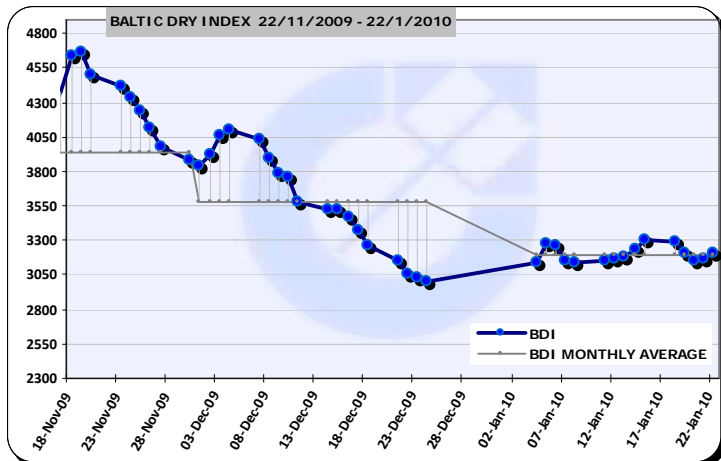


3rd Week - Dry Cargo Market "Highlights" – 18/1/2010 until 22/1/2010

The Baltic Dry Index closed on Friday the 22nd of January 2010 still above the 3,000 point mark, at **3204** points however posing a somewhat directionless week with an overall gain of **-2.76%** or **-91** points. (Last Friday's the 18th of January 2010 closing value was **3295** points). The BDI seems to be oscillating around the 3k mark, and we feel that this might be the way it will continue to behave for some months now.

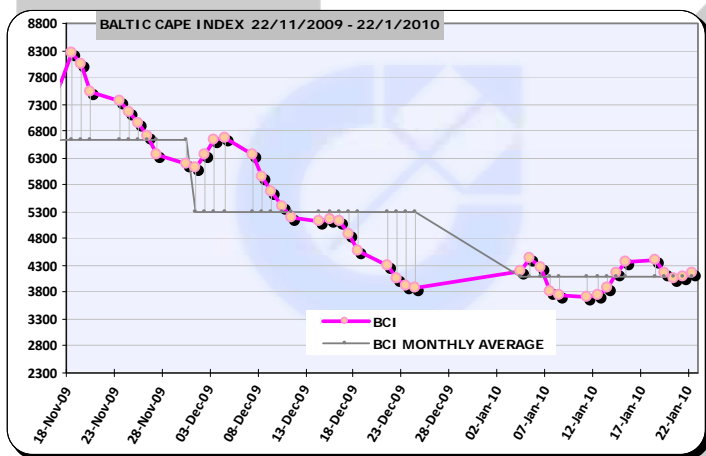


The index is once again showing no signs of a clear direction. However secondhand sales on the dry cargo sector this week were strong. We see a small rise in demand for second hand tonnage, and some small price increase in these ships prices. It is definitely not "**JANUARY 2010 SALES**" as it was this time last year with JAN 2009 prices being slashed by 70%... so window shopping might be an option for most prudent and risk-averse investors/buyers. We had stated last week about the rally of Crude Oil, that was mainly attributed to the very cold worldwide weather, and this has also led to the rise in the

demand and shipments of Coal. China, Europe and USA have driven a big surge in demand for coal and it is definitely one of the strong reasons that the capes and panamaxes had got hot. Port delays are here, and the rates for both Capes and Panamaxes will go up. However this increase is due to the Chinese New Year Celebrations in mid Feb 2010 might be counter-weighted. Equity markets continued their rallies to new yearly highs last week. These "highs" might be enough to produce levels of some significance and some signals that a top may have been reached are evidently there. It could well be the case that markets will now reverse. We could also consider to start thinking in terms of a bubble is forming in stocks as we do expect a climate of excessive speculation and asset bubbles to form, but from a purely cycles point of view, an 8-20% decline first would be a better fit.

In summary form: (week 03) **BDI, loss, -2.76%**, **BCI, loss, -5.67%**, **BPI, loss, -0.46%**, **BSI, loss, -3.09%**, **BHI, gain, 0.41%**

CAPE SIZE MARKET



The **Baltic Cape Index (BCI)** closed on Friday the 22nd of January 2010 just above the 4k mark, at **4161** points a **loss** of **-5.67%** or **-250** points over previous week's closing on Friday the 18th January which was **4411** points.

China, the world's second-biggest energy consumer, may continue to face a coal shortage until the end of March because of winter demand, the government said. Coal demand has increased faster than anticipated since the fourth quarter because of accelerating growth in power generation, steel production and metal processing, the National Energy Administration said on the government's Web site today. China relies on coal for about 80 percent for its power output. Demand for heating, power and coal surged as China faced its coldest winter in at least 50 years

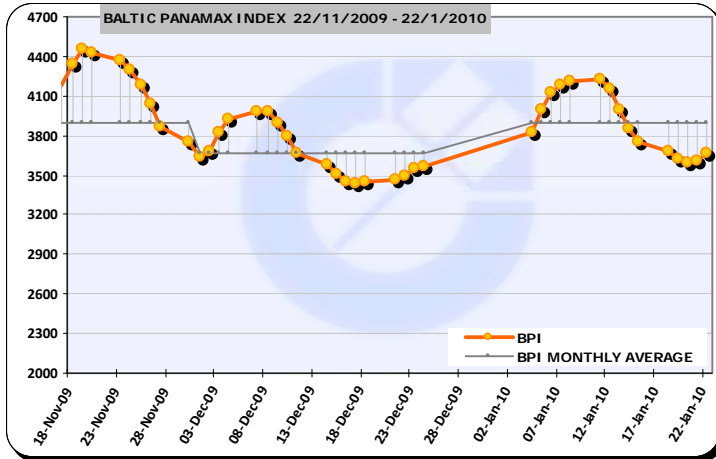
while the government's \$586 billion stimulus spending spurred energy consumption. Domestic benchmark coal prices have risen about 40 percent since July, the energy bureau said. Energy demand growth may be faster in the first half than in the second, the bureau said, without elaborating. China's electricity generating capacity may increase to 960,000 megawatts by the end of 2010, it said. The country's fuel demand may recover and increase by about 4 percent this year, it said. Additional oil refining capacity may exceed 20 million tons and the domestic fuel market will remain "oversupplied in general," it said. (*Bloomberg*)

The yearly average of the BCI currently stands at **4080** points which is slightly down by -90 points over last week's calculated annual average. The Capesize T/C average rate from this week T/C fixtures went up by **1.28%**, still well below the 40k mark at **\$37,900**. Previous week's T/C figure was **\$37,419**. An average **fifteen (14)** 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 **\$28,000** (M/V "*Royal Oasis*", 161,192 built 1995, Dely China 20/25 Jan, redely Worldwide, \$28,000, Sinochart, ex Sanko Oasis - 2 years trading) up to **\$45,000** (M/V "*Aquabonanza*", 180,000 built 2010, Dely ex yard Imabari 22/24 Jan, redely Worldwide, \$45,000, CTC, Noble relet - 3/7 mos trading).

Capes sold this week include the M/V "*Azul Glory*" 178k/98 built Daewoo, that went for \$39mil to Chinese buyers and the M/V "*Cape Pioneer*" 170k/05 blt Samho, that went for \$54mil to Chinese buyers too. And the older M/V "*Cape Africa*" 149k/91 blt China, went for \$18.8mil to Undisclosed Chinese buyers.

PANAMAX MARKET

➤ The **Baltic Panamax Index (BPI)** was the only index that closed on Friday the 22nd of January 2010 at **3661** with a **loss** of **-0.46%** or **-17** points compared to **3678** points which was last Friday the 18th January 2010 closing.



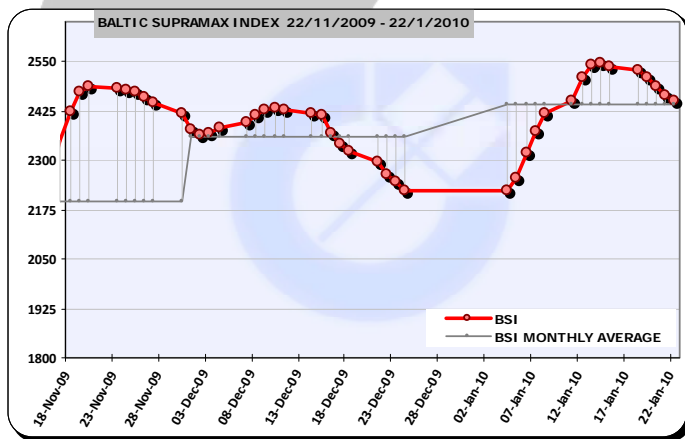
The Yearly average of the BPI currently stands at **3899** points. The Panamax T/C average rate went down by **-2.83%** to **\$30,405** from **\$31,291** which was last week's Panamax T/C average.

Fifty-Three (53) Panamax vessels were being chartered this week on Period and T/C's. The daily rates as seen in our separate fixtures report for Panamaxes this week, with slightly reduced levels compared to last week ranged from **\$15,500** ("**Mariniki**", 76,500 dwt, built 2005, dely Kinura 23/27 Jan, redelivery Richards Bay, \$15,500, BHP Biliton, for trip via Buburry) up to **\$46,000** for the (M/V "**Ore Hansa**", 82,295 dwt, 2006 built, dely Hamburg 20/22 Jan, redelivery Far East, \$46,000, STX Pan Ocean, GMI relet -

trip via USEC).

Panamax vessels sold this week include: the M/V "**Aeolian Spirit**" 73.7k/99 blt Japan sold for \$28 to undisclosed buyers, the M/V "**Darya Radhe**" 73.7k/99 blt Japan gone for slightly less 27.5mil to Brazilian buyers, and the M/V "**Silvergata**" 68k/87 blt Japan, gone for 11 mil to Korean buyers.

SUPRAMAX MARKET



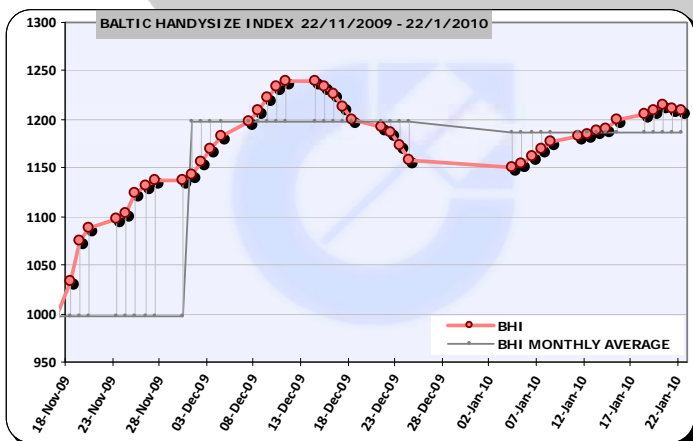
➤ The **Baltic Supramax Index (BSI)**, closed on Friday the 22nd of January 2010, at **2449** points a **loss** of **-3.09%** or **-78** points based on the previous **2527** points we had last Friday the 18th January 2010 closing. The yearly average for the BSI currently stands at **2441** points.

For this week the Supramax Time Charter average rate calculated by NCSC is up at **\$28,803** or **3.04%** based on **\$27,953** which was last week's Supramax average.

Well above last week's average, **fifteen (15)** Supramaxes were on T/C this week. The daily rates in the fixtures reported this week, for Supramaxes were improved over last week and ranged from **\$13,000** (for the M/V "**Sigme Aksoy**", 53,393 dwt. 2006 built, dely Caofedian 17/20 January, redelivery Continent/Med, \$13,000, IVSI, for a trip via Australia/Cape of Good Hope - 13000 daily first 60 days 19000 daily for balance) up to **\$55,000** (for the M/V "**Shropshire**", 57,000 dwt, 2009 built, dely Galveston 28/30 Jan, redelivery Spore/Japan range, \$55,000, Sun Express, for a T/C trip).

HANDYSIZE MARKET

➤ The **Baltic Handysize index (BHI)** stopped the increasing trend it had developed from the year start. It closed on Friday the 22nd of January 2010 with an increase at **1210** points and this represents a marginal percentage gain of **0.41%** or a gain of **5** points. The yearly average for the BHI currently stands at **1187** points.



This week's Handysize Time Charter that is calculated by NCSC went down marginally by **-0.99%** this week to **\$24,700** from **\$24,947** which was last week's average. A great deal less emphasis was given on Handymax fixed this week, and a much lower than the usual average number of **six (6)** only Handymax vessel were reported on T/C this week with their weekly T/C daily rates for Handy sized vessels ranging on reduced levels than last week from **\$17,250** (for the M/V "**Irini**", 47,698 dwt, 1987 built, dely north China prompt, redelivery Worldwide, \$17,250, ABT, for 12 mos trading inc 2 HBI cargoes) up to **\$28,000** (for the M/V "**GO Star**", 43,656

dwt, 1994 built, dely Londonderry end January, redelivery Turkey, \$28,000, Undisclosed Charterer, for a trip via UK).