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## **BDI surges to new record on Chinese Demand**

*Friday, 16 May, 2008*

Bloomberg reported that commodity shipping rates jumped to a record on increasing Chinese demand for iron ore and may advance further as rising finance costs curb growth in shipbuilding.

The Baltic Dry Index gained 418 points or 3.9% to reach 11,067 points on the Baltic Exchange in London.

On one hand, Chinese steel production growth has to be fed from imported iron ore, which is growing in tandem, requiring ever increasing shipping capacities. On the other hand, new ships faces delay or cancellation because of tighter credit markets and rising steel costs.

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