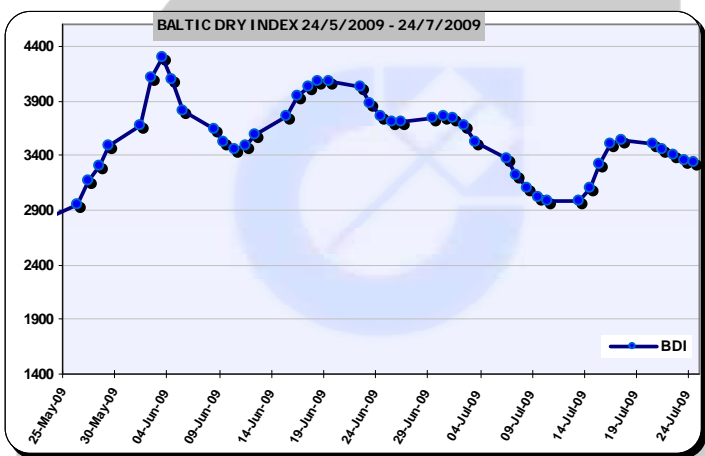


## 30<sup>th</sup> Week - Dry Cargo Market "Highlights"

Following a good week that week 29 proved to be, week 30, gave us all signs to prove that uncertainty is definitely the flavor of the month for the Shipping markets. During this week one size sector moved up, the other decided to take a summer vacation and plunged into the water while the other must have teamed up with "Black and Decker Power tools" and gave as a nice sawtooth pattern, carving with that electronic B&D jigsaw just another odd shaped puzzle piece. The puzzle picture of how the markets will move, which we are trying hard to decipher is still looking rather weird. We see that most pieces of the puzzle we are trying to put together don't even fit, and it looks like we have mixed up two different puzzle sets pieces. The two puzzle boxes that have been messed up came out of the "Financial box" and the "Shipping box". Who can sort these out? The Financial worlds are still trying to collect their pieces and one would expect that after 2 quarters have gone by, they would show the courage to start opening up the "loan-taps" and would start to lend money on the same healthy basis that we had

INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
BDI	3345	3542	-5.56%	-197	▼
BCI	5170	5957	-13.21%	-787	▼
BPI	3524	3324	6.02%	200	▲
BSI	2091	2051	1.95%	40	▲
BHI	879	843	4.27%	36	▲

seen in the past (prior to the credit boom). Traditional Shipping Bank's are still very skeptical and have not added any new loan in their portfolios. Where will the money and earnings come for the banks? Sooner or later they will have to hang a little sign out of their bank branches that will clearly say "business as usual" but when will this much awaited usual business come back in play? We need this element to be back in action, as it is mostly cash buyers are ruling the shipping markets, and mostly larger sized individuals with some sort of liquid wealth that are the active sale and purchase players at present.



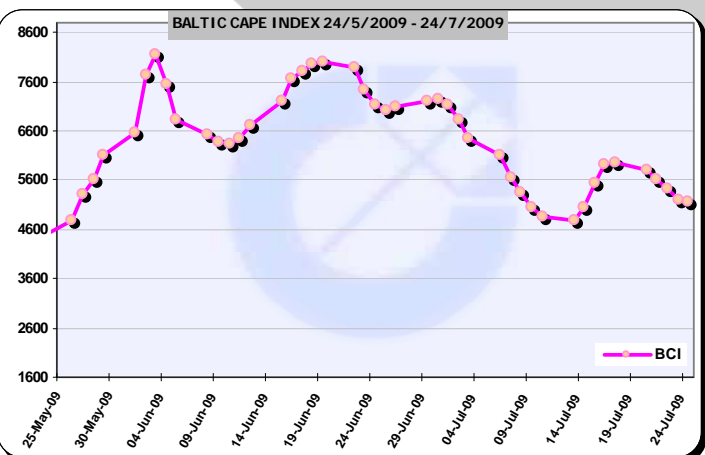
➤ **The Baltic dry index (BDI)** closed on Friday the 24<sup>th</sup> of July 2009, having lost approximately **-5.6%** losing **-197** points during this current week. The Baltic Dry Index closed at **3,345** points (closing figure of Friday 17<sup>th</sup> July was 3542 points). The BDI seems to have stabilized just over/under 3400 point mark.

Now some bad news for all of us that have most earnings in USD and most Expenses in Euro!!! According to the Bank of Tokyo-Mitsubishi UFJ Ltd, the euro may gain versus the dollar to \$1.4719, the strongest since December, should the currency rise above so-called resistance at \$1.4338. Following Elliot's wave theory and Fibonacci sequence technical analysis, chances are that since Euro might have already broken above the descending trend line on a so-called triangle pattern, strengthening beyond the 76.4 percent retracement of the slump from the Dec. 18 high to the March 4 low. The currency this week climbed above \$1.4185.

Our NCSC technical Analysts practically agree with this prediction of the Bank of Tokyo and second it however major condition for this prediction to have effect is **speed**. This momentum analysed should perform a 1.44 min - 1.46 max break of the lower resistance level achieved the latest until this coming Wednesday the 29<sup>th</sup> July. FYI, Fibonacci analysis is based on the theory that prices rise or fall by certain percentages after reaching a high or low. A break above resistance or below support indicates a currency may move to the next level. Resistance is an area where sell orders may be clustered. In technical analysis, investors and analysts study charts of trading patterns and prices to forecast price changes in a security, commodity, currency or index. One of these studied by the team of Technical Analysts of N. Cotzias Shipping Consultants (NCSC) is the Baltic Dry Index, details and prognosis of which we will include in our next week's report.

### ➤ CAPESIZE MARKET

➤ The **Baltic Cape Index (BCI)** during week 30 decreased by **-13.21%** or went down by **-787** points during this past week. The BCI moved downward every day and closed at **5,170** points on Friday 24<sup>th</sup> July 2009, down from 5,957 which was last Friday's (17<sup>th</sup> of July) closing figure.



China has just given to the general public some trade figures clearly showing the container figures down by 7% while on the other fortunate side the dry bulk cargo is up by 4% this year. Port Cargo handling is up by 2.6% compared with same period last year. These are definitely encouraging figures for Shipping. Spot iron-ore vessel bookings from Brazil to China jumped to a record in July as Australia suspended spot sales following detentions of Rio Tinto's top sales officials in China which we reported last week. Present figures show that

China consumes more than half globally traded iron ore.

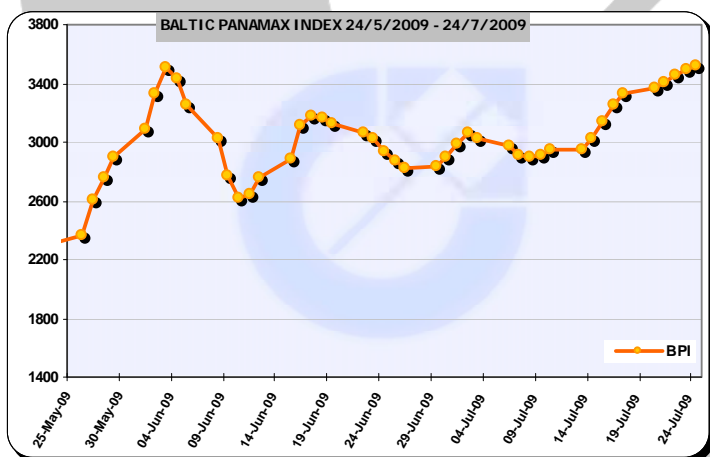
Vessel bookings from Australia's main iron ore ports to China have collapsed to 12 so far during July 2009, from an average of abt 40 in the second quarter and a record 55 in March, according to fixtures data we have collected and analyzed. To the contrary, Iron Ore Shipments from Brazil have surged to a record number of 31, suggesting that China's strong and pertaining demand for imported ore remained as good as we want it to be, necessary always to feed its "performing" steel production appetite. Strong demand from China, which we all know consumes more than half of the globally traded iron ore, drove spot prices to eight-month highs, with Indian ore leading the rally, boosted by shrinking Australian supplies. Iron ore prices of benchmark 62% iron content delivered in China rose to 84.4 USD a ton this week, adding nearly 3 dollars in a week, according to the Steel Index, while another compiler, Metal Bulletin, said that prices of 62% iron content delivered in China also rose to 85.80 USD a ton this past Tuesday. China's iron ore imports soared 29% this year to a record 297.2 million tons and imports from Australia, the biggest supplier to China, jumped 43% to 122 million tons.

This week's Capesize T/C average rate calculated by N. Cotzias Shipping Consultants from all T/C fixture data that are reported during the current running month increased by **-2%**, to **\$55,421** during this week, from \$56,774 which was last week's average. The daily rates, as seen in our separate fixtures report for Capesizes this week, which had around 8 cape vessels reported on Timecharter and their daily earnings ranged from \$28,000 p/d (M/V **"Silver Constellation"** 146k/86blt / South Ocean for a trip via Chile) up to \$62,500 p/d (M/V **"Elegant Star"** 177k/05blt / BHP Billiton for a trip via West Australia).

Capes reported sold this week were surprisingly many and include the following deals: the M/V **"Star Alpha"** 175k/ 92blt – Stozcna Poland built, sold for \$20mil to unnamed Chinese buyers (Sellers are NY Listed Star Maritime Acquisition Corp (Starbulk) Greece - she was acquired in Jan 2007 for 59.3mil usd as a part of an 8 vessel enbloc deal), Bocimar sold their M/V **"Mineral Hong Kong"** 174k/ 92blt – SWS China built, sold for \$61.3mil to Clients of listed Oceanfreight of Greece. (Vessel will be delivered during 4<sup>th</sup> Quarter 2009, and on delivery she will enter a 5min 9max Timecharter with an average daily rate of \$26,250. (FYI, Bocimar (CMB) has offloaded 2 more capes during the past months, the **"Mineral Azalea"** 171k/99blt – Japan built, for \$45mil in May 2009, and the **"Mineral Viking"** 173k/01blt – Japan for \$41mil in April 2009.)

Adding to the sale list of this week, we have two smaller capes that went to Agneli controlled Vale of Brazil, these are the **"Grand Fortune"** 151k/94blt – Sanoyas built for \$30mil and the Older lady the **"Grand Ocean"** 149.5k/90blt – CSPC, for \$20mil. (FYI Vale has added 11 Capes to their fleet, buying the **"Arcturus"** 251k/86blt-\$15m, **"Yamato"** 184k/91blt-\$20.6m, **"Ocean Champion"** 198k/85blt-\$11m, **"Chloe"** 160k/97blt-\$30m, **"Akagisan"** 179k/98blt-\$36.2m, **"Tai Shan"** 169k/99blt-\$36m, **"Penelope"** 150k/97blt-\$27m, **"Rhine Ore"** 233k/89blt-\$25m, **"Grand Fortune"** 150k/94blt-\$30m, **"Grand Ocean"** 149k/90blt-\$20m and **"Juneau"** 149k/90blt-\$20mil. In total Vale has spent \$270.8mil, and have added 2million tones of carrying capacity from Jan 2009 till 24<sup>th</sup> July 2009.)

Last cape reported sold this week was the **"Cape Eregli"** 170k/00blt – Ishikawajima Japan, for \$48mil to RGL of China (FYI she was Sold In Jul 2008 for \$142.5mil, then reported sold in a failed deal In Oct 2008 for \$120mil & today Jul 2009 reported sold for \$48mil Usd. She is sold with T/C attached At \$26,500 per day Until May 2010)



#### — PANAMAX MARKET

— The Baltic Panamax Index (BPI) for this week (week30) moved up on a small but yet constant uprise, and on Friday the 24<sup>th</sup> of July it closed at **3524** which is **up by 6%** or **200** points higher than 3354 points which was last Friday's the 17<sup>th</sup> of July closing.

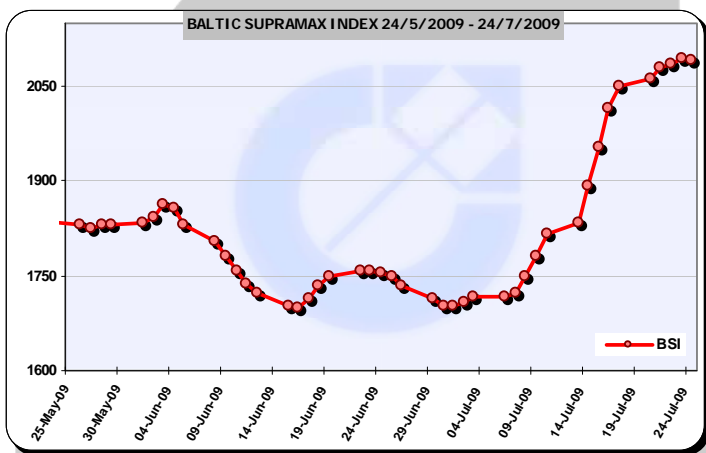
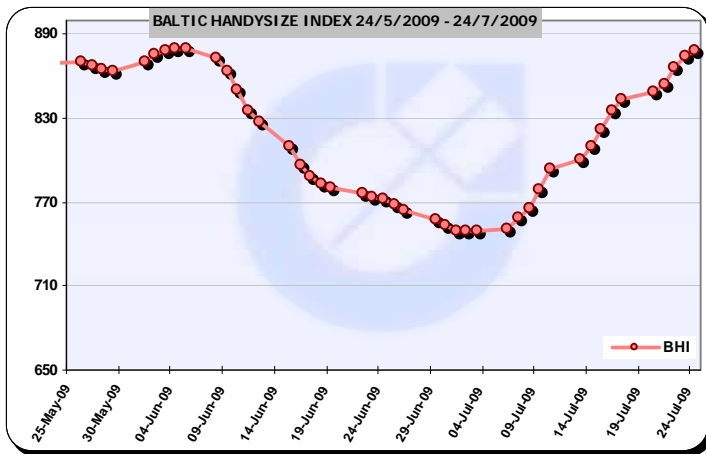
For this running week the Cotzias calculated Panamax T/C average rate, went up marginally by **2%** this week to **\$23,645** from \$23,195 which was last week's Panamax average and again we can still clearly note that for six consecutive weeks the average rate for PMX vessels has stabilized around the 24k-23k mark. 63 Panamax vessels were chartered on Period and T/C's this week, an improved number than the 53 PMX vessels chartered on period last

week.

The daily rates as seen in our separate fixtures report for Panamaxes this week, ranged from \$12,000 (M/V **"Mara"** 65k/89blt/ Chart Not rep for a trip via N. China and PG) up to \$48,000 for the (M/V **"Gaurav Prem"** 74k/05blt/ Bertling for a trip via Narvik).

Regarding the Panamax sales activity of the past week we had a very 5 vessels sold: the pick of the week is Clipper's M/V **"Clipper Suffolk"** 83k/ 06blt – TsuneishiCorp Japan built, sold Undisclosed Chinese Buyers for \$\$39-39.5mil – a fair price for Clipper, the M/V **"Belisland"** 76k/ 03blt – Imabari Marugame Japan built, sold for \$30mil to Undisclosed Buyers, (FYI Sale was reported in Jan 09 AT \$30m but Failed, then reported again in JUNE 2009 @ a P&C price & now believe she is finally sold for \$30MIL with a T/C until March 2011 at \$13,800 per day), the M/V **"Pearl of Sharjah"** 64k/ 83blt – Hitachi Japan built, sold for \$6.5mil to either Chinese or Greek Buyers. We also saw reported a 3 vessel enbloc deal the **"CEDAR 2"** 70k/94blt – Hudong, the **"CEDAR 1"** 69k/98blt – Brazil built sold to ID Shipping of Denmark (Danmark Investeringssgruppen) for an undisclosed price. It is believed that ID Shipping also acquired the **"CEDAR 5"** 44k/95blt – Daewoo Built for undisclosed price too.

## SUPRAMAX & HANDYMAX MARKET



► The Baltic Supramax Index (BSI) closed at **2091** points on Friday the 24<sup>th</sup> July 2009. This represents a small but nevertheless steady increase of about **2%** or **40** points based on the previous closing of 2,051 points we had last Friday, 17<sup>th</sup> July 09.

This Month's Supramax Time Charter Cotzias rate average is calculated at **\$21,631** or **2.5%** up from \$21,099 which was last week's Supramax average. The daily rates in the fixtures reported this week, for Supramaxes ranged from \$17,100 (for the M/V **"Daliar"** 55k/05 blt/ Rizzo-Bottiglieri-De Carlini-Armatores Spa for 15/18 mos traqding) up to \$33,000 (for the M/V **"Port Nelson"** 53k/01 blt / Prime East for a TC trip and for the M/V **"Emmanuel C"** 58k/05 blt / Chart not Rep for a TC trip).

► The Baltic Handysize index (BHI) continued too like its larger sibling its rise of last week, and closed on Friday 24<sup>th</sup> July 2009 up at **879** points. During week 30 it gained in total **4.3%** or **36** points and was steadily up from 843 which was last week's Friday 17<sup>th</sup> of July 2009 closing figure. Last Friday was the 16<sup>th</sup> consecutive day that the index rose gaining 17% from 3<sup>rd</sup> of July 2009 when the mini rally started. It seems there is a logic for the recent rise of both the Supra and Handymax and Handy markets. We believe that for all 3 size sectors, rates for vessels trading in the spot market move even higher as we have seen that charterers face a serious shortage of immediately available bulk carriers of this size at least in the Atlantic trading region over the next two weeks, giving owners the bargaining power to push harder for better deals. We have seen that the levels reached

statistically are the best seen since Oct 2008, and prospects look good for at least another 2 weeks.

It seems that this sector is the one that will be the least affected in the Long term time frame, as we have noted that much less are the Newbuilding vessels ordered at least in the Handy and Handymax size segment, so the inflow of new tonnage will affect the least this size segments.,

The total handymax and supramax fleet includes approx 1,800 but very few available ships were and are located in key trading areas as the number of ships ballasting from the Pacific trading region to the Atlantic in search of work had fallen. It seems logical for most owners to remain in the Pacific mainly lured by the recent shipments of iron ore from India to China. These hauls attracted more than \$30,000 per day, and this is almost double rates of around \$15,000 per day that were obtained in early June 2009 and as mentioned again the highest level of the past 10 months. China chose to ship more than what they normally had done in the past from India, mainly because of the recent dispute with the Australian miner companies (spy allegations etc). There was also a promising demand for shipping of petroleum coke, steel and grains from the US EC as well as sugar, grains and iron ore from the EC of South America.

This Month's Handysize Time Charter went down up by **6.3%** this week to **\$17,164** from \$16,140 which was last week's average. This week's T/C daily rates fixtures much improved this month for Handy sized vessels, ranged from \$10,500 (for the M/V **"Efi Theo"** 45k/97 blt / Aquavita for a trip via Australia) up to \$32,000 (for the M/V **"Sophia"** 46k/96 blt / Copenship for a T/C trip).

Regarding the Handies' and Supras' Sales activity of the past week we saw that the sale activity was marginally lower than last week in terms of ships volume. We can report the sale of the following vessels: the M/V **"Medi Dublin"** 56k/05blt – Mitsui Japan built, sold for \$31mil to Vinalines of Vietnam, the M/V **"Darya Dhyam"** 50k/01blt – Mitsui Chiba Japan built sold for \$25.6mil to Chinese buyers (GCT), (She was sold In June 2008 For \$68.5mil, then reported Sold In June 2009 For \$24.5mil & now sold to Chinese for \$25.55mil. Her Younger Sister "Maritime Jeongam" was sold also for \$26.5mil), the M/V **"Sanko Falcon"** 46k/96blt – Tsuneishi Japan built sold for \$17 mil to Undisclosed Chinese buyers, the M/V **"Taviland"** 41k/87blt – Mitsui Chiba Japan built sold for \$7.9mil to Chinese buyers (The reports for the Taviland are a bit confusing as she was reported sold in Mar 2009 as "Tawe" in damaged condition for \$1.8mil, and now she is reported sold to either Chinese or Turkish buyers for 7.9mil)

## DEMOLITION MARKET

The demo market continuing to mainly “consume” Roro’s Vehicles Carriers, Container ships, reefers, small bulkers, very few Tankers, and lately a very small amount of Bulkers. WE can say that the volumes have dropped and so far 535 ships in total have been scrapped in 2009, but the last two months (June/July) we have seen about half the transactions (50+) of the previous 5 months when more than 90 transactions were taking place.

According to an analysis of NCS that was published last week by Tradewinds, Mitsui OSK Lines (MOL) have continued their scrap frenzy. After validating all their scrap deals for the year 2009, we see that they have sent to the breakers 30 vessels for the period of Jan 2009 until 24<sup>th</sup> July 2009. These include the following 2 BC’s, 10 Containerships, and 18 Roro/Car carriers.

VSL NAME	TYPE	BUILT	YARD	DWT	LD	\$/T	BREAKER	NOTES	DATE
MOL OASIS	CONT	1986	IHI - KURE	35,975	12,146	-	CHINA		Jan-09
AMITY ACE	RORO	1981	IMABARI MARUGAME	18,169	13,321	-	BANGLADESH	VEHICLES CARRIER	Jan-09
GARDENIA ACE	RORO	1980	SHIN YAMAMOTO	12,917	8,324	-	BANGLADESH	VEHICLES CARRIER	Jan-09
AZALEA ACE	RORO	1979	IMABARI MARUGAME	12,672	8,577	-	BANGLADESH	VEHICLES CARRIER	Jan-09
ORIENTAL PHOENIX	RORO	1985	JAPAN	11,824			CHINA	VEHICLES CARRIER	Jan-09
JAPAN LINDEN	BC	1985	KAWASAKI HEAVY INDS	196,800			CHINA	ORE CARRIER	Feb-09
TREBOL	BC	1986	NKK CORP - TSURUMI	46,036			CHINA	WOOD CHIPS CARRIER	Feb-09
SOUTHERN ACE	RORO	1980	mitsui TAMANO	18,335	11,658	-	PAKISTAN	VEHICLES CARRIER	Feb-09
ATLIXCO	RORO	1982	IMABARI MARUGAME	18,217	12,345	-	CHINA		Feb-09
GLORIOUS ACE	RORO	1981	HITACHI ZOSEN - NAG	17,743			CHINA	VEHICLES CARRIER	Feb-09
IRIS ACE	RORO	1983	mitsubishi KOBE	16,462	9,144	\$238	CHINA	VEHICLES CARRIER	Feb-09
MOL WELLINGTON	CONT	1979	mitsui TAMANO	29,888	14,609	\$285	INDIA	GREEN RECYCLING	Mar-09
OCEAN ACE	RORO	1983	IMABARI MARUGAME	16,149	13,001	\$290	INDIA	VEHICLES CARRIER	Apr-09
BRILLIANT ACE	RORO	1987	OSHIMA SHIPBUILDING	14,189	11,196	\$237	INDIA	VEHICLES CARRIER	Apr-09
GALAXY ACE	RORO	1986	KANASASHI ZOSEN - T	13,418	11,500		CHINA	VEHICLES CARRIER	Apr-09
VIOLET ACE	RORO	1986	OSHIMA SHIPBUILDING	11,633	7,493	\$235	INDIA	VEHICLES CARRIER	Apr-09
CRYSTAL ACE	RORO	1983	WATANABE HAKATA	10,538	8,112	\$237	INDIA	VEHICLES CARRIER	Apr-09
MORNING AUTO	RORO	1980	JAPAN	10,032	9,136	-	INDIA	VEHICLES CARRIER	Apr-09
MOL INITIATIVE	CONT	1988	JAPAN	59,516	18,957	\$235	INDIA		May-09
MOL THAMES	CONT	1990	JAPAN	59,089	18,688	\$228	INDIA		May-09
MOL INGENUITY	CONT	1992	JAPAN	58,986	19,365	\$235	INDIA		May-09
MOL FORTUNE	CONT	1986	TSUNEISHI SHIPBUILD	41,513	13,875	\$252	INDIA		May-09
WORLD GLORY	RORO	1980	KURUSHIMA ONISHI	10,915			CHINA	VEHICLES CARRIER	May-09
ACACIA ACE	RORO	1982	JAPAN	10,713	8,112	-	INDIA	VEHICLES CARRIER	May-09
MOL COLUMBUS	CONT	1991	TSUNEISHI	40,331	15,204	\$265	CHINA		Jun-09
MOL LIBERTY	CONT	1986	mitsui CHIBA ICHIHARA	38,512	15,420	\$268	INDIA		Jun-09
SUN ACE	RORO	1981	JAPAN	13,051	11,980	-	CHINA	PURE CAR CARRIER	Jun-09
PACIFIC ANGEL	RORO	1983	SUMITOMO HI OPPAMA	9,348	7,383		CHINA	VEHICLES CARRIER	Jun-09
MOL GOLDEN WATTLE	CONT	1986	mitsubishi KOBE	41,747	13,921	\$270	CHINA		Jul-09
MOL GLORY	CONT	1986	mitsubishi KOBE	40,817	13,260	\$269	CHINA		Jul-09

SCRAP - BREAKERS AVERAGE PRICE STATS				
BREAKER	THIS MONTH	LAST MONTH	DIFF	TREND
CHINA	\$254	\$224	\$30	▲
INDIA	\$249	\$258	-\$9	▼
BANGLADESH	\$268	\$296	-\$8	▼
PAKISTAN	\$282	\$282	\$0	▼

Vessels sold for scrap during week 29 –of July 2009

VSL NAME	TYPE	BUILT	YARD	DWT	LD	\$/T	BREAKER	NOTES
TEMIRA	BC	1978	OKEAN SSZ	52,975	12,357	\$272	CHINA	SELLERS ARE BULCOM LTD, CYPRUS
MOL GOLDEN WATTLE	CONT	1986	mitsubishi KOBE	41,747	13,921	\$270	CHINA	SELLERS ARE MITSUI OSK LINES (MOL)
MOL GLORY	CONT	1986	mitsubishi KOBE	40,817	13,260	\$269	CHINA	SELLERS ARE MITSUI OSK LINES (MOL)
SKY RIVER	CONT	1984	IHI - KURE	36,021	12,146	\$270	INDIA	SELLERS ARE COSCO CHINA
MSC LAURENCE	CONT	1977	JAPAN	30,934	15,107	\$250	INDIA	SELLERS ARE MSC SWISS
MSC LAUREN	CONT	1982	ISHIBRAS	30,790		\$245	INDIA	SELLERS ARE MSC SWISS
EAGLE PROGRESS	CONT	1983	JAPAN	30,254	8,075	\$240	INDIA	SELLERS ARE GENKAI CAPITAL MANAGEMENT JAPAN
GLOBAL PATRIOT	MPP	1978	FRANCE	27,192	14,203	\$181	INDIA	SOLD ON AN AS IS DURBAN BASIS THROUGH AUCTION
EMDEN III	CONT	1980	GERMANY	21,933	6,432	\$260	INDIA	SELLERS ARE DIAMLEMOS SHIPPING SYRIA
FRANCONIA	CONT	1979	NAMURA IMARI	18,946	8,028	\$260	CHINA	SELLERS ARE AHRENKIEL CF GERMANY
COLOMBO STAR II	CONT	1982	GERMANY	14,921	4,921	\$250	INDIA	SELLERS ARE ZIM ISRAEL
KAPTEINIS KULINICS	REEFER	1981	GDR	13,857	7,148	\$235	INDIA	FISHING VESSEL - SELLERS ARE LASKARIDIS SHIPPING GREECE
SUN UNITY	REEFER	1984	YUGOSLAVIA	9,756	7,213	\$175	TURKEY	SELLERS ARE NORBULK SHIPPING UK
MING YANG	REEFER	1981	VEB MATHIAS	9,606	7,244	\$235	BANGLADESH	SELLERS ARE CHINA GOVERNMENT
ZANG SAN	REEFER	1981	GERMANY	9,587	7,148	\$237	BANGLADESH	SELLERS ARE CHINA GOVERNMENT
CONTAZ CARRIER	CONT	1983	BULGARIA	9,141	5,358	\$252	INDIA	ENBLOC CONTAZ TRADER CONTAZ CARRIER - SELLERS ARE DONBASS UKRAINE
CONTAZ TRADER	CONT	1983	BULGARIA	9,141	5,358	\$252	INDIA	ENBLOC CONTAZ TRADER CONTAZ CARRIER - SELLERS ARE DONBASS UKRAINE

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