



MARKET PERSPECTIVES

26 September 2008

CHICAGO BOARD OF TRADE & GLOBAL MARKET NEWS

Chicago corn futures closed down for the day on Friday as a multitude of bearish news items weighed heavily on commodity markets. Uncertainty over the status and structure of the U.S. government financial bail out program was the single biggest influence of the day, but there were additional negative factors. Among those “other bearish factors” was a favorable weather forecast, the developing corn and soybean harvest, reports of better than expected corn yields on early harvested corn, weak export demand for all grains and a generally weak economic forecast for many areas in the world. With weak fundamentals and weak technical indicators, the market had no where to go but down. Export corn sales are down about 36 percent from their levels of last year at this time.

On Friday, December corn futures dropped 15 ¼ cents per bushel (\$6.00/mt) to close at \$5.43 per bushel. December corn futures ended the week about unchanged from their previous weeks close on Friday 19 September. The corn harvest is underway and the coming weeks will be very interesting to watch.

USDA -NASS Progress Reports: As of Sunday 21 September 2008

| United States Crop - Progress | | | | | |
|-------------------------------|-----------|-----------|-----------|-----------|----------------|
| Percent | | This week | Last Week | Last Year | 5 Year Average |
| CORN | Dented | 90% | 78% | 98% | 95% |
| CORN | Mature | 33% | 19% | 76% | 63% |
| CORN | Harvested | 5% | N/A | 20% | 14% |
| SORGHUM | Mature | 43% | 38% | 60% | 52% |
| SORGHUM | Harvested | 32% | 29% | 41% | 36% |
| BARLEY | Harvested | 94% | 92% | 100% | 98% |

| United States Crop Condition Status | | | |
|-------------------------------------|-----------|-----------|-----------|
| Good to Excellent | This Week | Last Week | Last year |
| Corn | 59% | 61% | 63% |
| Sorghum | 53% | 54% | 63% |
| Soybeans | 57% | 57% | 58% |

Country News:

North Korea: Commodity Credit Corporation (CCC) bought 20,000 mt of U.S. yellow corn for donation to North Korea for October shipment.

Ethiopia: CCC bought 62,870 mt of U.S. sorghum for donation to Ethiopia for Oct-Nov. shipment.

Below is a Chart of the CBOT December 2008 Corn Futures (CZ08)



U.S. Weather:

Light and scattered rain fell across the Northern region of the Western Corn Belt Friday, with coverage of only 30-35 percent and moisture levels of just 1/10 to 1/2 inches. Most of the growing areas were warm and dry. Additional light and widely scattered rain is expected across the Corn and Soybean Belt Saturday and Sunday, with coverage of only 20 percent in the Corn Belt with 1/10 to 1/2 inches of rain. Limited amounts of precipitation are forecast for the corn and soybean regions of the country over the next 7-10 days.

Next week should bring only widely scattered light rains across the Midwest with coverage of 40-45 percent in the Western Corn Belt. Moisture levels and coverage should not be sufficient enough to delay the corn or soybean harvest activities. Temperatures will be warm to seasonal, in the 70's and 80's F (21-26C), through Sunday. Early next week, temperatures will cool down with highs in the 50's to 70's F (10-22 C) by mid week. There will be a chance for frost in Minnesota and Wisconsin and Great Lakes area mid to late next week. If a frost does occur, it is expected to be localized in the far north and not a real danger to grain crops.

Saturday's U.S. weather map.



U.S. EXPORT STATISTICS: Report Activity as of 18 September 2008

Weekly U.S. Export Sales

| | New Sales (000 MT) | YTD Export Commitments **(000 MT) | Total Projected Export Program for Year (000 MT) | Percent of Export Projection | Total Sales for Next Marketing Year '08-09 (000 MT) |
|---------|-----------------------|---|---|------------------------------------|--|
| Corn | 744.2 | 12,956.3 | 50,800 | 26 % | 75.1 |
| Sorghum | 31.0 | 876.3 | 3,300 | 27 % | 0 |
| Barley | 0.3 | 178.1 | 540 | 33 % | 0 |

USDA, * Marketing year for barley is 1 June - 31 May. Marketing year for corn /sorghum is 1 Sept. - 31 Aug. ** Combination of outstanding sales and total exports. Above and below figures will vary between new sales and net sales due to USDA rounding and adjustments made for sale cancellations and adjustments. This report is issued every Thursday on the following site: <http://www.fas.usda.gov/export-sales/esrd1.html>

Corn: Net sales of 547,800 MT were up 68 percent from the previous week. Increases reported for Mexico (229,700 MT), Japan (203,200 MT), South Korea (56,600 MT), Egypt (53,500 MT), Canada (39,600 MT), Algeria (35,000 MT, including 30,000 MT switched from Turkey), and Israel (33,800 MT, including 28,300 MT switched from South Korea), were partially offset by decreases for unknown destinations (162,900 MT) and Turkey (30,000 MT). Exports of 994,200 MT were up 15 percent from the previous week and 23 percent

from the prior 4-week average. The primary destinations were Japan (276,400 MT), Mexico (126,800 MT), Egypt (113,100 MT), South Korea (105,300 MT), Colombia (77,400 MT), and Venezuela (69,300 MT).

Barley: Net sales reductions of 400 MT were reported for Japan. Exports of 65,900 MT were reported for Japan (61,600 MT), Canada (3,200 MT), and Mexico (1,100 MT).

Sorghum: Net sales reductions of 3,600 MT resulted as increases for Mexico (26,400 MT) were more than offset by decreases for unknown destinations (30,000 MT). Exports of 13,600 MT were 60 percent below the previous week and 81 percent under the prior 4-week average. The destinations were Japan (8,000 MT) and Mexico (5,600 MT).

WEEKLY U.S. EXPORT INSPECTIONS:

(Monday's report 22 September 2008) for the Export week ending 18 September 2008

| Commodity (1,000 bushels) | Export Inspections | | Current Market Year YTD | Previous Year to Date | 2008 YTD as Percent of 2007 |
|------------------------------|--------------------|------------------|-------------------------------|--------------------------|-----------------------------------|
| | This Week | Previous Week | | | |
| Corn | 33,139 | 31,388 | 77,173 | 123,110 | 63 % |
| Sorghum | 314 | 2,549 | 4,812 | 24,839 | 19 % |
| Soybeans | 1,204 | 8,564 | 10,833 | 38,123 | 28 % |
| Wheat | 29,175 | 21,184 | 400,426 | 417,742 | 96 % |
| Barley | 2,828 | 128 | 5,443 | 4,681 | 100 % |

Source: USDA/AMS. *Marketing Year is June 1-May 31 for wheat and barley and Sept. 1 – Aug.31 for corn, sorghum and soybeans. Week to week reports will vary due to exporter reported corrections and cancellations to previous weeks reports. This report is issued each Monday on web site: http://marketnews.usda.gov/gear/browseby/txt/WA_GR101.TXT.

Export Inspections Highlights:

| USDA Grain Inspections for Export Report | | | | | |
|--|---------|--------|-----|----|-----------|
| Last Week (000 Bushels) | YC | % | WC | % | Sorghum % |
| | Gulf | 22,454 | 68% | | |
| PNW | 8,778 | 26% | | | |
| Lakes | 428 | 1% | | | |
| Atlantic | 0 | 0% | | | |
| Interior Export Rail | 1,479 | 4% | | | |
| Total (mil. Bushels) | 33,139 | 100.0% | 0 | 0% | 314 100% |
| Metric Tons | 841,778 | | 0 | | 7,976 |

White Corn Shipments:

Total

Sorghum Shipments:

mt to Japan
 Total

Data sheet below: *USDA weekly export inspections report with corrections to the last three weeks' grain export inspections reports. Each week USDA adds a long list of additions and subtractions to their previous week's report. (This usually covers a 2-4 week prior time frame).*

| CONTAINER SHIPMENTS of GRAIN | | | | | | | | | |
|---|----------------|-----------|---------------|------------|------------|------------|--------------|---------------|----------------|
| USDA Grain Inspections Report: 22-Sep-2008 | | | | | | | | | |
| Last Week | metric tons | | | | | | | | MT |
| | YC | WC | YSB | SWW | SRW | HRW | HRS | Barley | TOTAL |
| Taiwan | 1,981 | | 2,177 | | | | | | 4,158 |
| China | | | | | | | | | 0 |
| Hong Kong | | | | | | | | | 0 |
| Indonesia | | | | | | | | | 0 |
| Malaysia | | | | | | | | | 0 |
| Philippines | | | | | | | | | 0 |
| Vietnam | | | | | | | | | 0 |
| Singapore | | | | | | | | | 0 |
| Japan | | | | | | | | | 0 |
| South Korea | 1,956 | | | | | | | | 1,956 |
| Thailand | | | | | | | | | 0 |
| Jordan | | | | | | | | | 0 |
| Colombia | | | 626 | | | | | | 626 |
| Algeria | | | | | | | | | 0 |
| Australia | | | | | | | | | 0 |
| Sub total | 3,937 | 0 | 2,803 | 0 | | 0 | | | 6,740 |
| USDA Corrections/Additions to last weeks report: | | | | | | | | | |
| Taiwan | 35,181 | | 26,563 | | | 544 | | | 62,288 |
| China Main | | | 2,449 | | | | | | 2,449 |
| Hong Kong | 533 | | | | | | | | 533 |
| Indonesia | 813 | | 13,880 | | | | | | 14,693 |
| Malaysia | 3,582 | | 2,068 | | 735 | | | | 6,385 |
| Philippines | | | 272 | 490 | | | | | 762 |
| Vietnam | | | 408 | | | | 109 | | 517 |
| Japan | 59,693 | | 381 | | | | | | 60,074 |
| South Korea | 3,658 | | | | | | | | 3,658 |
| Singapore | | | | 435 | | | 980 | | 1,415 |
| Thailand | | | | | | | | | 0 |
| Columbia | | | | | | | | | 0 |
| Costa Rica | | | | | | | | | 0 |
| Dominican Republic | | | | | | | | | 0 |
| Ecuador | | | | | | | | | 0 |
| Guatemala | | | | | | | | | 0 |
| Peru | | | | | | | | | 0 |
| India | | | | | | | | | 0 |
| Jordan | | | | | | | | | 0 |
| Morocco | | | | | | | | | 0 |
| Portugal | | | | | | | | | 0 |
| Sub total | 103,460 | 0 | 46,021 | 925 | 735 | 544 | 1,089 | 0 | 152,774 |
| Mt. Grand Total | 107,397 | | 48,824 | 925 | 735 | 544 | 1,089 | 0 | 159,514 |
| Number of containers | 4,669 | | 2,123 | 40 | 32 | 24 | 47 | 0 | 6,935 |

CURRENT CASH MARKET VALUES:

CBOT CORN FUTURES CLOSE: Friday, 26 September 2008

| SYMBOL | Futures MONTH | USD/BU 26-September-'08 | USD/BU Last Friday | Bushel Difference | USD/MT 26-September-08 | USD/MT Change From Last Friday |
|---------------|----------------------|--------------------------------|---------------------------|--------------------------|-------------------------------|---------------------------------------|
| CZ 08 | DEC. | \$ 5.43 | \$5.4225 | + 0.0075 | \$213.77 | + \$0.30 |
| CH 09 | MAR. | \$ 5.61 | \$5.59 | + 0.02 | \$220.85 | + \$0.79 |
| CK 09 | MAY | \$ 5.725 | \$5.695 | + 0.03 | \$225.38 | + \$1.18 |
| CN 09 | JULY | \$ 5.825 | \$5.7825 | + 0.0425 | \$229.32 | + \$1.67 |
| CU 09 | SEPT. | \$ 5.865 | \$5.75 | + 0.115 | \$230.89 | + \$4.53 |

Source: CME/Chicago Board of Trade

| YELLOW CORN (USD/MT FOB VESSEL) | | | | | | |
|---|-------------|-----------------|------------|-----------------|-----------------------|-----------------|
| #2 YC Fob Vessel Max. 15.0% moisture | GULF | | PNW | | LAKES -Chicago | |
| | BASIS | FLAT PRICE | BASIS | N/O | BASIS | FLAT PRICE |
| October | + .50 Z | \$233.45 | +1.50 Z | \$272.80 | .02 Z | \$213.00 |
| November | + .50 Z | \$233.45 | +1.40 Z | \$268.90 | -.10 Z | \$209.85 |
| December | + .53 Z | \$234.65 | +1.45 Z | \$270.85 | | |
| January | + .43 H | \$237.80 | +1.35 H | \$274.00 | | |
| February | + .49 H | \$240.15 | +1.40 H | \$275.95 | | |

Fob Lakes = Chicago or Toledo.
 Fob vessel From the St. Lawrence is +60 Z for October
 Fob vessel from the Atlantic is +50 Z for October

The relationship of SRW wheat to corn Fob vessel at the U.S. Gulf is now: Fob vessel SRW at \$233.70/mt at the Gulf versus yellow corn at \$233.45/mt for October shipment. This puts U.S. SRW at about the same price as feed corn.

| WHITE CORN (USD/MT FOB VESSEL) | | |
|---|-------------|------------------|
| #2 WC Fob Vessel Max. 15.0% moisture | GULF | |
| | BASIS | FLAT PRICE |
| October (Z) | +1.40 | \$ 268.90 |
| November (Z) | +1.44 | \$ 270.45 |
| December (Z) | +1.48 | \$ 272.05 |
| January(H) | +1.38 | \$ 275.20 |
| February (H) | +1.43 | \$ 277.15 |
| March (H) | +1.52 | \$ 280.70 |

| SORGHUM (USD/MT FOB VESSEL) | | | | |
|--|--------------|-------------------|--------------|-------------------|
| #2 YGS Fob Vessel Max. 15.0% moisture | NOLA | | TEXAS | |
| | BASIS | FLAT PRICE | BASIS | FLAT PRICE |
| October | + .40 Z | \$ 229.50 | + .40 Z | \$ 229.50 |
| November | + .40 Z | \$ 229.50 | + .40 Z | \$ 229.50 |
| December | + .40 Z | \$ 231.50 | + .40 Z | \$ 231.50 |
| January | + .33 H | \$ 233.85 | + .33 H | \$ 233.85 |
| February | + .35 H | \$ 234.65 | + .35 H | \$ 234.65 |

- Sorghum is currently offered at a \$3.95/mt discount to corn for October shipment. This equates to 98 percent the value of yellow corn in the export market.

| BARLEY: Feed Barley (FOB US \$/MT) | | | | | | |
|---|----------------|-----------------|-----------------|----------------|-----------------|--------------|
| | October | November | December | January | February | March |
| Fob PNW | \$255.00 | \$255.00 | \$255.00 | \$255.00 | \$255.00 | \$255.00 |
| Fob LAKES | \$240.00 | \$240.00 | \$240.00 | \$240.00 | N/O | N/O |

| Corn Gluten Feed Pellets (CGFP) (Fob Vessel US \$/MT) | | | | | |
|--|----------------|-----------------|-----------------|----------------|-----------------|
| | October | November | December | January | February |
| NEW ORLEANS | \$145.00 | \$145.00 | \$145.00 | \$145.00 | \$150.00 |
| Quantity 5,000 tons | | | | | |

| Corn Gluten Meal Fob Vessel (CGM) (US \$/MT) | | | | | |
|---|----------------|-----------------|-----------------|----------------|-----------------|
| BULK 60% Pro. | October | November | December | January | February |
| NEW ORLEANS | \$555.00 | \$555.00 | \$555.00 | \$555.00 | \$550.00 |
| <i>*5-10,000 MT MINIMUM</i> | | | | | |
| <i>ALL QUOTES ARE NOMINAL</i> | | | | | |

Distillers Dried Grains with Solubles (DDGS):

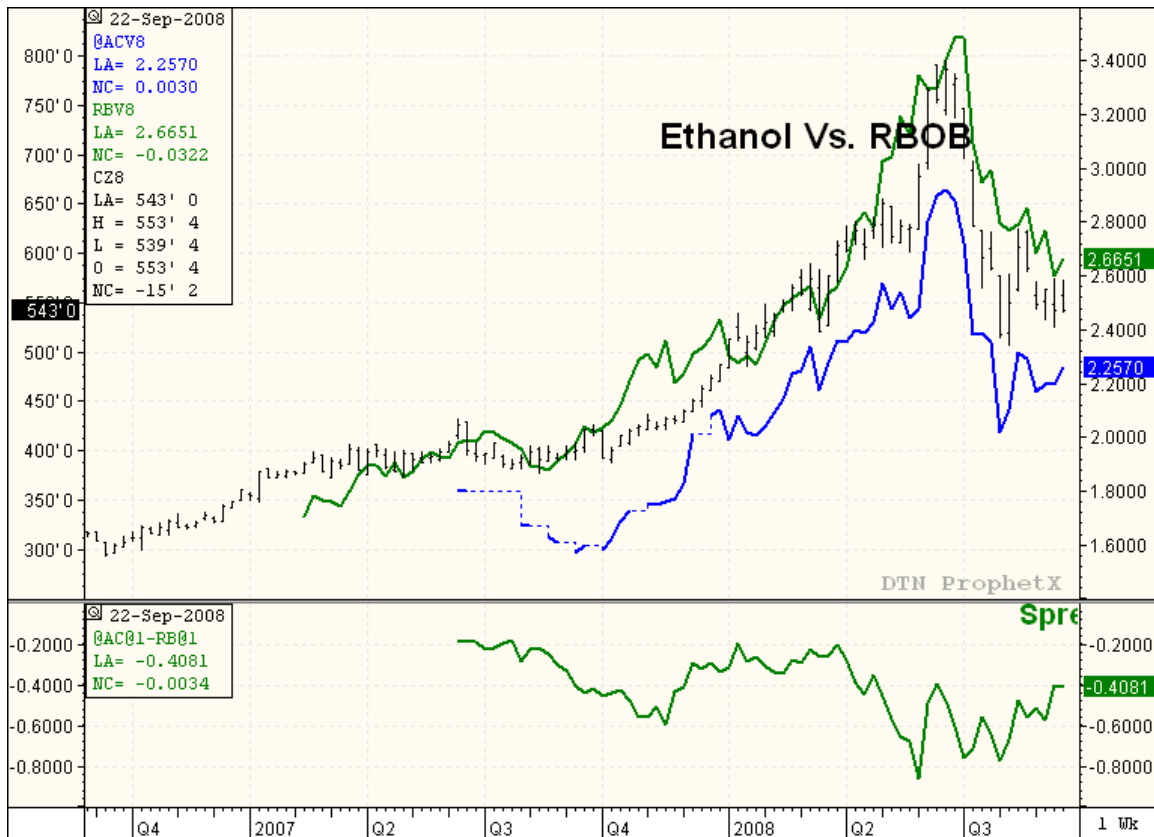
Overall the market for DDGS seems to be bottoming out relative to corn prices. We have seen an increase in demand both domestically and for export this week, as well as some ethanol plant down-times. Prices for DDGS are very attractive in just about all feed rations for major commercial consumption of swine, cattle and poultry. Feedlots in the South and Southwest are buying DDG in fairly large quantities. We have received trade reports that DDGS prices are so low that they are using it for the protein in their rations. As a result of both the carrying charge in the market and the price attractiveness relative to other ingredients, there has been some increase in U.S. storage of DDGS into the fall months in preparation for the winter demand.

Export demand notes:

Canada has been relatively quiet this week, however, we hear that the rail embargo problem has been largely resolved and shipments are moving on schedule.

In Asia there has been a small amount of container business traded this week. Some estimates are at 5-10,000 metric tons. Mexico has been a modest size buyer this week. We can confirm only about 2,000 tons, but suspect there could be as much as 10,000 tons sold from other exporters this week.

| Delivery Point | October | November | December |
|---|----------------|-----------------|-----------------|
| Barge CIF New Orleans (min. 36 % combined Pro-fat) | 191 | 191 | 193 |
| FOB Vessel GULF (min. 36 % Profat) | 197 | 197 | 199 |
| Rail delivered PNW (min. 36 % Profat) | 210 | 213 | 217 |
| Rail delivered California (min 36% Profat) | 209 | 212 | 216 |
| Mid-Bridge Laredo, TX | 218 | 228 | 225 |
| 40 ft. Containers to South Korea (Busan) | 272 | 280 | 282 |
| 40 ft. Containers to Taiwan (Kaohsiung) | 270 | 274 | 282 |
| 40 ft. Containers to Philippines (Manila) | 287 | 285 | 294 |
| 40 ft. Containers to Indonesia (Jakarta) | 274 | 280 | 294 |
| 40 ft. Containers to Malaysia (Port Kelang) | 275 | 280 | 296 |
| 40 ft. Containers to Vietnam (Ho Chi Min) | 276 | 281 | 300 |
| 40 ft. Containers to Yokohama (Japan) | 270 | 275 | 303 |
| 40 ft containers to Thailand LK & Bangkok | 278 | 283 | 296 |
| 40 ft Containers to "South" China Ports | 293 | 303 | 303 |
| KC Rail Yard | 187 | 192 | 192 |



OCEAN FREIGHT MARKETS and SPREADS

Recent Freight Fixtures:

60,000 tonnes HSS Mississippi River to Rotterdam 7/10 Oct at \$32.50 - Windrose

Bulk Freight Indices for HSS - Heavy Grain, Sorghum and Soybeans. (Market Indications)

| Route and Vessel Size | Current Week U.S.D/MT | Change from previous week | Remarks |
|---|-----------------------|---------------------------|---|
| 55,000 U.S. Gulf-Japan | \$65.00 | Down \$26.00 | 46,000 ton Handymax At \$66.00 per tonne |
| 55,000 PNW- Japan | \$43.00 | Down \$17.00 | Handymax at \$45.00 |
| 55,000 U.S. Gulf - China | \$63.00 | | North or South China |
| 25,000 U.S. Gulf-Veracruz, México | \$25.00 | | 3,000 MT daily discharge rate |
| 35-40,000 U.S. Gulf-Veracruz, México | \$23.00 | | Deep draft and 8,000 MT per day discharge rate. |
| 25/35,000 U.S. Gulf-East Coast Colombia | \$32.00 | | West Coast Colombia \$54.00-\$57.00 |

| | | | |
|--|--|--|--|
| 30,000 U.S. Gulf – Algeria | \$70.00 \$74.00 | | 6,000 mt daily discharge 3,000 mt daily discharge |
| 55,000 U.S. Gulf -Egypt | \$62-65.00 | | 55,000 -60,000 mt |
| 60-70,000 U.S. Gulf – Europe | \$35.00 | | |
| 55-60,000 Brazil -China | \$78.00 | | |
| 55-60,000 Argentina- China | \$75.00 | | |
| 55,000 U.S. Gulf to Iraq 55,000 PNW to Iraq | \$155.00 -165.00 \$115.00- \$125.00 | | Umm Qasr*(Incl. War risk) |
| 25,000 U.S. Gulf to Morocco | \$61.00 | | One port discharge. 3,000 MT discharge rate |

Ocean Freight Comments:

This is not the Titanic we're on, but world freight markets sure have that sinking feeling. I'm sure many owners are questioning whether they are in the cargo freight business or submarine service. Instead of the expected 4th quarter come back that most vessel owners, operators, and their financial lenders had anticipated, the market has turned sharply lower. From the start of the month to today, the Baltic Panamax index (BPT) has gone from 6017 to 3458, a drop of 43 percent. Next week is a Chinese holiday week, and vessel activity will slow down even further. This will not help a market in need of support.

At the moment, the market is in shock and in a period of great uncertainty. Rates are definitely lower, but it is difficult to ascertain just what price level will trade next. Freight owners feel as if they have already fallen on the proverbial knife and don't believe they have any more room or blood to give.

We have seen grain traders who are long freight, become very aggressive C and F sellers as a means to liquidate their freight positions. This was evident this week in wheat sales to Egypt, and corn sales to Japan where the spreads between Fob and C and F offers discounted physical freight offers by as much as \$3-5.00/tonne.

The Gulf/Atlantic Baltic P2A Panamax index to Asia dropped an additional 17,750 points or 35 percent for the week. The P2A Atlantic Panamax index now sits at 33,500. This index is down 60,133 points or 64 percent from its calendar year high back on 30 June 2008. We have to go back almost 2 years ago, to December 2006-January 2007, to find the last time the index was at these levels. We are now trading freight values similar to those traded way back in 2003-04.

The Pacific P3A Pacific Panamax index, which staged a small rally, last week, sank 18,016 points or 39 percent, this week to close at 28,466. On 4 June 2008 this index closed at 99,293 points. We have therefore dropped 70,817 points or 71 percent in just 3 ½ months. Here again, we must go back to January 2007 to find this index at similar levels. Vessels in both the Atlantic and Pacific that earlier in the year traded at over \$110,000 per day are now at or below \$30-34,000 per day. This is certainly a sea change event.

In dollar terms, the spot and 30-60 day U.S. Gulf to Asia Panamax market is approximately \$65.00/mt. Handymax vessels are trading at even money to a \$1.00/tonne premium to Panamax size vessels. Panamax rates from the PNW to Asia are approximately \$43.00/mt in the 30-60 day market. In that many freight operators have somewhat given up the ghost, it is hard to say we have any value premium in the forward market at this time.

The dramatic downturn in freight markets has caused a significant narrowing of the PNW/Gulf freight spread to Asia. This spread is now into something close to \$22.00/mt (.56/bushel for corn and .60/bushel for soybeans). In that the cash corn market delivered to the PNW for November is currently offered at a \$35.45/tonne (.90 per bushel) premium over the U.S. Gulf, and soybeans delivered the PNW are at a \$30.85/tonne (.84/bu) cash premium; we should continue to see the switching of vessel loadings back to the U.S. Gulf and a lessening of PNW loading activity as we head into the Oct-Nov. harvest period.

The down turn in bulk freight shipping costs is also going to have an impact on the competitiveness of containerized grain cargoes.

Why is all this happening?

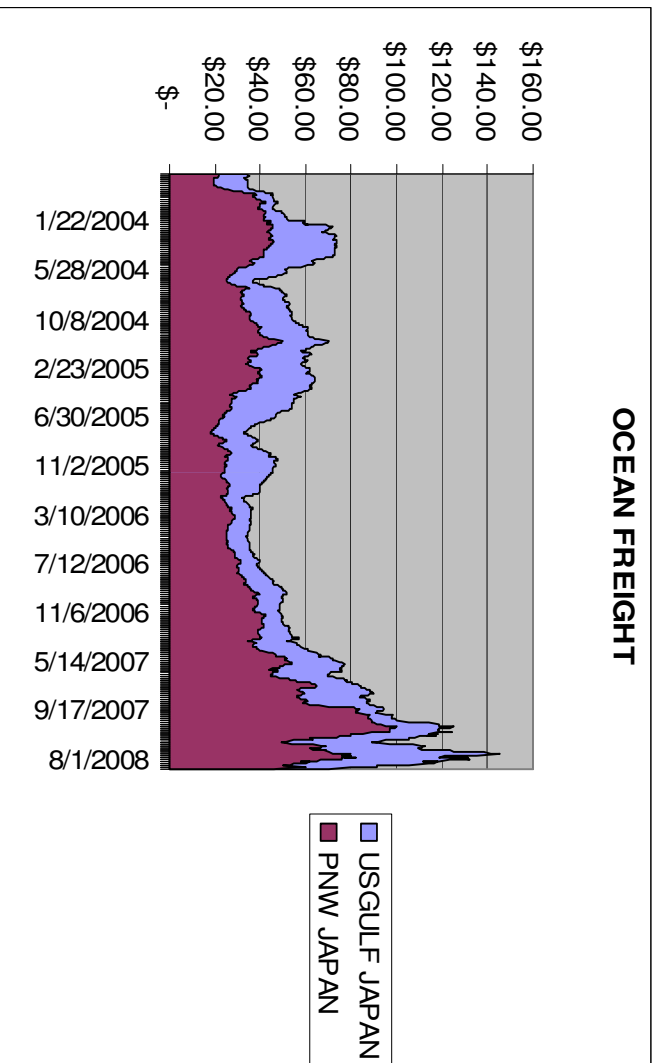
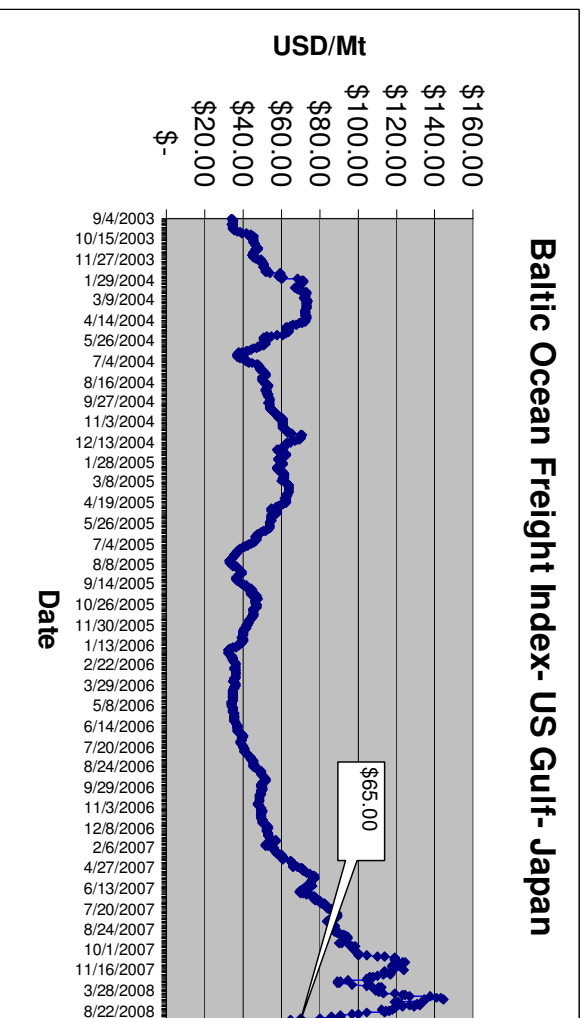
As reported previously, vessel owners and operators fully expected resurgence in product and freight demand following the Beijing Olympics. What they failed to realize was the degree to which the Chinese had stockpiled raw materials prior to the closure of many factories and power plants in preparation for the Olympics. They also, like many others, did not fully understand the severity of the situation with the U.S. and world economy. Demand for steel, iron ore, and other commodities are significantly lower.

China's steel industry accounts for 1/3 of world steel production. Due to lagging demand for steel and finished products, many mills that closed prior to the Olympics, have not reopened. China is currently carrying near record stocks of iron ore. As such, China is still playing hard ball in their price negotiations with Brazilian iron ore producers and has not yet concluded a new supply contract for the 4th quarter of 2008. This has added to the reduction in iron ore shipments and demand for capesize vessels. And, what affects the capesize market, affects the panamax and handymax vessel markets.

The dramatic drop in world freight costs is certainly a major benefit to world commodity buyers; for the vessel freight industry, it is going to be a big problem. It is hard to defend, or feel sorry for, a freight industry that has enjoyed historically high market values and profits for the last two years. But I think it is overly obvious to all that vessel construction costs and operating expenses are considerably higher today than in 2003 - 2004. Now that owners are in the difficult position of having to trade vessels at daily hire rates similar to 2003- 2004 and shoulder 2008 financing and operational costs; we are surely entering troubled waters with serious ramifications.

Of course, this type of down turn creates quite a ripple affect. There are rumors circulating in the market this week regarding the inability of owners to secure construction financing for previously signed vessel contracts. This will naturally lead to construction cancelations and a reduction in the vessel order book for 2009. The world vessel fleet is beginning to feel like the U.S. ethanol industry and asking the questions; are we building more capacity than is needed, and how do we find financing for our 2009 program?

If the world economy is not growing at the rate previously anticipated, and demand continues to drop, then we will not need all the new ship orders that are on the books. There is talk of trickle down financial trouble among small to medium size Korean shipyards and their related financial distress due to order cancellations. This, in turn, may lead to their inability to honor existing contracts. Numerous freight players and various freight sectors are likely finding themselves under water at the moment. Vessel scrapings should definitely increase. I'm sure we will soon be hearing more negative news from the vessel industry and their financial backers. It is quickly becoming a financially challenging environment for everyone.



****All Prices are Market Estimates******
******See Suppliers for Actual Quotations******

| Interest Rates | | |
|-----------------------|--------------|-----------|
| | Percent Rate | Last Week |
| U.S. PRIME | 5.00 | 5.00 |
| LIBOR (6 Mo.) | 3.47 | 3.02 |
| LIBOR (1 Year) | 3.46 | 3.13 |

RESOURCES: www.cbot.com; www.ams.usda.gov; [O'Neil Commodity Consulting](http://www.onel.com); <http://www.bankrate.com>

**** End ****