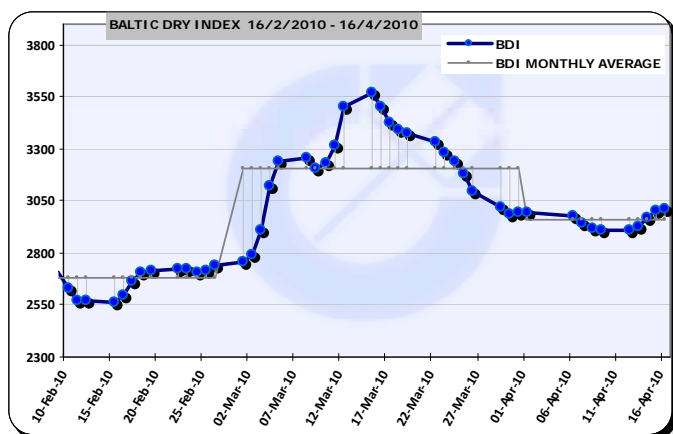


## 15<sup>th</sup> Week - Dry Cargo Market "Highlights" – 12/4/2010 until 16/4/2010



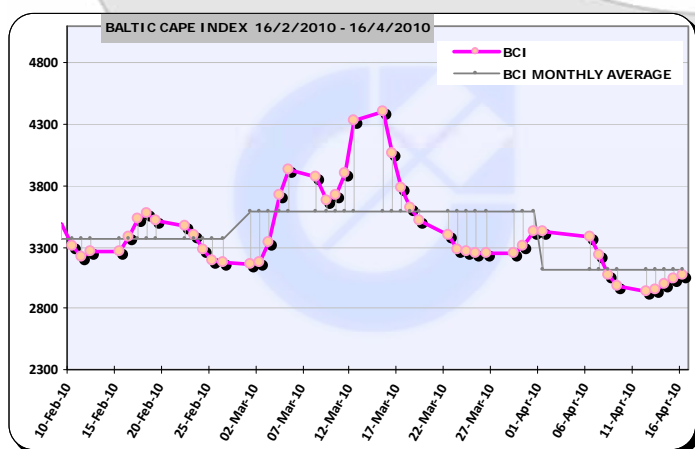
This was a "green" week...!!! All 5 Baltic Indices moved positively and were in the green, posing some more optimism into our industry. The *Baltic Dry Index* closed on Friday the 16th of April 2010 just above the 3,000 point mark, a level which we have psychologically made it as a level that makes everyone feel better if we are around it!! However it is not just a psychological level but a base level around which all levels (freight levels, sale and purchase prices) make most shipping investments seem workable. The BDI closed positively at **3009** points with an overall medium weekly gain of **3.37%** or **98** points. (Last Friday's the 12nd of April 2010 closing value was **2911** points). The index every day of this week made a positive turn, over-passing below its monthly average which in turn was improved over last week.

The momentum in the market is back in full force, great business volume, great sale and purchase activity, all sectors started to show greater than the expected momentum, the dry bulk secondhand sales have reached levels that we never had seen even during the party of 2005-2008!!!! We had never seen 157 dry cargo units being sold in one month except once in July 2007 when we had 163 units. So could the party be back? Could we be talking of a return to the dry bulk market that we had seen before the Financial Crisis blew apart world trade and brought our industry to a stand-still?? Perhaps we can talk of a recovery, global markets are showing positive signs, they seem to have generated some growth, and at least the most encouraging signs come from the developing countries who are asking for more raw materials and more imports necessary to fuel their growth plans. So economic fundamentals are there showing that we can rely on China, India, Brasil, Russia, Indonesia. USA shows some steady signs that Obama's economic regime is working, the market psychology is developing again and some risk is again in the menu of investors.

196 ships have changed hands until end of March 2010, 157 dry, and 39 tankers. \$4.2billion has been spent for these deals. 110 ships have been scrapped this month alone, bringing the total of units that have been "deactivated" from the World active merchant fleet, to 319 units of a total 11.3million DWT carrying capacity. And this is all very encouraging as we see that if the pace continues unchanged for 2010 we may well surpass the scrap levels of 2009, which aided much the reduction of the potential overcapacity that the in-flood of NB's is expected to cause. So far the New Building deliveries have been less of the expected threat. Some partial re-negotiations, some cancellations, some conversions, and definitely some deferrals of these deliveries have assisted in keeping a stable market at practically good freight levels. We expect that the market will continue on these lines, aided by increased Industrial production, by increased world growth, and by the fact that the financial markets are once more supporting the shipping investments name them IPO's or pure loan facilitation. So it could well be business as we had it, and let's hope it is...!!

In summary form: (week 09) BDI, **gain, 3.37%**, BCI, **gain, 4.42%**, BPI, **gain, 1.43%**, BSI, **gain, 3.43%**, BHI, **gain, 1.10%**

### CAPE SIZE MARKET



The *Baltic Cape Index (BCI)* closed on Friday the 16th of April 2010 just above the 3,000k mark, at **3071** points posing a rather interesting corrective weekly **gain of 4.42%** or **130** points over previous week's closing on Friday the 12<sup>th</sup> April which was **2941** points. It is interesting to note that this modest weekly up rise has brought the BCI just below the monthly average which currently stands at 3100 points.

Grey outlook for the Capes. On one hand we have the ongoing strategic stance (nerve game) between the 4 giant miners and the Chinese importers of iron/ore that have resulted in reduced quantities and shipments for iron/ore. The Atlantic market is subdued, activity is low, and it is the first time in quite some time that shipowners accept to fix Atlantic biz at levels lower than Pacific haulages. We are

holding a certain cautious optimism, about the Cape market, as we see that there are some geopolitical games for big serious players and the result of this lot will decide the near future of the capes.

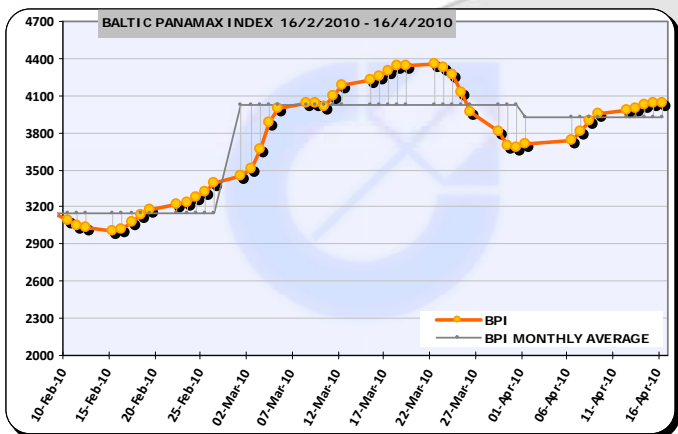
The Capesize T/C average rate calculated every week by N. Cotzias Shipping Consultants from this week T/C fixtures followed the rise of the index & went up this week by **3.85%**, still well below the 35k mark at **\$33,475**. Previous week's T/C figure was **\$32,233**. Period demand is low, and similarly to last week, we had a low number of reported cape fixtures of **five (5)** units that

were fixed on T/C this week. The daily min/max rate as seen in our fixtures report for was **reduced** over last week from **\$28,000** (M/V 'Front Striver', 169204 dwt, built 1992, dely China 23/25 Apr, redely worldwide, \$28000, Swiss Marine, for a 4/6 months trading) up to **\$45,000** (M/V 'Cape Provence', 177393 dwt, built 2005, dely Cape Passero 10/15 Mar, redely Hadong, \$45000, J. Aron, for a trip via Bolivar).

Capes sold this week include the M/V "**Cape Jacaranda**" 183,000dwt 1995 built Kawasaki sold for \$34mil to Entrust of Greece with a 12 month T/C at \$33,000 dollars per day, while the rather older "**Hebei Eagle**" 170,000dwt built 1985 Hyundai was sold for much less, \$12mil to undisclosed Chinese buyers. Further we had the sale fo the M/V "**China Venture**" 175,000dwt built 2005 that was sold for \$55mil to Chinese buyers including an 11 month charter at \$24.500 per day.

## PANAMAX MARKET

■ The **Baltic Panamax Index (BPI)** closed on Friday the 16th of April 2010 just below the 4,000 point mark at **4034** which represents a strong **gain** of **1.43%** or **57** points compared to **3977** points which was last Friday the 12<sup>th</sup> April 2010 closing. The Yearly average of the BPI currently stands slightly down at **3917** points. The NCSC Panamax T/C average rate went **up** by **2.18%** to **\$31,350** from **\$30,680** which was last week's Panamax T/C av.



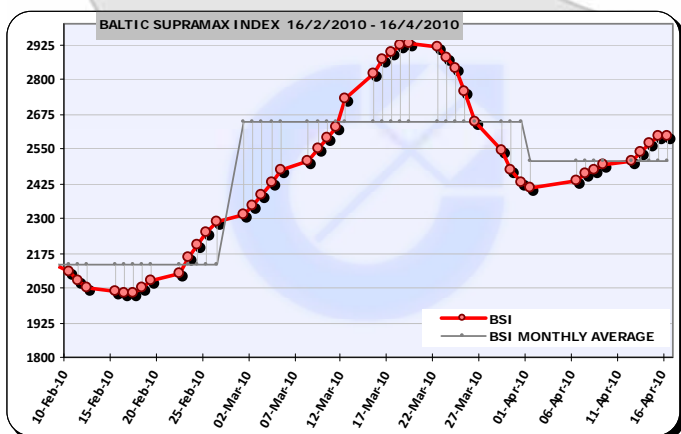
In the Panamax sector we continue to see a satisfactory strong movement of cargoes in the Atlantic basin as well as some panamax shipments from Brazil to China,. Long hauls of grain shipments have also boosted further the panamax rates. Especially East Coast South America (ECSA with grain exports is just another strong reason that the panamax market is hotter than usual and the rates are standing firm marginally improved

over last week's good rates.

A greater than usual number of **seventyfour (74)** Panamax vessels were being chartered this week on Period and T/C's and this shows the added momentum and demand by Charterers. The daily rates as seen in our separate fixtures report for Panamaxes this week, with **reduced** levels compared to last week ranged from **\$20,000** (M/V 'Iorana', 75000 dwt, built 2009, dely Worldwide June, redely worldwide, \$20000, Alfred C.Toepfer, for a 35/37 months trading) up to **\$47,000** for the (M/V 'Ore Hansa', 82209 dwt, built 2006, dely aps Brazil 25/29 Apr, redely Taiwan, \$47000, CSE, for a 1.00 million bb - trip)

This week's Panamax sales include the Panamax M/V "**Iorana**" 75,000dwt built 2009 China that was sold to Paragon Shipping of Greece for \$41mil, the M/V "**Marigo P**" 74,000dwt built 2002 Japan was sold to Five Stars of India for \$36mil. In ADDITION the M/V "**Jin Star**" 79,000dwt built 2010 China, was sold for \$41mil with a Timecharter until 2014 at \$14,250 per da. Closing the Panamax sales of this week we see the M/V "**Maja Vestida**" 70,000dwt built 1994 Sanoyas Japan that fetched \$22mil that went to undisclosed Chinese buyers.

## SUPRAMAX MARKET



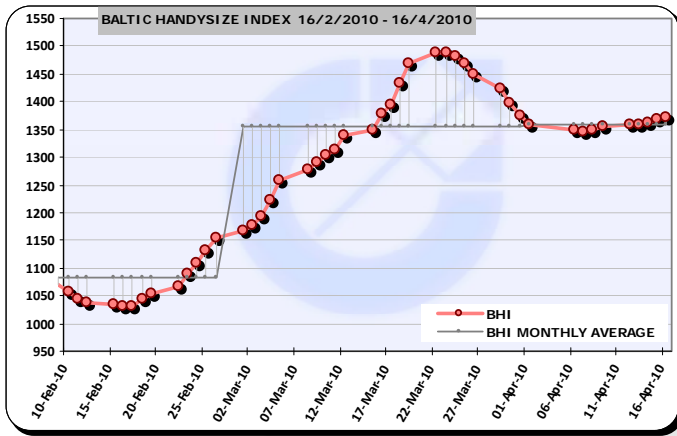
■ The **Baltic Supramax Index (BSI)**, closed on Friday the 16th of April 2010, at **2594** points a **gain** of a good **3.43%** or **86** points based on the previous **2508** points we had last Friday the 12<sup>th</sup> April 2010 closing. This week we saw a second week of rising BSI following the past two week fall. The yearly average for the BSI currently stands slightly up at **2507** points. For this week the Supramax Time Charter average rate calculated by NCSC is **up** at **\$29,201** or **2.12%** based on **\$28,595** which was last week's Supramax average.

Demand for Supra's is strong for once more, and we were above last week's average, with a good number of **thirty (30)** Supramaxes that 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 **\$15,500** (M/V 'Merlin', 50296

dwt, built 2001, dely Lanshan 12/13 April, redely India, \$15500, Oldendorff, for a trip via Indonesia) up to **\$49,900** (M/V 'Navios Mercator', 53553 dwt, built 2002, dely USGulf end April, redely Singapore-Japan, \$49900, Transgrain, for a trip).

Sales of Supramaxes were interesting this week. Wilmar Navigation are finally identified as the sellers of the M/V "**Theresa Guangdong**" 57,000 dwt built 2010 Kouan S.B. China and the M/V "**Theresa Shandong**" 57,000 dwt built 2009 Kouan S.B. China. These are the two Supramax vessels that were bought by Globus for \$32.8mil each. The similar aged and sized M/V "**Helga Selmer**" 57,000 dwt built 2009 Sanfu was sold for slightly less than the Globus ones, \$32.1mil to undisclosed buyers.

## HANDYSIZE MARKET



■ The **Baltic Handysize index (BHI)** closed on Friday the 16th of April 2010 with a small weekly improvement at **1373** points and this represents a mere percentage increase of **1.10%** or a gain of **15** points. The chart looks like a flatliner curve as the BHI seems stable enough for 2 weeks around the 1350 level.

The yearly average for the BHI currently stands at **1235** points. As we mentioned we saw a partial slightly positively inclining stabilizing attempt to halt the 2 week fall of the BHI, and this week's Handysize Time Charter that is calculated by NCSC went **down** by a mere **-1.74%** this week to **\$29,267** from **\$29,786** which was last week's average. The Handies are still earning a decent return and their time charter daily equivalent can be seen as a very respectful one however compared to the levels earned by Supras and Panamax there was an anomaly as the differential was very slight.

A lowish number of only **eight (8)** 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 **\$19,500** (M/V 'Amber K', 47282 dwt, built 2000, dely Greece 16/18 April, redely West Africa intention clinker, \$19500, ED&F Man Shipping, for a trip) up to **\$40,000** (M/V 'Star Canopus', 45635 dwt, built 2002, dely USGulf end April, redely Italy, \$40000, Energy, for a trip).

In the Handysize size segment sale and purchase activity was strong, we saw the sale of the M/V "Star Providence" 40,000dwt built 1985 sold for \$11εκ, the M/V "Golden" 38,099 dwt built 1985 Kawasaki Japan sold to Greeks for \$7.2mil. The M/V "Maritime Alliance" 36,000dwt built 1987 Oshima Japan sold to Turkish buyers for \$10mil, the M/V "Canpotex Redemption II" 32,400dwt built 2005 sold to undisclosed buyers for \$25mil, the M/V "Hanjin Penang" 27,000dwt built 1996 Korea sold to undisclosed Turkish buyers for \$18εκ, while the smaller M/V "Thor Transit" 23,042dwt built 1986 Mathias Thesen Germany sold to undisclosed Russian buyers for \$4.3mil. An enbloc deal with the M/V "Ariosia" 32400dwt built 1983 Kanda Japan and the M/V "Ariella" 32400dwt built 1983 Kanda Japan sold to Chinese buyers for \$10.5mil for both units.

## DEMOLITION MARKET

408 vessels have gone for demolition from the start of the year. This figure is important as the total number we had for 2009 was 1200 units/vessels that were removed from the active fleet.

From these 408 vessels we have 138 tanker vessels and 270 dry cargo vessels. Of these dry cargo units 104 are bulk carriers of a total of 2.2mil tonnes carrying capacity. In the tanker sector the total carrying capacity that was removed are 8mil tones and this number is great as there is the tendency and necessity for older single hull VLCC's to be deactivated Most of these VLCC's have gone to Bangladesh and then Pakistan and India.

TOTAL DEMOLITION STATISTICS				
2010	UNITS	DWT	LDT	average
January	112	3,968,956	912,438	343.75
February	104	2,634,834	618,578	328.97
March	122	4,976,675	1,046,182	368.25
April	70	1,346,683	321,421	447.20
<b>TOTAL</b>	<b>408</b>	<b>12,927,148</b>	<b>2,898,619</b>	<b>\$372.04</b>