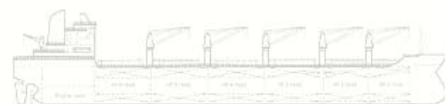


WEEK30 - Dry Cargo Market "Highlights" – 23-July-2010 until 30-July-2010



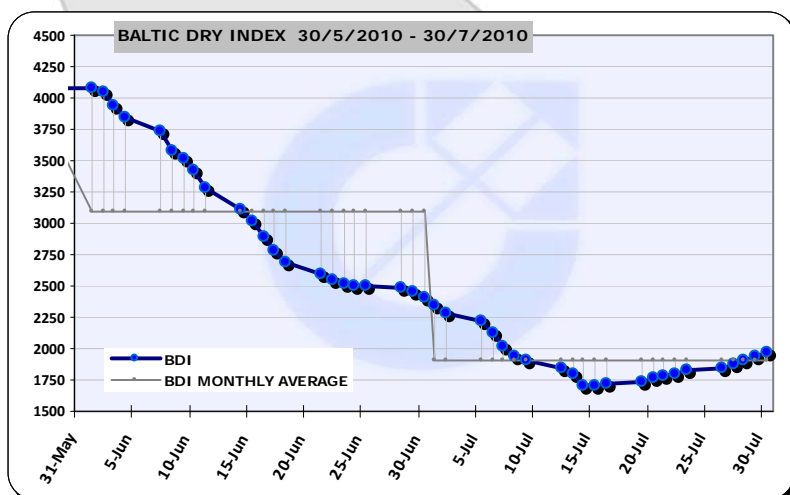
The Dry market seems to have stabilized and put a halt on its downside. However we still feel that we have no indication that can positively say which direction it may well go. From one hand the market has stabilized without any of the surrounding fundamentals to have so much drastically changed. Could we bet on which direction the market may move? No, we could but the uncertainty is too heavy. We worry because the rate of the world economic recovery is still low, and just analyzing that 90% of the World Trade is seaborne, we see that if the economies of the advanced world do not get back in full trade, then we may never expect shipping markets to get back on full steam ahead. On the other hand, we cannot and should not neglect the alarming, continuing and yet increasing rate of inflow and deliveries of newbuilding capesize and panamax ships that especially during the second half of 2010 is constantly growing. Why do we worry so much about the additions to the fleet? Because although the active fleet is increasing with NB constructed ships being launched, the order book has no effective cancellations as new orders are being placed.

The total fleet of Capes for July 2010 increased by 58 ships and there are today 30th July, 1581 ships of a total capacity of 282mil tones, while last month on 28th June, the fleet of Capes had 1523 ships of a total capacity 270 mil tones. Active Capes as of today 30th July account to 991 ships of a total dwt 173.4mil tones, while in June there were 944 ships of a total dwt of 165 m tones. This month we have recorded 12 more newbuilding orders for Capes and 28 new ships that have been delivered and incorporated in the active fleet. As it is clear from the figures with a new ship delivered nearly every day the fear and expectation of an oversupply of Capesize vessels is not only a worrying headache which we feel that treating it purely with aspirins is not really a cure but just a temporary deferral of the "pain"...! Still 470 ships are waiting for their turn to be constructed out of which 94 are for delivery within this year (2010), while 254 should be launched during next year (2011), and 87 in 2012 and 35 ships in 2013-2014.

The Panamax active and NB fleet statistics analysed for July 2010 show an equally alarming situation, however the magnitude of potential overcapacity is not that harsh. The total fleet of Panamaxes for July 2010 increased by 58 ships and there are today 30th July, 2358 ships of a total capacity of 179mil tones, while last month on 28th June, the fleet of Panamaxes had 2338 ships of a total capacity 174mil tones. Active Panamaxes as of today 30th July amount to 1652 ships of a total dwt 122mil tones, while in June there were 1634 ships of a total dwt of 120mil tones. This month we have recorded 36 fresh newbuilding orders for Panamax vessels and 18 new ships that have been delivered and incorporated in the active fleet.

As it is clear from the figures with a new ship delivered nearly every 1 ½ days the fear of overcapacity is very strong. Still 661 panamax ships of a total of 52mil tones are waiting to be constructed and cancellations only rate as 8% of the total order book with 59 ships being cancelled. New orders in just 30 days are placed for 54 Panamax vessels, mainly Kamsarmaxes and this is causing an alarming situation as the total pending orders that might be constructed if they are all delivered will increase the total active fleet's carrying capacity by 43% comparing with 58% of the Capes.

BALTIC DRY INDEX



The **Baltic Dry Index** closed on Friday the 30th of July 2010 at **1967** points giving us a weekly gain of **7.72%** or **141** points. (Last Friday's 23rd of July 2010 closing value was **1826** points). The monthly average for the BDI is standing now at 1910 points and this is seriously down from last month's average which was calculated at 3089 points.

In summary form: (week 30) **BDI, gain, 7.72%**, **BCI, gain, 12.53%**, **BPI, gain, 11.43%**, **BSI, gain, 0.86%**, **BHI, gain, 3.27%**

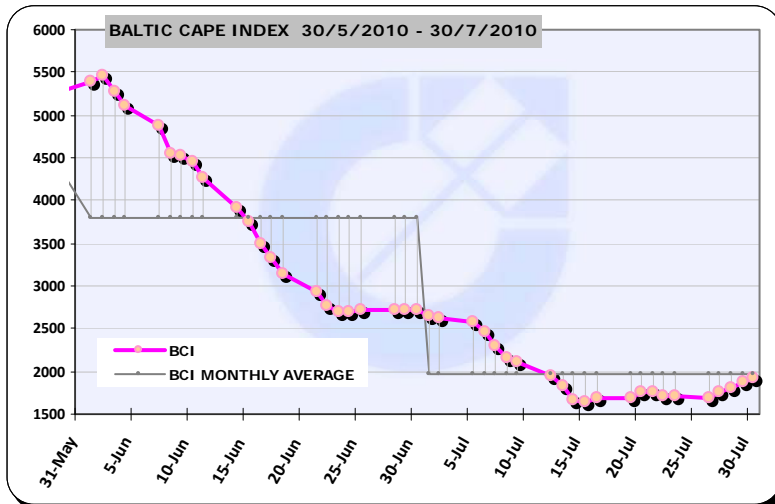
in the table below the Indices changes from year start, 1/1/2010 (Jan 2010):

INDEX	30-July-2010	01-January-2010	% CHANGE	POINT DIFF	TREND	L/G
BDI	1967	3005	-34.54%	-1038	▼	loss
BCI	1922	3887	-50.55%	-1965	▼	loss
BPI	2632	3567	-26.21%	-935	▼	loss
BSI	1760	2224	-20.86%	-464	▼	loss
BHI	1010	1159	-12.86%	-149	▼	loss

It is interesting to note the highs and lows of 2010 for all indices:

BDI high 4209 on 26 May 2010, **low** 1700 on 15 Jul 2010,
BCI high 5455 on 2 Jun 2010, **low** 1640 on 15 Jul 2010,
BPI high 4622 on 20 May 2010, **low** 1941 on 12 Jul 2010,
BSI high 3111 on 19 May 2010, **low** 1664 on 19 Jul 2010,
BHI high 1520 on 24 May 2010, **low** 940 on 19 Jul 2010.

CAPESIZE MARKET



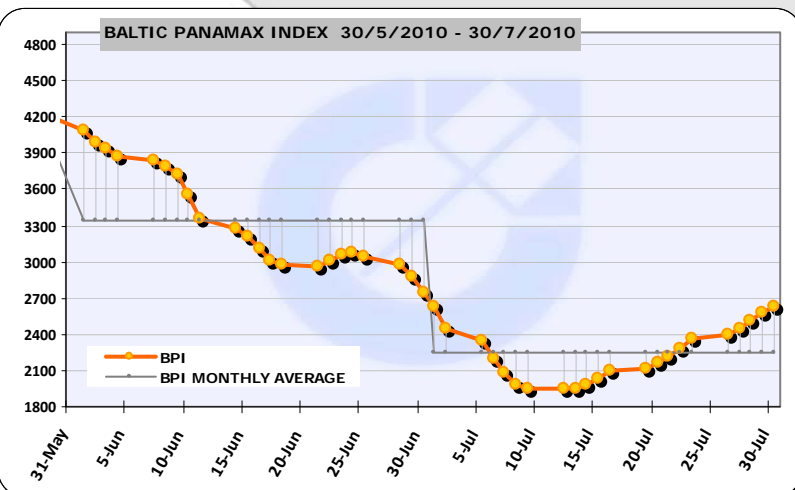
► The **Baltic Cape Index (BCI)** closed on Friday the 30th of July 2010 still below the 2k mark, at **1922** points posing a very positive w2w **gain** of **12.53%** or **214** points over previous week's closing on Friday the 23th July which was **1708** points. The monthly average stands significantly lower than that of June 2010 and is at 1969 points. The Capesize T/C average rate calculated every week by N. Cotzias Shipping Consultants from this week T/C fixtures went **down** this week by a heavy **-7.03%**, still well below the 20k mark approaching the 15k mark at **\$16,750**. Previous week's T/C figure was **\$18,017**. Period demand this week was greatly subdued and we report still a very low number of cape fixtures of just **six (6)** units that were fixed on T/C this week compared to again low figure of 4 we had observed last week.

Unfortunately the Capes had only 1 fixture on period that of the M/V "**C.Utopia**", 173759 dwt, built 2007, dely Bayuquan spot, redely redel worldwide, \$22000, Henghu, for a 4/6 months trading. Additionally the T/C fixtures of M/V "**Amity**", 180310 dwt, built 2009, dely Rotterdam 6/8 Aug, redely redel Skaw-Cape Passero, \$14000, Cargill, for a transatlantic round - Cosbulk relet, the M/V "**Houston**", 177000 dwt, built 2009, dely retro Kashima 13 July, redely redel S.Korea, \$14500, STX Pan Ocean, for a trip via Ponta Da Madeira, the M/V "**Alpha Millennium**", 170415 dwt, built 2000, dely Rizhao 28/30 July, redely redel Bayuguan, \$10000, Hongxiang -, for a trip via Esperance, the M/V "**Paschalis D**", 169200 dwt, built 2002, dely Taiwan 25/27 July, redely redel China, \$11000, Rio Tinto -, for a trip via West Australia, the M/V "**Alpha Action**", 150790 dwt, built 1990, dely Samcheonpo 1/3 Aug, redely redel Japan, \$10000, MOSK, for a trip via Gladstone - Swiss Marine relet stood out.

The daily min/max rate differential as seen in our separate weekly fixtures report for was **reduced** over last week from **\$10,000** (M/V "**Alpha Millennium**", 170415 dwt, built 2000, dely Rizhao 28/30 July, redely redel Bayuguan, \$10000, Hongxiang -, for a trip via Esperance -2000\$ reduced from last week) up to **\$22,000** (M/V "**C.Utopia**", 173759 dwt, built 2007, dely Bayuquan spot, redely redel worldwide, \$22000, Henghu, for a 4/6 months trading -7000\$ reduced from last week). There is a fluctuation in the daily freight offered but the average ranged from \$10,000 to \$14,500 per day!!!



PANAMAX MARKET



► The **Baltic Panamax Index (BPI)** was the first of all size segments that showed some early signs 3 weeks ago that it could initiate a rebound and so it did. It is the only index presently showing steady upward direction and that could well be seen as an overall trend-setter. It closed on Friday the 30th of July 2010 with a good turn-around above the 2,000 point mark at **2632** which represents a very good weekly **gain** of **11.43%** or **270** points compared to **2362** points which was last Friday the 23th July 2010 closing. We are already counting 15 consecutive days that the BPI has been positive. The monthly average for July for the BPI is calculated at 2242 points and that is still seriously down from last month's average that was calculated at 3342 while the Yearly average of the BPI currently stands at **3524** points.

This week was truly "Charterers galore" as we had a very good number of period fixtures with 31 ships being "locked" in medium duration periods of 4-6 months and 3-5 months.

Owners must not be all that happy to lock in long periods at today's rates as daily hire will and should improve from the levels of \$19,000- \$23,000 that were the fixing levels, but this week the time-charter period fixtures that were most notable were that of the:

M/V "**Lilian Z**", 74461 dwt, built 1999, dely Rizhao 1/3 Aug min 4/max, redely redel worldwide, \$23750, Bunge, for 6 months trading - Rizzo-Bottiglieri-De Carlini Armatori Spa relet, the M/V "**Poseidon**", 74350 dwt, built 2002, dely Qingdao 9/17 Aug, redely redel worldwide, \$23000, Cargill, for 7/9 months trading, the M/V "**Guang Ming Feng**", 73978 dwt, built 2002, dely S.Korea 18/30 Aug, redely redel worldwide, \$22750, Solebay, for 4/6 months trading, the M/V "**Tian Hua Feng**", 73966 dwt, built 2001, dely CJK spot abt 3/max, redely redel worldwide, \$23750, GMI, for 5 months trading, the M/V "**Drin**", 73087 dwt, built 1996, dely Longkou in d/c 30 July/3 Aug, redely redel worldwide, \$22000, Rio Tinto, for 3/5 months trading, the M/V "**Cymbeline**", 73081 dwt, built 2001, dely Singapore 3/4 Aug, redely redel worldwide, \$22000, SK Shipping, for 3/5 months trading, the M/V "**Turnberry Glory**", 68308 dwt, built 1987, dely Qingdao spot, redely redel worldwide, \$16000, STX Pan Ocean, for 4/6 months trading, the M/V "**VSP Titan**", 66900 dwt, built 1985, dely Zhoushan 8/15 Aug, redely redel worldwide, \$18000, cnr, for 3/5 months trading, the M/V "**Christianna**", 82088 dwt, built 2010, dely Zhoushan 1/10 Sept, redely redel worldwide, \$25250, Klaveness, for 5/7 months trading, the M/V "**Yasa Unity**", 75550 dwt, built 2006, dely Krishnapatnam 3/11 Aug, redely redel worldwide, \$24500, Farenco, for 4/6 months trading, the M/V "**Giovanni Battista Bottiglieri**", 75265 dwt, built 1999, dely Tartous 9/11 Aug min 5/max, redely redel worldwide, \$28500, European chrtr, for 7 months trading, the M/V "**Samjohn Amity**", 74744 dwt, built 1998, dely Rotterdam in d/c 14/16 Aug, redely redel Atlantic, \$28500, Transbulk, for 60/80 days, the M/V "**Hang Ta**", 74682 dwt, built 1998, dely Immingham 10/15 Aug, redely redel worldwide, \$27500, Oldendorff, for 5/7 months trading, the M/V "**Evanthia**", 74297 dwt, built 2001, dely PMO 12/14 Aug, redely redel worldwide, \$24750, Cargill, for 7/9 months trading, the M/V "**Sunny Pride**", 74078 dwt, built 2000, dely Dangjin 5/12 Aug, redely redel Singapore-Japan rge, \$25000, Norden, for 4/6 months trading, the M/V "**Grand Challenger**", 82992 dwt, built 2006, dely PMO 5/10 Aug, redely redel worldwide, \$24250, Sinchart, for 4/6 months trading.

Panamax T/C average rate as calculated by N. Cotzias Shipping Consultants went **up** by **5.59%** to **\$19,638** from **\$18,597** which was last week's Panamax T/C av. We had some decent period term charters this week with just few worth noting.

Out of these we pick as indicative of the present market, are the fixture of the M/V "**Prem Vidya**", 82273 dwt, built 2006, dely Belfast 1/5 Aug, redely redel Singapore-Japan rge, \$31000, Bunge, for a trip via EC South America, the M/V "**Fortune Clover**", 77430 dwt, built 2006, dely Jorf Lasfar 8/12 Aug, redely redel China, \$35000, Marin Bulk, for a trip via Orinoco, the M/V "**Ogna**", 75824 dwt, built 2008, dely Rotterdam 2/5 Aug, redely India, \$31500, Sinchart, for a trip via USEC, the M/V "**Red Iris**", 75730 dwt, built 2003, dely Cape Passero 4/6 Aug, redely redel Vietnam, \$30000, Bunge, for a trip via Santos, the M/V "**Nord Neptune**", 75726 dwt, built 2006, dely Jorf Lasfar 30/31 July, redely redel Singapore-Japan rge, \$30000, Cargill, for a trip via US Gulf chop EC South America, the M/V "**Tuo Fu 1**", 68520 dwt, built 1993, dely EC South America 7/15 Aug, redely redel Cape Passero, \$15000, Bunge, for a 500000 bb - trip via Lebanon, the M/V "**Vassilios II**", 64944 dwt, built 1987, dely Longkou 30 July/2 Aug, redely redel India, \$14500, STX Pan Ocean, for a trip via Indonesia, the M/V "**Ella Claire**", 64255 dwt, built 1989, dely Ulsan 23/27 July, redely Singapore-Japan rge, \$13000, Marubeni, for a trip via NoPac .

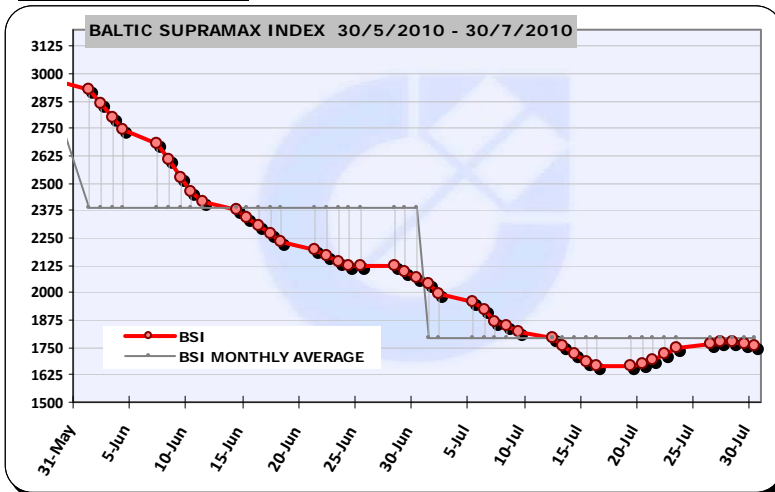
Panamax freight market has moved a little bit upward from last week, and this month the US Grain Season will add some much awaited and needed fresh cargoes. Both Atlantic and Pacific markets had some new coal cargoes that increased daily earnings and we saw some Transatlantic return voyages being fixed at slightly improved rates over previous week levels and were ranging around \$18,500 per day with trips towards Far East to be ranging around \$25,500 - \$30,000 per day.

A much better than the average number of **seventyseven (77)** Panamax vessels compared to 71 fixtures last week, were being chartered during week 30 on Period and T/C's. The daily rates as seen in our separate fixtures report for Panamaxes this week, with **reduced** differential levels from low to high, compared to last week and ranged from **\$13,000** (M/V "**Ella Claire**", 64255 dwt, built 1989, dely Ulsan 23/27 July, redely Singapore-Japan rge, \$13000, Marubeni, for a trip via NoPac 6500\$ improved from last week) up to **\$35,000** for the (M/V "**Fortune Clover**", 77430 dwt, built 2006, dely Jorf Lasfar 8/12 Aug, redely redel China, \$35000, Marin Bulk, for a trip via Orinoco -2000\$ reduced from last week)



In the Sale and Purchase market this week only two Panamax vessels was sold, the M/V "**Yun Tong Hai**", 68788 dwt, built 1990 sold to Chinese buyers for \$19mil USD, a "highish" price considering the freight market collapse, but then again this sale gives us a feeling that secondhand ship prices have not moved downwards yet... and the sale of the M/V "**Rosalia D'Amato**", 74500 dwt, built 2001 sold to Norwegian KS buyers for \$30mil, with bareboat back charter at \$10,700/day for 8 years duration.

SUPRAMAX MARKET



■ The **Baltic Supramax Index (BSI)**, closed on Friday the 30th of July 2010, at **1760** points with a mere **gain** of **0.86%** or **15** points based on the previous **1745** points we had last Friday the 23th July 2010 closing. The BSI seems to be recovering but it does not seem to follow on the footsteps of the Panamax size segment. A softening and last two days drop may well show that we could easily face a double dip. The yearly average for the BSI currently stands slightly down at **2414** points while the monthly average is 1790 points. For this week the Supramax Time Charter average rate calculated by NCSC is **down** at **\$20,064** or by **-0.74%** based on **\$20,214** which was last week's Supramax average. It is worth noting that the sharp consecutive fall of the BSI lasted for 43 working days.

Contrary to last week were we had some significant "period locks" for 12 and 18 months duration at \$19,000 and \$18,000 per day levels, this week only one 12 months duration period fixture was reported. That was the M/V "**Hawk 1**", 50296 dwt, built 2001, dely PMO end July/early August, redely worldwide approx, \$20000, Chart Not Rep, for a 12 months trading.

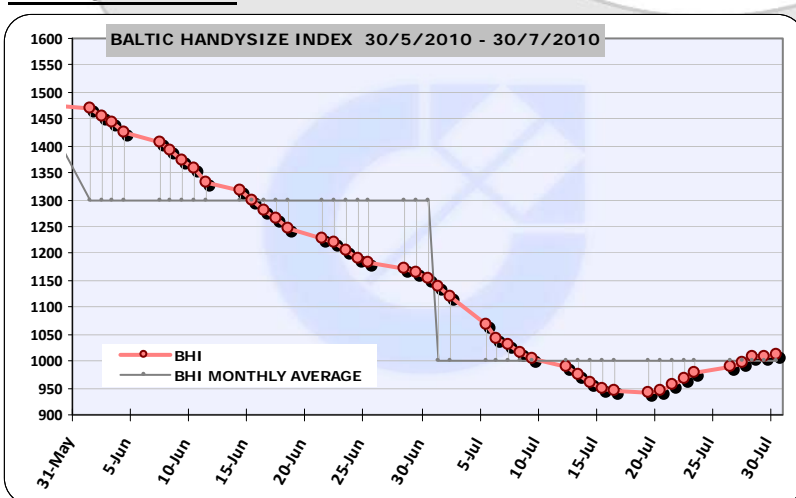
Some representative period fixtures for Supramaxes for this week were the: M/V "**Helen Selmer**", 55741 dwt, built 2005, dely Gibraltar spot, redely redel Port Said, \$15500, Grieg Star, for a trip via EC South America and Red Sea, the M/V "**Tai Honesty**", 55418 dwt, built 2007, dely Karachi spot, redely Indian Ocean approx, \$15500, Oldendorff, for a trip via South Africa, the M/V "**Sparna**", 54881 dwt, built 2006, dely Vera Cruz early August, redely redel East Med, \$25750, STX Pan Ocean USA, for a trip via USGulf, the M/V "**Karaweik**", 54049 dwt, built 2006, dely Gibraltar spot, redely USAtlantic, \$15000, Norden, for a 2 laden legs, the M/V "**Taurus Two**", 53500 dwt, built 2006, dely Illichevsk in d/c spot, redely redel Singapore-Japan, \$29000, Cargill, for a trip, the M/V "**Spar Virgo**", 53000 dwt, built 2005, dely CJK spot, redely West Africa, \$13000, Oldendorff, for a trip, the M/V "**Guodian 9**", 50383 dwt, built 1994, dely USGulf early August, redely redel India approx, \$28000, Cargill, for a trip, the M/V "**RM Power**", 50619 dwt, built 2004, dely PG spot, redely redel Mumbai approx, \$21000, Ispat, for a trip via Bahrein.

Demand for Supra's is not showing the momentum we expected, with **sixteen (16)** Supramaxes that were on T/C this week as opposed to 25 last week and the daily rates (differential of Highest – Lowest weekly T/C figure) in the fixtures reported this week, for Supramaxes was **reduced** over last week and ranged from **\$13,000** (M/V "**Spar Virgo**", 53000 dwt, built 2005, dely CJK spot, redely West Africa, \$13000, Oldendorff, for a trip 3500\$ improved from last week) up to **\$29,000** (M/V "**Taurus Two**", 53500 dwt, built 2006, dely Illichevsk in d/c spot, redely redel Singapore-Japan, \$29000, Cargill, for a trip -3500\$ reduced from last week).



There were no Supramaxes sold this week.

HANDYSIZE MARKET



■ The **Baltic Handysize index (BHI)** closed on Friday the 30th of July 2010 upwards at **1010** points and this represents a welcome percentage **gain** of **3.27%** or a gain of **32** points over last week's closing of Friday the 23rd of July 2010 which stood at **978** points. The fall of the BHI lasted for 40 consecutive days!

The BHI has already regained some of its losses, and the yearly average for the BHI currently stands at **1248** points with the monthly average to be at 1001 points.

We may well have reached a "bottoming out" phase for the Handymaxes, as the overall earning statistics are improved. However there are still more ships on offer than the availability of cargoes. Time charter rates were ranging around \$14,500-\$15,500 per day with only one period charter for 12 months at \$16,000 per day. We had the M/V "**Blue Angel**", 44950 dwt, built 1994, dely Far East mid/end August, redely redel worldwide approx, \$16000, Sino East, for a 12 months trading reported this week.

Some indicative fixtures of Handymaxes were: M/V **"Free Jupiter"**, 47777 dwt, built 2002, dely Villanueva 29/31 July , redely Singapore-Japan intention Nickel ore approx, \$21000, Chart Not Rep, for a trip via South east Asia, M/V **"Song Hai"**, 47077 dwt, built 1998, dely USGulf spot , redely redel Cont-Med approx, \$23000, STX Pan Ocean USA, for a trip, the M/V **"Asian Glory"**, 45194 dwt, built 1995, dely WC India spot, redely redel Singapore-Japan, \$13000, Oldendorff, for a trip via South Africa and the M/V **"Spar Lupus"**, 45146 dwt, built 1998, dely USGulf spot , redely Spanish Med approx, \$21000, D'Amico, for a trip.

However more than just following the drop in the index this week's Handysize Time Charter that is calculated by NCSC went slightly **up** by a good **4.03%** this week to **\$16,729** from **\$16,081** which was last week's average. The Handies sector had a very low number of only **five (5)** only Handymax vessel were reported on T/C this week (compared with 7 of last week) with their weekly T/C daily rates for Handy sized vessels ranging on **improved** differential levels of high-low rates, compared to last week's from **\$13,000** (M/V **"Asian Glory"**, 45194 dwt, built 1995, dely WC India spot, redely redel Singapore-Japan, \$13000, Oldendorff, for a trip via South Africa 4500\$ improved from last week) up to **\$23,000** (M/V **"Song Hai"**, 47077 dwt, built 1998, dely USGulf spot , redely redel Cont-Med approx, \$23000, STX Pan Ocean USA, for a trip 5250\$ improved from last week).



In the Sale and Purchase market of this week, we report again the sale of the M/V **"Clean Seas"** 46640 dwt, built 1995 Japan, sold to Bangladesh buyers for \$22.5mil (The sale of the **"Clean Seas"** involves a period charter attached at €\$17250 per day for a remaining period of 6-8 months but considering todays rates that could well be considered both as plus or as minus!) .



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