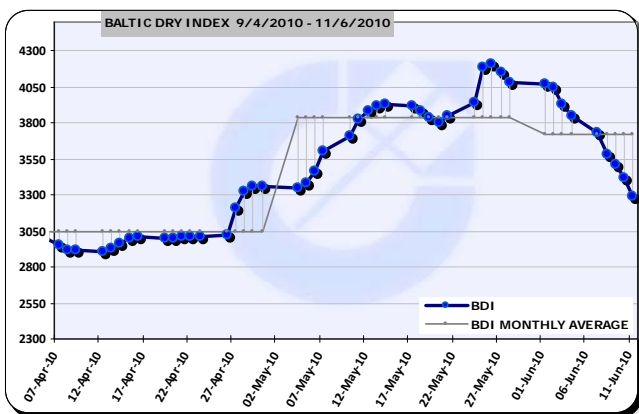


## 23<sup>rd</sup> Week - Dry Cargo Market "Highlights" – 7/6/2010 until 11/6/2010

All the Baltic Dry indices are red this week. We have seen heavy negative performance with a great percentage loss across all 5



Baltic Indices. The **Baltic Dry Index** reached 2010's peak on the 26<sup>th</sup> May 2010, when it hit 4209 points. From then on it has started a downhill rally that seems to be progressing further. The BDI closed on Friday the 11<sup>th</sup> of June 2010 well below the 3.5k point mark at **3288** points with a strong weekly loss of **-14.46%** or **-556** points. (Last Friday's the 4<sup>th</sup> of June 2010 closing value was **3844** points). From the peak of May 26<sup>th</sup> we have seen a loss of -22% that is represented by 921 points loss. This fall shows that there is quite a strong volatility in the freight market clearly shown by the BDI and we have counted 12 consecutive falling Baltic sessions with possible more to come. As for the other indices all were negative this week, and it was the Cape index this week that was the one with the heaviest weekly drop.

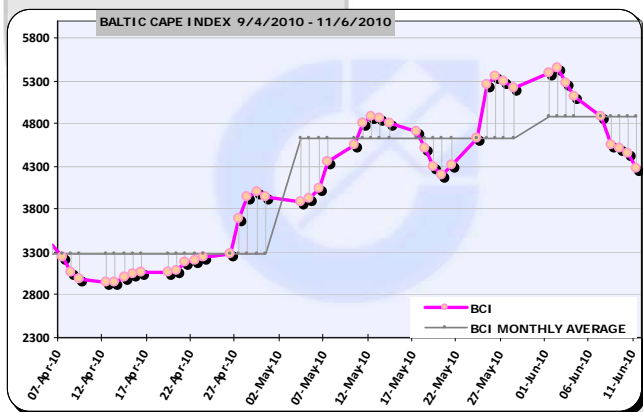
In summary form: (week 20) **BDI, loss, -14.46%, BCI, loss, -16.32%, BPI, loss, -13.33%, BSI, loss, -12.08%, BHI, loss, -6.52%**

Interesting enough to see in the table below the Indices changes from 1/1/2010 (Jan 2010):

INDEX	11 June 2010	1 January 2010	% CHANGE	POINT DIFF	TREND	L/G
BDI	3288	3005	9.4%	283	▲	gain
BCI	4276	3887	10%	389	▲	gain
BPI	3361	3567	-6%	-206	▼	loss
BSI	2410	2224	8%	186	▲	gain
BHI	1333	1159	15%	174	▲	gain

### CAPESIZE MARKET

The **Baltic Cape Index (BCI)** closed on Friday the 11<sup>th</sup> of June 2010 just above the 4k mark, at **4276** points posing a very strong w2w **loss** of **-16.32%** or **-834** points over previous week's closing on Friday the 4<sup>th</sup> June which was **5110** points. We had seen the highest peak for 2010 on the 2<sup>nd</sup> June when we had 5455 points. From then on we have lost 22% and 1200 points. It seems that the downfall will continue the question is how low can we go... before we can spike up again? This downfall may well be the start of a "W" shaped correction. The monthly average stands slightly higher than that of May 2010 and is at 4880 points.



The Capesize T/C average rate calculated every week by N. Cotzias Shipping Consultants from this week T/C fixtures once more followed the ongoing fall of the index & went **down** this week by a small **-6.82%**, still marginally passing marginally the 40k mark at **\$41,000**. Previous week's T/C figure was **\$44,000**. Period demand

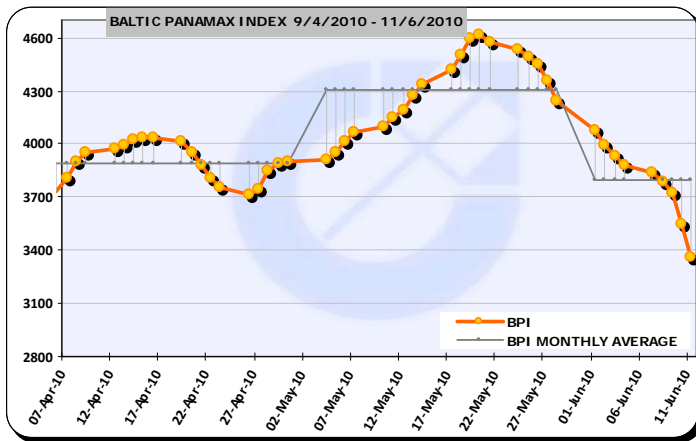
this week was lower and we had a low number of reported cape fixtures of **eight (8)** units that were fixed on T/C this week.

Capes very recent good times and the sudden rise is seemingly well on a halt. The Posidonia exhibition and cocktails/reception week was seen by most charterers as a good excuse to cut down on transport costs. When the mice are away the "major" big cats can play... to rephrase the old proverb... and it is not surprising that most T/C rates are down by quite some thousands per day. Chinese demand for commodities and basically raw materials is greatly reduced. Chinese imports are on a slowdown, and data from China show that Industrial output is on lower rates in May than what we had seen and monitored in April. This shows us that Chinese growth is reducing speed. Industrial commodity imports for May 2010 fell. On the other hand iron/ore shipments and demand remains positive and some port congestion seen in Brazilian Ports have given some resilience to the falling cape rates.

The daily min/max rate differential as seen in our separate weekly fixtures report for was **reduced** over last week from **\$22,750** (M/V "Sealink Majesty", 177754 dwt, built 1982, dely retroactive Xingang 30 May, redely China, \$22750, Richstone, for a trip via Black Sea) up to **\$77,000** (M/V "Five Stars Fujian", 181183 dwt, built 2009, dely Ijmuiden 14 June, redely China approx, \$77000, Cosbulk, for a trip via Puerto Bolivar).

## PANAMAX MARKET

➤ The **Baltic Panamax Index (BPI)** closed on Friday the 11<sup>th</sup> of June 2010 below the 4,000 point mark at **3361** which represents a very strong weekly **loss** of **-13.33%** or **-517** points compared to **3878** points which was last Friday the 4<sup>th</sup> June 2010 closing. After 4 consecutive weeks of gains, that peaked the index to 4622 points on 21<sup>st</sup> May 2010, the BPI failed for a third week to become positive and was dragged to even more losses.



The Baltic Panamax index (BPI) monthly average currently stands improved at 4304 points, while the Yearly average of the BPI currently stands slightly improved at **3836** points. The Panamax T/C average rate as calculated by N. Cotzias Shipping Consultants went **down** by **-3.05%** to **\$29,973** from **\$30,915** which was last week's Panamax T/C av.

Panamaxes continue the slump and already have lost most of the steam that peaked 3 weeks ago. It is still observed that freight levels for both Pacific and Atlantic have been further reduced from last week, with the grain export season ending soon, and freight levels to be below the levels of \$26,000 per day. It is still the case of less cargoes for more ships and the price equilibrium is pushed down, to lower levels.

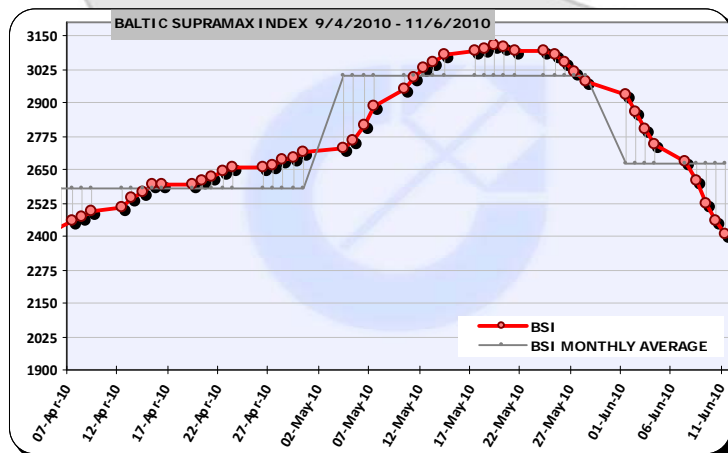
The M/V "**Salvatore Cafiero**" 75,668 dwt built 2001 was chartered for 4-6 months by Norden for \$27,250 per day, while the M/V "**Agios Sostis**" 75,650 dwt built 2009 was chartered for 3-5 months by Cargill for slightly more, \$29,500 day. In general the charterers are this week too not willing to "lock" themselves in long periods as they believe that the market will possibly drop further. This was a week with the least of period commitments and even so the T/C periods were of max 5-7 months. We also saw two more charters later this week the M/V "**Coldbeam Trader**" 74,500 dwt built 2001 chartered by Swissmarine for 4-6 months at \$27,000 per day while Oldendorff took the M/V "**Full Strong**", 70,100 dwt built 1994, with delay in Rotterdam prompt, for a charter duration of 2-3 months at a very positive surprisingly good \$37,000 per day.

An average number of **fifty (50)** Panamax vessels, improved from last week's (4 working day week!) 41 fixtures, were being chartered this week on Period and T/C's and this shows a wait and see stance on behalf of Panamax vessel Charterers. However as we stated in our last week's report we are on a turning point were the bullish market will momentarily rest.

The daily rates as seen in our separate fixtures report for Panamaxes this week, with **improved** levels and differential from low to high, compared to last week ranged from **\$16,000** (M/V "**Moonlight**", 75700 dwt, built 2010, delay *aps Prince Rupert 22/25 June*, redely redel Dunkirk, \$16000, K-Line, for a 375000 bb - trip) up to **\$44,000** for the (M/V "**Marilena**", 81354 dwt, built 2008, delay *Passero 10/12 June*, redely China, \$44000, Empros Line, for a trip via Ponta da Madeira)

## SUPRAMAX MARKET

➤ The **Baltic Supramax Index (BSI)**, closed on Friday the 11<sup>st</sup> of June 2010, at **2410** points with a **loss** of **-12.08%** or **-331** points based on the previous **2741** points we had last Friday the 4<sup>th</sup> June 2010 closing. The BSI sees the third consecutive drop that has brought the index near the levels we had exactly at the beginning of May. This week too the BSI was declining stronger on every working day of the week. Since the peak of the index for 1020 which occurred on 19<sup>th</sup> May 2010 (3111 points) we have registered 16 consecutive daily Baltic sessions that have been negative.

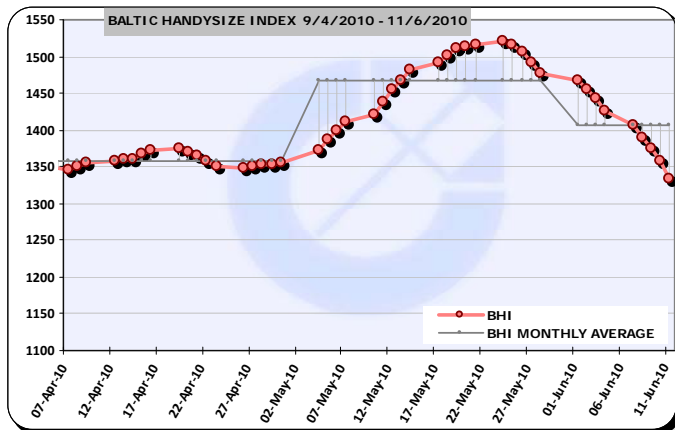


The yearly average for the BSI currently stands slightly up at **2564** points while the monthly average is just above 2688 points. For this week the Supramax Time Charter average rate calculated by NCSC is **down** at **\$27,106** or by **-5.99%** based on **\$28,831** which was last week's Supramax average.

Demand for Supra's is softening, with **twentyeight (28)** Supramaxes that were on T/C this week as opposed to 23 last week and the daily rates (differential of Highest – Lowest weekly T/C figure) in the fixtures reported this week, for Supramaxes were **improved** over last week and ranged from **\$13,000** (M/V "**Alara K**", 52413 dwt, built 2001, delay *Taiwan mid June*, redely Mediterranean, \$13000, Chart Not Rep, for a trip) up to **\$50,000** (M/V "**Mairouli**", 53350 dwt, built 2005, delay *USGulf end June*, redely redel Singapore-Japan intention Pet Coke, \$50000, STX Pan Ocean USA, for a trip).

## HANDYSIZE MARKET

■ The **Baltic Handysize index (BHI)** closed on Friday the 11<sup>st</sup> of June 2010 showing a 3<sup>rd</sup> consecutive weekly drop! This week it closed at **1333** points and this represents a percentage **loss** of **-6.52%** or a loss of **-93** points over last week's closing of Friday the 28<sup>th</sup> May 2010 which stood slightly below the 1500 mark, at that of **1426** points.



The BHI had overcome the 1500 point mark and was steadily increasing for more than 4 weeks giving signs of a good and strong market however for two weeks now it has performed a major correction. The yearly average for the BHI currently stands at **1299** points with the monthly average to be just above 1450 points.

Only one period charter in the handymax sector, and that was the M/V "**Bei Hai**" 45,000dwt built 1996 fixed for 5 to 7 months period for \$21,000 per day.

However following the drop in the index this week's Handysize Time Charter that is calculated by NCSC went dramatically **down** by **-20.38%** this week to **\$23,091** from **\$29,000** which was last week's average. The Handies sector had a low number of only **seven (7)** 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 of high-low rates, compared to last week from **\$20,000** (M/V "Triglav", 42572 dwt, built 1998, dely West coast India spot, redely redel Singapore-Japan, \$20000, European charterer, for a trip) up to **\$35,000** (M/V "Sea Grace", 43473 dwt, built 1991, dely USGulf mid June, redely Mediterranean approx, \$35000, Chart Not Rep, for a trip).