

Dry Bulk

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BDI	9244	up 105
BCI	13053	up193
BPI	9218	up 314
BSI	5999	down 129
BHI	2733	down 26

The Capes take a turn north and helped push the primary index into positive territory. There still seem to be concerns that the Cape sector might be oversupplied for the time being, though sentiment is better today than what we have seen the past few days.

In the macro world, Ton Mile Trader Asian Editor J Landsberg weighs in as follows:

India's Tata Power will reportedly need to import 3 million tons of thermal coal during the fiscal year, double the amount from last year. Most of the coal will come from Indonesia. The company is planning on adding 490 megawatts (+18%) of coal-powered electricity to its current 2742 megawatts capacity. By 2013, Tata's capacity is expected to reach 12,861 megawatts. Tata alone will need to import around 22 million tons of thermal coal by this time.

FFAs

Contract	Last Close	Current	Diff
BDI July	8800	9600	+ 800
BDI Q3	8750	9500	+ 750
BDI Q4	8700	9300	+ 600
CS4TC '09	\$126,953	\$128,000	+ \$1,000
PM4TC Q3	\$74,475	\$76,500	+ \$2,000
SM6TC Q3	\$58,969	\$59,500	+ \$500

Volumes are decent and prices are up. Have to believe the improved Panamax sentiment is lifting all boats, as both spot and period demand have improved. Confidence on the Capes, however, is still suffering a bit from perceived imbalance in supply/demand for that asset class.

Tankers

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VLCC AG/East 230-235 (\$197k). **Suezmax** Wafr/Usac 195-200 (\$62k).

As the Vs approach the \$200k/day – credit goes out to our Spore office for again reminding us that a balanced market means rates should rise. **Party on, Fredrik!!!** Today their crystal ball was overheard as follows, "...it's thus hard to argue against the prospect of higher rates over the next days. **Prediction: firmer.**" If you are not yet on the list for this report from our Spore office – you should be. Let me know.

Crude tanker FFAs have been active. **TD3** continues its push north, with July gaining 6 points to 203 and August added an impressive 10 points to 179. Further down the curve, Q4 trades up 1 point to 173. Little brother **TD5** has also seen decent action, as July trades up 11 points to 210 and August adds 3 points to 189. Littler brother **TD7** has traded a few lots – but has given back 5 points on the July contract and now trades at 185.

Atlantic basin clean has slid a few more points – as **Cont/ta** stands at about 370 (\$36k). Simple supply and demand for those who believe in such things. The slowing demand for tonnage has allowed the position list to build. **Caribs/Usac** is quiet as well, though rates are estimated holding at the 315 mark (\$28k). Though USG exports are still a viable alternative, the flow of cgos here has slowed a touch – nudging sentiment the same direction.

The softening on the Cont/ta route has pushed FFA prices lower for **TC2**. July trades down 9 points to 300 and August trades down 8 points to 263. Volume has been “okay”. **TC5** has stolen all the oxygen in the Far East market – with good volumes traded all the way through Q4. Increases in July, Aug and Sep have moved the Q3 up 2 points to 245, while Q4 has bumped an impressive 6 points to 236.

Equities

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Tankers: It turns out the **Alpha Male** wants a bigger sled to pull – and who can blame him? This morning we wake to find JF1 (no relation to Afra magnate JF2) has added to his Suezmax exposure by buying 5 vessels from the company currently and formerly known as **TOPS**. Additionally, he will charter in 5 more Suezmaxes from Eigir Shipping. Party on, John!!! Most of the names gave back some ground yesterday, though George Glass remains long and strong on **GMR**. In tier-two news, **TOPS** and **RAMS** are full of bourbon and just can't stand up.

Dry Bulk: **NM** at \$9.11? Never saw that one coming. With Natasha and Urs rating this name at \$16 and \$20 respectively, seems like we should double-handed buying today – assuming the dry bulk investing public is positive on their purchase of two vessels. Pre market numbers are quite good, and **Google** is up 4% in Oslo. Do not be surprised if we see another round of overbuying after the recent round of overselling.

In ratings news...

- **Tim Tiberio** at Oppenheimer maintains a PERFORM on **NM**.
- **Natasha Boyden** at Cantor maintains a BUY on **NM** (\$16).
- **Urs Dur** at Lazard maintains a BUY on **NM** (\$20), though warns of higher costs and potential for a near-term softening in dry rates.
- **Henrik With** at DNB maintains a BUY on **FRO** (NOK 415), citing increased EPS for 2008 and 2009 due to FRO's increased exposure in the Suezmax sector.
- **Erik Helberg** at Pareto maintains a BUY on **FRO** (NOK 420), citing accretive earnings potential with the Suezmax additions.



Class Clown: George Carlin RIP

Before getting to the tribute portion of this obit, I will start with the footnote. People who are only familiar George's later work may not truly appreciate the comedic brilliance he displayed in his earlier days. Towards the back end of his career he veered, hard, towards political commentary while also gratuitously employing many of the seven words he is famous for reminding us that we weren't allowed to say on television. His material became tedious and bitter – leading many first timers to his brand of humor to consider him extremely unfunny and unnecessarily vulgar. This is unfortunate. But with that out of the way, we can move on to the good stuff.

In his day, Carlin was a black-belt wise-ass with a complete mastery of the English language. His grip on the subtleties of communication allowed him to mock all aspects of everyday life. From the naïve check out lady who kindly asked you to “Have a Nice Day!” <<Maybe I don't want to have a nice day>>, to the

airport public announcement person kindly asking you to "Get on the Plane" <<*No way, I'm getting *in* the plane. Let Evel Kneivel get on the plane!>>, no one was safe. And what exactly is "pre-boarding", he wondered aloud. How can you board the plane before you board the plane? Good question, of which he had many. Another beauty, "Did you ever notice mice have no shoulders?"*

And then there is this musing: "Did you ever notice that printed right on the cookie box it says, "Open here"? Well, what did they think I was gonna do? Move to Hong Kong to open up their cookies? Of course I'm gonna open 'em here. I'm gonna eat 'em here, I'd almost have to open 'em here. Thank God it doesn't say, "Open somewhere else." I'd be up all night tryin' to figure out an appropriate location."

His most famous, and controversial, work involved the seven words you can't say on television. Since this is a PG-13 rated report, we will not go into detail, but will end with his intro into this bit, which I find as brilliant as anything he did:

"There are 400,000 words in the English language, and there are seven of them you can't say on television. What a ratio that is: 399,993 to seven. They must really be bad."

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