



DRYBULK NEWSLETTER

BRS Dry Bulk Newsletter is a summary for BRS clients of current market trends and developments.

N° 579 – March 31st, 2008

Trends

- Capesize Atlantic →
- Capesize Pacific →
- Panamax Atlantic →
- Panamax Pacific ↘
- HandyMax Pacific ↘
- HandyMax Atlantic →

Capesize FFA Market Assessment

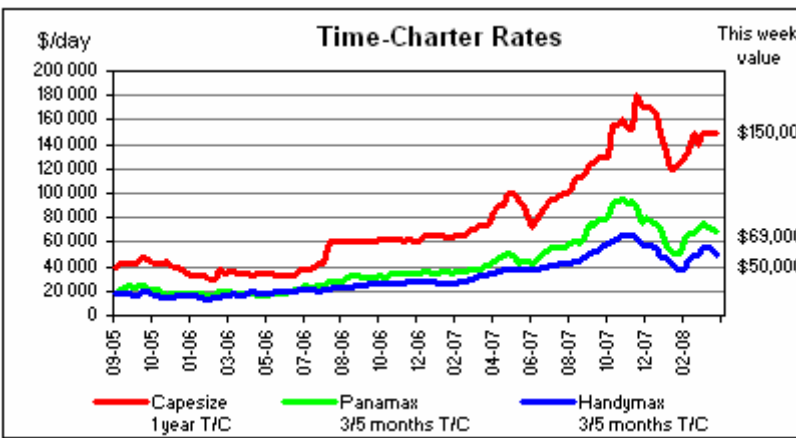
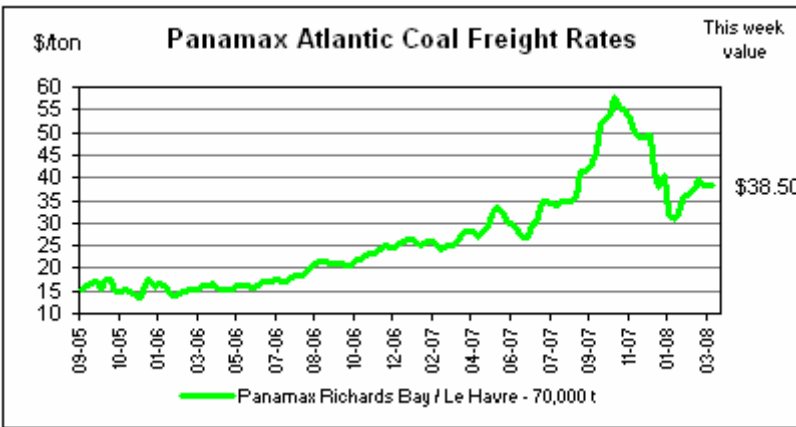
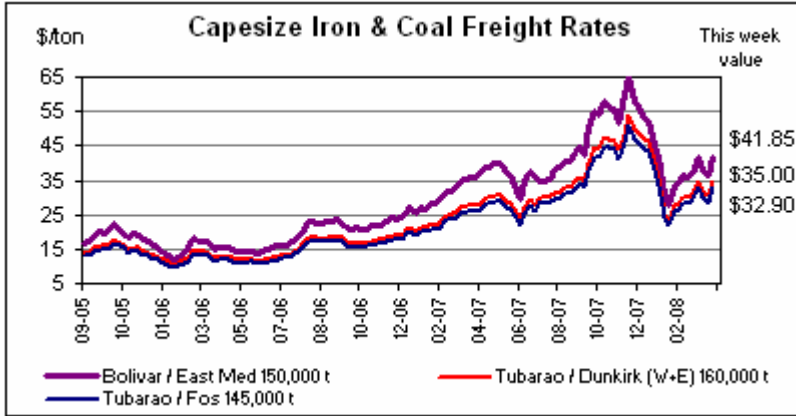
Bid Offer
(as of March 28th, 2008)

C4 ~ Richards Bay / Rotterdam		
Mar 08	35,50	36,00
Apr 08	37,75	38,00
May 08	37,25	37,75
June 08	36,75	37,25
July 08	36,50	37,00
Aug 08	36,25	36,75
Sep 08	35,75	36,00
Oct 08	35,00	36,75
Nov 08	34,75	35,25
Dec 08	34,00	34,25
Cal 09	29,00	29,50
Cal 10	22,25	22,75
Cal 11	19,00	19,25

C7 ~ Puerto Bolivar / Rotterdam		
Mar 08	34,00	34,25
Apr 08	37,00	37,25
May 08	36,50	37,00
June 08	36,25	36,75
July 08	36,25	36,50
Aug 08	36,00	36,75
Sep 08	35,75	36,00
Oct 08	35,25	35,50
Nov 08	34,50	34,75
Dec 08	34,00	34,50
Cal 09	29,25	29,50
Cal 10	22,75	23,00
Cal 11	19,50	19,75

Average 4 Timecharter routes		
Mar	131 000	131 500
Apr	132 000	135 000
Q2 08	139 000	139 500
Q3 08	134 750	135 250
Q4 08	132 000	132 250
Q1 09	113 750	114 250
Cal 09	91 750	92 000
Cal 10	64 000	64 250
Cal 11	47 000	48 000

Source: BRS Futures Limited
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At a Glance ... DRY BULK Market ... At a Glance ...



Trends ... DRY BULK Market ... Trends

Everything has played this week in favour of an upturn in the market which so far only materialised for large bulk carriers. First with Rio and Xstrara lifting "force majeure" on their coking coal shipments from Queensland mines the market could expect importers to catch up with the delays accumulated since February when most of the mines in this area suffered from flooding. This is however not the end of the story as Idemitsu declared they will only be able to resume full output in 2009! In another corner of the market, iron ore prices negotiations still have an impact on shipping markets with the miners playing the "red hot" spot market for the commodity, adding tension to an already tight Cape market. The credit restrictions Chinese iron ore importers have been imposed does not seem to have much impact on the market so far but starts worrying the mills who see the level of their inventories declining. Port congestion also took its part to this Cape breakaway with an average of more than 130 ships waiting for loading all around the world, the highest figure recorded since the start of 2008!

Unconfirmed figures put 4 Chinese steel mills in the 2007 world top 10 of producers. Despite the fact that their individual numbers (20 to 28 mt p/y) are still way behind ArcelorMittal 116 mt, a single consolidation between two of the top Chinese producers (which seem to be under way) will propel the new conglomerate in higher position threatening the Japanese Nippon Steel and JFE.

Post Easter come back of European players seems to have been in favour of the **Capes** this week with the 4 t/c index gaining US\$24,725 over the last three trading days regaining all the ground lost since mid

March! The Atlantic has been the area where to be to take advantage of a good level of activity with the fronthaul route ending the week in the region of US\$200,000 per day. The growing number of ships at anchor waiting for loading at Brazilian iron ore terminals has added some nervousness to the market, and the next arrival of ballasters should only lengthen the list. Wake up of the market in the East started a bit later on but ended the week on a strong note. Given the context there is not much to report on the time charter front except a couple of short periods.

The **Panamax** market is still on a slow motion mode these days and the spike pushing the Capesizes up at the end of last week did not change much this general trend. The end of the Argentinean farmers strike and a better overall activity between the American continent and Europe could make the rates rebound slightly this week in the Atlantic. On the opposite, the Pacific basin could be quiet for a while if, apart from arbitrages, no fresh enquiries are popping out soon. No long period fixtures were reported last week and short period deals on LME were negotiated close to US\$70,000 but heading down.

Overall quiet conditions prevail. So far the post Chinese New Year spree failed to materialise. Operators who fixed in period tonnage in the high 50's/low 60's for Supramaxes start feeling the bullet, particularly in the East. Rates for Nopac or Indonesia round voyages are now in the low US\$40,000's and there are rumours that high 30's have been agreed. Rates eased considerably from India, although still showing a decent high 60/70's for trip China. The Atlantic continues to suffer from the

consequences of the strike in Argentina and one can now see a few spot vessels down there. Supras fight hard to get high US\$40,000 for t/a r/v in the South Atlantic area, when the mid 80's have been reported paid by Eitzen on a 52,000 dwt for a tct US Gulf/Morocco. Handies still get an average of low/mid US\$30,000 whether in the Pacific or in the Atlantic. The market definitely needs an input of fresh business to rebound. The long period business is at a standstill.

S&P market:

It is worth noting that sales this week include tonnage built in the 70s pointing to either really brave buyers or buyers who would rather invest some of their US\$ in "money making" assets i/o stocks or letting exchange rate movements wipe off a big portion of the "cream" earned over the last few years.

Gourdomichalis Maritime have sold their NB Kamsarmax (83,000 dwt, dely 3/2010 in Japan) for a price in the region of US\$65.2m to undisclosed buyers. Drylog has now reportedly sold the "Bulk Fern" (73,000, built 98 in Korea) for US\$72m. The craned Panamax "YK Titan" (69,000, blt 97 in Japan, 4x25t cr.) obtained about US\$67m with an August delivery from Indian buyers. Tonnage built in the 80s reported sold includes the Handymax "Xi Rui 5" (40,000, built 85 in Japan) committed to Turkish buyers basis a fresh DD at US\$30m. Finally the following vessels, all built over 30 years ago have been sold for further trading: the "Angel S" (40,000, built 78 in Japan) obtained US\$13m, the "Lady East" (33,000, built 78 in Japan) at US\$6.5m to Greek buyers, the "Gassam" (31,000, built 75 in Japan) for US\$5.5m whereas the "Strange Attractor" (29,000, built 79 in Japan) obtained a solid US\$10.4m !!

Dry Bulk Carriers Orderbook

Dry Bulk Carriers Orderbook

31/03/2008

(Source: BRS)

Number of ships

	2008 (deliv.)	2008*	2009	2010	2011	2012	2013+	Total on order
VLOC		12	13	23	34	21	2	105
Capesize	(5)	40	127	252	96	12	10	537
Small Cape	(1)	17	48	99	83	19		266
Panamax	(16)	82	96	151	86	18	2	435
Supramax	(24)	172	267	295	172	40	2	948
Handysize	(12)	125	205	190	127	31		678
Total	(58)	(448)	(756)	(1010)	(598)	(141)	(16)	2969

* Includes delayed 2007 vessels

VLOC: >220k dwt

Cape: 120k-219k dwt

Small Cape: 83k-120 dwt or >32,3 beam

Panamax: 60-80k dwt & <=32,3 beam

Supramax: 40-60k dwt

Handysize: 24-40k dwt

