

## Market firmer

Dry bulk market stabilised over February after the free fall experienced in the previous month. The Baltic Dry Index (BDI) opened the month at 6,134 points and dipped to 6,002 points in the first week of trading. Chinese New Year and Brazilian carnival celebrations severely hit chartering activity in the market. But thereafter, with iron ore cargoes back in the market, the Index climbed steadily over the month to close at 7,613 points. But a shortage of other raw materials did not help a full revival in the market, as the Drewry dry bulk index fell by 7% from the previous month.

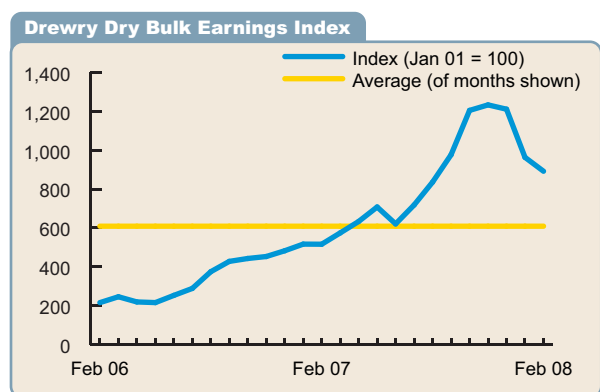
Lunar holidays and the global credit crunch adversely hit the newbuilding market as activity dipped to a year low and nearly halved over the previous month. In late January, Jinhui Shipping cancelled its order for two VLOCs placed in November 2007 at Dalian and China Shipbuilding and Offshore shipyards. Due to the sub prime mortgage crisis, financial institutes have reduced their willingness to loan funds. The lack of flexible loan terms and conditions from banks lead Jinhui to cancel its two contracts. As per the company announcement, for each cancellation of contract they are required to pay US\$2.0m in cash.

The dry bulk fleet rose by a mere 0.6% this month to reach 6,796 vessels, totaling 397m dwt. Despite the high level of activity reported in the demolition market, especially after the break up of the Bangladeshi cartel, bulkers are still missing from all the action. For the fourth month in a row, no bulker was sold for scrapping even with the high demolition prices being offered by the scrap yards. Instead a lot of older tonnage exchanged hands on the secondhand market with more than half the deals reported for bulk carriers over 20 years old.

### TCE Earnings (\$pd)

	2007	2008*	2008 Jan	2008 Feb
<b>Capesize</b>	118,120	123,355	124,970	121,740
<b>Panamax</b>	64,070	91,650	99,250	84,050
<b>Handymax</b>	34,450	33,370	25,680	41,060
<b>Handy</b>	17,175	26,201	23,020	29,382

\* Average - Year to Date



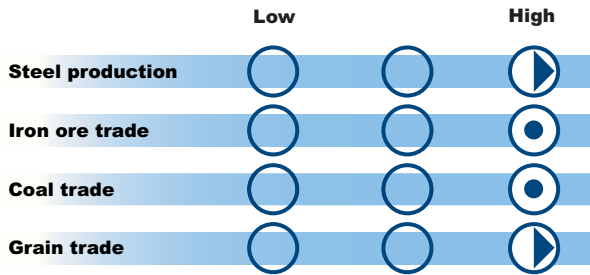
### Our view

Market sentiment has improved steadily over February and the recent freight falls seem to have been forgotten. The expectation for the short term at least is for high levels of volatility around a return to high market rates. With demolition activity increasing and newbuilding ordering waning, it does appear that some owners are aware of the tonnage crunch to come, however it is not expected to take effect before 2009.



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## Market Indicators



## Seaborne Dry Bulk Trade (Mt)

	2007 <sup>(P)</sup>	2008 <sup>(F)</sup>	1Q08 <sup>(F)</sup>	2Q08 <sup>(F)</sup>	3Q08 <sup>(F)</sup>
<b>Iron Ore</b>	785.1	828.5	206.0	200.8	207.3
<b>Steam Coal</b>	488.5	569.2	144.4	135.1	145.4
<b>Coking Coal</b>	220.9	236.0	55.9	60.1	59.7
<b>Grain</b>	268.7	278.6	61.4	63.6	73.2
<b>Minor Bulks</b>	1,160.6	1,210.7	467.7	459.5	485.6
<b>Total Trade</b>	2,923.8	3,123.0	935.5	919.1	971.1

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

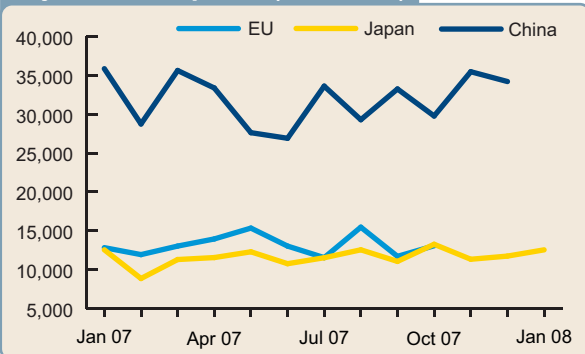
## Rising commodity prices

February marked the conclusion of the iron ore price negotiations with Chinese steelmaker Baosteel agreeing with Vale a 65% price increase in 2008. The price for high-quality ore from Vale's Carajas mine will increase by about 71%. The deal came after steel producers in Japan, South Korea and Europe had agreed to the same price increase with Vale. Increasing demand from China's booming steel sector has driven significant hikes in iron ore prices at annual negotiations for the past six years. But negotiations with Australian iron ore providers were still underway, who are pushing for a higher hike. Rio Tinto has announced that it intends to increase its spot supplies to almost four times what it sold last year.

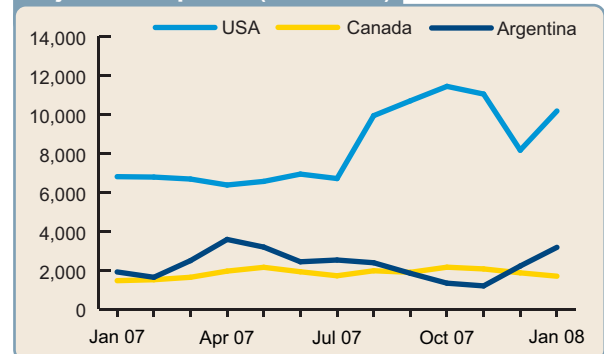
Global coal supplies are still grappling from acute shortage due to weather related disruptions at major exporting countries. South African coal industry rallied under more bad news. Eskom announced much more additional coal requirement than at first thought to build its power station stocks, and the rapid emergence of congestion at Richards Bay caused by equipment breakdowns. Newcastle coal port is also considering a reduction in shipping allocations in the second quarter to cut rising ship queues, thus forcing major importers to look for further alternates. FOB coal price from Richards Bay climbed to US\$113.85/mt from US\$100.90/mt in January.

Grain and oilseed prices scaled new peaks this month especially due to erratic developments in US wheat futures. As per the IGC's latest report, despite the high grain prices, forecast trade is projected up by 1mt at 228mt, 7mt. more than last year.

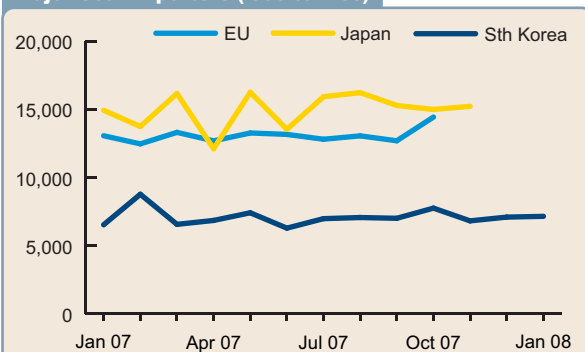
### Major Iron Ore Importers ('000 tonnes)



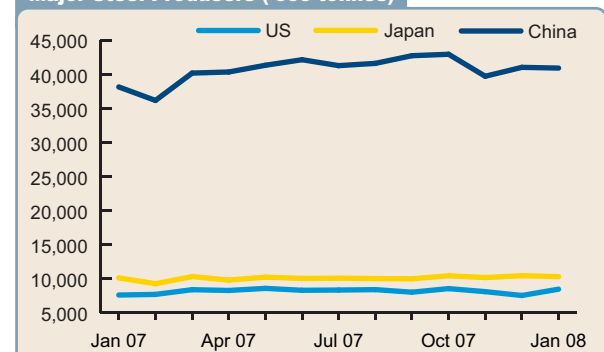
### Major Grain Exporters ('000 tonnes)



### Major Coal Importers ('000 tonnes)



### Major Steel Producers ('000 tonnes)

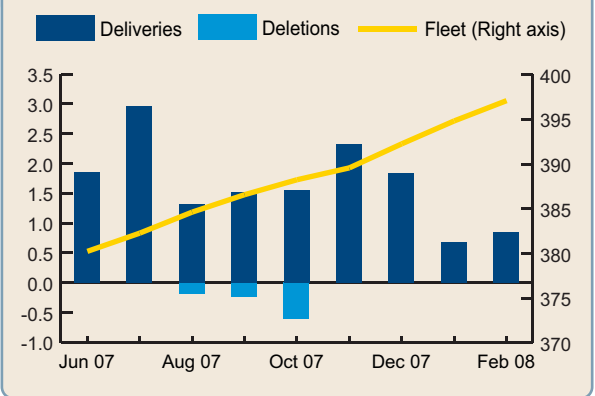


## Total Dry Bulk Fleet: February 2008

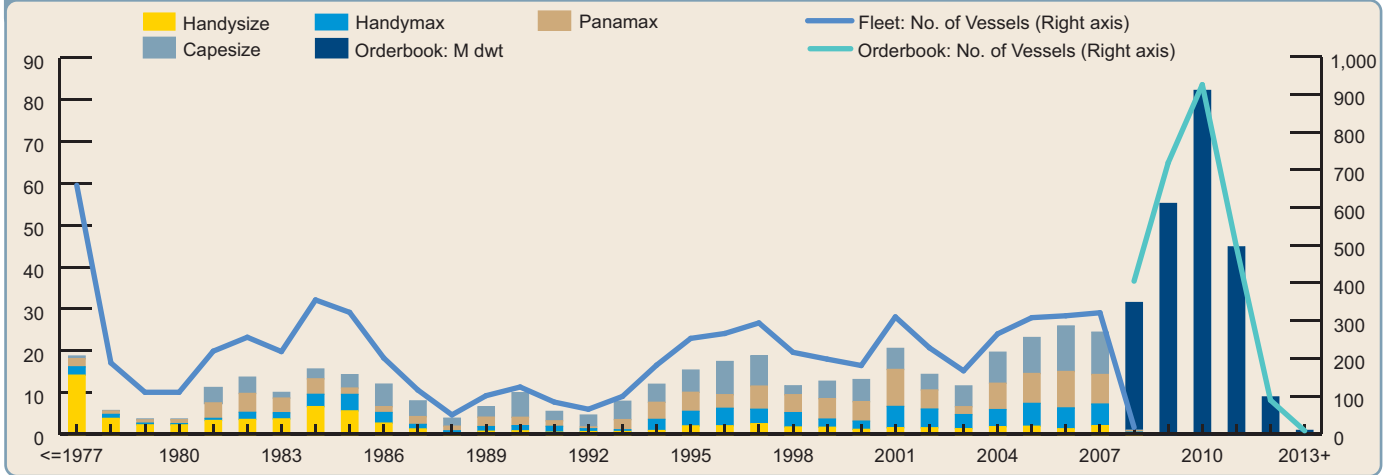
Size ( <sup>'000 dwt</sup> )	Total		
	No.	Dwt	Fleet Size
10-40	2,923	78,060,805	▶
40-60	1,605	77,260,907	▶
60-80	1,334	95,461,008	▶
80-110	170	14,843,021	▶
110-200	663	108,804,122	▶
200+	101	22,655,493	▶
<b>Total</b>	<b>6,796</b>	<b>397,085,356</b>	▶

**legend** Position ○ Rising ▶ Falling ◀ Static ●

## Fleet Development (<sup>'000 dwt</sup>)



## Fleet Age Profile and Orderbook Delivery Schedule (M dwt)



## Total Dry Bulk Fleet & Orderbook: February 2008

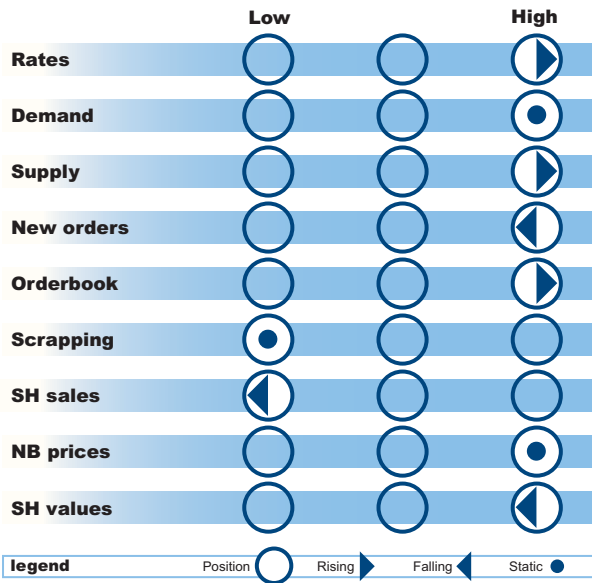
Size ( <sup>'000 dwt</sup> )	Existing Fleet		Orderbook										% of Fleet Dwt
	No.	Dwt	2008		2009		2010		2011+		Total		
10-40	2,923	78,061	116	3,329	209	6,385	193	6,195	116	3,884	634	19,793	25.4
40-60	1,605	77,261	144	7,750	243	13,528	233	13,159	147	8,360	767	42,797	55.4
60-80	1,334	95,461	60	4,479	49	3,623	64	4,749	39	2,723	212	15,575	16.3
80-110	170	14,843	40	3,402	83	7,267	158	13,613	130	11,330	411	35,612	239.9
110-200	663	108,804	28	4,930	115	20,148	253	43,155	113	18,083	509	86,315	79.3
200+	101	22,655	17	4,143	20	4,959	25	6,635	48	12,936	110	28,674	126.6
<b>Total</b>	<b>6,796</b>	<b>397,085</b>	<b>405</b>	<b>28,033</b>	<b>719</b>	<b>55,911</b>	<b>926</b>	<b>87,506</b>	<b>593</b>	<b>57,316</b>	<b>2,643</b>	<b>228,766</b>	<b>57.6</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	145	4,361	151	8,192	85	6,006	150	12,779	70	12,226	71	17,382	672	60,946
China	301	9,435	440	24,862	99	7,469	197	17,520	246	40,016	34	9,712	1,317	109,014
S. Korea	136	4,475	49	2,829	0	0	64	5,313	164	28,896	5	1,580	418	43,094
Others	52	1,522	127	6,913	28	2,100	0	0	29	5,177	0	0	236	15,713
<b>Total</b>	<b>634</b>	<b>19,793</b>	<b>767</b>	<b>42,797</b>	<b>212</b>	<b>15,575</b>	<b>411</b>	<b>35,612</b>	<b>509</b>	<b>86,315</b>	<b>110</b>	<b>28,674</b>	<b>2,643</b>	<b>228,766</b>

# cape size 110,000 + dwt

## Market Indicators

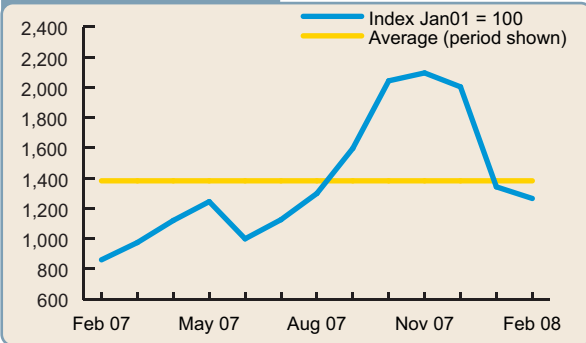


## Capesize stabilise

The Baltic Capesize Index opened at 9,031 points and after some initial setback, closed the month firmly at 10,743 points. The Index recovered considerable after reaching a low of 7,189 points in the previous month. The conclusion of the iron ore price negotiations coupled with the reopening of Itagau terminal around mid February, pushed the market higher. But the freight rates on iron ore routes are still suffering from abundant tonnage availability, thus registering some losses over the previous month. One year period rates moved up by nearly 16% this month and interest in the long term revived with the fixture of the 1999 built *Anangel Eternity* (171,176 dwt) at \$70,000pd. A newbuild 177,000dwt bulker was also secured for a five year charter at \$79,500pd.

Activity on the newbuilding market plummeted with VLOCs missing the action this month. In the secondhand market, "only" two transactions were registered, of which one was a resale of a 170,500dwt bulker to be delivered in 2010.

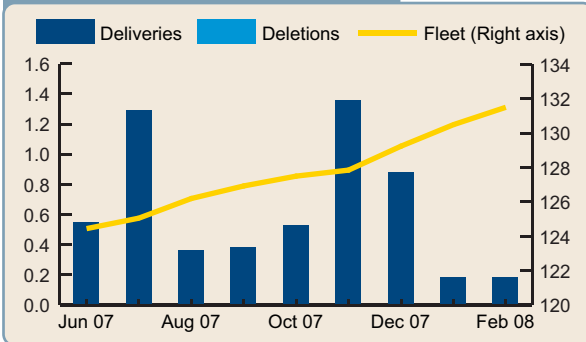
## Capesize Earnings Index



## Capesize Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
<b>Tubarao-Rttdam</b> (\$/dwct)	32.50	30.28	45.00	31.80	28.76
<b>Tubarao-China</b> (\$/dwct)	59.28	63.26	86.35	64.05	62.47
<b>WAus-China</b> (\$/dwct)	24.39	25.29	36.55	25.40	25.19
<b>Pt Bolivar-ARA</b> (\$/dwct)	33.31	31.38	46.40	32.95	29.80
<b>Fronthaul Trip</b>	148,215	154,760	216,940	156,460	153,059
<b>Transpacific Trip</b>	112,010	112,583	177,885	112,765	112,401
<b>Time Charter (1yr)</b>	102,875	135,000	164,000	125,000	145,000
<b>Time Charter (3yr)</b>	74,000	85,000	102,500	75,000	95,000

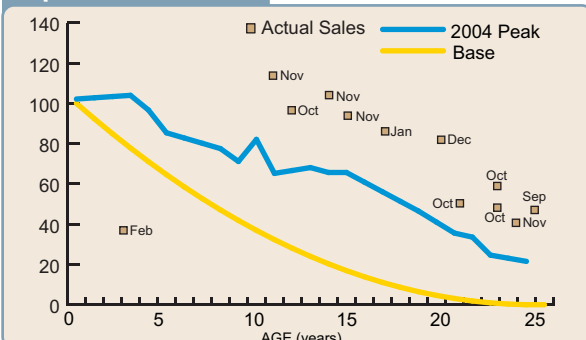
## Capesize Fleet Development - m dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
<b>NB Price \$M</b>					
170,000 dwt	83.9	97.0	95.0	97.0	97.0
220,000 dwt	87.1	100.0	98.0	100.0	100.0
<b>SH Price \$M</b>					
170,000 dwt (5yr)	105.7	127.0	135.0	128.0	126.0
170,000 dwt (10yr)	88.4	105.0	115.0	106.0	104.0
150,000 dwt (10yr)	74.6	88.3	96.0	89.0	87.5
<b>SH 5yr % of NB</b>	125.1%	130.9%	142.1%	132.0%	129.9%
<b>Scrap Value \$M</b>	12.7	14.2	13.5	13.5	14.9

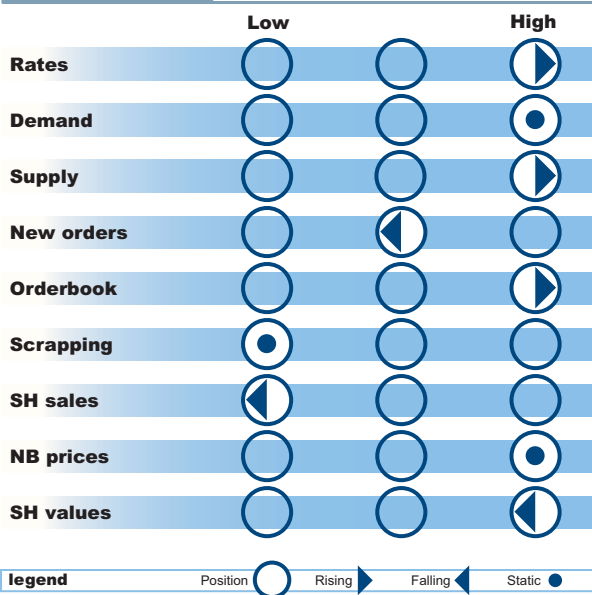
## Capesize Asset Monitor



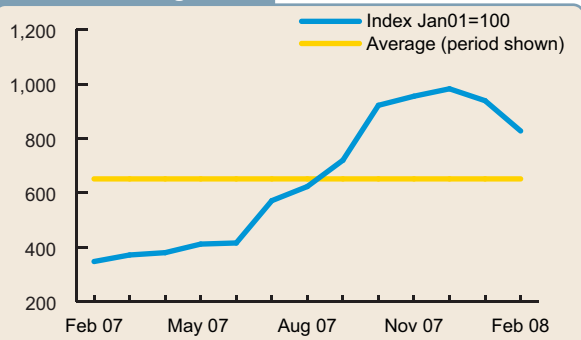
## Investment Returns

	Feb 2008 Newbuild	Feb 2008 Secondhand (5yr)
<b>Cost - \$M</b>	97.0	126.0
<b>Operating Costs - \$pd</b>	6,525	6,525
<b>Required TC Rate - for 10% IRR \$pd</b>	42,200	47,000
<b>Current Rate - T/C \$pd</b>	145,000	145,000
<b>Current Rate of Return (IRR) %</b>	30.24%	39.49%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.15%	0.29%

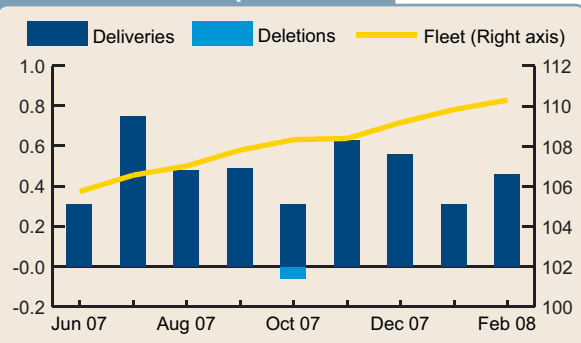
## Market Indicators



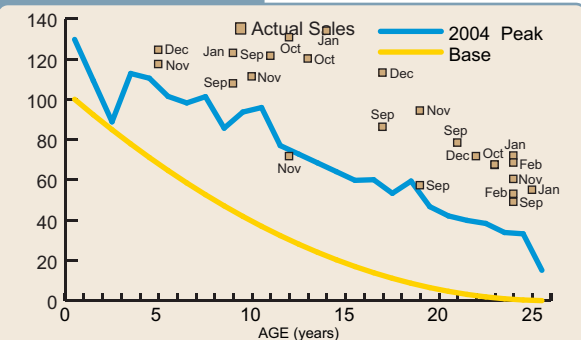
## Panamax Earnings Index



## Panamax Fleet Development - M dwt



## Panamax Asset Monitor



## Panamax revived

The Baltic Panamax Index also registered firm gains this month as the Index closed at 7,435 points (after opening at 5,749 points). Strong period chartering characterized the sector with activity up by nearly 25% and one year charter rates also moved up significantly. For three year chartering considerable activity was witnessed and a 20 year old vessel, the 1988 built *President G* (69,347 dwt), was fixed at a premium at US\$53,000pd! Due to a acute shortage of coal supplies, freight rates on the coal routes moved further down 15%-19% this month.

Newbuilding activity was severely hit by the lunar holidays and also the global credit crunch, with "just" four berths contracted this month, as compared to 42 in the previous month. Activity in the secondhand market also came down with a "wait and watch" mood prevalent in the market and prices too slid down by a further 4-5%. An 80,000dwt vessel was resold at a discounted price of US\$65.0m to an unknown Middle Eastern owner.

## Panamax Rates (\$pd)

	2007 Avg	2008 Avg	2007/08		
			Dec	Jan	Feb
<b>US Gulf-Japan</b> (\$/dwct)	81.4	114.5	124.2	123.0	106.0
<b>E.Aus-Japan</b> (\$/dwct)	32.6	34.8	52.7	38.5	31.2
<b>Richards Bay-Med</b> (\$/dwct)	37.2	33.4	59.0	36.1	30.7
<b>TA Trip</b>	59,820	71,038	84,045	70,680	71,397
<b>TP Trip</b>	54,960	46,075	67,435	47,410	44,740
<b>India/-/FE</b>	54,625	70,000	78,000	68,000	72,000
<b>Time Charter (1yr)</b>	52,230	63,500	73,000	57,000	70,000
<b>Time Charter (3yr)</b>	38,605	47,000	55,000	43,000	51,000

## Newbuild, Secondhand Scrap Values

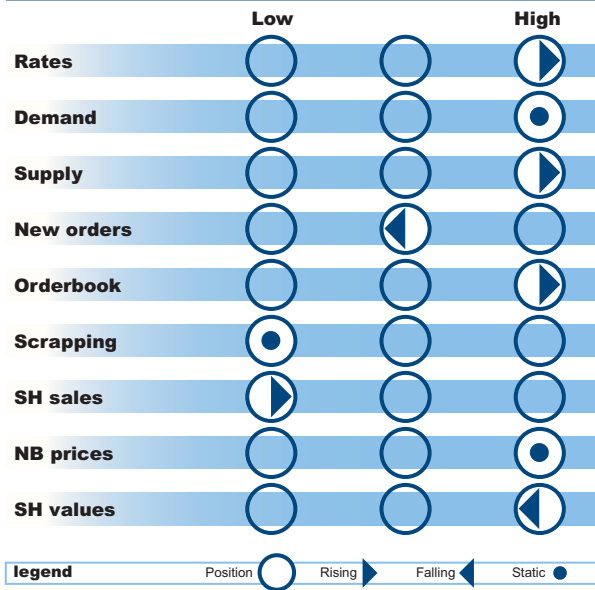
	2007 Avg	2008 Avg	2007/08		
			Dec	Jan	Feb
<b>NB Price \$M</b>					
75,000 dwt	46.6	53.5	53.0	53.0	54.0
95,000 dwt	50.2	57.5	57.0	57.5	57.5
<b>SH Price \$M</b>					
75,000 dwt (5yr)	63.1	76.3	83.0	77.5	75.0
75,000 dwt (10yr)	55.7	64.8	72.5	66.0	63.5
<b>SH 5yr % of NB</b>	133.7%	142.6%	156.6%	146.2%	138.9%
<b>Scrap Value \$M</b>	5.4	6.0	5.8	5.8	6.3

## Investment Returns

	Feb 2008	
	Newbuild	Secondhand (5yr)
<b>Cost \$M</b>	54.0	75.0
<b>Operating Costs \$pd</b>	5,745	5,745
<b>Required TC Rate - for 10% IRR \$pd</b>	25,700	30,000
<b>Current Rate - T/C \$pd</b>	70,000	70,000
<b>Current Rate of Return (IRR) %</b>	26.62%	30.67%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.30%	0.49%

# handymax 40-60,000dwt

## Market Indicators

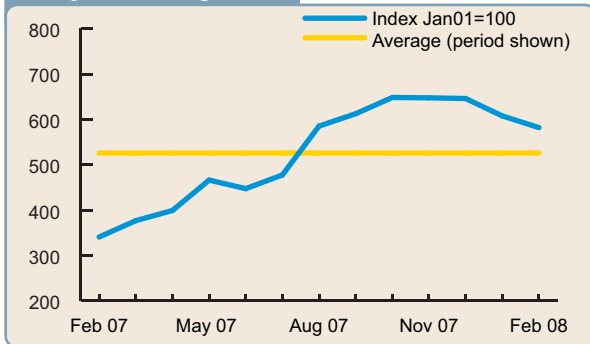


## Handymax register firm gains

The Baltic Supramax Index opened the month at 3,839 points and, due to overtonnage, the Index slipped to 3,823 points. But thereafter the Index climbed steadily to close the month at 5,021 points, whilst last month the Index had bottomed at 3,860. It was a story of two basins, with rates in the Pacific moving up by nearly 8% whilst in the Atlantic the rates moved down further. Open ships in the US Gulf resulted in a downward revision of freight rates in the US Gulf/Cont route by 23% over the month. In the period market, for 4-6 months, a 12 year old Handymax was fixed for \$56,000pd.

In the newbuilding market, as witnessed by other sectors, activity nearly halved over the previous month. But the prices remained stable with the stretching order book of the shipyards providing them with a better bargaining position. The secondhand market was dominated by older tonnage and a 17 year old, the 1991 built *Tzini* (42,004 dwt) exchanged hands at a firm rate of US\$45.0m.

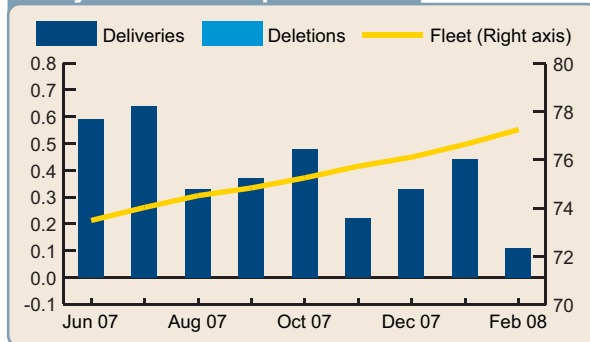
## Handymax Earnings Index



## Handymax Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
Cont/-/FE	47,770	62,782	67,920	65,740	59,823
TP Trip	44,670	39,405	53,560	37,750	41,060
FE/-/Cont	44,715	36,669	51,170	35,165	38,173
US Gulf/Cont	68,630	79,488	104,205	90,025	68,951
Time Charter (1yr)	43,945	54,000	60,100	51,000	57,000
Time Charter (3yr)	33,670	37,000	43,000	36,000	38,000

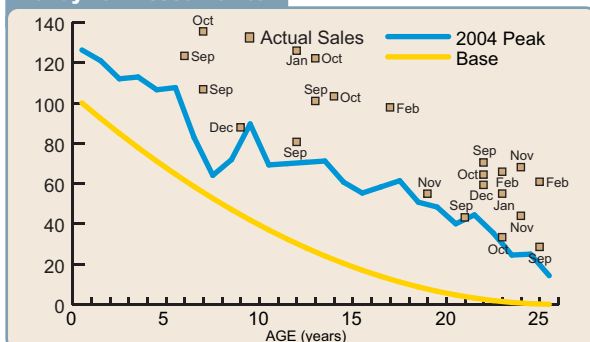
## Handymax Fleet Development - m dwt



## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
<b>NB Price \$M</b>					
55,000 dwt	40.7	46.0	45.5	46.0	46.0
<b>SH Price \$M</b>					
50,000dwt (5yr)	50.4	59.0	64.5	60.0	58.0
<b>SH 5yr % of NB</b>	122.9%	128.3%	141.8%	130.4%	126.1%
<b>Scrap Value \$M</b>	4.4	5.0	4.8	4.8	5.2

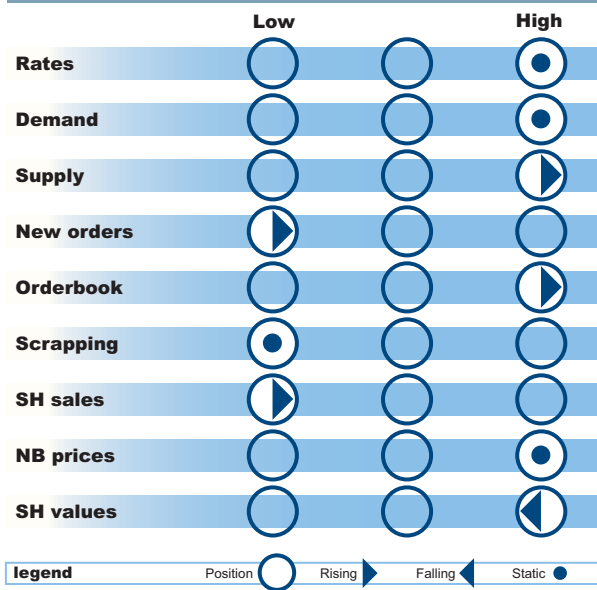
## Handymax Asset Monitor



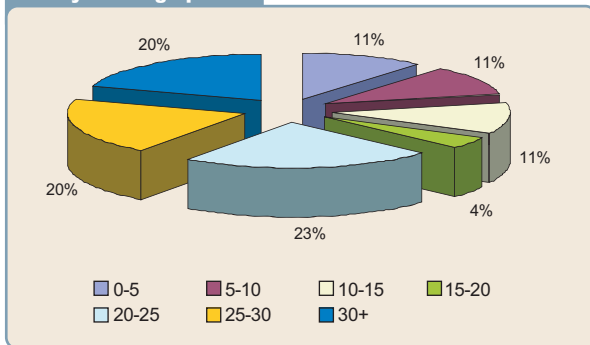
## Investment Returns

	Feb 2008 Newbuild	Feb 2008 Secondhand (5yr)
<b>Cost - \$M</b>	46.0	58.0
<b>Operating Costs - \$pd</b>	5,255	5,255
<b>Required TC Rate - for 10% IRR \$pd</b>	22,200	24,000
<b>Current Rate - T/C \$pd</b>	57,000	57,000
<b>Current Rate of Return (IRR) %</b>	25.57%	31.96%
<b>Sensitivity (+/- \$1,000 T/C rate)</b>	0.36%	0.63%

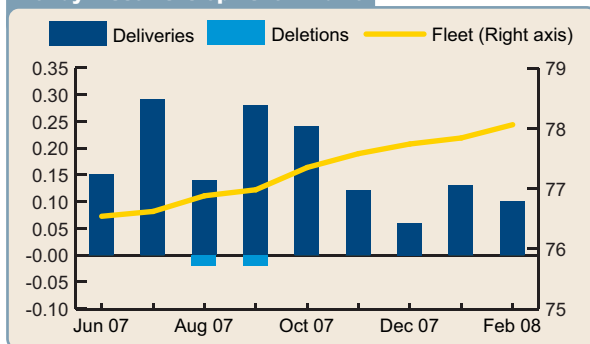
## Market Indicators



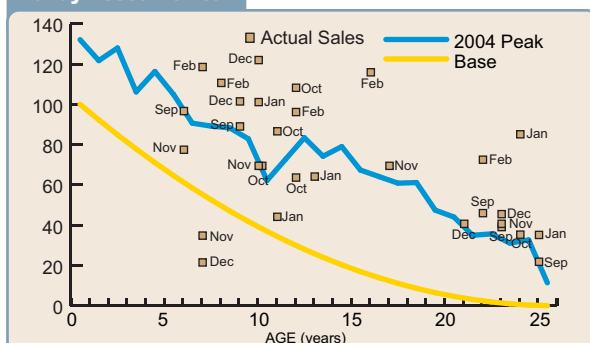
## Handy fleet age profile



## Handy Fleet Development - M dwt



## Handy Asset Monitor



## Recovery of Handysize

Following suit, the Baltic Handysize Index opened the month at 1,932 points (after closing at 1,954 points in January) and closed firmly at 2,334 points. However rates in both the Atlantic and Pacific basins came down, although it was more severe for the Atlantic. Unlike other sectors, interest in the time charter market was nearly negligible but rates held steady. The 1985 built *Sun New* (31,253 dwt) was fixed for 18-20 months at a very firm rate of US\$32,000pd.

Contrary to the overall slowdown in newbuilding activity, ordering of Handysize picked up pace with 26 berths contracted as against 21 in the previous month. The Chinese shipyard Taizhou Maple Leaf received orders for nine 32,500dwt bulkers from four different owners with delivery scheduled for 2010/12. The secondhand market saw exchanges of significantly older tonnage, above 20 years. Greek shipowners Unibulk bought the 2002 built *Victory* and *Valiant* (both of 34,000 dwt) at \$US41.0m.

## Handy Rates (\$pd)

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
TA Trip	27,065	29,441	34,000	29,500	29,382
TP Trip	31,005	37,125	41,325	33,190	41,060
Time Charter (1yr)	23,020	27,250	29,500	26,000	28,500
Time Charter (3yr)	21,920	24,250	26,500	23,500	25,000

## Newbuild, Secondhand Scrap Values

	2007 Avg	2008 Avg	2007/08 Dec	2007/08 Jan	2007/08 Feb
NB Price \$M					
30,000dwt	33.2	37.8	37.5	37.5	38.0
SH Price \$M					
28,000 dwt (10yr)	28.4	31.8	35.0	32.5	31.0
37,000 dwt (5yr)	50.4	59.0	64.5	60.0	58.0
SH 10yr % of NB	85.1%	84.1%	93.3%	86.7%	81.6%
Scrap Value \$M	2.4	2.7	2.6	2.6	2.8

## Investment Returns

	Feb 2008 Newbuild	Feb 2008 Secondhand (10yr)
Cost - \$M	38.0	31.0
Operating Costs - \$pd	4,670	4,670
Required TC Rate - for 10% IRR \$pd	18,750	15,800
Current Rate - T/C \$pd	28,500	28,500
Current Rate of Return (IRR) %	16.29%	26.89%
Sensitivity (+/- \$1,000 T/C rate)	0.57%	1.24%

## 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	51.50	-4.8%	104.55	20.50	3.94	11,861	47
Cosco Corporation Ltd	Singapore	4.14	-7.0%	8.20	2.32	27.47	12,031,400 ●	6,729
First Steamship Co. Ltd	Taiwan	67.50	30.3%	103.00	28.40	50.37	8,012,950	533
Inui Steamship	Japan	1,666.00	2.6%	3,360.00	749.00	9.08	1,296,280	467
Jinhui Shipping Transport	Norway	56.25	14.3%	86.00	27.00	50.73	344,987	934
Precious Shipping Public Co Ltd	Thailand	27.75	3.7%	41.25	21.30	6.92	2,018,120	948
U-Ming MarineTransport Corporation	Taiwan	86.20	14.0%	123.50	47.65	15.35	16,508,753 ●	2,392

## Predominantly Dry Bulk Companies\*\*

Company	Country	Price*	% Monthly change	52 Week High	52 Week Low	P/E Ratio	Last week Avg Vol	Market Cap (M USD)
Algoma Central Corporation	Canada	122.00	0.8%	59.42	41.27	11.53	497	2,009
China Shipping Haisheng 'A'	China	22.38	19.6%	25.42	7.15	46.13	7,046,419	1,360
D/S Norden	Denmark	551.00	7.8%	700.00	250.00	8.66	228,243	5,005
Daiichi Chuo Kisen Kaisha	Japan	821.00	38.9%	1,221.00	332.00	14.13	13,106,200 ●	1,688
Eidsiva Rederi	Norway	30.00	0.0%	44.00	30.00	38.41	n/a	n/a
Hanjin Shipping Co. Ltd	S.Korea	36,950.00	13.2%	63,500.00	29,250.00	5.17	601,098	3,140
Korea Line Corporation	S.Korea	202,500.00	46.7%	297,000.00	49,750.00	6.12	117,879	2,455
Ningbo Marine 'A'	China	15.51	14.5%	16.60	5.12	35.73	n/a	n/a
Sincere Navigation Corporation	Taiwan	63.40	11.6%	79.90	45.00	11.17	6,261,783	992

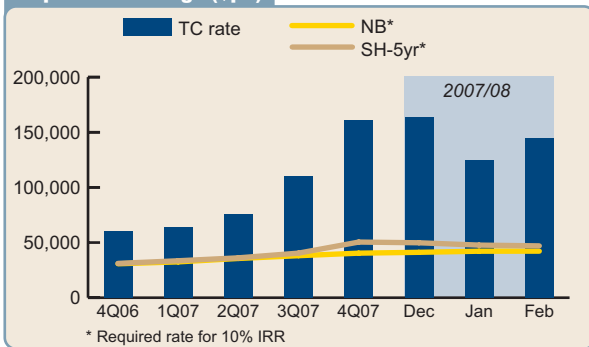
\* All prices in local currencies as on 29<sup>th</sup> February 2008

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

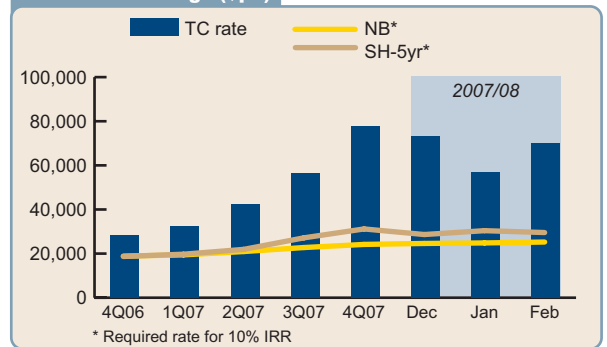
● ● ● Three most active companies - by the number of shares traded in the last week irrespective of the price and market cap

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

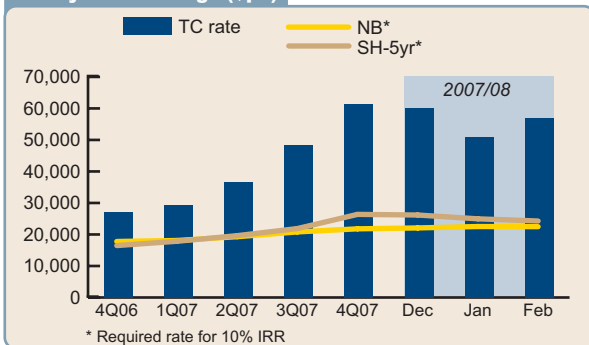
### Capesize Earnings (\$pd)



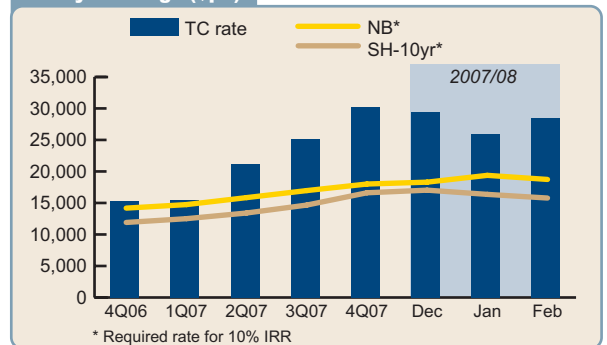
### Panamax Earnings (\$pd)



### Handymax Earnings (\$pd)



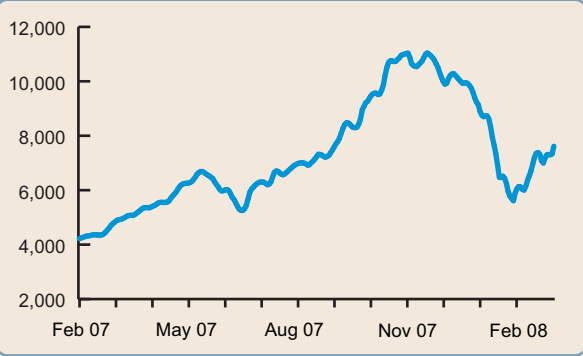
### Handy Earnings (\$pd)



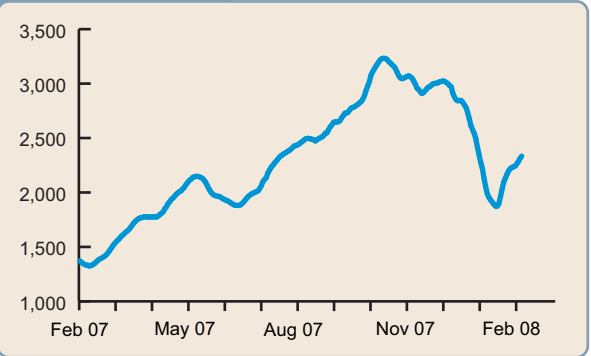
\*\* For IRR assumptions : refer to page 13

# indices and ffas

**Baltic Indices: BDI**



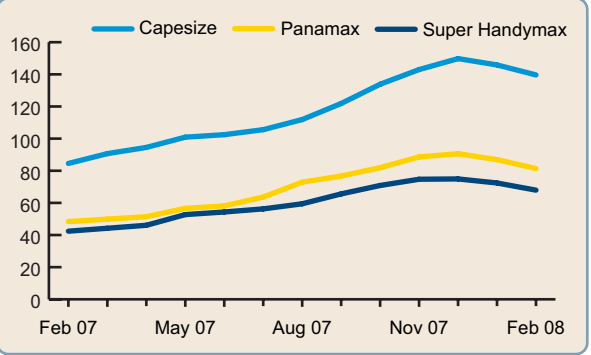
**Baltic Indices: BHSI**



**Baltic Indices: BCI**



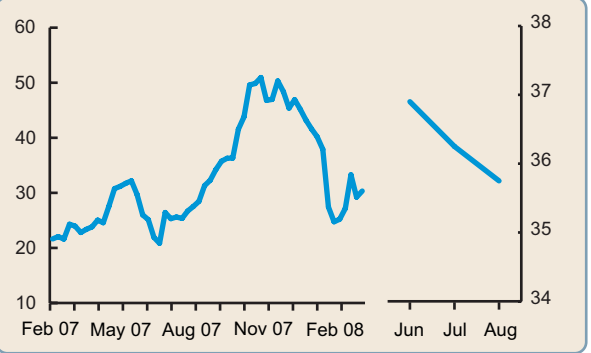
**Baltic Ship Valuation Assessment**



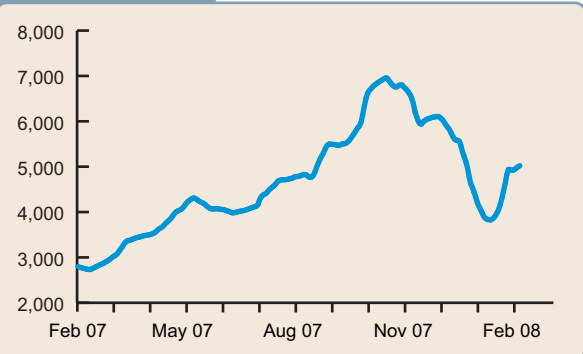
**Baltic Indices: BPI**



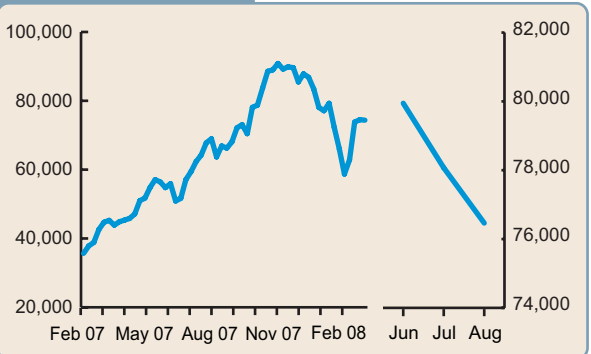
**BFA C4 Richards Bay/Rotterdam**



**Baltic Indices: BSI**



**BFA P2a Fronthaul Trip**



Source: All indices - The Baltic Exchange

**Fleet Supply**

	2006		2007		2008*		Jan		Feb	
	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	2,923	78,061	2,915	77,844	2,923	78,061
40-60,000	1,496	71,396	1,584	76,118	1,605	77,261	1,594	76,652	1,605	77,261
60-80,000	1,284	91,647	1,325	94,775	1,334	95,461	1,330	95,158	1,334	95,461
80-110,000	131	11,454	165	14,408	170	14,843	168	14,667	170	14,843
110-200,000	629	102,771	658	107,917	663	108,804	661	108,450	663	108,804
200,000+	77	17,349	96	21,307	101	22,655	99	22,044	101	22,655
<b>Total</b>	<b>6,464</b>	<b>370,785</b>	<b>6,738</b>	<b>392,260</b>	<b>6,796</b>	<b>397,085</b>	<b>6,767</b>	<b>394,816</b>	<b>6,796</b>	<b>397,085</b>
<b>Orderbook</b>										
10-40,000	279	8,086	574	17,703	634	19,793	598	18,536	634	19,793
40-60,000	310	16,696	728	40,503	767	42,797	760	42,377	767	42,797
60-80,000	121	9,156	204	15,004	212	15,575	205	15,045	212	15,575
80-110,000	131	11,394	386	33,440	411	35,612	398	34,421	411	35,612
110-200,000	116	20,522	479	81,921	509	86,315	491	83,591	509	86,315
200,000+	67	16,527	106	27,967	110	28,674	109	28,524	110	28,674
<b>Total</b>	<b>1,024</b>	<b>82,380</b>	<b>2,477</b>	<b>216,537</b>	<b>2,643</b>	<b>228,766</b>	<b>2,561</b>	<b>222,493</b>	<b>2,643</b>	<b>228,766</b>
% Fleet		22.2%		55.2%		57.6%		56.4%		57.6%
<b>New orders</b>										
10-40,000	133	3,865	273	9,971	47	1,560	21	680	26	880
40-60,000	151	8,216	439	26,280	81	4,595	53	3,010	28	1,585
60-80,000	24	1,828	77	6,238	24	1,826	20	1,514	4	312
80-110,000	38	3,327	199	19,803	22	1,921	22	1,921	0	0
110-200,000	68	12,018	322	58,261	48	7,922	28	4,398	20	3,524
200,000+	14	4,094	45	14,063	9	2,576	9	2,576	0	0
<b>Total</b>	<b>428</b>	<b>33,347</b>	<b>1,355</b>	<b>134,614</b>	<b>231</b>	<b>20,400</b>	<b>153</b>	<b>14,099</b>	<b>78</b>	<b>6,301</b>
<b>Deliveries**</b>										
10-40,000	49	1,341	82	2,038	7	199	3	100	4	100
40-60,000	50	8,796	93	4,995	5	277	3	167	2	110
60-80,000	9	1,868	45	3,414	7	533	2	152	5	381
80-110,000	91	4,873	40	3,480	2	165	1	83	1	82
110-200,000	62	4,705	32	5,663	2	354	1	177	1	177
200,000+	48	4,080	20	4,264	0	0	0	0	0	0
<b>Total</b>	<b>309</b>	<b>25,663</b>	<b>312</b>	<b>23,855</b>	<b>23</b>	<b>1,527</b>	<b>10</b>	<b>678</b>	<b>13</b>	<b>849</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	23	617	10	259	13	358
40-60,000	166	7,909	197	7,446	7	312	3	142	4	170
60-80,000	171	12,118	186	12,350	12	833	8	546	4	287
80-110,000	21	1,740	16	1,286	1	82	1	82	0	0
110,000+	74	12,108	103	13,915	5	847	3	493	2	354
<b>Total</b>	<b>628</b>	<b>39,391</b>	<b>805</b>	<b>42,399</b>	<b>48</b>	<b>2,692</b>	<b>25</b>	<b>1,523</b>	<b>23</b>	<b>1,169</b>

\* Year to date

\*\* Provisional deliveries for Feb 2008

## Drewry Prices

Size	Newbuilding Price (US\$m)					Scrap Value (US\$m)			Scrap Price (\$/ldt)		
	2006	2007	2008*	Jan	Feb	2006	2007	2008*	Jan	Feb	Feb
25-30,000 dwt**	22.3	33.2	37.8	37.5	38.0	2.0	2.4	2.7	2.6	2.8	515
50-55,000 dwt**	31.5	40.7	46.0	46.0	46.0	3.7	4.4	5.0	4.8	5.2	515
70-75,000 dwt	35.7	46.6	53.5	53.0	54.0	4.4	5.4	6.0	5.8	6.3	525
150-180,000 dwt	62.1	83.9	97.0	97.0	97.0	11.1	12.7	14.2	13.5	14.9	495

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

Vessel Size	2006	2007	2008*	Jan	Feb
35-40,000 dwt	n/a	n/a	59.0	60.0	58.0
50-55,000 dwt	31.3	50.4	64.0	65.0	63.0
70-75,000 dwt	37.0	63.1	76.3	77.5	75.0
160-180,000 dwt	66.1	105.7	127.0	128.0	126.0

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

Vessel Size	2006	2007	2008*	Jan	Feb
25-30,000 dwt	19.5	28.4	31.8	32.5	31.0
70-75,000 dwt	28.6	51.2	64.8	66.0	63.5
130-150,000 dwt	44.0	74.6	88.3	89.0	87.5
160-180,000 dwt	n/a	88.4	105.0	106.0	104.0

\*\* Geared (25 tonne cranes)

## Freight Rates

Capesize						Handymax					
	2006	2007	2008*	Jan	Feb		2006	2007	2008*	Jan	Feb
<b>Freight Rate \$/mt</b>						<b>Trip Rate \$pd</b>					
Tubarao - Rotterdam	14.5	32.5	30.3	31.8	28.8	Cont/-/Far East	21,550	47,770	62,782	65,740	59,823
Tubarao - China	27.6	59.3	63.3	64.1	62.5	Transpacific Trip	23,895	44,670	39,405	37,750	41,060
W Aus - China	11.8	24.4	25.3	25.4	25.2	FE/-/Cont	24,700	44,715	36,669	35,165	38,173
						US Gulf/Cont	n/a	68,630	79,488	90,025	68,951
<b>Trip Rate \$pd</b>											
Fronthaul trip	58,900	148,215	154,760	156,460	153,059						
<b>TC Rate (1yr)</b>						<b>TC Rate</b>					
5 Year Old \$/day	45,645	102,875	135,000	125,000	145,000	5 Year Old \$/day	21,800	43,945	54,000	51,000	57,000
10 Year Old \$/day	36,340	84,040	106,750	98,500	115,000	10 Year Old \$/day	20,235	38,040	47,250	44,500	50,000
<b>TC Rate (3yr)</b>						<b>TC Rate (3yr)</b>					
5 Year Old \$/day	n/a	74,000	85,000	75,000	95,000	5 Year Old \$/day	n/a	33,665	37,000	36,000	38,000
<b>Panamax</b>	<b>2006</b>	<b>2007</b>	<b>2008*</b>	<b>Jan</b>	<b>Feb</b>	<b>Handysize</b>	<b>2006</b>	<b>2007</b>	<b>2008*</b>	<b>Jan</b>	<b>Feb</b>
<b>Freight Rate \$/mt</b>						<b>Trip Rate \$pd</b>					
US Gulf - Japan	41.6	81.4	114.5	123.0	106.0	Transatlantic Trip	14,320	27,065	29,441	29,500	29,382
						Transpacific Trip	19,430	31,005	31,286	33,190	29,382
<b>Trip Rate \$pd</b>											
Transatlantic Trip	23,960	61,480	71,038	70,680	71,397						
Transpacific Trip	25,075	54,960	46,075	47,410	44,740						
<b>TC Rate</b>						<b>TC Rate</b>					
5 Year Old \$/day	22,475	52,230	63,500	57,000	70,000	10 Year Old \$/day	12,560	23,020	27,250	26,000	28,500
10 Year Old \$/day	20,360	49,000	61,250	55,000	67,500						
<b>TC Rate (3yr)</b>						<b>TC Rate (3yr)</b>					
5 Year Old \$/day	n/a	38,605	47,000	43,000	51,000	5 Year Old \$/day	n/a	21,915	24,250	23,500	25,000

\* 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.

# contactdetails

## Drewry Shipping Consultants Ltd

Telephone: +44 (0)20 7538 0191  
Fax: +44 (0)20 7987 9396  
Web [www.drewry.co.uk](http://www.drewry.co.uk)

Drewry Shipping Consultants Ltd  
Drewry House, Meridian Gate - South Quay  
213 Marsh Wall, London E14 9FJ  
United Kingdom

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## Dry Bulk Insight

Editor: Susan Oatway, Senior Consultant  
Contact: Jaya Banik, Research Analyst  
Email: [banik@drewry.co.uk](mailto:banik@drewry.co.uk)