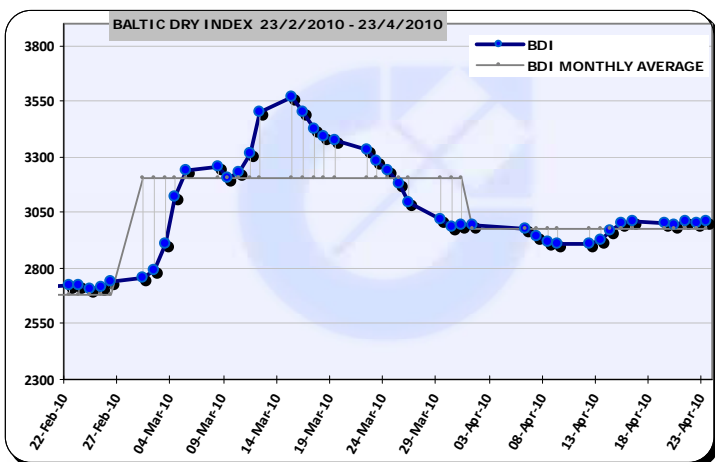


16th Week - Dry Cargo Market "Highlights" – 19/4/2010 until 23/4/2010

The *Baltic Dry Index* closed on Friday the 23rd of April 2010 just above the 3,000 point mark, a base level around which all levels



(freight levels, sale and purchase prices) make most shipping investments seem workable. The BDI closed positively at **3013** points with an overall weekly gain of **0.13%** or **4** points. (Last Friday's the 16th of April 2010 closing value was **3009** points). The index seems to have entered a stabilization period, oscillating around the 3k mark for around 4 weeks now.

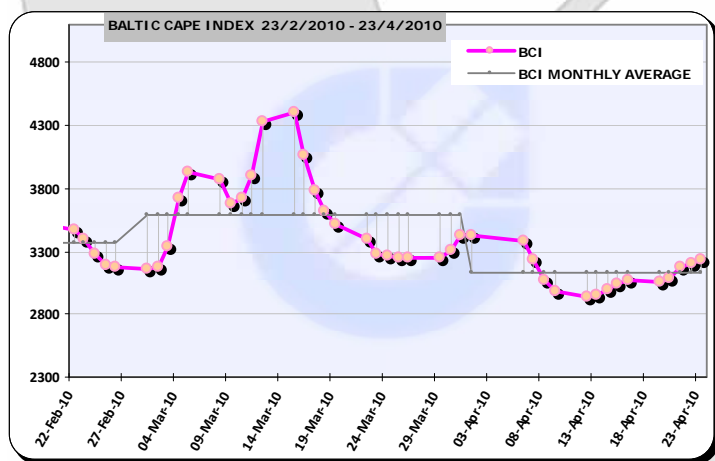
So Greece finally last Friday, pressed the red IMF button, and so our country's economy will be under TOW. The tug boats of IMF expect to arrive in early May and from then on, it will be a tough sea ride always in heavy seas but with the protection, guidance and stability that the Ocean going Tugs of IMF will provide to our troubled Economy.

Speaking of the IMF, we had this week published data from the International Monetary Fund (IMF) that says the world economy is recovering from the global crisis better than expected, but sees activity reviving at different speeds in different parts of the world. In its latest World Economic Outlook (WEO), the IMF said among the advanced economies, the United States is off to a better start than Europe and Japan. Among emerging and developing economies, emerging Asia is leading the recovery, while many emerging European and some Commonwealth of Independent States economies are lagging behind. China's growth is forecast at 10 percent in 2010, with India also at a rapid 8.8 percent. Sub-Saharan Africa has weathered the crisis well and its recovery is expected to be stronger than in previous global downturns. In the depth of the crisis last year, world economic activity contracted by 0.6 percent as world trade slumped and credit froze up. "We find ourselves at an important new stage of the crisis," IMF Research Department Director Olivier Blanchard told an April 21 news briefing in Washington. "A global depression has been averted. The world economy is recovering, and recovering better than we had previously thought likely." But he added that achieving strong, sustained, and balanced growth would require more work, namely fiscal consolidation in advanced countries, exchange rate adjustments, and a rebalancing of demand across the world.

In summary form: (week 09) **BDI, gain, 0.13%**, **BCI, gain, 5.44%**, **BPI, loss, -6.87%**, **BSI, gain, 2.39%**, **BHI, loss, -1.60%**

CAPE SIZE MARKET

The *Baltic Cape Index (BCI)* closed on Friday the 23rd of April 2010 just above the 3,000k mark, at **3238** points posing a rather



interesting corrective weekly **gain of 5.44%** or **167** points over previous week's closing on Friday the 16th April which was **3071** points. It is interesting to note that this positive weekly up rise has brought the BCI above the monthly average which currently stands at 3125 points.

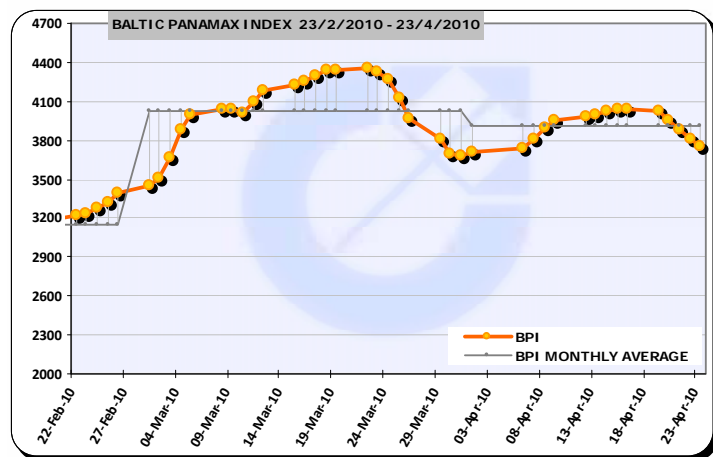
Supply still exceeds demand in China's steel market and there is little possibility for an aftermarket price hike, according to a report released by the China Iron and Steel Association (CISA) yesterday. Due to continued growth in production, high inventories and low export volume for steel, supply is likely to continue to exceed demand. The growth of the Chinese economy maintained momentum in March. Due to increasing demand for steel products in the hot season plus rising iron ore costs and steel prices in the

international market, domestic steel prices have increased rapidly, steel inventories have dropped slightly and steel exports have risen. The report noted that costs of raw materials needed for steel production - especially iron ore, coke, steel scrap and seaway freight - are on the rise currently, putting steel mills under huge pressure. Although a steel price hike may transfer some of steel mills' cost pressures to downstream industries, steel price increases are limited by what consumers can afford to pay. Therefore, China's steel industry still faces a very serious situation. Although the global economy has entered the recovery stage, market demand hasn't been fully restored. However, steel output in major steel-producing countries continues to rise month-by-month adding more pressure on China's steel exports. With increasing global trade disputes, trade protectionism and climate change, the outlook for China's steel exports is not optimistic. However, every coin has two sides. China's recovering economy feeds the growth of domestic steel demand; raw material price hikes increase the cost of steel; the rebounding global economy is also beneficial for expanding steel exports. In addition, steel inventories have begun to decline. Total inventories at China's 26 major steel markets amounted to 1.729 million tons, down 800,000 tons over the previous month, decreasing by 4.42 percent. The CISA pointed out that steel inventories' decline showed that market demand was starting to pick up. (*People's Daily Online*)

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 down this week by a solid **-6.05%**, still well below the 35k mark at **\$31,449**. Previous week's T/C figure was **\$33,475**. Period demand is low, and similarly to last week, we had a low number of reported cape fixtures of **fifteen (15)** units that were fixed on T/C this week. The daily min/max rate as seen in our fixtures report for was **improved** over last week from **\$18,000** (M/V 'Diamond Warrior', 197091 dwt, built 1984, dely, redely redel worldwide, \$18000, Chart Not Rep, for a trip) up to **\$42,000** (M/V 'Ocean Lady', 180361 dwt, built 2009, dely aps Tubarao 8/15 May, redely PMO, \$42000, Oldendorff, for a 1.00 million bb - trip via PG).

PANAMAX MARKET

➤ The **Baltic Panamax Index (BPI)** closed on Friday the 23th of April 2010 just below the 4,000 point mark at **3757** which represents a strong **loss** of **-6.87%** or **-277** points compared to **4034** points which was last Friday the 16th April 2010 closing.



The Yearly average of the BPI currently stands slightly down at **3727** points. The NCSC Panamax T/C average rate went **up** by **0.61%** to **\$31,528** from **\$31,337** which was last week's Panamax T/C av. This week we saw a holding back, in last week's upward trend, and it seems that when the Capes are going upwards the Panamaxes suffer from high anxiety and fall..! Grain traders reduced their export cargoes and as such the East Coast South America market had less outbound cargoes to show. Atlantic basin was at similar levels of last week, and moved in the \$33-\$35k per day mark. In the Pacific market, we had no change over last

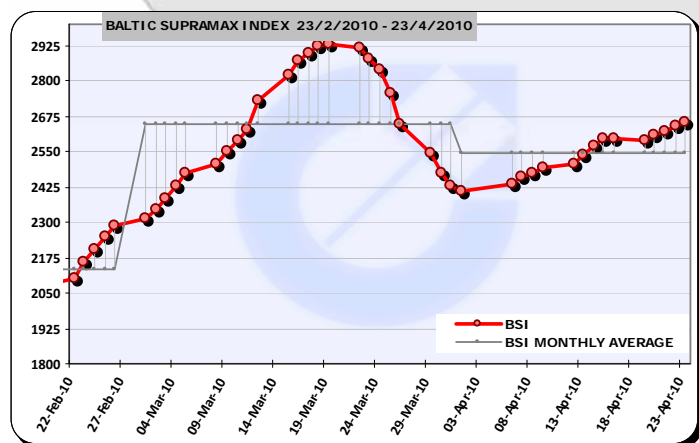
week. 55 period charters this week, showing some increased dynamics, and longer term charters of say 1 or 2 years are at \$24-\$25,000 per day levels.

A total of **seventyone (71)** Panamax vessels were being chartered this week on Period and T/C's and this shows the reduced momentum and demand by Charterers. Last week we had more than 89 vessels on T/C. The daily rates as seen in our separate fixtures report for Panamaxes this week, with **improved** levels compared to last week ranged from **\$16,000** (M/V 'Gem of Safaga', 65163 dwt, built 1982, dely Caofeidian 20/25 Apr, redely Taiwan, \$16000, Oldendorff, for a trip via Indonesia) up to **\$49,000** for the (M/V 'Mulberry Paris', 76492 dwt, built 2004, dely retro Singapore 19 Apr, redely China, \$49000, HMM, for a trip via Geraldton)

This week's Panamax sales include the M/V "Filomena L" 76,600dwt built 2003 Japan, sold for \$36.5mil to undisclosed Greek buyers with a T/C attached until Oct 2010 – Jan 2011 at \$22.750/day. The M/V "Peoria" 70,200dwt built 1996 Japan was sold to undisclosed buyers for \$22.5mil with a 12 month bareboat charter at \$13,000/day. The M/V "Jin Star" 79,800dwt built 2010 Japan sold for \$4mil with a T/C until end 2014 at "lowish" levels \$14,250 per day. Finally the M/V "Makiki" 73,000dwt built 1997 sold to Chinese buyers for \$28mil, the M/V "Cemtex Leader" 67,000dwt built 1989 China, was sold for \$12.9mil to Courage Marine of Singapore.

SUPRAMAX MARKET

➤ The **Baltic Supramax Index (BSI)**, closed on Friday the 23th of April 2010, at **2656** points a **gain** of a good **2.39%** or **62** points based on the previous **2594** points we had last Friday the 16th 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 **2437** points. For this week the Supramax Time Charter average rate calculated by NCSC is **up** at **\$29,499** or **1.02%** based on **\$29,201** which was last week's Supramax average.



In the Supramax charter market the activity was good, and we had some periods of 12 and 24 months at levels of \$21,000- \$22,000 even up to \$23,000 dollars per day. In the spot market, we see some good fixtures from the US Gulf to FarEast that give us some T/C Equivalent of \$40,000 even up to \$45-\$46,000 usd/day. In the Pacific basin Supramaxes

make \$25,000/day. From India that we saw some increased activity last week, we saw a very subdued interest for trips from West Coast India to China.

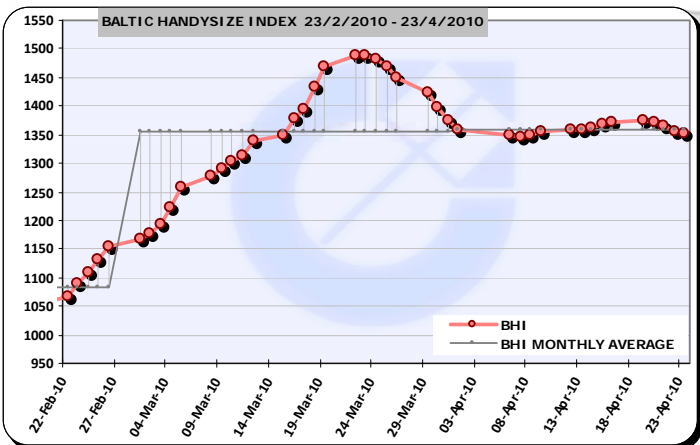
Demand for Supra's just like last week is strong for once more, and we had a good number of **twentythree (23)** Supramaxes that were on T/C this week. The daily rates (differential of Highest – Lowest weekly T/C figure) in the fixtures reported this week,

for Supramaxes were **reduced** over last week and ranged from **\$15,750** (M/V 'Clear', 53100 dwt, built 2009, dely North China end April, redely India, \$15750, Chart Not Rep, for a trip via Indonesia) up to **\$48,000** (M/V 'Peregrine', 50913 dwt, built 2001, dely Cristobal spot, redely Cont-Med intention Pet Coke, \$48000, US charterer, for a trip via Venezuela, and the M/V 'CS Dream', 50240 dwt, built 2010, dely Corpus Christi early May, redely redel Spain intention Pet Coke approx, \$48000, Norden, for a trip).

In the Sale and Purchase market for Supra's this week we saw only the sale of the M/V "Agios Nektarios" 52,500dwt built 1988 Russia, that was sold to undisclosed buyers for \$8mil.

HANDYSIZE MARKET

■ The **Baltic Handysize index (BHI)** closed on Friday the 23th of April 2010 with a small weekly improvement at **1351** points and



this represents a mere percentage loss of **-1.60%** or a loss of **-22** points. The chart looks a bit healthier than a flatliner curve as the BHI seems stable enough for 3 weeks around the 1350 level.

In the Handies charter market and more specifically in the Handymax vessels we saw a drop in the charter activity and a stabilization trend in the charter rates. This was somewhat expected as last week we had Handymax vessels earning very close to the larger Supramax type. This so called "anomaly" was corrected and the daily earnings are back to more realistic levels that make more sense in terms of their carrying capacity.

The yearly average for the BHI currently stands at **1243** 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 **-1.09%** this week to **\$28,947** from **\$29,267** 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 **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 **\$21,500** (M/V 'Lipica', 42556 dwt, built 1998, dely South China spot, redely Singapore-Japan, \$21500, S.Korean charterer, for a 2 laden legs) up to **\$43,000** (M/V 'Storm Ranger', 45744 dwt, built 1995, dely dop Colombia Atlantic 5/10 May, redely redel Cont-Med, \$43000, STX Pan Ocean, for a trip via North coast South America - Bunge relet).

In the Handysize size segment sale and purchase activity was not as strong as last week and was mainly concentrated in older mid 80's units. We saw reported the sale of the M/V "Alios" 49,000dwt built 1983 Japan that was sold for \$9.3mil while the M/V "Benarita" 40,600dwt built 1984 Japan was sold for \$8.75mil. The M/V "Arctic Trader" 48,000dwt built 1994 Croatia was sold for \$17mil to undisclosed buyers (vessel sale is still on subjects). The M/V "Velebit" 42,200dwt built 1990 Oshima Japan, was sold to undisclosed buyers for \$13.3mil, while we understand that the sale includes a T/C until Oct 2010 at \$12,750 per day. The Sale of the M/V "Steel Glory" 39500dwt built 1984 Namura Japan to undisclosed Greek Buyers for \$9mil.

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