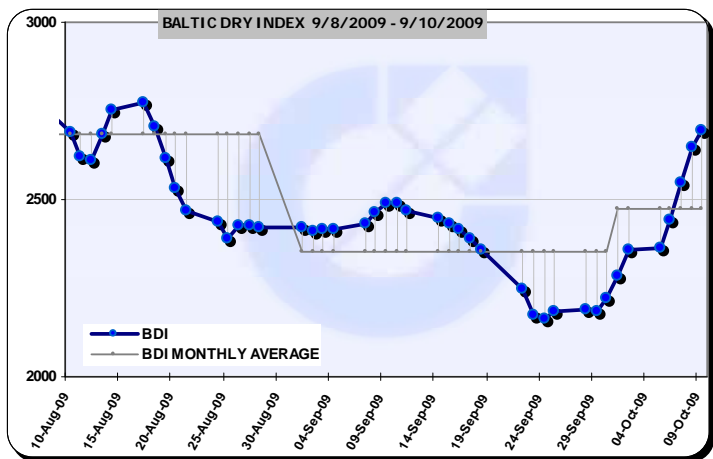


## 41<sup>st</sup> Week - Dry Cargo Market "Highlights"



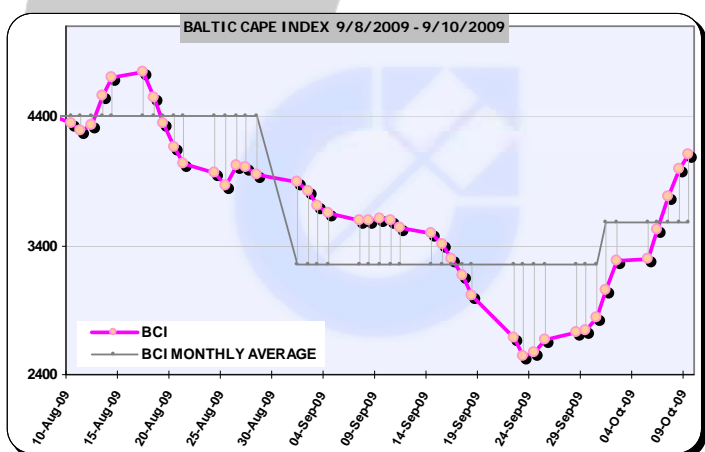
➤ **The Baltic dry index (BDI)** had a tremendous run this week and a steady daily rise to close on Friday the 9<sup>th</sup> of October 2009, at **2695** points with a gain of **14.34%** or **328** points. However and despite the overwhelming increase we see in both the index and the daily freight rates we should have in our minds that it is becoming increasingly clear that the market is coming face to face with the issue of oversupply of tonnage. The BDI closed the week with a rise of 328 points, with most of it attributed to the capesize sector and the Panamax sector. For now, according to our analysis, Aug & Sep 2009 were the months that had the lowest number of deliveries from shipyards. There are many Newbuilding vessels whose delivery has been rescheduled for a later time after the owners have reached some much

sought after agreements with the yards, or we have cancellations of ships which were ordered but for one reason or another financing has been either stopped or not available and these contracts are most likely to be cancelled. However the number of cancellations of NB's have not been so high so far, and have not produced an adequate number in order to enable us to come to a conclusion that the market will be seriously "aided" by these.

**OVERSUPPLY** is the keyword for 2010. We are very concerned that if we "**don't get rid**" of at least 50%-60% of all the Dry bulk Newbuilding vessels on order and scheduled to be delivered by at least 2014, we will be facing serious overcapacity in the Supramax, Capesize, Panamax and Handymax size segments (with Supra facing the most serious overcapacity problem and Handymax the least). We have produced a report of each size sector specifically outlining the overcapacity problem of each size market. (This report is available on demand please email us at: [reports@cotzias.gr](mailto:reports@cotzias.gr) )

### CAPE SIZE MARKET

➤ The **Baltic Cape Index (BCI)** closed on Friday the 9<sup>th</sup> October 2009 well above the 4,000 points mark at **4,107** points with another very sharp gain of **25.14%** or **825** points. Previous week's closing was 3282 (and that had a w2w increase of 22% over week 39 – so we talk of a 2week 2week increase of more than 50%!).

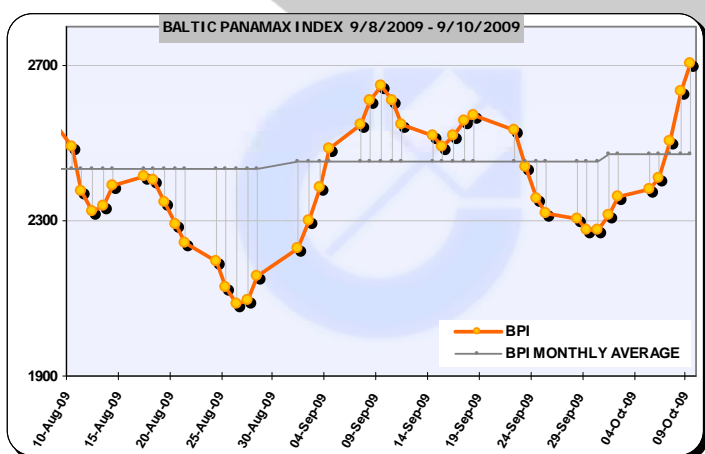


The yearly average of the BCI currently stands at 3791 points but the overall future trend is trying to reverse the declining past trend. These two past weeks we have practically recovered a great part of the losses incurred during the past 2 months. This week's Capesize T/C average rate calculated by N. Cotzias Shipping Consultants from all T/C fixture data that are reported during the current running month has absorbed the rising index and increased quite dramatically by **35.73%**, to **\$33,239** during this week, from \$25,400 which was last week's average. Despite previous week's low level of chartered vessels, this week fifteen (15) cape T/C fixtures were reported this week. The daily rates as

seen in our separate fixtures report for Capes this week, high/low margins ranged from \$22,000 (M/V "**Salt Lake City**" 171k/05blt/BHP Biliton – for a T/C trip via Hay Point & Turkey) up to \$51,000 (M/V "**Costantia**" 150k/96blt/Noble – for a trip via Nouadhibou).

### PANAMAX MARKET

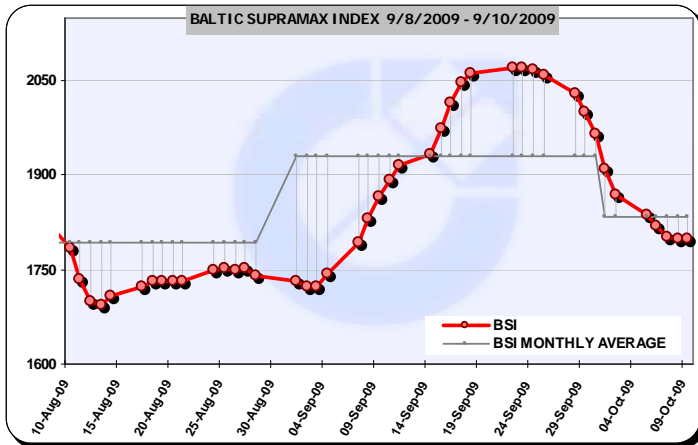
➤ The **Baltic Panamax Index (BPI)** continued to increase every day of the week and closed on Friday the 9<sup>th</sup>



of October at **2,705** which is **up by 14.57%** or **344** points more than 2361 points which was last Friday's the 02<sup>nd</sup> of October closing. For this running week the Cotzias calculated Panamax T/C average rate, for one more week went up by **9.4%** this week to **\$20,990** from \$19,186 which was last week's Panamax average. Looking at units chartered on period this week we are above normal activity with 71 Panamax vessels being chartered on Period and T/C's this week (week41). The daily rates as seen in our separate fixtures report for Panamaxes this week, with once more improved high/low margins and ranged from \$7,000 (M/V "**Sakonnet**" 79k/93blt/ Oldendorff for a T/C trip incl \$300,000 Ballast Bonus) up to \$35,000 for the (M/V "**Aom Milena**" 76.5k/09blt/ Cargill for a trip via St.Lawrence – CTP Relet).

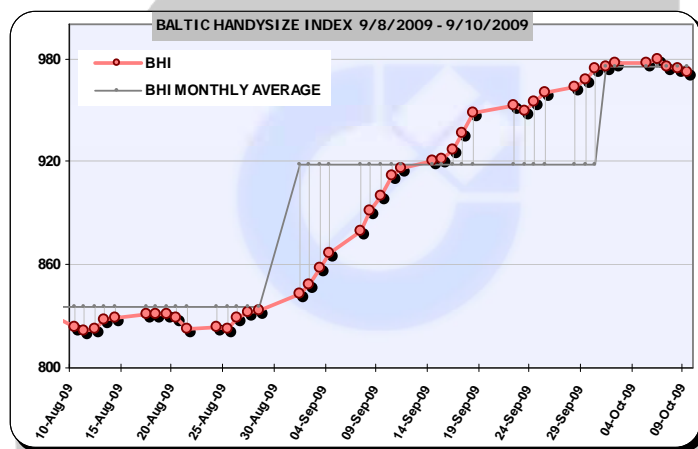
## SUPRAMAX & HANDYMAX MARKET

➤ The Baltic Supramax Index (BSI) and the Baltic Handymax Index (BHI) were the only indices that faced a drop this week. The BSI, closed at exactly 1800 points this week on Friday the 9<sup>th</sup> October losing **-3.64%** or **-68** points based on the previous closing of 1868 points we had last Friday 2<sup>nd</sup> October 2009.



Despite the drop in the index, this Month's Supramax Time Charter Cotzias rate average is calculated up at **\$22,431** or **12.85%** up from \$19,876 which was last week's Supramax average. A good number of **18** Supramaxes were on T/C this week, which in terms of volume/rate is 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 **"Ambitious Sky"** 58.5k/09blt/ Oldendorff for a T/C trip) up to \$39,000 (for the M/V **"Bianco Dan"** 55.6k/04 blt / Cargill for a T/C trip.)

➤ The Baltic Handysize index (BHI) continued for the 5<sup>th</sup> consecutive week to increase but for the last 3 days of the week it stopped its prolonged climb. It closed on Friday the 9<sup>th</sup> October 2009 down at **972** points and this represents a minor loss of **-0.51%** or **-5** points. Although the BHI index kept rising for more than 4 1/2 consecutive weeks, this week's Handysize Time Charter calculated by NCSC went slightly down by a mere **-3.24%** this week to **\$18,250** from \$18,861 which was last week's average.



Less emphasis was given on Handymax fixed this week, and a much lower number of only **8** Handymax vessels were reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on a reduced level from \$9,500 (for the M/V **"Storm Ranger"** 45.7k/95 blt / Clipper for a T/C trip) up to \$23,000 (for the M/V **"CB Paradise"** 46.3k/03 blt / Meridian for a T/C trip).

**DEMOLITION MARKET** – The Demo market was hot all during Sep 2009. October saw a softening of this market. Most scrap cash buyers held back with the thought that prices offered were well beyond normal profit levels for them. The market has reduced activity and already 10 days in October this can be seen easily from the number of reported and failed deals. The prevailing "Wait and see" stance of the secondhand sale and purchase market, has moved here now. China is capitalising on the other country scrap traders and has increased their average per tonne offering abt \$10 usd more than their previous weeks average. Just above \$300 usd/ldt is the current Chinese offering price while the average for the Indian Subcontinent is reduced by about \$10 usd/tonne to just below \$300usd/ldt.

DEMO SALES FOR WEEK 41:

<b>ATLANTIC PRIDE</b>	BC	<b>1981</b>	HYUNDAI HEAVY	<b>78,507</b>	<b>17,411</b>	<b>\$280</b>	CHINA
<b>COMPANY HAVILDAR MAJOR PIRU SING</b>	BC	<b>1984</b>	HYUNDAI HI	<b>67,161</b>	<b>13,200</b>	<b>\$301</b>	INDIA
<b>KAI TONG</b>	BC	<b>1983</b>	CHINA	<b>26,000</b>	<b>4,999</b>	<b>\$255</b>	CHINA
<b>GALINA III</b>	CONT	<b>1977</b>	MITSUI TAMANO	<b>23,314</b>	<b>8,038</b>	<b>\$335</b>	INDIA
<b>PERSEPOLIS</b>	MPP	<b>1979</b>	IHI KURE	<b>17,188</b>	<b>4,391</b>	<b>\$298</b>	PAKISTAN
<b>AL AQEELA 1</b>	MPP	<b>1977</b>	YAMANISHI	<b>8,625</b>	<b>4,304</b>	<b>\$282</b>	INDIA
<b>OBS SWATHY</b>	BC	<b>1979</b>	EMAQ	<b>5,344</b>		-	-
<b>SIBIR</b>	OTHER	<b>1977</b>	BALTIYSKIY	<b>4,096</b>		-	-
<b>PALAWAN PRINCESS</b>	PAX	<b>1956</b>	DUBIGEON NANTES	<b>2,000</b>		-	-
<b>JENNY</b>	BC	<b>1968</b>	SAO JACINTO	<b>1,078</b>		-	-

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