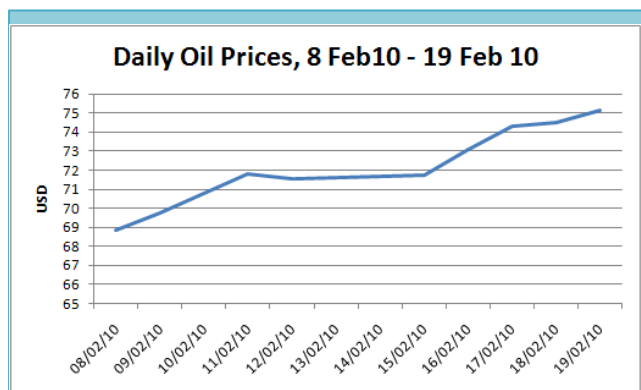


Weekly Review

Key Indicators



OPEC Daily Prices

2009	39.45
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2010	73.754
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Avg yr % ch	87%
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Exchange Rates for wk

€/US\$

2009	1.2705
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2010	1.3614
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Avg % ch	7%
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€/UK£

2009	0.88613
------	---------

2010	0.87116
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Avg % ch	-2%
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Global Economy

US ECONOMY

Last week US consumer confidence data for February indicated that the impact of the stubbornly high unemployment and the fragile nature of the recovery led to a sharp fall. The index declined to 46.0 from 56.5 in January. Importantly the expectation index within the overall measure declined to 63.8 from 77.3 showing there may be little or no recovery in consumption over the coming months.

OIL PRICES

At the end of last week oil prices fell towards \$77 a barrel, dragged by the stronger dollar and weaker gold prices. US crude for March delivery fell 30 cents to \$77.03 a barrel at 3.58am. London Brent crude for April lost 31 cents to \$75.96 a barrel. This follows a slight upturn on Tuesday. The dollar index rose 0.2 per cent against a basket of currencies to near seven-month highs, making oil and other commodities more expensive for holders of other currencies.

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CURRENCIES

The US dollar rose against the euro last week to near nine month highs as poor growth prospects and Greece's fiscal deterioration hounded the euro. The US dollar was up 0.3 per cent against a basket of six major currencies. Towards the end of the week, it was reported that the euro hit further lows against the dollar, falling 0.3 per cent against the US dollar after a surprise change to the US Federal Reserve's monetary policy announced on Thursday night. The European single currency fell as low as \$1.3443 - the lowest level since May 18. It recovered to stand at just over \$1.3540 by close of business Friday. The Fed said it was raising the interest rate it charges on emergency loans to banks, a surprise move seen as the start of an exit strategy from its massive stimulus programme.

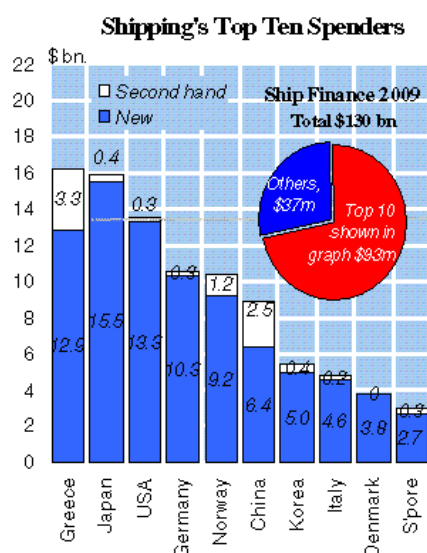
Source: Clarksons

SALE & PURCHASE MARKET

In the sale and purchase market, it was reported that boxships are being targeted by bargain hunters. Both a pair of Claus-Peter Offen and a former CMA CGM ship had between 10 and 15 potential bidders expressing interest in the vessels. According to brokers there are now plenty of cash purchasers looking for vessels with European interests preferring modern tonnage and Asian buyers looking at older vessels. Recent sales include the 5,500 teu *Lions Gate* and *Shanghai Bridge* that went for about \$22m each, about half the price they would have fetched a year or so ago. As an example of how far prices have collapsed, Clarkson Research estimates that a 10-year-old 3,500 teu ship that would have been worth almost \$50m at the end of 2007 had fallen in value to \$29m by the end of 2008 and then just \$15.5m by December 2009. Having said that, sentiment is picking up across the box trades, with stronger freight rates driving the rebound. The reduced ship speeds are having a dramatic impact on the tonnage supply demand balance.

Global & Irish Shipping

Charts of the week: Ship Finance



Source: Clarkson Research Services

CONTAINER SHIPPING

It was reported last week that on the transpacific routes rates have been rising and there is another rate increase planned for May. Most containerized cargo shipped from Asia to North America is covered by annual service contracts, the bulk of which come up for renewal on May 1. The Transpacific Stabilisation Agreement is recommending large rate increases. The TSA introduced an emergency revenue charge last month which appears to have been successful, the Drewry's Hong Kong – Los Angeles index rose to above \$2,000 per loaded

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40ft container compared with less than \$1,300 at the beginning of the year. However some lines suggest that the growth in transpacific volumes could be due to North American retailers restocking depleted inventories rather than an actual recovery in demand.

COASTAL BULK MARKET

In the coastal bulk market HC Shipping report that demand has remained consistent whilst spot/prompt tonnage is becoming scarcer, the consequences of which are that rates have continued to firm, enough to maintain the upward direction. Although HC do report a certain amount of caution and unwillingness to take anything for granted in the market.