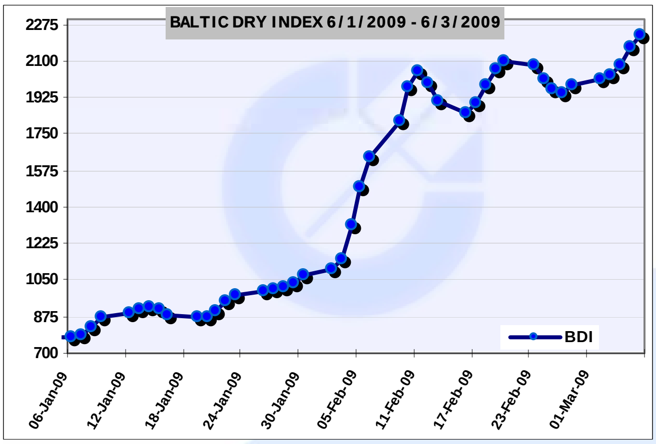
10th Week - Dry Cargo Market "Highlights"



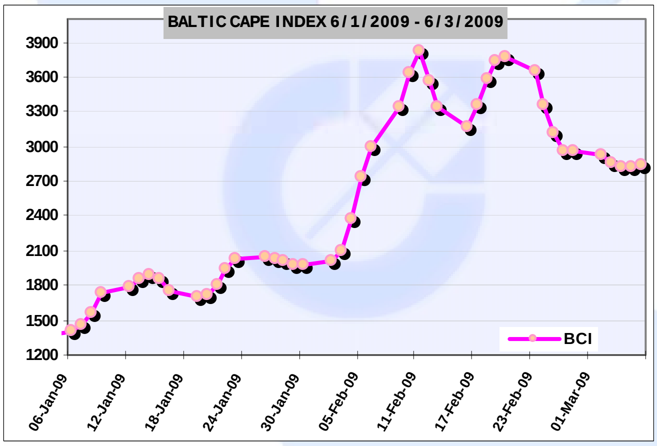
The main trend of the Dry Bulk Market followed an upward movement for the week ending 6th March 2009. Week 10 was a positive week for the Dry Bulk markets, despite the negative sign that was projected by the Capesize market. Once again the smaller segments of tonnage were the winners for this week, all gaining more than 10% in these 5 days.

OUTSIDE China's biggest iron-ore port, Rizhao, in Shandong province, 10 ships sit waiting to unload their cargo. Many of them came from the Pilbara, carrying the iron ore that once fuelled a Chinese economy that drove the mining boom that, in turn, underwrote a cycle of super profits for Australia. Reports say that millions of tons of ore sit in stockpiles, yet to feed the once-hungry mills. Almost 7.2 million tons of ore was stocked at Rizhao at the end of Feb 2008, a 200,000-tonne increase on a week earlier. These stockpiles of iron ore seem to have reached a bursting point. Reports said that a number close to 75 vessels (up from 55 at the start of February, and the highest in more than two years, with many of them carrying Australian ore), are waiting to dock and offload on to already choked stockpiles. The president of China's state-owned aluminium giant, *Chinalco*, has given a dour short-term forecast for commodities markets. "There is no bottom seen here yet in terms of the economic situation globally," *Xiong Weiping* said in Sydney last week on his first significant negotiating trip abroad 5 days after his board election. Economic Analysts state that Australia's grain exports for 2009 will increase in comparison with their 2008 figures by abt 5mil tones. This can also be combined with a reassurance and confirmation from the Chinese economic authorities that their growth will be accelerated for 2nd quarter of 2009.

The Baltic Exchange Dry Index (BDI) rose more than 12.38% or 269 points this week, up from 1,986 on 27th of Feb, mostly driven by the recovery of the Capesize Market from the middle of the week. The BDI closed at 2,255 points on Friday the 6th of March 2009. This represents the highest point since the collapse of the freight and financial markets.

The moderate trend remained in the sale and purchase market this week. Despite the fact that the vessels' prices slightly declined, both Buyers and Sellers remain hesitant to conclude a deal.

<u>CAPESIZE MARKET</u>



The rebound of the Capes' Market by the second half of this week was not enough to affect the sign of the final outcome. So, the Baltic Cape Index (BCI) declined about -4.18 %, or 124 points this week, to 2,839 (6th of March), down from to 2,963, on 27th of Feb, being pushed down by the iron ore shipments delays in the area of Australia.

This Month Capesize T/C average rate fell to $30,000 during this week, from $32,045 which was last week's average. We had a near, lack of Cape T/C fixtures, as we had only a single fixture regarding the Capesize Vessels this week, namely the fixture of M/V "Unique Brilliant" 176k/01blt / TMT with a rate of $30,000 making the average calculation a very easy task!!!

A tropical storm lashed Australia's northwestern coast last week, which forced iron ore miners like BHP Billiton Ltd/Plc and Rio Tinto to temporarily restrict some operations in the key Pilbara region. Capesize rates have fallen because of disruption in iron ore loading in Australia. We had some rumours that Loading will be resuming over this weekend, so we can see some positive signs as of Monday 9th March.

The activity in Pacific basin remains weak while the activity in Brazil continues to be strong and as a result several owners "ballasted" their vessels in this area, hopping to get advantage also of the shortage of tonnage in Atlantic.

Weaknesses in Chinese iron and steel prices and broader market may also continue to weigh on the dry bulk stocks. Chinese spot steel prices fell 5.3 percent in a third consecutive weekly fall, on rising inventory after a much-anticipated demand recovery failed to materialise.

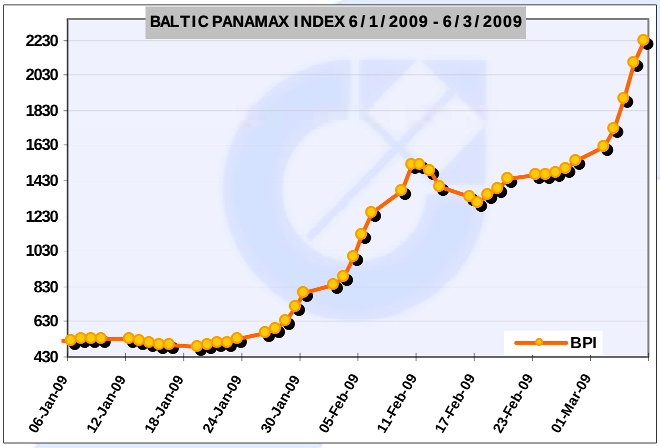
The Finance Minister of China said that is going to spend $26 billion to bulk up its commodities reserves of grains, edible oils and materials, in order to maintain production and smooth out prices. That includes $11 billion to stimulate the domestic demand of these commodities.

China has taken advantage of the downturn of the commodity prices lately, to buy up commodities and guarantee long term supplies, through the investments of the state owned firms with the financial support of the state banks. It is estimated that they spent almost $50 billion in Feb. 2009.

Regarding the Sales activity of the past week the Vale/Brazil showed some bulk buying hunger, and proceeded with the following secondhand purchases: the M/V "**Ocean Champion**" (Nippon Yusen Kaisha/Japan) 199k/85blt – IHI Kure Blt which was sold for $11.00m to Vale/Brazil, the M/V "**Chloe**" (Neda Maritime/Greece) 160k/97blt – Hyundai Blt which was sold for $30.00m to Vale/Brazil. Also on a good buying appetite, TMT went and acquired the M/V "**Lady Madonna**" (Toyo Sangyo/Japan) 141k/90blt – NKK Corp Japsn blt which was sold for $21.00m to TMT, and the M/V "**First Venus**" (Nippon Yusen Kaisha/Japan) 171k/96blt – IHI Kure Blt which was sold for $35.00m to TMT,, while the M/V "**Mineral Viking**" (CMB SA/Belgium) 173k/01blt – Japan blt was sold for $48mil to Noble.

<u>PANAMAX MARKET</u>

The Panamax Market followed a strong upward movement. The Baltic Panamax Index (BPI) gained about 45%, or 688 points this week, to 2,230 (6 March), up from 1,542 on 27th of Feb.



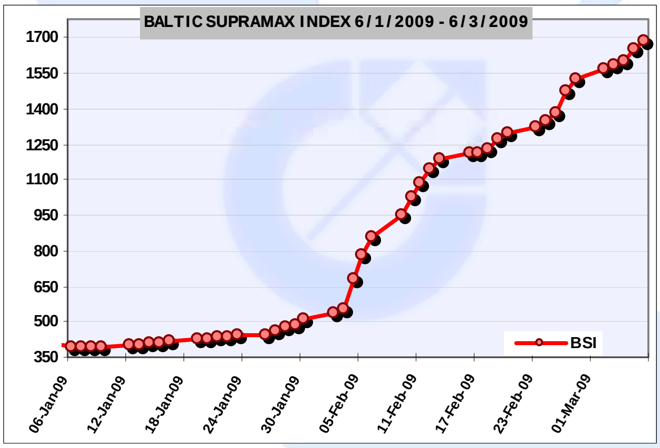
This Month Panamax T/C average rate which is calculated by N. Cotzias Shipping from all T/C fixture data that are reported, went up this week to $15,923 from $11,532 which was last week's Panamax average. The daily rates as seen in our separate fixtures report for panamaxes this week, ranged from $4,750 (M/V "**Bianco Dan**" 56k/04blt/Charterer Not Reported) up to $36,750 (M/V "**Medi Valencia**" 56k/08blt/Cargill).

In Atlantic Region round trip rates increased about $3k and range in $17k region while in the North Pacific and India Region, where we had an increased supply of tonnage, market rates went up around $4.5k. In T/C trip from Continent to F. East the Panamax rates range in $25k region while the in reverse T/C trip the Panamax rates range in $12k region.

Regarding the Panamax sales activity of the past week we had no sold Panamax to report.

<u>SUPRAMAX & HANDYMAX MARKET</u>

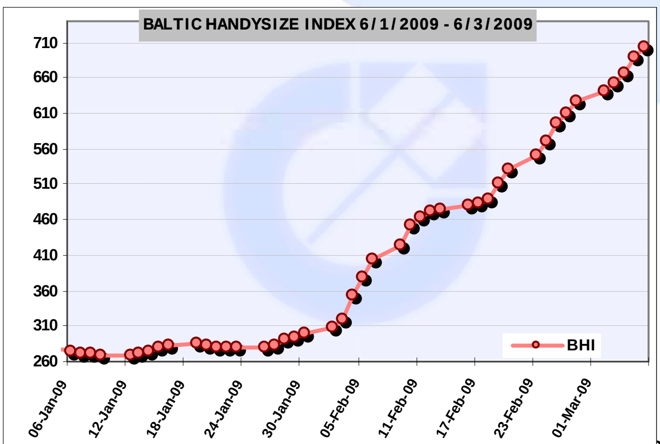
The Handy/Supramax market also showed a positive reaction this week. The Baltic Supramax Index (BSI) increased to 1,688 points on closing of 6th March 2009. This represents a 10.4 % increase from the closing of 1, 529 we had end of last Friday (27th of Feb).



The BSI has gained more than 97 % in a month. The freight rates remain firm almost in all segments. There was a strong demand for tonnage in Atlantic region with the rates ranging in $23k region for voyages from Continent to Far East.

The Supramax size Time Charter Cotzias Calculated average rate went up to $17,681, from $12,329 which was last week's Supramax average. The daily rates for Supramaxes ranged from $6,100 (M/V "**Sanko Spring**" 51k/98blt/Daewoo) up to $41,000 (M/V "**Christina L**" 50k/03blt/Oxbow for a single T/C Trip).

The Baltic Handysize index (BHI) closed on Friday 6th of March at 704 points. In total it increased by 76 points up from 628 which was last week's closing figure. This Month's Handysize Time Charter average was strongly improved from last week and was calculated to be $18,477 from $10,931 which was last week's average. This was a higher figure obtained by both Panamax and Supramax vsls! This week's T/C daily rates for Handysizes ranged from $6,500 (M/V "**Kadmos**" 39k/83blt/Shadad) up to $21,750 (M/V "**Jia Qiang**" 47.3k/98blt/Copenship for a single T/C Trip).



Regarding the Handies and Supra's Sales activity of the past week the M/V "**Lowlands Mimosa**" (Euroship Services/UK) 52k/02 – Kanasashi Hi Toyohas Built was sold for $22.75m to Greek buyers, the M/V "**Amaranth Bridge**" (Kobe Ship Management /Japan) 46k/96 - Imabari Built was sold to Chinese buyers, the M/V "**Tawe**" (Maruba Sca Empresa/Argentina) 41.5k/87 - Mitsui

Chiba Built was sold to undisclosed buyers in private terms, the M/V "**Tourloti**" (Anbros Maritime/Greece) 37.6k/84 was sold for $4.20m to Chinese buyers, the M/V "**Swift**" (Maryville Maritime/Greece) 37.6k/84 - Japan Built was sold for $3.90m to Chinese buyers and the M/V "**Sea Veteran**" (Venus Enterprise/Greece) 31k/81 Sunderland Blt was sold for $2.30m to Italian buyers.

DEMOLITION MARKET

Despite the positive reaction of the Freight Market in Dry Sector this week, the supply for tonnage for scrap is growing also and the average prices offered by Indian and Bangladesh scrap dealers were on a small increase. This average price is going steady to high 200's rather than low 200's that we were being offered 1-2 months ago. This increase in offered prices is mainly the result of inter-country competition amongst the Indian Sub-Continent. Bangladesh gives just some more to attract a vessel from India, Pakistan will make an improved offer, only to be followed by India's "countered" rate! This is for the benefit of the sellers of old age tonnage.

The Demolition Bulkers average price was $ 271 /ldt, and best price offered was for the M/V "East Sunrise 2", the M/V "Georgios III" and the M/V "Christy M" all sold at $ 277/ldt. Other interesting facts are Bangladesh average scrap price of $277/ldt, India average scrap price of $ 267.4/ldt and Pakistan average scrap price of $277/ldt.

This week's demolition sales report the following deals:

India market: The M/V "Rodina" 53 k DWT / 12.5 k LDT / 1978 sold at $ 278 per LDT, the M/V "Sunrise Ocean" 23.8 k DWT / 6.4 k LDT / 1977 sold at $ 268 per LDT, the M/V "Sea Princess" 18 k DWT / 43.8 k LDT / 1970 sold at $ 265 per LDT and the M/V "Khaled Muhieddine" 15 k DWT / 5.0 k LDT / 1977 sold at $ 266 per LDT

Bangladesh market: The M/V "East Sunrise 2" 35 k DWT / 7.8 k LDT / 1974 sold at $ 277 per LDT

Pakistan Market: The M/V "Georgios III " 30 k DWT / 6.85 k LDT / 1977 sold at $ 277 per LDT and the M/V "Christy M" 24 k DWT / 8.0 k LDT / 1983 sold at $ 277 per LDT too.