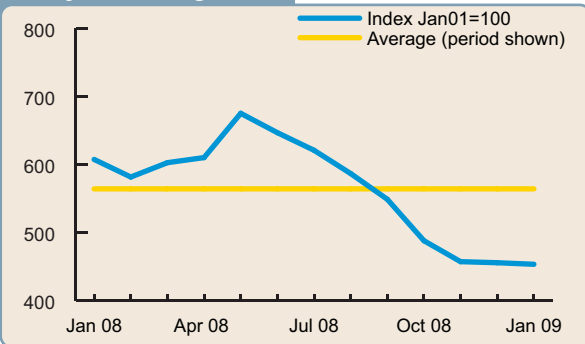
Ample available tonnage a problem

The Baltic Supramax Index, despite available ample tonnage and not so easily accessible credit, gained 91 points to close at 512. The reason for this increase is seen to be more psychological than fundamental.

On the back of increase in the grain and soybean shipments the voyage rates for the US Gulf to Japan and ARA route, stood at \$24.4/mt (up by 0.2%) and \$17.3/mt (up by 1.5%) respectively. One year time charter rates for a five year old Supramax vessel stood at \$10,500pd, up by 2% month-on-month. Oldendorff chartered the 2001-built *Tai Health* (51,008 dwt) on one year time charter at \$10,000pd.

On the newbuild market, asset prices declined for the fourth consecutive month on back of decreasing inquiries. On the secondhand market activity witnessed some firming and a total of 15 vessels amounting to 0.7 million dwt were traded comprising both old and modern tonnage.

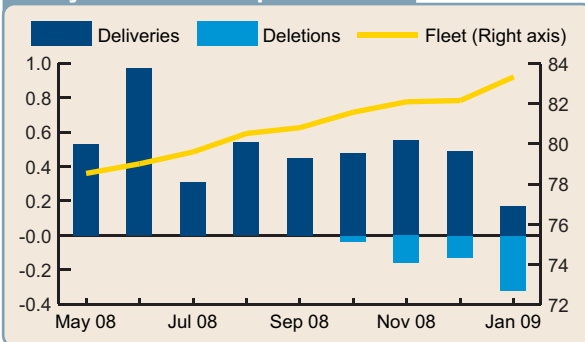
Handymax Earnings Index



Handymax Rates (\$pd)

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
Cont/-/FE	49,060	5,430	7,855	6,535	5,430
TP Trip	33,600	3,525	4,920	4,320	3,525
FE/-/Cont	29,390	3,650	4,595	4,220	3,650
US Gulf/Cont	61,420	7,475	9,085	8,390	7,475
Time Charter (1yr)	45,400	10,500	12,600	10,300	10,500
Time Charter (3yr)	29,920	12,000	11,900	12,100	12,000

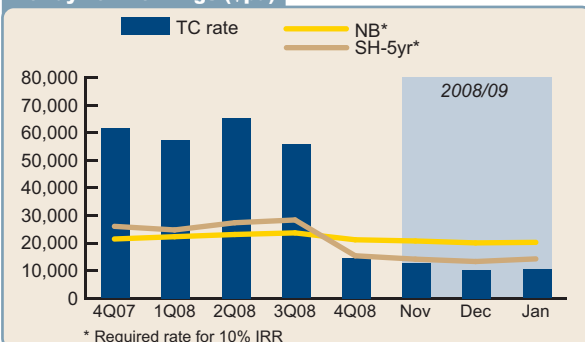
Handymax Fleet Development - m dwt



Newbuild, Secondhand Scrap Values

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
NB Price \$m					
55,000 dwt	46.4	38.5	42.0	40.0	38.5
SH Price \$m					
45,000dwt (5yr)	52.9	23.5	25.0	23.0	23.5
55,000dwt (5yr)	57.7	25.5	27.5	25.0	25.5
SH 5yr % of NB	111.8%	61.0%	59.5%	57.5%	61.0%
Scrap Value \$m	4.8	2.7	2.9	2.7	2.7

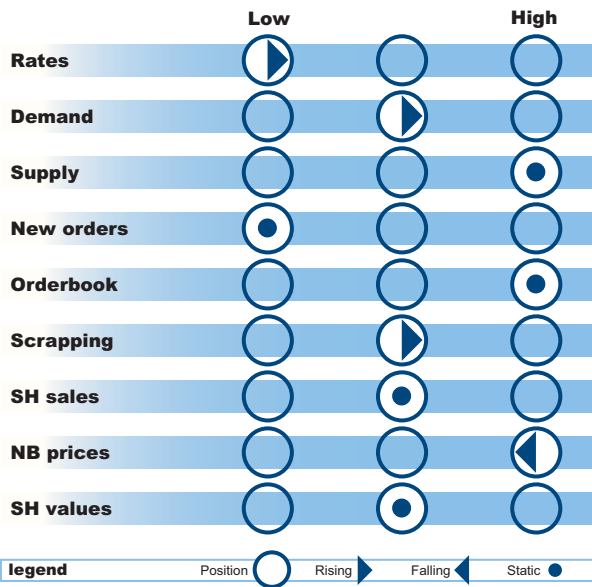
Handymax Earnings (\$pd)



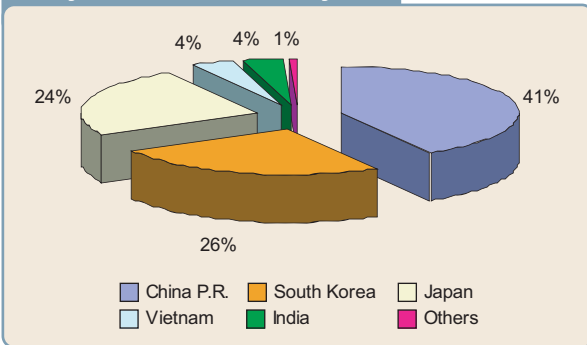
Investment Returns

	Jan 2009 Newbuild	Jan 2009 Secondhand (5yr)
Cost - \$m	38.5	23.5
Operating Costs - \$pd	5,255	5,255
Required TC Rate - for 10% IRR \$pd	20,300	14,300
Current Rate - T/C \$pd	10,500	10,500
Current Rate of Return (IRR) %	0.57%	0.28%
Sensitivity (+/- \$1,000 T/C rate)	1.41%	2.17%

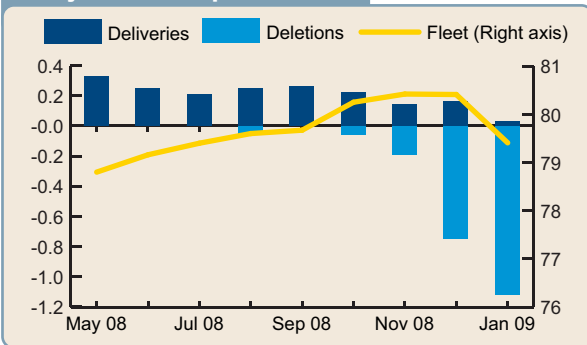
Market Indicators



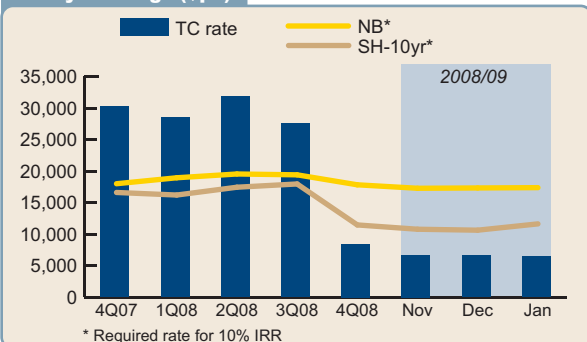
Handysize Orderbook - Country Wise



Handy Fleet Development - m dwt



Handy Earnings (\$pd)



Handysize asset returns still negative

The Baltic Handysize Index (BHSI) remained more or less steady throughout the month with an overall gain of 21 points to close at 300 points. It was a story of two basins as rates in the Atlantic dipped by 11%, whereas in the Pacific they rose by 13%. The IRR on asset values remained negative this month. It moved down sharply to -9.46% for Drewry's standard secondhand vessel where the required rate for 10% IRR is \$11,650pd, 79% above the current rate.

On the demolition market, Handysize tonnage kept pouring in. Interestingly, tonnage scrapped this month alone was equivalent to the total tonnage scrapped in 2008. Indian breakers were the most active as they procured 60% of scrap tonnage. Supported by the huge domestic demand for scrap steel and the comparative ease in securing credit, Indian breakers have benefited tremendously.

Handy Rates (\$pd)

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
TA Trip	22,590	3,115	3,575	3,515	3,115
TP Trip	26,506	4,160	3,480	3,685	4,160
Time Charter (1yr)	24,108	6,500	6,700	6,600	6,500
Time Charter (3yr)	21,008	9,000	8,900	9,000	9,000

Newbuild, Secondhand Scrap Values

	2008 Avg	2009 Avg	2008/09 Nov	2008/09 Dec	2008/09 Jan
NB Price \$m					
30,000dwt	38.0	31.5	34.0	32.5	31.5
SH Price \$m					
28,000 dwt (10yr)	30.5	16.5	17.0	16.5	16.5
37,000 dwt (15yr)	33.8	17.5	18.5	17.5	17.5
SH 10yr % of NB	79.4%	52.4%	50.0%	50.8%	52.4%
Scrap Value \$M	2.7	1.5	1.5	1.5	1.5

Investment Returns

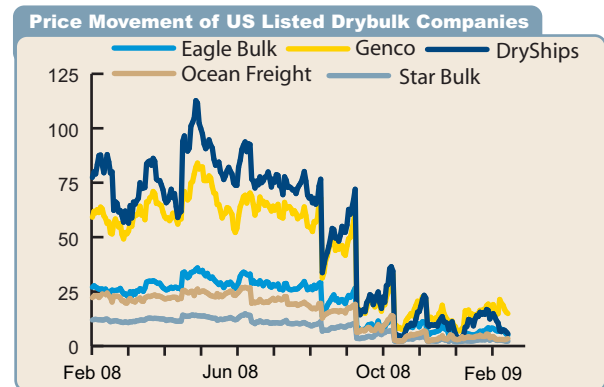
	Jan 2009 Newbuild	Jan 2009 Secondhand (10yr)
Cost - \$m	31.5	16.5
Operating Costs - \$pd	4,670	4,670
Required TC Rate - for 10% IRR \$pd	17,400	11,650
Current Rate - T/C \$pd	6,500	6,500
Current Rate of Return (IRR) %	-0.67%	-9.46%
Sensitivity (+/- \$1,000 T/C rate)	4.61%	6.43%

Bear engulfs dry bulk stocks

Over the month most dry bulk stocks declined. The major losers were DryShips, Star Bulk Carriers, Safe Bulkers and Eagle Bulk Shipping. However China Shipping Haisheng, Ningbo Marine and Chowgule Steamships gained strength on their local bourses.

DryShips underwent a severe correction of 37% and has been facing difficulties which have stemmed from its classic over expansion. In 4Q08, DryShips cancelled its expensive vessel acquisition deals, which were concluded during the boom time. And it looks like many of the bad debts have already been accounted for. Also Handymax specialist, Eagle Bulk is facing similar problems arising from its aggressive expansion. Prior to its entry into NASDAQ in 2005, Eagle Bulk was backed by PE funds.

Lately, many drybulk companies are facing charges of violations on their potential "loan to value" (LTV) covenant clauses.



Typically credit agreements signed between shipping companies and banks contain clauses that prohibit payment of dividend in case LTV covenants are violated. However, lately the suspension announced by many seems like a proactive measure to save cash.

Dry Bulk Stocks - Snapshot

Company	Country	Price*	% Monthly change	52 Week High	52 Week Low	P/E Ratio	Last week Avg Vol	Market Cap (M USD)
Chowgule Steamships	India	24.60	3.1%	70.05	17.20	0.54	36,904	18
Inui Steamship	Japan	617.00	-5.8%	1,880.00	550.00	2.42	288,560	202
Jinhui Shipping Transport	Norway	7.32	-13.9%	67.75	6.53	0.30	345,061	96
Cosco Corporation	Singapore	0.78	-17.9%	4.74	0.61	3.94	39,756,000 ●	1,870
First Steamship	Taiwan	31.70	-2.5%	89.80	22.20	9.75	3,830,586	230
U-Ming MarineTransport Corporation	Taiwan	39.40	-5.1%	118.50	31.40	3.73	6,398,170	2
Precious Shipping	Thailand	10.60	-6.2%	32.25	6.70	2.54	1,730,040	328
Diana Shipping	USA	13.40	-3.2%	41.10	6.85	4.91	1,372,593	961
Genco Shipping	USA	16.23	-8.6%	84.51	6.43	2.36	2,036,722	496
Excel Maritime	USA	7.13	-14.6%	60.99	3.25	0.74	1,967,825	337
Eagle Bulk Shipping	USA	5.76	-26.0%	36.24	2.55	3.92	1,504,455	246
Safe Bulkers	USA	6.68	-23.7%	19.75	2.98	5.80	71,385	364
Euroseas	USA	5.03	-7.2%	17.49	2.88	2.44	109,330	143

Predominantly Dry Bulk Companies**

Algoma Central Corporation	Canada	66.00	10.0%	140.00	48.00	4.70	447	210
China Shipping Haisheng 'A'	China	5.55	15.1%	18.60	3.95	12.22	13,408,190 ●	472
Ningbo Marine 'A'	China	5.34	6.8%	16.60	3.99	15.75	n/a	n/a
D/S Norden	Denmark	186.50	-8.1%	655.00	120.00	1.46	323,525	1,487
Daiichi Chuo Kisen Kaisha	Japan	240.00	-5.5%	903.00	178.00	2.63	21,882	7
Eidsiva Rederi	Norway	14.50	4.3%	33.50	12.10	10.69	n/a	n/a
Hanjin Shipping	S.Korea	20,600.00	-8.0%	50,100.00	10,850.00	9.73	808,824	1,274
Korea Line Corporation	S.Korea	67,000.00	-12.8%	236,500.00	46,600.00	2.03	225,161	542
Sincere Navigation Corporation	Taiwan	23.15	-22.4%	58.72	16.50	3.98	7,322,812 ●	391
DryShips Inc.	USA	9.06	-36.7%	116.43	3.04	0.57	151,925	492
Star Bulk Carriers	USA	2.26	-32.3%	13.87	1.72	1.60	278,388	127
Ocean Freight	USA	3.89	-10.6%	26.96	1.80	1.06	244,550	67

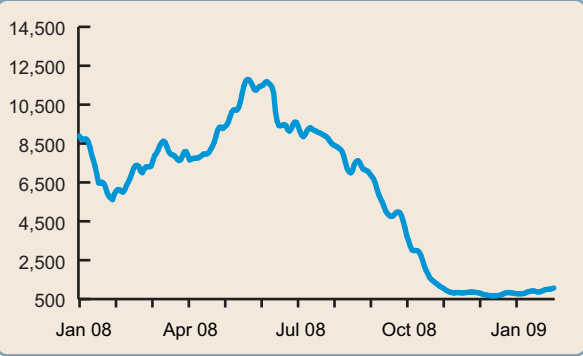
* All prices in local currencies as on 30th Jan 2009

** Dry bulk tonnage more than 2/3rd of owned tonnage

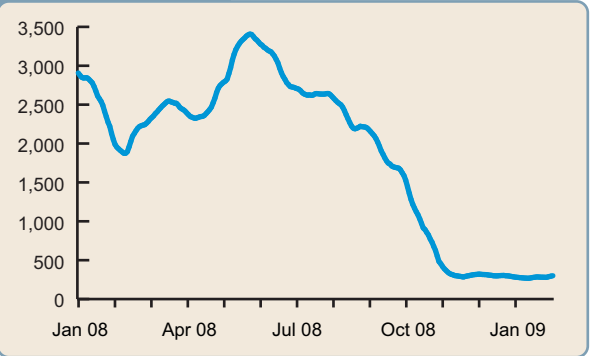
● ● ● Three most active companies - by the number of shares traded in the last week irrespective of the price and market cap

indices and ffas

Baltic Indices: BDI



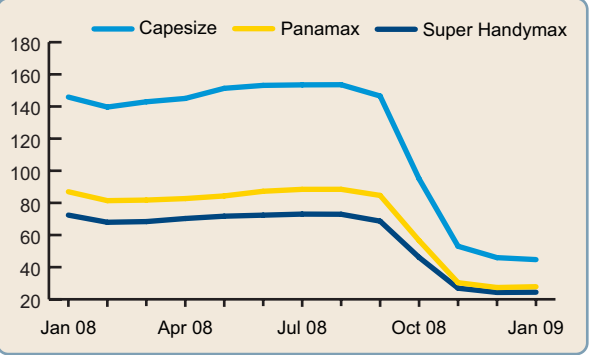
Baltic Indices: BHSI



Baltic Indices: BCI



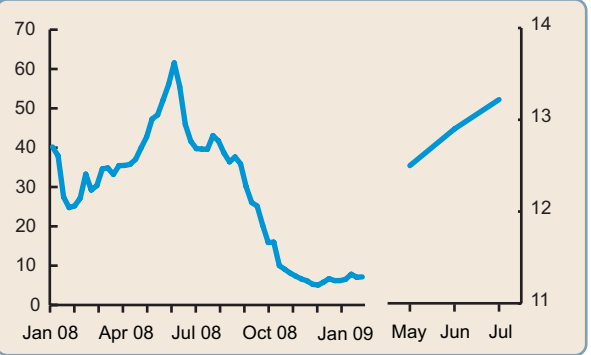
Baltic Ship Valuation Assessment



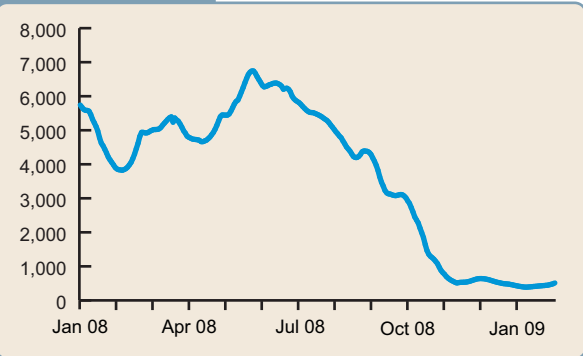
Baltic Indices: BPI



BFA C4 Richards Bay/Rotterdam



Baltic Indices: BSI



BFA P2a Fronthaul Trip



Source: All indices - The Baltic Exchange

Fleet Supply

	2007		2008		2009*		Dec		Jan	
	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt
Fleet Size - End period										
10-40,000	2,910	77,736	3,010	80,411	2,976	79,408	3,010	80,411	2,976	79,408
40-60,000	1,584	76,118	1,694	82,159	1,715	83,343	1,694	82,159	1,715	83,343
60-80,000	1,325	94,775	1,364	97,716	1,363	97,709	1,364	97,716	1,363	97,709
80-110,000	165	14,408	204	17,869	210	18,376	204	17,869	210	18,376
110-200,000	658	107,917	676	111,262	680	112,054	676	111,262	680	112,054
200,000+	96	21,307	128	29,347	131	30,128	128	29,347	131	30,128
Total	6,738	392,260	7,076	418,763	7,075	421,019	7,076	418,763	7,075	421,019
Orderbook										
10-40,000	574	17,703	868	27,216	879	27,645	868	27,216	879	27,645
40-60,000	728	40,503	969	54,367	959	53,866	969	54,367	959	53,866
60-80,000	204	15,004	235	16,772	227	16,181	235	16,772	227	16,181
80-110,000	386	33,440	541	46,699	531	45,823	541	46,699	531	45,823
110-200,000	479	81,921	652	109,929	663	111,863	652	109,929	663	111,863
200,000+	106	27,967	146	39,951	144	39,444	146	39,951	144	39,444
Total	2,477	216,537	3,411	294,935	3,403	294,822	3,411	294,935	3,403	294,822
% Fleet		55.2%		70.4%		70.0%		70.4%		70.0%
New orders										
10-40,000	273	9,971	215	6,958	4	138	3	102	4	138
40-60,000	439	26,280	215	12,139	4	220	0	0	4	220
60-80,000	77	6,238	83	5,933	0	0	4	292	0	0
80-110,000	199	19,803	86	7,562	0	0	4	370	0	0
110-200,000	322	58,261	179	29,619	0	0	0	0	0	0
200,000+	45	14,063	53	16,753	0	0	0	0	0	0
Total	1,355	134,614	831	78,964	8	358	11	764	8	358
Deliveries**										
10-40,000	82	2,038	88	2,435	1	28	3	85	1	28
40-60,000	93	4,995	96	5,236	3	169	3	172	3	169
60-80,000	45	3,414	40	2,970	0	0	1	76	0	0
80-110,000	40	3,480	27	2,302	1	92	1	83	1	92
110-200,000	32	5,663	22	3,894	0	0	2	352	0	0
200,000+	20	4,264	13	3,128	0	0	0	0	0	0
Total	312	23,855	286	19,965	5	289	10	767	5	289
Deletions										
10-40,000	10	232	36	1,050	36	1,119	25	745	36	1,119
40-60,000	0	0	7	335	7	317	3	133	7	317
60-80,000	1	61	15	981	9	595	5	323	9	595
80-110,000	1	80	0	0	0	0	0	0	0	0
110,000+	0	0	11	1,680	3	453	1	140	3	453
Total	12	374	69	4,046	55	2,485	34	1,341	55	2,485
Second-hand Sales										
10-40,000	303	7,402	159	4,478	18	511	14	379	18	511
40-60,000	197	7,446	99	4,879	15	743	6	288	15	743
60-80,000	186	12,350	80	5,980	10	698	5	347	10	698
80-110,000	16	1,286	8	685	3	247	0	0	3	247
110,000+	103	13,915	48	8,029	2	321	0	0	2	321
Total	805	42,399	394	24,050	48	2,520	25	1,014	48	2,520

* Year to date

** Provisional deliveries for December 2008

Drewry Prices

Size	Newbuilding Price (US\$m)					Scrap Value (US\$m)					Scrap Price (\$/ldt)
	2007	2008	2009*	Dec	Jan	2007	2008	2009*	Dec	Jan	Jan
25-30,000 dwt**	33.2	38.0	31.5	32.5	31.5	2.0	2.4	1.5	1.5	1.5	265
50-55,000 dwt**	40.7	47.1	38.5	40.0	38.5	3.7	4.4	2.7	2.7	2.7	270
70-75,000 dwt	46.6	54.3	43.0	46.0	43.0	4.4	5.4	3.2	3.2	3.2	270
150-180,000 dwt	83.9	97.3	77.5	81.0	77.5	11.1	12.7	7.8	7.8	7.8	260

Second-hand Value (US\$m, 5 year old)

Vessel Size	2007	2008	2009*	Dec	Jan
35-40,000 dwt	26.5	33.8	17.5	17.5	17.5
50-55,000 dwt	50.4	60.4	25.5	25.0	25.5
70-75,000 dwt	63.1	70.4	27.5	27.0	27.5
160-180,000 dwt	105.7	123.2	43.0	47.5	43.0

Second-hand Value (US\$m, 10 year old)

Vessel Size	2007	2008	2009*	Dec	Jan
25-30,000 dwt	28.4	30.5	16.5	16.5	16.5
70-75,000 dwt	51.2	59.9	22.0	22.0	22.0
130-150,000 dwt	74.6	82.3	28.5	31.5	28.5
160-180,000 dwt	88.4	101.2	33.5	37.0	33.5

** Geared (25 tonne cranes)

Freight Rates

Capesize						Handymax					
	2007	2008	2009*	Dec	Jan		2007	2008	2009*	Dec	Jan
Freight Rate \$/mt						Trip Rate \$pd					
Tubarao - Rotterdam	32.5	30.7	7.2	5.0	7.2	Cont/-/Far East	47,770	52,690	5,430	6,535	5,430
Tubarao - China	59.5	60.1	13.9	8.4	13.9	Transpacific Trip	44,670	36,100	3,525	4,320	3,525
W Aus - China	24.5	23.8	5.9	5.0	5.9	FE/-/Cont	44,715	31,540	3,650	4,220	3,650
						US Gulf/Cont	68,630	65,910	7,475	8,390	7,475
Trip Rate \$pd											
Fronthaul trip	148,215	143,520	23,380	9,260	23,380						
						TC Rate					
TC Rate (1yr)						5 Year Old \$/day	43,945	48,310	10,500	10,300	10,500
5 Year Old \$/day	102,875	116,180	22,000	19,600	22,000	10 Year Old \$/day	38,040	41,250	8,500	8,600	8,500
10 Year Old \$/day	84,040	93,880	18,000	15,900	18,000						
						TC Rate (3yr)					
TC Rate (3yr)						5 Year Old \$/day	33,665	31,420	12,000	12,100	12,000
5 Year Old \$/day	74,000	75,030	21,000	19,800	21,000						
						Handysize					
Freight Rate \$/mt						Trip Rate \$pd					
US Gulf - Japan	79.0	93.7	24.4	24.4	24.4	Transatlantic Trip	27,065	22,590	3,115	3,515	3,115
						Transpacific Trip	31,005	26,506	4,160	3,685	4,160
Trip Rate \$pd											
Transatlantic Trip	61,480	62,330	9,140	7,075	9,140						
Transpacific Trip	54,960	43,270	2,125	3,060	2,125						
						TC Rate					
TC Rate						10 Year Old \$/day	23,020	24,110	6,500	6,600	6,500
5 Year Old \$/day	52,230	56,480	12,000	10,700	12,000						
10 Year Old \$/day	49,000	53,560	10,700	9,500	10,700						
						TC Rate (3yr)					
TC Rate (3yr)						5 Year Old \$/day	21,915	21,010	9,000	9,000	9,000
5 Year Old \$/day	38,605	41,860	16,200	16,200	16,200						

* Year to date average

The Drewry Dry Bulk Earnings Index

The Drewry Dry Bulk Earnings Index takes eighteen different trade routes covering the four sectors of the dry bulk market. Each route is weighted within its market to produce a time charter earnings Index. For the sake of this publication January 2002 was designated the starting point at which all the indices = 100.

Assumptions for Investment Return calculations

- Newbuilding - Delivery in 24 months, 25 year trading life.
- Secondhand - Prompt delivery five year-old, 20 year trading life.
- Residual value based on prevailing scrap rates
- 2008 operating costs.
- 360 trading days.
- Sensitivity implies for a \$1,000pd change in TC Rate, the given change in IRR is produced.

Sources

All Baltic indices on page 9 sourced from The Baltic Exchange.

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Dry Bulk Insight

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