

49th Week - Dry Cargo Market "Highlights" – 27/11/2009 until 04/12/2009



The Baltic Dry Index, started this week continuing the decline of last week, but quickly reversed the trend and gave the market some momentum, to close on Friday the 4th of December 2009 just above the 4k mark, at **4107** points with a good and welcome overall weekly **gain** of **3.35%** or **133** points. (Last Friday's the 27th of November 2009 closing value was **3974** points).

In summary form we had (week 49) **BDI, gain, 3.35%**, **BCI, gain, 4.75%**, **BPI, gain, 1.55%**, **BSI, loss, -2.62%**, **BHI, gain, 3.96%**

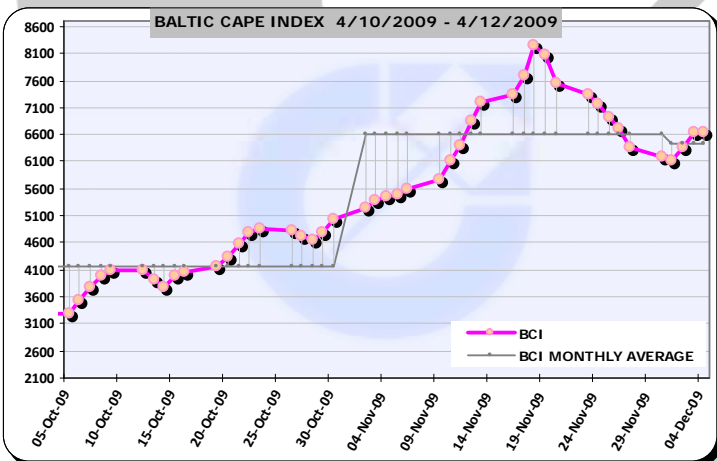
The week began with investors highly nervous about the consequences of World Dubai's announcement last week that it wanted to suspend interest payments on \$60 billion of debt for up to six months. After bottoming late the prior week, U.S. equity markets did reverse and rallied to new yearly highs by last Wednesday, December 2. Then they sold off into Thursday. Then on Friday, the employment report came out and it was far better than anyone estimated. Stock prices rallied again to another new yearly high in the first 30 minutes of trading.

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INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
S&P500	1105.98	1091.49	1.33%	14.49	▲
DOW-Ind	10388.90	10309.92	0.77%	78.98	▲
NASDAQ	2194.35	2138.44	2.61%	55.91	▲
FTSE 100	5322.36	5245.73	1.46%	76.63	▲
£ - \$	1.6653	1.6410	1.49%	0.02438	▲
US\$-Yen	88.3196	86.6068	1.98%	1.7128	▲
Eur-US\$	1.5068	1.4918	1.01%	0.015	▲
Brent Oil	77.71	77.11	0.78%	0.6	▲
WTI Spot Price	74.85	75.95	-1.45%	-1.1	▼

CAPESIZE MARKET

The **Baltic Cape Index (BCI)** closed on Friday the 4th of December 2009 following the same exact pattern as the BDI with an overall loss below the 7k points mark, at **6655** points which represents a **gain** of **4.75%** or **302** points over previous week's closing on Friday the 27th November which was **6353** points. The yearly average of the BCI currently stands at **4129** points which is well improved by 49 points over last week's calculated annual average.



Although with a slight pullback around the weekend, the steel prices continue to rebound this week in China. The cost price of almost all the raw materials, including electricity iron ore concentrates and coal, continues to rise in China after Dubai's debt crisis caused a short term pullback in global capital markets. Despite unveiling of Dubai debacle last week, Chinese domestic steel prices continued to rise during this period. Daily output of steel declined in early November. Because of small limitation of production caused by seasonal factors and routine

maintenance daily output of domestic key steel enterprises in early November declined compared with late October. Sales in key steel enterprises had a more obvious decline affected by seasonal factors especially crude steel and steel. Moreover, inventory continued to decline reaching the lowest point since August. Steel inventory of domestic distribution business rises. Until November 27th long steel and plates inventory summed to 11.968 million tons a 121.4 thousand rose compared with last week in which long steel 5.14 million tons with a 128 thousand rose and plates inventory 6.828 million tons a slight decline of 6.6 thousand tons. Dubai's debt crisis has caused a short-term decline in international commodity prices however it will not change the rebound trend. Steel price rises earlier than rose of cost which makes the margins and with cost rises the rose of steel price will support by cost. (*SteelPrices China*)

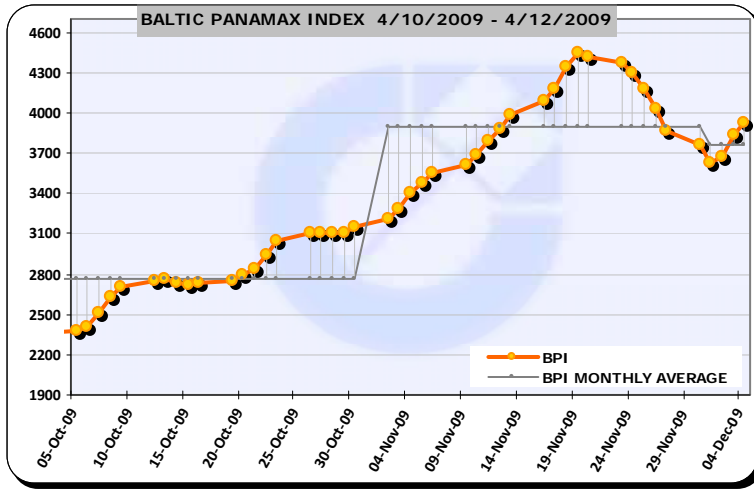
This week's Capesize T/C average rate calculated by our N. Cotzias Shipping Consultants from all T/C fixture data reported during the current running week went up by only **0.69%**, to above the 65k mark at **\$66,535** during this week, from **\$66,080** which was last week's average. Following the rising trend of last week, the numbers of Capes fixed on T/C over the past weeks this week we also see an average number of **eleven (11)** 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 **\$38,000** (M/V "Eternal Bright" 139k/81blt/Suek – for a trip via Russian pacific coast) up to **\$100,000** (M/V "CIC Captain Veniamis" 171k/01blt/ Chart Not Rep – for a trip via Brazil).

Capes sold this week include:

LONG CHARITY	BC	1985	HITACHI	174,004		\$13.70m	CHINESE BUYERS	CHINA
GRAND FORTUNE	BC	1994	SANOYAS	150,877	-	\$28.00m	SK SHIPPING	KOREA

PANAMAX MARKET

➤ The **Baltic Panamax Index (BPI)** closed on Friday the 4th of December 2009 just above the 4k mark, greatly reduced, down at **3928** which represents a **gain** of **1.55%** or **60** points compared to **3868** points which was last Friday the 27th November 2009 closing. The Yearly average of the BPI currently stands at **2332** points.



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 **0.98%** to **\$30,320** from **\$30,026** 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.

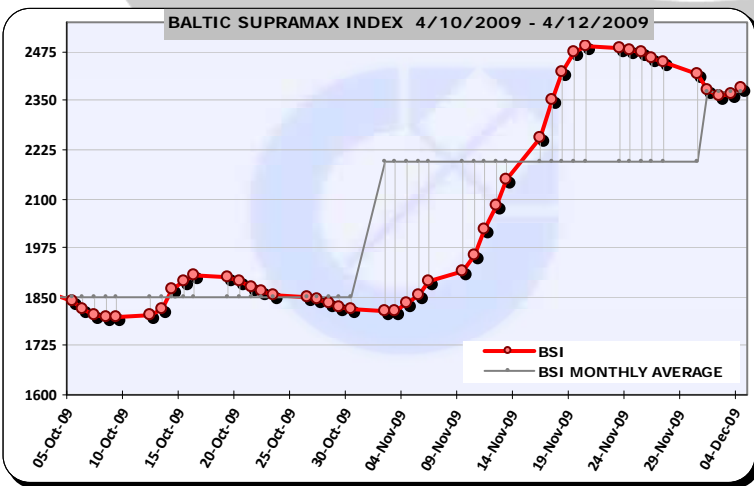
Looking at units chartered on period this week we are still very strong and greatly improved over last week,

we are back to normal T/C activity with **seventy (70)** Panamax vessels being chartered on Period and T/C's this week (week49). The daily rates as seen in our separate fixtures report for Panamaxes this week, with marginally reduced levels compared to last week ranged from **\$17,500** (M/V "Lioness C" 66.7k/83blt/ Danzas for 3 laden legs 1st trip via Indonesia) up to **\$41,000** for the (M/V "Suryawati" 69k/96blt/ Chart Not Rep – for a trip via US Gulf).

TORM ROTNA	BC	2001	TSUNEISHI CORP - FU	75,971	\$29.20m	SOLD ENBLOC TORM CHARLOTTE AND TORM ROTNA FOR \$64.2m FOR BOTH UNITS TO GREEK BUYERS	GREEK BUYERS	GREECE
TORM CHARLOTTE	BC	2005	TSUNEISHI CORP - FU	75,944	\$35.00m		GREEK BUYERS	GREECE
CENTURY STAR	BC	2003	UNIVERSAL MAIZURU	75,318	\$31.00m		SEA JUSTICE	GREECE
DELRAY	BC	1994	SHIN KURUSHIMA	71,862	-	P&C DEAL	EUROPEAN BUYERS	EUROPE
ALKAIOS	BC	1985	NAMURA IMARI	66,234	\$6.25m		CHINESE BUYERS	CHINA
MITEC	BC	1982	KOYO MIHARA	61,349	\$4.50m		CHINESE BUYERS	CHINA

SUPRAMAX & HANDYMAX MARKET

➤ A small deceleration was seen in the Supramax index which slowed down its uprise towards the end of last week. However it started off this week falling but recovered after mid week. More specifically the Baltic Supramax Index (BSI), closed at **2382** points, this week closed on Friday the 4th of December 2009, with a loss of **-2.62%** or **-64** points based on the previous **2446** points we had last Friday the 27th November 2009 closing. The yearly average for the BSI currently stands at **1615** points.

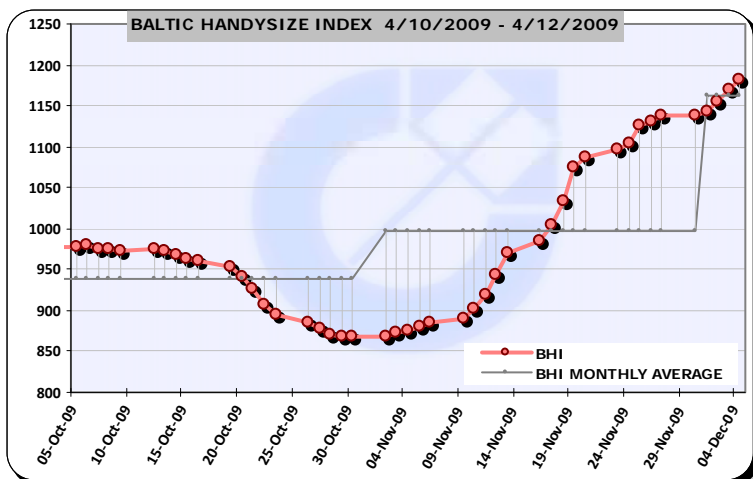


For this week following the rise of the Baltic Supramax Index, this week's Supramax Time Charter Cotzias rate average absorbed the increase in the index and is calculated up at **\$26,295** or **1.24%** up from **\$25,973** which was last week's Supramax average.

Reduced demand for a much greater than average number of **sixteen (16)** 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 **\$15,500** (for the M/V "La Carita" 58.7k/09blt/ Oldendorf for a trip via St.Petersburg) up to **\$48,000** (for the M/V "Caly Manx" 58.4k/09blt/ Energy for a T/C trip)

➤ The Baltic Handysize index (BHI) is still going on a steep increase and was on a constant rise this week, It seems to be moving steadily to surpass the 1.2k mark. It closed on Friday the 4th of December 2009 with a gain at **1182** points and this represents a percentage gain of **3.96%** or a gain of **45** points. The yearly average for the BHI currently stands at **763** points.



This week's Handysize Time Charter that is calculated by NCSC went up by **0.25%** this week to **\$24,366** from **\$24,306** 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 **one (1)** Handymax vessel was reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on worst levels than last week from **\$26,000** (for the M/V *"Star Mayasa"* 42.7k/97 blt / Dreyfus for a trip via East Coast South America) up to **\$26,000** (for the M/V *"Star Mayasa"*

42.7k/97 blt / Dreyfus for a trip via East Coast South America).

Following on the same trend as 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 following the recent downhill slide 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, Handymaxes & Handies this week include:

GEM OF MADRAS	BC	2008	IHI	56,120		\$34.00m	NORWEGIAN BUYERS	NORWAY
KATRINE STAR	BC	2006	KAWASAKI HEAVY INDUSTRY	55,838	4X30.5T	\$30.00m	IDC	TURKEY
BLEST MARINE	BC	1997	DAEDONG	47,200	4X25T	\$17.50m	CHINESE BUYERS	CHINA
LUCKYFIELD	BC	1982	SASEBO SASEBO	45,546	4X20T	\$4.40m	UNDISCLOSED BUYERS	-
NURTEN ANA	BC	1985	IHI	38,888	4X25T	\$8.50m	EUROPEAN BUYERS	EUROPE
NANTONG NIKKA RESALE	BC	2009	NANTONG NIKKA	29,130		\$23.50m	GREEK BUYERS	GREECE
JBU MISTRAL	BC	2009	NANTONG NIKKA	29,130				-
STARLIGHT	BC	1984	JIANGNAN SHIPYARD	28,354	4X25T	\$5.10m	UNDISCLOSED BUYERS	-
HANJIN ANTWERP	BC	1996	HANJIN HI CO LTD	27,327	4X25T	\$14.80m	UNDISCLOSED BUYERS	-

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