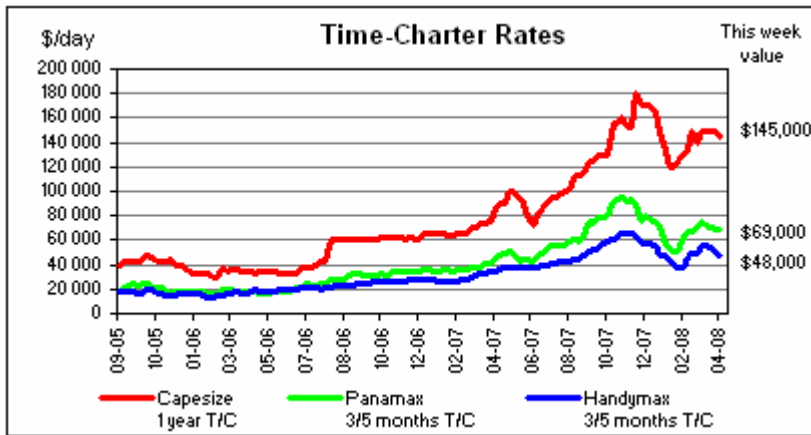
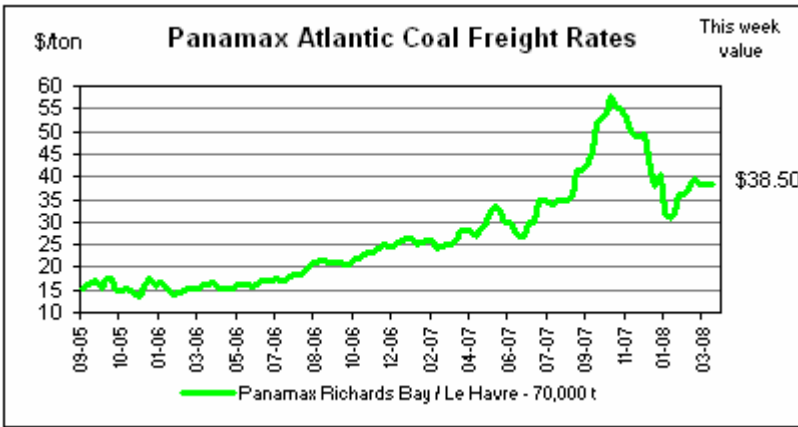
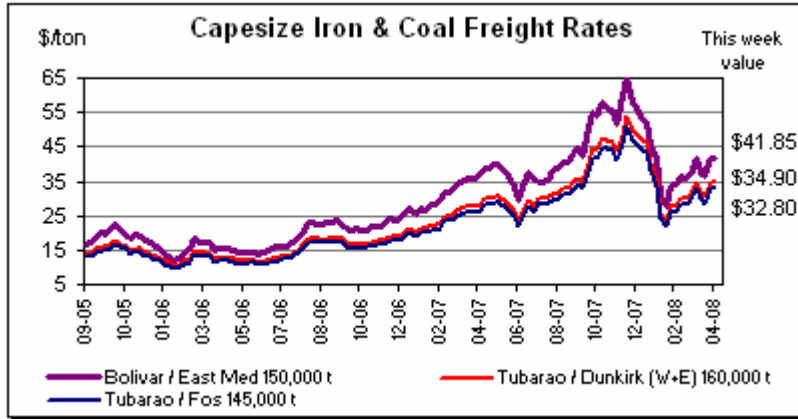




DRYBULK NEWSLETTER

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

N° 580 – April 7th, 2008



Trends

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

Capesize FFA Market Assessment

	Bid	Offer
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(as of April 4th, 2008)

C4 ~ Richards Bay / Rotterdam

Month	Bid	Offer
Apr 08	35,75	36,00
May 08	35,75	36,00
June 08	35,50	35,50
July 08	34,00	34,25
Aug 08	34,00	34,25
Sep 08	33,50	33,75
Oct 08	33,00	34,25
Nov 08	34,25	34,75
Dec 08	34,00	34,25
Cal 09	27,75	28,50
Cal 10	21,50	22,25
Cal 11	18,25	19,25

C7 ~ Puerto Bolivar / Rotterdam

Month	Bid	Offer
Apr 08	35,25	35,75
May 08	35,00	35,50
June 08	34,75	35,25
July 08	34,50	34,75
Aug 08	34,25	34,50
Sep 08	34,00	34,25
Oct 08	33,50	34,00
Nov 08	34,50	34,75
Dec 08	34,00	34,50
Cal 09	28,25	28,50
Cal 10	22,00	22,50
Cal 11	19,50	19,75

Average 4 Timecharter routes

Month	Bid	Offer
Apr-08	132 000	133 000
May-08	131 500	134 750
Q2 08	131 500	132 500
Q3 08	128 000	128 500
Q4 08	126 000	126 500
Q1 09	108 500	109 500
Cal 09	89 500	90 000
Cal 10	63 500	64 000
Cal 11	46 500	47 000

Source: BRS Futures Limited
(44) 20 7602 5670



At a Glance ... DRY BULK Market ... At a Glance ...

Trends ... DRY BULK Market ... Trends

First record iron ore prices, now record coal prices. South Korean steel maker Posco confirmed this week it had agreed to a 200%-plus increase in contract prices for coking coal in 2008, taking the cost to over \$300/ton. Nippon Steel is said to be on the verge of signing a similar deal with BHP. The agreements represent the first hike in coal contracts in three years, and far exceed the previous record set in 2005 of around \$125/ton. Taken together with the increases already seen in the iron ore market, the development is expected to push total costs for Japanese steelmakers up by Yen 2trn in 2008. The impact on shipping is not yet clear but it will inevitably mean higher costs for shipbuilders and Japan's steelmakers are already asking for 20% mark-ups from their car manufacturing partners. In the iron ore market, China reported a further slowing in its steel output growth, and the China Iron & Steel Association confirmed exports would be down this year. However iron ore imports should remain strong to meet domestic demand, rising 50 million tons or 13%, said CISA. Meanwhile in a bid to further increase economies of scale on the iron ore trades, Brazilian producer Vale announced a radical new project to build 400,000 dwt ore carriers, which it has dubbed 'Chinamax's'. The company is working with five Chinese shipyards, and intends to launch the first of the new ships in 2010.

Another week of see-sawing rates in the **Capesize** market. Last Monday's 178 point leap was quickly followed by a drop of 482 points on Tuesday, and throughout the

week huge gains made one day were quickly erased by large drops the next. Overall, the Baltic Capesize Index finished 489 points down while the four timecharter routes fell \$5,799. But there were no clear trends and the market rose again slightly at the start of the new week. Rates appeared mainly swayed by the short-term activity of the big mining groups. No significant period deals were reported, although some shorter-term charters of 3/5 months were in evidence on the days when the market firmed.

The **Panamax** market continued to lose value for most of last week, and the four time charter routes traded down a total of US\$2,602 to close at US\$60,797 on Friday. During the early part of the week the Atlantic continued to feel the downward pressure exerted by the fleet of unfixed / ballasting ships left with no cargo due to both a lack of general enquiry and the continuation of the disruption in South America. However towards the end of the week news of a settlement in the Argentinean farmers' strike, along with a clearout of very early vessels, induced a little more positive sentiment (which was also seen on the FFA 2Q levels briefly) even though there was no real change of situation in Argentina, with ships still waiting at berth for loading operations to recommence (the Atlantic round voyage closed at US\$67,441/day, down US\$828).

In the Pacific, a continued lack of fresh enquiry saw the Pacific round voyage falter, losing a total of US\$4,770 by the close on Friday. The situation in both basins led to a

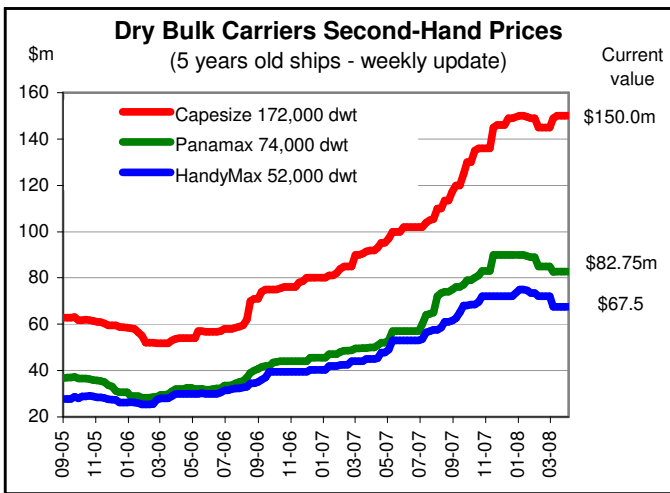
stand-off on the short period market, which had all but dried up, although there was one deal concluded in the East at around US\$68,000 for a 3/5 month charter.

While the Pacific has suffered a major correction (**Supramax** Pacific round voyage -US\$12,000 in two weeks), the Atlantic has been firming up steadily with the Atlantic round leading the way. Overall, Handies remained more stable and the short period, although quieter, remains higher than the spot. For period in excess of one year, interest is scarce and cautiousness is the name of the game.

S&P market:

Although last week the Dry Indices recorded losses and the BDI ended at 7737 points (-4.1%), the S&P market was quite busy with relatively firm prices paid, especially for modern tonnage. The 'Sibulk Quality' (56,000 dwt, built 2005 in Japan) and the 'Sibulk Innovation' (53,000 dwt, built 2004 in Japan) have been sold "en-bloc" by Eitzen Bulk to Indian buyers, rumoured to be Essar Steel, for a firm US\$147m on the basis of a charterfree delivery in May/July 2008. The Frangistas family-controlled Franco Compania Naviera meanwhile has obtained a very firm US\$42m for its 19 year old 'Angel III' (43,000 dwt, built 1989 in Japan) from Greek buyers on the basis of a delivery drydock freshly passed in July/August. AM Nomikos has now committed its 'Angelina the Great N' (41,000 dwt, built 1986 in Japan) to Korean buyers for an agreed price of US\$33m.

Dry Bulk Carriers Orderbook



Dry Bulk Carriers Orderbook

07/04/2008 (Source: BRS) Number of ships

	2008 (deliv.)	2008*	2009	2010	2011	2012	2013+	Total on order
VLOC		12	13	27	38	21	2	113
Capesize	(7)	38	129	259	97	12	10	545
Small Cape	(1)	17	48	102	89	19		275
Panamax	(20)	78	96	149	88	18	2	431
Supramax	(27)	169	270	300	173	40	2	954
Handysize	(15)	122	205	190	127	34		678
Total	(70)	(436)	(761)	(1027)	(612)	(144)	(16)	2996

* 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

