

## **Tankers**

### Crude

VLCC	Ag/East	50	(\$33k)	possibly softer
SM	Wafr/Usac	62.5	(\$19k)	softer

Nothing too new on the V front. The July tally is up to 48 – placing us at about the 50% mark for the month. Position lists appear to favor Charterers going forward – though not by enough to minimize their efforts to keep rates where they are. The Atlantic basin has softened further as ample SM positions vie for fewer July cgos. If July volumes ex Wafr amount to the March-April-May average of about 94m bbls, then we are almost done...a bad sign for Owners. If, however, we end up seeing 117m bbls, as we did in June, then Owners will of course have decent leverage in fighting for better rates.

Crude FFAs have been quiet. **TD3** July is now offered at yesterdays closing of 51, implying a next done at the 49/50 level, a few points below spot.

### Clean

37kt Cont/ta	105	(\$7k)	about same
38kt Cribs/up	80	(\$1.5k)	about same
55kt Ag/East	95	(\$13k)	about same

Not much has changed from yesterday. Fixing activity can be found, though not to the extent that rates are facing upward pressure. Eastern clean remains somewhat steady.

**TC2** July has been quiet, though we did see July trade a 105, down 3 points, and then offered over at the same level. Crystal ballers therefore expect rates to remain about where they are for the next few weeks. Eastern FFAs have seen good volumes, though **TC4** and **TC5** lose 2-3 points each on the Q3 to 92 and 101.

### **EIA Estimates from Reuters Poll:**

Crude	-2.0
Mogas	+ 1.9
Dist	+ 1.5

### **This just in from the number 1 NY Jets fan, Matt G:**

As Farrah arrived at the gates of Heaven, Saint Peter explained to her, "Since you were an Angel on Earth, what wish shall I grant to you as you enter the Kingdom?" Farrah thoughtfully replied, "I wish for all of the children of the Earth to be safe." Two hours later Michael Jackson was dead.

## **Dry Bulk**

### Baltic Indices

BDI	3742	down 15
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BCI	7122	down	119
BPI	2984	up	80
BSI	1703	up	2
BHSI	749	down	5

The Panamax sector appears more active than other asset classes – as period inquiry and demand for coal has provided support. We continue to see doubts as to the sustainability of ore and coal demand into China...which introduces the specter of another summer collapse of inquiry from the Middle Kingdom. The futures market call for an obvious decline in Cape rates going forward – though nowhere near the extent of what we saw in last years Q4 debacle.

**FFAs** - light volumes with a bit of upside

Cape Q3: \$56,250, up \$750

PM Q3: \$21,000, up \$250

## **Equities**

### **Capital Link Indices**

Maritime Index	1551	-16	-1.01%
Tanker Index	1967	-29	-1.45%
Dry Bulk Index	901	-25	-2.70%

- **Urs Dur** maintains a HOLD on **TK**. “Despite our current estimates that TK will be profitable and liquid over what looks to be a very difficult 2009...we believe that a weak summer tanker spot market and a broad variance in consensus opinion will keep TK shares range bound for the near term.”

**Anders Rosenlund** on asset values: “Despite the short term spike in asset prices, we still see the risk of ship yards lowering newbuilding prices as this would eventually impact asset values negatively. There is significant overcapacity among yards while order intake is virtually non-existent. Simultaneously, input costs such as steel, energy and subcontractor costs are down from peak, enabling yards to lower prices further to attract new orders. Furthermore, Governments (e.g. South Korea and China) have shown willingness to support the shipbuilders to ensure shipbuilding activity continues, as this is of economic importance. Although there is some positive data regarding demand for vessels, shipping remains cyclical by nature and we’re not yet convinced the trough is behind us.”