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POINTS OF VIEW

Most of us in the shipping business should be interested in the result of the US election next Tuesday night. At least, we hope that it will be decided on the night. If the polls are wrong again, as they were in 2016, then Trump could be elected for another four years. If the polls are right, then Biden may win by a landslide on the night, obviating the need to wait for outstanding mail-in ballots to be counted. A narrow victory for either side is likely to lead to recounts, and a disputed result could be pushed all the way up to the Supreme Court where Trump has just engineered a 6-3 majority of conservative judges. In theory, they will favour Trump and the Republicans over Biden and the Democrats. We might ask whatever happened to the separation of powers between the executive and the judiciary, to conventional checks and balances, and to democratic principles? China's Xi Jinping must look upon the chaotic charade of the last four years somewhat quizzically, wondering why America has been voluntarily dismantling its much promoted democracy, picking fights with its allies, undermining the West's multilateral institutions and debasing itself in the eyes of the world. He thought that China would have to fight to regain global hegemony, not just be handed it on a plate. As China generates over 50% of global shipping demand, few of us would welcome any US instruction to curtail trading with China, an improbable but possible scenario. The Huawei case provides a pointer.

THE BIGGER PICTURE

... Could Texas Go Democrat? ...



Source : The internet

If Trump stays on in the White House then the risk is that he will double-down on his America First trade and security disputes with China, emboldened by his re-election. That will make for another four years of kaleidoscopic shifts in global trade flows and the higher cost of imports that are subject to tariffs. Biden will review tariffs realising that much of the stuff China needs it can get from others, while much of the stuff Americans need they can only get from China.[^] Trump may ratchet up sanctions on North Korea, Iran, Venezuela and Russia and fulfil his pledge to pull US troops out of Afghanistan and the wider Middle Eastern theatre. Withdrawal of US military power from the region will destabilise the balance of power, opening the door to actors that seek to gain influence there such as Iran, Saudi Arabia, Russia and Turkey, with potentially incendiary results. Biden may not do things that differently at first, but he is likely to reintroduce diplomats to US embassies rather than waving a big stick at everyone, forcing them to do a deal, or else. The signs are that Biden will reinvest in a multilateral approach and support such institutions as the UN, NATO and WHO and maybe even the EU and the WTO. Most people with a pulse would prefer a more methodical and less bombastic approach to settling our differences over the destabilising nature of the 'I win, U lose' polarity, and threats and counter-threats based upon who has the biggest weapons and the greater madness to use them. In this game of chicken Trump is plump, chlorinated and inedible.

In the run-up to next Tuesday the Trump administration is finally scoring some goals, although some may need to be reviewed by the latest goal-line technology. It has added Sudan to the UAE and Bahrain in recognising Israel's right to exist, albeit widely seen as a betrayal of the Palestinians, but the bigger threat is Iran and their greater need is US and Israeli protection. This week we heard of the Quad, an alliance between the US, India, Japan and Australia that is designed to counter the increasingly militant Chinese influence in the Indian and Pacific oceans. India used to avoid upsetting China, but the deaths of 20 of its own in clashes with Chinese troops on the Himalayan border, its own backyard, put an end to that. Quad recognises the threat that China poses to the vital shipping lanes east of Suez. The media would have us believe that the whole world is re-evaluating its relationship with China, seeking to slow down its march to supremacy. It was the country of origin of Covid-19, and the first to recover from it, and it is now benefiting on the global stage by the incapacity of its competitors. If elected, Trump will go headlong into the next round of his wrestling match with China, whereas Biden will most likely seek to engage, ease the damaging competition and find ways to cooperate for the common good, however altruistic that may sound. Media focus on the election has been on swing states such as Arizona, Florida, North Carolina, Pennsylvania and Wisconsin. Texas is seen as a Republican shoe-in, but this time it might just go the other way ...*

[^]For example, rare earth minerals and metals that are used in iPhones, electric vehicles and high-end weapons systems. The US relies upon China for 80% of its rare earth imports, Japan 58%, S.Korea 57%, EU 56%.

*The electoral college allocates 538 votes among the 50 states. 270 votes are needed to win the presidency. In 48 of the 50 states, excluding Maine and Nebraska, the majority winner takes ALL of the state's votes.

California, the largest state, has 55 votes. Texas is next with 38, followed by New York and Florida with 29 each. It is possible to win the electoral college but lose the popular vote, as Trump did in 2016.

Dry Cargo Chartering

The **BDI** ended today at 1,283 points down 132 points since last Friday

The **cape** index closed at \$15,550 down \$3,199 from last week. On voyage, BHP fixed two TBN 170,000mt 10% ore stems from Port Headland to Qingdao at \$7.75 & \$7.85 pmt. The usual Ore runs from Dampier to Qingdao were fixed at 170,000mt 10% for \$7.20 pmt with Rio Tinto. Vale fixed the *KN Amethyst* for 185,000mt 10% from Tubarao to Qingdao for end November - early December dates at \$15.15 pmt. On time charter, *Nymphé* (180,018-dwt, 2009) the Uniper relet fixed delivery Yuzhny for a prompt trip via Black Sea redelivery Singapore-Japan range at \$45,000 with Fayette. The neo and scrubber fitted *Venus Heritage* (95,700-dwt, 2010) fixed delivery US Gulf for a trip redelivery China \$16,950 + \$695,000 ballast bonus.

This week the **panamax** market closed at \$11,604, gaining a little ground from last week's close of play of \$11,469. Out of the US Gulf, it was reported that the Neo Panama canal and scrubber fitted *Aquagrace* (81,672-dwt, 2017) was fixed by Glencore for a grains trip to the Far East at \$17,250 plus a \$725,000 ballast bonus, while over in the Mediterranean the *Coral Jasper* (78,078-dwt, 2012) fixed delivery Tarragona for a mid-November trip via the Baltic to the Red Sea at \$14,000. In the Indian Ocean, we heard that the *Sweet Melissa* (79,445-dwt, 2011) fixed delivery Port Qasim for a prompt trip via the Black Sea to Singapore-Japan range at \$11,000. Meanwhile over in the Pacific, Bunge took the *Oceana* (81,600-dwt, 2014) delivery retro-sailing Qinghuangdao for a round trip via the North Pacific at \$11,000, and the *Artemis* (82,000-dwt, 2019) fixed delivery Taichung for a trip via Indonesia to South Korea with Hyundai Glovis at \$10,200. On voyage, a TBN Pan Ocean vessel was fixed for a 80,000 mtons 10% coal Kepco tender from Newcastle to Taaen at \$11.09 pmt.

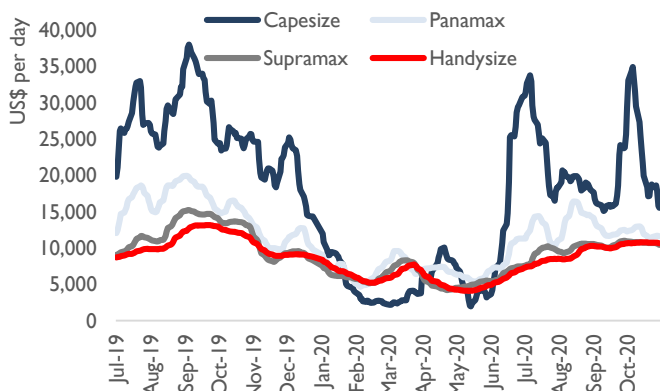
The **supramax** market have continued a softer trend this week with

the index at \$10,438 down \$258 from last week. In the Atlantic, *Port Shanghai* (58,747-dwt, 2011) delivery Altamira fixed inter-Caribbean business for a trip to East Coast Mexico at \$12,500. Refined Success took *West Bay* (52,451-dwt, 2004) delivery Recalada for a trip redelivery East Mediterranean around \$12,000. In the Pacific, rates seem to be stalling for Indonesia coal with little change from last week. Australia and NoPac cargoes however seem to be paying up for workable tonnage in the Fareast. A 60k-dwt delivery CJK fixed \$10,000 for trip via NoPac back Singapore – Japan range. Agricore took *Monica D* (52,478-dwt, 2011) delivery Zhanjiang for a trip redelivery Shidao at \$10,000. *Belinda* (63,338-dwt, 2016) was fixed delivery Caofeidian for a trip redelivery China at low \$10,000 while Bainbridge took *NS Dalian* (56,745 dwt, 2010) for a trip delivery Zhoushan redelivery Bangladesh at \$7,800. The period scene has been quiet with very little happening this week.

The **BHSI** closed at \$10,647 down \$101 from last week. The sentiment remains precarious, with many Owners dropping rates already, an ominous sign for the remainder of Q4. However, the continent and the Mediterranean still holding strong time charterer numbers. A 33k-dwt was fixed at 15k for an intra-med delivery Canakkale. The *Nordic BC Munich* (34,827-dwt, 2012) open Morocco fixed trip via Sweden to Marmara at \$13,250 with Western Bulk. The US Gulf continued to weaken, the *Strategic Alliance* (39,848 14) fixed aps US Gulf for trip to East Mediterranean at \$15,000. The *Anne Mette Bulker* (38,118-dwt, 2012) fxd aps Acu Port in Brazil for a trip East Coast Mexico with pig iron at approx. \$10,000. In the East, A 35k-dwt open CJK fixed mid 8k for North Pacific scrap run to Chittagong. A 34k-dwt delivery north China was fixed on subjects for a trip to Bangladesh at a rate in the high \$7,000. A 39k-dwt open CJK fixed in the mid 8's for an Australia round voyage.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Nymphé Uniper	180,018	2009	Yuzhny	PPT	Singapore-Japan	\$45,000	Fayette	Via Black Sea
Key Evolution	83,416	2010	APS EC South America	23 Nov	Singapore-Japan	\$13,950	Cargill	Int Grains Plus \$390,000 bb
Artemis	82,000	2019	Taichung	3-5 Nov	South Korea	\$10,200	Hyundai Glovis	Via Indonesia
Ever Shining	81,400	2020	Sasebo	27 Nov – 15 Dec	World Wide	\$12,000	CNR	6/8 Months
Fu Rong Feng	75,444	2011	Rotterdam	2 Nov	Rotterdam	\$12,500	Golden Ocean	Via Murmansk
Beauty Lily	63,654	2015	Yangjiang	30-31 Oct	China	\$12,000	CNR	Int Bauxite
Mackenzie	63,204	2016	Cebu	PPT	South Vietnam	\$12,500	CNR	Via Indonesia
Anastasia S	52,808	2004	Guishan	PPT	India	\$8,500	CNR	Via Samarinda
Revenger	33,755	2009	APS Lake Charles	End Oct	S.Brazil	\$10,000	Strategic Bulk Carriers	
Universe Harmony	28,294	2000	Campha	27-31 Oct	China	\$8,000	CNR	Int Clinker



Exchange Rates	This Week	Last week
JPY/USD	104.64	104.71
USD/EUR	1.1676	1.1853

Brent Oil Price	This Week	Last week
US\$/barrel	37.35	42.73

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	270.0	286.0
VLSFO	320.0	341.0
Rotterdam IFO	246.0	262.0
VLSFO	283.0	308.0

30 October 2020

Dry Bulk S&P

Perhaps the most interesting thing to report this week is the volume of sales as we approach the end of the year. Buyers are starting to declare vessels are close to 'being a year older', the BDI has dropped 13% in two weeks but despite all these factors which would normally impact buying demand we have 18 sales to report (with four still pending subjects). In addition, there are other units inviting offers or under close negotiation which we expect to report in the coming weeks.

Despite the BDI falling, the BHSI and BSI both closed in excess of \$10k per day and 11 of the 14 sales are in the handy and supramax sectors and values in some areas are holding steady. *Bright Phoenix* (55k-dwt, 2011 Mitsui) is rumoured to have achieved \$11m which is in line with the sister *Global Phoenix* (56k-dwt, 2010 Mitsui) which sold in low \$11sm in late September for \$11.2m with SS passed and BWTS installed.

Elsewhere, *Neraida* (55k-dwt, 2005 Oshima, SS Passed) is reported to have gone for a firm \$7.8m to Turkish Buyers.

In the larger sizes, Greek Buyers are making moves on capes as values soften slightly. N G Moundreas are reported to have bought *Cologne* (180k-dwt, 2011 Tsuneishi Cebu) for \$22m and the scrubber fitted *King Ore* (176k-dwt, 2010 Namura) is reported to have fixed and failed to Zodiac for \$19.5m and subsequently acquired by Golden Union for \$19.2m who were second in line. Four additional 'Tiger' capes are also reported to be on subjects to Greek Buyers, continuing the trend.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Tiger Guangdong	180,099	2011	Qingdao Beihai	Gearless	Greek		
Tiger Shandong	180,091	2011	Qingdao Beihai	Gearless	Greek	\$64.00m	
Tiger Liaoning	180,082	2011	Qingdao Beihai	Gearless	Greek	enbloc	
Tiger Jiangsu	180,096	2010	Qingdao Beihai	Gearless	Greek		
NSS Honesty	229,548	2007	Mitsui	Gearless	undisclosed	\$13.50m	
Cologne	180,643	2011	Tsuneishi Cebu	Gearless	N. G. Moundreas	\$22.00m	Scrubber fitted
King Ore	176,944	2010	Namura	Gearless	Golden Union	\$19.20m	DD passed, BWTS & Scrubber fitted
Bright Phoenix	55,636	2011	Mitsui	C 4x30	Indonesian	\$11.00m	SS/DD due
Neraida	55,567	2005	Oshima	C 4x30	Turkish	\$7.80m	SS/DD passed
V Arctic Tern	51,536	2002	STX	C 4x30	undisclosed	\$5.40m	SS/DD passed
M. Emir Aksoy	47,245	1998	Oshima	C 4x25	Middle Eastern	\$3.20m	DD due 01/21
Indigo Imabari	38,271	2010	Imabari	C 4x31	European	\$10.60m	SS/DD passed, BWTS fitted, BBHP deal
AEC Ability II	37,504	2006	Saiki HI	C 4x36	undisclosed	\$6.50m	SS/DD due 03/21
MS Charm	32,449	2010	Zhejiang Hongxin	C 4x30	European	\$6.50m	Committed with TC attached
Star Aqua	28,225	2011	Imabari	C 4x31	undisclosed	\$6.645m	High comms
Panvision	28,253	2011	Shimanami	C 4x31	undisclosed	\$6.70m	Far East delivery
Fair Winds	28,434	2009	Shimanami	C 4x31	undisclosed	\$6.50m	SS/DD passed
Occitan Barsac	27,112	2003	Ente Administrador	C 4x31	Middle Eastern	\$3.30m	Logs fitted

Tanker Commentary

As the western hemisphere is fluctuating between different states of Covid related panic. 'Lockdowns' have been implemented in numerous countries, with more looking to follow suit. The price of oil has fallen to five month lows with little sign of recovery. The increased enquiry for large older tonnage gives the indication that storage buyers are testing the waters. Activity in the VLCC segment continues, be it at a slower pace than previous weeks. We are hearing reports that Greek owned *Olympic Loyalty II* (306k-dwt, 2005 Samsung, SS/DD passed), may have sold for \$23.5m. The firm price highlights the high Olympic spec and survey position when compared to the *Bunga Kasturi Tiga* (300k-dwt, 2006 Universal, SS/DD due 20/21) which sold earlier in the month for the same price.

Ocean Trader (108k-dwt, 2008 SWS, DD due 07/21) has changed hands for a price in the low \$16m.

With further similar age units scheduled to come into the market over the coming weeks, we will see if a new benchmark has been set.

There has been a flurry of activity in the MR sector with Spanish owners Marfleet Marine securing a number of vessels for contracts in the US Gulf which required delivery within 2020. Following on from the recent acquisition of the pumproom MR *Nord Integrity* (46k-dwt, 2010 Iwagi), Marfleet are reported to have purchased two deepwell configuration MRs in quick succession. The Atlantic *Mirage* (51k-dwt, 2009 STX Offshore, SS/DD passed) is reported to have been committed for \$16.35m and *Glafkos* (49k-dwt, 2013 STX Offshore) makes up the trio for a reported \$23m. All of the prices appear firm which is a reflection of the necessity to meet a prompt laycan.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comments
Ocean Trader	108,770	2008	SWS	undisclosed	\$16.25m	DD due 07/21
Minerva Emma	107,197	2003	Imabari	undisclosed	\$13.00m	
Atlantic Mirage	51,476	2009	STX Offshore	Marfleet Marine	\$16.35m	
Glafkos	49,997	2013	STX Offshore	Marfleet Marine	\$23.00m	
Bei Jiang	50,091	2009	SLS	Greek buyers	\$13.00m	SS/DD passed, Pumproom
Zhu Jiang	50,192	2009	SLS	Greek buyers	\$13.00m	SS/DD passed, Pumproom
Carina	47,962	2010	Iwagi Zosen	Spring Marine	\$14.75m	SS/DD & BWTS due

Reported Demolitions Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Stellar Liberty	291,435	1993	Mitsubishi	Bulk	39,941	393	Bangladesh Pakistan
Stellar Ocean	305,846	1994	Nippon Kokan	Bulk	38,687	393	Bangladesh Pakistan
Wel View	94,303	1989	Imabari	Bulk	14,112	386	Pakistan

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
 Email: snpuk@hartlandshipping.com
 Email: consult@hartlandshipping.com

Hartland Shipping Services Ltd, Shanghai

Tel: +86 212 028 0618
 Fax: +86 215 012 0694
 Email: snpcn@hartlandshipping.com

Hartland Shipping Services Pte. Ltd, Singapore

Tel: +65 6702 0400
 Email: chartops.sg@hartlandshipping.com

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