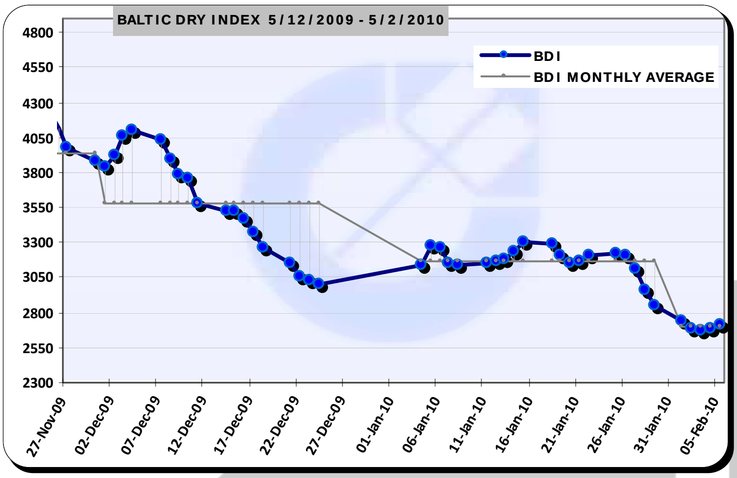
5^{th} Week - Dry Cargo Market "Highlights" – 29/1/2010 until 05/2/2010



The Baltic Dry Index closed on Friday the 5th of February 2009 well below the 3,000 point mark, at **2715** points with an overall heavy loss of **-4.67%** or **-133** points. (Last Friday's the 29nd of January 2009 closing value was **2848** points). Midweek upward correction reduced the impact of the weekly drop.

Uncertainty is certain!!! Fluctuations of the index around the 2.5k-3.5k mark will be the game for the next few months. It is important to note that many period charters were reported this month. From the year start until Friday 5^{th} Feb 2010 we have reported 28 T/C's for a 12 month period, 11 for 24 month periods, 3 for 36 months and just 2 days ago a 5 year T/C of a supramax by COSCO at $16,250 per day. The intention of charterers to "lock" themselves in longer termed periods may well show an upward trend in the freight rates or at least may well show that they don't expect them to drop significantly any further. This basic assumption on its own may well be worth some degree of security that if it is the charterers that have a good "foresight" to name it better they mostly define the rules of the trade… feel that 2, 3 and 5 years of charters is a wise move then we can at least gain some hope and become more optimistic about the not so distant future of the dry bulk market.

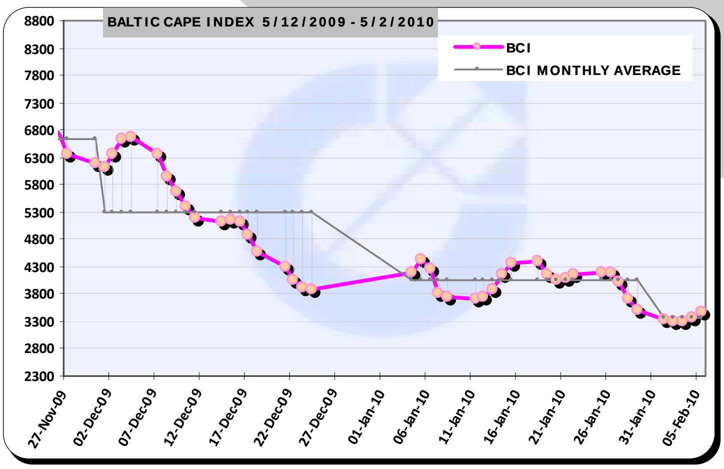
Sale and Purchase activity once again was hot, and we are certain that until Feb 14^{th} Far East celebrations of mainly China, Singapore, Korea, Taiwan, Malaysia, Philippines, Indonesia e.a. and Chinese New Year, will be over then maybe activity will pick up again. This Chinese New Year is the year of the tiger so let's hope it Roars…..!!!!

The markets fell sharply this week the Dow Industrial fell to just 2 points above the 10k mark, the S&P500 just some points away from it's 2010 lowest point closed at 1066 points, the Nasdaq at 2141 points. Commodities fell too, Gold, fell from a high 1128 on Wednesday to 1044 on Friday, with Silver that fell form 1695 on Wed to 1465 on Friday, and Crude oil plunging a sharp drop from 79.66 to 70.75 on Friday! Who is to blame for these falls??? DEBT! And not the US DEBT, it is the European sovereign debt levels mainly from the 4 little PIGS! Greece started the party, Portugal was next, Spain follows and Italy can't be saved in the end by Silvio's tricks! Though the PIGS acronym was apparently coined by British bankers, Britain, Ireland and Iceland also smell distinctly of bacon. At the same time the Euro falls sharply and makes the dollar shine, we saw a rate of 1.36 this Friday, a low rate that we hadn't seen since May 2009. This is one main reason why all 3 Gold, Silver and Black Gold (Crude) have fallen, as their prices are denominated in the US DOLLAR which in turn is rising sharply.

Talking about uncertainty one of the major issues we see that still blocks the business cycle which is ready to turn up. Debt has to be covered most likely by raising taxes. Governments have no real alternatives. However what is the level of tax, what is the new tax regime going to be? Fair, unfair, tight, extra tight? These still unanswered questions pose a great deal of frustration to business entrepreneurs who fearing the worst in the tax policies may be reluctant to expand, to hire new people and to shift gear and start gaining some momentum. Governments have to act quickly and get policies that will be firm. The last thing the markets and industries need is instability and extra insecurity.

In summary form: (week 03) **BDI**, **loss, -4.67%**, **BCI**, **loss, -0.57%**, **BPI, loss, -8.16%, BSI**, **loss, -5.06%, BHI**, **loss, -5.85%**

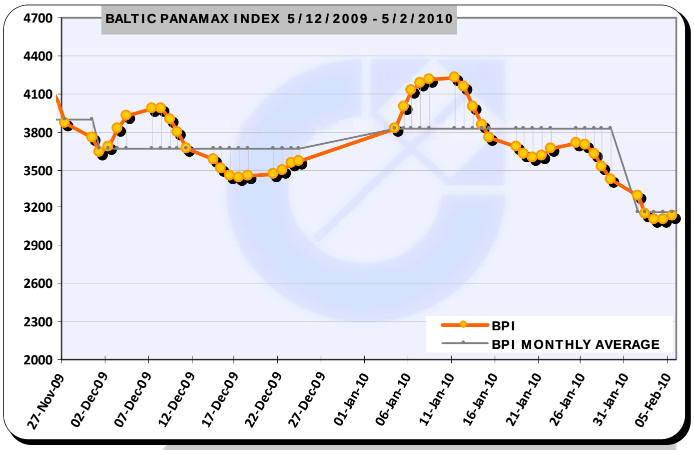
CAPESIZE MARKET



The ***Baltic Cape Index (BCI)*** closed on Friday the 5th of February 2009 even below the 3.5k mark, at **3474** points a **loss** of **-0.57%** or **-20** points over previous week's closing on Friday the 29^{th} January which was **3494** points.

The yearly average of the BCI currently stands at **3903** 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 down by **-20.26%**, still well below the 40k mark at **$31,000**. Previous week's T/C figure was **$38,877**. An low number of **six (6)** 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 **$17,000** (M/V "***Golden Huaxi***", 145905 dwt, built 1985, dely Rizhao 10/20 Feb , redely redel China, $17000, Winning, for a trip via Indonesia*)* up to **$36,000** (M/V ***"Anangel Prosperity"***, 174240 dwt, built 2006, dely Qingdao 6/10 Feb, redely worldwide, $36000, Oldendorff, for a 3/5 mos trading).

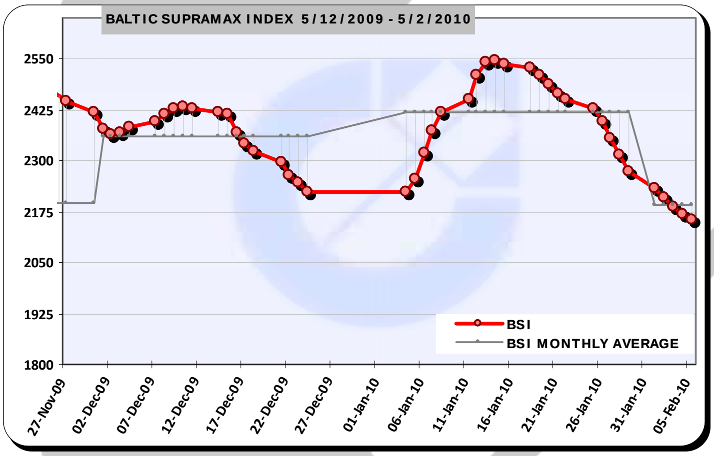
PANAMAX MARKET



The ***Baltic Panamax Index (BPI)*** was the only index that closed on Friday the 5th of February 2009 at **3141** with a **loss** of **-8.16%** or **-279** points compared to **3420** points which was last Friday the 29th January 2009 closing. The Yearly average of the BPI currently stands at **3690** points. The Panamax T/C average rate went down by **-12.15%** to **$26,335** from **$29,976** which was last week's Panamax T/C average.

A low number of only **Sixtytwo (62)** 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 **improved** levels compared to last week ranged from **$17,500** (M/V ***"Hebei Rainbow"***, 83583 dwt, built 1983, dely Jintang 11/20 Feb , redely redel China, $17500, Richstone, for a trip via Black Sea via Suez) up to **$44,000** for the (M/V "***Dione***", 75172 dwt, built 2001, dely Cape Passero 5/7 Feb , redely Singapore-Japan rge, $44000, Aquavita, for a trip via Black Sea - Louis Dreyfus relet.)

SUPRAMAX MARKET

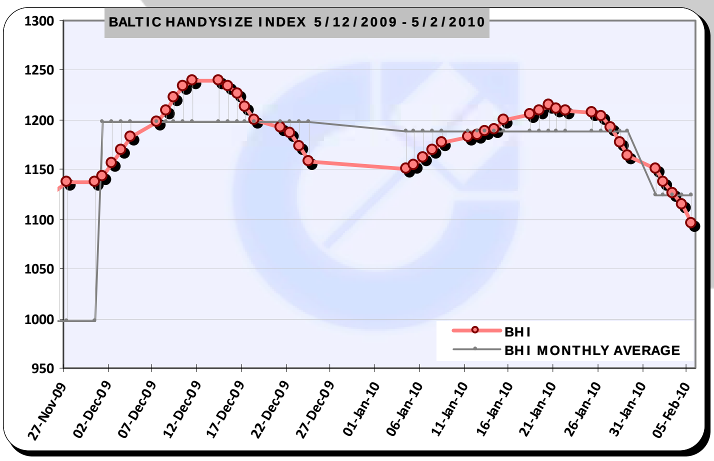


The ***Baltic Supramax Index (BSI)***, closed on Friday the 5th of February 2009, at **2156** points a **loss** of **-5.06%** or **-115** points based on the previous **2271** points we had last Friday the 29th January 2009 closing.

The yearly average for the BSI currently stands at **2373** points. For this week the Supramax Time Charter average rate calculated by NCSC is up at **$28,420** or **0.78%** based on **$28,200** which was last week's Supramax average. Above last week's average, **twenty two (22)** 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 **$16,000** (for the M/V ***"Prabhu Lal"***, 52491 dwt, built 2004, dely Xingang 4/6 February , redely China, $16000, STX Pan Ocean, for a trip via Australia or Indonesia) up to **$44,750** (for the M/V ***"Alpine Trader"***, 53800 dwt, built 2009, dely Black Sea 10/20 Feb, redely Singapore-Japan rge, $44750, STX Pan Ocean, for a trip).

HANDYSIZE MARKET



The ***Baltic Handysize index (BHI)*** stopped the increasing trend it had developed from the year start. It closed on Friday the 5th of February 2009 with a drop at **1095** points and this represents a percentage loss of **-5.85%** or a loss of **-68** points. The yearly average for the BHI currently stands at **1175** points.

This week's Handysize Time Charter that is calculated by NCSC went up marginally by **0.14%** this week to **$24,667** from **$24,633** which was last week's average. A much lower than the usual 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 **reduced** levels than last week from **$22,000** (for the M/V ***"Chrysoula S"***, 45742 dwt, built 1996, dely aps Durban-Richards Bay 13/15 Feb, redely redel Continent/Mediterranean approx, $22000, IVSI, for a trip) up to **$28,000** (for the M/V ***"Crystal Seas"***, 43222 dwt, built 1995, dely USGulf 3/4 Feb, redely worldwide, $28000, San Juan Navigation, for a bop up to 12 May/2 June).

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