BARRY ROGLIANO SALLES

SHIPBROKERS SINCE 1856

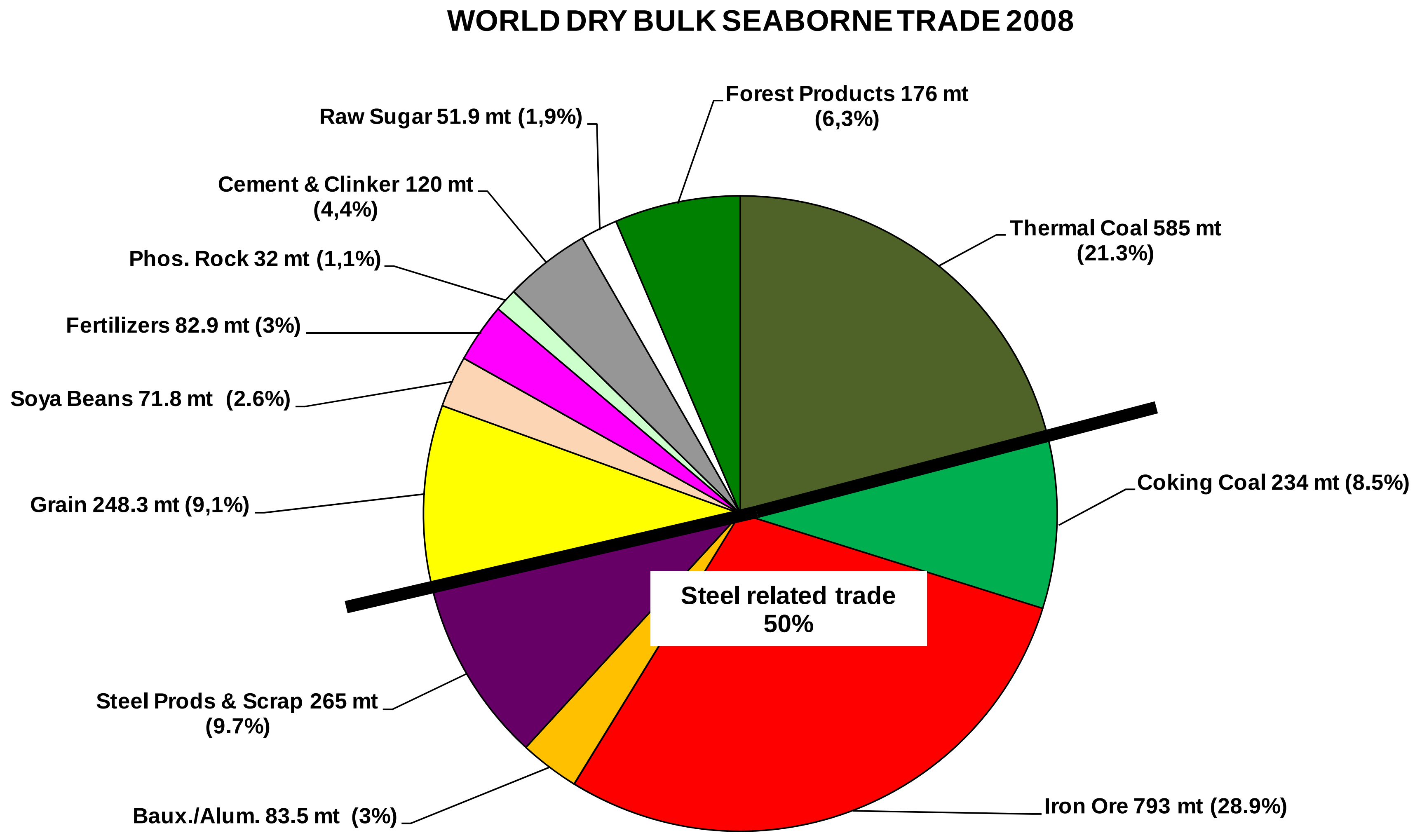
« SHIPPING MARKET OUTLOOK »

for

International Manganese Institute

June 2009

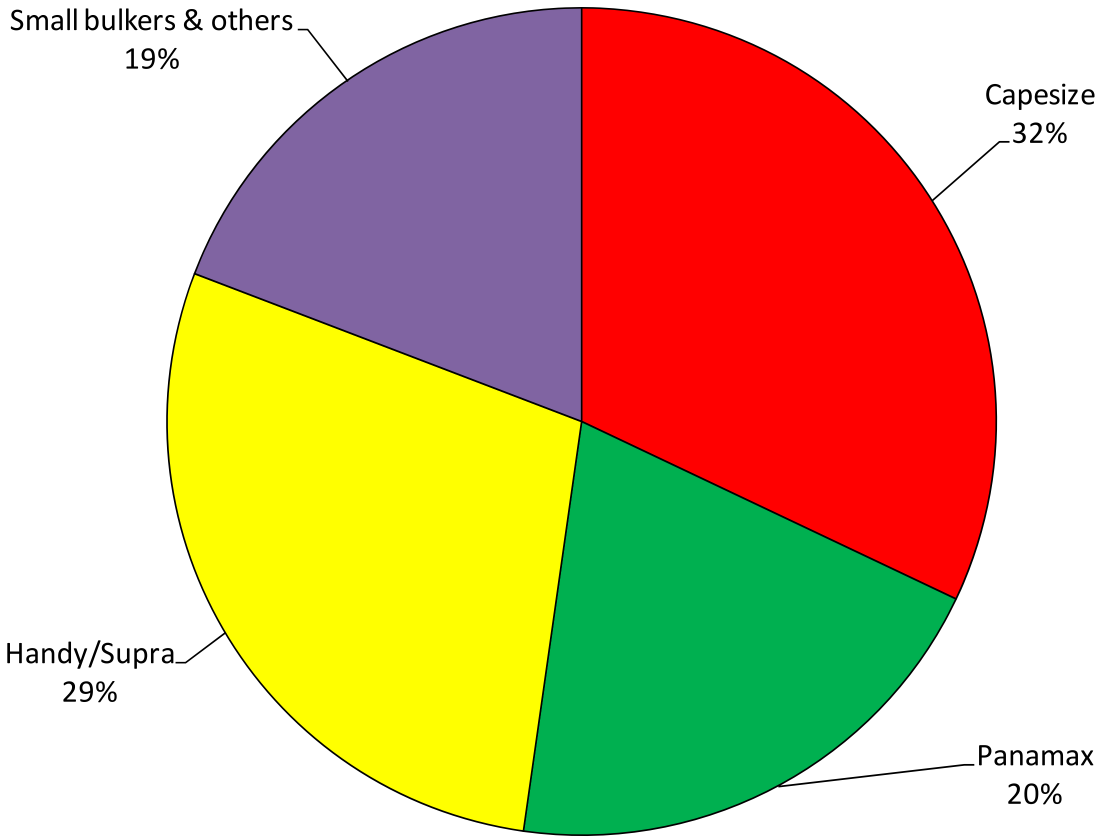
50% of dry bulk trade related to steel industry



Nota: Thermal coal used to produce energy in the steel production process is not included in the 50%

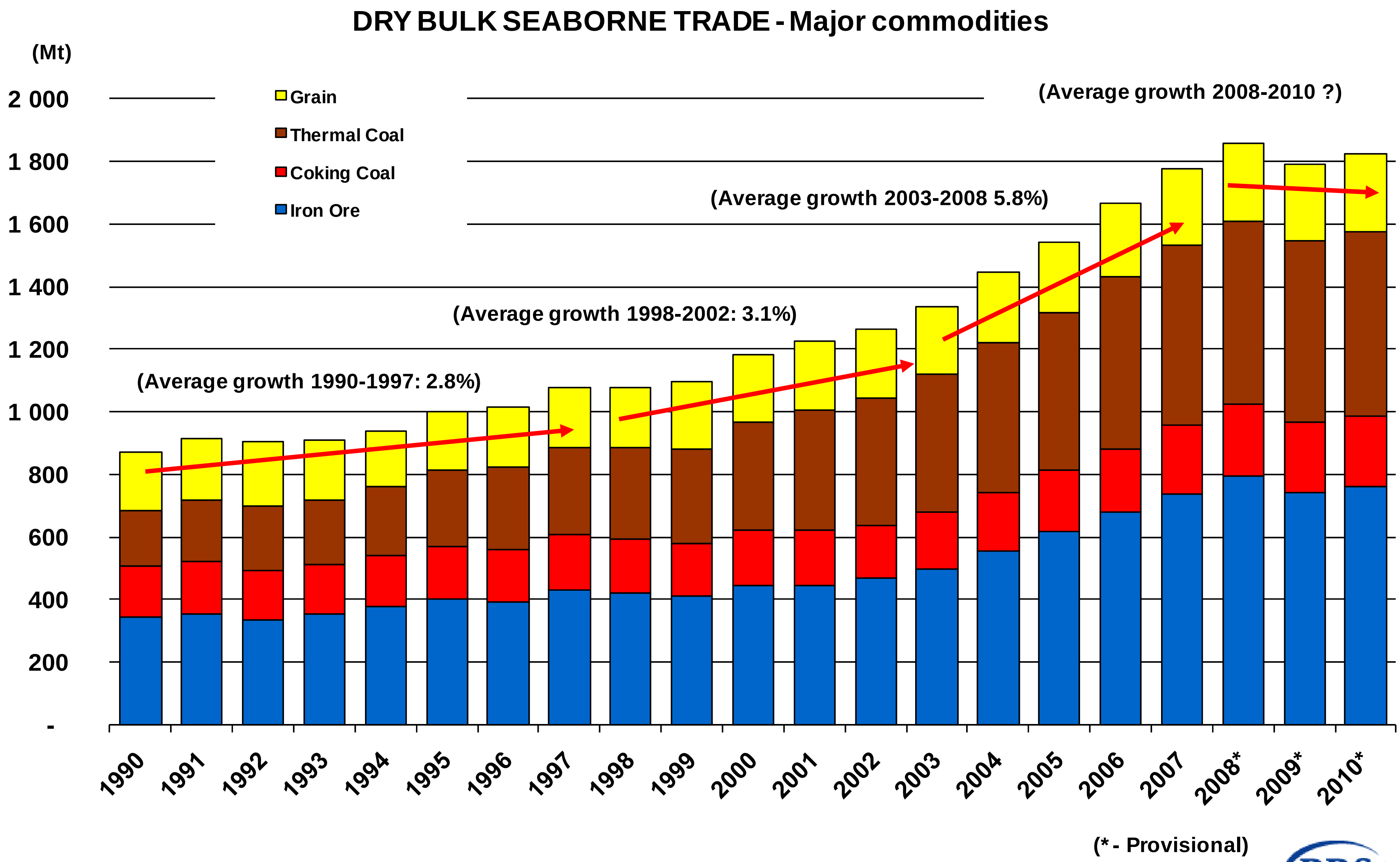
32% of dry bulk trade carried in Capes

WORLD DRY BULK SEABORNE TRADE 2008 BY SHIP SIZE

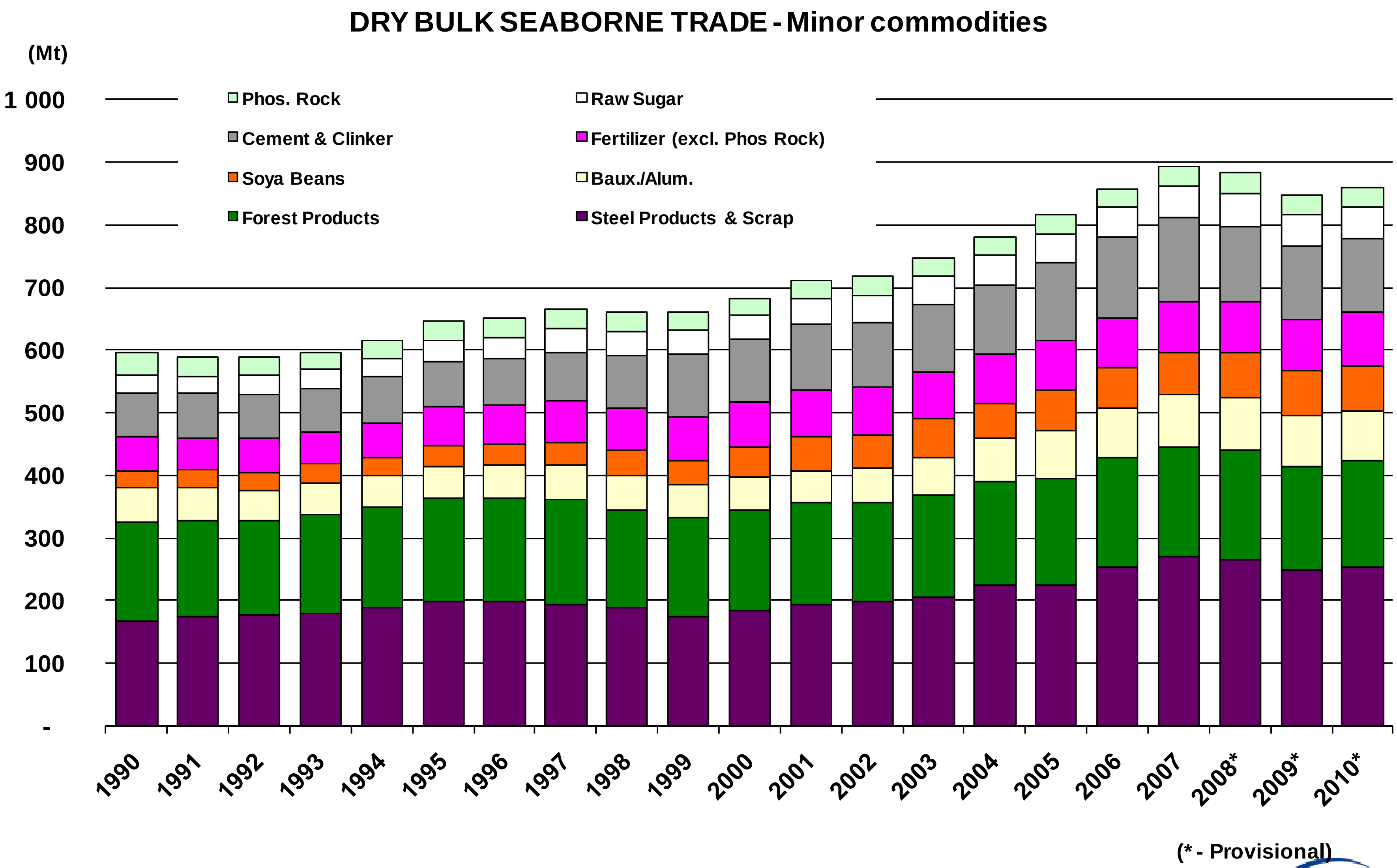


Capes carry 75% of Iron ore & 45% of coal

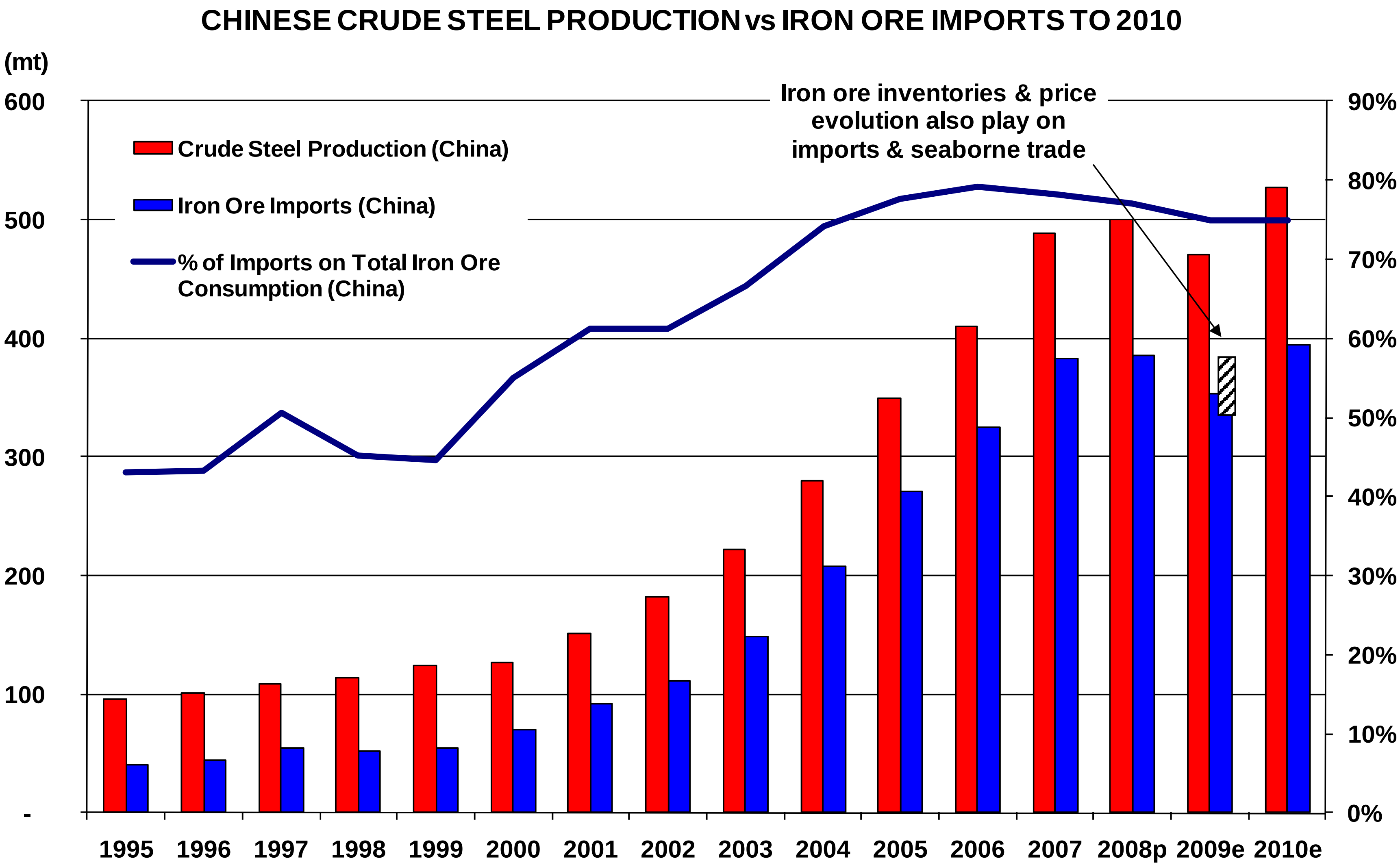
No « super cycle » any more



No crisis-proof « niche market »

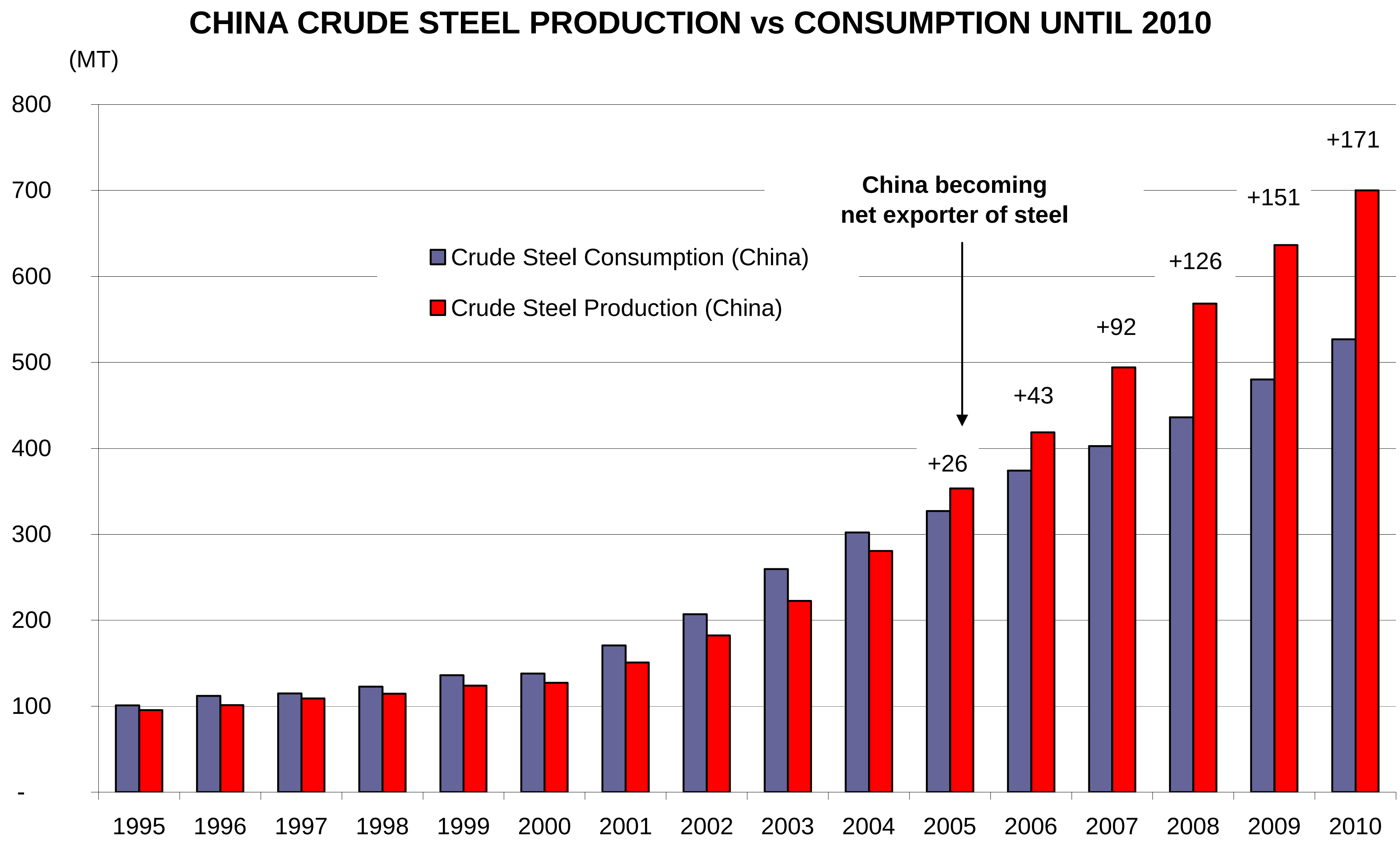


Iron ore inventories to play major role



Based on World Steel Association, CISA, IMF & other official sources

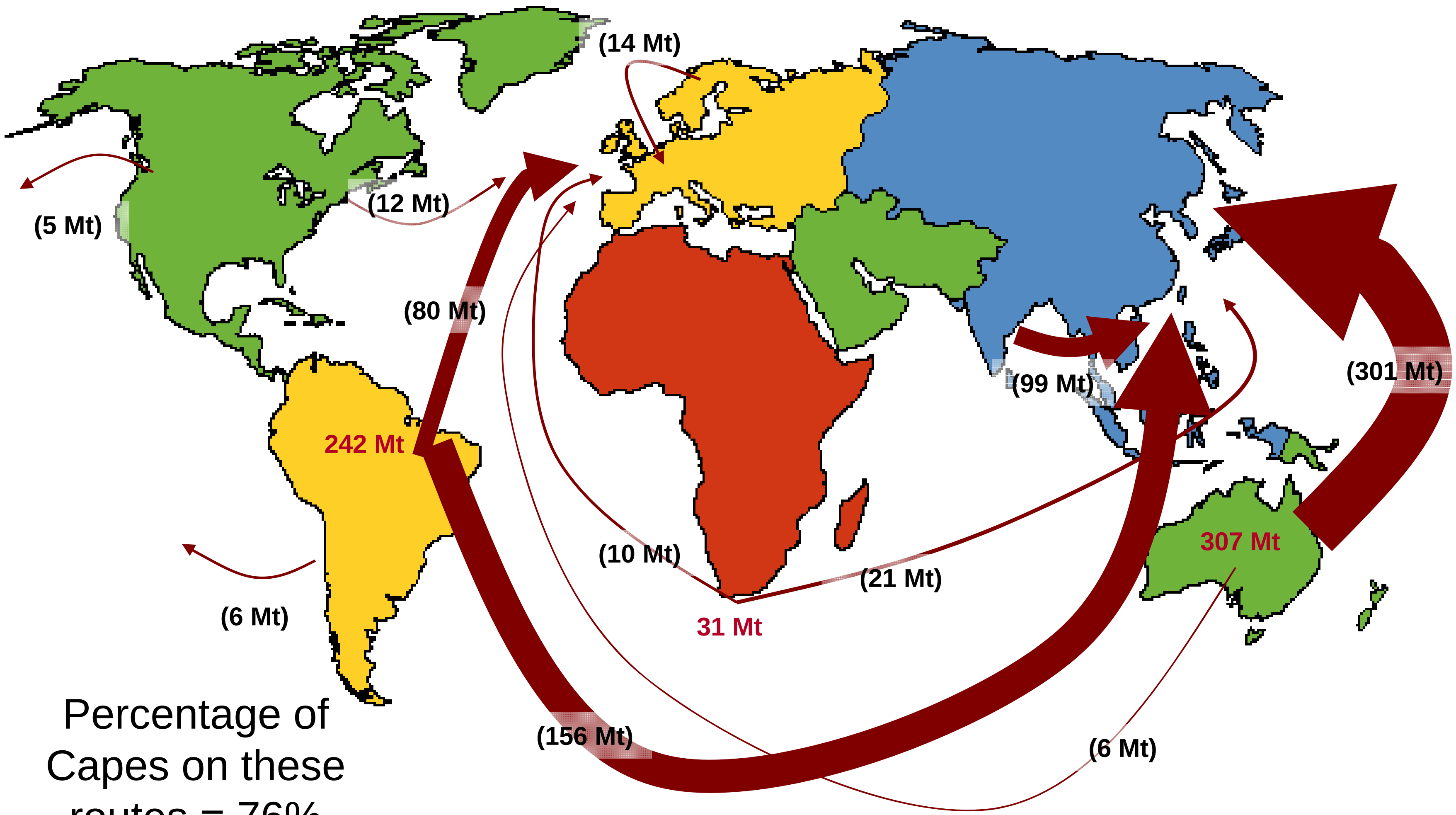
Compared to mid-2007!



Based on World Steel Association, CISA, IMF & other official sources

Major Iron Ore Export Routes in 2008

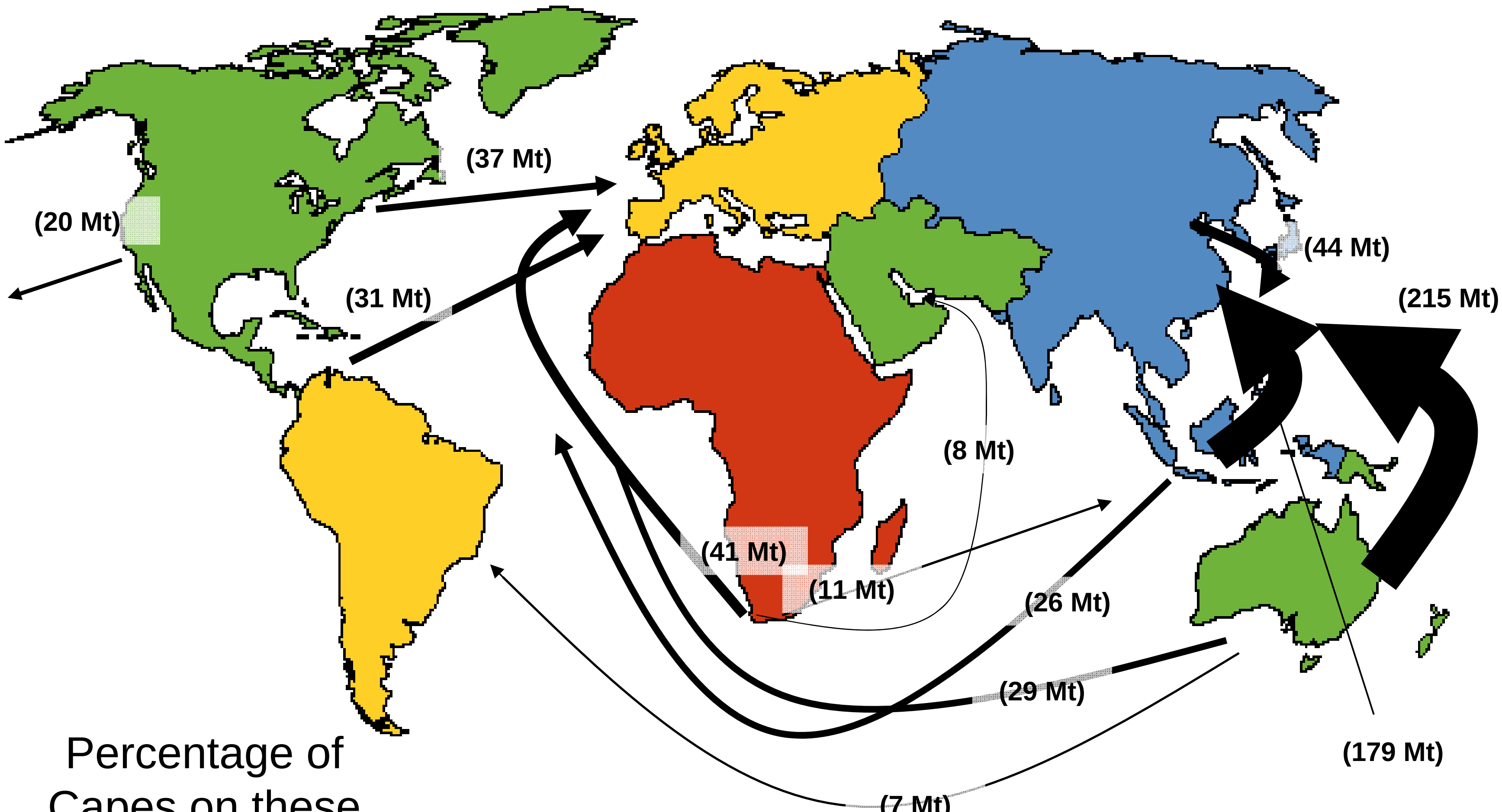
= 95% of world iron ore shipping market



Percentage of Capes on these routes = 76%

Major Coal Export Routes in 2008

86% of world coal shipping market

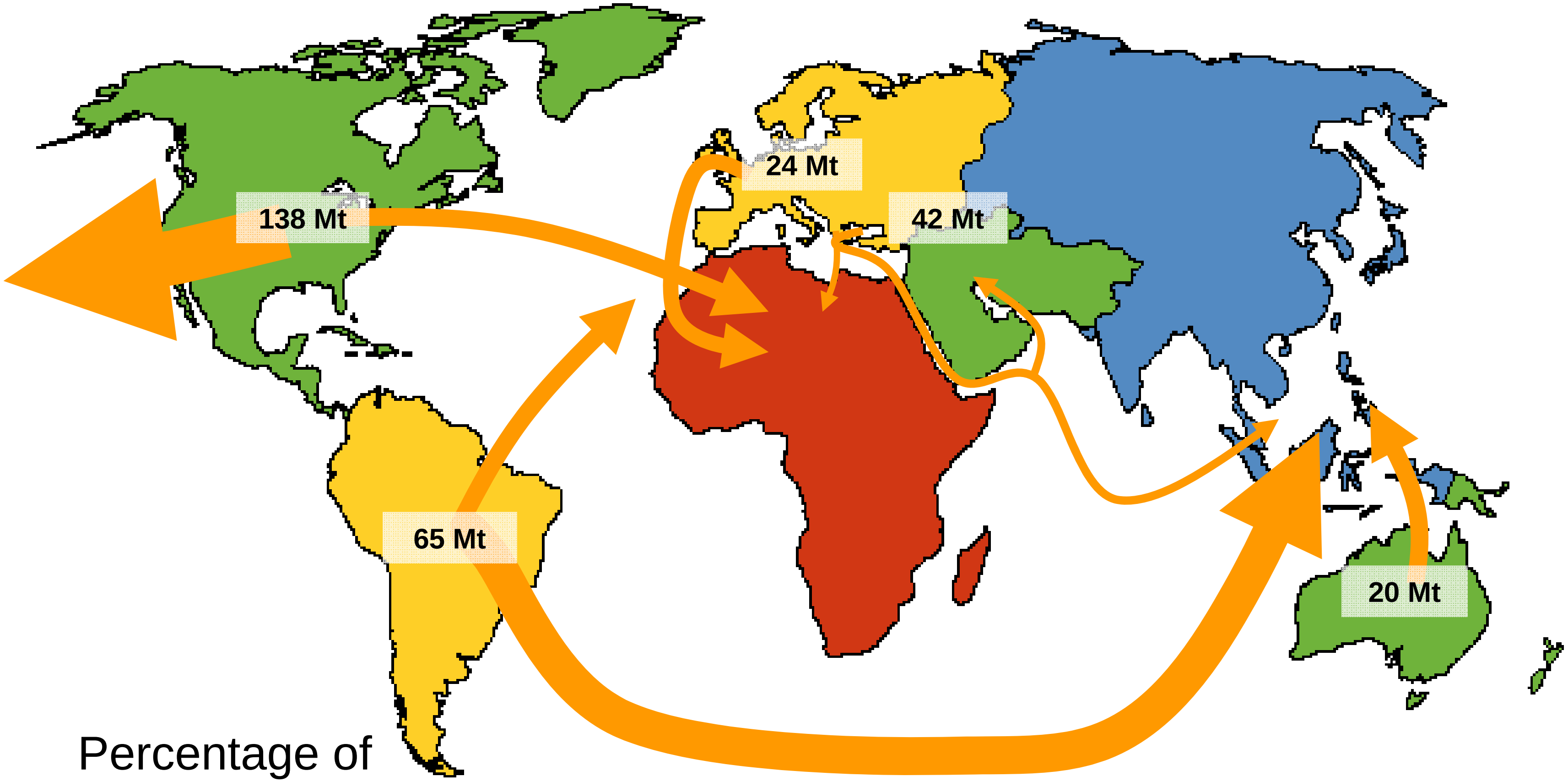


Percentage of Capes on these routes = 45%

BRS

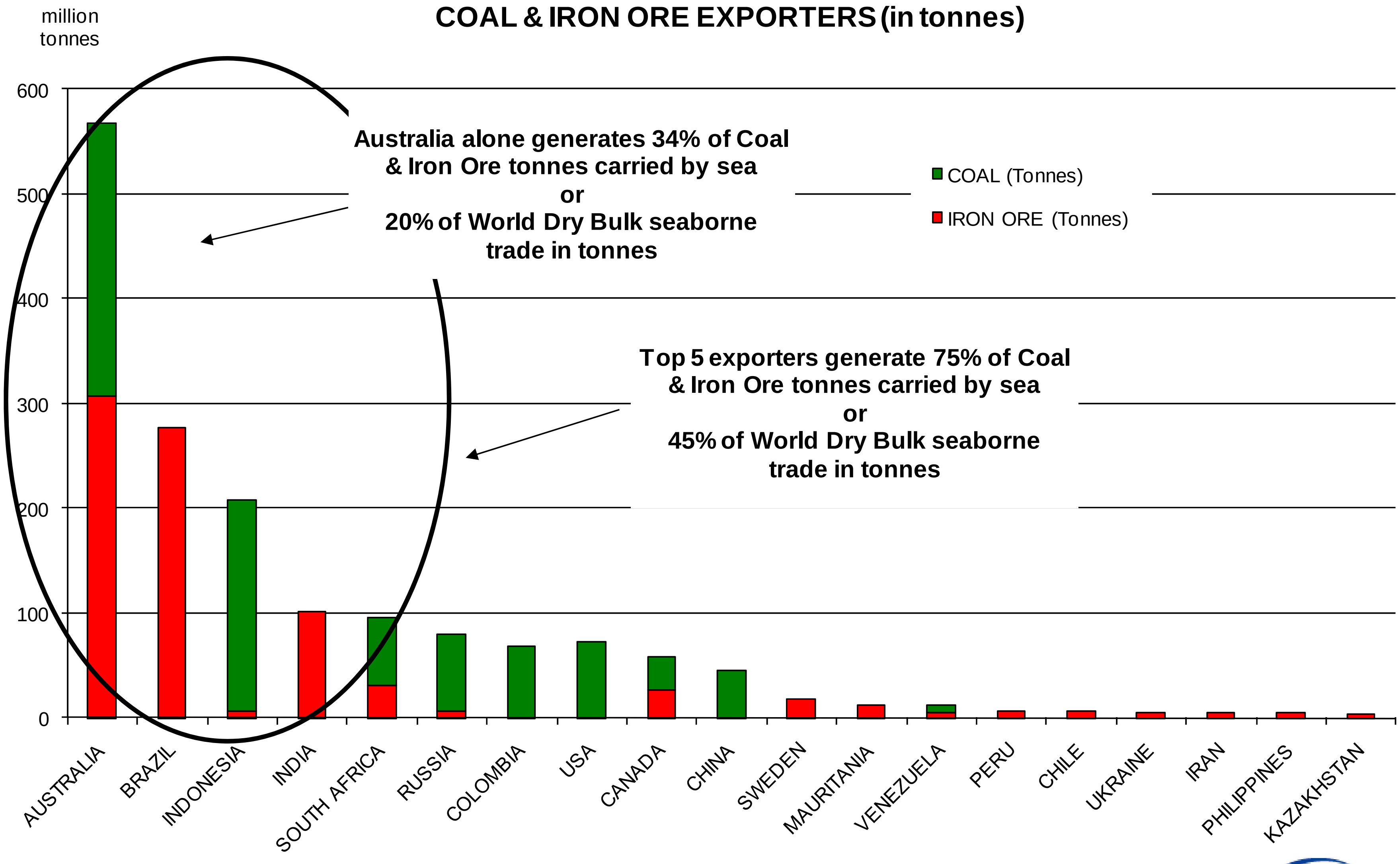
Major Grain Routes

85% of world grain shipping market

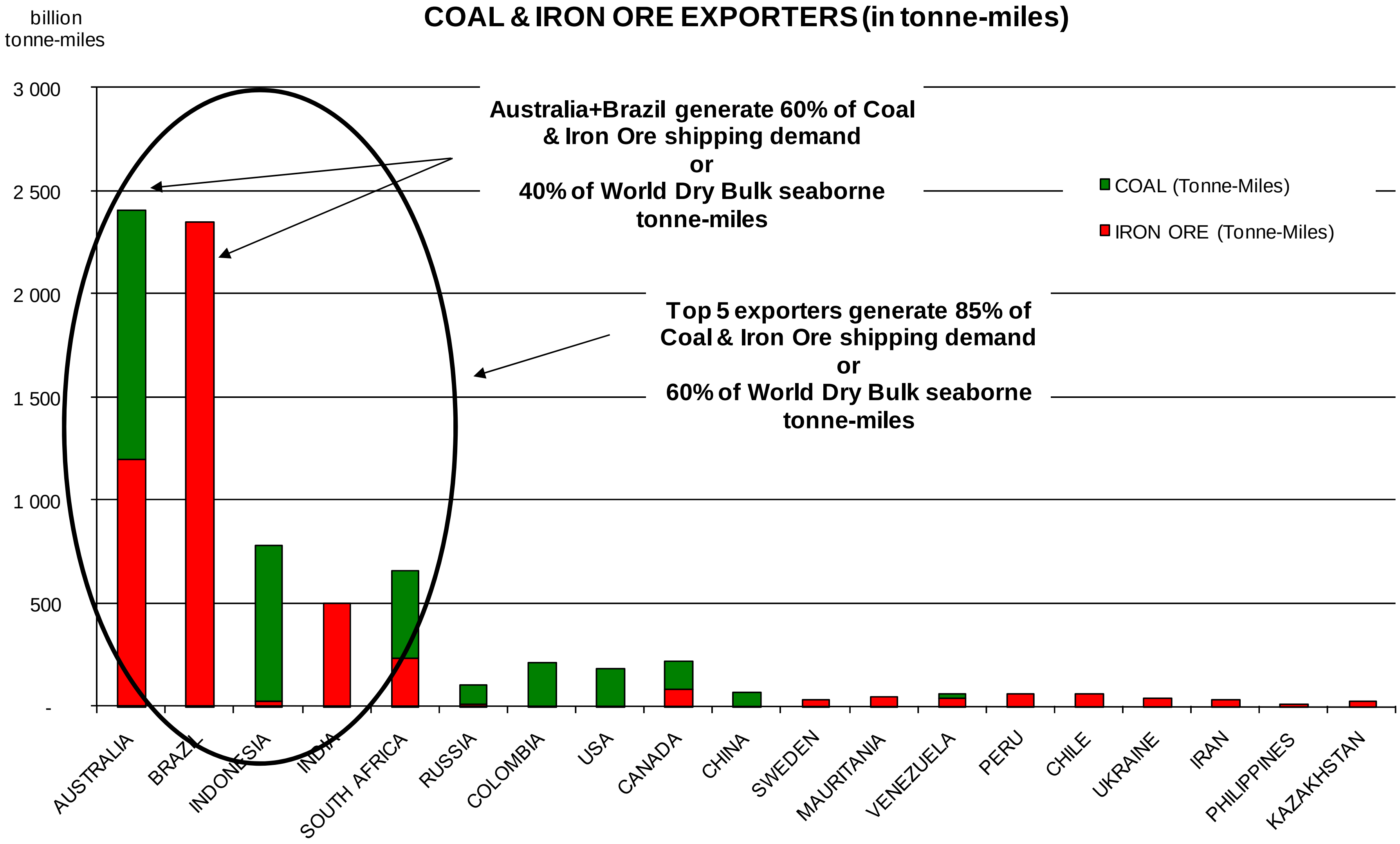


Percentage of
Capes on these
routes = 0%

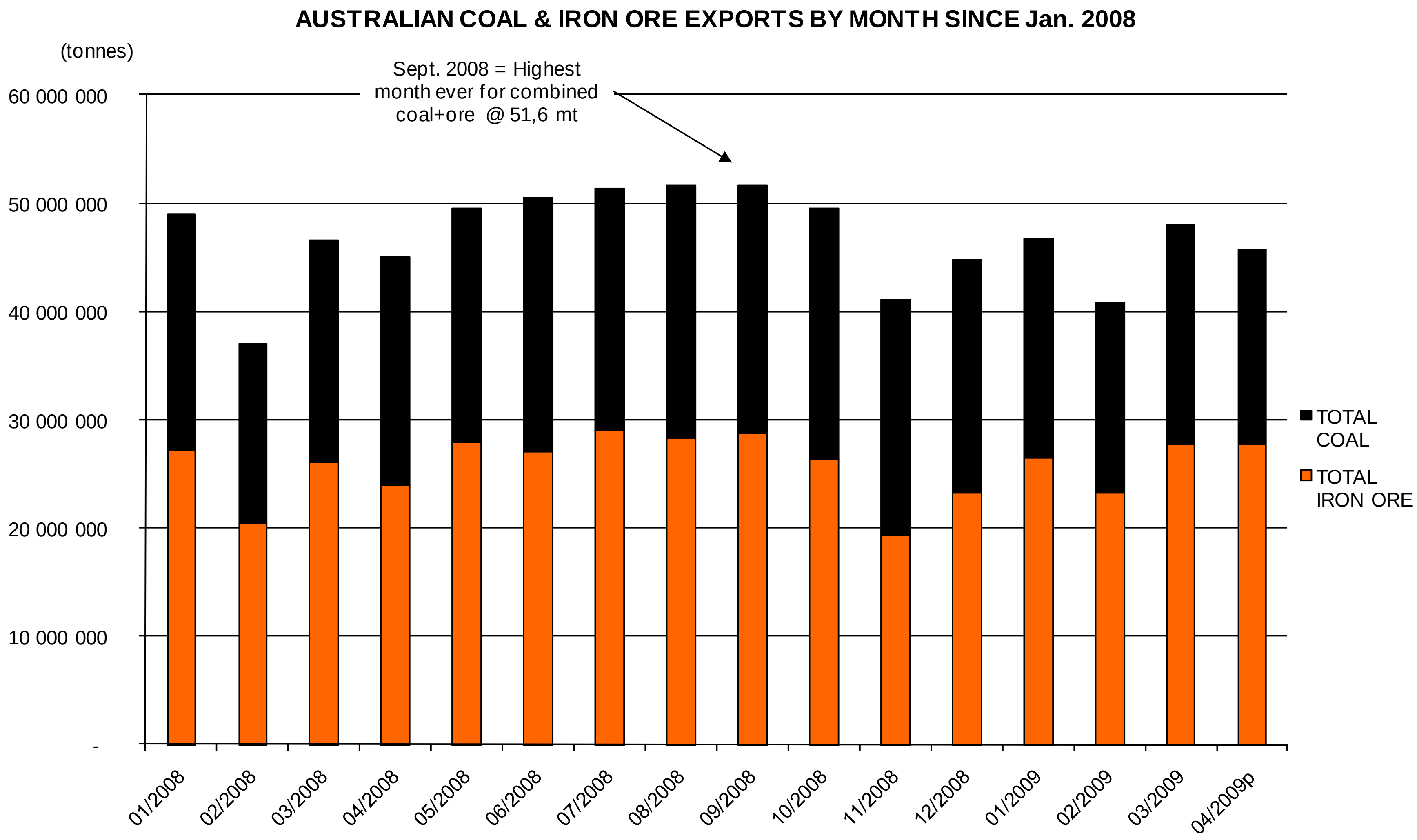
Dry bulk export market highly concentrated



Dry bulk shipping dominated by two exporters



Australia is a key exporter

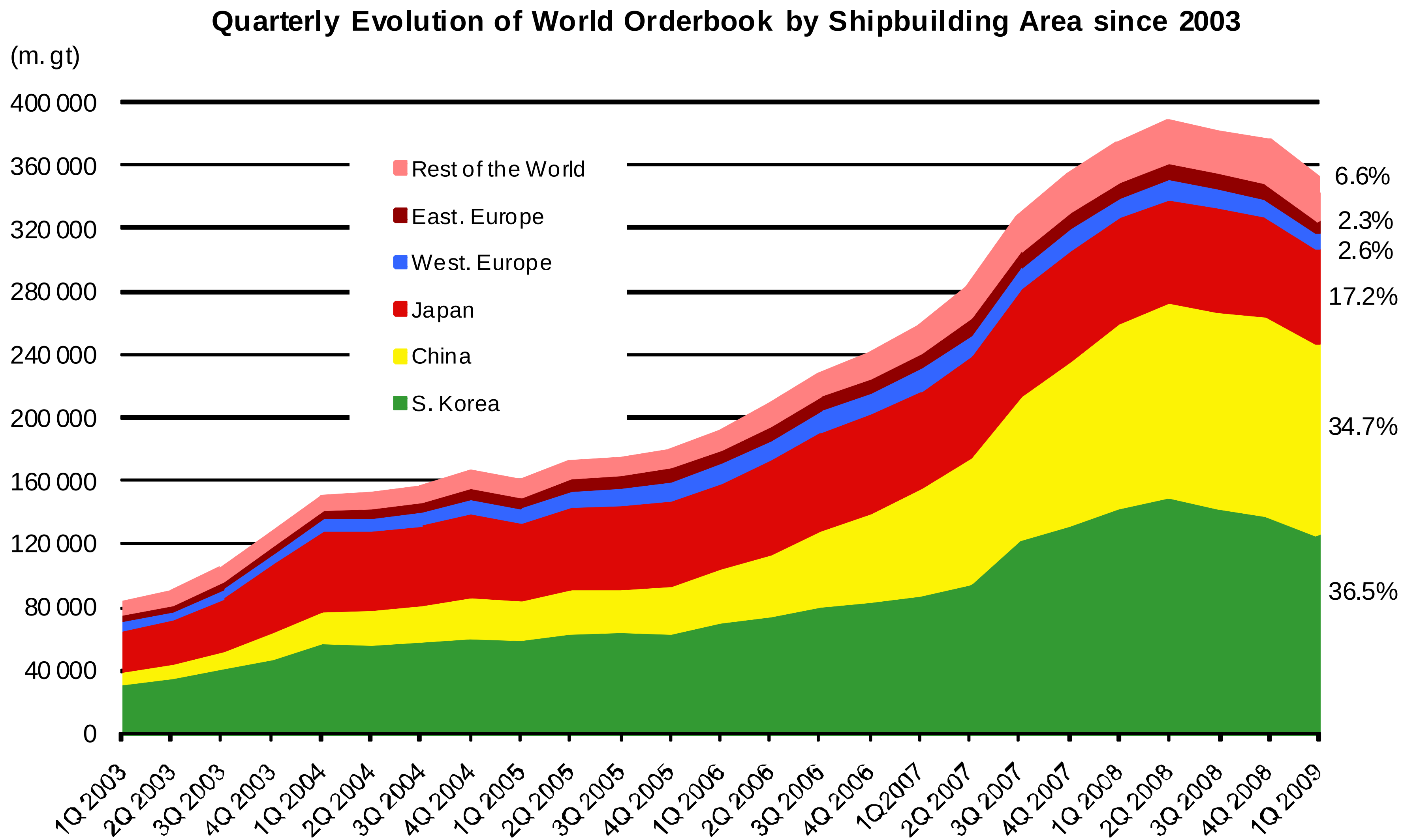


(Source: Austr. Bur. of Stat. Apr. 09 are provisional)

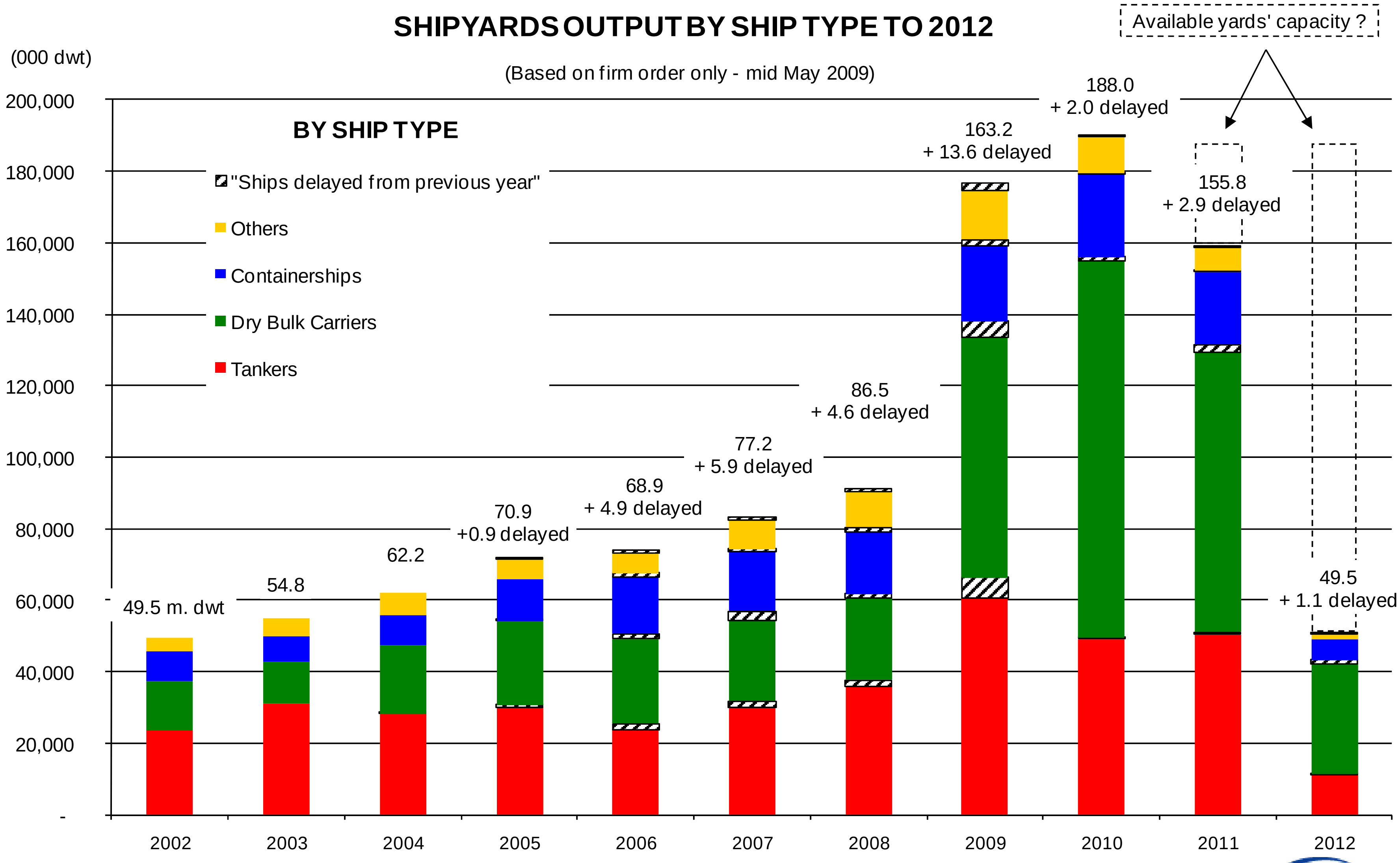
DRY BULK FLEET

EVOLUTION

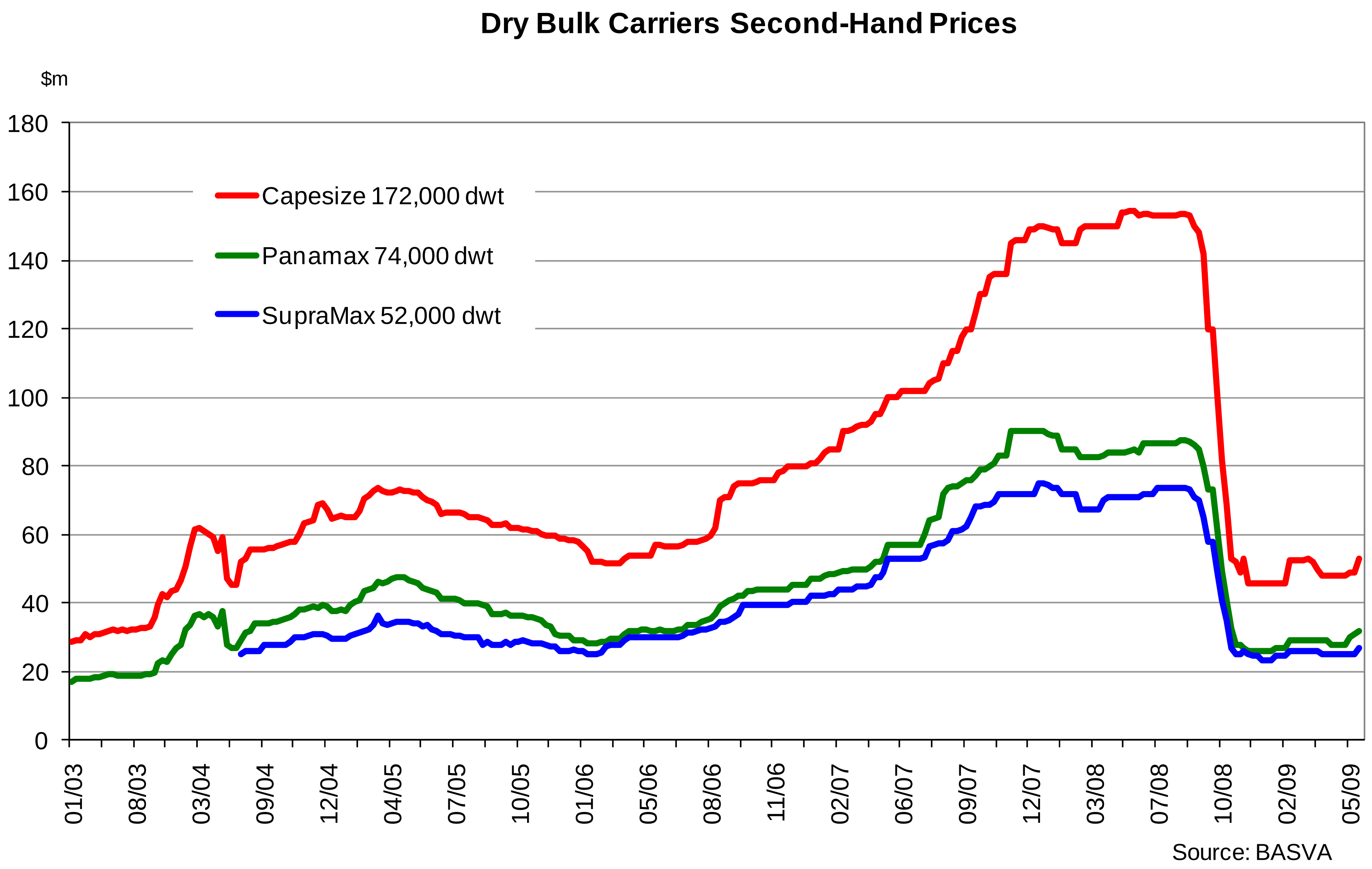
Almost no new orders since Oct. 09



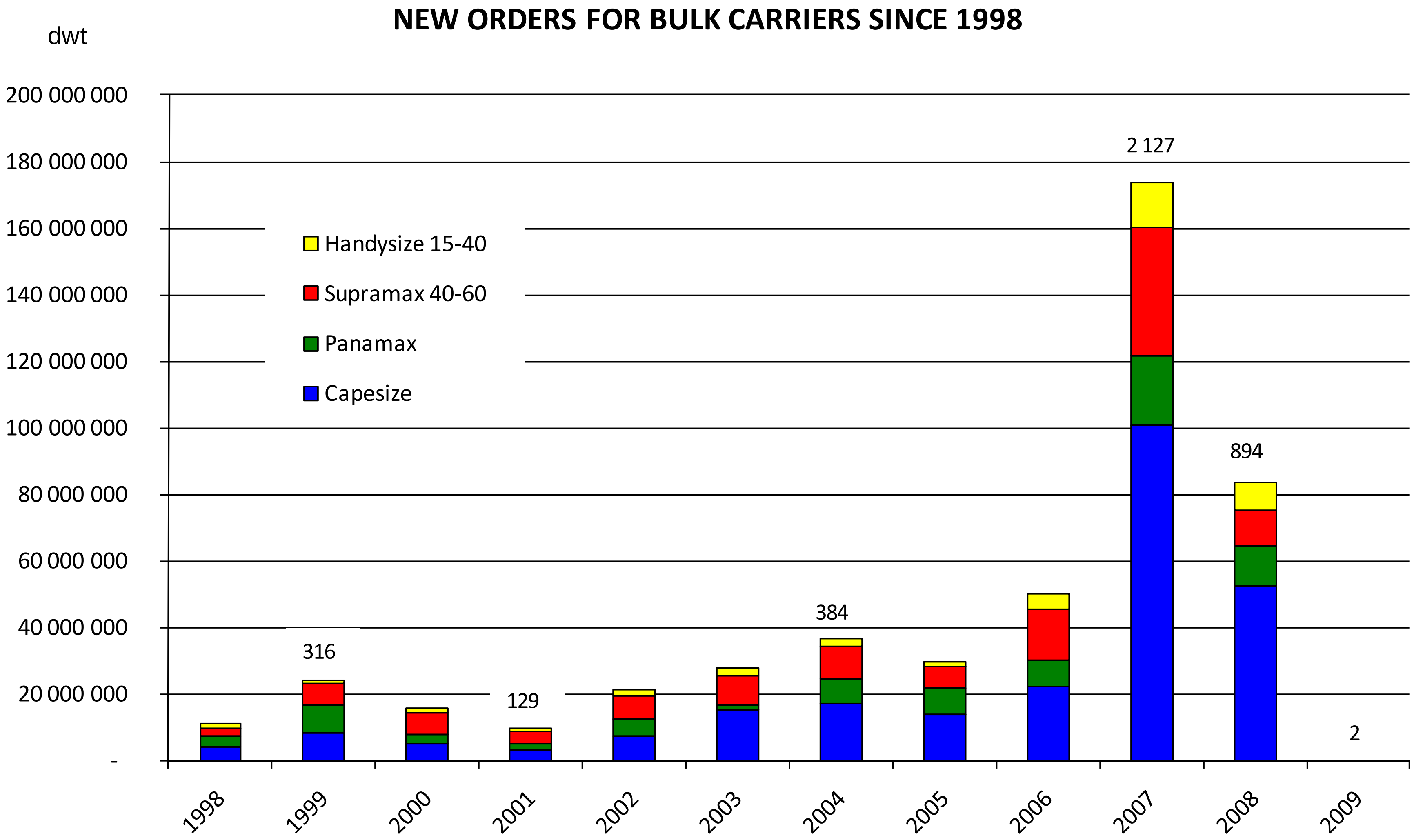
Delivery slippage increasing ...



Second-hand values rising again



2007 record high vs 2009 record low?



A massive orderbook

Dry Bulk Fleet Breakdown

01/06/2009 (Source: BRS) Number of ships

	< 5 yrs	5-9 yrs	10-14 yrs	15-19 yrs	20-24 yrs	>25 yrs	Total	On order (% of fleet)
VLOC	14	3	3	29	14	1	64	**183%**
Capesize	233	133	163	127	83	47	786	**76%**
Small Cape	66	25	19	18	11	10	149	**209%**
Panamax	384	302	297	133	133	242	1 491	**31%**
Supramax	525	339	373	118	233	165	1 753	**56%**
Handysize	274	188	250	78	367	662	1 819	**42%**
Total	**1496**	**990**	**1105**	**503**	**841**	**1127**	**6062**	**53%**

A lot of ships for delivery 2009/2010

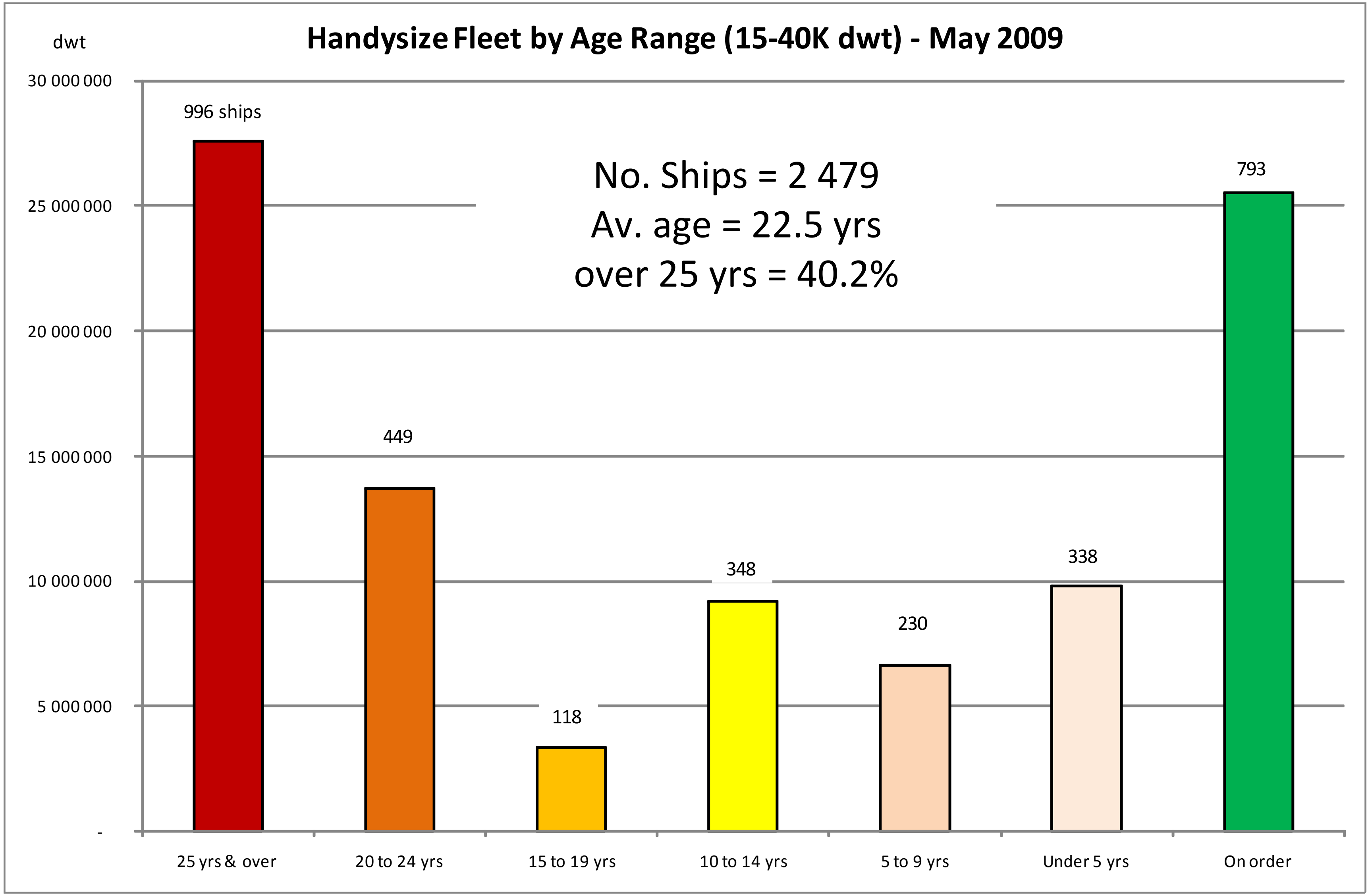
Dry Bulk Orderbook

01/06/2009 (Source: BRS) Number of ships

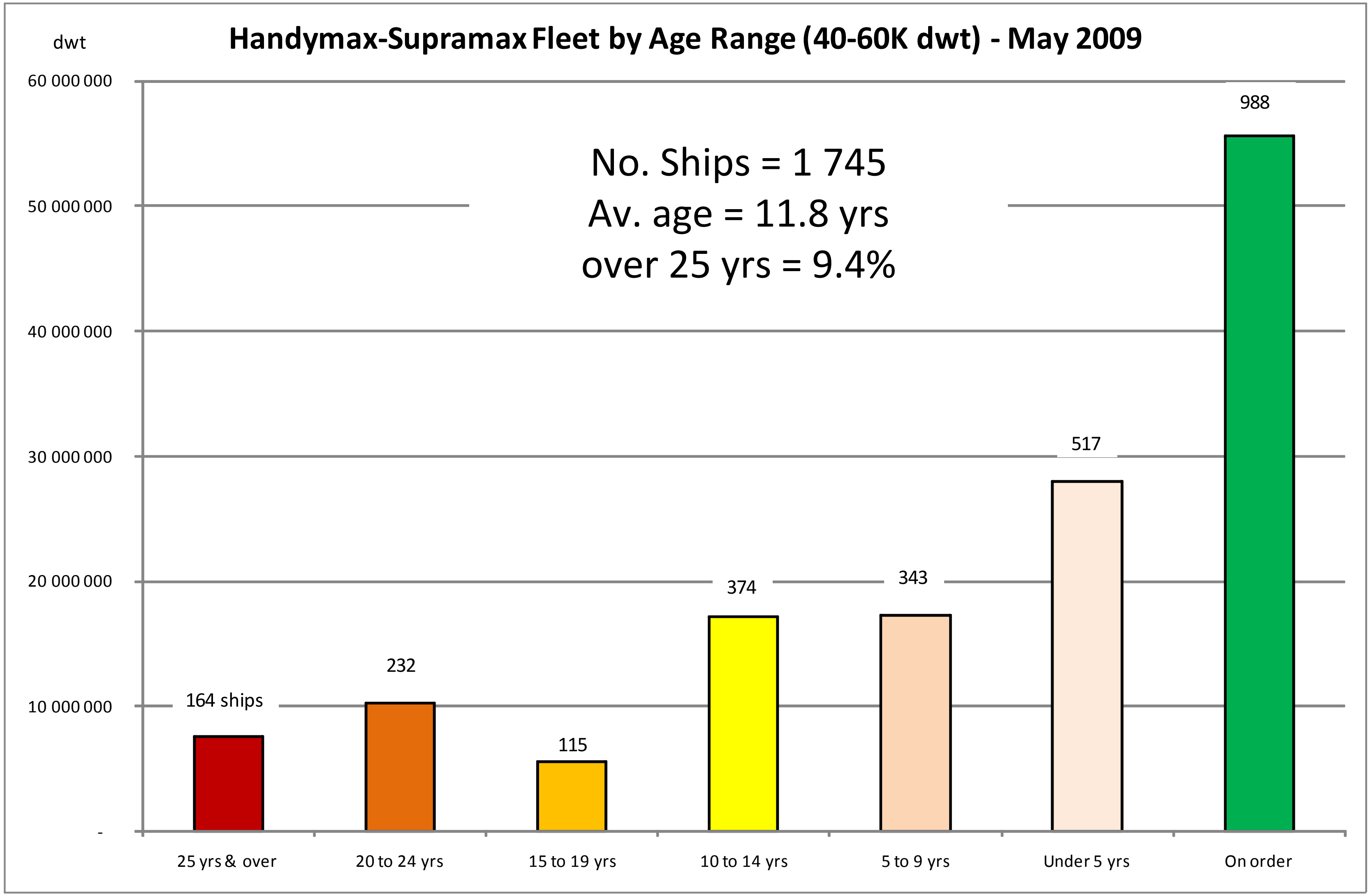
	2009 (deliv.)	2009	2010	2011	2012	2013	2014+	Total on order
VLOC	(3)	14	23	45	30	5		**117**
Capesize	(20)	133	270	129	45	14	6	**597**
Small Cape	(6)	46	107	112	37	10		**312**
Panamax	(25)	66	179	134	58	21	4	**462**
Supramax	(71)	273	354	271	66	13	1	**978**
Handysize	(33)	218	249	203	79	12	1	**762**
Total	**(158)**	**750**	**1182**	**894**	**315**	**75**	**12**	**3228**

VLOC: >220k dwt
Cape: 120-219k dwt
Small Cape: 83-120k dwt or >32,3 bm
Panamax: 60-83k dwt & <=32,3 bm
Supramax: 40-60k dwt
Handysize: 24-40k dwt

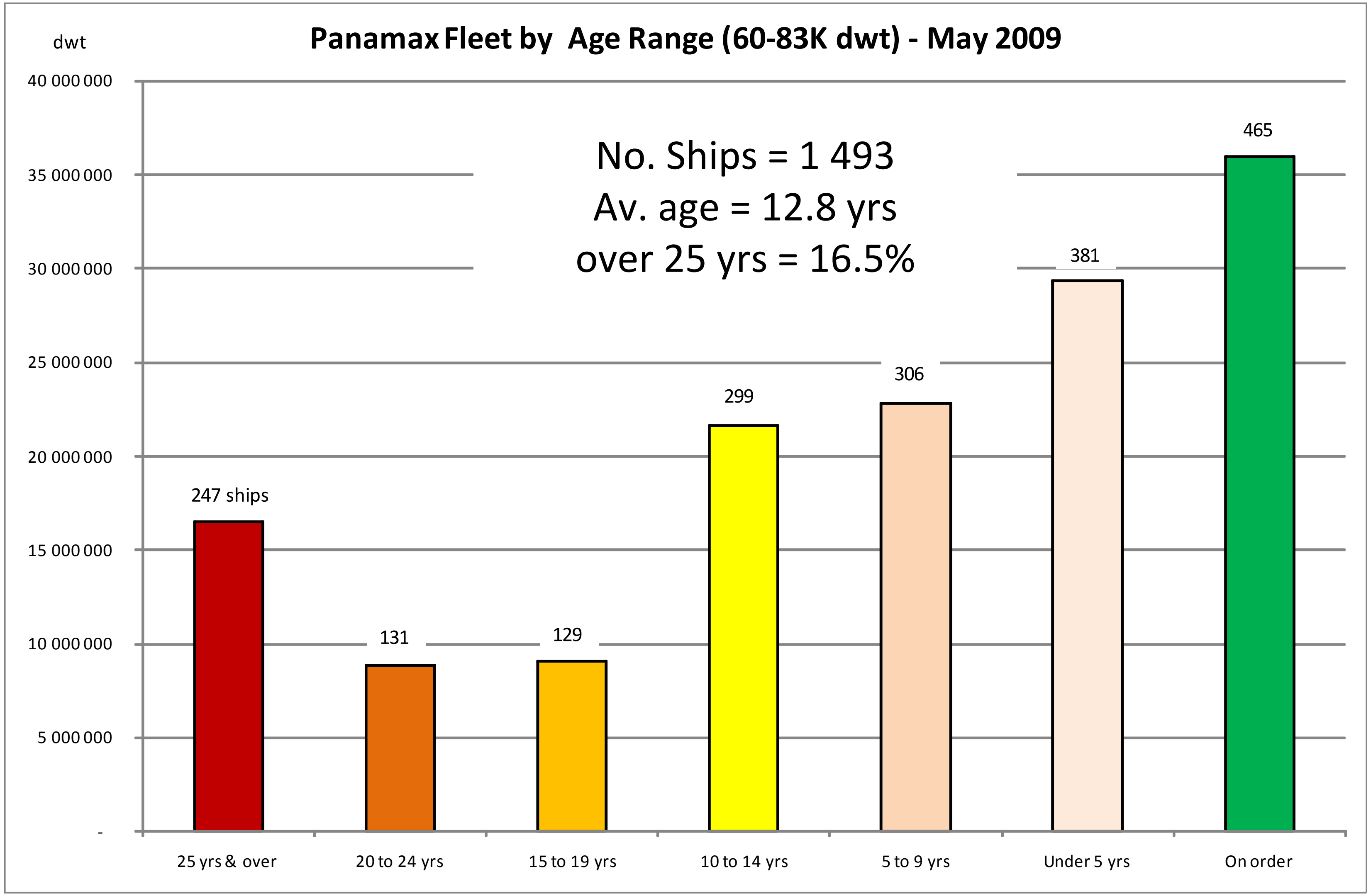
Handysize Fleet



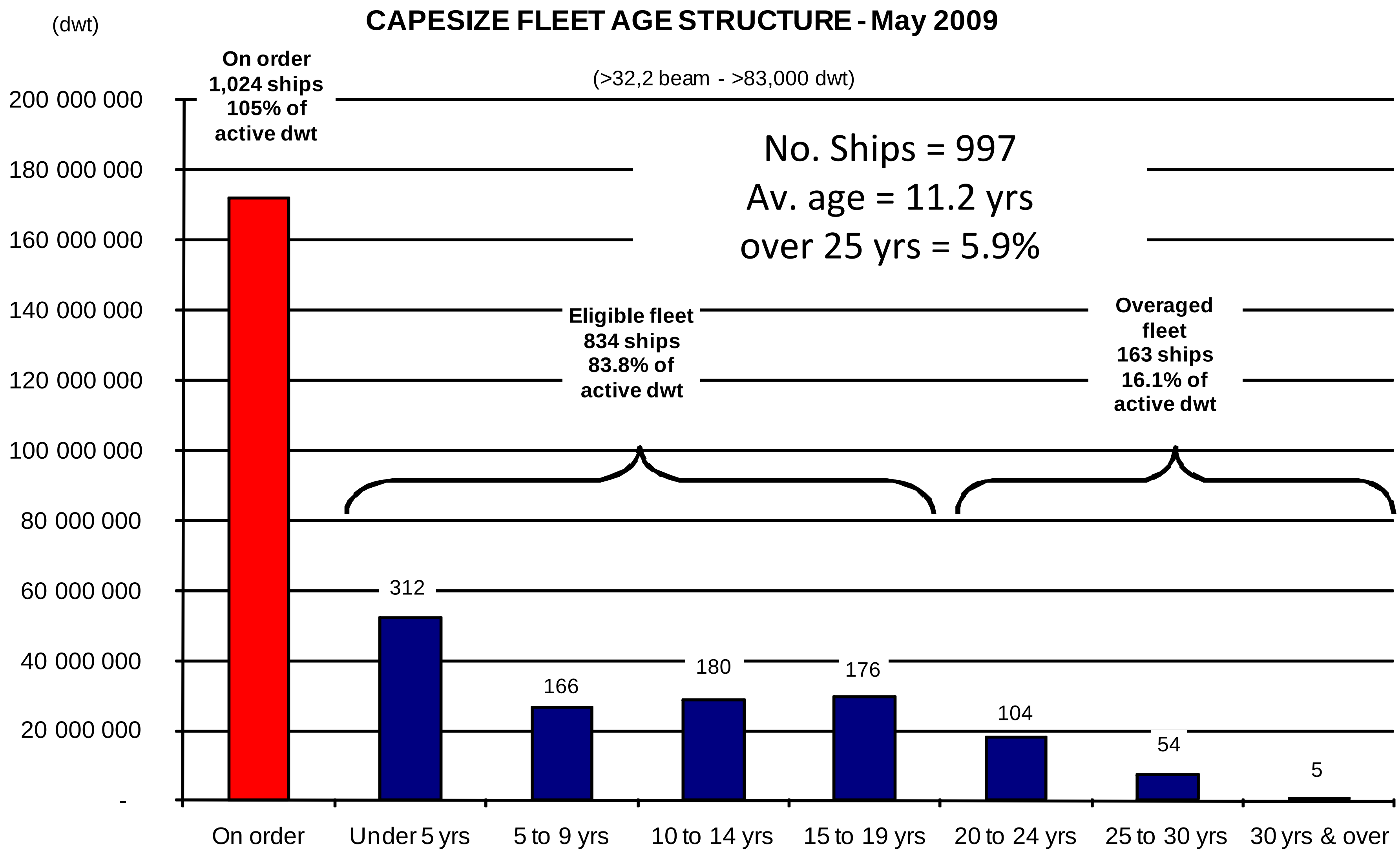
Handymax-Supramax Fleet



Panamax Fleet



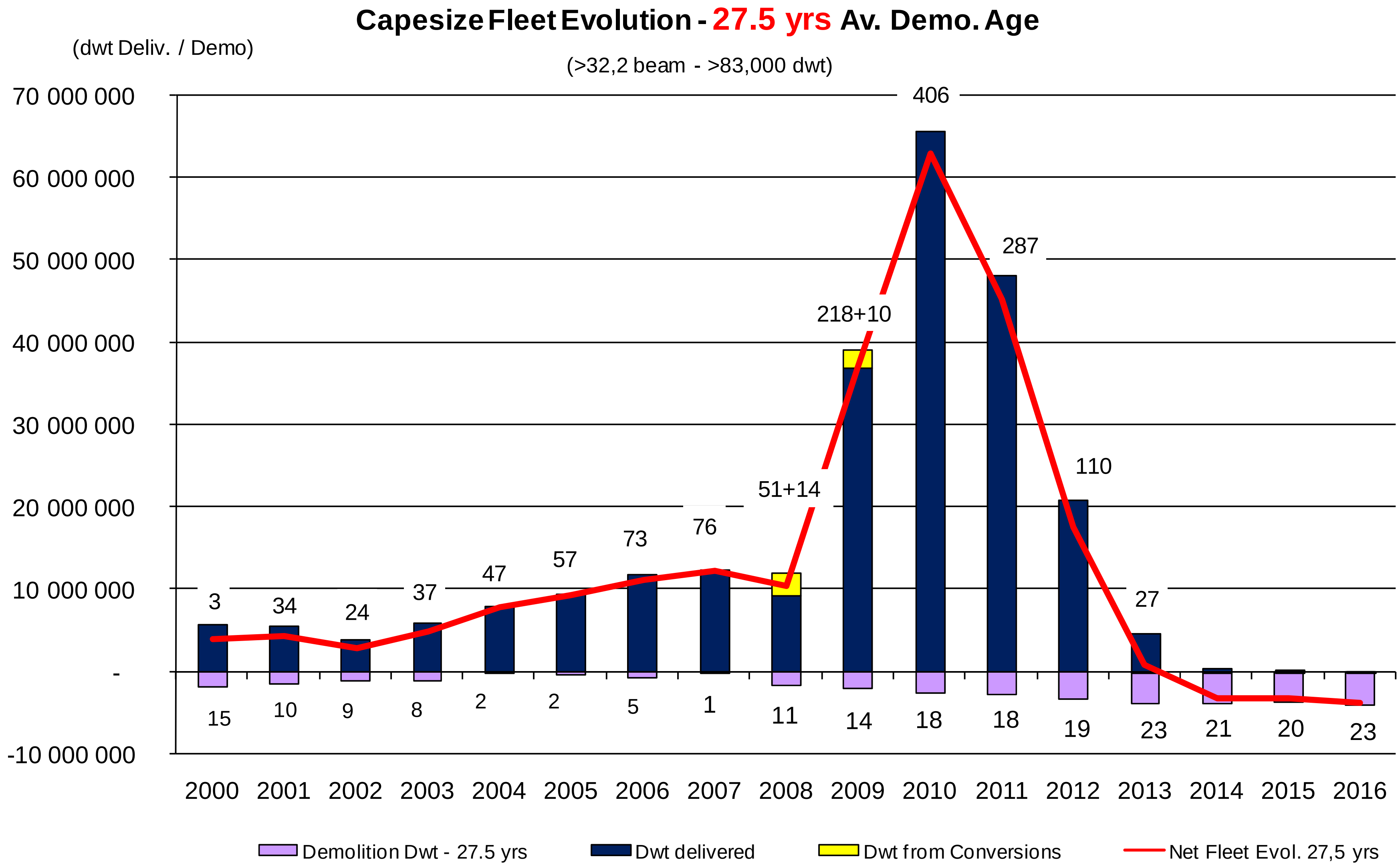
Capesize Fleet



CAPESIZE MARKET

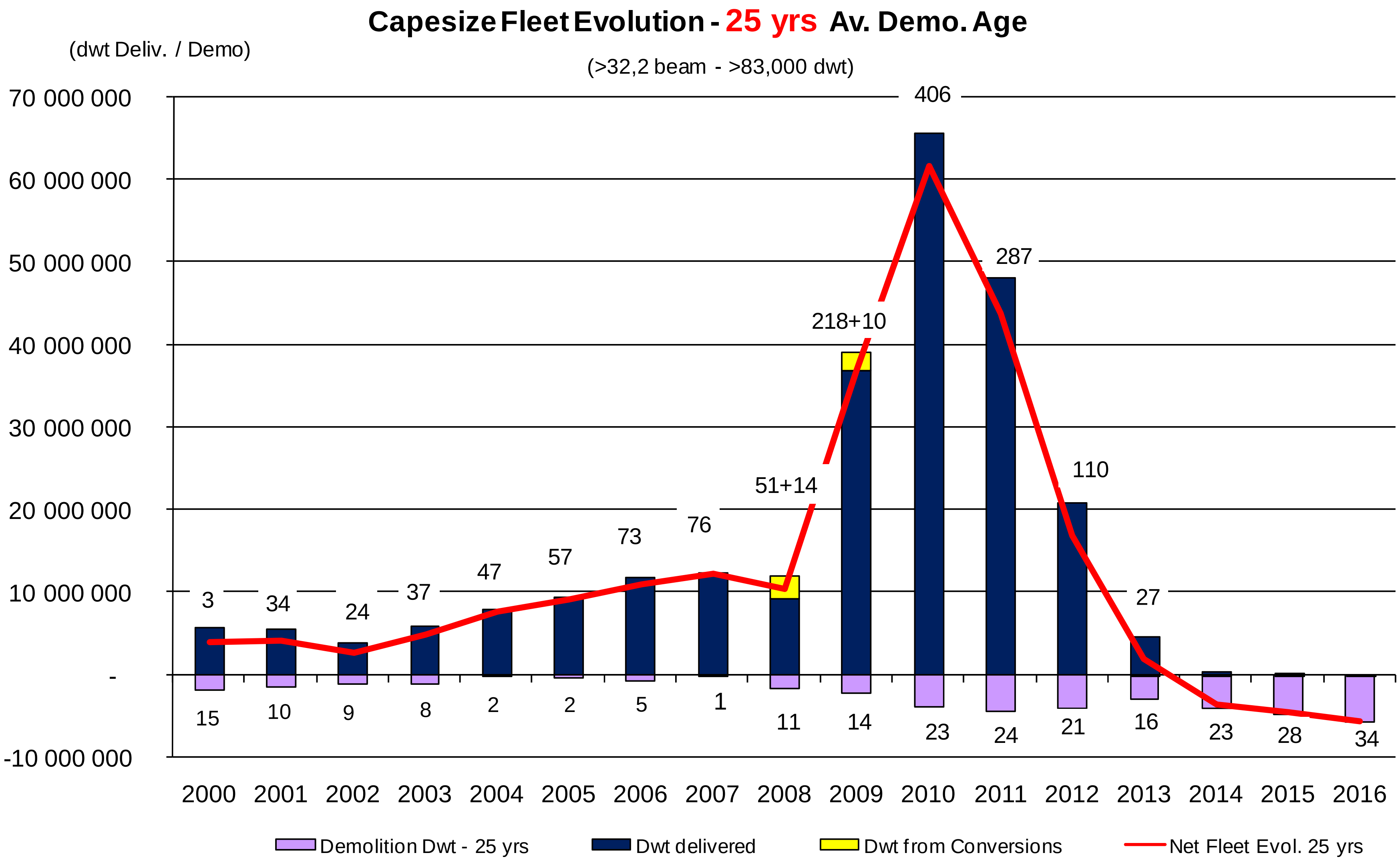
SUPPLY/DEMAND EVOLUTION

Capesize: demolition potential @ 27.5 yrs



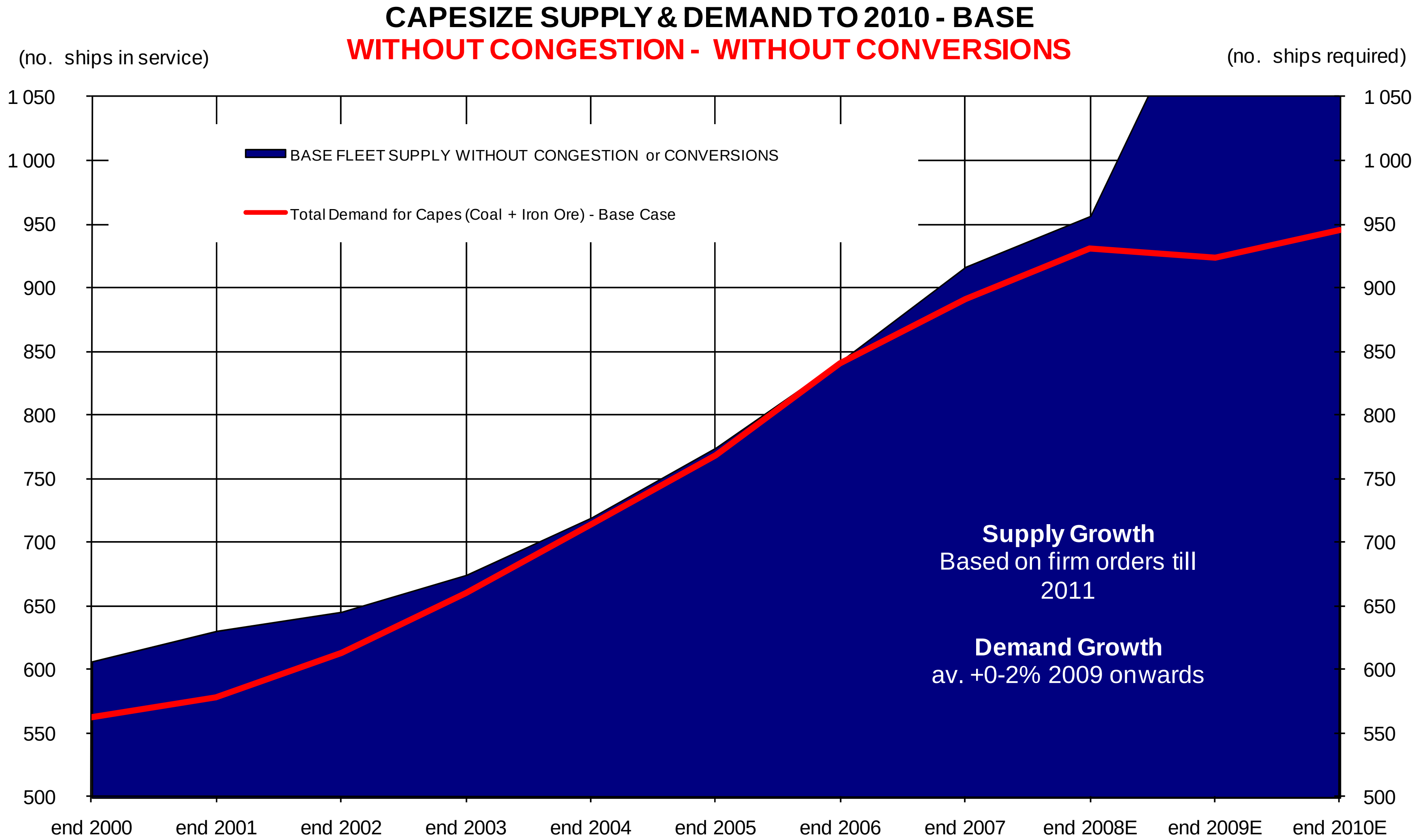
Conversions = converted or still said being converted

Capesize: demolition potential @ 25 yrs

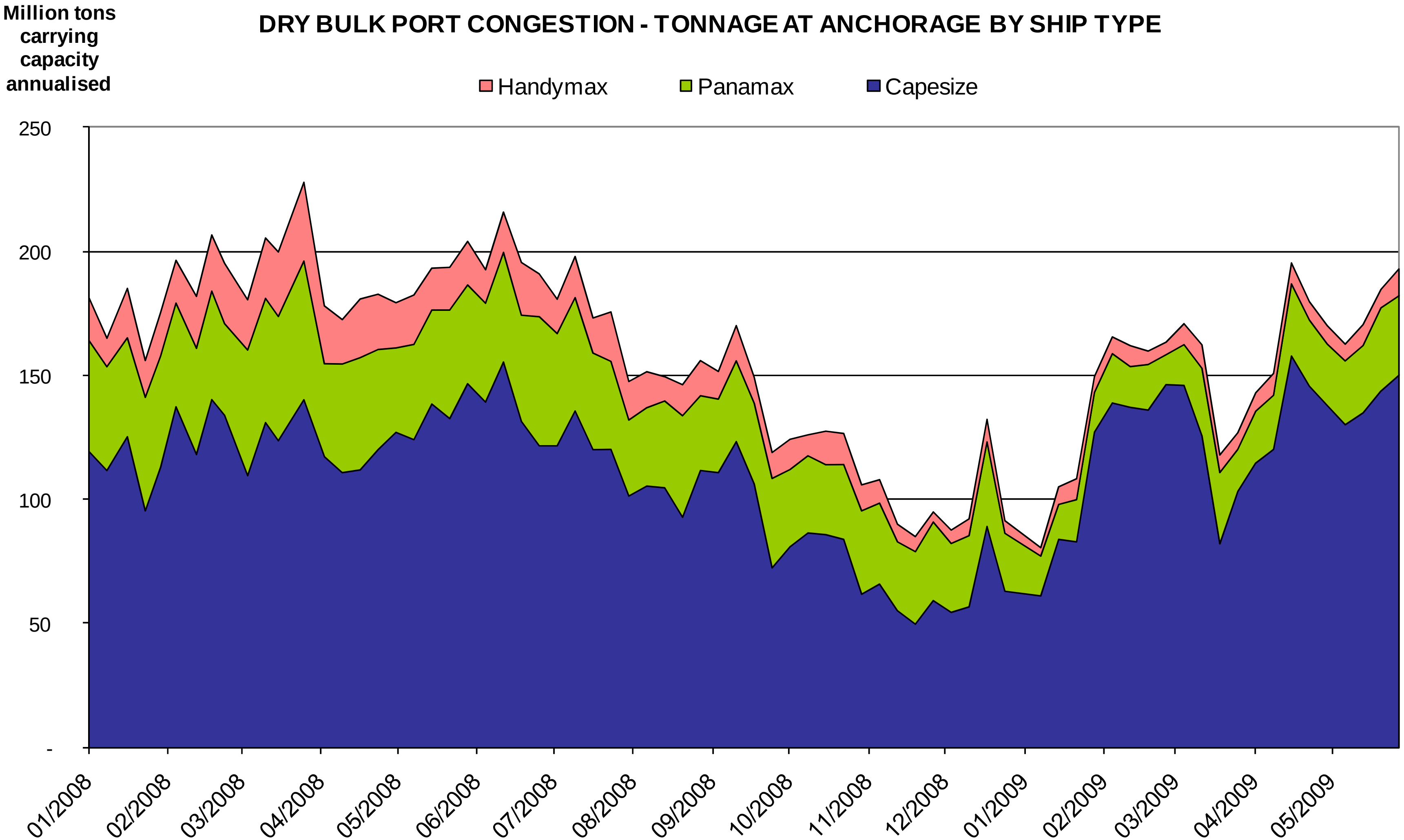


Conversions = converted or still said being converted

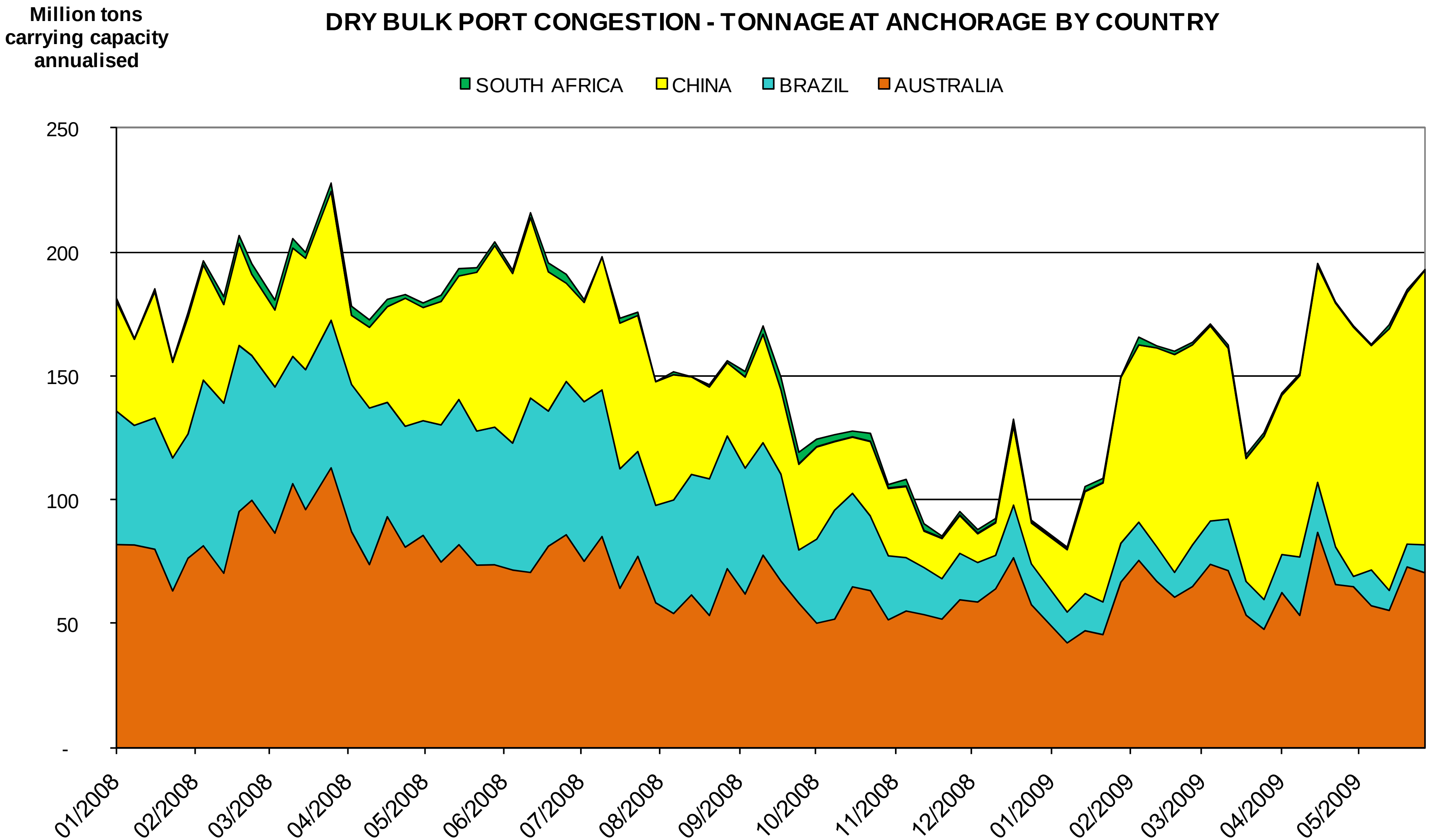
CAPE SUPPLY/DEMAND



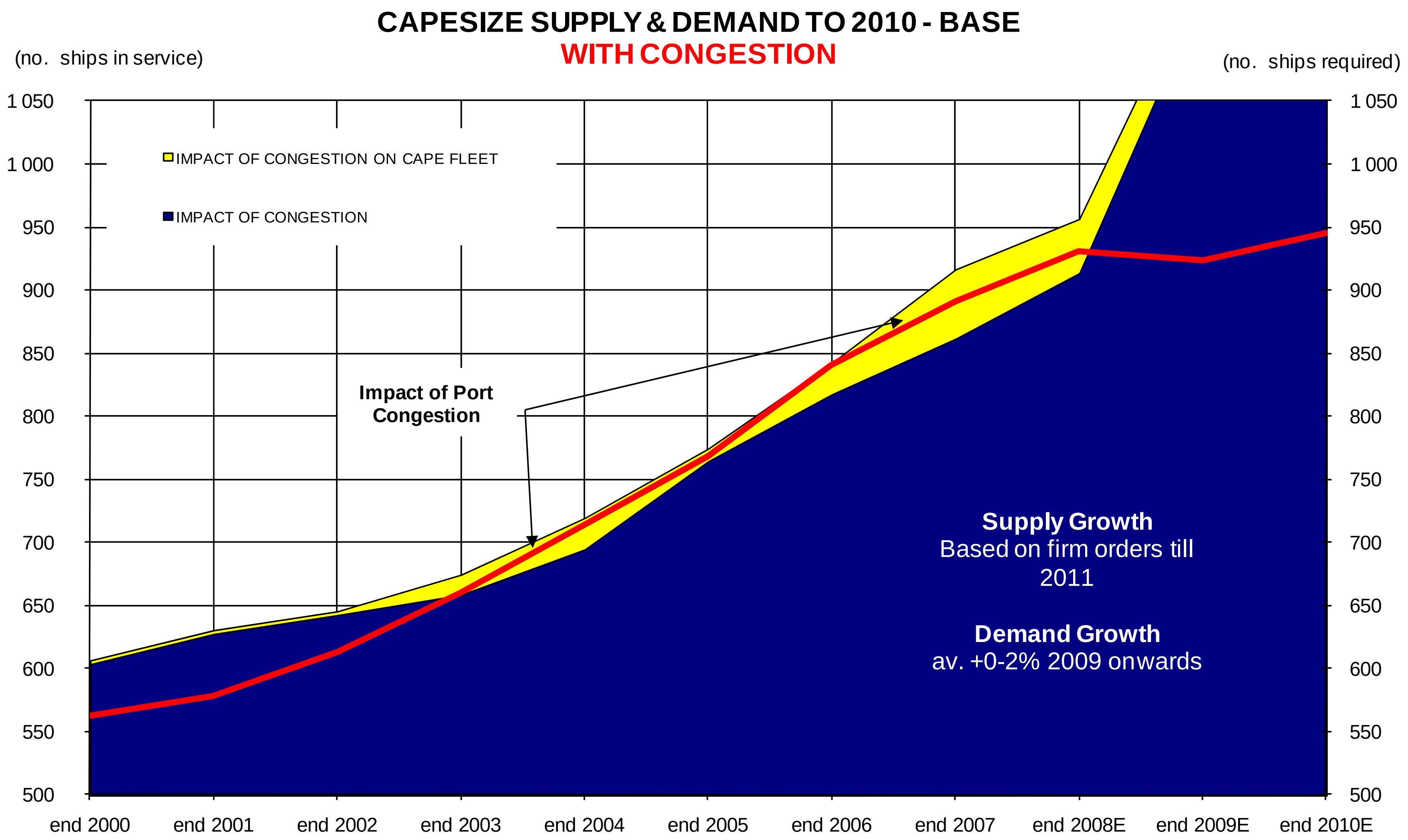
PORT CONGESTION BY SIZE



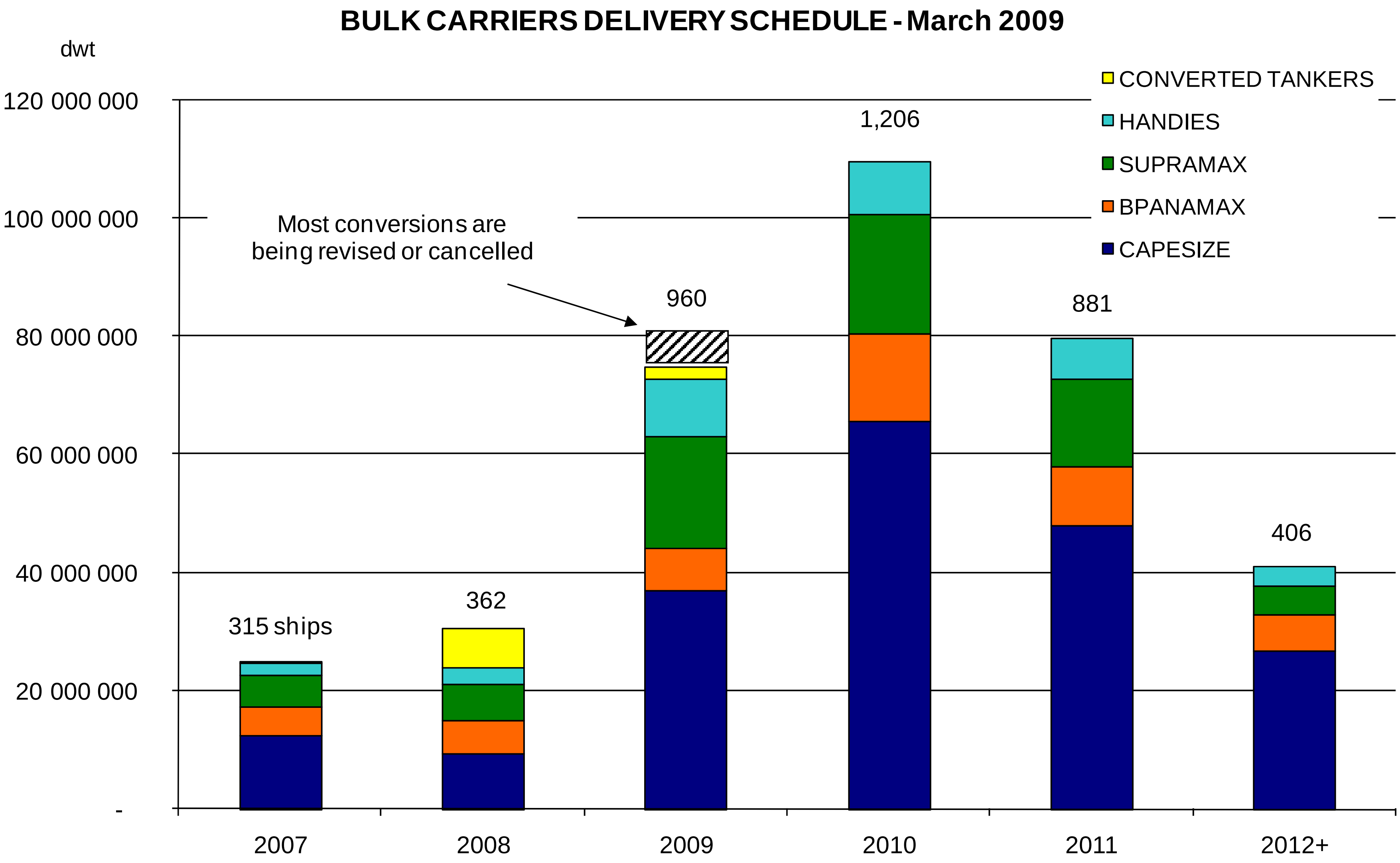
PORT CONGESTION BY COUNTRY



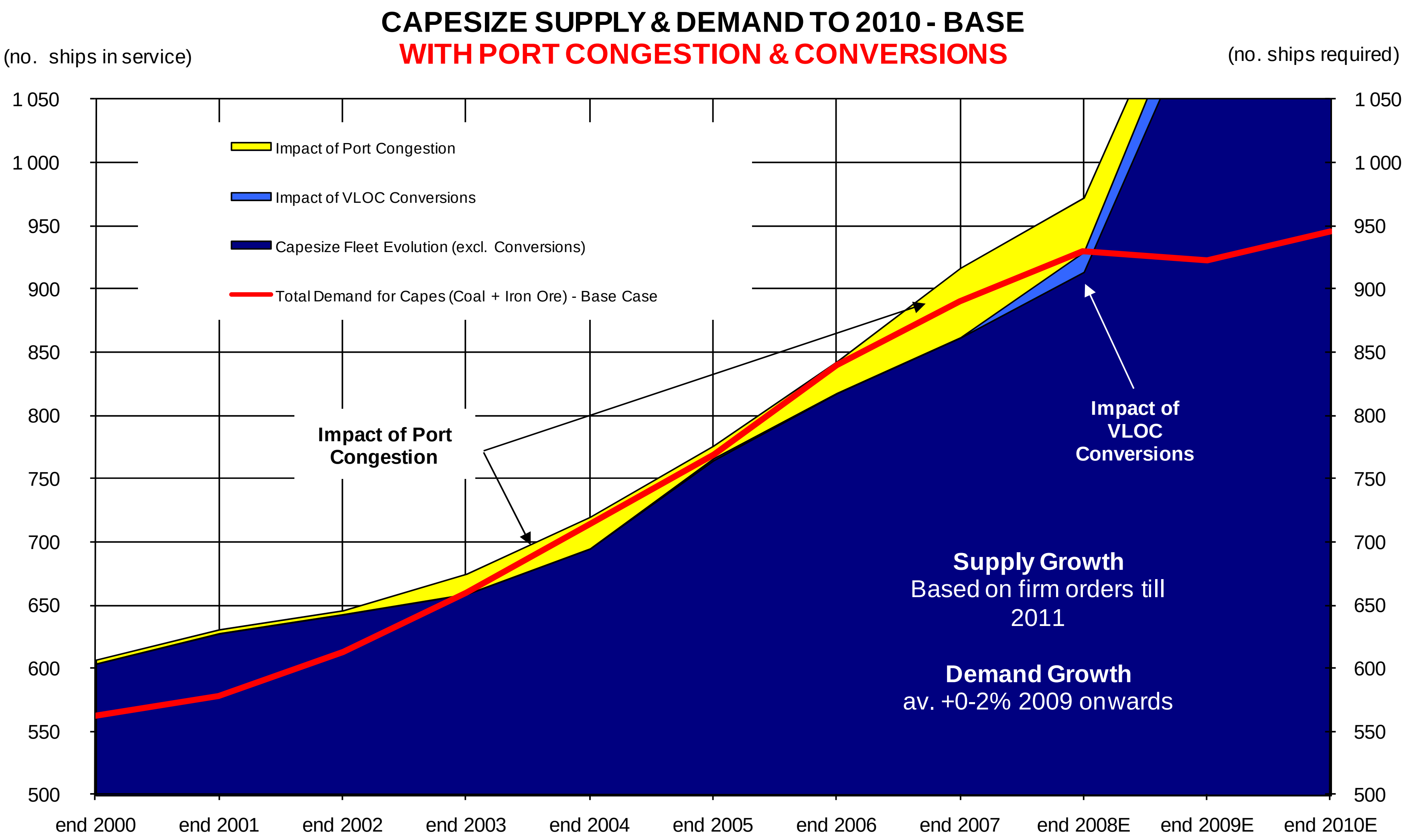
CAPE SUPPLY/DEMAND



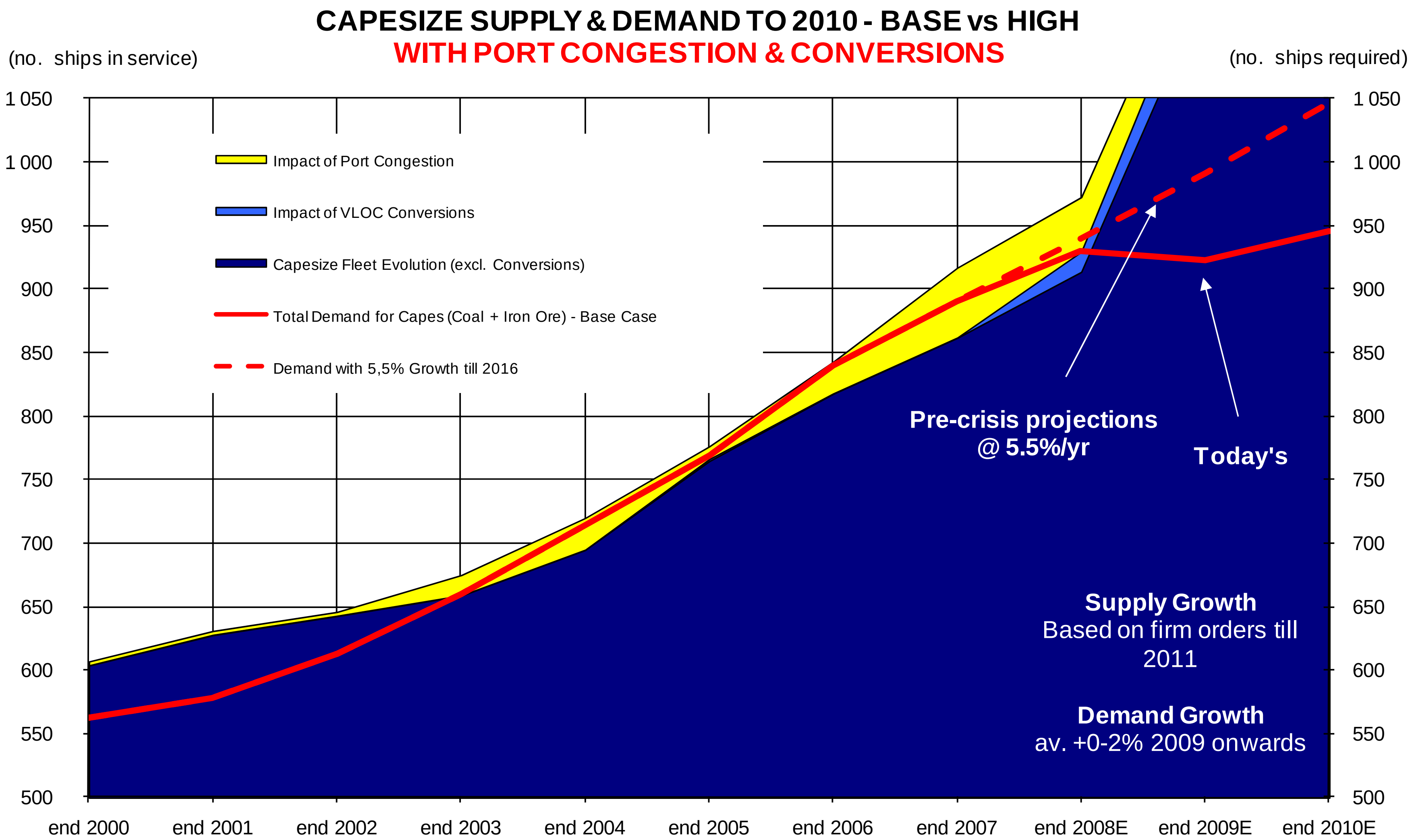
Bulk carriers deliveries + conversions



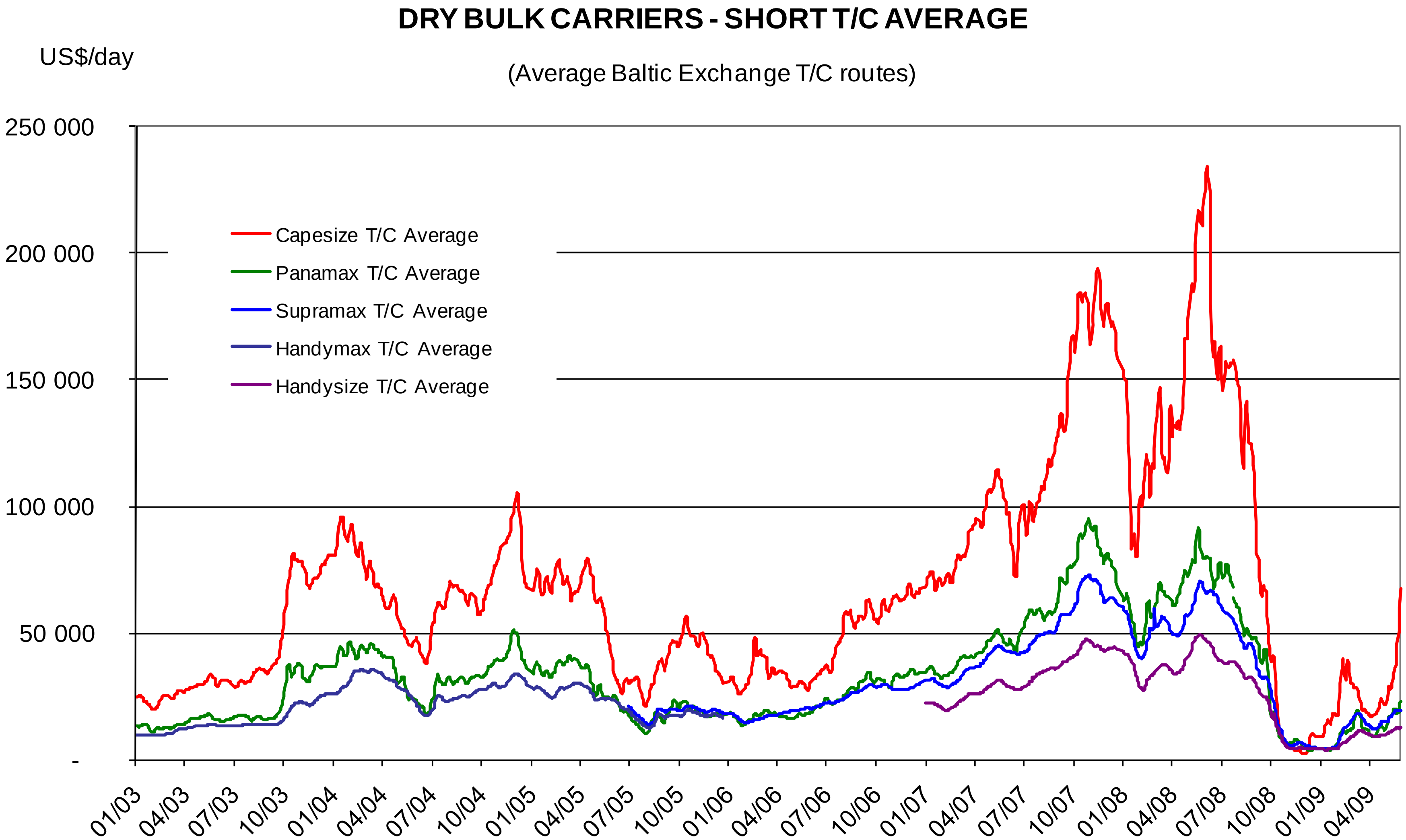
CAPE SUPPLY/DEMAND



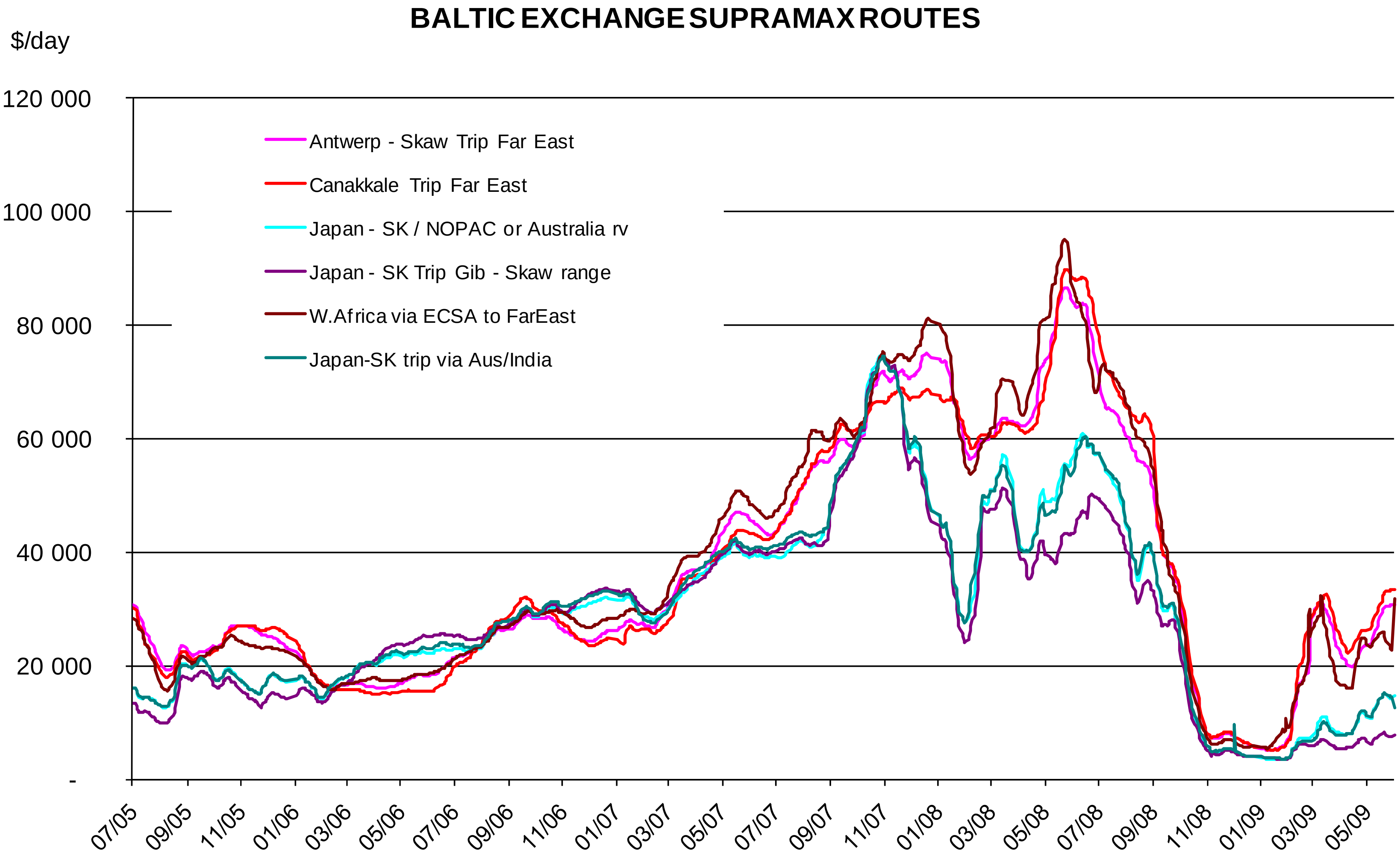
CAPE SUPPLY/DEMAND



Unexpected rebound of the spot market

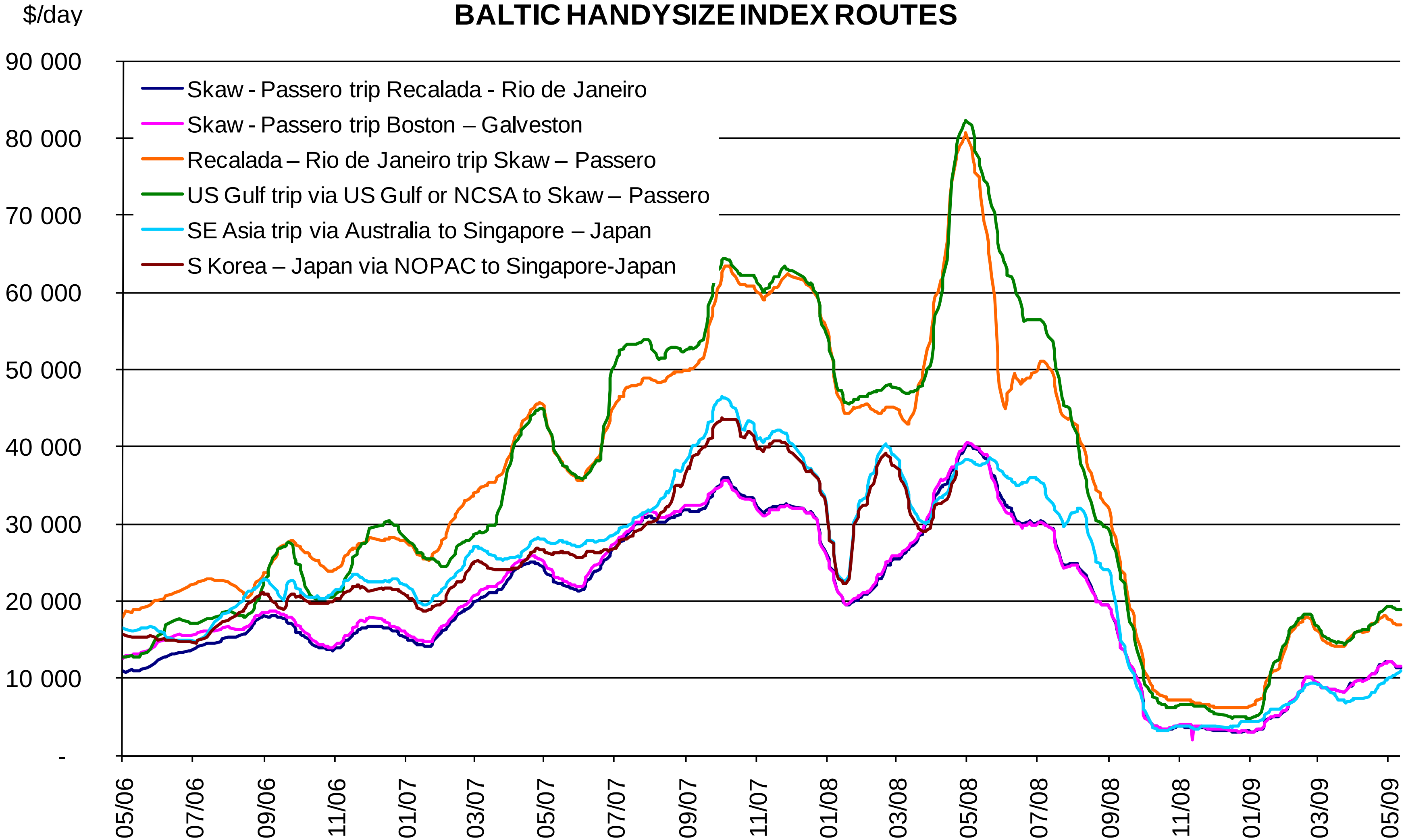


Supramaxes: no rally this time

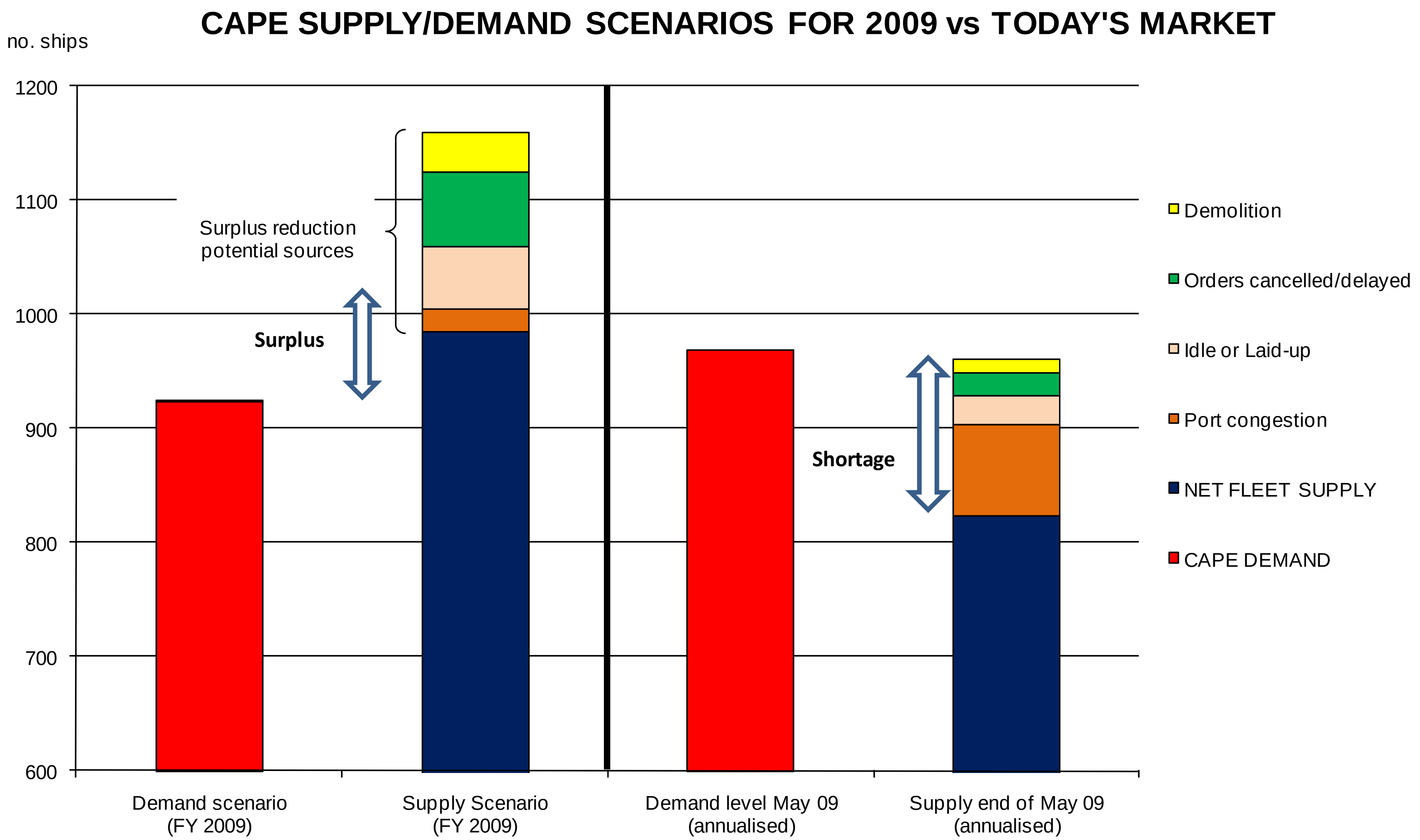


BRS

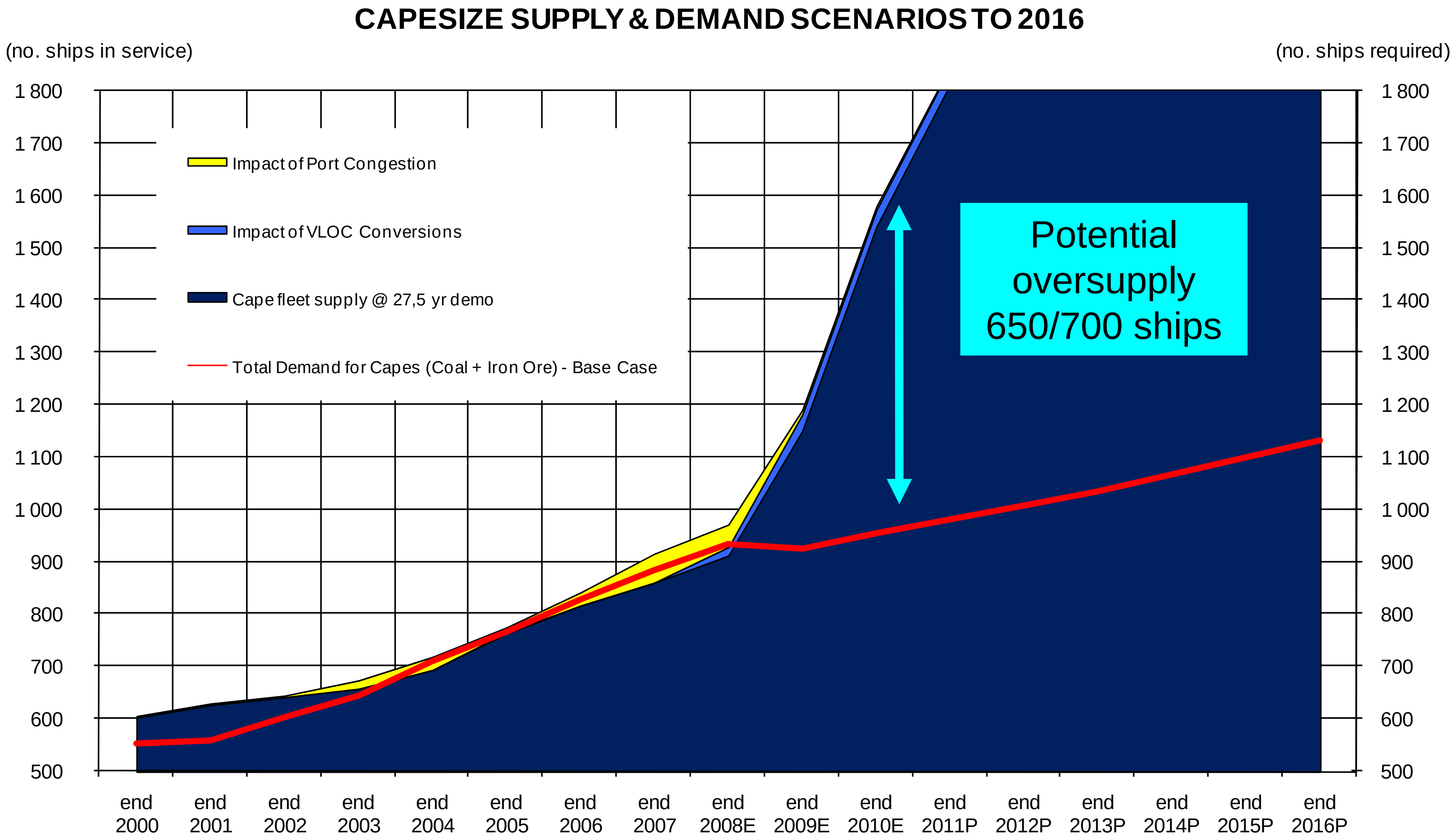
Handies: decoupling from larger sizes



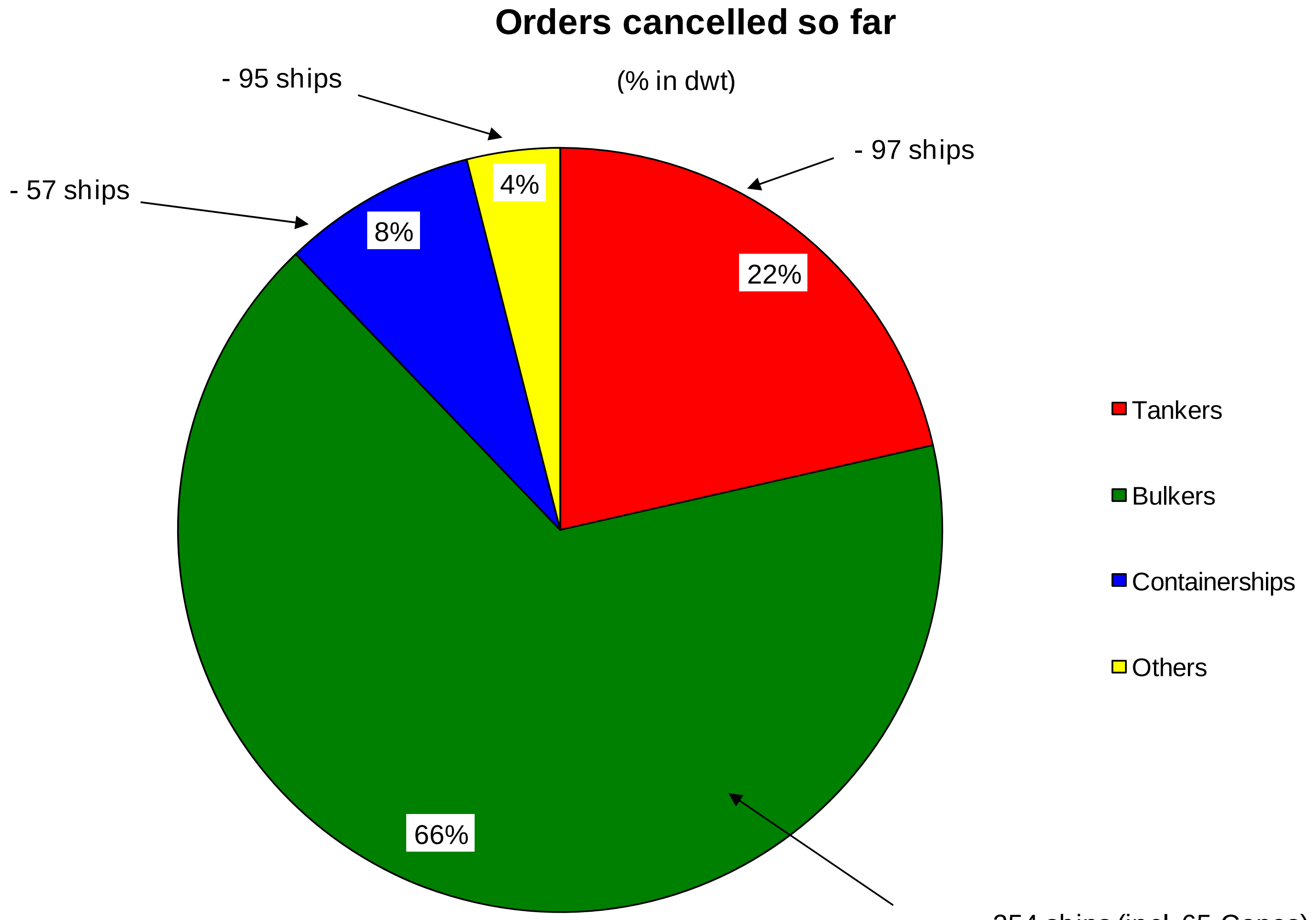
Explaining today's Cape spot market rebound



SUPPLY/DEMAND AS PER FIRM ORDER BOOK TODAY

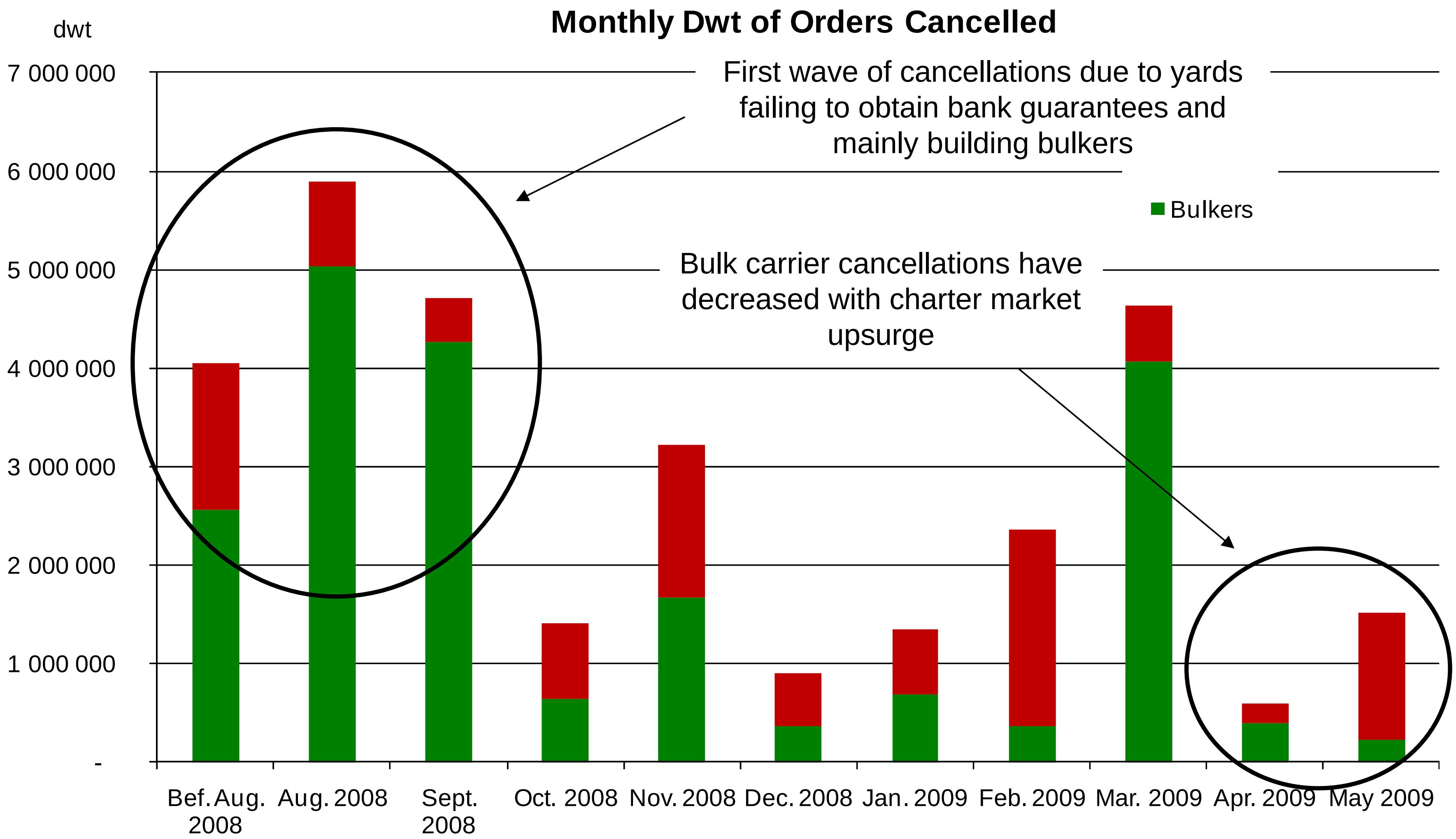


Cancellations: 70% are Bulk Carriers

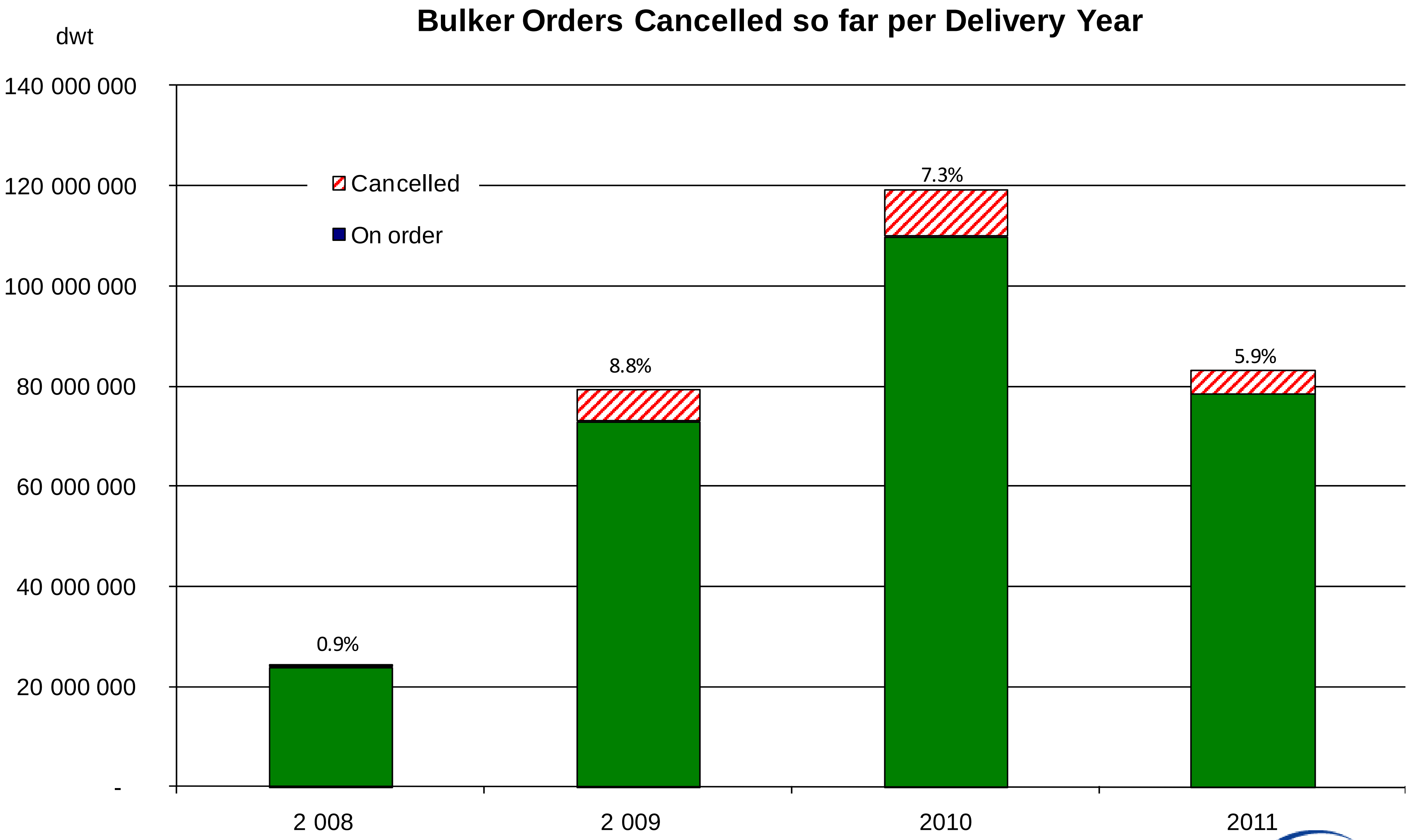


End of May 09

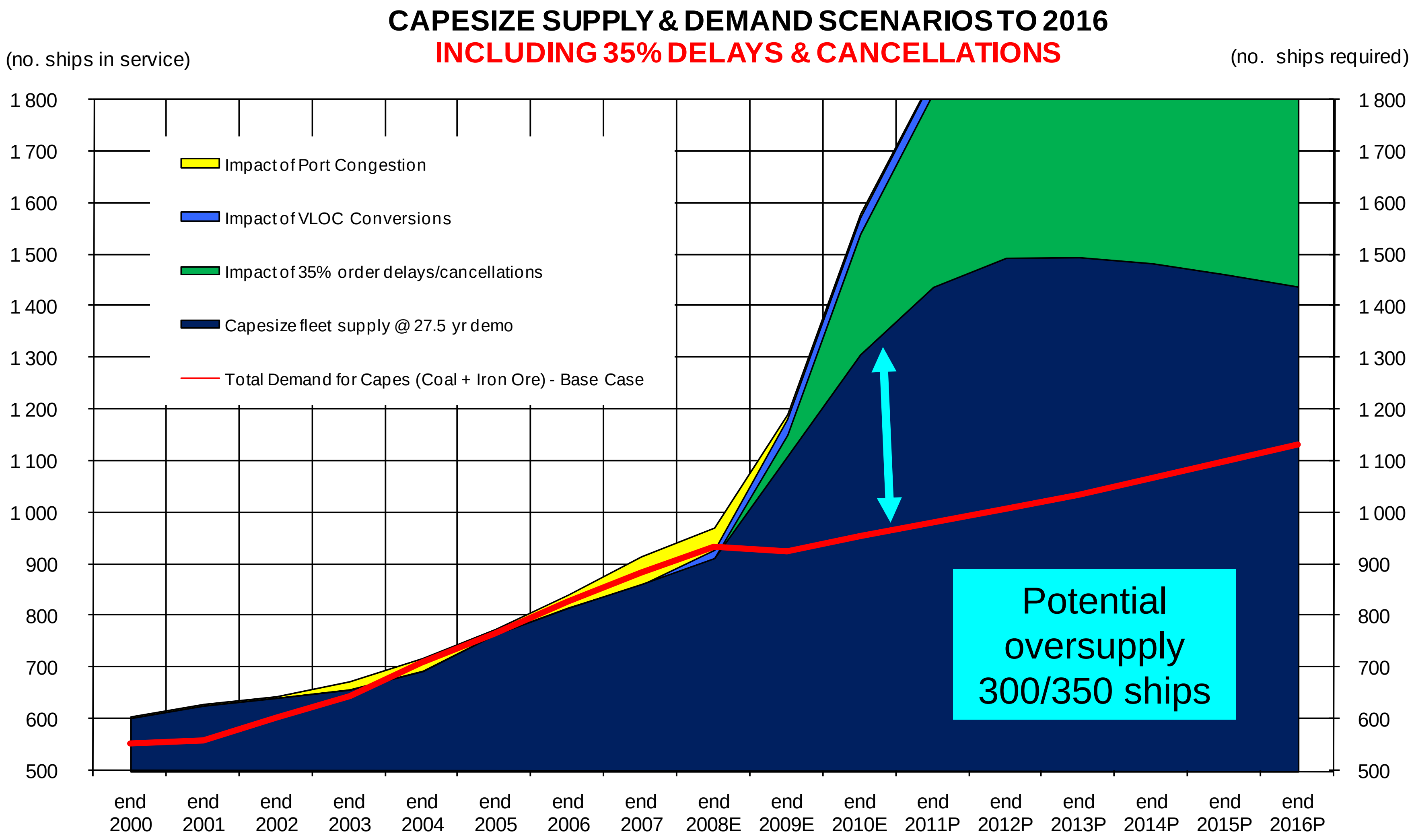
Yards & Bulkers were first to be affected



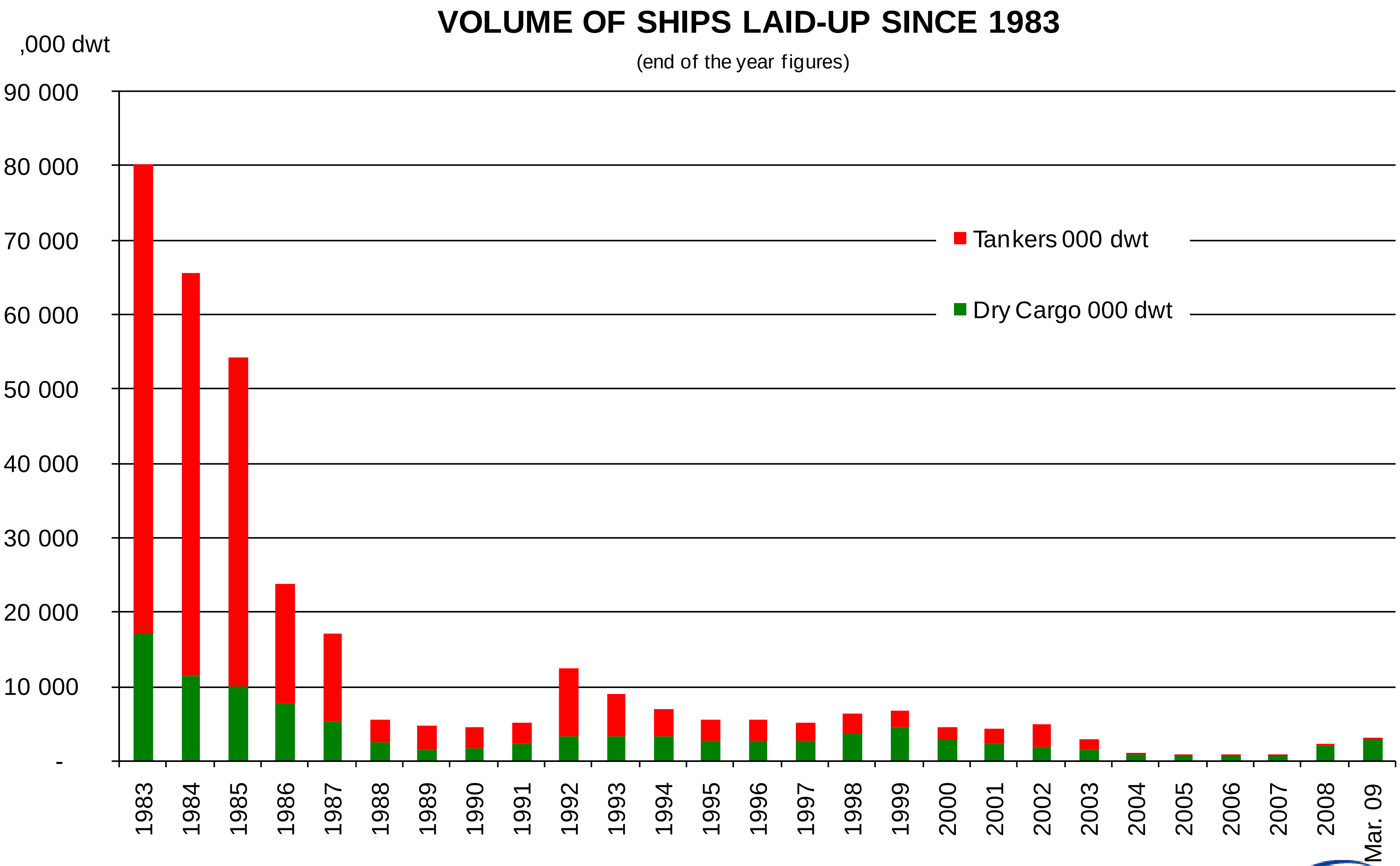
Impact of cancellations still marginal



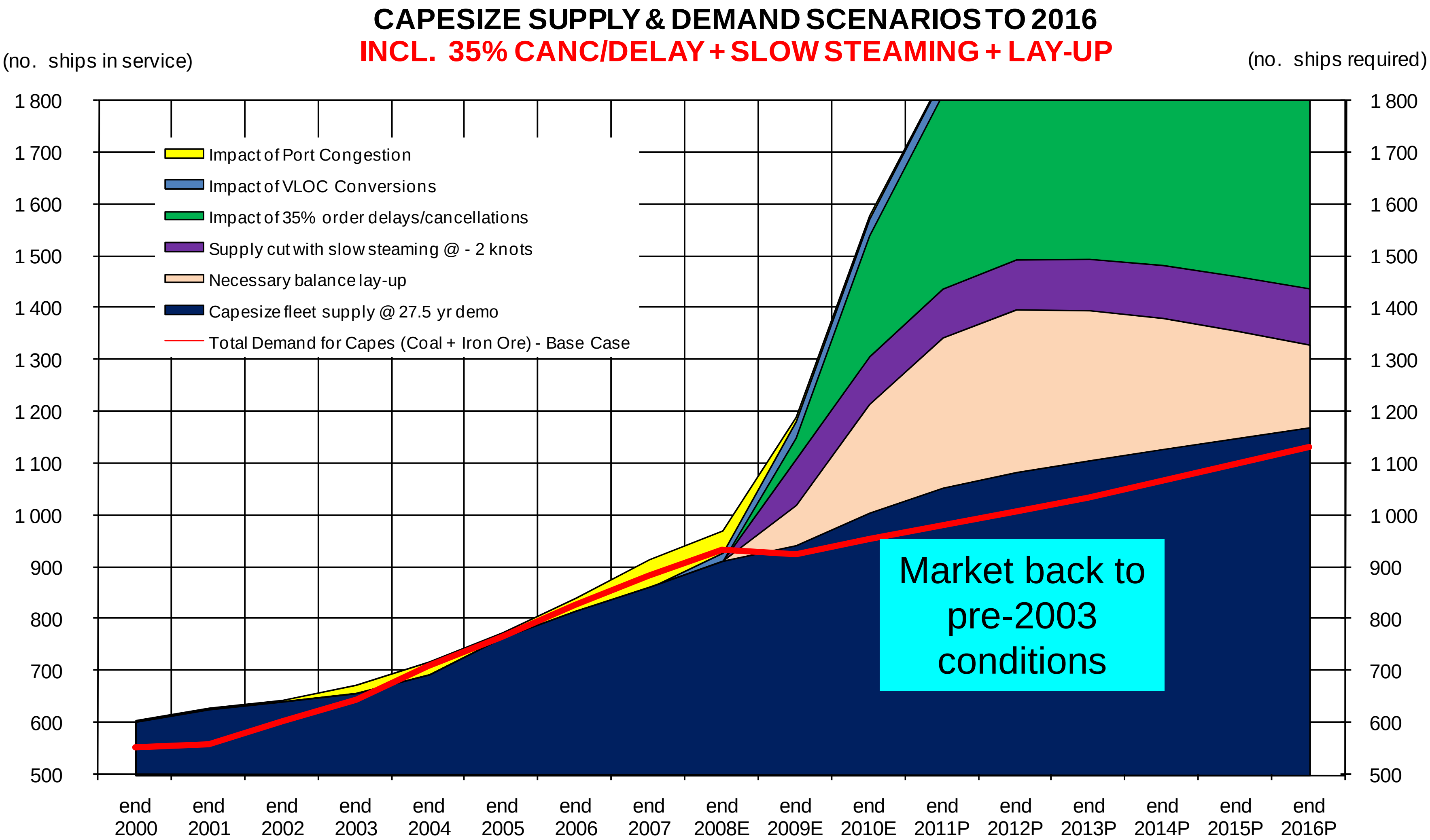
SUPPLY/DEMAND INCL. CANCELLATIONS/DELAYS



History of lay-up since 1983

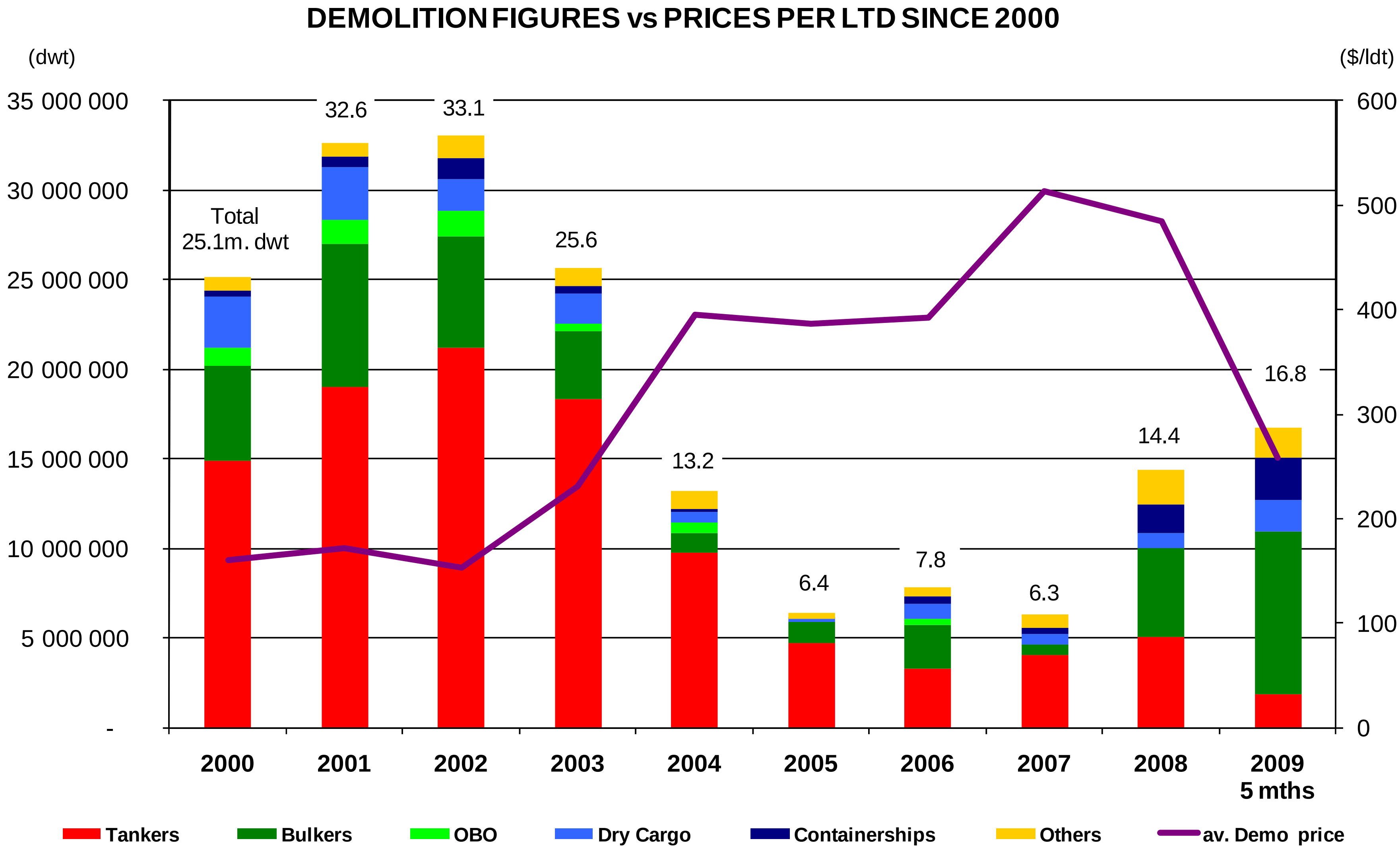


SUPPLY/DEMAND WITH LAY-UP

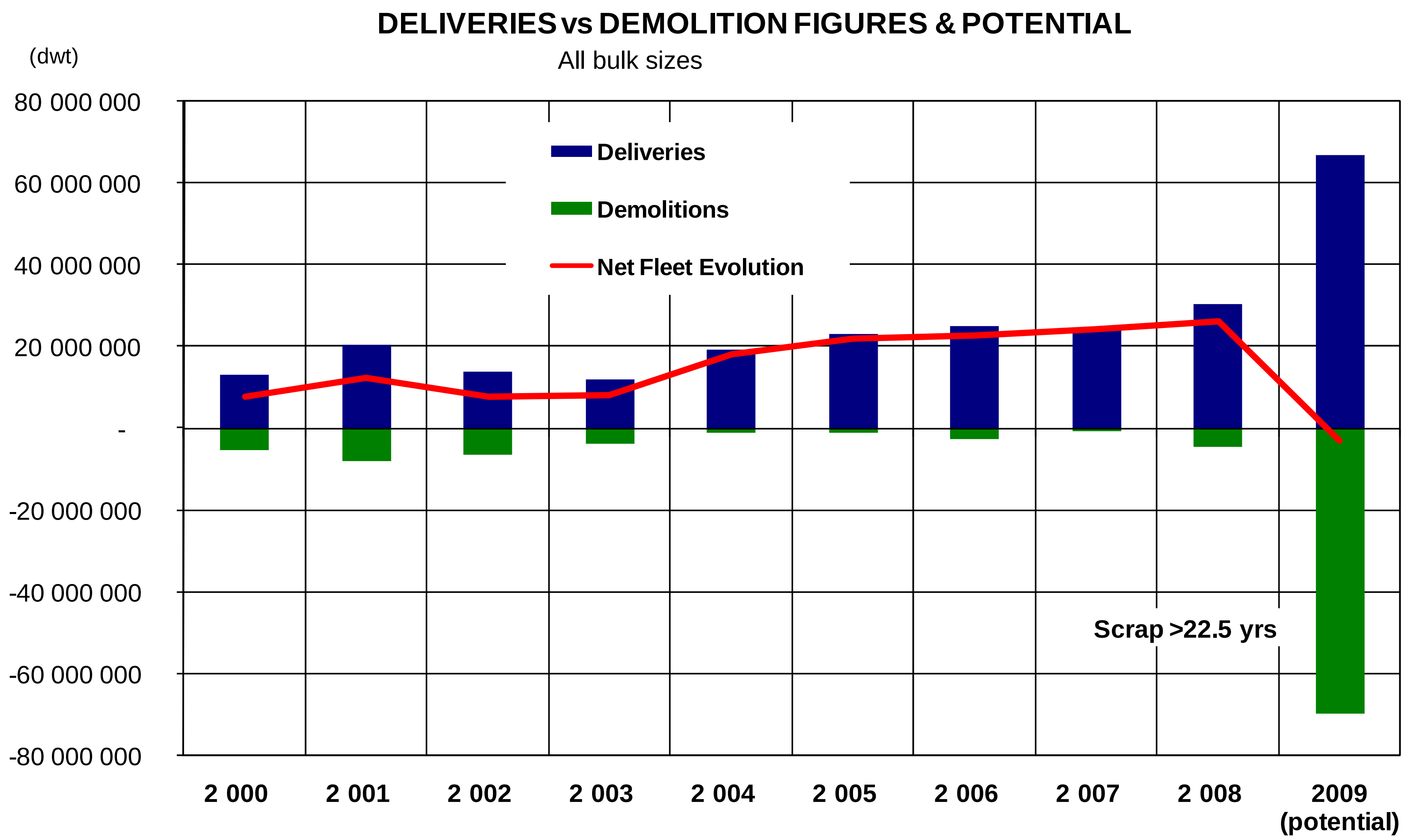


BRS

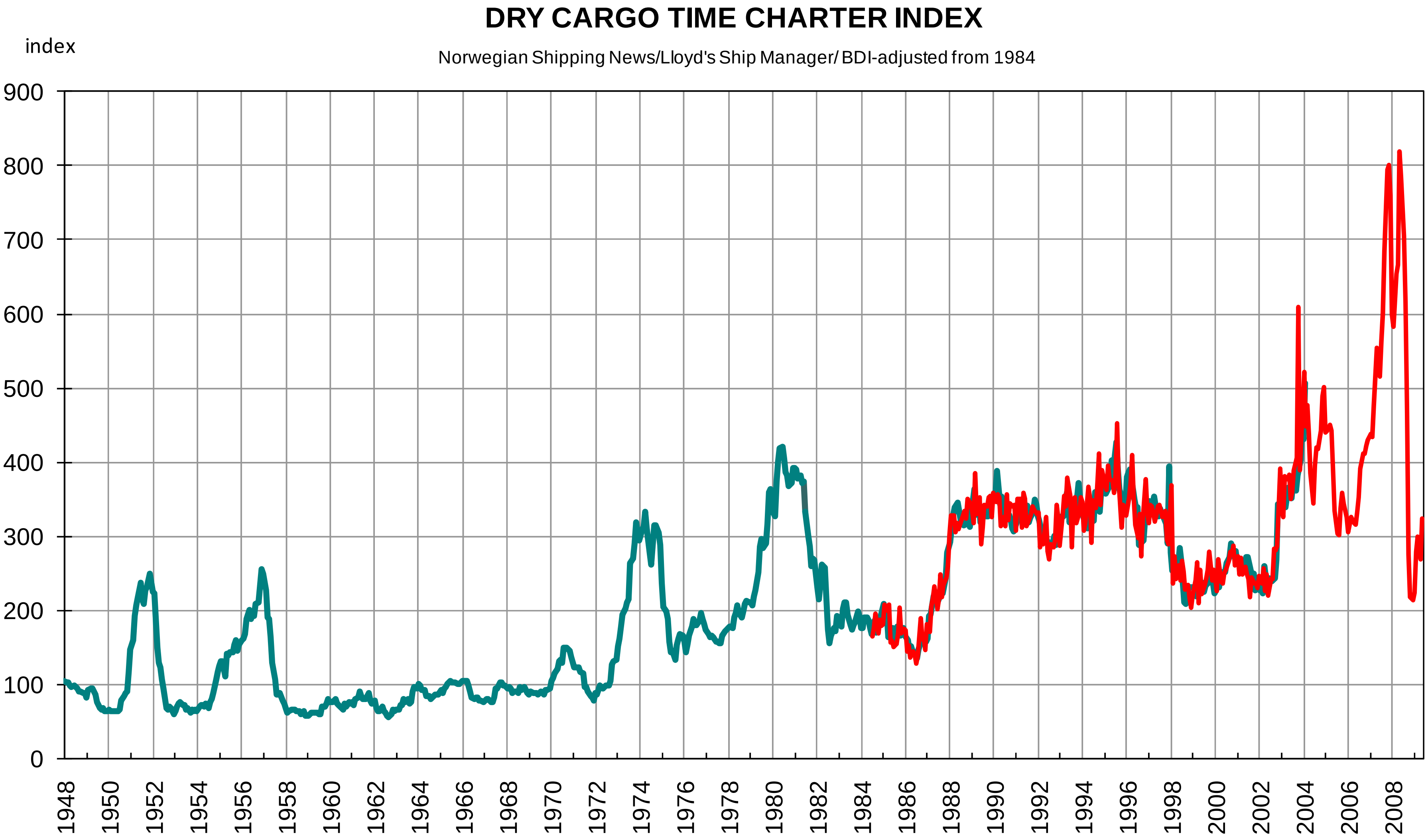
Scrapping accelerates



Net Fleet Evolution with Scrap @ 22.5 yrs

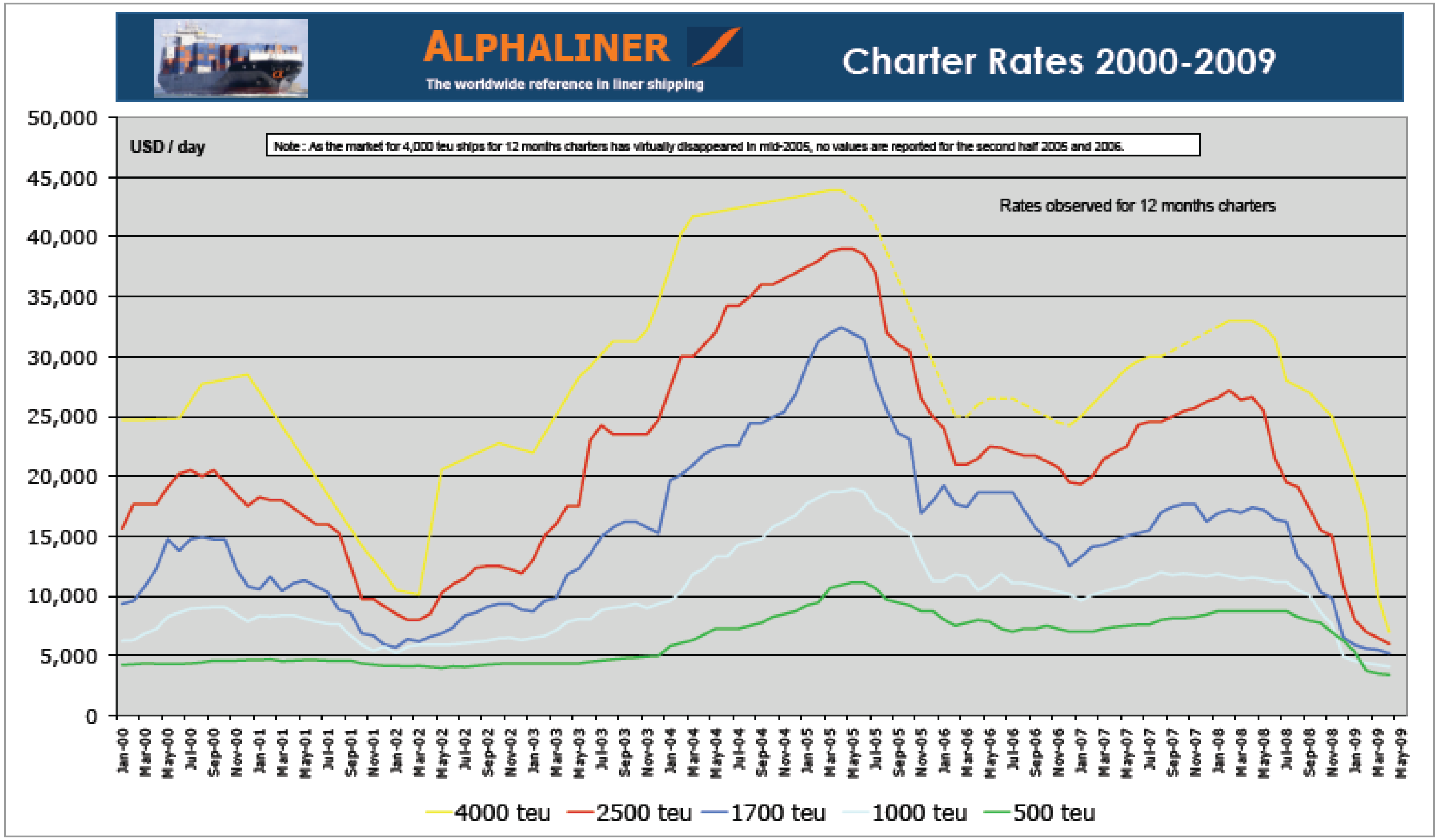


Dry bulk shipping cycles since 1948



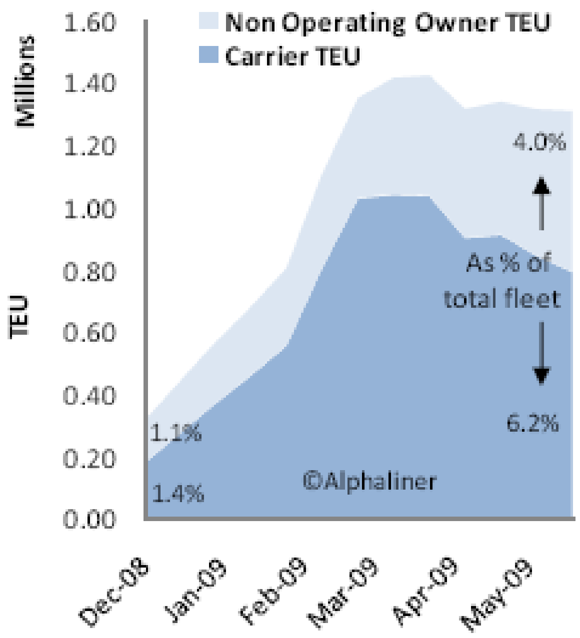
BRS

Containership market also severely affected



Growing number of idle containerships

Idle Fleet Breakdown
Dec2008 – May 2009



Idle Fleet by Size Range
(As at 25 May 2009)

Size (in teu)	No. of Units
7,500-10,000	7
5,000-7,500	49
3,000-5,000	86
2,000-3,000	123
1,000-2,000	146
500-1,000	110
Total	521

Operator fleet : 199
Non-operating owner : 322

Containership order book oversupplied…