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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.

US\$ 73,000 daily plus US\$ 1.2m ballast bonus. From the Continent comes news of a very strong deal of the 23-year-old, 25,500 dwt "Amna S" booked with delivery Bilbao for a trip via the Continent to West Africa at US\$ 40,000 daily.

DRY BULK MARKET HIGHLIGHTS

Capes end the week on the upside with a strong 307 points added to the BCI. In spite of the boost to sentiment, the market on Friday shows less activity, which some brokers ascribe to the Greek Easter Holidays; however, others see it as a healthy cooling down as the market has become somewhat overheated in their opinion. The Atlantic still has the strongest figures, although few fixtures have been reported. The Pacific is gradually gaining ground with the news of the 174,000 dwt newbuilding "Alpha Faith" taking a West Australian round voyage at US\$ 150,000 daily. It is the influence of the Pacific that has the most effect with rounds providing the guiding direction with rumours and confirmation of fixtures. The benchmark proves to be the 1997-built, 178,739 dwt "Bright Century" booked last Friday ex-Mailiao for th

Panamaxes also slip into a pre-holiday mood on Friday with little activity in all basins and the index hardly moving up. Period trading is in pole position. There are reports that the AWB has taken the 2001-built, 76,000 dwt "Mahitis" open Taranto for 4-5 months trading at US\$ 84,000 daily while in the Pacific a similar sized vessel, the 2001-built 76,000 dwt "Torm Tina" open Sual is also taken for 4-5 months trading at US\$ 75,000 daily.

Handy bulk holds firm all week though the market seems to lose a bit of speed before the weekend. There are reports that a Handy stem is covered from Plate to Poland at US\$ 114.00 though details are hard to come by. However, the fixture of the 2007-built, 53,600 dwt "Delvina" is fixed with delivery Brazil for a trip to the Far East with Dreyfus at

INVESTMENT REVIEW

Inspired by the buoyancy of this week's physical market, futures are traded higher across the board. Trading activity picked up at the start of the week on positive sentiment from rebounding Baltic Indices. Tuesday trading was a bit more tentative as the physical market failed to provide much evidence but by Wednesday the market firmed up on the back of an increasing amount of strong fixtures being reported. The Q2 contract for Capesizes gains more than 4.3% over the week while the same contract has increased by nearly 3% for the Panamaxs and more than 1.8% for Supramaxes.

Shares of Cosco Holdings (China), owner of the largest bulk fleet in the world, took a leap of more than 10% on Wednesday on the Hong Kong exchange following reports that the company's net profits had more than doubled in 2007. The profit goes largely on the account of the dry-bulk department whose gross profit is up by more than 170%. Cosco's dry-bulk fleet transported nearly 265 mt (+ 15%) last year. On Thursday, Cosco's shares on the Shanghai Stock Exchange, where it is listed as well, rose by more than 9% to US\$ 28.47 in morning trading after the company revealed plans to expand its fleet by 25 newbuildings of which 17 will be bulkers (nine 57,000 dwt carriers and eight 20,500 dwt Handysizes).

The takeover battle of BHP Billiton and Rio Tinto continues and is getting more and more provoking as CEO's of both companies are exchanging criticism about each other's business management. BHP Billiton's Q3/07 figures which are showing a 22% rise in iron ore output are Marius Kloppers' (BHP)

latest argument to counter Rio Tinto's repeated rejection of BHP's US\$ 170 billion takeover bid. Last week, Tom Albanese (Rio Tinto) attacked BHP for bringing up its petroleum division as main incentive for Rio's shareholders by saying that BHP was a merely a "nominal player in the global sector".

However, Rio Tinto shares are currently trading below the value of BHP's 3.4-for-1-share bid which means that at least some investors might be willing to go along with the offer. One week ago, Rio Tinto shares went up by almost 4% on the Australian

Securities Exchange after speculations that BHP might be prepared to raise its bid to 4-for-1 (more than US\$ 200 billion).

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.

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