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# WEEKLY MARKET REPORT

January 11th, 2008 / Week 2

Our first report for 2008 finds that the tanker and bulk charter markets have followed the USA stock market with big declines during the past several weeks. The nonchalant "wait and see" attitude starts wearing off as indices keep moving in one direction (down), and in some days significantly so! VLCC rates have declined significantly since our last report, but double hulls are still getting $135,000/day for Eastbound voyagers. The Baltic Dry Index (BDI) was down 8.65% for the week, while capesize vessels saw their earnings (BCI) sink by more than 16% for the week.

As crude prices hover around the $100/barrel range, the cost of bunkers becomes a more significant factor. Bulk carrier owners feel the pinch as westbound freight rates from China/Far East weakened and in the past few weeks large numbers of bulk carriers have been ballasting back to load areas (cutting deeply into their profits from the outbound voyage).

The newbuilding market will be closely watched in 2008 - most large berths are booked well into 2011 so the yards will be in no hurry to lower prices but with a large number of new tonnage moving into the wet and dry markets, the credit crunch, softening charter rates, the slowdown in the USA economy, and steel price movements it could get interesting. Owners may start flipping resales and taking nice profits although if freight rates keep dropping, asset prices might start falling too!

M&A activity is expected to increase in the shipping public markets this year. Quite a few of the shipping companies have seen their stock prices cut in half, but there are still quite a few stocks that never took off with the rest of the market and might be attractive acquisition candidates. A consolidation of the industry may be at hand this year as well, as the recent shake-out in the freight, equity and debt markets (credit crunch) provide ammunition for the strongest players while making weak players more vulnerable.

## TANKERS:

**“NORDMILLENNIUM”** 301,429/00 - SAMHO - B&W 32,000 - COILED - IGS - SBT - COW - DH
Sold for $128 mill. to Greek buyer (Marmaras). (Previous reported sale during December 2007 failed)

**“OLINDA”** 149,258/96 **-** ITALY - SUL 24,420 - COILED - SBT - IGS - DH
Sold for $65 mill. to Greek buyer (Oceanfreight).

**“ISHWARI”** 145,200/91 **-** HYUNDAI - B&W 20,940 - COILED - SBT - IGS - COW - DH
Sold for $51 mill. to Australian buyer (Nexus).

**“RAS LAFFAN”** 105,423/99 **-** HYUNDAI - B&W 16,918 - COILED - SBT - IGS - DH
Sold for $62 mill. to Greek buyer (Eastmed).

LNG **- “GOLAR FROST”** 67,100/03 **-** HYUNDAI - 2XMIT 31,500SHP - 137,500 CBM
Sold for $231 mill. to Italian buyer (OLT Offshore Toscana).

**“JAG ANJALI”** 64,000/86 **-** HYUNDAI - B&W 11,280 - COATED - COILED - SBT - IGS - DS
Sold for region $15 mill. to undisclosed buyer.

**“SRIRACHA POWER”**
40,439/92 **-** CROATIA - B&W 10,400 - COATED - COILED - SBT - IGS - COW - DB
Sold for xs $16 mill. to Saudi buyer.

**“MATINA”** 12,771/84 **-** TAIHEI AKITSU - MIT 4,200 - IMO 2/3 - COW - DB - 4,151 LDT
Sold for $5.5 mill. to undisclosed buyer.

**“SKY ACE”** 8,765/97 **-** USUKI ZOSENSHO - MIT 4,900 - COILED - IGS - SBT - COW - DH
Sold for $17 mill. to Korean buyer.

**“NEPLINE I”** 7,000/07 **-** ZHEJIANG - YAN 4,300 - COILED - IGS - SBT - COW - DH
Sold for $17.5 mill. to United Base Ventures.

**“NITTAN MARU NO. 8”** 4,999/89 **-** NAIKAI SETODA - B&W 4,560 - IGS - SBT - COW - SH
Sold for $4.2 mill. to Indonesian buyer.

**“SVOBODNY / BELOGORSK”**
3,086/89/88 - FINLAND - RUS 3,502 - COATED - COILED - IGS - SBT - COW - SH
Sold for $3.4 mill. each to undisclosed buyer.

## BULKERS:

**“VOUTAKOS”** 188,334/87 - SAMSUNG - B&W 16,480 - 9HH - 22,978 LDT
Sold for $78 mill. to Far East buyer.

**“GOLDEN SENTOSA”** 170,500/08 - DAEHAN - MAN/B&W 25,370 - 9HH
Sold for $121.4 mill. to Greek buyer (Allocean). Sale includes 5 year t/c at $48,000/day.

**“JAG AKSHAY”** 73,350/94 - OSHIMA - SUL 12,300 - 7HH - C 4X30T
Sold for $72.5 mill. to Vietnamese buyer (Vinlines).

**“EPIPHANIA”** 68,591/95 - SASEBO - B&W 13,900 - 7HH
Sold for $71.5 mill. to Vietnamese buyer (Vinlines).

**“ASTRON SPIRIT”** 65,767/84 - SASEBO - SUL 17,517 - 7HH - 11,984 LDT
Sold for $34 mill. to Chinese buyer.

**“PINAR K”** 52,455/02 - TSUNEISHI - B&W 11,641 - 5HH - C 4X30T - SELF TRIMMING
Sold for $75.5 mill. to Turkish buyer (Nemtas).

**“VERONA CASTLE”** 50,191/81 - KASADO - MIT 13,200 - 5HH - C 5X25T - GRABS - 10,690 LDT
Sold for $29.5 mill. to Vietnamese buyer.

**“TANGO GLORY”** 48,193/01 - OSHIMA - SUL 10,119 - 5HH - C 4X30T
Sold for $71 mill. to Far East buyer. Delivery 6/2008.

**“SVETI VLAHO”** 39,443/84 - HITACHI -B&W 13,000 - 5HH - 1,000 TEU - C 5X25T - 9,027 LDT
Sold for $32 mill. to Far East buyer.

**2 X “BLYSTAD NB RESALE”** 32,800/1-3/09 - JINSE
Sold for $50 mill. each to Greek buyer (Safety Management).

**“SUN NEW”** 31,253/85 - MINAMI NIPPON - SUL 7,949 - 5HH - C 4X30 - GRABS - 7,546 LDT
Sold for $22.5 mill. to Korean buyer.

**“GOLD CARRIER”** 27,601/85 - MITSUI - B&W 7,505 - 5HH - C 4X25 - GRABS - 6,867 LDT
Sold for $22.5 mill. to Syrian buyer.

**“MAGDALENA OLDENDORFF”** 24,252/98 - TSUNEISHI - B&W 7,050 - 4HH - C 4X30
Sold for $38 mill. to Hong Kong based buyer.

**“DUAL CONFIDENCE”** 24,202/95 - IMABARI - B&W 8,244 - 4HH - 415 TEU - C 3X30
Sold for $34 mill. to undisclosed buyer.

**“AFRICAN PROTEA / AFRICAN IMPALA”** 24,111/97 - SHANGHAI SY - SUL 10,600 - 4HH - C 4X30
Sold for $76.5 mill. ‘en bloc’ to Greek buyer (Freeseas).

**“YAYASAN TUJUH”** 8,027/83 - MALAYSIA - B&W 4,400 - 2HH - D 4X15
Sold for $4 mill. to undisclosed buyer.

## CONTAINERS:

**“LT GOING”** 43,198/83 - IHI - SUL 24,000 - 7H/34HA - 2,728 TEU
**“EVER GARDEN / EVER GENTLE / EVER GATHER”**
43,401/84 - TAIWAN - SUL 24,342 - 7H/34HA - 2,728 TEU
Sold for $69 mill. ‘en bloc’ to Greek buyer (Costamare). Sale includes a 5 year bb at region $14,000/day.

**“KATRINE MAERSK / REGINA MAERSK / KIRSTEN MAERSK”**
84,900/97/96/97 - DENMARK - B&W 74,555 - 18HH - 6,418 TEU
Sold for $280.5 mill. ‘en bloc’ to Greek buyer (Costamare). Sale includes 10 year t/c back at $35,000/day.

**“KATHARINA EHLER”** 5,335/93 - GERMANY - MWM 5,200 - 2HH - 515 TEU
Sold for $10.8 mill. to undisclosed buyer.

## TWEENDECKERS:

**“SANTA INES”** 8,615/92 - VARNA - B&W 6,100 - 3HH - 422 TEU - C 2X40T
Sold for $10.5 mill. to undisclosed buyer.

**“APOLLO DUA”** 8,192/94 - HIGAKI - MIT 4,070 - 2HH - C 1X30T, 2X20T
Sold for $11 mill. to undisclosed buyer.

## NEW SHIPS FOR SALE:

## BULKERS

**“DESIMI”** 207,063/89 - HYUNDAI – B&W 16,560 - 9HH - 26,095 LDT
Eta Xingang 12th January to discharge until 15th January.

**“GRAND VENETICO”** 134,981/90 - ITALY - SUL 17,800 - 9HH
Eta Beilun 16th January to discharge.

**“GRAND SPARTOUNTA”** 134,965/89 - ITALY - SUL 17,800 - 9HH
Inspectable Alexandria mid February 2008.

**“AMPHION”** 64,442/87 - HYUNDAI - B&W 11,963 - 7HH - 11,512 LDT
Loading New Orleans 12-20th January for Egypt discharge.

## CONTAINERS:

**“CMA CGM SEINE”** 44,044/90 - SAMSUNG - SUL 28,350 - 7HO 13HA - 2,917 TEU
**“SARONIKOS BRIDGE”** 44,044/90 - SAMSUNG - SUL 28,350 - 7HO 13HA - 2,917 TEU
**“ENERGY 1”** 40,295/89 - ITALY - SUL 25,800 - 5HO 23HA - 2,438 TEU
**“MSC OSLO”** 40,295/89 - ITALY - SUL 25,800 - 5HO 23HA - 2,438 TEU
**“OCEAN HOPE”** 26,089/89 - GERMANY - B&W 10,390 - 3HO 9HA - C 3X40T - 1,799 TEU
CMA CGM Seine: Vessel is on t/c to CMA CGM until mid 2010 at $20,500/day.
Saronikos Bridge: Vessel is on t/c to CMA CGM until mid 2010 at $20,500/day.
Energy 1: Vessel is on t/c to IRISL until April 2008 at $18,450/day.
MSC Oslo: Vessel is on t/c to MSC until February 2009 at $16,000/day.
Ocean Hope: Vessel is on t/c to CSCL until April-August 2009 at $14,000/day.

## TANKERS:

**“GULF GRACE”** 65,017/00 - DAEWOO - SUL 14,438 - COATED - COILED - IGS - SBT - COW - DH
Eta Singapore 21st January for bunkers then Taiwan-Japan range for discharge.

# NEWBUILDINGS

| NEWBUILDING STATISTICS | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| ***TYPE OF SHIP*** | **2008** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | *** TOTAL ORDERBOOK** |
| ULCC/VLCC | 35 | 69 | 46 | 15 | 3 | | | 175 (-3) |
| SUEZMAX | 20 | 59 | 44 | 15 | | | | 139 (-2) |
| AFRAMAX | 73 | 107 | 81 | 20 | | | | 290 (-1) |
| PANAMAX | 41 | 50 | 19 | 11 | | | | 130 (+2) |
| MR | 195 | 204 | 157 | 37 | 2 | | | 635 (-2) |
| 0-35,000 DWT | 226 | 190 | 122 | 35 | 6 | | | 615 (-1) |
| | | | | | | | | |
| CAPESIZE | 50 | 130 | 245 | 125 | 15 | 2 | | 567 (-37) |
| 80-100,000 DWT | 41 | 68 | 121 | 90 | 12 | 1 | | 333 (-19) |
| PANAMAX | 67 | 45 | 65 | 26 | 8 | | | 211 (-15) |
| SUPRAMAX | 149 | 4 | 209 | 93 | 11 | | | 686 (-59) |
| HANDYSIZE | 104 | 189 | 138 | 51 | 12 | 3 | | 497 (-85) |

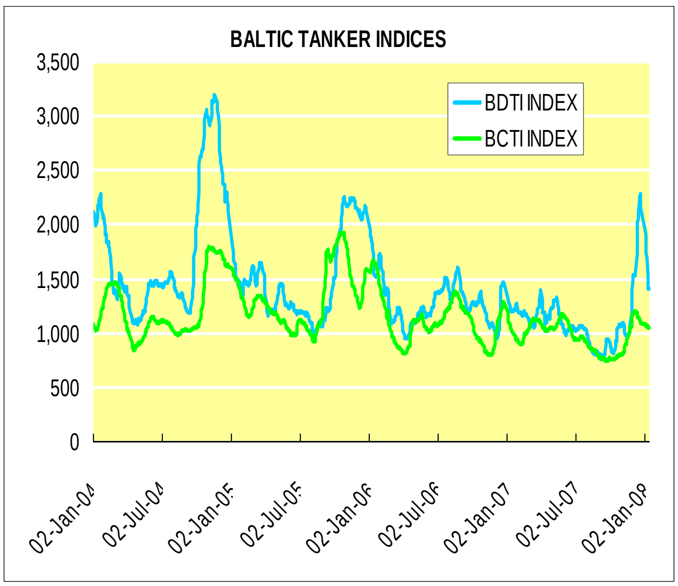
***** Includes ALL vessels on order***

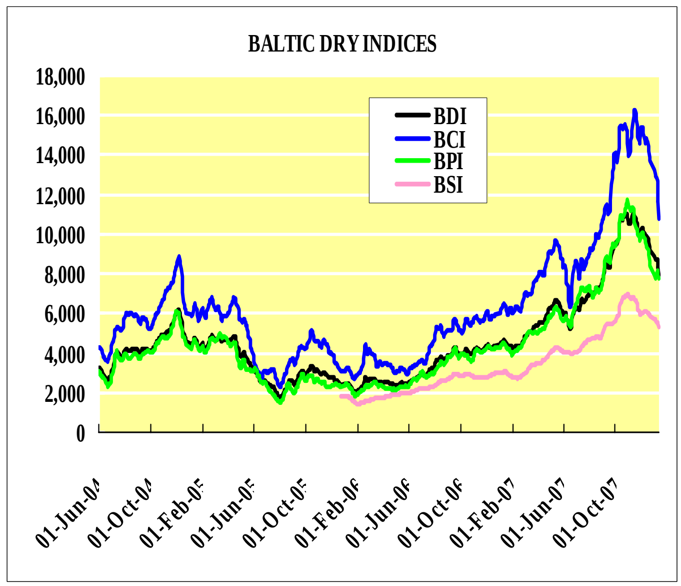
## NEWBUILDING CONTRACTS

| **No.** | **Size** | **Type** | **Yard** | **Delivery** | **Price (mill)** | **Owners** | **Comm.** |
|---|---|---|---|---|---|---|---|
| 4 x | 50,500 dwt | Tank | Guangzhou | 2010 | $44 | Pioneer Tankers | |
| 8 x | 45,500 dwt | Chem | SLS | 2010/12 | | UACC | Opt. 5 |
| 2 x | 20,500 dwt | Chem | 21st Century | 2010 | | Chemnav | |
| | | | | | | | |
| 2 x | 313,500 dwt | Vloc | HHI | 2011 | | Keoyang Shipping | |
| 3 x | 250,500 dwt | Vloc | Namura | 2012 | $105 | Rio Tinto | |
| | | | | | | | |
| 2 x | 180,000 dwt | Bulk | DSME | 2011 | | Korea Line | |
| 3 x | 180,000 dwt | Bulk | C&Heavy | 2010 | | Grand Union | |
| 2 x | 176,000 dwt | Bulk | Zhoushan | 2008/9 | $105 | Orient SS | |
| 4 x | 115,000 dwt | Bulk | New Times | 2010/11 | | Interorient | |
| 4 x | 115,000 dwt | Bulk | NantongMinde | 2010 | | Greathorse | |
| 6 x | 91,000 dwt | Bulk | C&Heavy | 2009/11 | $57 | Van-Clipper | |
| 4 x | 81,000 dwt | Bulk | C&Heavy | 2010/11 | | Grand Union | |
| 4 x | 58,000 dwt | Bulk | Yangzhou | 2010/11 | $42.3 | Eagle Bulk | |
| 4 x | 58,000 dwt | Bulk | STX | 2011 | $50 | Abu Dhabi National Oil | |
| 10 x | 57,000 dwt | Bulk | CSI Jiangsu | 2011 | | CSDC. | |
| 4 x | 57,000 dwt | Bulk | Mingdong Congma | 2009/10 | | T.G.S. | |
| 8 x | 33,500 dwt | Bulk | Weihai Samjin | 2010/11 | | Interorient | |
| 4 x | 30,000 dwt | Bulk | Shanhaiguan | 2011 | $33 | Eastwind Maritime | |
| | | | | | | | |
| 2 x | 2,500 Teu | Cont | Cosco Zhoushan | 2010/11 | | Goldenport | |
| 6 x | 1,800 Teu | Cont | CSBC | 2011/12 | | Wan Hai Lines | |

# KEY INDICATORS

| INDICES | | | | |
|---|---|---|---|---|
| **RATE OF EXCHANGE** | **BALTIC EXCHANGE RATES** | | | |
| | | ***THIS WEEK*** | ***LAST WEEK*** | ***CHANGE*** |
| $ / Won: 935.3000 | **Baltic Dry Index** | 7949 | 8702 | - 753 |
| $ / Nok: 5.284500 | **Baltic Capesize** | 10784 | 12890 | - 2106 |
| Euro / $: 1.479500 | **Baltic Panamax** | 7750 | 7835 | - 85 |
| Stlg / $: 1.956700 | **Baltic Supramax** | 5323 | 5611 | - 288 |
| $ / Yen: 108.9500 | **Baltic Handysize** | 2804 | 2851 | - 47 |
| LIBOR (3-mos) / 4.38% | **Crude - WTI** | $93.71 | $99.18 | - $5.47 |




| ESTIMATED VALUES | | | | | | |
|---|---|---|---|---|---|---|
| **TANKERS** | **NB** | **PROMPT RESALE** | **5 YEARS** | **10 YEARS** | **20 YEARS** | **12 MONTH T/C** |
| VLCC 300,000 dwt | $141.0m | $145.0m | $131.0m | $108m (DH) | $38.0m (SH) | $67,000 PD |
| Suezmax 150,000 dwt | $88.0m | $105.0m | $96.0m | $76.0m (DH) | $30.0m | $45,000 PD |
| Aframax 105,000 dwt | $69.0m | $78.0m | $68.0m | $56.0m (DH) | $17.0m (SH) | $30,000 PD |
| Panamax 70,000 dwt | $63.0m | $67.0m | $60.0m | $48.0m (DH) | $14.0m | $26,500 PD |
| Product 47,000 dwt | $52. 0m | $60.0m | $52.0m | $43.0m (DH) | $13.0m | $23,000 PD |
| | | | | | | |
| **BULK CARRIERS** | | | | | | |
| Capesize 170,000 dwt | $94.0m | $165.0m | $148.0m | $110.0m | $60.0m | $135,000 PD |
| Panamax 74,000 dwt | $52.0m | $103.0m | $89.0m | $77.0m | $44.0m | $68,000 PD |
| Supramax 52,000 dwt | $45.0m | $85.0m | $75.0m | $61.0m | $39.0m | $60,000 PD |

| BUNKER PRICES | | | | |
|---|---|---|---|---|
| **FUEL GRADES** | **ROTTERDAM** | **FUJAIRAH** | **PIRAEUS** | **SINGAPORE** |
| **380cst:** | $449.00 | $481.00 | $453.50 | $470.00 |
| **180cst:** | $468.50 | $491.00 | $489.50 | $485.00 |
| **MGO:** | $825.00 | $837.50 | $844.00 | $805.00 |

# DEMOLITION

| DEMOLITION STATISTICS | | | | |
|---|---|---|---|---|
| ***TYPE OF SHIP*** | ***THIS DATE 2008*** | ***THIS DATE 2007*** | ***2007 TOTAL*** | ***2006 TOTAL*** |
| ULCC/VLCC | 0 | 0 | 0 | 0 |
| SUEZMAX | 0 | 0 | 0 | 0 |
| AFRAMAX | 0 | 1 | 13 | 14 |
| PANAMAX TANKER | 0 | 0 | 7 | 7 |
| | | | | |
| CAPE/COMBO (100,000 dwt +) | 0 | 0 | 3 | 3 |
| PANAMAX BULKER | 0 | 0 | 13 | 13 |

| ESTIMATED DEMOLITION PRICES | | | |
|---|---|---|---|
| ***LOCATION*** | ***TANKERS 6-10,000 LT*** | ***TANKERS 15-20,000 LT*** | ***BULK CARRIERS*** |
| CHINA | 310 | 320 | 280 |
| SUB-CONTINENT | 525 | 530 | 480 |

## DEMOLITION:

**BANGLADESH**

M/T **"C.P. 31"** 3,945/76 - 1,333 LDT - USD 507.00/LDT

**INDIA**

M/T **"GAZ HORIZON"** 47,989/82 - 18,681 LDT - USD 490.00/LDT - as is Fujairah

## COMPASS CONTACTS

| SALE & PURCHASE | MOBILE PHONE NUMBER | AOH |
|---|---|---|
| Terry Chance | 201- 463-3834 | 908 - 232-5574 |
| Bart Lawrence | 201- 463-3835 | 914 - 997-7599 |
| Tom Linter | 201- 463-3826 | 973 - 949-4218 |
| Tom O'Toole | 845 - 597-4150 | 845 - 783-9092 |
| Tom Roberts | 201- 463-3832 | 914 - 242-5436 |
| Sophus Schanche | 201- 463-3831 | 973 - 283-2848 |

**PROJECTS & FINANCE**

| | | |
|---|---|---|
| Basil Karatzas | 201- 463-3828 | 713 - 545-5990 |

**ADMINISTRATION**

| | | |
|---|---|---|
| Joseph Kaufmann | 201 - 463-3833 | 845 - 628-0469 |

Very Truly Yours,

*COMPASS MARITIME SERVICES, LLC*

*The information contained in this report has been obtained from various market sources. COMPASS MARITIME SERVICES (CMS) believes such information to be factual and reliable without making guarantees regarding its accuracy or completeness. CMS will not be held responsible for any action or failure to take action upon reliance on information contained in this report.*