



CONTENTS

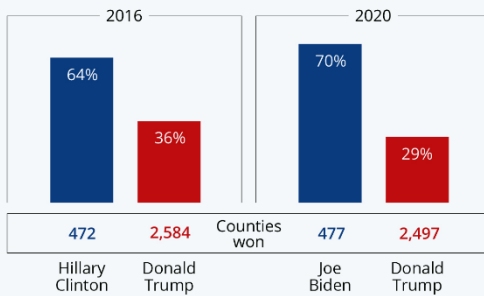
2. Dry Cargo Chartering
Vibrant Markets
3. Dry Cargo S&P
Keeping Up with the Kams
4. Tankers
Down we Go

THE BIGGER PICTURE

... Welcome to Dystopia ...

Biden-Voting Counties Equal 70% Of The U.S. Economy

Aggregate vote won as a share of U.S. GDP in recent presidential elections



Source: Brookings Institution



Source : Statista

POINTS OF VIEW

President Trump has yet to concede the election to Joe Biden despite the odds of him overturning the result being slim, unlike him. A lesson from his time in real estate is that he never ever concedes and is willing to use the courts to throw a spanner in the works. The FT says that Trump stood out even in the litigious blood sport of New York real estate. It mentions that, in 2016, USA Today reported that Trump and his businesses had been involved in at least 3,500 cases over the previous 30 years. It points out that he has sued everyone from his ex-wife and building contractors and tradesmen, who worked on his skyscrapers and casinos, to Asian investors who bailed him out in the mid-1990s, and he even sued his own lawyers. Watch out Rudy Giuliani! Trump's attempts to challenge the election results in the courts has rightly unsettled many Americans. He is denying the incoming Biden team a transition process in which, inter alia, it would expect to have access to vital security briefings and health data on Covid-19. It appears to be a spiteful attempt to ensure that, on 20 January, Biden inherits a nation in economic and social turmoil while facing elevated threats from its enemies abroad. Dr Fauci is calling for a "uniform approach" rather than "a disjointed" state-by-state" response to the virus. But Trump chose to leave it to the 50 states to tackle the virus so he could blame them if it went wrong, as it has, with the US exceeding 250,000 deaths. Dr Fauci is also in favour of a smooth transition as the new team needs to coordinate vaccine distribution to 75-80% of the population for it to be effective. Trump is withholding this from the Biden team.

His scorched earth policy is selfish, reckless and totally unpatriotic. So much for MAGA. He has sacked Pentagon officials who criticised his plan to reduce US troop numbers in Iraq and Afghanistan to a vulnerable 2,500 in each. He was pulled back from the brink having sought an attack plan designed to take out Iran's nuclear facilities. He intends to ratchet up sanctions on Iran and double-down on his trade war with China. He wants to frustrate any attempts by Biden to re-enter the Iran nuclear accord and to seek any rapprochement with China. Biden will set up a functioning administration after Trump's venal patronage of family, friends and cronies placed in positions for which they were unqualified. Take Robert "Woody" Johnson, his buddy and billionaire heir to the Johnson & Johnson pharmaceutical business. He is US ambassador to the court of St. James here in the UK. He owns the New York Jets, an American football team, and that is said to be the closest he ever got to the art of diplomacy. Trump promised to drain the swamp, only to enlarge it. In 2016, he saw a route to the presidency by running on a Republican ticket having spotted an overlooked constituency of generally white, poorly educated, blue collar workers in middle America. These people were being ignored by Washington and by the coastal elites in the big cities, ironically, a club of which Trump is a founder member. He fired up his base and the rest is history. Statista, on the left, illustrates how Trump appeals to rural, small town communities while Biden dominates the big cities.*

All of the above matters to shipping. The second largest economy in the world, China, is recovering or exceeding pre-virus demand levels while the world's largest economy, the US, is struggling as the virus spreads across America unchecked by a federal government that is out to lunch. The whole world outside China is a long way from generating levels of demand that existed a year ago and, optimistically, it may take until the second half of next year to return to that point. This assumes that effective vaccines are soon available, in scale and with global reach, so that the virus is contained. It is a very big IF as Trump is doing nothing to improve the odds. We thought that the economic hit of Covid-19, and its attendant uncertainties, would curtail the supply side. It did to some extent, helped by an accelerating pivot to green technology and a clamour for new compliant propulsion systems. But money talks, and prices are low today. This week, Hyundai shipyards are reported to have won up to 12 VLCC orders, 10 for a Sino-Korean finance house and 2 for Latsis as it makes its first foray into supertankers. That takes KSOE's VLCC orders to 21 this year, 70% of the 30 placed worldwide this year. Once upon a time VLCCs had a useful economic life of 30 years, dropping to 15 in post-GFC 2009 and maybe as low as 10 post Covid-19. It's all about that pivot to new technology. Caveat emptor!

*Biden's base tends to be made up of more ethnically diverse, educated and white collar professionals. The Brookings Institution stated that "this economic rift that persists in dividing the nation is a problem because it underscores the near-certainty of both continued clashes between political parties and continued alienation and misunderstandings."

Dry Cargo Chartering

The **BDI** closed today at 1,148 points, up slightly from last week. The **cape** index fell further this week despite last week's assumption that the market had in parts found its bottom, closing play at \$11,897, down \$601. The usual 170,000 mtons ore run from Port Hedland to Qingdao was fixed at \$6.65 pmt with BHP and FMG. The *Mangas 2011* built fixed 170,000 mtons 10% from Port Hedland to Qingdao at \$7.25 pmt. Earlier in the week, Panocean fixed a TBN vessel for 170,000 mtons 10% from Saldanha Bay to Qingdao at \$10.95 pmt. Quiet again on time charter activity, the *Maran Glory* (180,575-dwt, 2012) fixed delivery Fangcheng for a prompt trip via West Australia redelivery Singapore-Japan range at \$19,000.

The **panamax** market continued to gain ground, closing play at \$12,176 up an impressive \$1,396 from the previous week. In the Atlantic, Oldendorff took the *Key Hunter* (82,099-dwt, 2011) delivery Bremen for a prompt trip via the Baltic and Mediterranean redelivery Passero at \$16,500, while also fixing the *Cape Kasos* (81,403-dwt, 2012) for a trip from the US Gulf to the Far East with routing in charterers option at a healthy \$15,600 plus a \$560,000 ballast bonus. Out of South Africa, Cargill took the *Berlin* (76,600-dwt, 2007) for a trip from Richards Bay to China at \$13,150 plus a \$315,000 ballast bonus. In the East, it was reported that K-Line fixed the *Falkonera* (81,641-dwt, 2012) delivery Nansha for a trip via East Australia to Malaysia at \$11,000, and the *Omicron Atlas* (76,554-dwt, 2008) reportedly fixed delivery Phu My for a trip via Indonesia to India at \$10,000. A Hyundai Glovis TBN vessel was put forward for a 75,000 mtons 10% coal Kepco tender from Balikpapan to Dangjin at \$6.77 pmt.

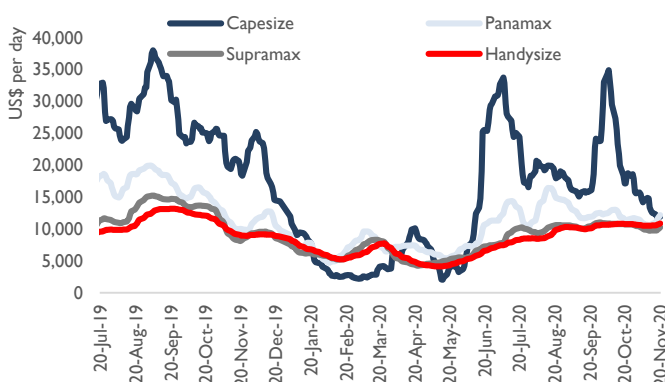
The **supramax** market shot up in the middle of the week across all basins. The BSI closed at \$10,226, up from last weeks \$9,728. In the Atlantic, the *Jorita* (63,532-dwt, 2019) was fixed delivery Annaba for a

trip redelivery Caribbean with clinker at \$10,500 by Pacific Basin, and the *Xing Xi Hai* (60,498-dwt, 2017) was fixed delivery Castellon for a trip redelivery Sepetiba at \$13,000 by Ultrabulk. In the Indian Ocean, the *GW Eleni* (63,538-dwt, 2020) was fixed for a trip delivery Richards Bay redelivery West coast India at \$11,800 plus a \$180,000 ballast bonus by Bainbridge, and the *Prabhu Lal* (52,491-dwt, 2004) fixed delivery Mongla for a trip via Indonesia to China at \$10,500. In the Pacific, the *Genoa* (60,396-dwt, 2017) was fixed delivery Manila via Indonesia redelivery West coast India at \$10,500 by Seacon, while the *Lan Hai Sheng Hui* (56,616-dwt, 2011) fixed delivery Fangcheng for a trip with clinker redelivery China at \$9,500.

The **BHSI** closed today at \$10,838 up \$241 from last week. The Atlantic had mixed sentiment and in parts a confused market, especially the East Mediterranean. Spot tonnage combined with fresh cargo gave a selection of mixed rates. 34k-dwt's were rating Intra-med trips at about \$10,000, although a 38k-dwt was heard to have seen only \$8,750 but failed on subs. The *AP Dubrava* (38,716-dwt, 2015) fixed Tuzla to US Gulf at \$11,500 basis dop with Lighthouse. The Continent softened as the *Woodgate* (28,219-dwt 2011) fixed delivery Skaw for a trip to Egypt with timber at \$12,000. A 30k-dwt fixed a trip basis dop ARAG loading Hamburg to Algeria at close to \$13,000. The US Gulf continued to pick up, while the Caribbean stayed firm the *Nord Yilan* (28,191-dwt, 2010) fixed San Juan for a trip via North coast South America to United States East coast \$10,500 with Pioneer. Meanwhile the market firmed in East coast South America as it was rumoured that the *Lord Wellington* (31,921-dwt, 2005) fixed for a trip delivery Fazendinha to the Continent at \$14,000. In the Pacific, Panocean fixed the *Inlaco Express* (34,096-dwt, 2012) delivery passing Busan for a trip with coal via CIS to South Korea at \$7,500.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Maran Glory	180,575	2012	Fangcheng	PPT	Singapore-Japan	\$19,000	CNR	Via W Australia
Flag Tom	93,268	2011	Chiba	18-21 Nov	Singapore-Japan	\$11,750	Jera	Via NoPac
Key Hunter	82,099	2011	Bremen	PPT	Jorf Lasfar	\$17,500	Suek	Via Baltic
Cape Kennedy	81,391	2012	USEC	10 Dec	China	\$15,200	Oldendorff	Int Coal Plus \$520,000 bb
Sea Diamond	77,096	2007	Tanjung Bin	27 Nov	China	\$13,000	Tongli	Via Indonesia
Pacific Talisman	61,415	2016	Brazil	24-28 Nov	China	\$14,000	Meadway	Plus \$400,000 bb
Xing Xi Hai	60,498	2017	Castellon	18 Nov	Sepetiba	\$13,000	Ultrabulk	
Intrepid	52,346	2005	Busan	PPT	Singapore-Japan	\$7,500	WBC	Via NoPac
Inlaco Express	34,096	2012	Busan	20-22 Nov	South korea	\$7,500	Panocean	Via CIS
SFL Dee	31,716	2013	Praia Mole	PPT	Continent	\$13,000	Pacific Basin	



Exchange Rates	This Week	Last week
JPY/USD	103.77	104.76
USD/EUR	1.1867	1.1822

Brent Oil Price	This Week	Last week
US\$/barrel	44.48	42.80

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	307.0	300.0
VLSFO	363.0	363.0
Rotterdam IFO	274.0	273.0
VLSFO	331.0	323.0

20 November 2020

Dry Bulk S&P

Kamsarmax appears to be the flavour of the week by most accounts. With a few weeks shying away from the limelight, the week's flagship sales in the dry market belong to Scorpio Bulkers, who have announced the sale of 5 ships this week at a reported price of \$101.5m in total.

The *SBI Parapara*, *SBI Jive*, *SBI Swing*, & *SBI Mazurka* (81k-dwt, 2017 Shanghai Jiangnan, Scrubber + BWTS fitted) have been sold to clients of Centrofin, Greece. Whilst there is not official price breakdown, we would say price per vessel of around \$20.75m each. The fifth and final ship as per their announcement is the *SBI Reggae* (81k-dwt, 2016 Hudong-Zhonghua, SS/DD due 01/21, BWTS fitted) which is understood to have gone to NNC of Egypt. Again, no official price breakdown but we would envisage a price in the region of \$18.5m basis surveys due as being agreed (basis sale of exact sistership '*SBI Sousta*' SS/DD due 01/21 at \$18.5m which reported at the beginning of October).

The 2011 built *Bacco* (82k-dwt, 2011 Tsuneishi Fukuyama) has been sold in an off market deal to Greek interests Newport Shipping for a rumoured price of \$15.5m. The price agreed falls in line with the sale of the *Pacific Kindness* (82k-dwt, 2011 Tsuneishi Zhoushan) which we reported sold for \$15m, and perhaps represents the discount the Zhoushan vessel ('affiliate yard') receives versus the Fukuyama facility. Elsewhere within the sector, Japanese owners

invited offers this week on the *Key Evolution* (83k-dwt, 2010 Sanoyas, SS/DD due), which has subsequently been withdrawn. Owners had been looking for region \$15m but the best levels seen were closer to \$14m.

In the Panamax sector, the *Apollo* (77k-dwt, 2006 Oshima, SS/DD due 01/21) has been sold to Greek buyers for \$9m, which represents a firming up on prices for this vintage if we compare to last 2006 done (*Elena* – 76k-dwt, 2006 Sasebo, SS/DD due) which sold to Greeks for \$8.2m. The *Hai Lu* (76k-dwt, 2004 Imabari, SS/DD passed) has been sold via auction today, achieving a price of \$7.68m and the *Edelweiss* (73k-dwt, 04 Jiangnan) has been sold for a reported \$6m. These sales are good indicators of the premium/discount of Japanese built versus Chinese ships in the sector.

In the Supramax sector, Chinese buyers continue to purchase Dolphin 57 design ships this week. The *Port Hainan* & *Port Dalian* (56k-dwt, 2012 COSCO Zhoushan, Tier II) have been sold to Chinese buyers for \$19m enbloc. Elsewhere the Greek controlled *Kavo Platanos* (56k-dwt, 2011 Jinling, SS/DD due, Tier II) has been sold to Chinese buyers for \$9.2m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Ina	176,423	2003	Universal	Gearless	undisclosed	\$9.10m	
Nirai	91,443	2003	Oshima	Gearless	Chinese buyers	\$7.00m	
Bacco	82,188	2011	Tsuneishi Fukuyama	Gearless	Newport	\$15.50m	
SBI Reggae	81,214	2016	Hudong-Zhonghua	Gearless	NNC, Egypt	\$18.50m	SS/DD due 01/21
SBI Parapara	81,227						
SBI Jive	81,252	2017	Shanghai Jiangnan	Gearless	Centrofin	\$83.00m enbloc	BWTS & Scrubber fitted
SBI Swing	81,237						
SBI Mazurka	81,232						
Apollo	77,326	2006	Oshima	Gearless	Greek buyers	\$9.00m	SS/DD due 01/21
Hai Lu	76,629	2004	Imarbari	Gearless	-	\$7.68m	SS/DD passed, Auctioned
Edelweiss	73,624	2004	Jiangnan	Gearless	-	\$6.00m	
Port Hainan	56,777						
Port Dalian	56,737	2012	COSCO Zhoushan	C 4x30T	Chinese	\$19.00m enbloc	
Kavo Platanos	56,750	2011	Jinling	C 4x30	Chinese	\$9.20m	SS/DD due

Tanker Commentary

Earnings in the wet market remain unexciting and unsurprisingly second hand values continue their gentle downwards trend. Generally, the northern hemisphere winter is a cause for optimism in the wet markets, so while the earnings remain suppressed there is still some appetite and turnover across the sectors.

The VLCC, *Selene Trader* (300k-dwt, 2003 Mitsui, SS due 09/23, DD due 11/21) invited offers this week. We understand she has seen interest around \$23.5-24m. If she sells at these levels, this will highlight the market falling. The *Olympic Legend* (309k-dwt, 2003 Samsung HI, SS due 09/23, DD due 11/21) sold for \$26m earlier in the month. The sale of the Great Eastern owned suezmaxes the *Jag Laadki* (150k-dwt, 2000 Nippon Kokan, SS/DD passed) and the *Jag Lateef* (147k-dwt, 2000 Samsung HI, SS due 07/23, DD due 07/21) for \$24m enbloc shows a roughly \$9m premium to the scrap value of the vessels. This premium over scrap can in large

part be attributed to both units having good survey positions.

We have heard reports that the epoxy coated *FS Sincerity* (48k-dwt, 2009 Iwagi Zosen, SS/DD due 04/22) has been committed at \$13.7m. This sale represents a softening in the market when compared to the *Carina* (47k-dwt, 2010 Iwagi Zosen, SS/DD due, epoxy) which changed hands at the end of October for \$14.75m. Further down into the handy tankers the sale of the phenolic epoxy coated *Maersk Edward* (36k-dwt, 2005 Jinling) is rumoured to have sold for xs \$7m to Far Eastern buyers. When looking back to the beginning of August at the sale of her one year older sister, the *Maersk Etienne* (36k-dwt, 2005 Jinling) which sold for \$8.75m, we can see a substantial reduction in values.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Jag Laadki	150,284	2000	Nippon Kokan	-	\$25.00m enbloc	SS/DD passed
Jag Lateef	147,080	2000	Samsung HI	-	\$25.00m enbloc	SS due 07/23 DD due 07/21
FS Sincerity	48,045	2009	Iwagi Zosen, Epoxy	-	13.70m	Committed
Maersk Edward	36,803	2005	Jinling, Epoxy Phenolic	Far Eastern	\$7.00m	

Reported Demolitions Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Sam	300,482	1996	Hyundai HI	Tank	41,846	365	Pakistan
Gdynia	65,738	1981	Namura	Bulk	12,755	357	As is - Singapore

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