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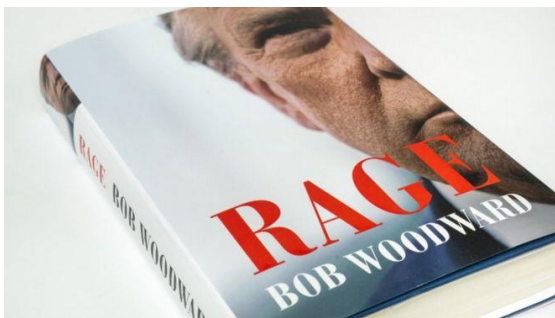
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THE BIGGER PICTURE

... “Woodward book: Trump denies lying about risks of coronavirus”..

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Source : BBC

POINTS OF VIEW

It is 19 years to the day since the 9/11 attacks dealt a body blow to America and sent it tumbling into recession in 2002. 2,606 people died in the World Trade Centre alone, out of a total of 2,977 deaths, not including the 19 terrorists. This compares with 191,000 American deaths this year to date from a mystery pandemic. It is nine months since the coronavirus was discovered in Wuhan, China and two weeks short of six months since the UK went into national lockdown on 23 March. The global Covid death count has passed 900,000 with 41,500 of these occurring in the UK. This compares with an average of 165,000 annual cancer deaths in the UK, a figure that is likely to rise this year as many hospitals prioritised tackling the pandemic over other illnesses, only for them to be left surprisingly under-utilised. National and local lockdowns have taken a heavy toll on the public's general and mental health while the virus itself has amplified existing socio-economic and ethnic inequalities. The scale and extent of economic damage at both national and global levels is without precedent, and both the virus and the remedies were and are self-inflicted. One day we will look back and assess, with the passage of time, whether it was all worth it. It may turn out that this was simply a dress rehearsal for a series of future pandemics leading to a radical change in how we lead our daily lives.

In the UK, the government has tried to scare people into compliance or risk the nuclear deterrent of a second national lockdown. But, at a time when the government is insisting on a return to school and office, much of the population is too afraid to do so, having taken on board the political fearmongering. In the US, the government simply lied from the top down. Ever since the first known US death from Covid, in Seattle on 26 February, President Trump has been consistently and publicly dismissive of the virus: “treat it like the flu ... just the sniffles”, claiming that it would just go away. And yet, at the end of January, his national security adviser had warned him “that this will be the biggest national security threat you face in your presidency.” Predictably, the president has conveniently forgotten about this advice. Privately, he is on tape telling Bob Woodward, for his book “Rage” which is out next week, that Covid is five times more deadly than the common flu, while admitting that he sought to play this down in public. The federal government response to the pandemic has been one of detached disinterest, leaving the states to act alone and take the blame for failure. The UK's response has been equally weak, with a fatal delay to the initial lockdown, failure to introduce a track and trace app, a pattern of unclear messaging and, from next week, tightened rules on social interaction as infection rates are rising again, just as we go into the dangerous cold winter months.

All the foregoing is relevant to shipping, especially to the demand side. President Trump has been trying to switch attention to law and order, where he imagines he is stronger, and away from the coronavirus, where he is obviously weaker. But press attention keeps returning to the virus with less than two months to go before election day. Should Trump be re-elected then he may double down on bilateral trade wars and ramp up his attacks on China, neither of which will be good for shipping. Covid cases are rising in many parts of the world, outside China, leading to differing national responses, with local lockdowns preferred to nationwide paralysis. Any return to national shutdowns will impede the demand-side recovery. Oil gives us a clue. Brent has fallen 15% this month, back down to \$40 a barrel, in reaction to the viral path, which is trending up. Global oil demand averaged 100m-bpd at the end of 2019. The IEA forecasts it to fall 8% to 92m-bpd this year and then to recover to 97m-bpd next year, still 3% down on end 2019. Onshore storage is basically full and a combination of falling oil prices, a return to contango in the forward price curve, and low supertanker rates is bringing back floating storage. Vitol, Litasco and Glencore have all chartered in VLCCs for short periods while Trafigura is linked to at least 8 VLCCs which it has taken on 6 month charters at rates ranging from \$25,000 to \$40,000 daily depending upon age and specification. Brand new tankers can be used for either crude or product storage. It rather looks as if the macro shipping recovery will be in inverse proportion to the path and spread of the virus. We are in for a bumpy ride over the foreseeable future, so fasten your seatbelts.

Dry Cargo Chartering

The **BDI** closed the week at 1,267, this was down from last weeks close of 1,362.

The **cape** market lost further ground this week, closing at \$15,248, this was down from last weeks close of \$16,252. On voyage, Dampier/Qingdao ore runs were fixed around \$7.00 for 170,000/10. In the Atlantic, Tubarao/Qingdao was around \$15.60 pmt. On period, Koch fixed the *Newport News* (208,021-dwt, 2017) delivery Fangcheng for 11-13 months trading redelivery worldwide at \$18,400.

The **panamax** dropped off \$1,443 from last week to close at \$11,817.

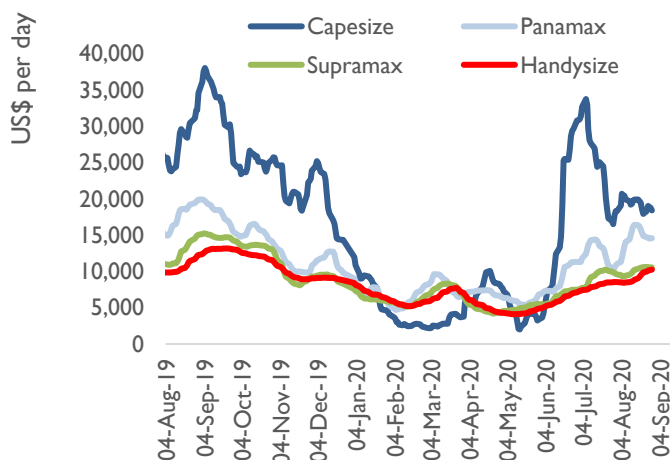
In the east, *KM Nagoya* (95,349-dwt, 2012) fixed delivery Longkou for a trip via Australia redelivery Singapore-Japan range at \$13,500 with Perfect Bulk. The *Welprofit* (93,163-dwt,2011) took delivery in Zhanjiang and fixed for a trip via East Australia redelivery China at \$13,000 with Pacific Bulk while the the *Welfine* (93,146-dwt, 2011) fixed delivery Caofeidian for a trip again via East Australia redelivery China at \$12,000 with Richland. The *Baltia* fixed (75,776-dwt, 2005) delivery Samcheonpo for a trip via CIS Pacific redelivery South Korea at \$11,500 with GNS and the *Yangze 12* (81,664-dwt, 2019) fixed delivery Rizhao for a trip via North Pacific redelivery Taiwan at \$11,500 with CSE In the Atlantic, the *Predator* (81,754-dwt, 2019) a Cofco Agri relet fixed delivery Jorf Lasfar for prompt trip via US Gulf & Neo Panama redelivery Singapore-Japan range at \$19,750 with Oldendorff. The *Apollo* (77,326-dwt, 2006) was fixed delivery Immingham for a trip via North France redelivery China at \$23,000 with Novamarine and lastly the *Kenta* (76,487-dwt, 2010) fixed delivery Port Dickson for a trip via Indonesia redelivery Taiwan at \$10,000 with U-Ming.

The **supramax** market softened further with earnings turning negative in most of areas. The BSI closed at \$10,092, down from last weeks \$10,481. In the Atlantic, the *Captain John* (56,925-dwt, 2011) fixed delivery Continent for a prompt trip redel east Mediterranean with scrap at \$15,750, the *SBI Apollo* (60,437-dwt, 2016) fixed delivery Continent for a prompt trip via Baltic redel EC south America at \$13,000 by Lighthouse. In Indian Ocean, the *La Charmais* (58,110-dwt, 2012) was fixed for a trip delivery Dahej for a prompt trip via Kandla redel Anyer with salt at \$16,000, the *AP Sveti Vlaho* (53,529-dwt, 2009) fixed delivery Fujairah for a prompt trip redel Chittagong at \$14,500. In the Pacific, the *Sage Danube* (63,500-dwt, 2012) fixed delivery Huanghua for a prompt trip via Nopac redel Singapore-Japan at \$10,200, the *CP Guangzhou* (63,455-dwt, 2015) fixed delivery Shanhaiguan for a trip via Australia redel South Korea with grains at \$9,950 by Panocean.

The **handy** market closed the week at \$10,075. This was also down from last weeks close of \$10,246. In the Atlantic, UPC Tampa (37,724-dwt, 2009) delivery Southwest Pass was fixed for a trip into East Coast Mexico with grains at \$12,000. Lady Saliha (30,124-dwt, 2011) delivery Cape Henry was fixed for a trip to Vitoria-Rio Grande range at \$10,000. In the Pacific, 32k-dwts are generally fixing \$7,000s in Fareast and mid \$9,000 down in South East Asia. We heard a 32k-dwt logger fixed low-mid \$9,000 delivery Indonesia for an Aussie round voyage into Southeast Asia. On the period front, we heard a 33k-dwt delivery CJK fixed mid \$7,000 for short period.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Newport News	208,021	2017	Fangcheng	6/7 Sept	Worldwide	\$18,400	Koch	11-13 Months
Km Nagoya	95,349	2012	Longkou	9/12 Sept	Singapore-Japan	\$13,500	Perfect Bulk	Via Australia
Xenia	82,019	2016	Gijon	PPT	China	\$20,000	ADMI	Via US Gulf & COGH
SBI Swing	81,237	2015	Cape Henry	17 Sept	Skaw-Gibraltar	\$14,000	Oldendorff	Plus \$150,000 bb
Coral Jasper	78,087	2012	Aps NC South America	25 Sept	Spain	\$16,000	Quadra Commodities	
Great Spring	61,411	2017	Yangpu	PPT	S.China	\$12,600	CNR	Int Nickel
SBI Apollo	60,437	2016	Continent	PPT	EC South America	\$13,000	Lighthouse	Via Baltic
La Charmais	58,110	2012	Dahej	PPT	Anyer	\$16,000	Tatanyk	Int Salt Via Kandla
Agia Doxa	33,261	2010	Canakkale	PPT	Morocco	\$10,500	TKB	Via Black Sea
Lady Saliha	30,500	2011	Cape Henry	15/22 Sept	Vitoria-Rio Grande	\$10,00	Clipper	



Exchange Rates	This Week	Last week
JPY/USD	106.2	106.1
USD/EUR	1.185	1.184

Brent Oil Price	This Week	Last week
US\$/barrel	39.96	44.17

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	252.0	277.0
MGO	339.0	358.0
Rotterdam IFO	247.0	265.0
MGO	310.0	335.0

11 September 2020

Dry Bulk S&P

There is seemingly no uniformed direction in dry secondhand values at present. Buyers remain focused on ten to fifteen year old units that have arguably been undervalued for the majority of the year.

Japanese owners continue to lighten their exposure in the fifteen year old newcastlemax space. The Doun Kisen controlled, *Azul Victoria* (206,291-dwt, 2006 Imabari) has reportedly been sold to Chinese interest for \$13m. In line with the last two 2006 built units sold. Berge Bulk have had an active year in the secondhand market. This week there are reports they've purchased another, *Cape Fushen* (177,890-dwt 2008 SWS) for \$13.7m, basis SS/DD passed, BWTS fitted. An astute deal if confirmed.

Polembros are rumoured to have added another post panamax to their fleet. *Double Paradise* (95,768-dwt, 2011 Imabari) has reportedly been sold to them for \$16.2m, SS/DD freshly passed, BWTS fitted. This time last year Polembros

bought a sister vessel, ex *Sunny Smile* (95,769-dwt, 2013 Imabari) for \$21.5m.

The panamax sector continues to excite interest. *Priscilla Venture* (77,283-dwt, 2008 Oshima) has been sold to undisclosed interest for \$11.3m. Slightly up on the previous 2008 sale, *Agri Marina* (76,596-dwt, 2008 Shin Kasado), sold for \$10.8m towards the end of August. *Ecostar G.O.* (75,149-dwt, 2007 Hudong Zhonghua) has reportedly been sold to undisclosed Greek interest for \$8.75m. *Elena II* (76,741-dwt, 2006 Sasebo), having completed her domestic Chilean trade, has likewise been sold to undisclosed Greeks for \$8.2m.

Elsewhere, Dolphin 57's continue their good run. *Glovis Maestro* (56,670-dwt, 2012 Tianjin Xingang) Tier II, has reportedly been sold to Chinese buyers for \$9.2m. *King Coffee* (32,809-dwt, 2012 Kanda), we understand is sold to undisclosed European interest for \$9.2m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>Azul Victoria</i>	206,291	2006	Imabari	Gearless	Chinese	\$13.00m	
<i>Cape Fushen</i>	177,890	2008	SWS	Gearless	Berge Bulk	\$13.70m	SS/DD Passed, BWTS fitted
<i>Double Paradise</i>	95,712	2011	Imabari	Gearless	Polembros	\$16.00m	SS/DD passed, BWTS fitted
<i>YM Effort</i>	81,702	2008	Mitsui	Gearless	undisclosed	\$12.20m	Failed and fixed again
<i>Priscilla Venture</i>	77,283	2008	Oshima	Gearless	undisclosed	\$11.30m	DD due
<i>Ecostar G.O.</i>	75,149	2007	Hudong-Zhonghua	Gearless	Greek	\$8.75m	
<i>Elena II</i>	76,741	2006	Sasebo	Gearless	Greek	\$8.20m	SS/DD due
<i>Glovis Maestro</i>	56,670	2012	Tianjin Xingang	C 4x35	Chinese	\$9.20m	Tier II, SS/DD passed, BWTS fitted
<i>King Coffee</i>	32,809	2012	Kanda Zosensho	C 4x31	European	\$9.25m	SS/DD passed, BWTS fitted

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
<i>Stellar Queen</i>	305,846	1994	Nippon Kokan	Bulk	38,509	\$358	Pakistan
<i>Stellar Hermes</i>	295,520	1994	Hyundai HI	Bulk	38,289	\$358	Pakistan
<i>Neusa</i>	17,738	1982	Ishikawajima do Brasil	Tank	5,746	\$206	Rio De Janeiro
<i>Jag Leela</i>	105,148	1999	Samsung HI	Tank	17,027	\$274	Indonesia
<i>Ningbo Pioneer</i>	68,788	1990	Hyundai HI	Bulk	10,244	\$295	'as is' China/Hong Kong range
<i>Al Nabila 5</i>	29,027	1993	Varna	Tank	9,557	\$382	Pakistan
<i>Neusa</i>	17,738	1982	Ishikawajima do Brasil	Tank	5,746	\$206	Rio De Janeiro

September 2020

Tanker Commentary

The much talked about Judicial sale of the Xihe Holdings fleet has gathered momentum this week in Singapore with the announcement of the disposal of an initial three VLCCs, two LR2s, an MR and MRI. The process will be much welcomed in a tanker market that has proven very illiquid the year to date and subsequently values have become increasingly difficult to define. The timing is reminiscent of the Toisa fleet sale where again we faced a very subdued market with limited activity and tanker prices were open to debate. Values are likely to be reset and we wait with baited breath for the drama to unfold.

Norwegian owned and scrubber fitted VLCC ADS Stratus (298k-dwt 2002 Hitachi Zosen) has been sold for a \$25.5 mill to Middle East interests with drydock due. Working from the sale of the non-scrubber fitted Bag Meur (306k-dwt, 2000 Hyundai HI), which went a few weeks ago for \$21.8 mill and was also due for dry docking, it is clear that scrubbers are commanding a progressively smaller premium.

In the vintage suezmax sector, we are hearing unconfirmed reports that two Avin controlled vessels have been sold to Russian interests. The *Kriti Spirit* (160k-dwt, 2000 Daewoo HI) and the *Kriti Sfakia* (159k-dwt, 2000 Hyundai HI) both have surveys due and have been sold for \$26 mill enbloc. This reflects no real change when compared with the *Sandro* (160k-dwt, 2000 Daewoo HI) which also had surveys due and fetched \$13 mill back in June.

Minerva owned aframax *Minerva Maya* (105k-dwt, 2002 Samhi HI) has been sold to Vietnamese interests for \$12.2 mill with surveys passed. When compared to the *Petropavlovsk* (106k-dwt, 2002 Tsuneishi Todastu) which has surveys due and was sold this week for \$10.2 mill to Khor Zubair Shipping, UAE, we get a clear picture benchmark of aframaxes of this vintage. The last notable sale with which to compare these two units to was the *Silver Sun* (105k-dwt, 2001 Sumitomo HI, SS October 2021) which went for \$11.5 mill at the beginning of June. She has surveys due in October 2021.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
ADS Stratus	299,157	2002	Hitachi Zosen	undisclosed	\$25.50m	Scrubber fitted
Kriti Spirit	160,240	2000	Daewoo HI	Russian	\$13.00m	SS/DD due
Kriti Sfakia	159,999	2000	Hyundai HI	Russian	\$13.00m	SS/DD due
Petropavlovsk	106,532	2002	Tsuneishi Todastu	Khor Al Zubair	\$10.20m	
Minerva Maya	105,709	2002	Samho HI	Vietnamese	\$12.20	SS/DD passed
High Courage	46,992	2005	STX	undisclosed	\$12.65m	SS/DD passed, BWTS fitted Epoxy Phenolic coated
Chembulk Columbus	12,573	2011	Shitanoe	undisclosed	\$12.50m	

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