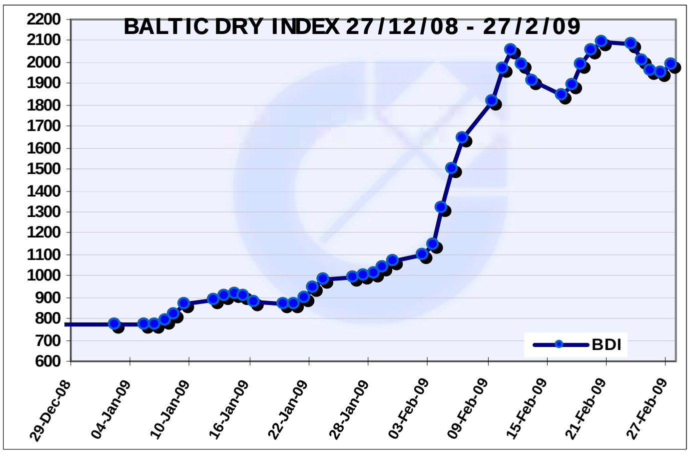
9th Week - Dry Cargo Market "Highlights"

The dry Market followed mixed downward and upward movements the previous week regarding the different segments of the Market. It is a common sense that the medium-term outlook remains "weak & unstable".

The Baltic Exchange Dry Index (BDI) dropped about -5.4% or 113 points this week, down from 2,099 on 20th Feb, mostly driven by the Capesize Market strong correction. The BDI closed at 1,986 points on Friday the 27th of Feb 2009.



The moderate Buying trend remained unchanged in the sale and purchase market this week. Despite Bank's lending attitude being still on a "stall" cash buyers or Private equity investors, are there ready to perform quick cash deals. We also saw a drop in Tanker prices which obviously will help sale and purchase activity to pick up in the wet sector too. The "decision making" attitude both for Buyers and Sellers followed close the market fluctuation, as higher asking prices were countered by reduced offers clearly reflecting the dropping indices and market softening.

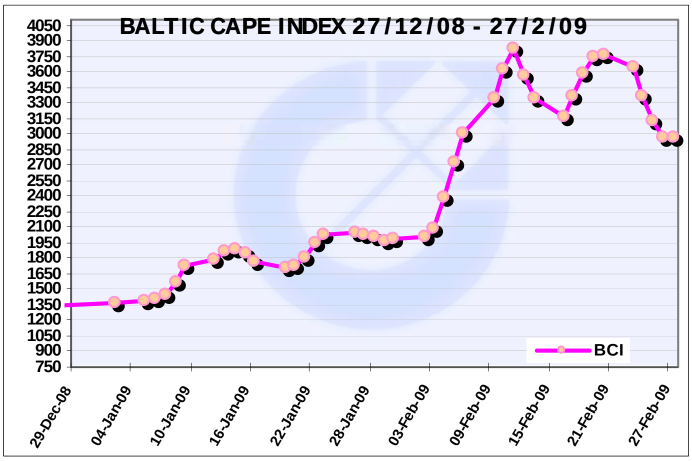
As we mentioned last week, most owners (on the sellers side) are following the "wait and see" stance, expecting some further rise in the secondhand prices which will enable them to sell at improved levels. We see a great degree of uncertainty in buyers intentions which are directly linked to the movements in the freight market and the ups and downs of the indices.

This year's Oscar Movie awards, gave us a foresign of what we are to see in the future… "Slumdog Millionaire", as a concept proved that India will be the next main-engine that will lead the Shipping markets back into action… just like China did 4 years ago. India is a huge market, in need of a great deal of infrastructure, a great dependency in raw material imports, has a tremendously capable and large number of "super-brains" in the IT, Programming, Communications, Electronics, and High tech industries.

Slumdog Millionaire… excellent teaming-up of British Film Producer, Danny Boyle (Trainspotting) and Scene Director Simon Beaufoy (Full Monty) and Bollywood's expertise, know-how, different approach in film-making, spice, talent and new fresh ideas showed us that the final results can really sell well not only to the vast domestic Indian Market but finished products can be successfully exported to the rest of the world, East & West with amazing commercial success. We are sure we will be seeing much more in the near future of all sorts of Raw materials and general Goods imports coming into India, which will be transformed, and further exported back to the rest of the markets.

CAPESIZE MARKET

The Baltic Cape Index (BCI) declined about -21.36 %, or 805 points this week, to 2,963 (27 Feb.), down from 3,768 on 20th Feb, being pushed down by the unexpected iron ore and coal deliveries delays.



The T/C average rate for Capesize vessels slightly rose to $32,045 during this week, from $29,898 which was last week's average. This week's daily rates for Capesizes ranged from $15,000 (M/V "Carpe Diem I" 181k / 85blt / Oldendorff) up to $60,000 (M/V "Mykonos" 194k / 81blt / Rio Tinto).

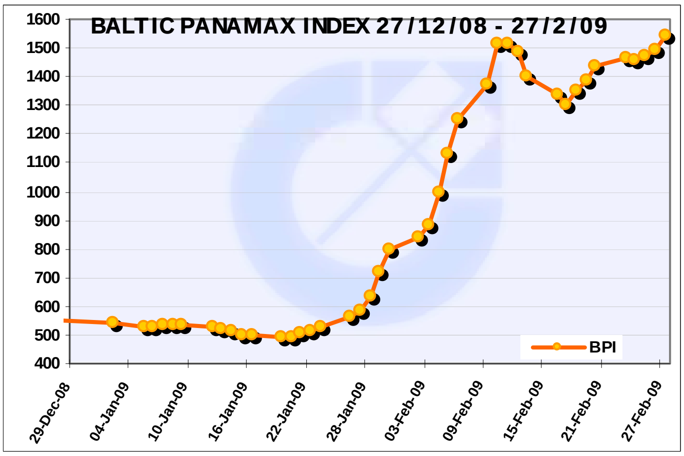
The announcement of Rio Tinto, declaring "force majeure", due to weather and accident problems at the beginning of the week regarding the deliveries of this week from Western Australia increased the supply of vessels. The Atlantic market of Capes suffered from the lack of new cargos to Europe, but nevertheless shows stronger marks than the Pacific market.

China the biggest worldwide steel producer continues increased its steel's production despite the absence of strong demand in steel products, threatening to worsen oversupply and ruin profitability. A serious concern for the owners remains the nearly full inventories of steel mills. The restocking of iron ore over the past three months seems just about completed, and if this is true then we may have a "full house"…

Regarding the Sales activity of the past week we had the following sales: the M/V "Arcturus" (Ilva Servizi Marittimi Spa/Italy) 252k/86 – NKK Blt which was sold for $15.00m to Vale/Brazil, the M/V "Southern Galaxy" (First Marine Service/Japan) 151k/91 – Simitomo Blt which was sold for $19.10m to Pacific Bulk/Fareast and the M/V "Blazing River" (Escobal/Japan) 151k/93 – Koyo Blt which was sold for $21.50m to Greek Buyers.

PANAMAX MARKET

The Panamax Market followed an upward movement. The Baltic Panamax Index (BPI) gained almost 7.16%, or 103 points this week, to 1,542 (27 Feb.), up from 1,439 on 20 Feb.



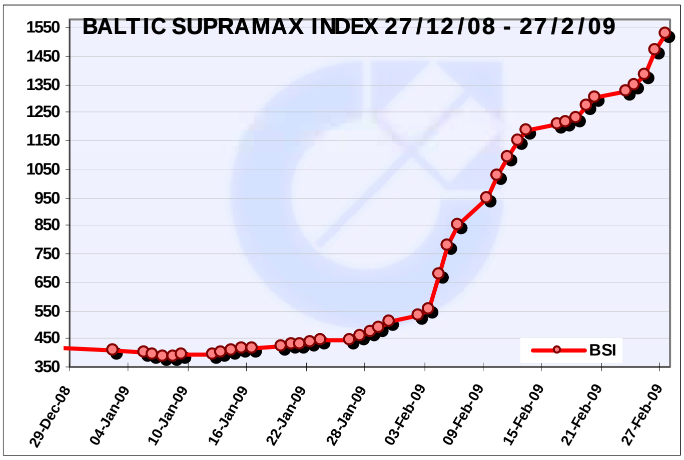
The Panamax T/C average rate went up this week to $11,752 from $11,359 which was last week's Panamax average. The daily rates as seen in the reported fixtures for panamaxes this week ranged from $4,750 (M/V "Revive" 64k/83blt/Suek) up to $26,000 (M/V "Grain Express" 76k/04blt/Bunge).

In the Atlantic Region round trip rates range in $14k region while in the Pacific Region where we had an increased supply of tonnage round trip the rates averaged somewhere in the $7.5k region. From Continent to F. East the Panamax rates range in the $20k region.

Regarding the Panamax sales we can say that there are buyers interested in post 90's tonnage, but very few sales candidates are there available. Sales activity of this past week was minimal, we had only 1 sale, the M/V "Grand Panagiotis" (Newfront Shipping/Greece) 64k/83 - Sasebo Blt which was sold for $4.10m to undisclosed buyers. We also can report the resale of M/V "Hisatomo" 82k/09 - Hisatomo Blt which was sold for $36.60m to Nissan Shipping/Japan.

SUPRAMAX & HANDYMAX MARKET

The strong upward trend from beginning of the month remained strong in this sector. The Handy / Supramax market showed a continued positive reaction this week. The Baltic Supramax Index (BSI) had increased to 1,529 points (27 Feb.). This represents a 17.62% increase from the closing of 1,300 we had at the end of last Friday (20 Feb).



The BSI has gained more than 245% in less than a month. The freight rates remain pretty firm in almost all market segments. There was a strong demand for tonnage in the Atlantic region with the rates ranging in the $23k region for voyages from Continent to Far East. Period charters were still strong, as it seems that charterers wanted to lock themselves into lower rates as the markets nearly doubled since end of Jan 2009.

The Supramax T/C average rate went up to $12,329, from $11,457 which was last week's Supramax average a level which is again very close to the above mentioned Panamax average. The daily rates for Supramaxes ranged from $4,500 (M/V "Navios Meridian" 50k/02blt/Oldendorff) up to $40,000 (M/V "Sea Lavender" 50k/02blt/Energy Shipping.).

The Baltic Handymax index (BHI) closed on Friday the 27th at 628 points. In total it was increased by 96 points up from 532 which was last week's figure. The Handymax Time Charter average was also up from last month and was calculated to be $10,931 per day from $10,920 which was last week's average. This week's daily rate charters ranged $6,750 (M/V "Ariston" 37k/84blt/SK Shipping) up to $17,500 (M/V "Attractive" 41.5k/85blt/Imperial Shipping).

Regarding the Handies and Supra's Sales activity of the past week we see that a good number of handies are being acquired by Chinese buyers. This may well set a trend as some owners (sellers) may choose Voyages towards the Far East regions as this could position them well for a quick inspection and a quick sale deal!

We saw this week the sales of the M/V "Ondina" (Nippon Yusen Kaisha/Japan) 48k/96 – Oshima Shipbuilding Built was sold for $15.00m to undisclosed buyers, the M/V "Challenger II " (Brittania Bulkers /UK) 40k/77 - Mitsubishi Built was sold to undisclosed buyers in private terms, the M/V "Evagelistria " (Maryville Maritime/Greece) 36k/82 - Imabari Built was sold for $3.60m to Chinese buyers, the M/V "Kuiseb " (Unicorn Shipping/South Africa) 30k/83 was sold for $2.40m to undisclosed buyers from Croatia, the M/V "Atlantic Queen " (Shikishima Kisen/Japan) 28k/98 - Imabari Built was sold for $13.75m to Greek buyers, the M/V "Tinos" (Aug Bolten Wm Miller's /Germany) 23k/95 Shin Kurushima Blt was sold for $12.30m to Vietnamese buyers, the M/V "Ivs Kenso" (Island View Shipping/South Africa) 32k/05 Kanda Blt was sold for $22.50m to Greek buyers and the M/V "Lucky Transporter " (Zodiac Maritime Agencies/UK) 26k/84 Kurushima Blt was sold for $3.20m to undisclosed buyers.

DEMOLITION MARKET

Following the same trend from previous week, we had also a very good number of demolition deals this week across all segments of vessels. Curious to see that no Tanker vessels are being sent for recycling… The demolition prices continue to be steady at the previous week levels. Supply tonnage is growing despite our feeling that the ship's intake for breaking is exceeding the physical capacity of breakers. Most units scrapped are Handy Sized, Tween-Deckers, Containers and RoRo vessels.

India seems to have attracted most of the tonnage for scrap, while Bangladesh & Pakistan have very few ships in comparison to India's appetite. On the other hand China seems to have also reduced heavily their intake with their offering price being on the low side.

The Demolition Bulkers average price was $ 270.4/ldt, and best price offered was for the M/V "East Sunrise 2" $ 277/ldt. Other interesting facts are Bangladesh average scrap price of $275/ldt, India $267/ldt, Pakistan $250/ldt.

This week's demolition sales report the following substantial deals:

India market: the M/V "Dana Muhieddine" 26k DWT / 7.6 k LDT / 1977 sold at $ 270 per LDT, the M/V "Zarechensk" 22 k DWT / 7.4 k LDT / 1968 sold at $ 268 per LDT and the M/V "Agia Sofia" 35 k DWT / 7.6 k LDT / 1982 sold at $ 262 per LDT.

India / Pakistan market: M/V "Christy M" 25 k DWT / 7.8 k LDT / 1983 sold at $ 275 per LDT

Bangladesh market: M/V "East Sunrise 2" 35 k DWT / 7.8 k LDT / 1974 sold at $ 277 per LDT, M/V "Sea Dream" 26 k DWT / 7.5 k LDT / 1981 sold on private terms, M/V "Energy Falcon" 26 k DWT / 6.1 k LDT / 1976 sold on private terms too.