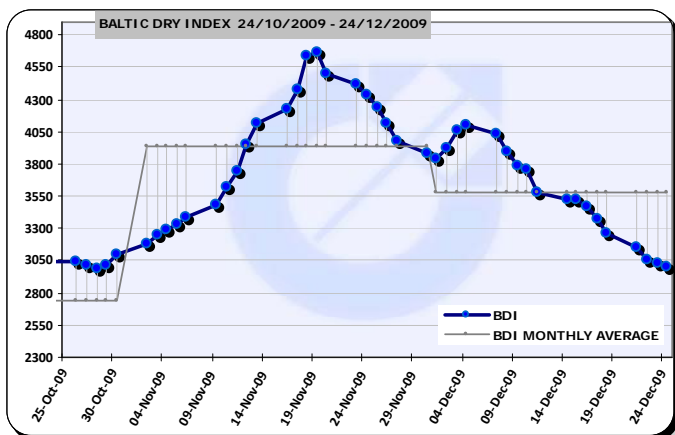


51st Week - Dry Cargo Market "Highlights" – 18/12/2009 until 24/12/2009

The Baltic Dry Index is going down. Correcting the harsh upward rise it had concluded on the 19th of Nov 2009, and has suffered

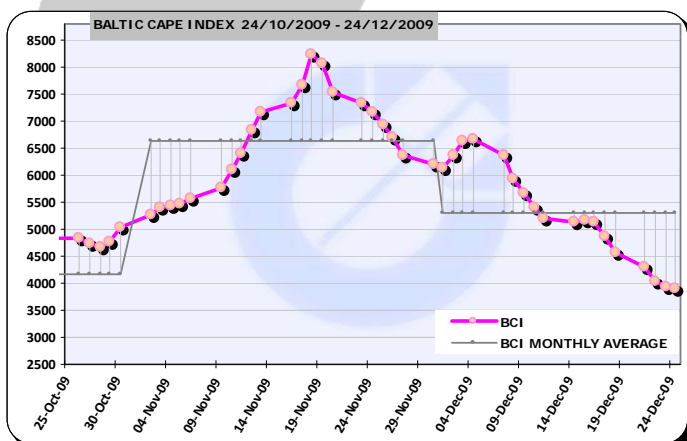


losses for every day of this festive week. It closed on Friday the 24th of December 2009 still marginally above the 3,000 point mark, at **3005** points posing a heavy weekly **loss** of **-7.77%** or **-253** points. (Last Friday's the 18th of December 2009 closing value was **3258** points). We had stated and stress again that as in our previous weekly reports that the fundamentals to support such a rise in the BDI and of course in the BCI and BPI indices were just not there. The global steel market, battered during the economic downturn, has begun to recover but could face excess capacity between now and 2012, the OECD said. "The sharp contraction in global demand that began in the second half of 2008 is now tapering off," the Organisation for Economic Cooperation and Development said following a meeting of government officials and industry representatives

from steel-producing economies. It cited demand growth in emerging markets such as China and India. But it cautioned that the rebound could be "slow and long" in some countries, where it could take three to four years for steel consumption to return to pre-crisis levels. In addition, steelmaking capacity – despite the fall in demand – has not adjusted and has even increased in some areas. "Projections to 2012 suggest that global capacity may exceed demand by a wide margin, raising concerns about the unwinding of excess capacity," the OECD warned. In the longer term, according to the report, production increases are likely to come primarily in fast growing emerging markets. (*Emirates Business*)

In summary form we had (week 51) **BDI, loss, -7.77%**, **BCI, loss, -14.87%**, **BPI, gain, 3.45%**, **BSI, loss, -4.22%**, **BHI, loss, -3.34%**

CAPESIZE MARKET



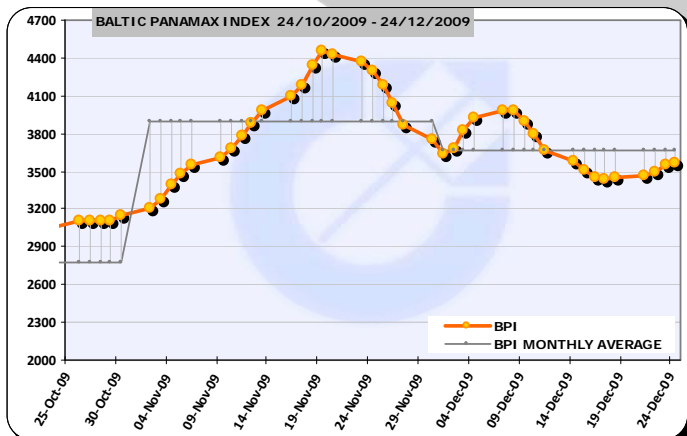
— The **Baltic Cape Index (BCI)** closed on Friday the 25th of December 2009 at **3887** points a **loss** of **-14.87%** or **-679** points over previous week's closing on Friday the 18th December which was **4566** points.

According to China Metallurgical Geology Bureau (CMGB), exploration work in the eastern region of north China's Hebei Province shows potential iron ore reserves in this area is estimated to top 10 billion tonnes. A total of 3.44 billion tonnes of iron ore has been verified in five mines in the province and the discovery of this deposit would largely ease the shortfall in China's domestic iron ore supplies and contribute to a sound and sustainable development of the country's steel industry. China imported 443.56 million tonnes of iron ore in 2008, bringing the country's reliance on imported iron ore to around 50 percent. The country's steel mills suffered an unfavorable

position during the annual iron ore pricing talks as overseas miners allied to ask for a higher price. (*Xinhua*)

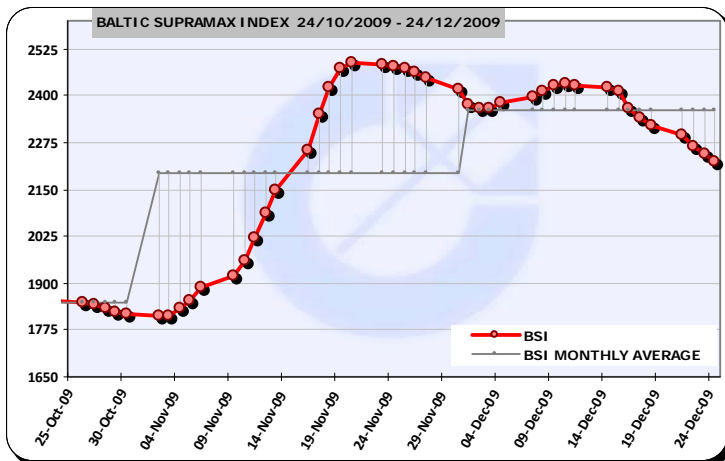
The yearly average of the BCI currently stands at **4177** points which is slightly down by -2 points over last week's calculated annual average. The Capesize T/C average rate from this week T/C fixtures went down by **-2.94%**, well below the 60k mark at **\$55,769**. Previous week's T/C figure was **\$57,458**. Only **two (2)** units of capesize vessel size were fixed on T/C this week. The daily rates as seen in our fixtures report for was reduced over last week from **\$33,000** (M/V "*Kassos Warrior*" 194k/86blt/Cosco—for a trip via WC India) up to **\$38,000** (M/V "*Navios Lumen*" 181k/09blt ex yard/ Swiss Marine—for 3/5 mos trading).

PANAMAX MARKET



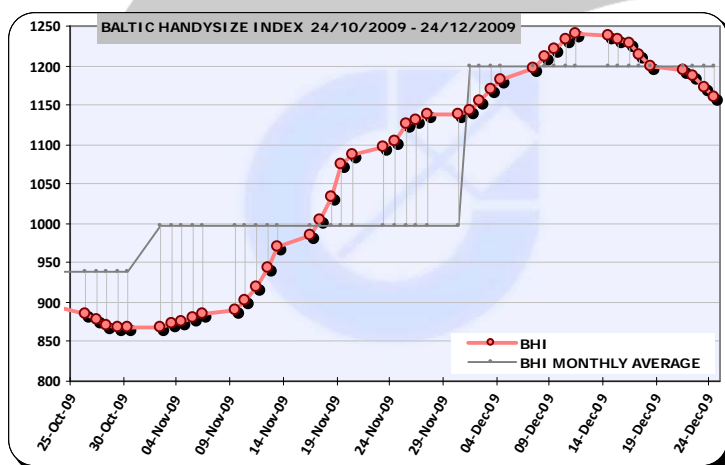
— The **Baltic Panamax Index (BPI)** was the only index that closed on Friday the 24th of December 2009 at **3567** with a **gain** of **3.45%** or **119** points compared to **3448** points which was last Friday the 18th December 2009 closing. The Yearly average of the BPI currently stands at **2405** points. The Panamax T/C average rate went down by **-2.42%** to **\$30,233** from **\$30,233** which was last week's Panamax T/C average. **Forty-eight (48)** Panamax vessels were being chartered this week on Period and T/C's. The daily rates as seen in our separate fixtures report for Panamax this week, with slightly improved levels compared to last week ranged from **\$13,500** (M/V "*Shun Ji Xing*" 69k/83blt/ Chart Not Rep – for a trip via Indonesia) up to **\$44,000** for the (M/V "*Tianjin Pioneer*" 75k/05blt/ Hanjin – Louis Dreyfus relet for a trip via USEC).

SUPRAMAX MARKET



Cargill – 500,000 ballast Bonus for a T/C trip via Brazil)

SUPRAMAX MARKET



(for the M/V “Langanger” 41k/86 blt / IVSI for a T/C trip) up to \$40,000 (for the M/V “Genco Prosperity” 47k/97 blt / Cargill for a T/C Trip via USGulf).

► The **Baltic Supramax Index (BSI)**, closed on Friday the 24th of December 2009, at **2224** points a **loss of -4.22%** or **-98** points based on the previous **2322** points we had last Friday the 18th December 2009 closing. The yearly average for the BSI currently stands at **1656** points.

For this week the Supramax Time Charter average rate calculated by NCSC is down at **\$26,308** or **-2.41%** up from **\$26,958** which was last week’s Supramax average. Just below last week’s average number of **seventeen (17)** Supramaxes were on T/C this week. The daily rates in the fixtures reported this week, for Supramaxes were reduced over last week and ranged from **\$16,000** (for the M/V “Prabhu Gopal” 56k/03blt/Isaphia - for trip via Indonesia) up to **\$36,500** (for the M/V “UBC Lemessos” 53.5k/08blt/

► The **Baltic Handysize index (BHI)** stopped its 6 week constant rise, and dropped. It closed on Friday the 24th of December 2009 with a strong decrease at **1159** points and this represents a percentage loss of **-3.34%** or a loss of **-40** points. The yearly average for the BHI currently stands at **788** points.

This week’s Handysize Time Charter that is calculated by NCSC went down marginally by **-1.83%** this week to **\$26,800** from **\$27,300** which was last week’s average. A great deal less emphasis was given on Handymax fixed this week, and a lower than average number of **three (3)** only Handymax vessel were reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on improved levels than last week from **\$16,500**

