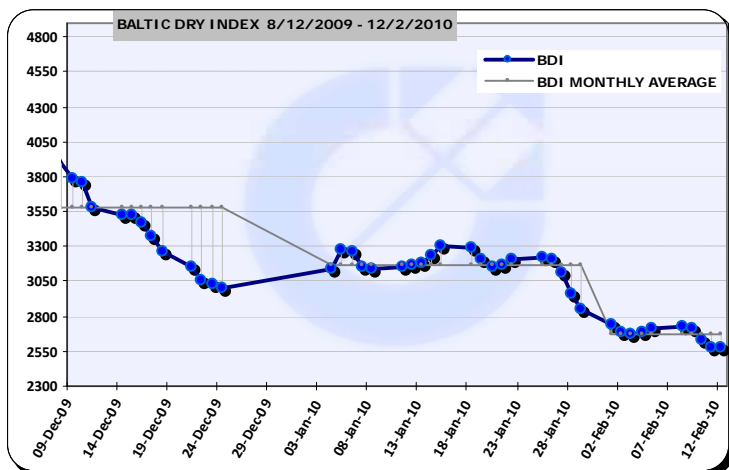


## 6<sup>th</sup> Week - Dry Cargo Market "Highlights" – 08/2/2010 until 12/2/2010

The Baltic Dry Index closed on Friday the 12th of February 2010 striking slightly over the 2,500 point mark, at **2571** points with an overall loss of **-5.30%** or **-144** points. (Last Friday's the 5th of February 2010 closing value was **2715** points). Midweek upward correction reduced the impact of the weekly drop.



Far East celebrations of mainly China, Singapore, Korea, Taiwan, Malaysia, Philippines, Indonesia e.a. for the Chinese New Year, will be over this coming week, so we should expect that overall market activity will pick up again early in week 08. The Chinese New Year celebrations will be over, the year of the tiger is here so let's hope that investing opportunistic "predators" just like the tigers... always on the look for THE CATCH, will find 2010 a year of opportunities and get good "prey" out of this year of expectations and uncertainty!!!!

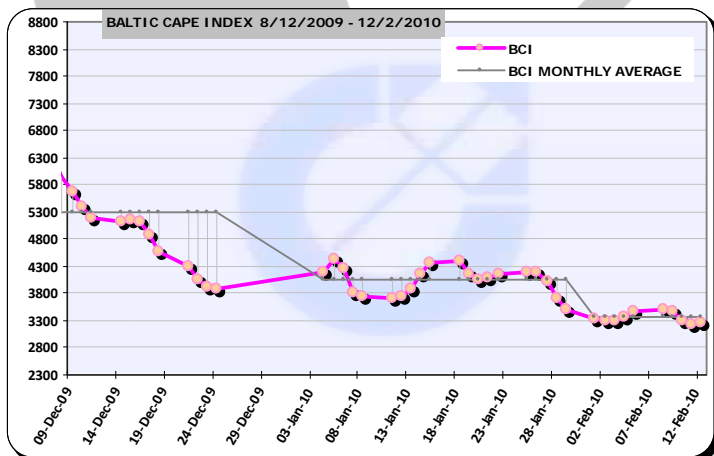
Even a subdued week had some very good deals that were reported, and at least the market dynamics are here, giving the feeling that good ships will get what they deserve from the market.

In the commodities markets, there seems to be a topping up and at least Crude Oil and precious metals also appear to have formed at least a trading cycle trough the previous Friday, February 5. Crude Oil bottomed at 69.50 then, and by Thursday had rallied back to 75.69. Gold bottomed at 1044.50 February 5, but by Thursday, February 11 had recovered back to 1098.40. March Silver fell to 1465 on February 5, but by Thursday of last week had recovered to 1573. The Euro currency, meanwhile, fell under 1.3600 again. The debt explosion is hitting the Euro community very hard, with several members on the verge of having their debt rating downgraded. Those leaders who cannot get their country's finances in order, and who continue out-of-control, spending of taxpayers monies, are courting both national and personal disaster. (StarIQ)

In summary form: (week 03) **BDI, loss, -5.30%, BCI, loss, -6.19%, BPI, loss, -3.60%, BSI, loss, -5.01%, BHI, loss, -5.21%**

### CAPE SIZE MARKET

The **Baltic Cape Index (BCI)** closed on Friday the 12th of February 2010 well below the 3,500k mark, at **3259** points posing a **loss of -6.19%** or **-215** points over previous week's closing on Friday the 5<sup>th</sup> February which was **3474** points.



THE global iron ore pricing system is headed for the biggest shake-up in its 40-year history after Brazil's Vale, the world's biggest iron ore miner, backed BHP Billiton's quest to kill off the annual price-setting process. If successful, the switch to spot prices could help double Australia's export revenue from its current level of \$34 billion and dramatically increase investment in the resources industry. The benchmark price is about \$US60 a tonne while the spot price is hovering at \$US125 a tonne. Vale's push came as Rio Tinto, Australia's biggest producer, said changes to the

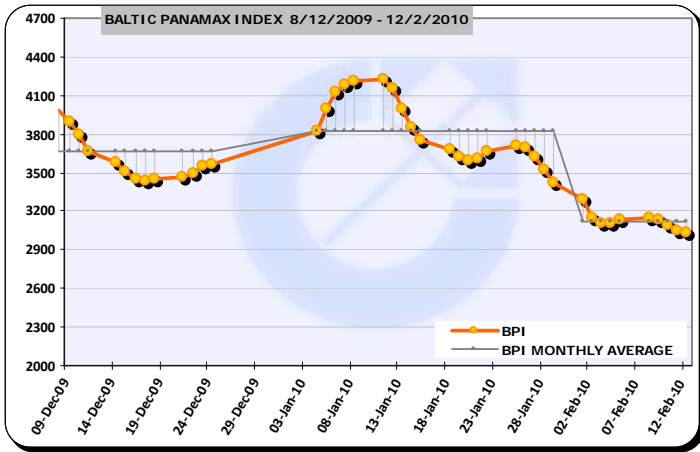
pricing system were not occurring fast enough. The three mining giants, which control 70 per cent of the seaborne market, are now all agitating for change. (The Australian)

The yearly average of the BCI currently stands at **3813** 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 **-7.66%**, still well below the 40k mark at **\$28,625**. Previous week's T/C figure was **\$31,000**. A good number of **twelve (12)** 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 **\$22,000** (M/V "F.D.Luigi Damato", 180200 dwt, built 2006, dely Xingang 14/16 Feb, redely China, \$22000, K Line, for a trip via West Australia) up to **\$35,000** (M/V "Cape Oceania", 152025 dwt, built 1994, dely ARA rge end Feb, redely Skaw-Cape Passero, \$35000, EdF, for a transatlantic round).

The sale of the M/V "North King" 127k/81 blt Hyundai Korea, sold for \$7.6mil to undisclosed Chinese Buyers was the only cape sold this week.

## PANAMAX MARKET

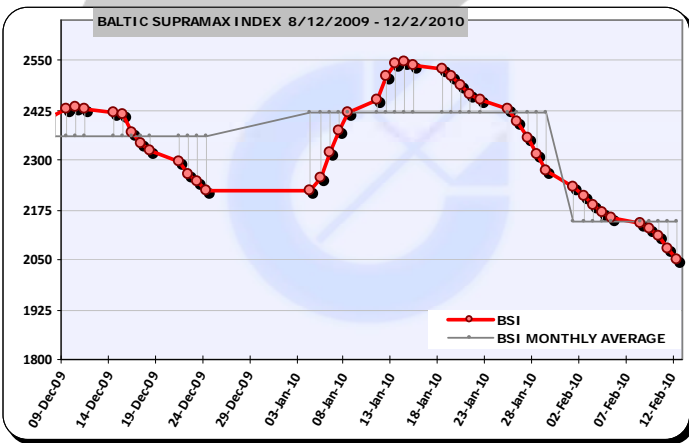
➤ The **Baltic Panamax Index (BPI)** closed on Friday the 12th of February 2010 just above the 3,000 point mark at **3028** with represents a **loss of -3.60%** or **-113** points compared to **3141** points which was last Friday the 5<sup>th</sup> February 2010 closing. The Yearly average of the BPI currently stands at **3589** points. The Panamax T/C average rate went down by **-1.68%** to **\$25,892** from **\$26,335** which was last week's Panamax T/C average. A low number of only **fourtyeight (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 Panamaxes this week, with slightly **reduced** levels compared to last week ranged from **\$12,500** (M/V **"Guoyuan 5"**, 65298 dwt, built 1985, dely retro Longkou 30 Jan, redely China, \$12500, Chart Not Rep, for a trip via India) up to **\$37,000** for the (M/V **"Rodon"**, 74090 dwt, built 2001, dely US Gulf 10/12 Feb, redely Far East, \$37000, Chart Not Rep, for a 700000 bb - trip)



The M/V **"Maja Vestida"**, 70.2k/94 built Sanoyas Japan, was sold to Undisclosed buyers for \$21.5mil this week

## SUPRAMAX MARKET

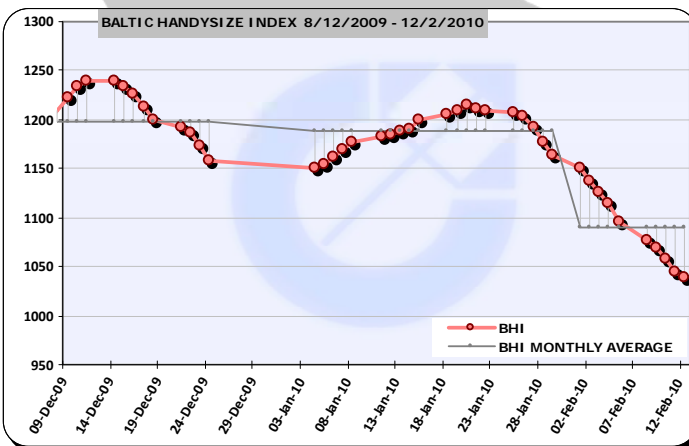
➤ The **Baltic Supramax Index (BSI)**, closed on Friday the 12th of February 2010, at **2048** points a **loss of -5.01%** or **-108** points based on the previous **2156** points we had last Friday the 5<sup>th</sup> February 2010 closing. The yearly average for the BSI currently stands at **2328** points. For this week the Supramax Time Charter average rate calculated by NCSC is down at **\$26,436** or **-6.98%** based on **\$28,420** which was last week's Supramax average. Above last week's average, **seventeen (17)** 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 **\$10,000** (M/V **"Inta"**, 53100 dwt, built 2009, dely N.China 11-14/2.2010, redely India, \$10000, Isaphia, for a trip via Indonesia) up to **\$41,000** (M/V **"Medi Dubai"**, 52523 dwt, built 2001, dely USGulf 20/28 February, redely Singapore-Japan, \$41000, Transgrain, for a trip).



The M/V **"Medi Dubai"** 52k/01blt Sanoyas Japan blt, went to undisclosed buyers for \$25.75mil, while the M/V **"Annika"**, 52k/06blt IHI Japan, was sold to South Koreans for \$31.7mil. This is interesting to note that similar vessel sold 2 months ago fetched close to \$30mil usd and we see that Annika receiving nearly 7% more in just 2 months time.

## HANDYSIZE MARKET

➤ The **Baltic Handysize index (BHI)** is falling steeply over the past 2-3 weeks. It has not had a single day correcting, and all days from the 25<sup>th</sup> of Jan it has gone downhill. It closed on Friday the 12th of February 2010 with a drop at **1038** points and this represents a percentage loss of **-5.21%** or a loss of **-57** points. The yearly average for the BHI currently stands at **1155** points. This week's Handysize Time Charter that is calculated by NCSC went down marginally by **-5.89%** this week to **\$23,214** from **\$24,667** which was last week's average. A 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 **improved** levels than last week from **\$18,750** (M/V **"Genco Wisdom"**, 47180 dwt, built 1997, dely NANTONG 11-14/2.2010, redely Worldwide, \$18750, Norden, for a 3/5 mos trading) up to **\$26,000** (M/V **"Pacific Mercury"**, 49016 dwt, built 1996, dely Pmo 17-20/2.2010, redely China, \$26000, Seawin, for a via India).



Handies sale and purchase activity was "lukewarm" this week as we got the M/V **"Ocean King"** 47k/01 blt Minami Japan that went for 24mil to undisclosed buyers, the M/V **"Serashi"** 46k/85 Hashihama Japan that fetched \$9mil by Undisclosed, the M/V **"Steel Might"** 39k/85 blt IHI Japan that went for \$8.5mil to Greek buyers and the M/V **"Silver Bin"** 38.9k/86 blt Bohai Japan, went for \$6.5mil to Indonesian buyers.