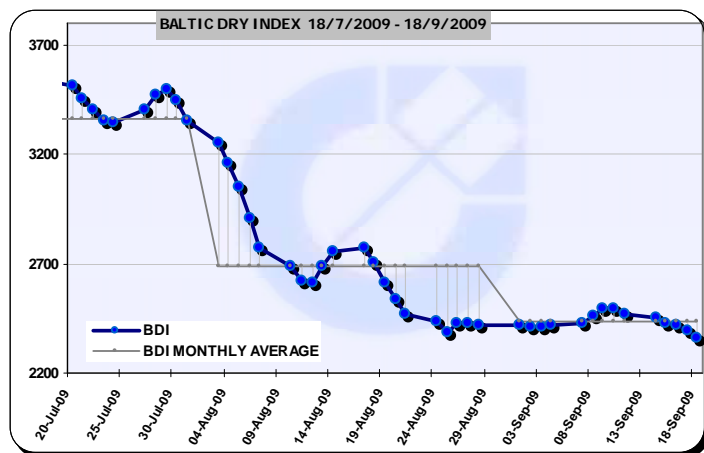


## 38<sup>th</sup> Week - Dry Cargo Market "Highlights"

■ The **Baltic dry index (BDI)** closed on Friday the 18<sup>th</sup> of September 2009, at **2356** points with a loss of **-4.54%** or 112 points after having stabilised around the 2500-2400 mark for more than 3 weeks. The Baltic Dry Index looks once more slightly directionless unfortunately still transmitting a signal of instability and making all shipping investors still remaining undecided.

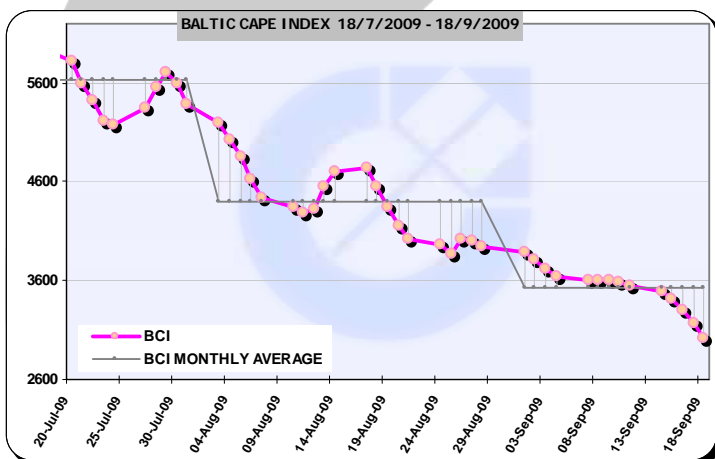


Stock markets around the world continued making new highs for 2009 during last week and continued to contribute to the overall euphoria of all investors. S&P500, Dow, Nasdaq index and FTSE100, are now up approximately 50% or more since their lows of last October or March, supporting the idea that this is the first phase of a new 4-year cycle. What we need to concentrate is how will bankers begin to initiate some clever activities to support the Dollar, which is once again on the precipice of

falling off the cliff, and starting a crisis. Euro to the Dollar has exceeded 1.47 a record for 2009, and definitely the forex issue of all European Shipping firms is a serious matter, forcing all to operate spending euros while earning US\$ at a high cost.

### CAPE SIZE MARKET

■ The **Baltic Cape Index (BCI)** closed on Friday the 18<sup>th</sup> September 2009 just above 3,000 points mark at **3,008** points with a heavy loss of **-15.0%** or **-112** points. Previous week's closing was 3539. The yearly average of the BCI currently stands at 3527 points but the overall trend is still on a heavy decline since April 2009.

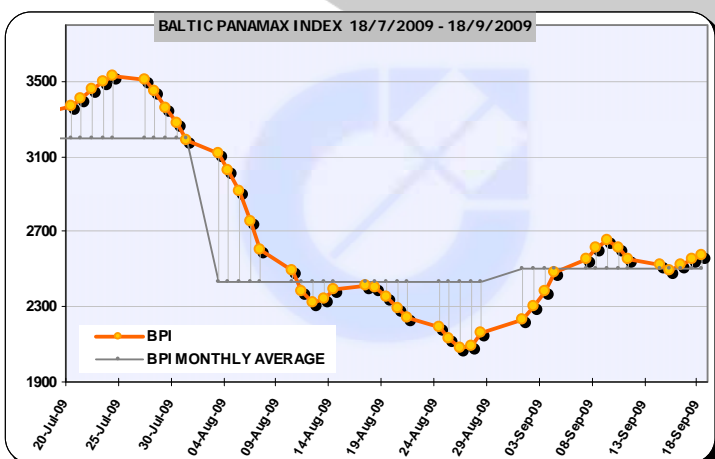


China' steel output is expected to go up by around 6 per cent this year. Chinese steel output will reach 530 million tonnes this year compared to 500.5 million tonnes which was 2008's output. China currently is still undergoint its stimulus spending, investing in a medium to short term period more than \$586 billion to revive its economy, by pushing up demand for steel used in cars, houses and railways. The government is preparing a plan to speed closure of outdated steel plants, also by restricting bank loans to companies with the dated facilities. China has 660

million tonnes of steel capacity. Steel output jumped to a record in August, a fourth month of gain, spurring a 19 percent decline in benchmark Chinese steel prices since Aug. 4.

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 decreased by **-6.43%**, to **\$37,135** during this week, from \$39,688 which was last week's average. A limited amount of only Five (5) cape T/C fixtures were reported this week, and the daily rates as seen in our separate fixtures report for Cape this week, high/low margins ranged from \$31,500 (M/V "**Gracious Eternity**" 180k/09blt/Swiss Marine – for a trip via Bolivar) up to \$35,000 (M/V "**Teh May**" 175k/04blt/Swiss Marine – For 4 to 6 months trading, and the M/V "**Ocean Confidence**" 174k/05blt/Oldendorff – For a Transatlantic Round).

### PANAMAX MARKET



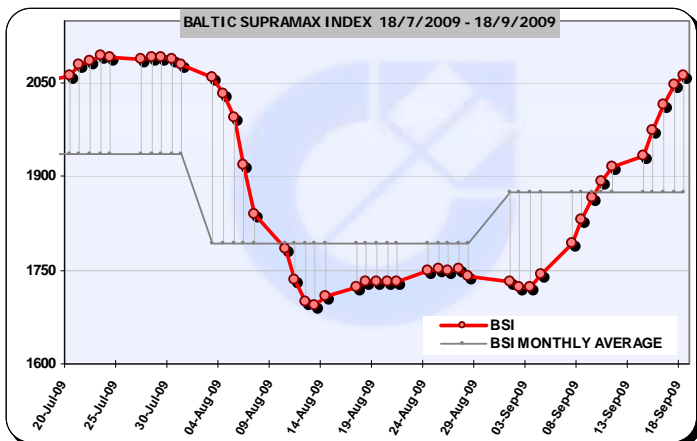
■ The Baltic Panamax Index (BPI) made once more a minor move upwards this week and closed on Friday the 18<sup>th</sup> of September at **2,572** which is **up by 0.86%** or **22** points more than 2550 points which was last Friday's the 11<sup>th</sup> of Spetember closing. For this running week the Cotzias calculated Panamax T/C average rate, for one more week went marginall up by **0.74%** this week to **\$19,381** from \$19,238 which was last week's Panamax average. Looking at units chartered on period this week we see an good number of 57 Panamax vessels that were chartered on Period and T/C's.

The daily rates as seen in our separate fixtures report for Panamaxes this week, with improved high/low margins and

ranged from \$9,250 (M/V *"Gem of Safaga"* 65.2k/82blt/ Undisclosed Charterer for a trip via Indonesia) up to \$32,000 for the (M/V *"Seawind"* 74k/096blt/ Gbritish Marine for a trip via Us Gulf and the M/V *"Celerina"* 73k/99blt/ Raffles for a trip via Us Gulf).

### SUPRAMAX & HANDYMAX MARKET

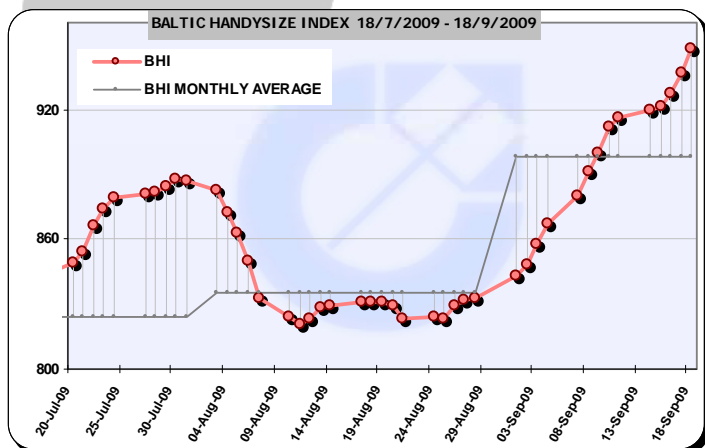
■ The Baltic Supramax Index (BSI) for once more closed with yet another good increase and this week it has performed yet another super run. It closed above the psychological mark of 2000 points at **2063** points on Friday the 18<sup>th</sup> of September 2009. It has gained this week **+7.63%** or a **good +146** points based on the previous closing of 1917 points we had last Friday the 11<sup>th</sup> of September 09.



This Month's Supramax Time Charter Cotzias rate average is calculated up at **\$19,796** or **4.11%** up from \$19,796 which was last week's Supramax average. If we look at the BSI curve all year for 2009, we see a very positive overall trend prevailing. We have passed the 2000 point mark and this week we see a continuation of the rise which is ready to pass the 2095 point mark that still sets the record for 2009. As stated last week the supramax market is a market with the lowest average age of vessels and also this week has shown

considerable increase in the number of chartered vsls as well as rates.

A good number of **22** Supramaxes were on T/C this week, which in terms of volume/rate is greatly improved over previous week's stats. The daily rates in the fixtures reported this week, for Supramaxes ranged from \$12,000 (for the M/V *"United"* 52k/93blt/ Undisclosed Charterer for a T/C trip via Indonesia) up to \$41,000 (for the M/V *"Favorita"* 52.3k/05 blt / BCM for a T/C trip and the M/V *"Azzura"* 52k/04 blt / Deiulemar for a T/C trip via USGulf and Cape of Good Horn with a duration of 55-60 days.)



■ The Baltic Handysize index (BHI) for the past 2 weeks has shot to the sky and has reached a record level for 2009. It closed on Friday the 18<sup>th</sup> September 2009 up at **948** points and this represents a gain of **3.49%** or **32** points. Following the phenomenal rise of the index for more than two weeks this week's Handysize Time Charter calculated by NCSC went up by **20.33%** this week to **\$18,116** from \$15,056 which was last week's average. Even lower than last week, 8 Handymax vessels were reported on T/C this week and the weekly T/C daily rates fixtures for Handy sized vessels ranged from \$12,100 (for the M/V *"Benarita"* 41k/84 blt / Aquavita for a T/C trip via West Africa) up to \$35,750 (for the M/V *"COS Fair"* 46.7k/99 blt / Armada for a T/C trip).

**DEMOLITION MARKET** –A reduced number of BC/MPP/Tween units have gone for demo, following the wait and see stance that in general is prevailing in the ship Sale and Purchase markets. However we feel that the reduced activity of the past week will be the trend of the following weeks as it is almost fairly obvious that the extra large capacities that all scrap dealers had taken in during August has definitely created an overcapacity of excess inward tonnage for the scrap yards to absorb.

Scrap sales for week 38:

<b>FIDELITY I</b>	TANKER	<b>1984</b>	LENINA STOCZNIA	<b>44,911</b>	<b>12,500</b>	<b>\$382</b>	<b>BANGLADESH</b>
<b>TENORA</b>	BC	<b>1977</b>	JAPAN	<b>22,016</b>	<b>6,601</b>	<b>\$311</b>	<b>BANGLADESH</b>
<b>OEL INDEPENDENCE</b>	CONT	<b>1982</b>	JAPAN	<b>8,755</b>	<b>3,628</b>	<b>\$265</b>	<b>INDIA</b>
<b>AGAWAM</b>	TANKER	<b>1982</b>	JAPAN	<b>39,077</b>	<b>5,465</b>		<b>BANGLADESH</b>
<b>VM CALLUNA</b>	TANKER	<b>1986</b>	NTH	<b>12,186</b>	<b>6,350</b>		<b>INDIA</b>

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