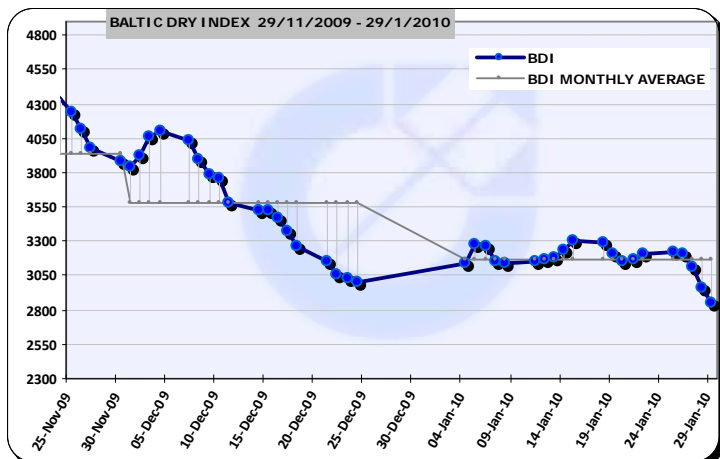


4th Week - Dry Cargo Market "Highlights" – 24/1/2010 until 29/1/2010

The Baltic Dry Index closed on Friday the 29th of January 2010 well below the 3,000 point mark, at **2848** points with an overall heavy loss of **-11.11%** or **-356** points. (Last Friday's the 22nd of January 2010 closing value was **3204** points).



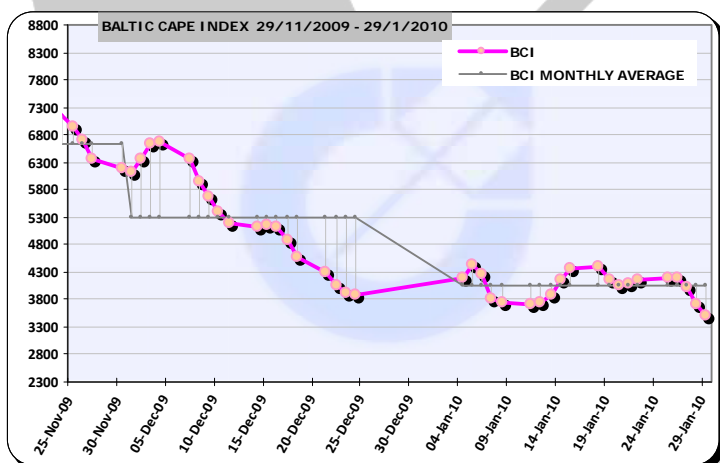
As we mentioned already the BDI seems to be oscillating around the 3k mark, and we feel that this might be the way it will continue to behave for the next months now. Will remain directionless, but on a steady and yet substantial level. To prove this point we saw a fixture for a panamax fixed for approximately 3 years at \$21,000 per day (Ocean Minerva, 75.7k/07 blt/Grand China Shipping 35/37mos trading at \$21,000 per day). The longer periods that Charterers are committing themselves could be a sign that the market will either remain flat for a medium to long term, or that the expectations they hold are of an overall increasing market.

However despite the plunge in rates secondhand sales on the dry cargo sector this week were for once more strong. Some capes moved this week, panamaxes were also hot, and some handies were reported sold. It could be that activity was hotter as buyers wanted to avoid delays of the Chinese New Year Celebrations in mid Feb 2010 which are due. We definitely anticipate that the momentum in the secondhand market will slow down at least for the first 203 weeks of Feb 2010.

What is interesting to see is that all our shipping indices made their top around Jan 10-Jan 14 and then have hit their lowest point of 2010. This is the exact pattern of precious metals with Gold topping on Jan 11th and losing around 7% by end of the month. Silver topped at 1892 on Jan 11th and collapsed to below 1600 end of week 04 losing more than 15%. Crude Oil also performed a dramatic drop from a yearly high on Jan 11th of \$84 USD per barrel it dropped by 14% to 72.4 USD per barrel at closing of week 04. Definitely this is all related to the rise and strengthening of the US Dollar which rose against nearly all major currencies. Euro/US Dollar fell below 1.4 mark for the first time since July 2009, and that is mainly attributed not so much to Dollar fundamentals showing strong and positive signs but rather to the Euro debt situation that has posed a great shaking in the Euro foundations!

In summary form: (week 03) **BDI, loss, -11.11%**, **BCI, loss, -16.03%**, **BPI, loss, -6.58%**, **BSI, loss, -7.27%**, **BHI, loss, -3.88%**

CAPESIZE MARKET



The **Baltic Cape Index (BCI)** closed on Friday the 29th of January 2010 well below the 4k mark, at **3494** points a **loss** of **-16.03%** or **-667** points over previous week's closing on Friday the 22th January which was **4161** points.

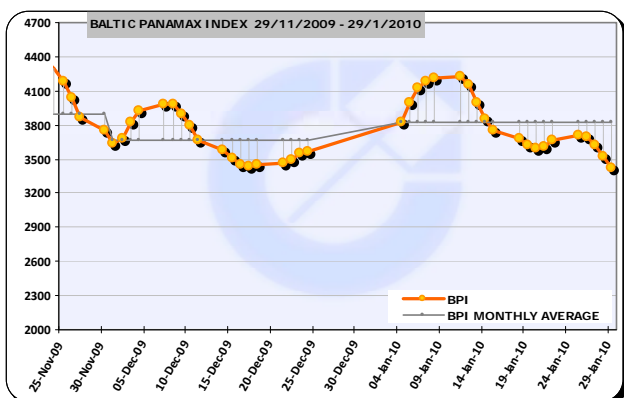
During the past year, China has led demand for commodities. While managers dismiss the suggestion that commodity investment is simply another play on Chinese or wider emerging market growth, they do not doubt the strength of its influence. The massive bounceback in 2009 was largely down to China spending its huge economic stimulus on proper infrastructure investment. In metals, China accounted for 43% of global demand. The emergence of China as a force for resource demand has reshaped the commodity market. He says China will continue to dominate the market for the next five to 10 years. China cannot turn off overnight. Even if Chinese

growth was to be flat for the next three years, the fundamental dynamics [of the commodity market] have changed. If you invest in hard commodities, you have to believe in China. It is now the biggest consumer of all commodities except oil. And it is a young, growing economy. This means China's consumption per capita is low compared to the West. So as its economy grows, so will its intensity of use. (*Fund Strategy*)

The yearly average of the BCI currently stands at **4041** points which is slightly down by -120 points over last week's calculated annual average. The Capesize T/C average rate from this week T/C fixtures despite the drop in the index, went up by **2.58%**, still well below the 40k mark at **\$38,877**. Previous week's T/C figure was **\$37,900**. An low number of **eight (8)** units of capesize vessel size were fixed on T/C this week. The daily rates as seen in our fixtures report for was **improved** over last week from **\$25,000** (M/V "Andros Warrior", 171,000 built 1986, Dely Qingdao China spot, redely Far East, at \$25,000, Vista – for a trip via Black Sea) up to **\$62,500** (M/V "Formosabulk Brave", 170,085 built 2001, Dely Dunkirk 1/6 Feb, redely Far East, \$45,000, Bilgent, - for a trip via Brazil).

Capes sold this week include the M/V **"Lowlands Brilliance"** 169k/02 built Hyundai, that went for \$48.5mil to Chinese buyers (understand this sale has a delivery of March 2010) and the M/V **"Star Beta"** 174k/93 blt Gdynia Poland, that went for \$22mil to Chinese buyers too. The smaller sized Cape the M/V **"Princess Nadia"** 152k/87 blt Hyundai, that went for \$15mil to Chinese buyers too (understand she is an ex OBO trading only Dry cargo, or has been converted). The M/V **"Constantinopolis"** 128k/82 blt Hyundai was sold to undisclosed buyers for \$8mil. We also had the resale of the M/V **"Oriental Cosmos"** 180k/July 2010 blt Sasebo, went for \$71mil to Chinese buyers (possibly Five Stars).

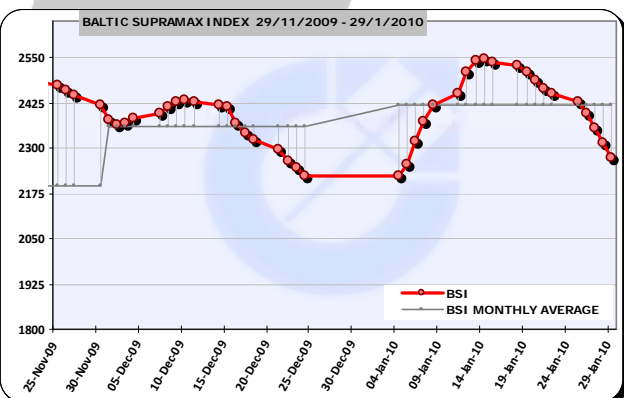
PANAMAX MARKET



"Filippo Lembo", 75229 dwt, built 1997, dely San Cyprian 26/30 Jan, redely Cape Passero, \$36000, CTP, for a trip USEC). Panamax vessels sold this week include: the M/V **"South Fortune"** 69.7k/95 blt Imabari Japan sold for \$21 to undisclosed Indonesian buyers, the M/V **"Willi Salamon"** 74k/00 blt Japan together with the sister M/V **"Gertrud Salamon"** to undisclosed Korean buyers for \$27.5mil each unit (the prices of these 2 units can be considered as soft prices)

➤ The **Baltic Panamax Index (BPI)** was the only index that closed on Friday the 29th of January 2010 at **3420** with a **loss** of **-6.58%** or **-241** points compared to **3661** points which was last Friday the 22th January 2010 closing. The Yearly average of the BPI currently stands at **3823** points. The Panamax T/C average rate went down by **-1.49%** to **\$29,976** from **\$30,428** which was last week's Panamax T/C average. A low number of only **Forty-four (44)** 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 **\$18,000** (M/V **"Marine Prosperity"**, 73326 dwt, built 2001, dely PMO 3/12 Feb, redely Continent, \$18000, Swiss Marine, for a trip via Richards Bay) up to **\$36,000** for the (M/V

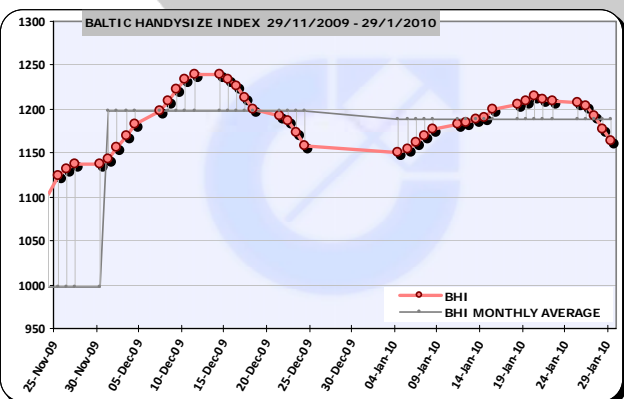
SUPRAMAX MARKET



redely China, \$36000, Brownstone, for a trip via WCIndia). We had a "Dayang Resale" 58k/Feb 2010 that went for \$32mil to Spar Shipping of Norway, while another resale form "Taizhou" 57k/June 2010 went for \$29mil to Greek based Medcare Morfini.

➤ The **Baltic Supramax Index (BSI)**, closed on Friday the 29th of January 2010, at **2271** points a **loss** of **-7.27%** or **-178** points based on the previous **2449** points we had last Friday the 22th January 2010 closing. The yearly average for the BSI currently stands at **2419** points. For this week the Supramax Time Charter average rate calculated by NCSC is down at **\$28,200** or **-2.09%** based on **\$28,803** which was last week's Supramax average. Below last week's average, **fourteen (14)** 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 **\$12,500** (for the M/V **"Yuanning Sea"**, 55580 dwt, built 2004, dely Black Sea prompt, redely USGulf approx, \$12500, WBC, for a trip) up to **\$36,000** (for the M/V **"Columbia"**, 58701 dwt, built 2009, dely Mumbai prompt,

HANDYSIZE MARKET



dely Antwerp 10/20 Feb, redely Turkey approx, \$29500, Lauritzen, for a trip). The M/V **"Aolucky"**, 47k/98 blt Oshima was sold for 20.4mil to Greek buyers, while the M/V **"Selendang Nilam"** and sister **"Selendang Intan"** 47k/97 blt Jiangnan went for \$18mil each to undisclosed buyers in an enblock deal.

➤ The **Baltic Handysize index (BHI)** stopped the increasing trend it had developed from the year start. It closed on Friday the 29th of January 2010 with a drop at **1163** points and this represents a percentage loss of **-3.88%** or a loss of **-47** points. The yearly average for the BHI currently stands at **1188** points. This week's Handysize Time Charter that is calculated by NCSC went down marginally by **-0.27%** this week to **\$24,633** from **\$24,700** which was last week's average. A much lower than the usual average number of **four (4)** 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 **\$20,000** (for the M/V **"Lucija"**, 43193 dwt, built 1995, dely Sea of Marmara end Jan, redely Egyptian Mediterranean, \$20000, Chart not Rep, for a trip via Black Sea) up to **\$29,500** (for the M/V **"Pacific Endeavor"**, 43366 dwt, built 1992,

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