

Dry Bulk

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BDI	9599	up 126
BCI	13936	up 345
BPI	9656	up 128
BSI	5878	down 48
BHI	2723	down 4

We see continued firming on the larger assets and continued softening on the lesser classes. It appears Panamax strength has led the way – although, there are some who still believe that the Argie farmer's strike is a thorn in the paw. Asian correspondent Jeff Landsberg is one of these concerned citizens, and weighs in with this piece entitled "**Capitalism Rocks, but - It's Not Over Until The Fat Lady Sings**":

Ok.. **Cristina Fernández de Kirchner** is not fat by any means.. but she certainly is playing hardball and showing an uglier side with Argentina's farmers. The *Buenos Aires Herald* reports that the Kirchner administration has taken out full-page paid ads in Argentina's largest newspapers claiming that "although farmers launched several sales boycotts of grain exports to force it to go back on the higher export duties levied in March, farmers had actually exported huge amounts of grain and oilseeds, caused food and fuel shortages, job losses and higher inflation".

Huge amount of exports during the strikes? Don't think so.

Although sentiment is returning to the Atlantic due to the current break in strikes, I really want to point out that this thing is not over. Without a real resolution, sentiment can only stay bullish for so long. In the end, the actual amount of cargo coming out of the region will determine the direction of related-freight rates."

FFAs

Contract	Last Close	Current	Diff
BDI July	9800	9700	-100
BDI Q3	9650	9500	-150
BDI Q4	9725	9600	-125
CS4TC '09	\$129,938	\$130,000	flat
PM4TC Q3	\$76,400	\$75,500	- \$1,000
SM6TC Q3	\$60,094	\$60,000	flat

FFA volumes have been slow, which we have come to expect for a Friday. In this kind of volatile market, we would have to assume that swinging a big line on the last day of the week can often result in Monday pain. No one wants that – hence the quiet market.

Tankers

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VLCC AG/East 245 plus (\$210k). **Suezmax** Wafr/Usac 200 (\$63k).



Its Christman in July!!! Buy Noooooooooooooooooowwwwwwwwwwwwwww!!! Prices are Insane!!!

The words of Crazie Eddie Antar circa 1978 ring true even 30 years later. No matter what Charterers do – rates rise, so they may as well heed the words of the charlatan, book faker, license-plate-maker...and BUY NOW! For Owners it indeed is Christmas in July –and things just keep getting better.

Our Spore office still see potential firming, advising that the pace of fixing will not come to a complete halt between July and Aug loaders, as July still has too many cgos uncovered. They further comment “...the market should continue to tighten into next week. Owners are up for more fun.”

Crude tanker paper is trading up on fair volume. **TD3** July gains 3 points to 218 while Aug adds 2 points to 187. The curve keeps creeping up – implying that the bears might be throwing in the towel. **TD5** July trades up 2 points to 215. Since this is 20 points *above* the spot, while TD3 is 10 *below* the spot – home gamers are asking “What the heck is going on?” The thought within this thing of ours seems to be that the VLCC ballasters from the Atlantic basin to the AG will soften one market while firming another. The law of one price lives!

Atlantic basin clean remains inactive – leading rate ideas for **Cont/ta** to sit at the 360-365 level (\$33.5k). It's Friday and the arb is flat, so we'll likely have to wait until next week to see where this goes. **Caribs/Usac** remains the same at 315 (\$28.1k), largely due to USG exports keeping hope alive.

Despite backwardation on the **TC2** curves, July and August have traded up today on moderate volume. July plus 8 to 316, Aug plus 2 to 272. Effectively evaluated, this means their less near term pessimism in this mkt than yesterday. The Asian tigers are resting today –as few trades have been seen on **TC4** and **TC5**. TC5 Sep adds 2 points to 242 alongside a firming physical market, though TC4 Jul gives back 8 points to 297 with the same backdrop.

Equities

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The Alpha Male Network: Despite a sub \$70 scare, we see **FRO** trading back above that level in pre-market once again. On top of that, Homer Simpson again reinforced his affinity for Frontline Nation with the following bolt-round quip, “I think that DryShips is one of those where you're going to be throwing up on your shoes. Frontline, for heaven's sake. I like **NAT**, but go with Frontline.”

Dry Bulk: Jim Cramer's take on the **Dry Fox** can be found in the paragraph above, though it appears a firming physical market has allowed this name to push back above \$80 for a day or so on good volume. We also see that the Street.com has upgraded **Turner Broadcasting Systems** to a BUY. Fair enough, as I would have no trouble buying this name for at least the near term, but – it seems the Street seems to focus too much on ratios and period-on-period percentages, without bothering to mention that we not dealing with Coke or Pepsi. I think their rationale is dangerous, though I hope they turn out to be right.

In ratings news...

- **Natasha Boyden** maintains a BUY on **TOPS**, though lowers her target to \$12 from \$15. She

cites the recent ship sale at seemingly substantial discount to market, though adds this should improve liquidity.

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