Dry Bulk
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BDI	**8637**	**down 134**
BCI	13417	down 162
BPI	**7754**	**down 215**
BSI	5155	down 70
BHSI	2642	down 1

Though we occasionally see reports commenting that the bottom might be at hand and that Owners confidence might soon return, rates continue to come off. The Panamax sector has been the recipient of most of the vitriol.

Comments below from the King of Swing – Mr J Landsberg:

The Colombia coal miner's strike is over. This news hasn't helped the Panamax physical market, and charterers here (Asia) still expect freight levels to come down and think a rebound is "impossible" until mid- August. That's a pretty bold statement but apparently there is a ton of spot tonnage available. Supramaxes are being hurt by the oil spill / cargo disruption in the Mississippi River. Rates are coming down and will likely continue to fall for at least the next few days.

All eyes are on China / Olympics. The skies in Beijing are still smoggy as hell, expectations point to a slowdown in industrial production, but no indication yet of any significant reduction in iron ore imports. The Chinese are good at always keeping us guessing. One important thing to point out: even if short-term sentiment is a bit iffy, medium-term sentiment is really good considering the period activity we've been seeing. Interesting side note: for the most part, there's a general consensus that dry bulk rates will trend sideways / fall for the Olympics, then rebounded significantly in the fourth quarter and approach record freight levels by the end of the year.

The interesting (and scary) thing is that pretty much everyone is saying this. Kinda makes you think. At least makes me think / wonder how we can all be right. Dry bulk doesn't normally throw fast balls right down the middle. Usually it's the curve ball hitters that excel in this market.

FFAs

Contract	Close	Current	Diff
BDI July	9000	9000	flat
BDI Q3	9025	9025	-25
BDI Q4	9225	9200	-25
CS4 Q3	$158,744	$156,750	- $1,994
CS4 Cal 09	$128,406	$128,000	- $406
PM4 Q3	$68,850	$68,250	- $600
PM4 Cal 09	$61,581	$61,625	flat
SM6 Q3	$55,013	$54,000	- $1,013

Moderate volume. Not much price movement. It doesn't appear that any form of panic is setting on the FFA front.

Tankers
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VLCC AG/East 232.5 ($183k).   **Suezmax** Wafr/Usac 340 ($132k).

Activity in the AG remains slow. We have seen about 50 cgos covered thus far - close to the halfway point. Charterers appear content to enter the market at a measured pace, implying a “rush” of cgos may not be imminent. Positions for mid-August seem ample enough to handle inquiry over the next few days. The Atlantic basin remains strong.

Crude FFAs are very quiet. Bid/asks for **TD3** imply a slightly softer tone today. **TD5** Aug trades down 7 points to 240, while Q4 loses 2 points 196. **As I hit send, TD3 Aug trades down 8 points to 184.**

The cont/ta clean market is so ugly…<<response: How ugly is it?>>… it went to the zoo and they refused to let it out. Markets get the humor they deserve, but I am running our of ugly jokes **Cont/ta** is now rated at about 210 ($7k) and soft while **Caribs/Usac** stands at about 290 ($22.5k). Simple supply and demand. Asian clean remains steady, as **LR1s Ag/Japan** still fetch 315 ($40k). Neil Mulhern is my hero.

Clean FFAs have been somewhat snoozy today. **TC2** Q4 trades down 2 points to 260. In Asia, activity is slow as well. **TC4** Aug trades down 7 points to 275. **TC5** Aug and Sep trade flat at 299 and 283.

Equities
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The Alpha Male Network: A pretty solid drubbing across the board. The softening AG rate atmosphere may have led to the initial slide – and the broader stock market took over from there. With earnings announcements right around the corner – “nimble” buying and selling will be required to capture the best of this sector. Keep an eye on the **NAT** dividend, as it could provide some upside to this name. RAMS is another story – though so far, the apocalypse has not occurred – so the charitable trust remains long but less than strong.

Dry Bulk: The dry collapse wasn’t completely unpredictable since the run up on the prior day made absolutely no sense. The broad market sell-off only added to the misery. We would love to report that **TBSI** should bounce back after its 10% debacle – but we have all seen these movies before. While some form of mean reversion is possible – so is more pain. Keep that in mind.

Asia: Asian stocks finished mixed today. Korea Line saw the biggest gain (+4.1%), while Shanghai-listed shares of Cosco (-3%) went the other route. Over the last three months, Asian dry bulk equities are down by an average of 15%.

In ratings news…

- **Greg Lewis** maintains his NEUTRAL rating on **RAMS**, though he cuts price target to $7 (from $9). He estimates NAV at $8.50/share - though believes a 20% discount to this number is called for.
- **Natasha Boyden** maintains a BUY on **KEX** and raises price target to $67 (from $69) citing positive outlook on the inland tank barge segment.
- **Alex Brand** at Stephens maintains his EQUALWEIGHT on **KEX** ($57), citing solid fundamentals for 2008.
- **Henrik With** maintains a HOLD on **Wilh Wilhelmsen** (NOK 195).

Anyone interested in the LPG sector should note below from **Henrik With** at DNB:

- Although we had expected LPG shipping rates would rise in 2Q/3Q, the earnings development has been much stronger than anticipated

- In addition to elevated transportation volumes, an overall negative effective fleet growth so far this year has supported the market
- A massive delivery schedule of new vessels for the remainder of the year and in 2009 should however cap rate levels going forward
- We hence keep our muted outlook for LPG shipping in 2008-2009, with rates likely to remain highly volatile
- Despite our significant earnings revisions, many stocks in this segment are still not attractively priced in our view
- We still favour companies exposed to smaller vessel classes, and our top picks thus remain IM Skaugen and Camillo Eitzen