

Dry Bulk

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BDI	9379	down 210
BCI	13470	down 508
BPI	9470	down 157
BSI	5810	down 33
BHI	2706	down 7

Physical concerns in Pacific are helping create negative sentiment.

FFAs

Close / Current / Difference

BDI

Jul	9400 / 9000 / -400
Q3	9300 / 9000 / -300
Q4	9375 / 9050 / -325

CS4TC

Q3-09	156439 / 152000 / -4439
Cal09	124503 / 119500 / -5003

PM4TC

Q3-08	72075 / 70000 / -2075
Cal09	61844 / 58750 / -3094

SM6TC

Q3-08	58000 / 55500 / -2500
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Volumes are good as prices fall. Seems the market has brought some near term conviction...to the downside.

Tankers

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VLCC AG/East 250 plus (\$212k). Suezmax Wafr/Usac 200-205 (\$64k).

Although July requirements are just about covered - August is right around the corner. Owners are in good shape.

Crude tanker FFAs have seen fair volume. TD3 July trades up 3 points to 225. TD5 July also trades up a few points to 225, meaning the July contract for the Vs and Suezmaxes are priced the same. Mean reversion buffs are likely already trading this odd occurrence. TD7 July also trades higher - gaining 13 points to 188.

Shell is reported to have paid 380 for their Cont/ta July cgo, though the overall market could still be called 360 (\$32.5) as things are mostly quiet. Caribs/Usac is still estimated at 310 (\$26.5).

Clean paper in the Atlantic basin is trading up - as TC2 July adds 10 points to 329. In the Far East, volumes are fair, though prices are down a bit. TC4 July loses 7 points to 290, while TC5 July trades down 3 points to 274.

Equities

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The Alpha Male Network: FRO held tough early in the day, but late day selling brought about a sub \$70 close. OSG suffered a similar fate and closed sub \$80. NAT looked pretty firm - opening to the upside and holding its gains. With the spot physical market looking so strong, near term turbulence in the board market could offer up some buying opportunities. RAMS reported some sort of strategic review being completed, though someone forgot to tell their share price - which sits at an uncomfortable \$4.85.

Dry Bulk: A mixed day on the dry side, with little to report. Today could bring some fireworks, however, as the physical and FFA markets - combined with the broader stock market, could conspire to bring about some "volatility". Buckle up!

Asia: The major Asian dry bulk equities fell today - things could have been even worse if HK-listed shares didn't have the day off to celebrate Hong Kong Special Administrative Region Day. STX saw the biggest fall, dropping 4.7%. Cosco was down 3.4% in Singapore, U-Ming down 2.9%, and Sincere Navigation down 2.5%. With FFA's also falling and reports surfacing from shipbrokers that a large amount of Capes will be coming back to the market soon, Asian dry bulk investors might be signaling a coming drop in freight rates.
(Source: Ton Mile Trader Korea)

In ratings news...

- Natasha Boyden maintains a HOLD on NAT (\$40). She raises her estimates for Suezmaxes earnings in 2008, and therefore raises her EPS estimates.