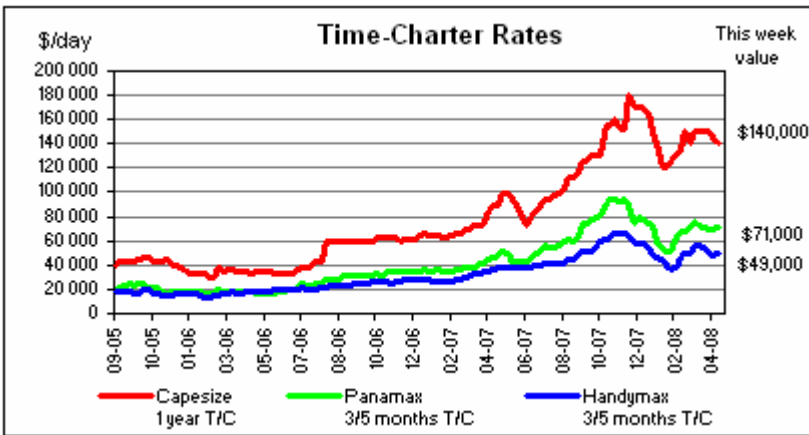
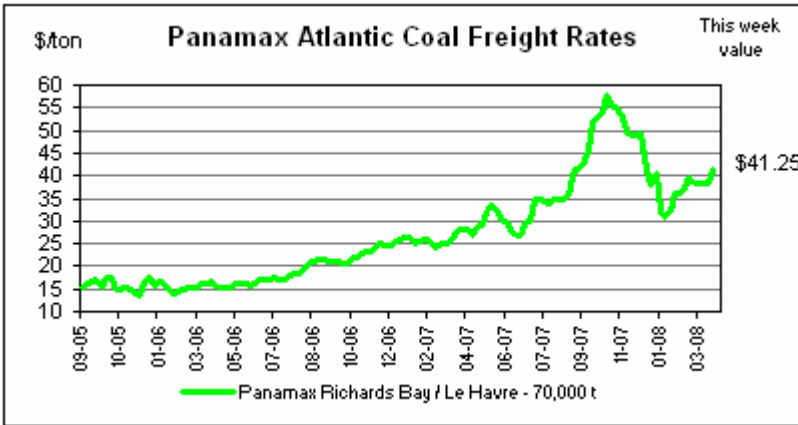
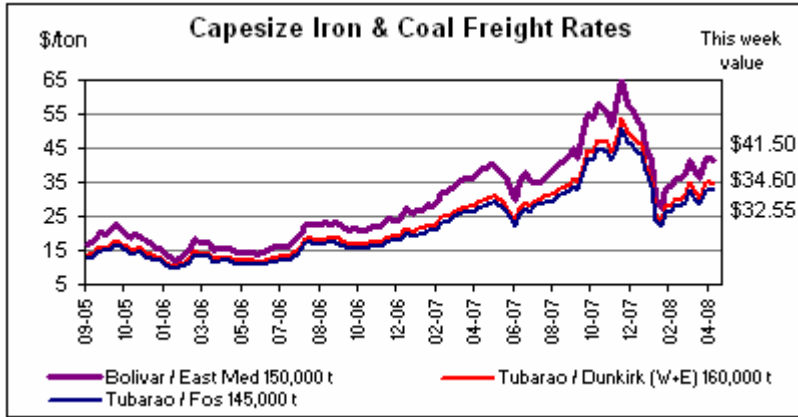




DRYBULK NEWSLETTER

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

N° 581 – April 14th, 2008



Trends

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

Capesize FFA Market Assessment

	Bid	Offer
(as of April 11th, 2008)		

C4 ~ Richards Bay / Rotterdam		
Apr 08	36,50	37,50
May 08	36,00	37,50
June 08	36,00	36,50
July 08	35,50	36,50
Aug 08	35,00	37,00
Sep 08	35,00	36,00
Oct 08	34,50	37,00
Nov 08	34,25	34,75
Dec 08	34,00	34,25
Cal 09	28,50	29,00
Cal 10	22,00	23,00
Cal 11	18,25	20,00

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

Average 4 Timecharter routes		
April 08	133 000	135 500
May 08	131 500	134 750
Q2 08	135 000	136 000
Q3 08	132 500	133 000
Q4 08	129 000	130 000
Q1 09	111 000	112 000
Cal 09	91 000	92 000
Cal 10	63 000	66 000
Cal 11	45 000	48 000

Source: BRS Futures Limited
(44) 20 7602 5670



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

Trends ... DRY BULK Market ... Trends

The Panamax market took a sharp swing upwards this week following new developments in the coal market. India surprised the market last week by buying – at a premium – coking coal from the US in an effort to beat shortages. This was carried out to a backdrop of 200%+ price increases in Australia. With BHP Billiton Mitsubishi selling at around \$300 per tonne, players are speculating whether importing from further afield will now become financially viable. Indeed coal exports from Australia's Newcastle port fell 6.9 per cent last week, despite an easing in congestion. Simultaneously, however, China confirmed it was unlikely to be a coal importer in 2008 (as in first-half 2007) as domestic demand is expected to remain flat. Regardless, the Panamax market rose over 5% points week-on-week, considerably more than the other dry bulk segments. Meanwhile despite an expected fall in Chinese steel production growth this year, the top mining companies remain bullish in their outlook for iron ore. Rio Tinto declared it expected China to account for 50% of seaborne ore trade by 2011, and claimed a US recession would have a limited impact on China's economy. Despite this, China's crude steel output is currently estimated to reach 520 million tonnes - 540 million tonnes in 2008, still an increase of between 6.3% - 10.4%, but well down on growth seen in previous years.

A relatively calm week for the **Capesize** market, with the large mining groups dominating the action. The BCI moved up a modest 158 points and the four timecharter routes improved US\$950 to finish on Friday at \$132,870. However there was a surge in period business, indicating continued confidence in many parts of the market. A

176,000 dwt China newbuild due for delivery in September 2009 was reported fixed at US\$42,500/day. Meanwhile two deals were also reported for more prompt deliveries: a one-year charter at US\$137,500/day and a three-year deal at US\$109,000/day. The numbers are little changed from two months ago, suggesting period rates have flattened out at fairly firm levels.

After a quiet start to the week, the **Panamax** market gained in value and the average of the time charter routes rose US\$3,304 on the week while the BPI gained 410 points. In the Atlantic, gains were seen largely on the fronthaul trades with news that the Argentine Farmer's strike had been suspended. Generally this route traded in the low US\$80,000s. Short period takers also re-emerged on the back of this development, although rates remained steady in the mid-high US\$70,000s. In the east, just like the Cape market, rates rose as more and more charterers took tonnage for short period. Here we saw rates creep back into the low US\$70,000s. This is still a large premium to spot rates which, despite gaining value, were being concluded in the mid-upper US\$50,000s.

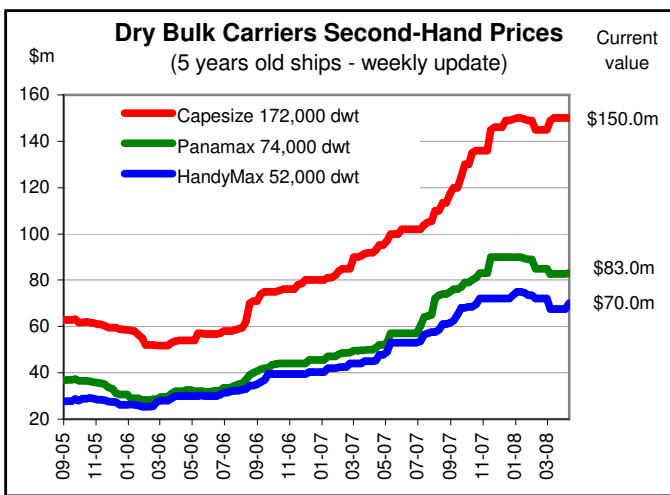
The Far East **Supramax** market remained pretty slow last week and ships outnumbered cargoes, resulting in a further fall in rates. North Pacific or Australia round voyages paid in the high US\$30,000s but there were some signs of bottoming out. Cement and steel stems out of China increased, while at the same time the Philippine and Indonesian market became more lively. Short period activity picked up with 52,000 dwt being taken at low / mid US\$50,000s. Although rates remain firm in comparison with the Far East, it

seems that India failed to reverse the trend and charterers have plenty of ships to choose from. Trips east hardly pay more than US\$50,000 at the moment. The Atlantic benefited from the end of the strike in Argentina and grain houses have been very active. Likewise the weak US dollar helped pushing US exports, leading to firm demand from the US Gulf. Supramaxes are now asking close to US\$90,000 for trip Continent/Med business, though they have not found any takers at that level yet.

S&P market:

In line with March, the freight market remains "steadily volatile" this month. The Bulk indices ended the week nearly 2% up, and there was significant activity on modern Supramax and Panamax tonnage. The Panamax 'Ikan Belanak' (76,000 dwt, built 2005 in Japan) was sold for US\$83m basis delivery in Sept/Oct 2008. We understand this is a sale that took place in January. On the Supramax front, Tolani in India have purchased the 'Jin Hai' (55,000 dwt, built 2005 in Japan) for US\$74.25m from Jinhui Shipping, whereas the same buyers have agreed to pay US\$73m for the 'Nord Fighter' (53,000 dwt, built 2004 in Japan). Handies did not lag far behind and we noted the en bloc purchase of two 'Diamond-34' re-sales (34,000 dwt) under construction in Vietnam with delivery in 2008 for US\$76m by unknown buyers. Finally the following deal was done on older tonnage: the Cape 'Intrepid Resolute' (132,000 dwt, built 1982 in Japan) and 2 x sister Panamaxes 'Bulk Intrepid' and 'Bulk Seahawk' (66,000 dwt, built 1982 in Japan) have been sold for an en bloc price of US\$91m. The 'Seahawk' has a balance of 12 months time charter at US\$43,500/day, while the other 2 ships will be delivered charter free.

Dry Bulk Carriers Orderbook



Dry Bulk Carriers Orderbook

	2008 (deliv.)	2008*	2009	2010	2011	2012	2013+	Total on order
VLOC		12	13	27	38	21	2	113
Capesize	(8)	37	129	261	98	12	10	547
Small Cape	(1)	14	48	102	90	22		276
Panamax	(22)	74	96	150	89	27	2	438
Supramax	(31)	162	271	300	173	40	2	948
Handysize	(16)	117	211	194	127	35		684
Total	(78)	(416)	(768)	(1034)	(615)	(157)	(16)	3006

* 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

