

Tankers

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Crude

VLCC Ag/East	51	(\$30k)	slightly lower ws rate, mkt still same
SM Wafr/Usac	82.5	(\$31k)	firmer once again, though philly bunkers high
Nov AG fixtures	88	same	
Dec AG fixtures	20	up 4	
Nov Wafr bbls	113m	same	
Dec Wafr bbls	47m	up 7	
Turkish Straits	6n /2s		about same, though bad weather is reported
Fujairah bunkers	465	down 8	

Physical: The fixing pace is healthy, though the larger question concerns how much compressed demand we will see, or not – due to the US holiday next week. AG rates have come off a touch while Wafr remains firm. If Wafr sees continued demand, Owners will be able to move the market further north. A Wafr/Usag fixture was reported at ws 65 for a VLCC - providing for a TCE approaching \$50k/day.

There are reports that Vela has sold three SH vsls for conversion purposes to Vale. The news could be viewed in three ways. 1 – Vela senses that more SH bans are on the way and are beginning to unwind their SH exposure. 2 – Vela senses the market is going to get worse and wants to unload their SHs sooner rather than later. 3 – Vale wants ships. I am open to further conspiracy theories and comments on this topic.

Crude FFAs: TD3 has seen light volume. Dec adds 1.5 points to 56.5 while the Cal 10 trades flat at 69.50.

Clean

37kt Cont/ta	90	(\$1.5k)	still ugly
38kt Caribs/up	75-77	(-\$1k)	still miserable
55kt Ag/East	125	(19k)	firmer (was ws100 last Friday)

Physical: Nothing new in the Alt basin unfortunately...and in other less-than-stellar news, talk of floating mogas storage in the Indian Ocean has emerged. With US refinery utilization below 80% - you would think these bbls could be sold over here...though thinking too much can often be a fool's errand. Eastern clean shows its usual pattern...firming long haul rates ex-AG, with steady/soft rates seen on the shorter hauls.

FFAs: TC2 Dec has seen good volumes though trades down 1 point to 103. TC5 volume has been fair as Dec trades flat at 116. TD5 Dec is estimated at about 80, a point above yesterdays close.

Dry Bulk

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Baltic Indices

BDI	4507	down 154
BCI	7542	down 514
BPI	4424	down 29
BSI	2487	up 15
BHSI	1088	up 13

Recommended Reading - **Urs Dur:** "Global dry bulk demand forecast for 2010 and beyond improves, led by the China story. Steel prices in China have been a touch softer of late (and prices can influence seaborne demand negatively as they head down, positively as they head up), yet inventories have been falling gradually. Iron ore inventories at China's ports have been declining of late

(10-week lows, see detail p. 21) and the recent weather in China has further enhanced the near-term demand for seaborne iron ore and coal. China's coal demand is increasing; coal-fired power generation is up and overall power generation is up nearly 10% year on year. At present, China is now a net importer of coal and there is evidence that its need for imported coal will increase in the future – and coal inventories appear low, with some plants having only 15 days inventory. Overall..."

Dag Kilen: "World steel production up 3.1% in October versus September – up 13.1% year over year. World Steel just published production data for crude steel and their data shows a 3.1% improvement in global steel production from a month earlier and a 13.5% improvement compared to October 2008. All regions showed improvements month over month for a second month in a row. Utilization for steel production capacity globally is currently at 76.0% after steadily improving from a low at 58.3% in December last year. The latest data suggests an economic recovery is continuing no longer only being driven by China, although China in absolute numbers still weighs the most..."

Dry FFAs - mkt moved down early, then up again, closer to yesterday's closing levels - then down again post index

	Spot	Q1 FFA
Cape:	81575, down 5543	43000, down 2000
PM:	35597, down 222	24000, down 2500
SM:	26009, up 162	19250, down 1750

Equities

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Capital Link Indices

Maritime:	1,800.95	-68.02	-3.64%
Tanker:	2,183.91	-39.65	-1.78%
Dry:	1,092.21	-102.46	-8.58%

- **Natasha Boyden upgrades D/S Norden** to BUY (from hold) and raises target to DKK 260 (from DKK 200).
- Johannes Moller maintains a SELL on D/S Norden (DKK 140).
- Dag Kilen and Frode Morkedal maintain a REDUCE on D/S Norden though raise target to USD 43 (from USD 38). They also maintain an ADD on Torm (USD 12),
- Kevin Sterling reiterates a BUY on ANW (\$40).