

Dry Bulk

BDI	6466	down 225
BCI	9599	down 617
BPI	6017	up 7
BSI	3971	down 119
BHSI	2099	down 26

The overall slide continues, though the Panamaxes managed to push slightly to the upside. Roving Commodore Landsberg reports that ore inventories in the Middle Kingdom increased by 2.47m mt to 74.46m mt. With a backdrop of falling freight levels - this size stockpile is ominous. Limited period demand also raises some red-tinted flags.

FFAs

Contract	Close	Current	Diff
BDI Sep	7250	7000	- 250
BDI Q4	8300	8000	- 300
BDI Q1	7750	7500	- 250

CS4 Q4	\$140,438	\$132,000	- \$8,438
CS4 Cal 09	\$114,602	\$110,500	- \$4,102
PM4 Q4	\$61,167	\$59,000	- \$2,167
PM4 Cal 09	\$53,736	\$52,750	- \$986
SM6 Q4	\$49,844	\$47,500	- \$2344

Volumes have been good - though prices have taken a whack. The Panamaxes are holding up better than the Capes - though at some point - this is all one market. The law of one price might take time to work its magic, but given enough time - it does occur. It's hard to tell if people are indeed giving up on the concept of a strong Q4. It is remotely possible, however, that new buyers of that idea just don't exist in abundance. If I knew for sure - I would charge at least double the current subscription for this report.

Tankers

VLCC AG/East: ws 97.5 (\$46k) Suezmax Wafr/Usac: ws 180 (\$50k)

There remains a mild bull breeze in the tanker sector as many feel the market will push beyond the ws 100 level within today or tomorrow. Seems quite plausible - as we still have plenty of Sep cgos to be fixed. The bigger concern is overall demand - as the price of oil has fallen significantly, lending credence to the theory that a global slowdown looms. Regardless of what near

term rates do - the macro picture is crucial, especially if decreasing oil prices lead OPEC to consider the "C" word.

Crude FFAs have seen limited trading today. TD3 Sep trades down 10 points to 120 while Q4 loses 13 points to 140. TD5 Sep loses 15 points to 170. TD7 Sep loses 7 points 180.

Cont/ta rates have received little or no bounce on the back of Gustav. Though a ws 320 or so was reported - and quite possible - we also hear of some 315 sub fixtures getting done. If you called the market 315-320 (\$26k), few would argue. Caribs/Usac has slid a few points to 290 (\$24k). USG exports remain negligible. In Asia, AG/East 55kt sits flat at 360 (\$52k).

TC2 FFAs have been quiet, leaving the Sep contract at 325, only a few points above the spot. The Asian market has seen more trading - with forward prices lower. TC4 Sep has lost 10 points to 320 while TC5 Sep also loses 10 points to 320. The TC5 Oct contract has given back 7 points to 270.