



# TRANSPORT TRACKERS

INDEPENDENT TRANSPORT RESEARCH

Gold For Hulls II (...variations on just holding gold)

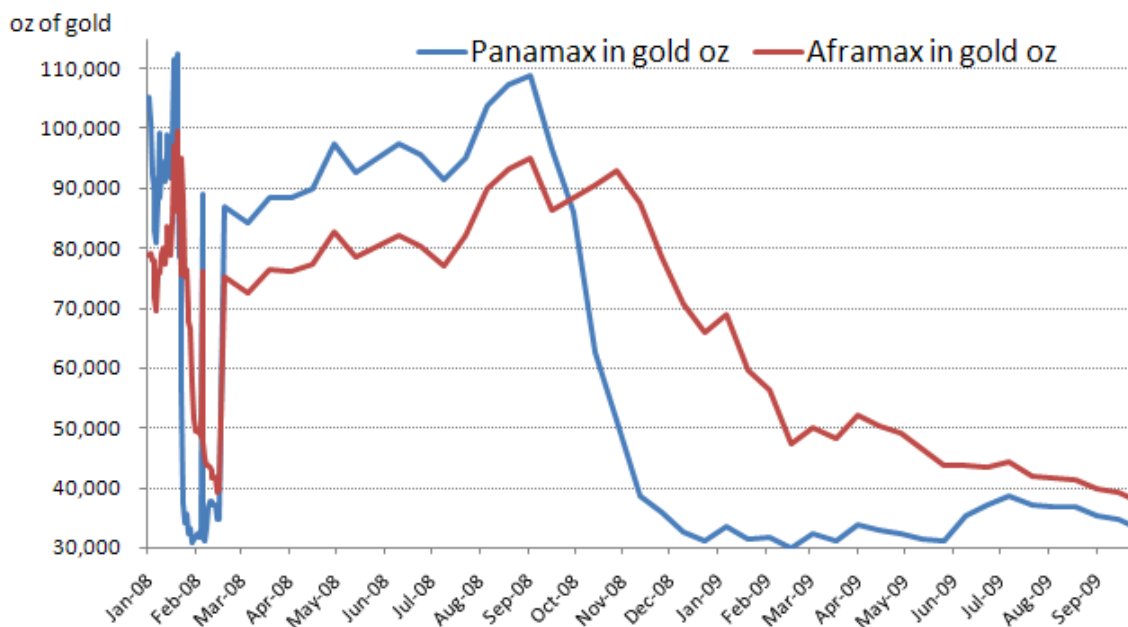
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There is a lot that can be said about underlying assets before even mentioning the shares of companies that own them... After bankers are done expanding money supplies, perhaps gold will be at a higher high, as has been our view, and why we have favored commodity backed currencies in general. However we also recognize that gold can consolidate or correct at times significantly, and being prudent we always recommend diversification.

Neither do we think the consolidation in shipping is over in one broad stroke from massive infusions of liquidity. But a case can be made that investment opportunities are becoming more prevalent, especially if one can acquire prize assets at low price per ounce of gold and generate a reasonable yield backed with strong credit support.

The way that China is buying up offshore oil assets to secure its forward needs, one would think there will a need for tankers once the supply hump is digested (and the supply hump may appear smaller once we get through current rock bottom charter rates and additional scrapping of single hulls). Additionally, without disagreeing that dry bulk may face similar issues to that of tankers in the 1980s, there may at times be trading windows (which potentially can convert into long term opportunities) to buy into bulk vessels.

Looking at Ship Prices in Gold Terms ...Aframax have not even bottomed...but extent of decline and opportunity also more clear



Source: Transport Trackers

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