



### CONTENTS

2. Dry Cargo Chartering  
Rising Atlantic
3. Dry Cargo S&P  
Summer Sales Continue
4. Tankers  
Further Unwind

## THE BIGGER PICTURE

... A Choice between Darkness and Light ...



Source: The FT

## POINTS OF VIEW

The S&P 500 touched an all-time high on Wednesday despite the huge loss of life and livelihood and the economic destruction that the coronavirus has visited upon the US. The dollar has dropped 5% of its value against a basket of currencies since the end of June, weighed down by global trade tensions, and is now at around its lowest level in 27 months. The weak dollar may encourage buying American over more expensive imports, while low interest rates help households to service debt and subdued inflation keeps domestic goods and services at affordable prices. If these conditions prevail then they will increase the chance of the current president being re-elected. Much will depend upon the evolution of the virus over the next few months, as any indication that it is coming under control will also play into Trump's hands while diluting Democrat claims that this administration has failed to tackle the pandemic. This week, the president announced that he has indefinitely suspended high level trade talks with China, while taking the opportunity to blame China for originating the virus and not containing its spread. The tactics are the usual ones of lie, deny, shift blame, counter-attack and pat oneself on the back for a job well done. It is the art of fictional politics. Lately, China has been busy buying US crude oil, corn and soybeans and may continue to do so to highlight the unilateral US postponement of trade negotiations. If it falls short of its ambitious 2020 phase one purchase targets, as seems likely, then it can blame the US for pulling out.

The WTO reacted to a slump in global trade in the second quarter, and the news of the terminated trade talks, to adjust its international trade barometer down 15.5 points from 100 to 84.5, its lowest reading on record, and to predict that an L-shaped rather than a V-shaped recovery is now most likely. In a further escalation of Sino-US tensions, the president announced mid-week that from 25 September any goods imported from Hong Kong would be labelled 'Made in China' and be subject to tariffs. He also suspended a bilateral shipping tax treaty implying that Hong Kong registered ships calling the US may be subject to taxation. It is unclear how much further the president may go in targeting Hong Kong and China over the security law. If he goes ahead with an earlier threat to delist Chinese companies from American stock exchanges then that, and the inevitable retaliation, could cause mayhem in financial markets. There would be a massive equities sell-off, hitting the US tech-heavy indices that have recovered the most, and damaging the president's re-election prospects. As he views everything through the re-election prism, he would be well-advised to avoid further escalation of Sino-US relations. The global economy, shipping and trade would welcome a cessation of hostilities.

A virtual Democratic National Convention took place in Milwaukee, Wisconsin this week, confirming the Biden-Harris ticket. Past Democrat presidents condemned Trump's divisive politics, selfishness and inadequacy at the job. Clinton said that this president "defines the job as spending hours a day watching TV and zapping people on social media." Obama accused Trump of being willing to "tear our democracy down" just to win, and stated: "Donald Trump hasn't grown into the job, because he can't. And the consequences of that failure are severe." Kamala Harris said: "We're at an inflection point. The constant chaos leaves us adrift. The incompetence makes us feel afraid. The callousness makes us feel alone." Only 75 days to go before the nation, or the GRU or the USPS, decides who wins. Shipping markets would prefer less chaos and greater unity. They are currently drifting through the summer, hopefully heading for a more active Q4. Baltic data tells us that, in the bulk carrier sector, a capesize was averaging \$18,570 yesterday, down from an annual high of \$33,670 on 6 July but up from an annual low of \$1,992 on 14 May. Kamsarmax bulkers are doing relatively better, yesterday at \$15,310 compared to a 14 August peak of \$16,415 and a 5 February trough of \$4,681. On the crude side, VLCC average earnings slumped to \$8,894 yesterday, 4 up on the annual low of the day before, but well off the 16 March annual high of \$264,072. On the product side, an MR averaged \$19,458 yesterday, up from a 24 June low of \$7,835 but far below the 23 April high of \$87,469. Better times lie ahead when the US stops rocking the boat.

## Dry Cargo Chartering

The **BDI** closed today at 1,481 points down 114 points from last week.

The **cape** market came under increased downward pressure this week, as the index dropped \$1,998 from last Friday to close today at \$17,918. Vale continued to be active fixing the *Bao Guo* (208,014-dwt, 2007) a NYK relet and an MOL TBN for 185,000 mtons 10% ore stems from Tubarao to Qingdao at \$17.40 pmt a piece. The *Seattle Slew* (181,447-dwt, 2010) from Golden Ocean was rumoured to have fixed for 170,000 mtons 10% iron ore from Saldanha Bay to Qingdao at \$14.50 pmt to Panocean. Alufer was heard to have fixed a Swissmarine TBN vessel for their 160,000 mtons 10% ore cargo from Cap Verga to China for September at \$19.25 pmt. On time charter, the scrubber fitted *Shandong De Rui* RWE relet (180,600-dwt, 2020) fixed delivery Gibraltar for a prompt trip via Puerto Drummond redelivery Atlas at \$24,250 with Cosco.

This week the **panamax** market dipped to \$14,876 down from last week's closing of \$16,415. Nonetheless, impressive front haul rates were seen out of the Atlantic with the *Spring Progress* (82,055-dwt, 2016) fixing delivery Hamburg via the Baltic to China at \$26,000, while *Aquavita* took the *Patra* (80,596-dwt, 2012) for a grains trip delivery Canakkale to China at a very healthy \$29,250. Over in the East, the *Castellani* (82,129-dwt, 2014) fixed delivery Yeosu for a prompt trip via East coast Australia to India at \$14,000, and *Norvic* took the *Aquavita Aim* (82,192-dwt, 2019) delivery Bayuquan for a trip also via East coast Australia redelivery China at \$15,500. For North Pacific trips, Sinoeast fixed the *Star Renee* (82,295-dwt, 2006) delivery Tsuruga, Japan redelivery China at \$15,000. Kepco took a

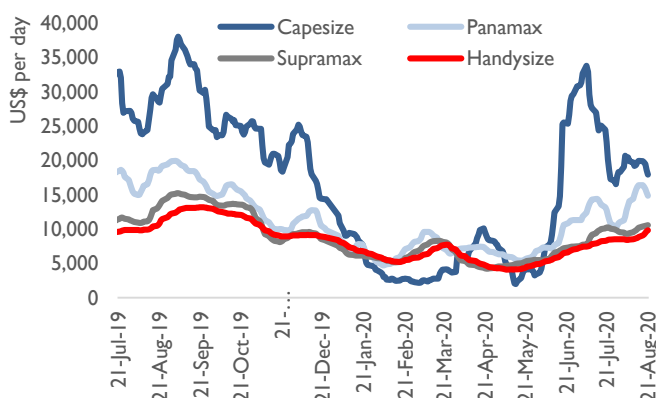
Daelim TBN vessel for a prompt 80,000 mtons 10% coal stem from Shakhtersk to Boryeong at \$4.71 pmt.

The **supramax** market kept a positive performance across all basins. The BSI closed at \$10,586, up somewhat from last week's \$10,194. In the Atlantic, the *STH Tokyo* (60,000-dwt, 2016) was fixed delivery North Brazil for a prompt trip redelivery US Gulf at \$15,000 by Genco, while the *Therese Selmer* (55,682-dwt, 2006) fixed delivery Douala for a prompt trip redelivery China at \$22,500. In the Indian Ocean, the *Chang Hang Pu Hai* (58,044-dwt, 2012) was fixed by BW Ships for a trip delivery West coast India for a prompt trip redelivery China at \$15,500, and the *Arvika* (55,848-dwt, 2012) fixed for a trip delivery Egypt for a prompt trip redelivery Abidjan at \$18,000. In the Pacific, the *Snowy* (63,516-dwt, 2015) fixed delivery passing Onsan for a trip via the North Pacific redelivery Singapore-Japan range at \$10,250, and the *ML Swallow* (63,592-dwt, 2015) fixed delivery Binh Thuan for a trip via Indonesia redelivery West coast India at \$8,750.

The **handy** market edged upwards this week with the index closing at \$9,833. No shortage of activity in the Atlantic as rates continued to rise. The *St. Peter* (32,688-dwt, 2009) was fixed delivery Black Sea for a trip to Morocco with grains at \$12,750, while the *Aegean Spire* (33,401-dwt, 2008) was fixed delivery Iskenderun for a trip via the Black Sea to Egypt at \$12,000. In the Pacific, Daiichi fixed a 33k-dwt *Kanmon* for a trip via CIS to Japan in the high \$6,000's. The *Universe Prosperity* (28,514-dwt, 2001) was fixed delivery Bangkok for a trip to China at \$7,000. On the period front, a 38k-dwt was fixed delivery South Africa for 3/5 months trading at \$11,000.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Shandong De Rui	180,600	2020	Gibraltar	PPT	Atlas	\$24,250	Cosco	Scrubber Fitted Via Puerto Drummond
Proteas	93,038	2010	Matsuura	18/24 Aug	Japan	14,750	NYK	Via EC Australia
Karlovasi	82,354	2016	SW Pass	1/5 Sept	Singapore-Japan	18,000	Raffles	Plus \$800,000 bb
Star Renee	82,295	2006	Tsuruga	13 Aug	China	15,000	Sinoeast	Via NoPac
Spring Progress	82,055	2016	Hamburg	PPT	China	26,000	Noble	Via Baltic
Bellina Colossus	60,893	2013	Singapore	16/17 Aug	South Vietnam	12,000	CNR	Via Indonesia
STH Tokyo	60,000	2016	North Brazil	PPT	US Gulf	15,000	Genco	
Therese Selmer	55,682	2006	Duola	PPT	China	22,500	CNR	
Ocean Phoenix	46,610	1997	CJK	14 Aug	China	6,000	CNR	Via Indonesia
Cielo di Gaspesie	37,064	2012	Houston	PPT	EC Mexico	10,000	Ultrabulk	Int Petcoke



Exchange Rates	This Week	Last week
JPY/USD	105.87	106.63
USD/EUR	1.1766	1.1815

Brent Oil Price	This Week	Last week
US\$/barrel	44.31	44.94

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	288.0	281.0
MGO	349.0	384.0
Rotterdam IFO	265.0	262.0
MGO	313.0	366.0

21 August 2020

### Dry Bulk S&P

Despite being the middle of August, the week has seen a flurry of activity across the dry bulk S&P market.

In the capsize sector, the *Lowlands Erica* (176k-dwt, 2007 Namura) has been committed to clients of Alberta Shipping, Greece for high \$14m, with the buyer waiving inspection. The sale signifies no real changes in pricing since last similar sale reported last month, where the *New Stage* (177k-dwt, 2008 Namura) achieved a price of \$16.3m to clients of Centrofin.

In the Posties, Noble Group have sold out the *Ocean Garnet* (93k dwt, 2010 COSCO Dalian - DD passed, BWTS installed) to German buyers for \$11m. This is the first deal in the sector to be reported since the *LM Victoria* (93k-dwt, 2010 YJZ) was sold for \$9.2m back in early June.

In the Kamsarmax sector, the *Ikan Bagang* (83k-dwt, 2009 Sanoyas) is understood to now be committed for a price of \$12.5m to Greek buyers after inviting initial offers on Tuesday. Although the vessel is freshly SS passed and has BWTS fitted, the price achieved demonstrates prices coming off for this vintage when compared to the sale of the 2011 built 'KM Yokohama' (also built Sanoyas) for \$15m last month. The ship is the first of 3 similar aged Kamsarmax that called for offers earlier in the week, with the other two still

under negotiations and likely to be concluded early next week (the *Key Calla* (83k-dwt, 2010 Sanoyas) and the *Ikan Bawal* (83k-dwt, 2012 Sanoyas), scrubber fitted) – perhaps one of the reasons behind a lower than expected price...

Last week we reported the sale of the *Giovanni Corrado* (82k-dwt, 2020 Oshima) on subs. It is now understood that subs are lifted and the vessel will be delivered promptly to the Chinese buyers for a price of \$30.6m.

In the ultras, the *Fukuyama Star* (64k-dwt, 2017 Tsuneishi Cebu) has been sold for a firm \$21.2m to Mykonos Shipping of Greece. The price reflects the positive sentiment amongst that has gained momentum in the sector over the last few weeks, and is a fairly significant jump up from last done – the *Bulk Aries* (60k-dwt, 2016 Onomichi) sold for \$18m last month, albeit the *Fukuyama Star* is Tsuneishi's larger deadweight 'Aeroline' design which has proven very popular amongst charterers.

The *Sam Jaguar* (57k-dwt, 2013 STX) has been sold via Singapore auction to clients of Densay, Turkey for \$10.65m, following on from last week's sale of the *SAM Hawk* (57k-dwt, 2013 STX) at \$10.7m to Turkish compatriots Lavera Shipping.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Lowlands Erica	176,862	2007	Namura	Gearless	Alberta Shipping	\$14.90m	
Ocean Garnet	93,018	2010	COSCO Dalian	Gearless	Oldendorff	\$11.00m	DD Passed, BWTS fitted
Ikan Bagang	83,651	2009	Sanoyas	Gearless	Greek	\$12.50m	DD passed, BWTS fitted
Giovanni Corrado	81,994	2020	Oshima	Gearless	Chinese	\$30.60m	BWTS fitted
Fukuyama Star	64,012	2017	Tsuneishi Cebu	C 4x36	Mykonos Shipping	\$21.50m	
Sam Jaguar	57,200	2013	STX Offshore	C 4x30	Densay	\$10.65m	Auction sale

#### Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Singapore Express	66,793	2000	Hyundai HI	Container	20,175	\$365	India
Kutch Bay	107,176	1997	Koyo	Tanker	16,701	\$358	Pakistan
Shanthi Indah	45,681	1996	Hashihama	Bulk	7,500	\$270	'As is' Indonesia
Best Future	45,320	1995	Oshima	Bulk	7,037	\$370	Pakistan

## Tanker Commentary

Saudi Arabia has named and shamed a number of countries that have failed to meet OPEC+ quota requirements over the course of May-July. The main culprits being Iraq, Nigeria and Russia are being held accountable by Saudi Arabia and forced to offset their lacklustre compliance of requirements, over the period of August and September. In a recent announcement OPEC have emphasised that absolute conformity must be established in order to provide oil price stability.

As countries draw more oil from floating storage reserves, the tanker market is looking increasingly uncertain. Furthermore, the US is attempting to use its influence to induce the United Nations into imposing fresh sanctions on Iran. If the situation unfolds in a similar way to the last round of US sanctions on Iran at the end of last year, it would be unsurprising if we saw a chain of events leading to a spike in VLCC rates.

Second activity remains limited with owners evidently favouring the latest fuel efficient and environmentally acceptable newbuilding designs on offer at shipyards. This week, Bahri has confirmed an order of ten firm

high spec MR tankers at a cost of \$410m (\$41m each) at Hyundai Mipo with deliveries from Q1 2022. It is understood the specification is IMO2 with 20 cargo tanks which is reflected in the high purchase price versus the conventional HMD design. Albeit one would imagine the price also includes an owners reserve.

Meanwhile Torm continue to shed their older tonnage, with Chinese buyers offering a new home for their *Torm Gerd* (46k-dwt, 2002 STX) and sister vessel *Torm Caroline* (46k-dwt, 2002 STX). There are unconfirmed reports that both were sold for \$9.5m each. The last vessels to depart the Danish-owners fleet were the *Torm Caroline* (46k-dwt, 2002 STX) and sister *Torm Gurtrude* (46k-dwt, 2002 STX) a couple months back, also going to Chinese buyers reportedly in excess of \$10m per vessel.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Torm Gerd	46,317	2002	STX Changwon	Chinese	\$9.50m	Phenolic epoxy
Torm Caroline	45,999	2002	STX Changwon	Chinese	\$9.50m	Phenolic epoxy

Should you have any queries about the content of this report or require any services of Hartland Shipping Services, please contact:

**Hartland Shipping Services Ltd,  
London**

Tel: +44 20 3077 1600  
 Fax: +44 20 7240 9603  
 Email: [chartuk@hartlandshipping.com](mailto:chartuk@hartlandshipping.com)  
 Email: [snpuk@hartlandshipping.com](mailto:snpuk@hartlandshipping.com)  
 Email: [consult@hartlandshipping.com](mailto:consult@hartlandshipping.com)

**Hartland Shipping Services Ltd,  
Shanghai**

Tel: +86 212 028 0618  
 Fax: +86 215 012 0694  
 Email: [snpcn@hartlandshipping.com](mailto:snpcn@hartlandshipping.com)

**Hartland Shipping Services Pte. Ltd,  
Singapore**

Tel: +65 6702 0400  
 Email: [chartops.sg@hartlandshipping.com](mailto:chartops.sg@hartlandshipping.com)

© Copyright Hartland Shipping Services Ltd 2020. ALL RIGHTS RESERVED.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Hartland Shipping Services Ltd.

All information supplied in this paper is supplied in good faith, Hartland Shipping Services Limited does not accept responsibility for any errors and omissions arising from this paper and cannot be held responsible for any action taken, or losses incurred, as a result of the details in this paper. This paper is distributed to the primary user of the delivery email account and may NOT be redistributed without the express written agreement of Hartland Shipping Services Limited. The primary user may make copies for his or her exclusive use.