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THE BIGGER PICTURE

... Dr Sean Conley : medical doctor, spin doctor, and just obeying orders ...



Source : US Department of Defence

POINTS OF VIEW

It has been a tense 7 days since the president was first diagnosed with Covid-19, or was it actually 9, 11 or 13 days? No-one knows, but the White House owes us an answer as to when he had his last negative test. Many key members of the White House staff have been infected* and it will be interesting to know whether the president's condition was concealed to allow a Minnesota rally to go ahead last Wednesday night at Duluth airport followed by a private fundraiser in New Jersey last Thursday at the Trump National Golf Club Bedminster. While at the Walter Reed Medical Centre last Sunday, Trump said: "It's been a very interesting journey. I learned a lot about Covid." That would be for the first time in the last nine months. "I learned it by really going to school. This is the real school. This isn't the 'let's read the books' school. And I get it, and I understand it ...". Praise the Lord. After his stunt drive-by later that day, he was released from hospital on Monday evening. His remarkable recovery could be attributed to the quality of his many doctors and the world-class facility, the unique cocktail of trial drugs that he was given, and the kind words of his personal White House physician turned spin doctor, Dr Sean Conley, whose first duty as a military doctor is to obey the orders of his Commander-in-Chief. Hence the confusion over the timeline. After leaving hospital, the pandemic survivor said: "Don't be afraid of Covid. Don't let it dominate your life." Tell that to the families and relatives of the 210,000 dead Americans whose votes you just lost.

There is less than a month to go until the election and some people have already voted, most others may have already decided. After the 2016 surprise result we dare not put too much trust in the polls, which seem to be swinging even more behind Joe Biden. The next landmark event was to be the 15 October second presidential debate. But, as it has just been decided to make this a virtual debate, Trump has declined. If he did indeed first know about his infection on Wednesday 30 September, then he could have completed his 14 days isolation in time for another in-person debate, but that would question why the Duluth and Bedminster events went ahead. Trump now knows that Covid, and his administration's (mis)handling of it, is THE big election topic, marginalising his murky tax affairs and all other issues, so he must take it head on. He regards the Covid-dead as losers, like war-dead and prisoners-of-war, seeing them as weak and vulnerable people, often with pre-existing medical conditions. He blames the states for their piecemeal lockdowns that crushed his economic miracle. At no point will he accept failure of the federal government to lead the fight against the virus. It will be more of the same: lie, deny, shift blame, counter attack and congratulate oneself for a job well done. The outcome of this month's campaigning is important to us all as it will set the tone and content of international relations, diplomacy and trade for the 2021-2024 period.

As we move into the last quarter of 2020, bulk carriers are doing better and tankers are doing a lot worse, much as expected. Bulk carriers are benefiting from Chinese purchases of raw materials, grains and oilseeds, although capesize corrected this week. Today's Baltic data shows that capesize are averaging \$29,479 per day, kamsarmax \$12,950 and supramax \$10,807. We still hope for a seasonal boost for tankers as energy demand typically rises in the northern hemisphere winter. But currently they are weaker on lower Asian crude imports as China wound up its opportunistic purchases of low-priced crude oil. Baltic data from today's close sees VLCCs averaging \$3,377 daily, suezmax \$469 and aframax \$137. Clean traders were better with the MR Atlantic at \$7,984 and MR Pacific at \$7,297. Maybe the real bright spot in the market has been containers that have staged a remarkable recovery after a severe Covid hit to global supply chains and consumer demand back in Q2. The intermediate class of 8,500-teu box ships had recovered to \$28,000 a day by the end of last week, for 6-12 months time charter, having been as low as \$11,500 per day in mid June and as high as \$30,500 in early February. Meanwhile, the large feeder class of 2,750-teu was up to an annual high of \$11,750 a day by the end of last week, also for 6-12m, having been as low as \$7,250 in early July. Sometimes all sectors are up, or all are down, but right now we have sector differentiation based upon their own unique coping mechanisms with pandemic fallout.

*Possibly dating back to the Rose Garden and indoor gathering on 26 September marking the nomination of Amy Coney Barrett to the Supreme Court, now seen as a super-spreader event.

^The Baltic's FBX index, which covers spot freight rates across 12 global trade lanes, is up 46% since 1st June, rising from 1,541 to 2,246 points.

Dry Cargo Chartering

The **BDI** closed this week at 1892, this was down 128 points. The **cape** market closed today at \$29,429 down from \$33,066 since last Friday. Clear and visible signs now apparent the market is coming off the dizzy heights of last week. The usual Dampier to Qingdao ore runs were fixed with Rio Tinto at 170,000mt 10% at 11.0 pmt. *Berge Triglav* (175,885-dwt, 2010) was rumoured to have fixed a Posco tender for an iron ore cargo from Port Cartier to Kwangyang at \$28.75-\$28.95. In the Black Sea, *Aquavoyageurs* fixed 150,000mt 10% from Yuzhny into Rotterdam at \$9.00 with Ferrexpo. No time charter deals reported. Gains were seen this week in the **panamax** market, rising to close play at \$12,950, up from last week's \$12,355. In the Pacific, Cobelfret fixed the *Lemessos Castle* (82,192-dwt, 2020) delivery Busan for a North Pacific round trip at \$14,000, while Oldendorff took the *Vitaocean* (82,250-dwt, 2013) delivery retro-sailing Fangcheng for a trip via Indonesia to the Philippines at \$10,000. Over in the Atlantic, Cargill fixed the *Alpha Ethos* (81,600-dwt, 2017) delivery Gibraltar for a round trip via the US East coast at \$13,150, and Ultrabulk took the *Evmar* (82,039-dwt, 2016) delivery Dublin for 2-3 laden legs redelivery Skaw-Gibraltar range at \$14,000. Generally there was more interest in period tonnage, particularly from Louis Dreyfus as they took on the *Magic Horizon* (76,980-dwt, 2010) delivery Incheon for 10-14 months at \$11,000 with worldwide redelivery, and the *Aeolian Arrow* (82,053-dwt, 2018) delivery retro-sailing Krishnapatnam for 6-9 months at \$12,500 also with worldwide redelivery.

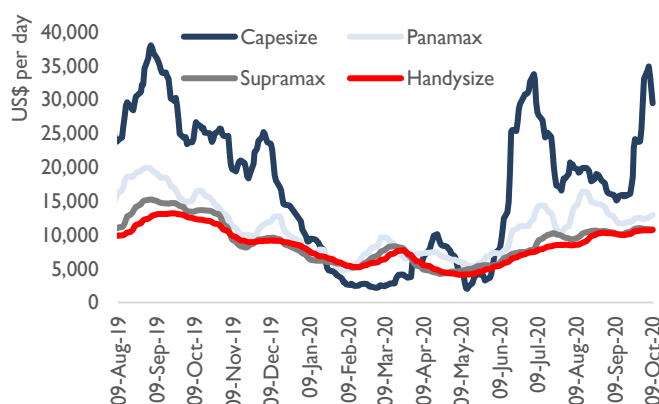
The **supramax** market was quiet in the Pacific due to Chinese Golden week, while Continent remained firm with limited prompt tonnage supply. The BSI closed at \$10,807, down from last weeks \$10,900

In the Atlantic, the *Tomino Harmony* (63,591-dwt, 2015) fixed delivery Hamburg for a trip redel US Gulf with Scrap at \$13,000 by HSL, the *Marigoula* (58,063-dwt, 2013) fixed delivery Ghazaouet via St Pets to Turkey with scrap by WLS at \$13,000. In Indian Ocean, the *Equinox Eagle* (61,208-dwt, 2015) was fixed for a trip delivery Port Elizabeth for a prompt trip redel East Coast India at \$13,500 plus \$350,000 ballast bonus, the *Star Crimson* (61,150-dwt, 2016) fixed delivery West Coast India for a trip via Arabian Gulf redelivery West Coast India at \$13,000. In the Pacific, the *SFL Yukon* (56,836-dwt, 2010) fixed delivery Cigading via Indonesia redel China with coal at \$12,500, the *Ocean Tianbao* (63,455-dwt, 2016) fixed delivery Jingtang for short period at \$11,000.

The **handysize** market this week rose a fraction, closing at \$10,718 up from last week's \$10,672. In the Atlantic, we heard that the *Praslin* (36,782-dwt, 2011) fixed delivery Iskenderun for a trip via the Black Sea to Haiti with steels at \$11,000. The East coast South America market softened this week as it was rumoured that Pacific Basin took the *Erhan* (35,176-dwt, 2012) delivery Santos for a trip to Morocco at \$9,000, and the *Crinis* (28,378-dwt, 2011) delivery Rio Grande for a trip to the Continent at a very low \$8,500. It was also reported that the *Hydra Dawn* (34,283-dwt, 2013) fixed delivery South Brazil for a trip with logs to China at \$17,250. Ongoing holidays in the Far East resulted in a quiet week in the Pacific. On the period front, Swire were linked with the *Nava Ulysses* (34,898-dwt, 2012) open Samsun for 5-7 months at \$11,000 with Atlantic redelivery. RINL fixed a TBN vessel for a 38,000 mtons 5% coking coal stem from Beira to Gangavaram or Visakhapatnam at \$19.00 pmt.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Bregaglia	89,772	2016	Fukuyama	15 Oct	PMO	\$13,250	Al Ghurair	Via NoPac & AG
Livia Rose	81,828	2018	Montoir	PPT	Skaw-Gibraltar	\$14,750	Nordic	Via Baltic
RB Jake	81,039	2016	Oita	7/8 Oct	Singapore-Japan	\$13,000	Omegra	Via NoPac
Magic Horizon	76,980	2010	Inchon	11/15 Oct	Worldwide	\$11,000	Louis Dreyfus	
Huayang Endeavour	75,492	2013	Aps US Gulf	13/17 Oct	Singapore-Japan	\$16,500	Admi	Plus \$650,000 bb
LBC Nature	71,066	2012	EC South America	25 Oct	Skaw-Gibraltar	\$14,500	Cargill	
Spar Octans	63,800	2015	Singapore	6 Oct	China	\$13,500		Via Indonesia
Giorgios Dracopoulos	61,398	2013	Pascagoula	PPT	EC Mexico	\$20,000	Ultrabulk	Int Petcoke
TBN	36,940	2012	Rotterdam	8/10 Oct	Inter-Continent	\$18,750	Ultrabulk	
Allegra	24,173	1995	Retro Nigeria	18 Sept	NC South America	\$8,500		Via South Brazil



Exchange Rates	This Week	Last week
JPY/USD	105.76	105.34
USD/EUR	1.1812	1.1715

Brent Oil Price	This Week	Last week
US\$/barrel	43.17	39.54

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	272.0	269.0
VLSFO	343.0	333.0
Rotterdam IFO	257.0	235.0
VLSFO	315.0	292.0

09 October 2020

Dry Bulk S&P

Despite capesize earnings softening this week, the healthy returns over recent months has kept the turnover continuing with three further cape sales to report. Berge Bulk remain active Buyers, they are reported to have bought *Pacific Queen* (175,918-dwt, 2010 Jinhai) basis SS due for \$14.5m which is in line with last week's sale of *Giuseppe Bottiglieri* (175,243-dwt, 2011 New times) for \$15.75m. Greeks are reported to have bought the other two units sold this week. Golden Union have been linked to the purchase of *Royal Accord* (180,129-dwt, 2009 Imabari) for \$18.4m and an as yet are rumoured to have bought *Mineral Antwerpen* (172,424-dwt, 2003 Daewoo) for \$10.85m.

Scorpio Bulk continue to sell out dry tonnage as they redistribute funds towards windturbine installation vessels. Greek buyers picking up their *SBI Conga* (81,167-dwt, 2015 Hudong) for \$18.4m on the basis of SS freshly passed, in line with last week's sale.

ADNOC are reported to have paid \$25.8m for JT Uglad owned *Isabella Manx* (63,878-dwt, 2019 Tsuneishi Zhoushan). At the end of August the 2017 built sister *Fukuyama Star* was sold to Japanese Buyers for \$21.5m and at the time this seemed a firm price. ADNOC have been buying ships through a tender process which requires owners to formally submit sales candidates. It is not unusual for sellers to achieve premium prices when this laborious process however this is a significant step up on last done if the rumoured price is indeed correct.

Supramax values have been very volatile recently and this week's sale is not providing any further clarity. *Queen Jhansi* (58,758-dwt, 2007 Tsuneishi Zhoushan) is reported sold to Indonesian Buyers for \$7.75m in line with last week's *Sri Ganesh* (56,039-dwt, 2007 Mitsui), a large step down on *Bulk Chile* (55,486-dwt, 2009 Kawasaki) sold last month in excess of \$10m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Royal Accord	180,129	2009	Imabari	Gearless	Golden Union	\$18.40m	SS/DD passed
Pacific Queen	175,918	2010	Jinhai HI	Gearless	Berge Bulk	\$14.50m	
Mineral Antwerpen	172,424	2003	Daewoo	Gearless	Greek	\$10.85m	DD due 03/21
SBI Conga	81,167	2015	Hudong-Zhonghua	Gearless	undisclosed	\$18.40m	BWTS fitted
Isabella Manx	63,878	2019	Tsuneishi Zhoushan	C 4x36	ADNOC	\$25.80m	
Queen Jhansi	58,758	2007	Tsuneishi Zhoushan	C 4x30	Indonesian	\$7.75m	
Alam Setia	36,320	2013	Shikoku	C 4x31	Greek	\$10.5m	
Lagonda	28,186	2001	Minaminippon	C 4x30	undisclosed	\$3.70m	SS/DD due 04/21

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Mississippi Enterprise	37,244	1980	Ishikawajima-Harima	Bulk	8,124	317	Port Suez (Green)

Tanker Commentary

More VLCC action this week with a number of offers and negotiations. The Interim Judicial Managers of Xihe Holdings Pte Ltd invited offers this week on the VLCCs *Pu Tuo San* & *Tai Hung San* (BWTS fitted) & *Tai San* (318k-dwt, 2011/10/09 Shanghai Waigaoqiao). There will no doubt be further opportunities for buyers over the coming weeks, as Xihe Holdings will be inviting offers on a number of units including two LR2's, two MR2's and one MRI.

The only notable VLCC sale of the week is from Greek owners Embiricos. They have disposed of their VLCC *Chryssi* (298k-dwt, 2000 Kawasaki HI, CAP 1, SS/DD due 01/21) for \$22m. This falls in line with the *Bag Meur* (306k-dwt, Hyundai HI, SS/DD due) which changed hands at the end of August for \$21.8m and also had

SS/DD due. The levels of \$30m achieved by Eastmed in May for their *Lucky Trader* (298k dwt, 2000 Hitachi) seen a distant memory.

The NYK controlled LR2 *Champion Princess* (105k-dwt, 2012 Hyundai HI, 12 epoxy coated tanks, trading CPP) is rumoured to have been sold this week. Great Eastern are reported to have fought off stiff competition from a number of high profile counterparties to secure the vessel for \$26.5m. If true, this sets a new benchmark for this sector which has had very little liquidity in recent months. Elsewhere, Maersk are also understood to have offloaded their vintage LR2 *Maersk Progress* (109k-dwt, 2005 Dalian, Epoxy coated, trading CPP, SS/DD due) in the high \$12m range.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Chryssi	298,920	2000	Kawasaki	Vietnamese	\$22.00m	CAP 1, SS/DD due 01/21
Maersk Progress	109,181	2005	Dalian	undisclosed	\$12.80m	Epoxy coated, CPP, SS/DD due
Champion Princess	105,258	2012	Hyundai HI	Great Eastern	\$26.50m	12 epoxy tanks, trading CPP
Pacific Sapphire	19,814	2008	Kitanihon Zosen	Ace Tankers	\$11.80m	STST

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