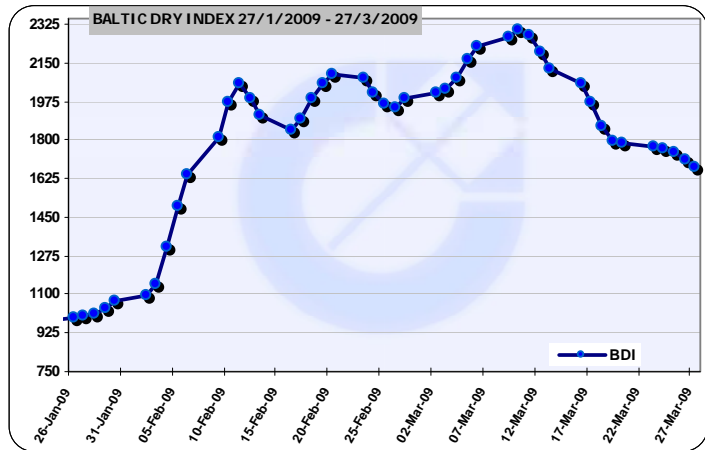


13th Week - Dry Cargo Market "Highlights"

Despite the optimism of the Global Financial Markets during the previous week, the Dry Bulk Market continued to suffer losses. The weekly raise for the Dow Jones was 6.8%, for the NASDAQ 6% and for the S&P 6.2%. Also in Europe the Stoxx 600 earned 2.6% in a week. The dollar strengthened against the euro as investors withdrew their confidence from the common European currency after signs that the economic recession in Europe is intensifying. Also the US Bank Stimulus package gave the US Dollar a heavy boost, while the prices of U.S. bonds moved up after some good signs that a "decent" demand was there for 10 Years Treasury Notes, removing government's fears that there will be no real interest from buyers. The announcement of the drift of



the real consumer spending in the U.S. to the lowest levels of the past 30 years is said to have led to a 4% drop in oil futures contracts.

Nevertheless an overall negative trend has dominated the Dry Bulk Market for the week ending 27th March 2009. The Baltic Exchange Dry Index (BDI) fell this week about **-5.84 %** or **-104** points. The index is down from 1,782 which was the previous closing of 20th of March, to **1,678** points on closing of Friday the **27th of March 2009**. It is worth noting that since 10th of March the BDI has been dropping every day, losing nearly all momentum gained from 6th Feb 2009 onwards...!

The lack of sufficient amount of cargoes was the main cause that distanced further the BDI from the psychological level of 2,000 points with no further signs in the horizon, of a possible significant recovery to be. Several analysts and Shipping Economists, forecast that the BDI will "stagnate" and maybe perform a saw-tooth pattern, fluctuating evenly at present levels for the next three to four months.

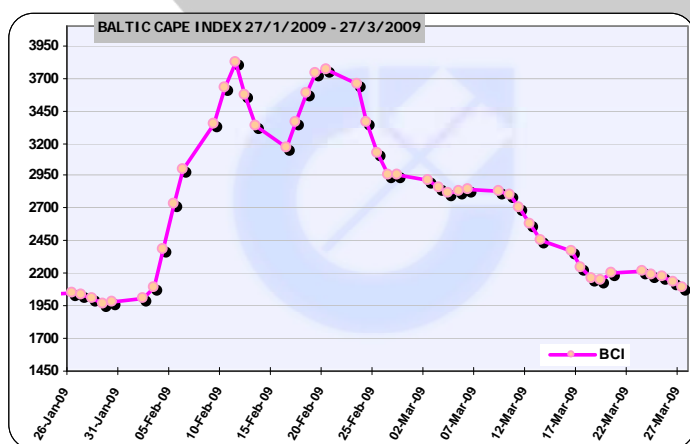
A Rising BDI, indicates a rise in demand for Seaborne Trade, and this can be immediately translated as an increase in the volume of SeaTraded commodities/goods/etc, and mainly shows an increase in the demand for raw materials which in turn shows signs of increasing World Trade Volume and indicates World Economic Growth. It goes without saying that there is not a single professional we know of actively engaged in the "Financial world" that does not look deeply and closely everyday to what **our** BDI is doing...! So is the BDI an accurate "crystal ball" for Economic Analysts?

The answer is just simply and bluntly said... **YES!**

So far there are no real signs indicating a "serious recovery" of the Shipping markets. Annual talks regarding Iron Ore Prices which are still under negotiations/bargains, are still slowing down the demand for raw materials. It is fairly obvious that the global financial markets slump has seriously affected the worldwide volume of goods trading. We will also most likely expect new ships to be delivered sometime within this year and this will just increase the competition of more ships "bidding" for fewer cargoes. As long as scrapping and withdrawal of ships continue at the current levels and these still exceed the number of new ships being delivered then we can at least feel slightly less worried of having a serious overcapacity of vessels.

A downturn trend characterized also the Dry Bulk sale and purchase market activity this week. Few deals were concluded this week mostly at the Handysize/Max tonnage and in the 80's & 90's age ranges. The prices remain steady in previously reported levels.

CAPE SIZE MARKET



The Baltic Cape Index (BCI) made daily drops, and lost about **-4.78%**, or **-105** points this week, and closed at **2,092 on Friday 27th of March**, down from 2,197 which was last Friday's Closing value on 20th of Feb. Most obvious reason for the drop, Chinese Iron Ore demand that declined heavily. China is the world's largest consumer of Iron Ore imports, is still pressing mining companies to cut the benchmark Iron Ore prices to below 2007 levels according to the China Iron and Steel Association. "Iron ore prices should move closely with steel prices," said Shan Shanghua, secretary general of the C.I.S.A. this week. Benchmark steel prices in China, have declined to their Nov 2008 low, the lowest since 1994.

This Month Capesize T/C average rate which is calculated by N. Cotzias Shipping from all T/C fixture data that are reported during the current running month, declined to \$26,146 during this week, from \$27,488 which was last week's average. The daily rates as seen in our separate fixtures report for Capesizes this week, ranged from \$14,000 (M/V "Dong-A Hermes" 146k/82blt/Rio Tinto) up to \$34,000 (M/V "Katerina Warrior" 170k/97blt/Yangtze Navigation).

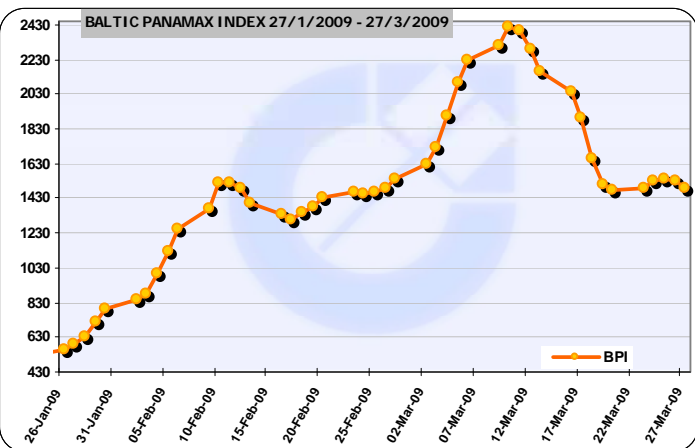
The activity in Pacific basin remains weak, with a good number of fixtures concluded especially in West Coast Australia (Dampier/Rio Tinto & Port Hedland/BHP Billiton) to China (Qingdao) routes, with rates range from \$6.75/t up to \$8/t. In routes from East Cost South America (Tubarao / Vale – Brazil & Pan Ocean Shi) to China (Qingdao) the rates range at \$17/t region.

It is worth to note that 7 out of this month's 14 Capesize TC fixtures reported were all concluded this past week.

Regarding the Sales activity of the past week we only have a single sale of the M/V **"La Paloma"** 149.6k/90 – CSBC Built (Kawasaki Kisen Kaisha of Japan) which was sold for \$7.0m to Chinese buyers.

PANAMAX MARKET

Despite the positive reaction of the Market early this week in the Panamax sized Market, what we actually got was a perfect



inverted "U" shaped trend for the BPI. It opened the week at 1489 and closed on **Friday 27th March at 1,492** points. The Baltic Panamax Index (BPI) was the only index that marginally made an overall positive run closing **1.15 % up**, or **17** points up from 1,475 on last Friday's 20th of March closing. There is a strong lack of cargoes in the Market. Whether the charterers anticipated the market and were keeping back cargoes, expecting to take advantage of a new drop of the freight rates or whether there are simply no cargoes. It's a matter of time to find out.

separate fixtures report for Panamaxes this week, ranged from \$7,000 (M/V **"Mitose"** 77k/08blt/ Undisclosed Charterer) up to \$27,500 (M/V **"Yong Feng"** 74k/00blt/Min Metals).

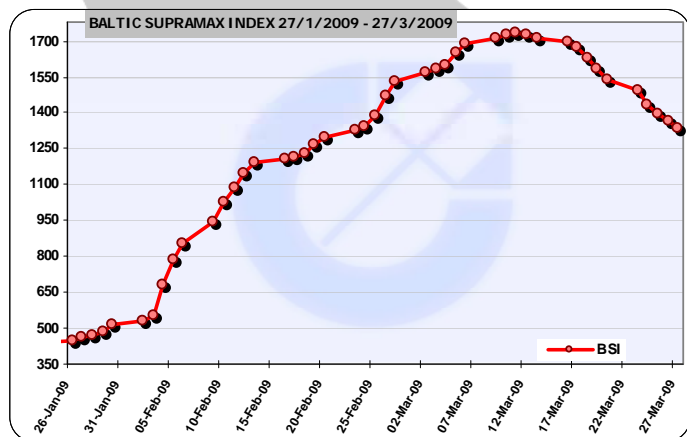
This Month the Cotzias calculated Panamax T/C average rate went down this week to \$15,798 from \$16,222 which was last week's Panamax average. The daily rates as seen in our

In the Atlantic Region round trip rates dropped about \$1.5k and range and kept in the \$13.5-14k region due to the presence of few cargoes in the area and the increasing amount of tonnage. In the Pacific and Far East, market rates went slightly down and ranged, for a Pacific round trip, in the \$9.5k region. For T/C trips from Continent to Far East the Panamax rates ranged in the \$19.5k region, while for the Far East/Continent T/C trip the Panamax rates range in the \$5.8k region down slightly from \$6.1k which was the average of last week.

Regarding the Panamax sales activity of the past week we can report the sale of the following vessels: the M/V **"Ikan Kerapu"** 76.4k/05 – Tsuneishi Built was sold (long term TC included) for \$31.0m to Blumenthal / Germany, the M/V **"Lucia Bulker"** 73.8k/99 – Japan built sold for \$23.5m to Greek Buyers (sale includes a TC until Feb 2010 at \$21,000 per day, but deal is subject to Charterers – Perseveranza – approval), the M/V **"Energy"** 69.2k/93 – Imabari built which was sold for \$15.10m to Chinese buyers and the M/V **"Panormos Trader"** 64k/83 - Samsung Built was sold for \$3.8m to Chinese buyers.

SUPRAMAX & HANDYMAX MARKET

Following the global downward trend of the Dry Sector the Handy/Supramax market wrote losses too. More seriously affected



was the Supramax size market. The Baltic Supramax Index (BSI) continued its steady drop that started from last week and declined everyday of this week to close at **1,338** points on **Friday 27th March 2009**. This represents a **-13.17 %** decrease or **-203** points from the closing of 1,541 we had at the end of week 12, last Friday (20th of March).

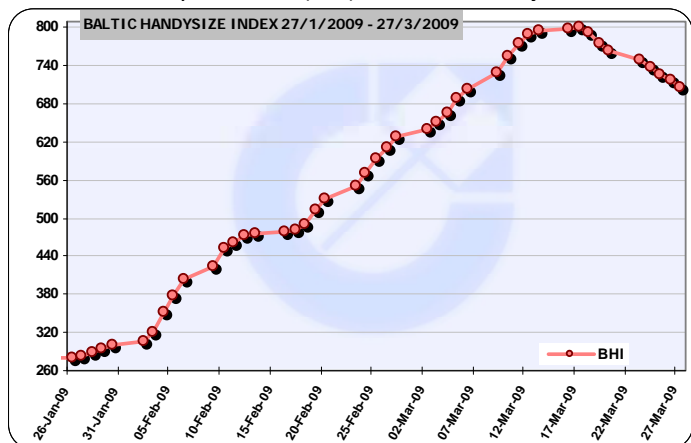
The demand for tonnage in the Atlantic region decreased, with the rates ranging in the \$25k/day region for voyages from Continent to Far East. In the Atlantic Region round trip rates range also in the \$25k region while in the Pacific Region round trip rates declined about \$2k from last week, reflecting the dropping market and range somewhere in the \$6k region.

The Supramax Time Charter Cotzias rate average was calculated to be greatly reduced down to \$15,832 from \$17,029 which was last week's Supramax average. The daily rates for Supramaxes ranged from \$9,000 (for the M/V **"Yong An 3"** 44k/96 blt/Undisclosed Charterer) up to \$19,500 (for the M/V **"Amulet"** 45.7k/95blt/Oldendorff). This is a serious softening from last week's high of \$27,000 we had reported.

We can re-confirm this week the re-sale of one of the Diamond 53 Vietnam built Supra's which we had first reported last week, identified as the M/V **"City of Amman"** (ex **Nam Trieu Hr53-Nt05**) 53k/09 – Nam Trieu Vietnam Built which was sold for \$29.10m to German buyers (Graig Shipmanagement GmbH), with delivery end 2009. A rather premature resale of a Bulker initially reported

to have been contracted somewhere in late 2006 – or early 2007 for abt USD\$36-\$40mil. We can also report the M/V **“Mutsushio”** 50.6k/02 Kawasaki built which was reported last month as sold for \$22mil. Deal failed but however was renegotiated with same buyers and is reported to be concluded at \$21.7mil this week. Buyers are reported to be Massoel of Switzerland.

The Baltic Handysize index (BHI) closed on **Friday 27th of March at 707 points**. In total it decreased by **-7.46%** or **-57 points** down



from 764 which was last week’s closing figure. This Month’s Handysize Time Charter went down to \$15,629 from \$16,005 which was last week’s average. This week’s T/C daily rates for Handysizes ranged from \$11,000 (for the M/V **“Padre”** 32k/08blt/Glencore) up to \$24,000 for the (M/V **“Clipper Valour”** 34.8k/03blt/EMR).

Regarding the Handies and Supra’s Sales activity of the past week we had the sale of the M/V **“Emerald Halo”** 47.2k/97 Oshima Built, and the sister M/V **“Glorious Halo”** 47.2k/97 Oshima built, which was sold for \$16.7mil each unit to Chinese buyers. Both these vessels if they were sold around this time last year (Mar 2008) would have fetched more than \$55-\$57 million USD, and just for comparison purposes if they were

sold in say, Mar 2007 would have got a fair price of \$35-37 million USD each unit.

We can report the sales of the near sister to the above two vessels sold, the M/V **“Grand Spring”** 47.2k/98 – Oshima built which was sold for \$17mil to undisclosed Greek buyers. She obtained a fair price considering that she is one year younger. We continue this week with the sale of M/V **“Festivity”** 45k/82 – Sasebo built, which was sold to Greek buyers for \$4m, the M/V **“Elene”** 45k/83 – Sanoyas Built (of Stamford Navigation of Greece) which was sold for \$3.75 m to fellow Greek buyers, the M/V **“New Power”** 43.6k/89 – Tsuneishi Built which was sold (Basis TC attached) for \$8.0m to undisclosed buyers, the enbloc sale of the M/V **“Spar Eight”** 36k/82 Imabari blt, and M/V **“Spar Two”** 35.9k/82 Imabari blt (of Spar Shipping of Norway) to Greek Dianik Bross Shipping Corp SA, for \$3.25m each unit, the M/V **“Forestland”** (of ASP Ship Management / UK) 32k/81 – Kanda Built which was sold for \$3.0m to undisclosed buyers, the M/V **“Spar Ruby”** 28k/85 – Naikai Stoda Built which was sold for \$5.5m to undisclosed buyers, the M/V **“Asuta”** and the M/V **“Aizu”** (of Hachiuma SteamShip / Japan) 22.3k/84 – Kawasaki Built which was sold (basis SS/DD due) Enbloc for \$3.0m each to Far Eastern buyers.

All reported sales of above are a quick pick of this week’s sales, complete listing of which will be found as usual, in our monthly report which follows shortly at the end of March 2009.

DEMOLITION MARKET

The supply for tonnage for scrap slightly fell during this past week (week13) and the average prices offered by scrap dealers remained steady at marginally higher levels.



The total tonnage of the demolition of all ships that have gone for breaking this month is 81 units, and the Bulkerc dwt scrapped only for this week was about 441,000 dwt (10 units)

Total scrap figures for Bulkercs only, for the month of March 2009, are up to now, 81 units and the total Carrying capacity withdrawn from the overall dry bulk market exceeded **One Million DWT (1,050,277 dwt)**, with the monthly bulker’s demolition average offering price to be up this week, at \$272.33/ldt compared to \$256.25/ldt which was the annual Bulker scrap average.

Bangladesh still has to sort out the court ruling on the environmental serious issue raised, that we had mentioned in our last week’s report, appeal of which is still pending. However if during the next 2-3 weeks, the appeal by BSBA falls through and fails, then we will be facing a serious Geopolitical problem in the sub-continent scrap industry. What will happen if nearly 36 scrap tards are permanently closed down in Bangladesh? What will happen with all the ships already sold to be delivered in Bangla? Who of the near neighbors will capitalize on this? Who will gain who will lose?

The best price offered was for the M/V **“Duri”** at \$335/ldt. Other interesting fact is Bangladesh’s monthly average scrap price which slightly rose at \$304/ldt. All the other markets remains at the previous price levels with India’s average monthly scrap price at \$269.78/ldt, Pakistan’s average monthly scrap price at \$277/ldt and China’s monthly average scrap price at \$200/ldt.

For This week's we have the following reported demolition sales/deals:

The M/V *"Hedwig Oldendorff"* 156.2k DWT/29.9 LDT/1974 sold at \$308 per LDT to Bangladesh and the M/V *"Duri"* 138.3k DWT/19.7k LDT/1981 sold at \$335 per LDT again to Bangladesh, the M/V *"Astir"* 30k DWT/7.1k LDT/1977 sold to Pakistan, the enbloc sale of the M/V *"Tao Yuan"* 29.9k DWT/8.1k LDT/1979 sold at \$264 per LDT to India and the M/V *"Tye Lan"* 29k DWT/8.1k LDT/1979 sold at \$246 per LDT to India, the sale of the M/V *"Celje"* 18k DWT/6k LDT/1977 sold to India, the M/V *"Buana"* 16.6k DWT/4.1k LDT/1977 sold to Bangladesh, the M/V *"Jin Yue"* 13.9k DWT/6k LDT/1981 sold to Bangladesh, the M/V *"Arctica"* 5k DWT/3k LDT/1973 sold at \$260 per LDT to India, and the M/V *"Kavalero"* 3.8k DWT/2.2k LDT/1970 sold for \$210 per LDT to China.

BREAKER - STATISTICS FOR 2009				DRY		WET	
BREAKER	UNITS	LDT TAKEN	av \$	UNITS	LDT	UNITS	LDT
CHINA	23	165,744	\$223	22	165,744	1	0
INDIA	143	1,166,741	\$259	133	1,051,022	8	104,543
BANGLADESH	53	599,091	\$232	42	469,899	11	129,192
TURKEY	6	37,776	\$200	6	37,776	0	0
PAKISTAN	24	194,474	\$133	22	180,249	2	14,225
OTHER/CASH/AS IS	9	87,442	\$119	5	50,093	2	22,595
TOTAL	258	2,251,268	\$194	230	1,954,783	24	270,555

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