



Monday, 07 April 2008

BMTI INVESTORS' MARKET SPOTLIGHT

FOR BMTI-SUBSCRIBER CAPITAL LINK SHIPPING

BMTI provides a daily report of broker views, market news and trend analyses on all sectors of the international dry bulk shipping market. Our reports are drawn from a global network of independent correspondents, agencies and BMTI subscribers themselves.

DRY BULK MARKET HIGHLIGHTS

The week ends on a positive note for the Capes after climbing from a quiet start. In the Pacific rounds still dominate with the 2000-built, 170,000 dwt "Nord Kraft" booked from Zhoushan for a trip via Australia to China at a stronger US\$ 140,000 daily. In the Atlantic the pressure is building on end-April/early-May loading slots; owners are happy to sit on their rates, close to US\$ 200,000 daily, as their confidence grows that the imbalance between supply and demand will go in their favour. There are reports that a Tubarao to Kwangyang stem has been covered at a level that equates to US\$ 74.50 for the Tubarao to Qingdao run. East of Suez the Richards Bay to Rotterdam run is covered on a vessel coming from the Arabian Gulf at about US\$ 38.00, albeit on the smaller side of the margin of 150,000/10.

The continuing mineral trade support adds to an increase in the values of Panamax rounds, at about US\$ 67,000 daily, and trips to the Far East at around US\$ 77,000 daily. The Far East spot trip business, however, still suffers, which is evidenced by the US\$ 52,000 paid to the 1999-built, 74,356 dwt "Medi Tokyo" open Qingdao early April for a trip via NoPac to the Far East—yet this Friday fixture reflects complete confusion when compared to the booking of the 2002-built, 74,000 dwt from Taichung early April for 4-6 months of trading at US\$ 70,000 daily. BMTI has also heard several accounts of owners forced to accept lower figures on the spot market in the Asia-Pacific, in particular on inner-Pacific round trips. We hear from north Pacific shipbrokers, for example, that the 2006-built, 76,200 dwt "Torm Skagen", with Dreyfus on Friday at the rate of US\$ 57,000 daily on a NoPac

round has in final discussions been talked down by as much as US\$ 3,000 from a prior rate idea of about US\$ 60,000 daily.

There are signs after Thursday that the Handymaxes in the South Atlantic may reap the advantages of the suspension of the Argentine farmers strike sooner rather than later, though the 30-odd vessels waiting will have to be cleared out first. So, spot tonnage will continue to struggle, but there are reports that a nice Handy type has covered off the coast on voyage at a level said to equate to around US\$ 50,000 with loading 10 days off. The perplexing differential between spot trips and short period is maintained with the 2006-built, 53,400 dwt "Medi Bangkok" booked ex-Xingang for a trip via Australia to EC India at US\$ 41,000 while the 2001-built, 48,900 dwt "Genco Muse" is taken from Fangcheng for 3-5 months and redelivery worldwide at US\$ 47,000.

INVESTMENT REVIEW

Derivatives markets continue to be unsure of where the market is going with a lack of direction leading to some back-and-forth motion, but little decisive run in one direction or another. FFAs solidify on Tuesday along with a spurt of trading into the afternoon, though continual jitters in the physical market are also keeping some traders on the sidelines. "Trading volumes have been thin on the ground for the last three weeks," FIS strategic director Michael Gaylard tells BMTI, "and as such any movements are being exaggerated in the market. There is no real direction due to a distinct lack of fundamental news. The market needs something to grab it, but everything appears soporific at the moment." Q2 contract levels slumped across the board at midweek with the Cape down by US\$ 8,000 in the day to US\$ 127,000, though it has since climbed back up to US\$ 133,000.

Stocks have been tentatively climbing this week with TBS International (TBSI) up a respectable 5%

since Monday—showing renewed investor confidence in the physical dry-bulk spot market—albeit for the most part bulker shares have been rising and falling with regularity similar to the futures market.

Petros Pappas of Star Bulk Carriers (SBLK) has told the SEC that his share in the company has grown from 10.5% or 4.6m shares in February to 19.1% or 8.4m shares as of Tuesday. At current share prices, that equates to a handsome value of US\$ 96.2m.

Sources privy to the meeting of Excel and Quintana shareholders this week believe that the US\$ 13-

per-share merger of the latter into the former could be completed as early as next week, assuming that Excel wins a majority vote from Quintana shareholders. The board after the merger would hold executive members of both companies.

Extensive daily reports that include trend curves, Atlantic/Pacific regional commentary, holiday tables, bunker reports, futures, fixtures, special reports and much more are available by subscription from BMTI.

© 2008 BY BMTI GMBH FOR CAPITAL LINK SHIPPING - ALL RIGHTS RESERVED.

THIS REPORT IS DISTRIBUTED FOR PUBLICATION ON THE WEBSITE OF CAPITAL LINK SHIPPING AND MUST NOT BE REDISTRIBUTED BY ANY MEANS UNLESS A SPECIFIC AGREEMENT IN WRITING WITH BMTI GMBH HAS BEEN ACHIEVED. ALL REPORTED DETAILS ARE BELIEVED TO BE CORRECT BUT WITHOUT GUARANTEE!

BMTI BROKERS MARKT & TREND INFORMATIONEN GMBH

Triberger Straße 9 - D-14197 Berlin

Responsible / MD: H.Piper

T +49 / 30.85 222 58 - F +49 / 30.85 222 59

sales@bmti.de | www.bmti.de - Amtsgericht Berlin HRB 91539

B
M
T
I
B
R
O
K
E
R
M
A
R
K
T
&
T
R
E
N
D
I
N
F
O
R
M
A
T
I
O
N
E
N
G
M
B
H

C
A
P
I
T
A
L
L
I
N
K

