

Dry Bulk

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BDI	9473	up 229
BCI	13591	up 538
BPI	9528	up 310
BSI	5926	down 73
BHI	2727	down 6

The Panamax sector is still firming in both Atlantic and Pacific on the back of both period and spot demand. Cape sentiment has also improved in the Atlantic, though the Pacific remains flattish. On the macro side, steel prices may have bottomed in China, implying positive news for ore demand.

FFAs

Contract	Last Close	Current	Diff
BDI July	9600	9800	+ 200
BDI Q3	9500	9650	+ 150
BDI Q4	9625	9700	+ 125
CS4TC '09	\$129,000	\$130,500	+ \$1,500
PM4TC Q3	\$76,525	\$77,500	+ \$975
SM6TC Q3	\$60,094	\$60,500	+ \$500

Volumes are moderate today, though we see positive sentiment continue in the futures markets.

Tankers

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VLCC AG/East 230 (\$192k). **Suezmax** Wafr/Usac 195-200 (\$62k).

Steady activity has kept Owners in a buoyant mood as AG rates remain just under the \$200k level. The supply/demand balance still allows for a bit more upside should Owners decide to continue pushing. With that said – we are hearing of a few **VLCC** ballasters from the Atlantic basin towards the AG. While this may keep a lid on rates in the AG, it will of course lend support to the Atlantic basin. There is no free lunch for Charterers – as the law of one price works its magic. Regional **Afra** earnings are coming off.

Crude tanker FFAs have been mostly dormant thus far. **TD3** July, Aug and Sep trade up a point or so to 205,179,164. Backwardation remains.

Atlantic basin clean has softened a touch further, as limited demand off the Cont has helped increase the length of the position list. **Cont/ta** is now estimated at 365 (\$34k). USG exports are still lending a helping hand to Owners on this side of the pond – allowing the **Caribs/Usac** rate to maintain itself at 315 (\$28k). **Asian clean markets** appear to be firming.

Clean paper activity has been moderate on this side – as **TC2** Aug trades flat at 263 while the Q4 gives back 4 points to 265. In the Far East, however, **TC5** continues to be the Asian Tiger in terms of trading activity. July gains 8 points to 280, Sep adds 3 points to 249 – while the Q4 trades flat at 236.

Equities

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Tankers: Until further notice, we will be calling this portion of our report the '**Alpha Male Network**'. If it's not headline news, it's another 1-2% gain on the day. Yesterday we saw JF1 issue another 3 million shares. Screen jockeys likely noticed the double dip early in the day, but Frontline Nation closed strong at \$70.87. Today, however, we see FRO down on both sides thus far.

Dry Bulk: A good pop for the dry names, with the **G-Team** leading the way (+11%). The other names fared well, but to different extents. **NM** was quite the lagger with only a 2% increase – though both George Glass and his friend Duane added some of their beer funds to the long side of that equation. Anyone who can explain the IPO for NNA.U to George and Duane will get a ton mile trader t shirt – and a high five should NM start moving its own dry sled in the right direction.

In ratings news...

- **Henrik With** at DNB maintains a BUY on **SNI.OL** (NOK 150), citing a rising rate atmosphere outweighing increased bunker costs.

- **Henrik With** maintains a BUY on **FRO** (NOK 415) after evaluating the “accretive impact” of the 3 million new shares.

- **Erik Helberg** at Pareto maintains a BUY on **SNI.OL** (NOK 160), 70% contract coverage and bunker escalation clauses that will offset a good portion of these rising costs.