

## Dramatic fall in the market

The New Year started on a very negative note for the dry bulk market as it suffered severe downward revisions. The Baltic Dry Index (BDI) came off its historic high levels to a six month low of 5,615 points, after starting the year at 8,891 points and setting an historic record of 11,039 points in mid November. The Drewry Earnings Index also fell by 19% over the month to reach 980 points. A number of factors affected activity levels; the Chinese withheld their iron ore imports because of the iron ore price negotiations and drew from inventory stock. Coal supplies to the country were also disrupted by severe weather conditions in China and power crisis in some of the major exporting countries.

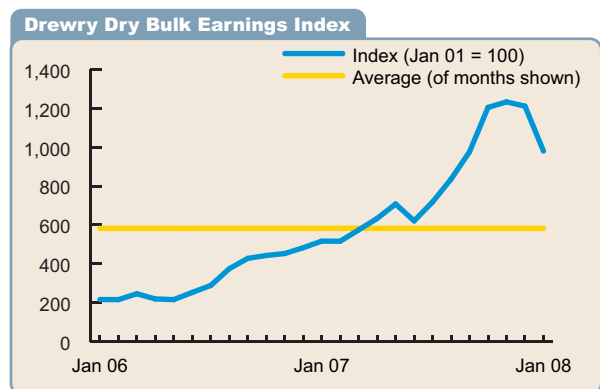
An excessive level of tonnage was available on the market due to major players; like Vale, Rio Tinto and BHP Billiton, declaring force majeure which led to the cancellation of several shipments and tonnage piling up in both basins therefore pulling down the rates. Congestion levels also eased at many Australian coal ports with the average day delays down to 25-30 days this month.

The market stabilised towards the end of January, following the announcement by BHP Billiton to supply 94m tonnes of iron ore to Chinese steel mill Baosteel over a period of 10 years. As per the new contract, iron ore would be supplied to Baosteel at price agreed mutually each year. The first shipment is scheduled for April 2008. The price for this year has not been disclosed but is expected to reflect the price that would be concluded at the iron ore negotiations. This agreement also renews the hope that the ongoing price talks will be concluded soon. Earlier in the year it was thought that the talks could continue until June 2008.

**TCE Earnings (\$pd)**

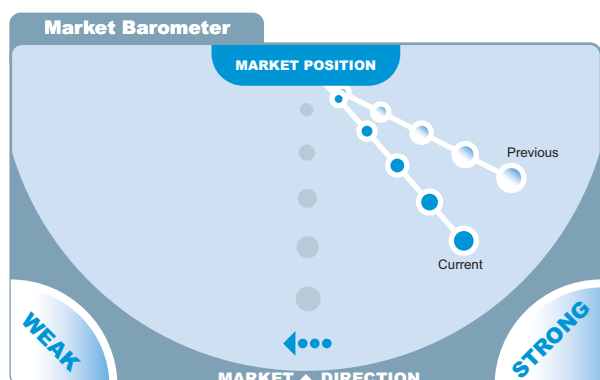
	2007	2008*	2007/08	
			Dec	Jan
<b>Capesize</b>	118,120	124,965	176,400	124,965
<b>Panamax</b>	64,070	72,445	100,440	72,445
<b>Handymax</b>	34,450	25,680	41,210	25,680
<b>Handy</b>	17,175	23,020	22,145	23,020

\* Average - Year to Date



## Our view

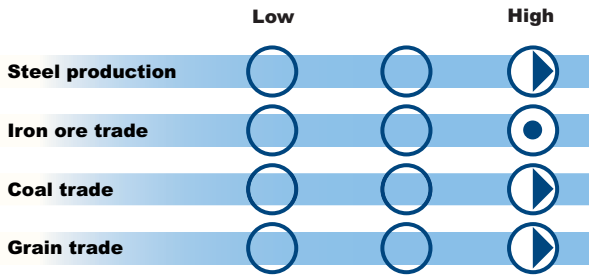
Activity on the dry bulk market is expected to pick up pace after the Chinese New Year (provided the market players return) or after the conclusion of the iron ore price negotiations, whichever is sooner! When this happens, the Chinese pent up demand is expected to drive the market once again. Chinese steel production is expected to expand by 10% this year thus demand for iron ore remains robust.



## contents

Summary	01	Handy	07
Bulk Focus	02	Financials	08
Fleet Focus	03	Indices and FFAs	09
Capesize	04	Market Summaries	10-11
Panamax	05	Methodology Notes	12
Handymax	06	Contacts	12

## Market Indicators

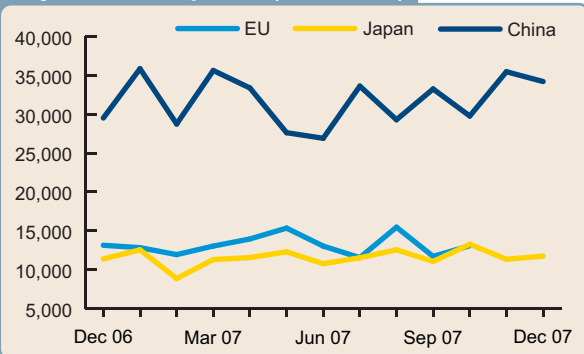


## Seaborne Dry Bulk Trade (Mt)

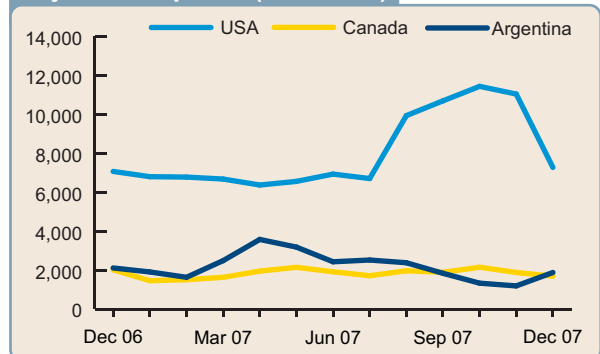
	2007 <sup>(P)</sup>	2008 <sup>(F)</sup>	4Q07 <sup>(P)</sup>	1Q08 <sup>(F)</sup>	2Q08 <sup>(F)</sup>
<b>Iron Ore</b>	785.1	828.5	203.2	206.0	200.8
<b>Steam Coal</b>	488.5	569.2	134.8	144.4	135.1
<b>Coking Coal</b>	220.9	236.0	58.6	55.9	60.1
<b>Grain</b>	268.7	278.6	77.6	61.4	63.6
<b>Minor Bulks</b>	1,160.6	1,210.7	474.2	467.7	459.5
<b>Total Trade</b>	2,923.8	3,123.0	948.3	935.5	919.1

(R) Revised Data (P) Provisional Data (F) Forecast Data

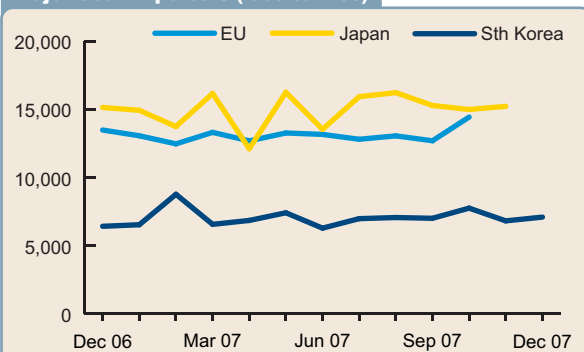
## Major Iron Ore Importers ('000 tonnes)



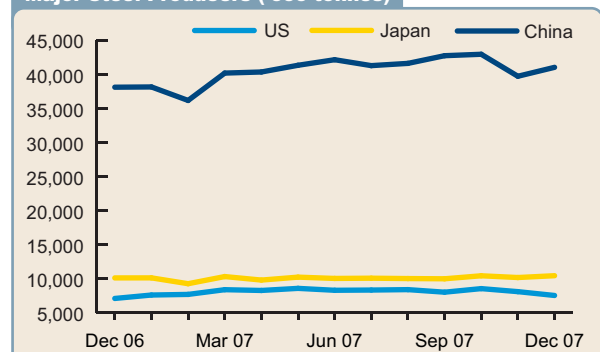
## Major Grain Exporters ('000 tonnes)



## Major Coal Importers ('000 tonnes)



## Major Steel Producers ('000 tonnes)



## Robust demand, cargo shortage

Global steel production in 2007 amounted to 1,315m tonnes, an increase of 8% over 2006. China accounted for 37% of world production and increased its production by 15% y-o-y. Chinese iron ore imports also rose by 17% over the year to reach 383m tonnes. Japanese and South Korean iron ore imports only increased marginally by 3-5%. Meanwhile, Chinese iron ore imports are expected to decrease slightly at the beginning of 2008 due to the ongoing price negotiations.

Coal supply was severely crippled this month, due to snow storms in China and domestic power crisis in South Africa. China received the heaviest snowstorms of the past five decades, disrupting electricity supplies and affecting transport networks. The Chinese government has told port authorities to hold exports in February and March to help the power crisis in the country. The demand for grains in China is also expected to surge because of the snowstorms and the regional buyers of Chinese grains may have to look for supply elsewhere, boosting the demand for bulkers. Unplanned maintenance of power plants in South Africa caused widespread blackouts and mining suffered crunching consequences. Eskom urged the industry to cut power resulting in mine closures.

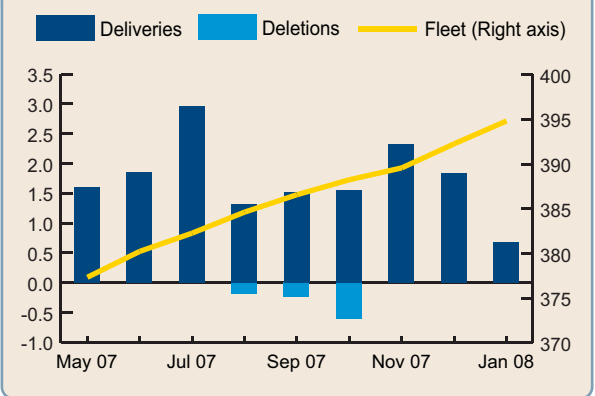
Meanwhile, Indonesia and Australia are unlikely to be able to make up for the shortages due to local supply problems. Two Australian coal producers have issued declarations of force majeure because of Queensland floods. And producers in Indonesia were also struggling to keep up with shipments as seasonal rains in coal-rich South Kalimantan flooded pits and have cut output.

## Total Dry Bulk Fleet: January 2008

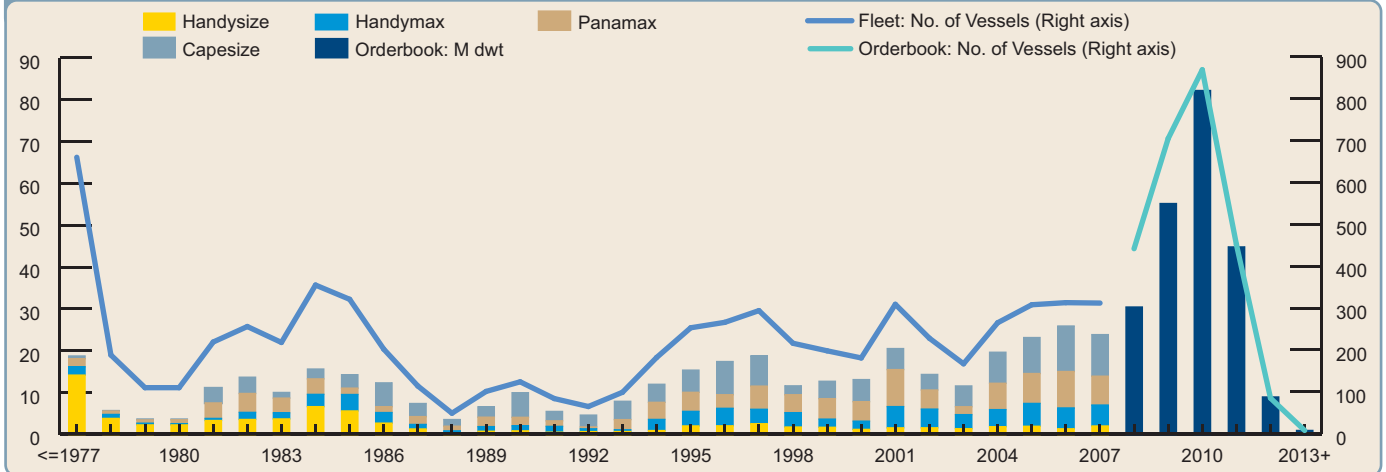
Size ( <sup>'000 dwt</sup> )	Total		
	No.	Dwt	Fleet Size
10-40	2,915	77,844,443	▶
40-60	1,594	76,652,201	▶
60-80	1,330	95,158,208	▶
80-110	168	14,667,021	▶
110-200	661	108,450,122	▶
200+	99	22,043,760	▶
<b>Total</b>	<b>6,767</b>	<b>394,815,755</b>	▶

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

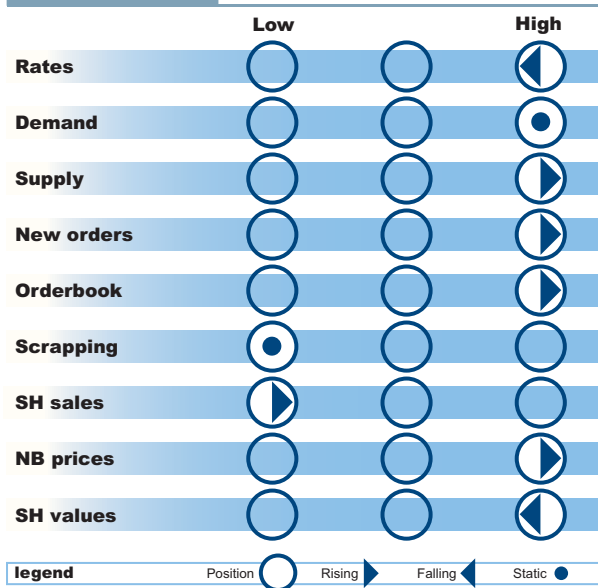
Size ( <sup>'000 dwt</sup> )	Existing Fleet		Orderbook										% of Fleet Dwt
	No.	Dwt	2008		2009		2010		2011+		Total		
10-40	2,915	77,844	121	3,497	205	6,232	175	5,571	97	3,236	598	18,536	23.8
40-60	1,594	76,652	160	8,645	240	13,353	230	12,988	130	7,390	760	42,377	55.3
60-80	1,330	95,158	71	5,314	45	3,321	58	4,293	31	2,117	205	15,045	15.8
80-110	168	14,667	44	3,740	78	6,805	148	12,699	128	11,177	398	34,421	234.7
110-200	661	108,450	29	5,107	117	20,488	233	39,963	112	18,034	491	83,591	77.1
200+	99	22,044	17	4,143	20	4,959	25	6,635	47	12,786	109	28,524	129.4
<b>Total</b>	<b>6,767</b>	<b>394,816</b>	<b>442</b>	<b>30,446</b>	<b>705</b>	<b>55,159</b>	<b>869</b>	<b>82,149</b>	<b>545</b>	<b>54,739</b>	<b>2,561</b>	<b>222,493</b>	<b>56.4</b>

## Major Dry Bulk Builders

Size ( <sup>'000 dwt</sup> )	10-40		40-60		60-100		100-150		150-200		200+		Total	
	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt
Japan	147	4,430	70	12,226	68	16,632	157	8,523	90	6,388	153	13,035	685	61,234
China	277	8,600	237	38,921	36	10,312	426	24,056	87	6,557	185	16,400	1,248	104,846
S. Korea	121	3,954	155	27,267	5	1,580	47	2,711	0	0	60	4,986	388	40,498
Others	53	1,552	29	5,177	0	0	130	7,086	28	2,100	0	0	240	15,916
<b>Total</b>	<b>598</b>	<b>18,536</b>	<b>491</b>	<b>83,591</b>	<b>109</b>	<b>28,524</b>	<b>760</b>	<b>42,377</b>	<b>205</b>	<b>15,045</b>	<b>398</b>	<b>34,421</b>	<b>2,561</b>	<b>222,493</b>

# cape size 110,000 + dwt

## Market Indicators

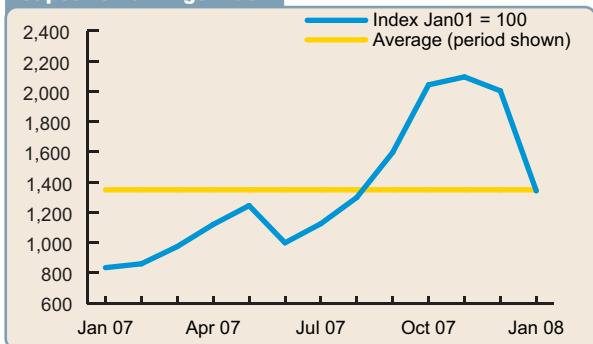


## Capesize Crash

The Baltic Capesize Index fell dramatically over the month as it reached 8,766 points (after opening at 13,233 points). Rates came down from their historic high levels to a six month low. This sector has been worst hit because of the constrained cargo availability as a result of the ongoing price negotiations. On the Brazil-China iron ore route, spot rates dipped by 29% in January over the previous month. Activity on the period market was also marked down with only short term chartering prominent. One year time charter rates came down from \$164,000pd to \$125,000pd this month.

Uncertainty about the freight market resulted in low activity on the secondhand market and the price also moved down by about 7%. The 1991 built *Sinfonia* (184,404 dwt) was sold to Star Bulk at US\$83.7m, with a one year time charter attached to it at \$100,000pd. On the newbuilding market, Rio Tinto placed an order for three Vloc's at Namura at US\$105m each.

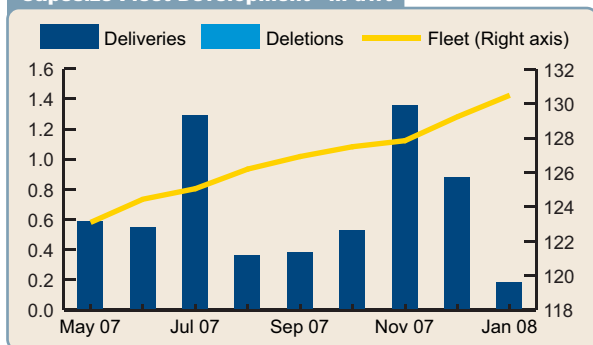
## Capesize Earnings Index



## Capesize Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
<b>Tubarao-Rttdam</b> (\$/dwct)	32.50	31.80	49.40	45.00	31.80
<b>Tubarao-China</b> (\$/dwct)	59.28	64.05	91.15	86.35	64.05
<b>WAus-China</b> (\$/dwct)	24.39	25.40	36.95	36.55	25.40
<b>Pt Bolivar-ARA</b> (\$/dwct)	33.31	32.95	50.65	46.40	32.95
<b>Fronthaul Trip</b>	148,215	156,460	235,990	216,940	156,460
<b>Transpacific Trip</b>	112,010	112,765	175,000	177,885	112,765
<b>Time Charter (1yr)</b>	102,875	125,000	165,000	164,000	125,000
<b>Time Charter (3yr)</b>	74,000	75,000	105,000	102,500	75,000

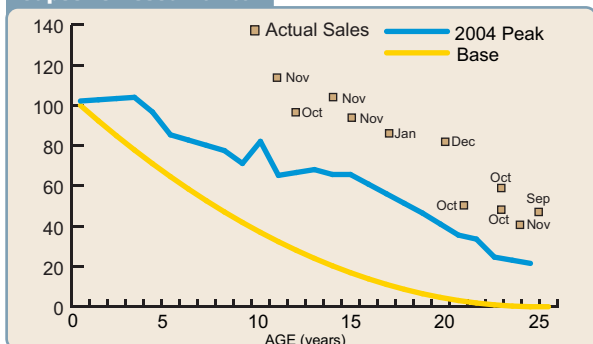
## Capesize Fleet Development - m dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
<b>NB Price \$M</b>					
170,000 dwt	83.9	97.0	93.0	95.0	97.0
220,000 dwt	87.1	100.0	98.0	98.0	100.0
<b>SH Price \$M</b>					
170,000 dwt (5yr)	105.7	128.0	135.0	135.0	128.0
170,000 dwt (10yr)	88.4	106.0	115.0	115.0	106.0
150,000 dwt (10yr)	74.6	89.0	96.0	96.0	89.0
<b>SH 5yr % of NB</b>	125.1%	132.0%	145.2%	142.1%	132.0%
<b>Scrap Value \$M</b>	12.7	13.5	13.8	13.5	13.5

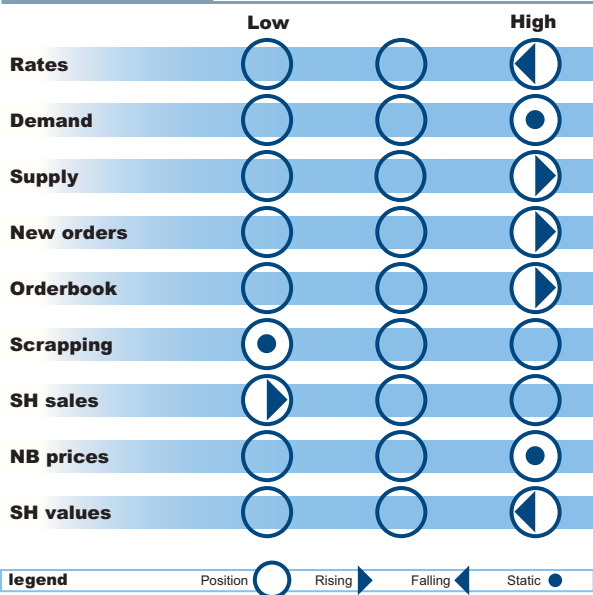
## Capesize Asset Monitor



## Investment Returns

	Jan 2008 Newbuild	Jan 2008 Secondhand (5yr)
<b>Cost - \$M</b>	97.0	128.0
<b>Operating Costs - \$pd</b>	6,525	6,525
<b>Required TC Rate - for 10% IRR \$pd</b>	42,150	47,700
<b>Current Rate - T/C \$pd</b>	125,000	125,000
<b>Current Rate of Return (IRR) %</b>	27.13%	33.20%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.16%	0.29%

## Market Indicators

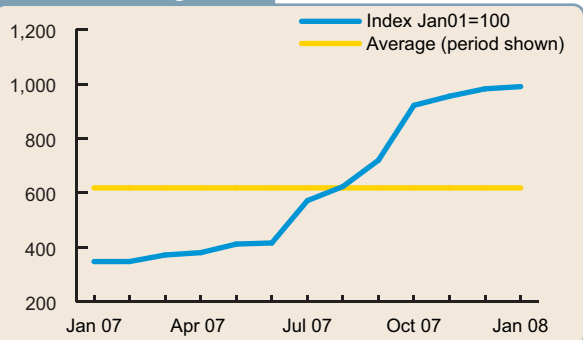


## Panamax plummet

The Baltic Panamax Index also came off from its historic high levels to touch 5,517 points. It had opened the month at 7,938 points. Excessive tonnage availability had adverse affect on the rates. On the coal route, Richards Bay to Mediterranean, spot rates plunged by 39% over the month. Meanwhile rates on the US Gulf-Japan grain route remained steady amidst the severe revisions and the spot rate reached \$123.0/mt from \$124.2/mt in December. But the announcement that Argentina was reopening its export licence registry for wheat and corn is expected to boost the demand for this sector in the coming months.

On the newbuilding market, activity remained strong, with 42 berths contracted as compared to 28 in the previous month. Guangzhou Huangpu received orders for twelve 76,000dwt bulkers, C&Heavy Industries for ten 81,000dwt and Yangfan Group Co. for twelve 92,500dwt vessels. Newbuilding prices remained steady this month, whilst prices on the secondhand market came down by 7-9%.

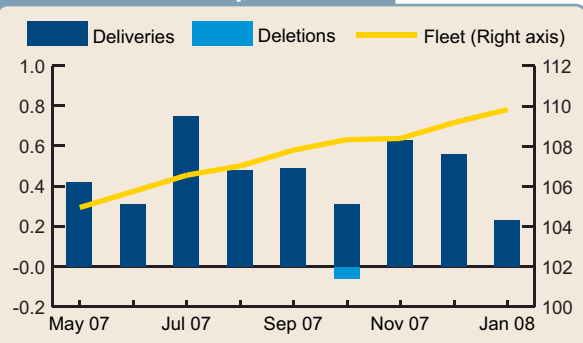
## Panamax Earnings Index



## Panamax Rates (\$/pd)

	2007 Avg	2008 Avg	2007/08		
			Nov	Dec	Jan
<b>US Gulf-Japan</b> (\$/dwct)	81.4	123.0	118.0	124.2	123.0
<b>E.Aus-Japan</b> (\$/dwct)	32.6	38.5	47.0	52.7	38.5
<b>Richards Bay-Med</b> (\$/dwct)	37.2	36.1	55.6	59.0	36.1
<b>TA Trip</b>	59,820	70,680	88,545	84,045	70,680
<b>TP Trip</b>	54,960	47,410	83,990	67,435	47,410
<b>India/-/FE</b>	54,625	68,000	74,000	78,000	68,000
<b>Time Charter (1yr)</b>	52,230	57,000	81,000	73,000	57,000
<b>Time Charter (3yr)</b>	38,605	43,000	62,000	55,000	43,000

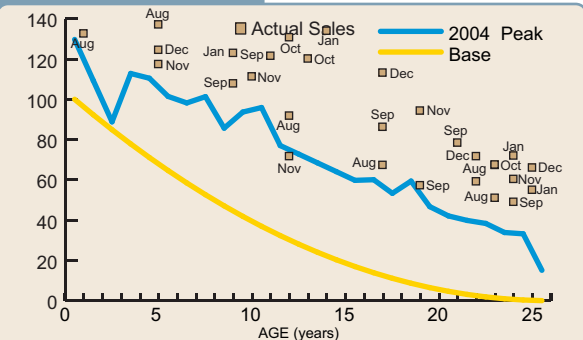
## Panamax Fleet Development - M dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08		
			Nov	Dec	Jan
<b>NB Price \$M</b>					
75,000 dwt	46.6	53.0	53.0	53.0	53.0
95,000 dwt	50.2	57.5	56.0	57.0	57.5
<b>SH Price \$M</b>					
75,000 dwt (5yr)	63.1	77.5	83.0	83.0	77.5
75,000 dwt (10yr)	55.7	66.0	72.0	72.5	66.0
<b>SH 5yr % of NB</b>	133.7%	146.2%	156.6%	156.6%	146.2%
<b>Scrap Value \$M</b>	5.4	5.8	5.9	5.8	5.8

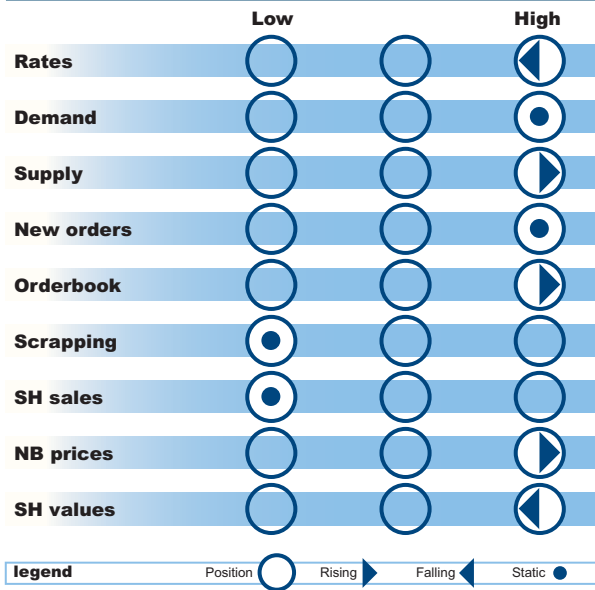
## Panamax Asset Monitor



## Investment Returns

	Jan 2008	
	Newbuild	Secondhand (5yr)
<b>Cost \$M</b>	53.0	77.5
<b>Operating Costs \$pd</b>	5,745	5,745
<b>Required TC Rate - for 10% IRR \$pd</b>	25,290	30,850
<b>Current Rate - T/C \$pd</b>	57,000	57,000
<b>Current Rate of Return (IRR) %</b>	22.89%	23.45%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.33%	0.48%

## Market Indicators

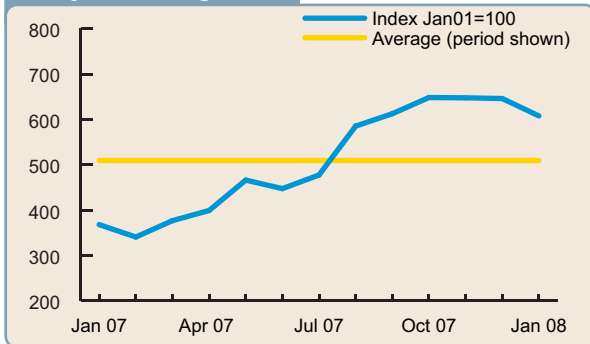


## Handymax falls drastically

Following its larger counterparts, the Handymax index also came down heavily over the month to close at 3,860 points after starting the year at 5,741 points. This sector too was hit by overtonnaging and limited cargo availability. Rates in the Pacific basin came down by about 30% over the month. From US Gulf to Continent the freight rate moved down to \$90,025pd from \$104,205pd, a decrease of 14% over the month. One year time charter rates also dropped a further 15% this month to reach \$51,000pd.

On the newbuilding market, activity remained firm despite the dramatic fall in the freight market. SPP increased its orderbook further by securing orders for seven 52,000dwt Supramaxes from four different owners at US\$49.0m each. Rates on the secondhand market moved down by 7% over the month to reach US\$60.0m. The 2005 built *Nord Wave* (53,489) was sold at a very firm rate of US\$72.0m. Centurian also sold its 1996 built *Fortune Pearl* (45,585 dwt) at US\$58.0m.

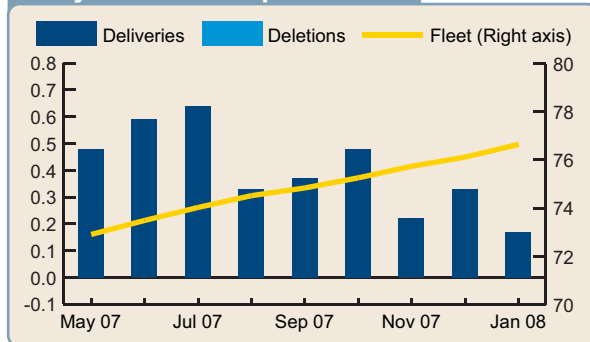
## Handymax Earnings Index



## Handymax Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
Cont/-/FE	47,770	65,740	67,860	67,920	65,740
TP Trip	44,670	37,750	66,585	53,560	37,750
FE/-/Cont	44,715	35,165	66,080	51,170	35,165
US Gulf/Cont	68,630	90,025	92,135	104,205	90,025
Time Charter (1yr)	43,945	51,000	62,500	60,100	51,000
Time Charter (3yr)	33,670	36,000	46,500	43,000	36,000

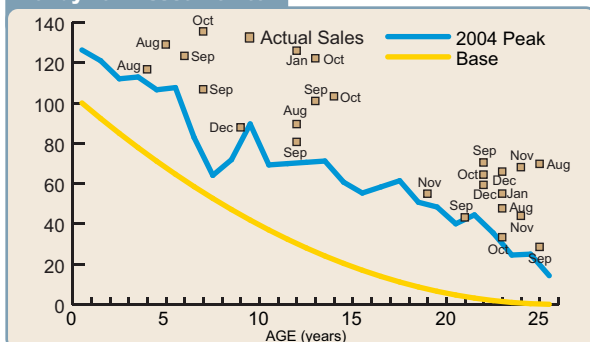
## Handymax Fleet Development - m dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
<b>NB Price \$M</b>					
55,000 dwt	40.7	46.0	45.5	45.5	46.0
<b>SH Price \$M</b>					
50,000dwt (5yr)	50.4	60.0	64.0	64.5	60.0
<b>SH 5yr % of NB</b>	122.9%	130.4%	140.7%	141.8%	130.4%
<b>Scrap Value \$M</b>	4.4	4.8	4.9	4.8	4.8

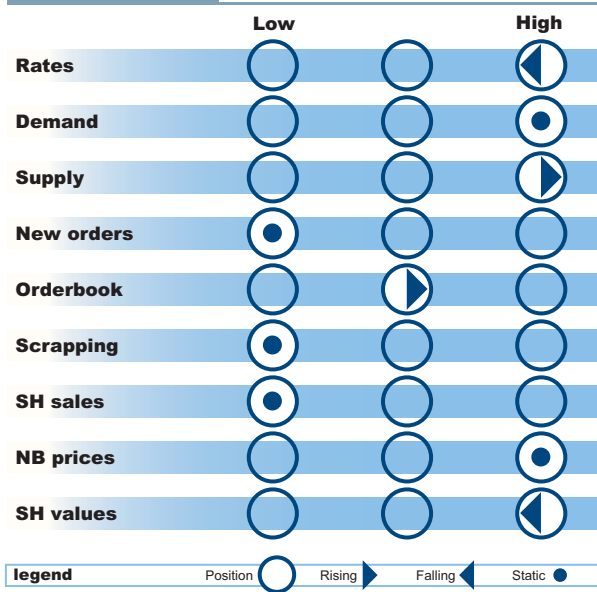
## Handymax Asset Monitor



## Investment Returns

	Jan 2008 Newbuild	Jan 2008 Secondhand (5yr)
<b>Cost - \$M</b>	46.0	60.0
<b>Operating Costs - \$pd</b>	5,255	5,255
<b>Required TC Rate - for 10% IRR \$pd</b>	22,250	24,690
<b>Current Rate - T/C \$pd</b>	51,000	51,000
<b>Current Rate of Return (IRR) %</b>	23.37%	27.20%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.38%	0.62%

## Market Indicators

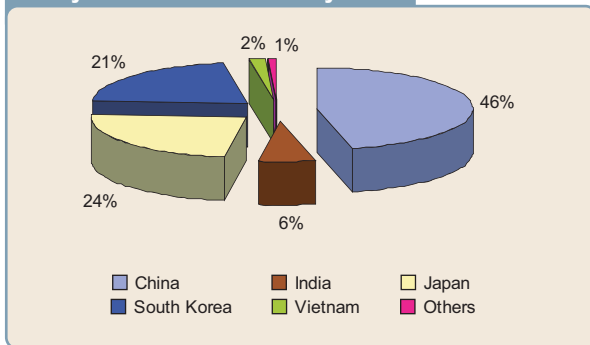


## Handysize too follows suit

The Baltic Handysize Index unsurprisingly fell heavily over the month, losing 919 points to close at 1,988 points. Period activity completely evaporated from the market and rates also fell by 12%. Excessive tonnage in both the basins pressurised the rates down, although the Atlantic basin held a shade better. Transatlantic trip rates were down by 13%, as compared to transpacific rates which reduced by 20%.

On the newbuilding market, activity and rates held firm over the month. South Korean shipyard -21st Century shipyard-secured orders for eight 34,000dwt vessels from four different owners, with delivery scheduled for 2011/12. This order has increased its orderbook to 17 vessels of the same design. On the secondhand market, Arne Blystad resold two of its 32,000dwt newbuilds at Jinse yard for US\$50.5m each to Safety Management Overseas. The 1997 built *African Impala* and the 1998 built *African Protea*, both 24,000dwt, were sold in an enbloc deal for US\$76.5m.

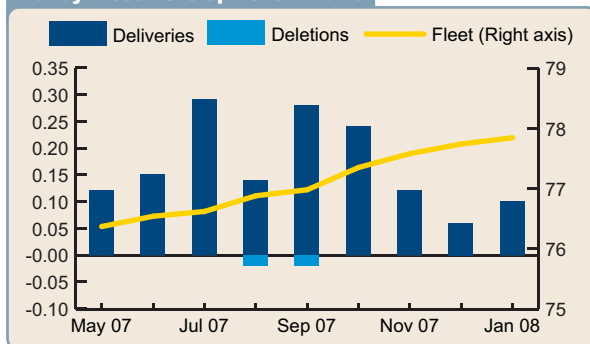
## Handysize Orderbook - Countrywise



## Handy Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
<b>TA Trip</b>	27,065	29,500	35,000	34,000	29,500
<b>TP Trip</b>	31,005	33,190	42,300	41,325	33,190
<b>Time Charter (1yr)</b>	23,020	26,000	30,750	29,500	26,000
<b>Time Charter (3yr)</b>	21,920	23,500	28,000	26,500	23,500

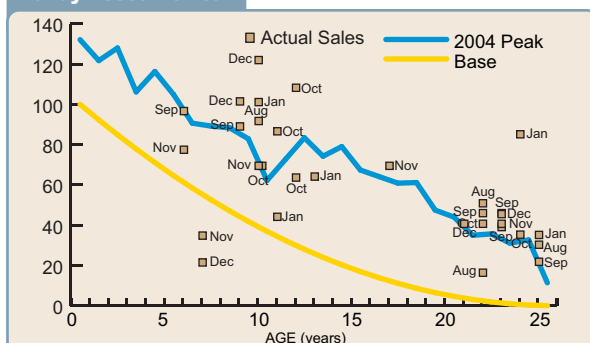
## Handy Fleet Development - M dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Nov	2007/08 Dec	2007/08 Jan
<b>NB Price \$M</b>					
30,000dwt	33.2	37.5	37.5	37.5	37.5
<b>SH Price \$M</b>					
28,000 dwt (10yr)	28.4	32.5	35.0	35.0	32.5
37,000 dwt (5yr)	50.4	60.0	64.0	64.5	60.0
<b>SH 10yr % of NB</b>	85.1%	86.7%	93.3%	93.3%	86.7%
<b>Scrap Value \$M</b>	2.4	2.6	2.7	2.6	2.6

## Handy Asset Monitor



## Investment Returns

	Jan 2008 Newbuild	Jan 2008 Secondhand (10yr)
<b>Cost - \$M</b>	37.5	32.5
<b>Operating Costs - \$pd</b>	4,670	4,670
<b>Required TC Rate - for 10% IRR \$pd</b>	19,400	16,380
<b>Current Rate - T/C \$pd</b>	26,000	26,000
<b>Current Rate of Return (IRR) %</b>	14.48%	22.52%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.62%	1.22%

## 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 Limited	India	54.10	-44.0%	104.55	20.50	4.17	47,688	52
Cosco Corporation Ltd	Singapore	4.45	-20.5%	8.20	2.32	37.38	15,291,400 ●	7,111
First Steamship Co. Ltd	Taiwan	51.80	-27.1%	103.00	28.40	38.66	8,174,800	368
Inui Steamship	Japan	1,624.00	-3.6%	3,360.00	636.00	8.85	3,043,520	444
Jinhui Shipping Transport	Norway	49.20	-14.4%	86.00	27.00	10.52	937,918	760
Precious Shipping Public Co Ltd	Thailand	26.75	0.9%	41.25	21.30	6.08	1,639,300	779
U-Ming MarineTransport Corporation	Taiwan	75.60	-6.4%	123.50	46.65	13.47	13,554,408	1,883

## Predominantly Dry Bulk Companies\*\*

Algoma Central Corporation	Canada	121.00	-11.0%	148.00	118.00	11.48	940	472
China Shipping Haisheng 'A'	China	18.71	-3.9%	25.42	5.69	38.57	13,924,915 ●	1,273
D/S Norden	Denmark	511.00	-7.1%	700.00	232.55	7.85	308,979	4,257
Daiichi Chuo Kisen Kaisha	Japan	591.00	2.1%	1,221.00	307.00	10.17	14,052,000 ●	1,415
Eidsiva Rederi	Norway	30.00	-7.7%	44.00	29.10	6.93	n/a	n/a
Hanjin Shipping Co. Ltd	S.Korea	32,650.00	-19.4%	63,500.00	26,750.00	4.57	606,955	2,521
Korea Line Corporation	S.Korea	138,000.00	-12.1%	297,000.00	46,500.00	11.64	193,661	1,462
Ningbo Marine 'A'	China	13.55	5.5%	16.30	4.72	31.21	n/a	n/a
Sincere Navigation Corporation	Taiwan	56.80	11.4%	79.90	44.00	10.00	6,549,529	806

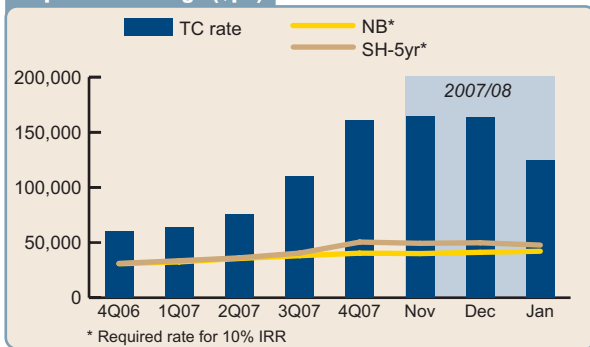
\* All prices in local currencies as on 1<sup>st</sup> February 2008

\*\* Dry bulk tonnage more than 2/3<sup>rd</sup> of owned tonnage

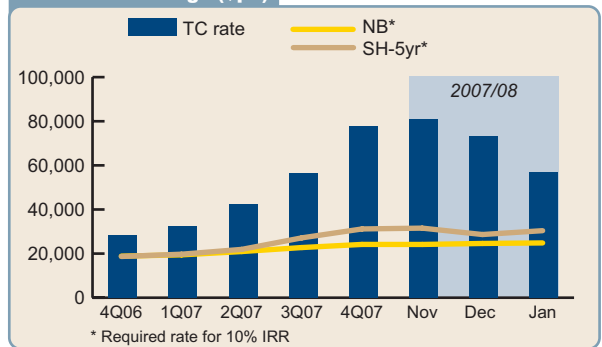
● ● ● Three most active companies - by the number of shares traded in the last week irrespective of the price and market cap

## Earnings for 10% IRR \*\* for Newbuild & Secondhand Vessels

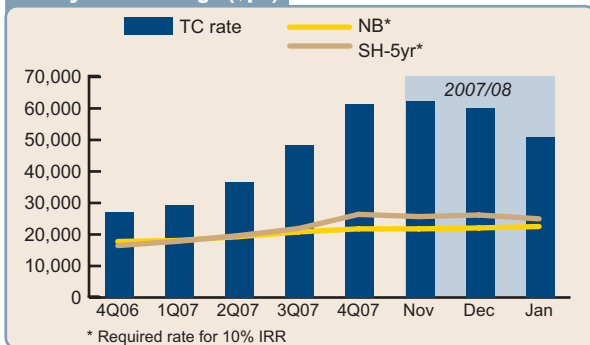
### Capesize Earnings (\$pd)



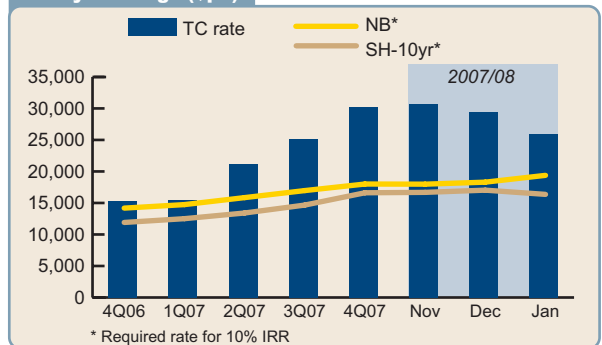
### Panamax Earnings (\$pd)



### Handymax Earnings (\$pd)



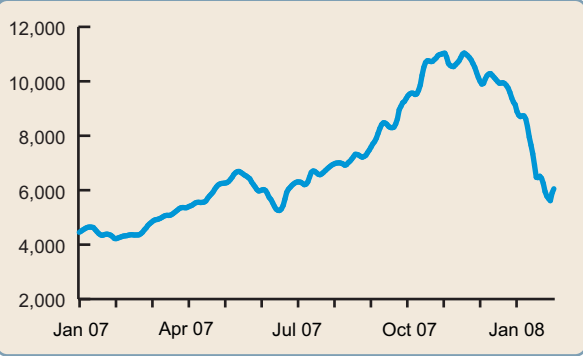
### Handy Earnings (\$pd)



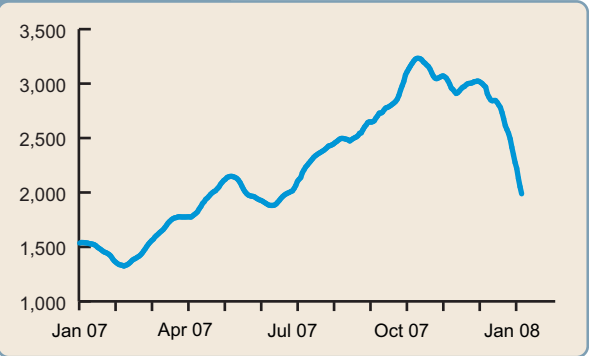
\*\* For IRR assumptions : refer to page 13

# indices and ffas

**Baltic Indices: BDI**



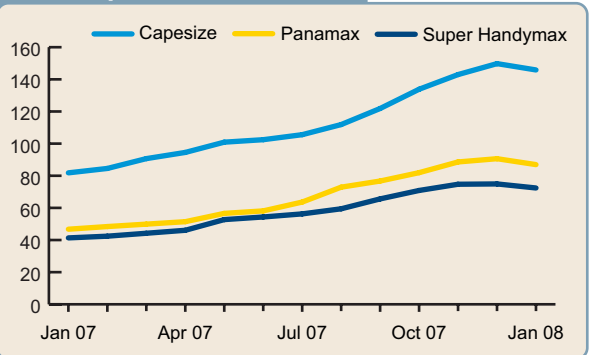
**Baltic Indices: BHSI**



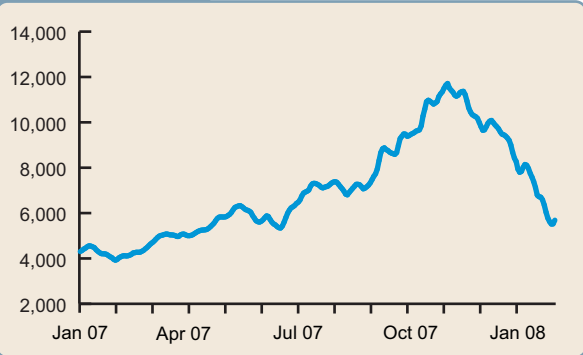
**Baltic Indices: BCI**



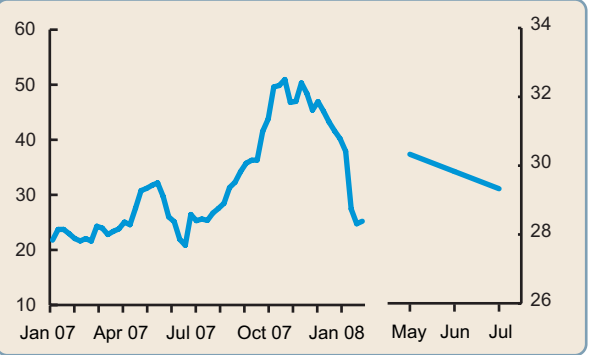
**Baltic Ship Valuation Assessment**



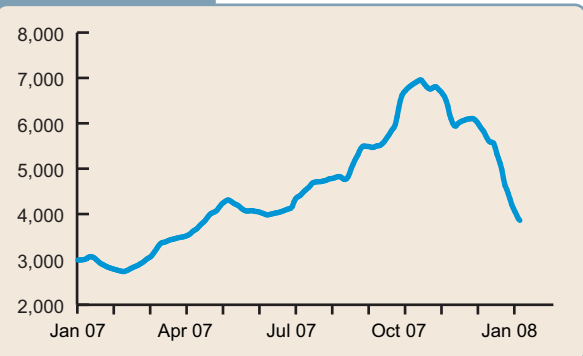
**Baltic Indices: BPI**



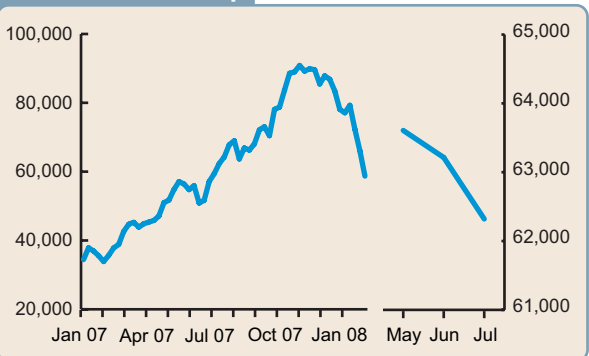
**BFA C4 Richards Bay/Rotterdam**



**Baltic Indices: BSI**



**BFA P2a Fronthaul Trip**



Source: All indices - The Baltic Exchange

## Fleet Supply

	2006		2007		2008*		Dec		Jan	
	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt	No	'000 Dwt
<b>Fleet Size - End period</b>										
10-40,000	2,847	76,168	2,910	77,736	2,915	77,844	2,910	77,736	2,915	77,844
40-60,000	1,496	71,396	1,584	76,118	1,594	76,652	1,584	76,118	1,594	76,652
60-80,000	1,284	91,647	1,325	94,775	1,330	95,158	1,325	94,775	1,330	95,158
80-110,000	131	11,454	165	14,408	168	14,667	165	14,408	168	14,667
110-200,000	629	102,771	658	107,917	661	108,450	658	107,917	661	108,450
200,000+	77	17,349	96	21,307	99	22,044	96	21,307	99	22,044
<b>Total</b>	<b>6,464</b>	<b>370,785</b>	<b>6,738</b>	<b>392,260</b>	<b>6,767</b>	<b>394,816</b>	<b>6,738</b>	<b>392,260</b>	<b>6,767</b>	<b>394,816</b>
<b>Orderbook</b>										
10-40,000	279	8,086	574	17,703	598	18,536	574	17,703	598	18,536
40-60,000	310	16,696	728	40,503	760	42,377	728	40,503	760	42,377
60-80,000	121	9,156	204	15,004	205	15,045	204	15,004	205	15,045
80-110,000	131	11,394	386	33,440	398	34,421	386	33,440	398	34,421
110-200,000	116	20,522	479	81,921	491	83,591	479	81,921	491	83,591
200,000+	67	16,527	106	27,967	109	28,524	106	27,967	109	28,524
<b>Total</b>	<b>1,024</b>	<b>82,380</b>	<b>2,477</b>	<b>216,537</b>	<b>2,561</b>	<b>222,493</b>	<b>2,477</b>	<b>216,537</b>	<b>2,561</b>	<b>222,493</b>
% Fleet		22.2%		55.2%		56.4%		55.2%		56.4%
<b>New orders</b>										
10-40,000	133	3,865	273	9,971	21	680	24	806	21	680
40-60,000	151	8,216	439	26,280	53	3,010	54	3,050	53	3,010
60-80,000	24	1,828	77	6,238	20	1,514	7	552	20	1,514
80-110,000	38	3,327	199	19,803	22	1,921	21	1,919	22	1,921
110-200,000	68	12,018	322	58,261	28	4,398	19	2,958	28	4,398
200,000+	14	4,094	45	14,063	9	2,576	5	1,451	9	2,576
<b>Total</b>	<b>428</b>	<b>33,347</b>	<b>1,355</b>	<b>134,614</b>	<b>153</b>	<b>14,099</b>	<b>130</b>	<b>10,736</b>	<b>153</b>	<b>14,099</b>
<b>Deliveries**</b>										
10-40,000	49	1,341	82	2,038	3	100	2	584	3	100
40-60,000	50	8,796	93	4,995	3	167	6	3,262	3	167
60-80,000	9	1,868	45	3,414	2	152	4	3,036	2	152
80-110,000	91	4,873	40	3,480	1	83	3	2,578	1	83
110-200,000	62	4,705	32	5,663	1	177	2	3,530	1	177
200,000+	48	4,080	20	4,264	0	0	2	5,300	0	0
<b>Total</b>	<b>309</b>	<b>25,663</b>	<b>312</b>	<b>23,855</b>	<b>10</b>	<b>678</b>	<b>19</b>	<b>18,290</b>	<b>10</b>	<b>678</b>
<b>Deletions</b>										
10-40,000	31	790	10	232	0	0	0	0	0	0
40-60,000	2	105	0	0	0	0	0	0	0	0
60-80,000	9	611	1	61	0	0	0	0	0	0
80-110,000	0	0	1	80	0	0	0	0	0	0
110,000+	2	296	0	0	0	0	0	0	0	0
<b>Total</b>	<b>44</b>	<b>1,802</b>	<b>12</b>	<b>374</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Secondhand Sales</b>										
10-40,000	196	5,517	303	7,402	10	259	8	242	10	259
40-60,000	166	7,909	197	7,446	3	142	4	194	3	142
60-80,000	171	12,118	186	12,350	8	546	6	428	8	546
80-110,000	21	1,740	16	1,286	1	82	0	0	1	82
110,000+	74	12,108	103	13,915	3	493	1	188	3	493
<b>Total</b>	<b>628</b>	<b>39,391</b>	<b>805</b>	<b>42,399</b>	<b>25</b>	<b>1,523</b>	<b>19</b>	<b>1,053</b>	<b>25</b>	<b>1,523</b>

\* Year to date

\*\* Provisional deliveries for Jan 2008

## Drewry Prices

Size	Newbuilding Price (US\$m)					Scrap Value (US\$m)					Scrap Price (\$/ldt)
	2006	2007	2008*	Dec	Jan	2006	2007	2008*	Dec	Jan	Jan
25-30,000 dwt**	22.3	33.2	37.5	37.5	37.5	2.0	2.4	2.6	2.6	2.6	475
50-55,000 dwt**	31.5	40.7	46.0	45.5	46.0	3.7	4.4	4.8	4.8	4.8	475
70-75,000 dwt	35.7	46.6	53.0	53.0	53.0	4.4	5.4	5.8	5.8	5.8	480
150-180,000 dwt	62.1	83.9	97.0	95.0	97.0	11.1	12.7	13.5	13.5	13.5	450

### Secondhand Value (US\$m, 5 year old)

Vessel Size	2006	2007	2008*	Dec	Jan
35-40,000 dwt	n/a	n/a	60.0	64.5	60.0
50-55,000 dwt	31.3	50.4	65.0	70.0	65.0
70-75,000 dwt	37.0	63.1	77.5	83.0	77.5
160-180,000 dwt	66.1	105.7	128.0	135.0	128.0

### Secondhand Value (US\$m, 10 year old)

Vessel Size	2006	2007	2008*	Dec	Jan
25-30,000 dwt	19.5	28.4	32.5	35.0	32.5
70-75,000 dwt	28.6	51.2	66.0	72.5	66.0
130-150,000 dwt	44.0	74.6	89.0	96.0	89.0
160-180,000 dwt	n/a	88.4	106.0	115.0	106.0

\*\* Geared (25 tonne cranes)

## Freight Rates

Capesize	2006	2007	2008*	Dec	Jan	Handymax	2006	2007	2008*	Dec	Jan
<b>Freight Rate \$/mt</b>						<b>Trip Rate \$pd</b>					
Tubarao - Rotterdam	14.5	32.5	31.8	45.0	31.8	Cont/-Far East	21,550	47,770	65,740	67,920	65,740
Tubarao - China	27.6	59.3	64.1	86.4	64.1	Transpacific Trip	23,895	44,670	37,750	53,560	37,750
W Aus - China	11.8	24.4	25.4	36.6	25.4	FE/-/Cont	24,700	44,715	35,165	51,170	35,165
						US Gulf/Cont	n/a	68,630	90,025	104,205	90,025
<b>Trip Rate \$pd</b>											
Fronthaul trip	58,900	148,215	156,460	216,940	156,460	<b>TC Rate</b>					
						5 Year Old \$/day	21,800	43,945	51,000	60,100	51,000
<b>TC Rate (1yr)</b>						10 Year Old \$/day	20,235	38,040	44,500	50,250	44,500
5 Year Old \$/day	45,645	102,875	125,000	164,000	125,000						
10 Year Old \$/day	36,340	84,040	98,500	129,000	98,500	<b>TC Rate (3yr)</b>					
						5 Year Old \$/day	n/a	33,665	36,000	43,000	36,000
<b>TC Rate (3yr)</b>											
5 Year Old \$/day	n/a	74,000	75,000	102,500	75,000						
						<b>Handysize</b>					
<b>Panamax</b>						<b>Trip Rate \$pd</b>					
<b>Freight Rate \$/mt</b>						Transatlantic Trip	14,320	27,065	29,500	34,000	29,500
US Gulf - Japan	41.6	81.4	123.0	124.2	123.0	Transpacific Trip	19,430	31,005	33,190	41,325	33,190
<b>Trip Rate \$pd</b>						<b>TC Rate</b>					
Transatlantic Trip	23,960	61,480	70,680	84,045	70,680	10 Year Old \$/day	12,560	23,020	26,000	29,500	26,000
Transpacific Trip	25,075	54,960	47,410	67,435	47,410						
						<b>TC Rate (3yr)</b>					
<b>TC Rate</b>						5 Year Old \$/day	n/a	21,915	23,500	26,500	23,500
5 Year Old \$/day	22,475	52,230	57,000	73,000	57,000						
10 Year Old \$/day	20,360	49,000	55,000	68,500	55,000						
<b>TC Rate (3yr)</b>											
5 Year Old \$/day	n/a	38,605	43,000	55,000	43,000						

\* Year to date average

## Asset Monitor

The asset monitor index relates the ratio of a vessel's secondhand price and the newbuilding price and the residual value at the end of its useful trading life. The asset monitor plots two cases as comparison benchmarks. The value of assets at a freight market peak cycle (in this case 2004) are calculated and plotted. Additionally as a base case a statistical depreciation of the asset over a project life of twenty five years has been calculated. Plotting representative market sales over this period provides the reader with asset value locations at a glance.

## 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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