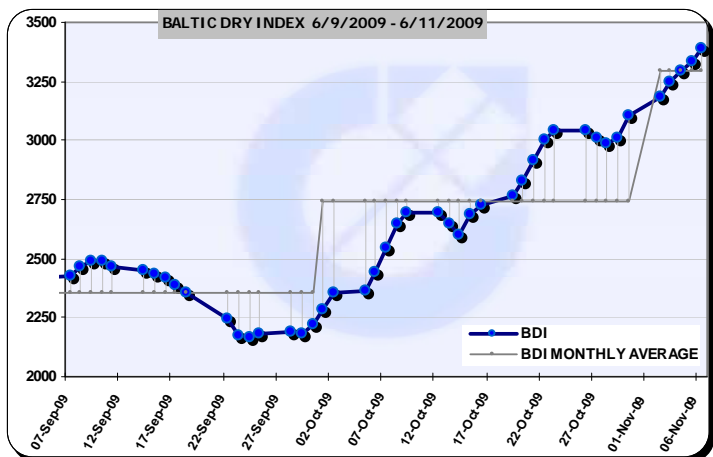


45th Week - Dry Cargo Market "Highlights"

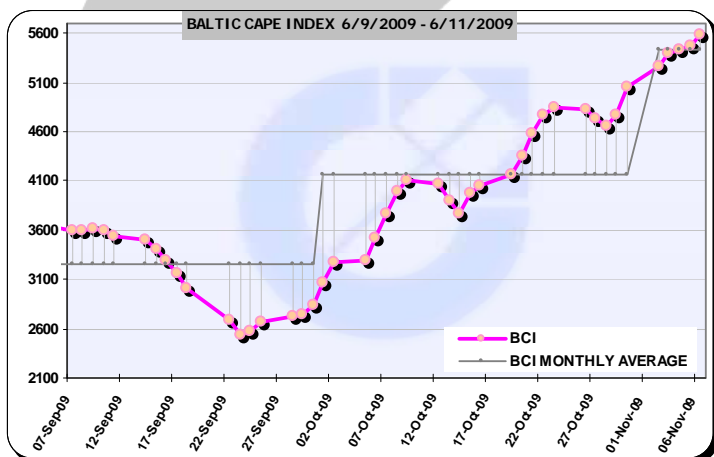
■ The **Baltic Dry Index (BDI)** had a very good week gaining every day more than 1.5% p.day, and closed on Friday the 06th of November 2009 up at **3393** points with a strong gain of **9.35%** or **290** points. It started the week with a sharp rise and then every day progressed steadily pushing the freight market of at least the Capes and Panamaxs to greatly improved levels. The market is continuing to show some strong signs of improvement following a strong upward trend, and this has been greatly helped by the increased commodity demand and the general world trade that has been on a steady increase. China's increased imports of Iron Ore as we have been stating and stressing from day one of 2009 in our weekly reports is still the main cause of the steady increases at least in the 2 main bigger sized dry bulk segments. The Capes mainly and Panamaxs secondly have gained more than 95% and 55% respectively since 1st October 2009 and that is clearly reflected in the 29% increase in the Chinese Iron Ore Imports on a Year to year comparison 2009-2009. There is still a greater demand for ships in the Atlantic with supply of cargoes being strong especially in the Panamax market. India's Iron Ore exports have also contributed mainly in the Panamax Pacific trades.



increase in the Chinese Iron Ore Imports on a Year to year comparison 2009-2009. There is still a greater demand for ships in the Atlantic with supply of cargoes being strong especially in the Panamax market. India's Iron Ore exports have also contributed mainly in the Panamax Pacific trades.

CAPE SIZE MARKET

■ The **Baltic Cape Index (BCI)** closed on Friday the 06th of November 2009 following the same exact pattern as the BDI with an overall gain above 5,500 points mark, at **5,583** points which represents a gain of **10.62%** or **536** points. Previous week's closing on Friday the 30th Oct was 5047 points. The yearly average of the BCI currently stands at 3874 points which is again improved by 55 points over last week's calculated average.

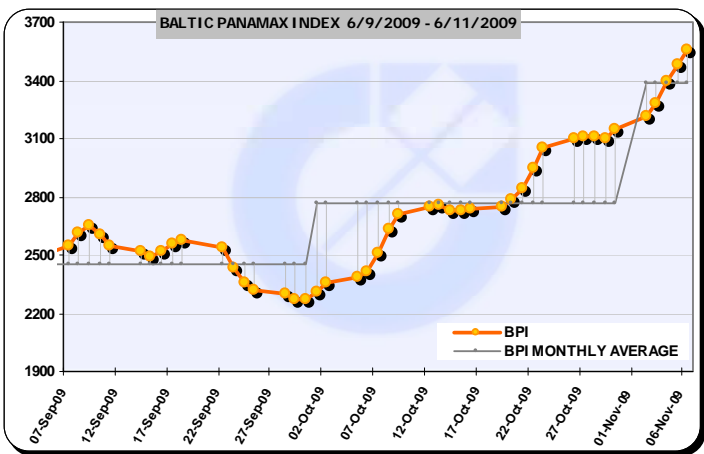


The China Iron and Steel Association is taking a firm stance this time, largely due to having lost too much ground in previous years' talks. The disadvantage in price talks is at odds with China's position as world's largest iron ore importer. The disorder in China's iron ore imports is to blame for China's failure in world iron ore price negotiations. Mountains of iron ore are stored at Qingdao Port, pushing inventory at the port to 11 million tonnes, its upper-limit. However, ships carrying more iron ore imports are still waiting to unload. Worker, Qingdao Port, said, "In normal circumstances, ships will be unloaded as soon as they come. But now they have to wait for a long time." The over-capacity of iron ore storage is widely seen in major Chinese ports, including Tianjin, Rizhao, and Caofeidian. Total inventory exceeds 100 million tonnes, far above the normal level of 30 million. The China Iron and Steel Association says Chinese iron ore imports rose 36 percent to 469 million tonnes in the first nine months from a year earlier, far exceeding the real demand. Luo Bingsheng, Vice Chairman of China Iron and Steel Association, said, "The excess import of iron ore is largely due to the disorder of imports. It has led to overstock of iron ore in China. Current inventory has exceeded real demand. It also pushed up shipping fees of iron ore." Industry insiders say many Chinese iron ore vendors are speculating on iron ore price for profit. They bought a large amount iron ore and are hoarding. As a result, China's iron ore imports surged, pushing prices higher. The China Iron and Steel Association has taken steps to regulate these speculative activities. Luo Bingsheng said, "We will widely apply the brokerage system of iron ore importers across the country to supervise the use of iron ore importers. Meanwhile we will also re-examine the qualification of iron ore import, to reduce the number of qualified iron ore importers in China." Analysts say iron ore imports have probably peaked this year because falling steel prices will force mills to cut output which will reduce demand for the raw material. Steel prices in China have fallen 25 percent since reaching a 10-month high in August, and prices aren't likely to rebound for the rest of the year because of an oversupply in the industry. (CCTV)

As we mentioned in our introduction section, during the past three weeks the BCI has practically recovered a great part of the losses that had incurred during the past 3 full months. Over Oct 2009 and Nov 2009 comparison we have seen a 95% increase in the BCI. Freight levels have followed too, and this week's Capesize T/C average rate calculated by our N. Cotzias Shipping Consultants from all T/C fixture data reported during the current running week increased by **23.88%**, (the largest w2w freight increase of 2009) to just below the 50k mark at **\$49,643** during this week, from \$40,072 which was last week's average. Unlike the low numbers of Capes fixed on T/C over the past weeks this week we see a very good number of **fifteen (15)** units of capesize vessel T/C fixtures were fixed on T/C. The daily rates as seen in our separate fixtures report for Capes this week, high/low margins ranged greatly improved over last week from \$40,000 (M/V "Sealink Prosperity" 161k/84blt/Shourong – for a trip via San Nicolas & the M/V "Princess Nadia" 152k/87blt/SK Shipping – for a trip via Abbots Point) up to \$56,000 (M/V "Nord Steel" 180.3k/07blt/Classic Maritime – for a trip via Australia).

PANAMAX MARKET

➤ The Baltic Panamax Index (BPI) closed on Friday the 06th of November above the 3.5k mark too, up at **3,556** which represents

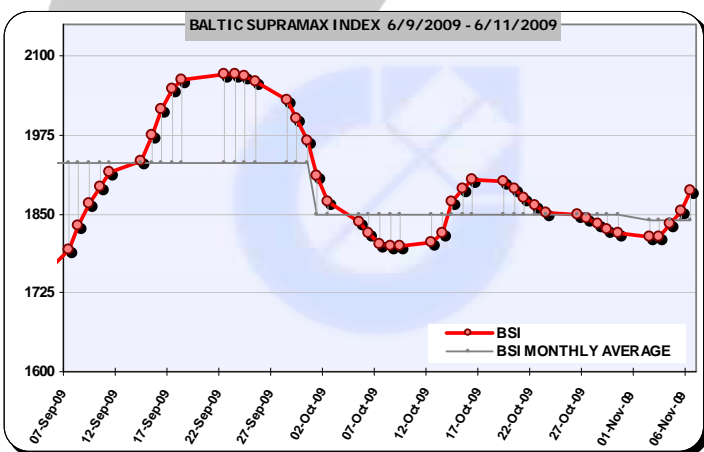


the sharpest increase in all size segments of **12.89%** or **406** points more than 3150 points which was last Friday's the 30th of October closing. For this running week the Cotzias calculated Panamax T/C average rate went up by a great percentage rise. It improved by **17.63%** this week to **\$26,444** from \$22,481 which was last week's Panamax average.

Pacific Market remained firm and continued to be strong, while Atlantic Panamax market had a positive week end with period activity on a stronger and improved level of activity. Looking at units chartered on period this week we are still very strong just like last week, much above normal activity with **eighty five (85)** Panamax vessels being chartered on Period and T/C's this week (week44). The daily rates as seen in our separate fixtures report for Panamaxes this week, with similar levels to last week ranged from \$7,500 (M/V

SUPRAMAX & HANDYMAX MARKET

➤ Both the Supramax and Handymax Indices reversed their downfalls. More specifically the Baltic Supramax Index (BSI), closed



at **1888** points, this week on Friday the 06th of November, gaining **3.74%** or **68** points based on the previous closing of 1820 points we had last Friday 30th of October 2009.

Not following the rise in the index, this Month's Supramax Time Charter Cotzias rate average is calculated marginally

down at **\$20,836** or **-2.18%** down from \$21,300 which was last week's Supramax average. A medium to lower than

average number of **nineteen (19)** Supramaxes were on T/C this week, which in terms of volume/rate is slightly

improved over previous week's stats. The daily rates in the fixtures reported this week, for Supramaxes ranged from

\$15,500 (for the M/V **"Riva Wind"** 53.5k/05blt/ Undisclosed Charterer for a T/C trip via South East Asia) up to \$32,500

(for the M/V **"Kang Cheng"** 55.5k/04 blt / D'Amico for a T/C trip via US Gulf.)

➤ The Baltic Handysize index (BHI) as mentioned earlier on, stopped its drop and had marginal but yet daily rises every day of

the week. It closed on Friday the 06th November 2009 up at **885** points and this represents a small but positive gain of **2.08%** or

18 points. This week's Handysize Time Charter that is calculated by NCSC went significantly up by **9.74%** this week

to **\$20,500** from \$18,681 which was last week's average. A great deal less emphasis was given on Handymax fixed this

week, and a "lowish" number of only **eight (8)** Handymax vessels were reported on T/C this week with their weekly

T/C daily rates for Handy sized vessels ranging still on marginally improved levels from \$15,000 (for the M/V

"Steller Kite" 45.2k/95 blt / Bunge for a T/C trip via Brazil) up to \$35,000 (for the M/V **"Expander"** 46.6k/96 blt /

Hudson for a T/C trip).

Sales of Supramaxes and Handymaxes this week include:

The M/V **"Bulk Navigator"**, 53.5k/Chengxi China 2006 blt, sold for \$28mil to Undisclosed buyers, the M/V **"Medi**

Trader", 48.2k/Oshima Japan 1999 blt, sold for \$21.5mil to Undisclosed Chinese buyers, the M/V **"K. Gold"**, 43.8k/Daewoo

Heavy Ind Korea 1996 blt, despite being sold last month for \$18.2mil to Middle Eastern Buyers was reported sold this month to

Fujian of China for \$17.5mil usd.

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