



NAVIOS HYPERION

The barometer of the drybulk markets is most visible by looking at the analysts on Wall Street who seek the widest distribution for their views. Jefferies & Company, a broker with offices in shipping centres around the world, was flashing “Buy” recommendations on major drybulk companies, including DryShips, Excel, Quintana, Genco, Eagle and Diana. The Panamax sector, benefitting from cargo splits as Capesize vessels became too expensive, was seeing much of the action.

In the actual markets, the spate of relets continues for vessels already on period charter. In one such case, Chinese charterer Glory Wealth reportedly fixed the 1999 built Anangel Dynasty- 171,000 dwt, with forward delivery, for five years, at \$80,000/day. The ship had supposedly been fixed in at \$56,000/day, just several months ago. In other period fixings, *Heng Shan* (174,000 dwt, built 2006) gave a delivery in S Korea on a two year period charter to Hanjin at \$140,000/ day daily. Korean charterers took the 179,000 dwt *Akagisan*, 1998-built, with delivery Mizushima and redelivery Far East at \$190,000 /day.

The week’s Marquee fixture was a voyage fixture of a full cargo of iron, Brazil/ China, on Zodiac Maritime’s 203,000 dwt *Kildare*, at a rate of close to \$90/MT. Number crunchers estimated a TCE of \$260,000/day. The similarly sized *Mineral Nippon*, built 2007, was reported fixed on a timecharter at around \$250,000 /day with delivery in the Med and a trip out via Brazil. In other trips out, *CHS Creation* (177,000 dwt, blt 2006) fixed to STX Panocean with delivery Brazil for mid November dates, with redelivery China at \$220,000/ day plus a \$3.9 Million ballast bonus.

In the Panamax realm, reports had a Danish operating grabbing *Rosalia D’Amato*, a 75,000 tonner built 2001 for six months at \$92,000/day with delivery in North Europe. Charterer GMI took the 2004 built 76,000 tonner *Navios Hyperion* (already on charter from Koreans), with delivery in the Med for \$81,500/ day for the balance of the remaining period, well into 4Q 2008. Bunge was linked with Angelakis’ *Adriatica Graeca*, 74000 dwt blt 2002, taken for one year at \$82,000- with delivery in UKC. The same charterer was also thought to have taken *Maple Ridge*, 77,000 dwt built 2004, open in China, for 4-6 months, \$93,500/day. The 76,000 ton *Anthemis*, built 2004, owned by Samos Steamship and on charter to Pioneer Navigation at a rate of \$80,000, was relet to Klaveness for 6 months at \$93,500/ day. The 76,000 ton Greek owned *Lietta*, built 2002, giving delivery in China, was booked for 16-18 months, at \$79,000/day.

Quintana Maritime's 2006 built *Iron Bill*, 82000 dwt. also open in China, was taken by Koreans at \$92,000/ day, for the balance of its 2007 Bunge charter (agreed with owners at \$23,000/day). Quintana, which looked very clever before the spot market's surge by fixing out its Kamsarmax fleet to Bunge through 2010 at rates in the low \$20,000s, has now put itself "in play", possibly as the result of an unsolicited bid. It has been attracting less attention than its spot oriented brethren, during the market's recent run-up. In the Handy and Supramax sector, the newbuilding *Kastor* (58,000 dwt, 2007-built) was taken by NYK, with delivery in China later this year, for five year charter, at \$41,000 daily. Transfield was reported taking Jinhui's *Jin Yuan* (55,400 dwt, blt 2007) with worldwide delivery during December, for 8 months, at \$72,500/ day. Meantime, Oldendorff took the 1996 built *Sophia* (46,000 dwt) on a TA round voyage at \$60,000/day with delivery passing Cape Passero and redelivery Skaw.

In the latest Jefferies reports, the analysts note that several new iron ore projects are coming onstream in Australia during 4Q 2007, along with several coal fired power plants set to open up in the same nearby timeframe. The impact of more cargo moving, at a time that the market is already at heady levels, is: "As a result, we have increased our 4Q07 Capesize spot charter rate estimate to \$142,000 / day <from \$81,000 / day>, our 4Q07 Panamax spot charter rate estimate to \$60,000 / day <from \$47,000 / day>, and our 4Q07 Handymax spot charter rate estimate to \$55,000 / day <from \$38,000 / day.>" Morgan Stanley, with its crackerjack analytical team, looks at period rates going forward (rather than the spot rates in Jefferies sights), projecting \$105,000/ day, \$62,000/ day and \$32,558/day for Capes, Panamaxes and Handies in the 4Q, respectively.

The Morgan Stanley commodity analysts, like their compatriots at Jefferies, look for demand to fuel the market in the coming months, especially ahead of possible increases in iron ore pricing, saying "A potential stocking up of inventories in the coming months, ahead of any such price increase may make dry bulk <equities> continued winners over the next 3 – 5 months."

