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## Mitsui OSK and Kawasaki Kisen cut profit forecasts

*Tuesday, 28 Oct, 2008*

Bloomberg reported that Mitsui OSK Lines Limited and Kawasaki Kisen Kaisha Limited have cut their full year profit forecasts as shipping rates drop.

As per report, Mitsui OSK cut its full year net income forecast by 7% to JPY 195 billion and Kawasaki Kisen lowered its outlook by 9% to JPY 71 billion. Kawasaki Kisen also cut its full year dividend forecast to JPY 25 from JPY 27. Nippon Yusen kept its net income forecast unchanged.

It may be noted that the Baltic index, a measure of commodity shipping rates on the spot market, has plunged 88% this year, its biggest drop on record, as a money market freeze curbed traders' ability to purchase cargoes on credit. Asian container shipments to the US are also tumbling and fell 11% in July 2008 for a tenth monthly decline.

Mr Yoshihisa Miyamoto an analyst in Tokyo at Okasan Securities Co said that "There is a lot of scope for further cuts to the forecasts. Concerns about a US slowdown will strengthen and investors shouldn't expect any significant rebound in the companies' stock prices."

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