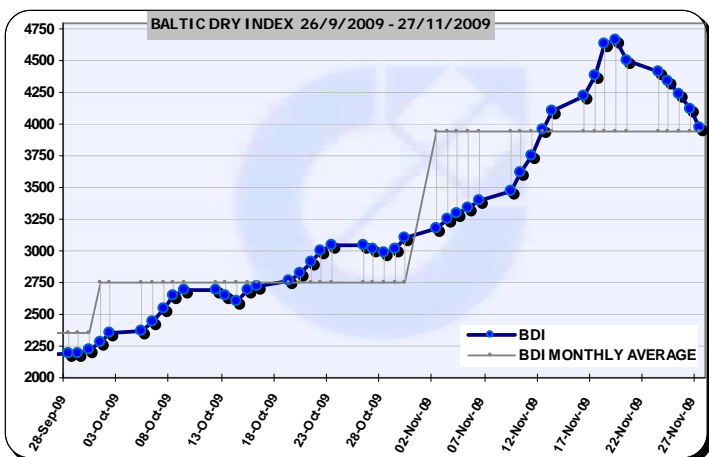


## 48<sup>th</sup> Week - Dry Cargo Market "Highlights" – 23/11/2009 until 27/11/2009

And what a true "thanksgiving" week we had! The sun never sets in Dubai World... or does it? As far as we know from our



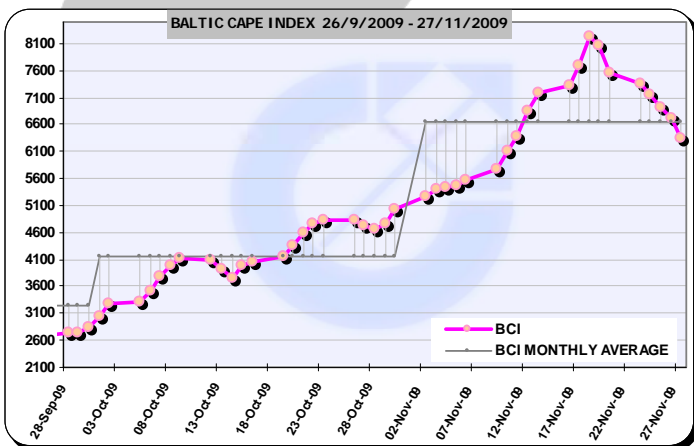
experience, Dubai offers some magnificent and truly nice picturesque sunsets, especially if you accompany them with all the glamour, luxury and well-being of its surrounding. However just before Thanksgiving, the world was told that Dubai desperately needs a six month moratorium period for its inability to pay creditors of nearly 60 billion USD of debt mainly attributed to Dubai World and their much criticised exorbitant developments. DW, as stated is seriously facing large possibilities of default or at least some certain delay in re-payments. Topping on to that, we saw as we had predicted last week that the **Baltic Dry Index (BDI)** may have reached a premature peak? We saw it this week to continue to decline steadily and it closed on Friday the 27th of November 2009 just above the 4k mark, at **3974** points with a very strong overall weekly **loss** of **-11.83%** or **-533** points.

(Last Friday's the 20<sup>th</sup> of November 2009 closing value was **4507** points).

In summary form we had (week 48) **BDI, loss, -11.83%**, **BCI, loss, -15.77%**, **BPI, loss, -12.57%**, **BSI, loss, -1.65%**, **BHI, gain, 4.50%**

### CAPESIZE MARKET

➤ The **Baltic Cape Index (BCI)** closed on Friday the 27th of November 2009 following the same exact pattern as the BDI with an overall loss below the 7k points mark, at **6353** points which represents a **loss** of **-15.77%** or **-1189** points over previous week's closing on Friday the 20<sup>th</sup> November which was **7542** points.



The yearly average of the BCI currently stands at **4080** points which is improved by 10 points over last week's calculated annual average.

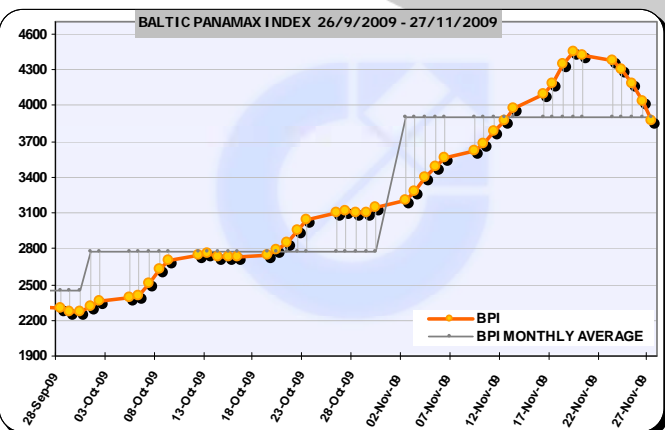
The Australian Foreign Investment Review Board has cleared the way for a \$271 million Chinese investment in mining on the Eyre Peninsula in South Australia. China's third-largest steel group, Wuhan Iron and Steel, is taking a 60 percent stake in Adelaide-based Centrex Metals' iron ore rights to five tenements on southern Eyre Peninsula. Wuhan will also emerge with a direct 13 percent stake in Centrex. Centrex Metals chairman David Lindh says it will position Centrex as a major player in the Australian iron ore industry as it grows into a billion-dollar business. (*Dynamic Export*)

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 went up by **1.11%**, to above the 65k mark at **\$66,080** during this week, from **\$65,355** which was last week's average. Following the rising trend of last week, the numbers of Capes fixed on T/C over the past weeks this week we also see a very low number of **eight (8)** 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 reduced over last week from **\$40,000** (M/V "Navios Phoenix" 180k/09blt/Classic Maritime – for 11 to 13 months trading) up to **\$98,500** (M/V "Martha" 150k/94blt/ BHP Bilton – for a trip via West Australia).

### Capes sold this week include:

The M/V "Long Charity" 174k/Hitachi Japan 1985 blt went to Chinese buyers for \$13.7mil usd, while the M/V "Princess Susana" 152k/Hyundai Heavy Industries Korea 1986 blt went to undisclosed buyers for \$13mil usd. The "Grand Fortune" 150k/Sanoyas Japan 1994 built was sold this week to SK Shipping of Korea for a good \$28mil usd (FYI she was reported sold in July 2009, at \$30mil, but it seems that Vale failed as some subjects were not finally lifted)



### PANAMAX MARKET

➤ The **Baltic Panamax Index (BPI)** closed on Friday the 27th of November 2009 just above the 4k mark, greatly reduced, down at **3868** which represents a **loss** of **-12.57%** or **-556** points compared to **4424** points which was last Friday the 20<sup>th</sup> November 2009 closing. The Yearly average of the BPI currently stands at **2301** points.

India is set to import a record six million tonnes of sugar in 2009-10 season due to a sharp dip in production, according to USDA as against an import of 2.8 mn tonnes in the last season. Sugar prices rebounded from a six-week low in New York as countries including India, the world's largest consumer,

increased purchases. Sugar prices have surged 93 percent this year as adverse weather hampered cane harvests in Brazil and India, extending a global-production deficit. Demand from Pakistan, Indonesia and Bangladesh also supported prices. (Commodity Online)

Just like last week, for this running week the Cotzias calculated Panamax T/C average rate went up by the smallest percentage of all size segments. It went up this week by **2.47%** to **\$30,042** from **\$29,318** which was last week's Panamax T/C average. Pacific Market remained firm and continued to be strong just like 2-3 past weeks, while Atlantic Panamax market had another positive week with period activity on a stronger and improved freight levels.

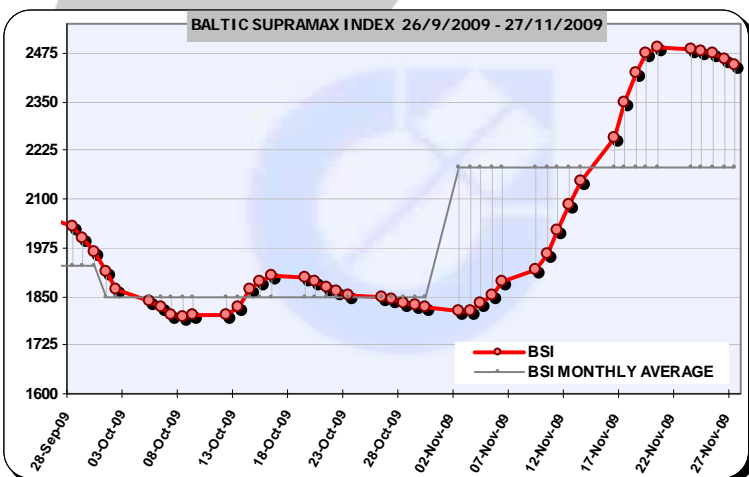
Looking at units chartered on period this week we are still very strong and greatly improved over last week, we are back to below normal T/C activity with **forty-seven (47)** Panamax vessels being chartered on Period and T/C's this week (week48). The daily rates as seen in our separate fixtures report for Panamaxes this week, with marginally better levels compared to last week ranged from **\$15,500** (M/V "Magpie" 65k/82blt/ Winning for a trip via Indonesia) up to **\$53,000** for the (M/V "Great Century" 74k/99blt/ Vista – TMT Relet for a trip via Black Sea).

**Panamax vessels we reported sold this week:**

The M/V "Torm Rotna", 75.9k/Tsuneishi Japan 2001 blt, sold together with the M/V "Torm Charlotte", 75.9k/Tsuneishi Japan 2006 blt sold to Undisclosed Greek Buyers for \$29.2mil and \$35mil respectively, while the M/V "Century Star", 75k/Universal Maizuru Japan 2003 blt, was sold to Undisclosed Greek Buyers for \$31mil usd, while the M/V "Artaki", 66k/CSC China 1984 blt sold to undisclosed Chinese buyers at \$6mil usd while the slightly younger M/V "Galkaios", 66k/Namura Japan 1985 blt was sold to Chinese buyers for \$6.25mil usd.

**SUPRAMAX & HANDYMAX MARKET**

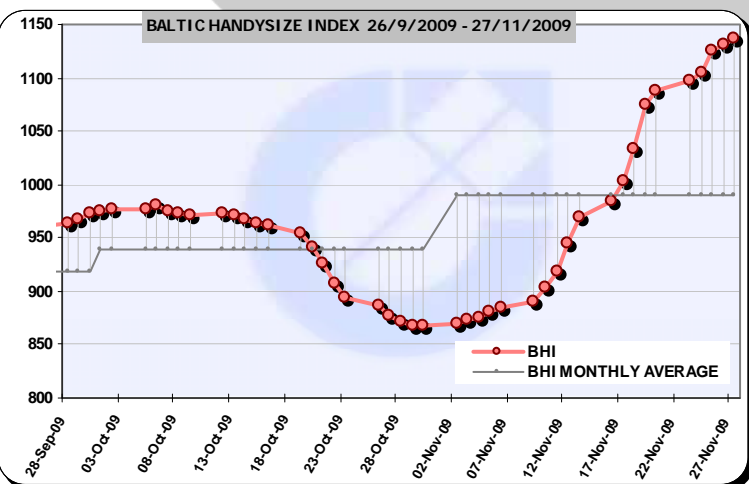
➤ A small deceleration was seen in the Supramax index which slowed down its uprise towards the end of the week. More specifically the Baltic Supramax Index (BSI), closed at **2446** points, this week closed on Friday the 27th of November 2009, with a loss of **-1.65%** or **-41** points based on the previous **2487** points we had last Friday the 20th November 2009 closing. The yearly average for the BSI currently stands at **1598** points.



For this week following the rise of the Baltic Supramax Index, this week's Supramax Time Charter Cotzias rate average absorbed the increase in the index and is calculated up at **\$25,829** or **2.42%** up from **\$25,218** which was last week's Supramax average.

Reduced demand for a much lower than average number of **ten (10)** Supramaxes were on T/C this week, which in terms of volume/rate is severely down over previous week's stats. The daily rates in the fixtures reported this week, for Supramaxes ranged from **\$24,000** (for the M/V "Mairouli" 53.2k/03blt/ Undisclosed Charterer for a trip via ECSA and the M/V "IDC Diamond" 53.4k/06blt/ Renuka for a trip via Brazil) up to **\$48,000** (for the M/V "Star Delta" 52.4k/00 blt / Transgrain for a T/C trip)

➤ The Baltic Handysize index (BHI) is still going on a steep increase and seems to be moving steadily to surpass the 1.2k mark. It closed on Friday the 27th of November 2009 with a gain at **1137** points and this represents a gain of **4.50%** or a gain of **49** points.



The yearly average for the BHI currently stands at **754** points. This week's Handysize Time Charter that is calculated by NCSC went up by **1.95%** this week to **\$24,306** from **\$23,841** which was last week's average.

A great deal less emphasis was given on Handymax fixed this week, and a much lower than average number of **five (5)** Handymax vessels were reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on reduced levels from **\$21,000** (for the M/V "Gulf Ahmadi" 48k/89 blt / Nordic Bulkcarriers for a T/C of min 4 max 5 mos trading) up to **\$32,000** (for the M/V "Gao Qiang" 45.7k/98 blt / Fayette for a trip via Black Sea).

Following last week we still experienced a large number of sale and purchase transactions this week, with a great number of interesting sale and purchase deals reported this week too.

It is clearly obvious that the rising indexes made potential willing buyers to rush into deals they were otherwise “stalling” and delaying expecting somehow to negotiate further on these deals, by trying hard to reduce the seller’s appetite, but that has changed as the market has improved so much in one week that deals were accelerated.

**Sales of Supramaxes and Handymaxes this week include:**

NAME	TYPE	YEAR	BUILT	DWT	PRICE	BUYERS NAME
GEM OF MADRAS	BC	2008	IHI	56,120	\$34.00m	NORWEGIAN BUYERS
KATRINE STAR	BC	2006	KAWASAKI	55,838	\$30.00m	IDC
FURNESS TIMIKA (*)	BC	2001	SHIN KURUSHIMA	52,508	\$23.50m	TURKISH BUYERS
NEW EMINENCE	BC	1994	KOYO MIHARA	45,830	\$17.30m	CHINESE BUYERS
LUCKYFIELD	BC	1982	SASEBO SASEBO	45,546	\$4.40m	
MARYBELLE	BC	1987	MITSUI TAMANO	42,569	\$10.80m	TURKISH BUYERS
OCEAN WORLD	BC	2009	ORIENT SHIPYARD	33,261	\$25.50m	PYRSOS SHIPPING
NANTONG NIKKA RESALE	BC	2009	NANTONG NIKKA	29,130	\$23.50m	GREEK BUYERS
JBU MISTRAL	BC	2009	NANTONG NIKKA	29,130		

(\*) FYI the M/V “Furness Timika” was reported sold in July 2008 for \$69.25mil usd!!! Her current price sold this week represents a 66% reduction in its price

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