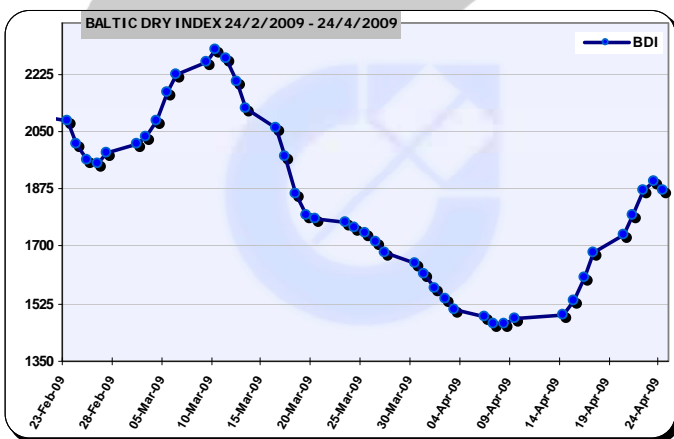


## 17th Week - Dry Cargo Market "Highlights"

The Dry Bulk Market strongly continued last week's recovery this week too. Today, Friday the 24<sup>th</sup> we saw a slight downward move in the BDI, Cape and Panamax indices. The overall increasing indices spread in all segments, with supra and handy sectors highly performing this week.

Friday late evening and the stock markets across the Asia-Pacific region closed notably higher on bargain hunting amid hopes that growth will return sooner in many non-developed economies. The Dow Jones, has been on its 7<sup>th</sup> running week of positive trend and is near closing at the time of our reporting, at 8076 points, while the S&P500 is following too with another consecutive week of upward trend, ready to close above 860 points mark. However, and despite the seemingly good climate, a cautious undertone prevailed about the health of the U.S. financial industry as the International Monetary Fund predicted that the global economy will probably shrink by 1.3% in 2009, the deepest slump since 1945.

It is worth noting that the US Treasury Secretary Mr. Timothy Geithner hinted that policymakers might be forced to alter their recovery strategies as the global financial crisis drags on. He explained that the revised estimate from the International Monetary Fund for global growth could spark a change in policy. The IMF as previously stated above, lowered its 2009 outlook, now predicating a contraction of 1.3 percent for the year compared to its previous estimate of 0.5 percent growth. "We may have to adapt our policies further as conditions evolve, and we need to make sure we provide a scale of support that matches the intensity of the challenge," Geithner said.



In our Shipping markets, The Baltic Exchange Dry Index (BDI) gained about **11.36 %** or **191** points during this week. The index this week is up, from **1,682** points which was the previous closing of 17<sup>th</sup> of April. Today, Friday the 24<sup>th</sup> April 2009 it closed at **1,873** points. Our technical Analysts, advise that we are seeing the last corrective fall of a 5<sup>th</sup> downward Wave, which will most probably drop all the way below 1000 points with an estimated percentage drop exceeding -61% most likely bringing the BDI even below the 900 points mark.

As we had the Leading Maritime Show, SeaAsia Conference this week in Singapore, some key speakers/delegates delivered strong messages



on the impact of the massive orderbook and the plunge in vessel values on the outlook for the dry bulk market.

Some serious statements came out of the very interesting Conference sessions: "We are only seeing the beginnings of the crisis now. That recovery we had in the last few months does not mean anything," **Kenneth Koo**, Group Chairman & CEO of Tai Chong Cheang Steamship Co (HK) Ltd, mentioned, while BIMCO's president-Designate **Robert Lorenz-Mayer**, stated: "Control-Alt-Delete is what we have to do now. We are in for a major restructuring. We have the most severe shipping cycle ever".

**Klaus Nyborg**, the Deputy Chief Executive Officer of Pacific Basin Shipping Ltd, stressed mainly on the impact of the huge value destruction of the dry bulk fleet. It is estimated that the value of the dry bulk fleet has dropped from \$375bn to \$70bn since the collapse of the Shipping/Financial markets post Oct 2008. **Klaus Nyborg** warned that the value of dry bulk ships could fall yet further, and unfortunately we at N. Cotzias Shipping Consultants second his emotion and share his fears.

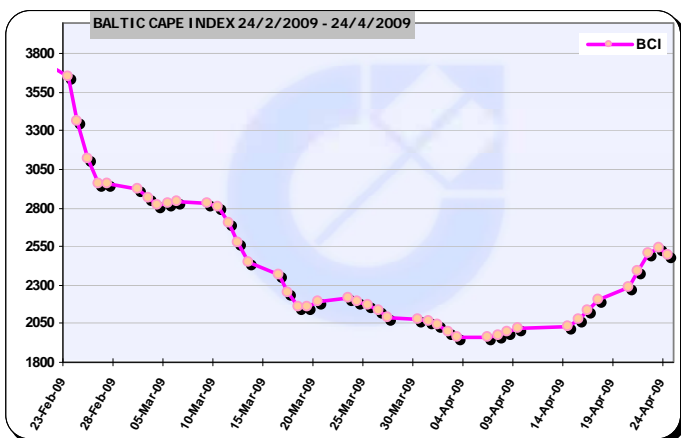
Anyone looking for a return to the boom years that the industry has experienced over the last few years was warned that the market could well return to its more historical averages. "The industry needs a kind of reality check, the historical earnings have never been that good. This has never been a very sexy business to begin with," **Mr Koo** said. "It's important to keep in mind that a BDI of 1,400-1,500 points in a historical context is not that bad," **Mr Nyborg** said. For this year he said that it was fair to expect the BDI to trade between 1,000 and 3,000 points.

A positive trend characterized the Dry Bulk sale and purchase market activity this week. The pace and number of dry cargo ships sold this week, has marginally softened, but then again a double Easter week (Orthodox and Catholic) was here, but still several deals were concluded this week with prices to be at satisfying levels. Activity further increased by the end of this week, with a lot of new candidates presented in the 2<sup>nd</sup> hand Market.

Once again the Chinese buyers remain highly active targeting bulkers (Panamax, Supra/Handy) of 80's & 90's. It is interesting to note that Chinese buyers have acquired more than 67 second hand vessels since the Start of 2009, and have spent more than 700 million USD to obtain more than 3.3 million tones of new Dry Bulk carrying capacity, expanding and surpassing the Greek

buyers who traditionally had been leading the race from 2001 until today. Taking this into account we feel that China will be able in a few years, if not sooner, to carry its own products with Chinese Controlled and Owned Fleet, clearly setting the price trend according to their appetites and cost needs...!!!! This could well initiate a total change of International Shipping as we all know it. Definitely we see a trend that if it continues, Greece will no longer maintain and enjoy the dominance and the large share portion of the World Shipping Trade, which we have been enjoying for decades.

## CAPESIZE MARKET



The Baltic Cape Index (BCI) increased, and closed with overall gains of about **12.90%** or **53** points this week. The BCI closed at **2,494** points on Friday 24<sup>th</sup> April 09, up from **2,077** which was last Friday's the 17<sup>th</sup> of April 09 closing figure. Chinese imports gave an optimistic sense in Capesize market Index this week; the demand in metal sector remained weak. Also if we take into consideration that the grain season is almost over from the east coast of South America and while coal imports into China are still rising, it is inevitable that that Capesize rates don't have enough upwards momentum to make it sustainable.

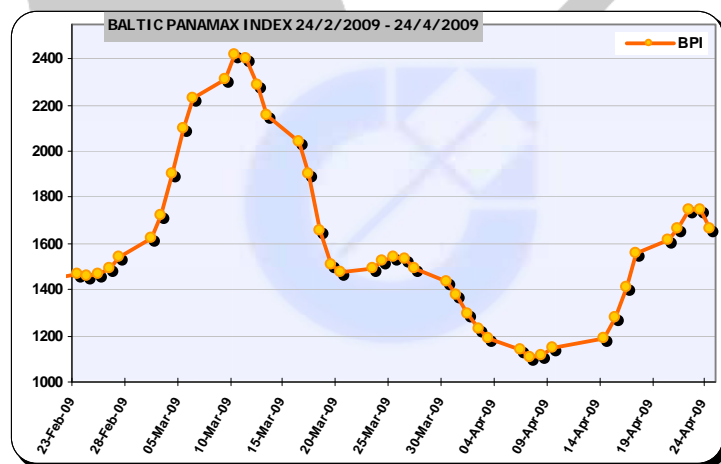
This Month's Capesize T/C average rate which is calculated by N. Cotzias Shipping from all T/C fixture data that are reported during the current running month increased by 16.54%, to \$21.521 during this week, from \$18,467 which was last week's

average.

The daily rates as seen in our separate fixtures report for Capesizes this week, ranged from \$7,500p/d (M/V **"Yong Sung"** 140K/83blt/Jaldhi) up to \$39,000p/d (M/V **"NSS Bonanza"** 170k/96blt/Rio Tinto).

Regarding the Sales activity of the past week we had a very interesting deal: the M/V **"Golden Bell"** 207.7/90blt - "Samsung Shipbuilding" built, the M/V **"Marigold"** 207.2/90blt - "Hyundai Heavy Industry" built, the M/V **"Camellia"** 207.8/90blt - "Samsung Shipbuilding" built, the M/V **"Silver Bell"** 207.7/89blt - "Samsung Shipbuilding" built and the M/V **"Anemone"** 151.5/90blt - "Hyundai Shipbuilding" built sold en bloc with lease back agreement from Korea Line Corp / Korea for \$162m to Tiger United / Panama.

## PANAMAX MARKET



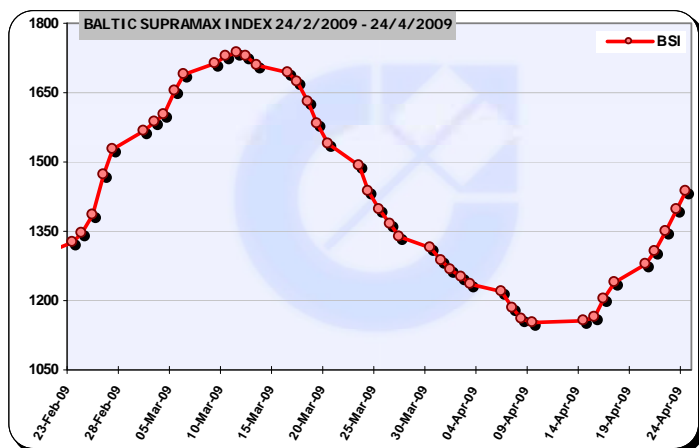
The Baltic Panamax Index (BPI) closed on Friday 24<sup>th</sup> April at **1,662** up by **6.88%** or **411** points up from **1,555** which was last Friday 17<sup>th</sup> of April closing. The Panamax Index followed exactly the BDI's movement in a very similar pattern.

For this running month the Cotzias calculated Panamax T/C average rate went up by 8.8% this week to \$12,612 from \$11,589 which was last week's Panamax average. The daily rates as seen in our separate fixtures report for Panamaxes this week, ranged from \$4,250 (M/V **"Perla Bulker"** 76k/07blt/Norden) up to \$30,000 (M/V **"Cyclades"** 75.6k/00blt/Vista).

Regarding the Panamax sales activity of the past week we had the sales of the M/V **"Kletoneos"** 64.8/87blt – Fincantieri built (of Odysea Carriers / Greece) sold for \$5.5mil to undisclosed buyers, the M/V **"Yomoshu"** 75.9/01blt – Kawasaki built sold for \$23.7mil to Vita Shipmanagement / Greece, the M/V **"Ocean Senang"** 73.6k/00blt – Imabari built (of Shoeni Kisen kaisha / Japan) sold for \$24.2mil to Chinese Power Company / China and the M/V **"Etoile"** 70k/97blt – Sasebo built (of Brave Maritime / Greece) sold for \$21mil to Chinese Buyers

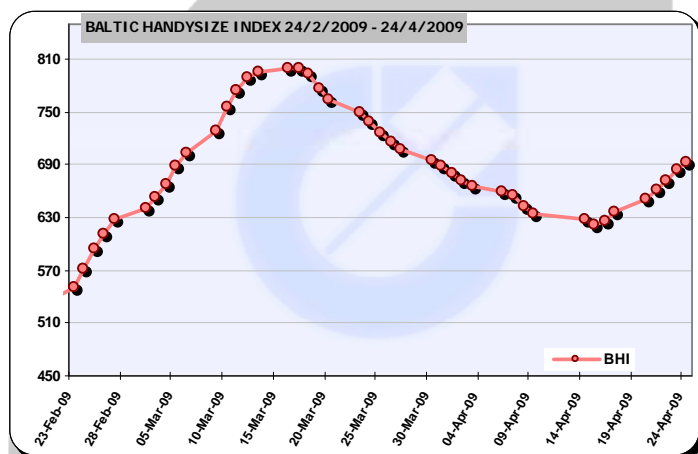
\*\*\*\* However at the time of publishing of this report NCSC (N. Cotzias Shipping Consultants), were informed that her Chinese buyers had failed to perform so Etoile of Vafias Group (Brave) was again back in the market for sale.

## SUPRAMAX & HANDYMAX MARKET



The Baltic Supramax Index (BSI) closed at **1,435** points on Friday 24<sup>th</sup> April 2009. This represents a **15.63 %** increase or **194** points from the closing of **1,241** we had at the end of week 16, last Friday the 17<sup>rd</sup> of April. 2 Weeks of constant rising, keeping the average T/C to levels slightly higher than the Panamax T/C daily!!!

To prove our point stated above, this Month's Supramax Time Charter Cotzias rate average was calculated to be improved for 4% up to \$13,606 from \$13,081 which was last week's Supramax average. The daily rates for Supramaxes ranged from \$10,000 (for the M/V *"Global Oji"* 51.2k/98 blt/ Bunge) up to \$30,000 (for the M/V *"Desert Unity"* 53.8k/06blt/Star).



The Baltic Handysize index (BHI) closed on Friday 24<sup>th</sup> April 2009 at 692 points increased in total by **8.63%** or **55** points up from 637 which was last week's closing figure. This Month's Handysize Time Charter went up for 9.5% to \$13,116 from \$11,982 which was last week's average. This week's T/C daily rates fixtures for Handy sized vessels ranged from \$9,500 (for the M/V *"Evangelos"* 26.5k/85 blt / Conti GMT) up to \$20,000 (for the M/V *"Sanko Rose"* 42.5k/95 blt / CNR).

Regarding the Handies and Supra's Sales activity of the past week we can report the sale of the following vessels: the M/V *"Nord Flex"* 52.3/02blt - Tsuneishi built sold for \$23m to Turkish Buyers, the M/V *"Sanko Phoenix"* 46.7k/97 - Mitsui built sold for \$17.25m to Chinese Buyers, the M/V *"Grand Glory"* 41k/84 ( of Stamford Navigation / Greece) – Sanoyas built sold for \$4m to Far Eastern Buyers, the M/V *"Junior Star"* 42.8 k/84 Mitsubishi Built sold in private terms to undisclosed Buyers, the M/V *"Maria Bulker"* 39k/95 – IHI built sold for \$13m to to undisclosed Buyers, the M/V *"Nurten Ana"* 39/85 IHI built sold for \$5.7m to undisclosed Buyers, the M/V *"Gokcan"* 37 k/84 Sasebo Built sold \$5.7mil to undisclosed Buyers, the M/V *"Orient Carp"* 35.3 k/99 Kawasaki Built sold \$ 15.5 to Chinese Buyers, the M/V *"IVS Hunter"* 32k/01 Hakodate built sold for \$18.5m to undisclosed Buyers and the M/V *"Fortune Cloud"* 34k/83 Mitsubishi Built sold in private terms to undisclosed Buyers.

On the smaller size sector we had the sales of: M/V *"IVS Cloud"* 32k/01 Hakodate Built sold for \$18.5mil to undisclosed Buyers, the M/V *"Siporat Naree"* 29k/84 Kanasashi Built sold for \$3.2mil to Egyptian buyers, while the M/V *"Waralee Naree"* 25k/82 Imabari Built was sold for \$2.8mil to Undisclosed Buyers.

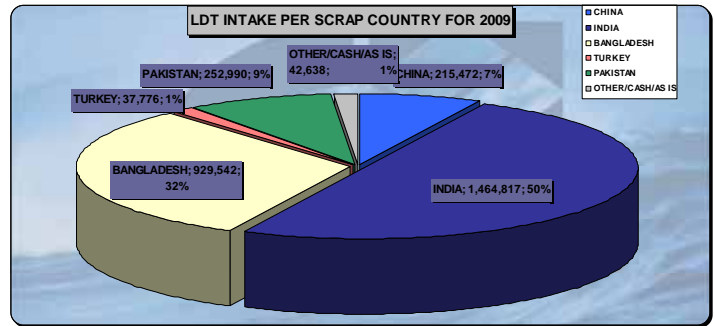
Making a quick tally, Precious Shipping of Thailand has disposed the following units since Jan 2009:

SUKARAWAN NAREE	BC	1985	IMABARI IMABARI	25,729	3X30T, D1X25T	\$3.35m	Jan-09
MALLIKA NAREE	BC	1984	UWAJIMA ZOSENSHO	23,386	C4X25T	\$3.00m	Jan-09
MANORA NAREE	BC	1984	JAPAN	29,159	5X25T	\$2.90m	Mar-09
VANDA NAREE	BC	1985	MINAMI NIPPON	23,849	1X30T, 3X25T	\$3.50m	Mar-09
GOMAIN NAREE	BC	1983	MINAMI NIPPON	23,796	C1X30T 3X25T	\$3.05m	Mar-09
RAMITA NAREE	BC	1983	UWAJIMA ZOSENSHO	23,360	4X25T, COMBO 50T	\$3.05m	Mar-09
SIRORAT NAREE	BC	1984	KANASASHI TOYOHASHI	29,125	4X25T	\$3.20m	Apr-09
WARALEE NAREE	BC	1982	IMABARI IMABARI	25,413	4X25T	\$2.80m	Apr-09

8 units sold so far in 2009, generating for Precious Shipping just above \$25mil USD. Precious Shipping Public presently has a fleet of 42 Bulkers of 1.07million DWT carrying capacity. They also have 18 ships on order for delivery 2010-2014, totaling 750,000 DWT.

## DEMOLITION MARKET

The declining demand for charter ships and the steep fall in freight rates has come as good news at least for one industry-the ship-breaking one. 321 Ships have already been reported sold and withdrawn from the market in total out of which 250 Dry Bulk ships have been scrapped. A total of 9 million DWT has been removed from the active carrying capacity of the Dry Bulk World fleet. If this trend and pace continues we estimate that more than 30 million DWT will be removed by the end of the year (2009) and more than 800 Dry Bulk units will offload the competition of Bulkers.



Bangladesh Demolition Market average level surprisingly improved at \$312/ldt from the \$269/ldt that was the average offering level, of one week ago and the trend remains rising. Also India's average level slightly improved at \$273/ldt while Pakistan and China at a much lower average levels of \$261/ldt and \$215/ldt respectively. The absolute number of Ships scrapped this week was somewhat lower than previous weeks.

For this week we have the following reported demolition sales/deals:

HONG LI	BC	1977	JAPAN	33,663	7,349	\$248.00	INDIA	
PANAGIA I	BC	1976	JAPAN	30,253	7,245	\$245.00	PAKISTAN	SOLD TO USA CASH BUYER FOR DELY PAKISTAN - SELLERS ARE FLANMARE SHIPPING INC GREECE
SIRIOS	BC	1982	CCN	26,151			PAKISTAN	SELLERS ARE TRISTAR MANAGEMENT LTD GREECE
SHIPKA	BC	1979	GEORGI DIMITROV SHI BULGARIA	24,857	7,573	\$242.00	INDIA	SELLERS ARE BULGARE NAVIGATION BULGARIA
ORMISTON	BC	1979	TSUNEISHI SHIPB	16,602	7,128	\$261.00	PAKISTAN	SELLERS ARE KONVOY MARITIME TURKEY
OCEAN CROWN	BC	1977		24,470	6,534	\$210.00	CHINA	
ANTALINA	BC	1984	HITACHI ZOSEN	28,082	6,493	-	INDIA	SELLERS ARE TEO SHIPPING GREECE
MERCOSUL MANAUS	CONT	1983	GIESSEN-DE NOORD KRIMP NETHERLANDS	29,830	13,899	\$198.00	CHINA	ALSO REPORTED SOLD FOR SCRAP IN FEB 2009 TO INDIAN BREAKERS - SELLERS ARE ROYAL P&O NEDLLOYD NV NETHERLANDS - 1779 TEU
MSC QATAR	CONT	1978	HAYASHIKANE SB NAG	20,195	8,560	\$270.00	PAKISTAN	SELLERS ARE CHIOS MARITIME GREECE
EAGLECREST	MPP	1976	HASHIHAMA IMABARI	9,930	3,234	\$252.00	INDIA	SELLERS ARE PACIFIC KING SHIPPING HOLDING SINGAPORE
SHADWAN ISLAND	TWEEN	1977	WARNOUWERFT	15,094	6,406	\$260.00	PAKISTAN	SELLERS ARE RED SEA NAVIGATION CO EGYPT - REPORTED SOLD LAST MONTH TO INDIA/285/LDT
AL MANSOOR-I	TWEEN	1978	OSAKA OSAKA	9,366	3,625	\$252.00	INDIA	SHE WAS REPORTED SOLD IN JAN 2009 FOR \$261PR LDT TO INDIA - RENEGOTIATED DEAL - SELLERS ARE ASHAPURA SHIPPING INDIA

2009 DEMOLITION SELLERS STATISTICS			
COUNTRY	UNITS	%	rank
GREECE	58	18.1%	1
CHINA	28	8.7%	2
INDIA	26	8.1%	3
UAE	19	5.9%	4
SINGAPORE	15	4.7%	5
KOREA	13	4.0%	6
NORWAY	12	3.7%	7
JAPAN	12	3.7%	7
RUSSIA	9	2.8%	9
ITALY	9	2.8%	9
TURKEY	9	2.8%	9
BULGARIA	8	2.5%	12
NETHERLANDS	8	2.5%	12
USA	7	2.2%	14
SPAIN	6	1.9%	15
PAKISTAN	5	1.6%	16
GERMANY	5	1.6%	16
MONACO	5	1.6%	16
ISRAEL	4	1.2%	19
UK	3	0.9%	20
ALL OTHER	57	17.8%	
UNDISCL	3	0.9%	
<b>TOTAL</b>	<b>321</b>	<b>100.0%</b>	

BREAKER - STATISTICS FOR 2009				DRY	
BREAKER	UNITS	LDT TAKEN	av \$	UNITS	LDT
CHINA	25	215,472	\$222	24	208,053
INDIA	172	1,464,817	\$266	160	1,308,949
BANGLADESH	81	929,542	\$284	62	678,077
TURKEY	6	37,776	\$200	6	37,776
PAKISTAN	33	252,990	\$176	31	238,765
OTHER/CASH/AS IS	4	42,638	\$108	3	32,357
<b>TOTAL</b>	<b>321</b>	<b>2,943,235</b>	<b>\$209</b>	<b>286</b>	<b>2,503,977</b>

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