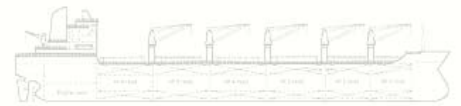


Dry Bulk Market – Weekly Highlights



WEEK43 - Dry Cargo Market “Highlights” 22-October-2010 until 29-October-2010

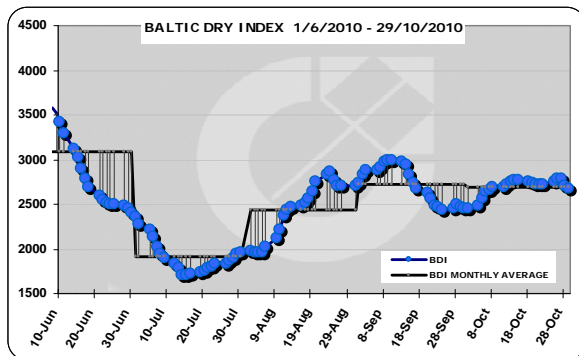
INDEX	THIS WEEK	LAST WEEK	% CHANGE	POINT DIFF	TREND
BDI	2727	2762	-1.27%	-35	▼
BCI	4373	4345	0.64%	28	▲
BPI	2219	2254	-1.55%	-35	▼
BSI	1791	1858	-3.61%	-67	▼
BHI	950	994	-4.43%	-44	▼

In contrast to last week, it was the Panamaxes that gave us a little green tint in what proved to be another red coloured downward moving dry bulk market. We had identified that the rates between Capes and Panamaxes were too far apart and that was an “anomaly” that if it were prolonged could create a split cargoes trend. Cargoes destined to load on a Cape could well be split to two

Panamaxes as the average combined rate of two 80k panamaxes would make a grand total of \$38,000 whereas the Cape would average above \$40k at about \$41-\$43k per day! Volatility still persists, and is a normal part of the daily and weekly behavioural pattern at least of the major sized indices. Panamax demand was much improved over last week, and this extra demand was pushed higher by the better expectations that the paper market of FFA’s gave. Period fixtures were improved and we will also see a period fixture in the Cape size segment that sets a new standard and possibly the lowest expected figure the market can sustain? Overall the cape market is in for a correction and possibly a greater convergence between the Panamx daily earnings and Capes will occur during We should mention here that the fact that the Chinese buyers prefer larger ships possibly with focus that these ships can server their own cargoes. The Greeks on the other hand buy dry cargo vessels with an average age of only 8 years, an average size of 60,000 tonnes at an average price of \$35.6 US dollars. The Chinese buy older bigger and cheaper, with average age being 16.7 years, the average size 81,000 tonnes and average price paid \$20 mil US dollars. Also it an observed trend that Greeks have been buying more Handymax and Handysize units during the past months. We should note here that Handymax and the smaller Handysize ships apart from having the smallest Newbuilding Orderbook, may perhaps represent the size sector that may be exposed to less threat from China as Chinese concentrate on the larger units. The added advantage of these acquisitions is that it can present the best solution for the next years, as countries like India and Indonesia which have not yet developed satisfactory port infrastructure suitable for

accommodating Capes will need a great deal of raw materials, cement, iron, coal, iron ore to achieve the development of basic infrastructure facilities that will enable their further growth (“It takes a crane to build a crane...”!!!)

▼The **Baltic Dry Index** closed on Friday the 29th of October 2010 at **2678** points with a weekly **loss** of **-1.80%** or **-49** points. (Last Friday the 22nd of October 2010 closing value was **2727** points). The overall increase of the Panamax size segment was not able to keep the BDI on a positive track, as the overall gain of the Panamaxes were not followed by any other size that all performed negatively. The BHI was the segment with the greatest weekly loss.



Week	Number of fixtures	Highest Fixture	Lowest Fixture
this week	18	\$69,000	\$22,250
last week	15	\$67,750	\$31,000

▼The **Baltic Cape Index (BCI)** after 4 weeks of successful gains, closed on Friday the 29th of October 2010, at **4262** points posing a week-on-week **loss** of **-2.54%** or **-111** points over previous week’s closing of Friday the 22nd October which was at **4373** points.

This week we had **eighteen 18** period and Timecharter fixtures reported compared to 15 we had last week. 7 period charters and 11 for timecharter, and the average for period charter is \$35,500 down from last week and the average for Timecharter is \$45,000 improved from last week. Period charters of 10-13 months pay on average \$31,100 day, while 4-6 months pay \$38,600 per day. We saw the charter of the “Samjohn Solidarity” chartered by Cosco Tianjin for 5 years at a rather nice rate of \$27,750 per day. We believe that the Chinese who more or less control the Cape market, by fixing a cape for 5 years at this rate, can give us a sneak preview of what can be considered to be the lowest level that a Cape Newbuilding can live and survive with... It could well be the Capesize level of sustainability.

Week	Period Charter	Time Charter
this week	\$35,500	\$45,000
last week	\$36,300	\$43,000

The Capesize T/C average rate calculated every week by N. Cotzias Shipping Consultants from all this week’s reported T/C fixtures went **down** by **-3.87%**, now being just a fraction below the 40k mark at **\$39,700**. Previous week’s T/C figure was just above the 40k mark at \$41,300.

The minimum vs maximum daily rate differential as analyzed from our fixtures database was overall **improved** over last week’s from **\$22,250** being the lowest recorded fixture being that of the M/V “**MEREDITH VICTORY**”, 179362 dwt, built 2009, dely Shenzhou 1/5 Nov, redely Continent, \$22250, BHP BILLITON, for a trip via Hay Point - It is the vessel “Caecilie Bulker” -8750\$ reduced from last week, up to **\$69,000** the highest paying fixture of the M/V “**NAVIOS FANTASTIKS**”, 180365 dwt, built 2005, dely Hamburg 10/15 Nov, redely Far East, \$69000, CLASSIC MARITIME, for a option via Brazil \$65,000 - trip via Narvik 1250\$ improved from last week.

On the Cape Secondhand Sales front, The “Cape Ocean” 170k/98 blt belonging to Fuyo Kaiun co Ltd is rumoured to be sold to Greek interests for \$25mil including a 4 year T/C to Rio Tinto. The “Sag Bulk Germany” 175k/2010 blt was sold for 84.9mil to German buyers, while the “KWK Genesis” 168k/96 blt sold to undisclosed interests for \$28mil.

Week	Number of fixtures	Highest Fixture	Lowest Fixture
this week	61	\$32,000	\$8,000
last week	60	\$33,500	\$8,500

▲The **Baltic Panamax Index (BPI)** closed on Friday the 29th of October 2010 further below the 2,500 point mark at **2410** points which represents a strong weekly **gain** of **8.61%** or **191** points compared to **2219** which was the closing value

of last Friday the 22nd of October 2010.

The Panamax market has clearly gained dynamics, there is improved demand for Panamax ships, and the "paper" FFA market has also aided and assisted the positive sentiment underpinning his size segment. The demand increase is also evident by the positive number of T/C fixtures that we had this week too, **61** timecharter and period charters for Panamax vessels compared to last week's 60 fixtures. 13 period fixtures with an average of \$22,500 per day, with 48 timecharter fixtures averaging \$20,900 (both figures improved from last week). 12 month period pay about \$22,500 whereas 4-6 months pay \$23,300 per day.

Week	Period Charter	Time Charter
this week	\$22,500	\$20,900
last week	\$21,400	\$19,000

The Panamax T/C average rate as calculated by N. Cotzias Shipping Consultants improved and has gone **up** by **5.42%** to **\$21,400** from **\$20,300** which was last week's Panamax T/C average, however the daily rates as seen in our separate fixtures report for Panamax this week had **reduced** differential levels from low to high, compared to last week and ranged from **\$8,000** with the fixture of the M/V **"SPEED POWER", 64911** dwt, built 1979, dely Kalimantan 1/5 Nov, redely S.Korea, \$8000, S. KOREAN CHARTERER, for a \$100,000 bb - trip via Indonesia -500\$ reduced from last week) up to **\$32,000** for the fixture of the M/V **"SAMJOHN AMITY", 74744** dwt, built 1998, dely Immingham 1/5 Nov, redely Japan, \$32000, MOSK, for a trip via St.Lawrence -1500\$ reduced from last week.

Possible enbloc deal of the "Fortune Daisy" 75k/2011 blt and the "Fortune Cosmos" 75k/2010blt that are rumoured to be sold by Cido Shipping to Chinese buyers at a price of about \$90mil for both units. If this sale is firmly concluded it is said that the whole deal was actually performed and secured in only one week. The "Kamsar Gold" 82k/2006blt was sold to Greeks for \$41.5mil while the one year older and non-Kamsar "Ruby Stream" was sold to Greeks again for \$39mil. These two sales are just a quick example of the Greek thirst for these kind of ships. Chinese also have been active and the slightly older "Medi Rotterdam" 75k/2002blt was sold to Hong Kong based buyers for \$32.5mil. We understand that Dely of this is for June 2011.

Week	Number of fixtures	Highest Fixture	Lowest Fixture
this week	20	\$36,000	\$9,500
last week	22	\$31,000	\$14,000

SUPRAMAX MARKET - ▼ The **Baltic Supramax Index (BSI)**, this week continued its downward trend as last week and closed on Friday the 29th of October 2010, at **1750** points giving us a weekly **loss** of **-2.29%** represented by **-41** points based on the previous **1791** points we had last Friday the 22nd October 2010 closing.

The Supramax Time Charter average rate calculated by NCSC is this week **down** at **\$20,700** or by **-0.48%** based on **\$20,800** which was last week's Supramax average. Demand for Supra's period charters is showing a slight reduced interest compared to last week with **twenty (20)** Supramaxes that were on T/C this week as opposed to 22 of last week with daily rates being on a slight decline. 2 period fixtures and 28 timecharter with period paying \$21,100 per day and timecharter average to be \$20,000 per day. 3-5 month periods pay \$20,000 per day.

Week	Period Charter	Time Charter
this week	\$21,100	\$20,000
last week	\$19,100	\$20,900

The differential of Highest – Lowest weekly T/C figure for Supramaxes, as seen in the fixtures we report for this week, were somewhat **improved** over last week and ranged from **\$9,500** with the M/V **"GEORGIANA", 53383** dwt, built 2008, dely North Spain early November, redely USGulf intention steels, \$9500, CLIPPER, for a 1st 40 days \$16,000 balalnce - trip -4500\$ reduced from last week, up to **\$36,000** that were paid for the M/V **"MARYLISA V", 52174** dwt, built 2003, dely USGulf early November, redely Singapore-Japan intention Pet Coke, \$36000, STX PAN OCEAN USA, for a trip 5000\$ improved from last week.

Last minute rumours have the "Desert Hawk" 59k/1999blt sold by Synergy Maritime of India to undisclosed buyers at an unknown price.

Week	Number of fixtures	Highest Fixture	Lowest Fixture
this week	5	\$27,500	\$13,000
last week	5	\$31,000	\$14,000

HANDYSIZE MARKET - ▼ The **Baltic Handysize index (BHI)** closed on Friday the 29th of October 2010 **much** reduced at **897** points, moving away from the 1000 point mark. This week shows a steep **loss** of **-5.58%** or a point loss of **-53** points over last week's closing of Friday the 22nd of October 2010 when the BHI had closed

at **950** points. Although volatilities are fairly small in this size segment, the BHI this week is seen producing the largest weekly loss of the past 203 months. This week's Handysize Time Charter that is calculated by NCSC went **down** by a mere **-1.79%** to **\$16,500** from **\$16,800** which was last week's average. In this size sector we had a similarly lower number of **five (5)** Handymax vessels that were reported on T/C this week, compared with 5 that were reported last week, with no period fixtures reported for once more. Average timecharter rate is \$16,500 per day.

Week	Period Charter	Time Charter
this week	\$0	\$16,500
last week	\$0	\$16,800

The weekly T/C daily rates for Handy sized vessels ranging on **reduced** differential levels of high-low rates, compared to last week's from **\$13,000** for the (M/V **"MIHALIS F", 42263** dwt, built 1990, dely Dunkirk 1/5 Nov, redely Brazil approx, \$13000, XO SHIPPING, for a trip via Murmansk -1000\$ reduced from last week up to **\$27,500** for the M/V **"CB PARADISE", 46232** dwt, built 2003, dely USGulf end October, redely Med, \$27500, U-SEA BULK, for a trip -3500\$ reduced from last week.

The Sales of the "Sovi R" 45k/98blt for \$23.5mil to Greeks and the "C.S. Fortune" 47k/2002blt that went for \$29mil, both ships were sold at the set market prices, while smaller units attracted more focus this week like the the "Ruby Star" 34k/2010 blt that went for \$33mil to Koreans, and the 16k/2003blt "Prinseborg" that was sold to Greeks for \$16mil were the only post 2k built handies that were sold. In the older age selection, the "General Grot-Rowecki" 38k/85blt went to UAE based buyers for \$3.6mil, while the "Pamakaristos" 37k/86blt for \$10.5mil, the "Ionian Wind" 38k/84blt for \$8.7mil, the "Goldmar" 38k/84blt for \$7.75mil and the "Polyhronis" 37k/80blt for \$5.8mil.

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