

## Tankers

### Crude

VLCC AG/East	27-28 (TCE \$7k/day)	possibly a touch stronger
Suezmax Wafr/Usac	55 (TCE \$18k/day)	about same

We are up to 83 May fixtures – so the case could be made that we are within 2-3 fixtures of closing the books. As Charterers moved to finish off their last bbls we did see a minor push north on rates – though nothing that could be considered happy times for Owners. Ws 30 East and ws 22.5 West have been reported on subs. Suezmaxes in the Atlantic basin are still vulnerable to the VLCC fleet.

The ATS Report comments on potential trouble for TD5: “Political problems in Nigerian helped to hold crude prices up. The Nigerian oil workers union issued an order for all members to leave the Delta Production Area within 48 hours. This order was supported by the radical, armed rebel group MEND. If implemented in its entirety, it could take 1 to 1.5 million b/d off the spot market and temporarily shore up physical cargo prices... it looks like we may be returning to a stage of ‘political oil price supports’. If so, then Iran will soon enter the fray.”

If we do see the “political angle” play, George Glass is betting on trouble in either Gaza or Lebanon.

TD3 remains quiet. June, July, Aug remain priced at 34, 35.5, 37, implying better times ahead – but not by much.

### Clean

37kt Cont/Usac	125	(\$13k/day)	touch softer
38kt Caribs/Usac	120	(\$12k/day)	touch softer
55kt AG/East	65	(\$6.5k/day)	maybe touch firmer

Atlantic basin fixing has slowed, thereby nudging rates a touch lower. Activity can still be found, notably on the Usg/Europe and Cont/Wafr route – though not enough to prevent some rate slippage. Eastern clean remains steady, though some routes have managed to add a point or two.

TC2 FFAs are quiet. June, July, Aug remain priced at 116, 111, 109. Eastern clean paper has been busy. TC4 and TC5 June add 2-3 points each to 89 and 90.

## Dry Bulk

### Baltic Indices

BDI	2544	up 112
BCI	3481	up 199
BPI	2474	up 112
BSI	1754	up 43
BHSI	823	up 21

>From Urs Dur’s Crow’s Nest: “Dry bulk ship orderbook slippage of epic proportions is making the optimists look right so far, with a further modest recovery on track for dry bulk – but we are not out of the woods. Fifty-nine percent of dry bulk ship tonnage that was due to be delivered in 1Q09 slipped into 2Q. This “slippage” should telescope into future quarters and assist in the shrinkage of the massive dry bulk orderbook to more manageable levels. We present

our updated supply and demand outlook for dry bulk and emphasize that the dry bulk market still faces challenges. However, a modest recovery is on track and we see the Baltic Dry Index trading between 2,400 and 2,900, just above net income breakevens on average per ship per day for most ship types, by the end of the year. Well capitalized names should do well, reiterate BUY on DSX, GNK and NM ”

FFAs – prices continue their rise on good volume and improving physical

Contract	Close	Current	Diff
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BDI May	2330	2355	+25
BDI Q3	1970	1995	+25
BDI Q4	1950	1975	+25
CS4 Q3	\$27,750	\$28,250	+ \$500
CS4 Cal 10	\$23,813	\$23,850	+ \$37
PM4 Q3	\$14,713	\$14,750	+\$37
PM4 Cal 10	\$13,630	\$13,750	+ \$120
SM6 Q3	\$13,192	\$13,150	- \$42
SM6 Cal 10	\$12,183	\$12,250	+ \$67

#### Equities

- Charles Rupinski downgrades VLCCF to HOLD (from buy). “Given the short term weakness in the current tanker market and a lack of near term catalyst, we are downgrading VLCCF...”
- Anders Rosenlund maintains a HOLD on VLCCF (\$14.50). “We expect funding to be available in due time and dividends restored. However, until this happens we reiterate HOLD...”
- Omar Nokta maintains a BUY on SFL (\$15).
- Doug Mavrinac maintains a BUY on SFL (\$19).
- Doug Mavrinac maintains a BUY on ANW (\$30).
- Natasha Boyden maintains a BUY on GASS (\$8).
- Charles Rupinski maintains a HOLD on GASS.
- Anders Rosenlund maintains a SELL on ECHEM (USD 0.25).