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POINTS OF VIEW

Georgia was on our minds this week as two Senate seats were up for grabs, and with them control of the Senate. Outgoing President Trump's attempts to pressure Georgia's secretary of state and his own vice president to intervene and overturn last November's election result was a blatant attack on representative democracy. It has widened fissures in the Republican party and it cost the GOP those two precious Senate seats creating a 50:50 split, leaving the deciding vote to Kamala Harris, Biden's deputy. Trump's clumsy and possibly illegal interventions have cost him and the Republican party dearly as they have just lost the presidency, the House and the Senate giving the Democrats the power to pass legislation without hindrance. This initially hit equity indices that dread high taxes and big spending, hallmarks of Democrats, and the opposite of Republicans. But it did not scare Beijing which arrested 53 Hong Kong politicians on Wednesday under its new security law. It used Georgia as cover and exploited the fact that the US has lost its right to lecture other nations on the abuse of political power. One US legal expert suggested that Trump's best defence against any criminal proceedings arising from his latest antics would be for him to plead insanity. Apart from litigators and men in white coats, Trump has much to fear from his loss of power and influence and his alienation of former friends and allies.* One-time friend Scotland, where he 'owns' golf courses, refused to grant him landing rights on 19 January, stopping his rumoured intention of playing golf at Turnberry during Biden's inauguration. Maybe he will play with himself at Mar-a-Lago instead.

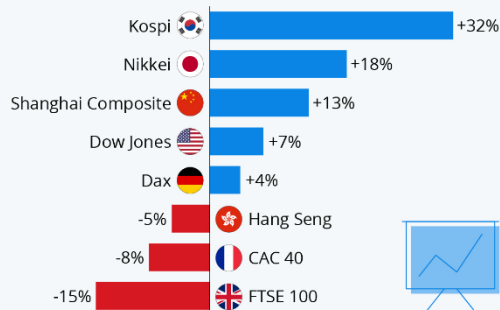
In 2020, Asian stock markets finished strongly. South Korea's Kospi led the way with a 32% year-on-year increase, followed by the Nikkei at 18% and the Shanghai Composite at 13%. These Asian countries proved to be better at containing the spread of Covid-19 and avoiding prolonged shutdowns. Despite a patchy US response to the virus, the US Dow Jones came through with a 7% gain as the government and the Fed provided strong financial support. Hong Kong's Hang Seng lost 5% as it was badly affected by the fallout and protests following the introduction of a national security law in early 2020. At the lower end of the scale was France's CAC 40 which was down 8% and the UK's FTSE 100 which lost 15%. The UK may see a strong rebound in 2021 as it narrowly avoided a 'no-deal' Brexit at the end of last year, scraping through with a thin trade deal with Europe that covers mainly goods trade. A glaring omission was services in general, and financial services in particular, which became clear when 50% of euro equity trades migrated to European exchanges when UK markets opened on Monday. The total services sector accounts for about 80% of UK GDP and, in 2018, financial services contributed almost 7% of UK economic output at £132 billion. The Trade and Cooperation Agreement only loosely covers trade in services under a framework agreement that leaves a lot to be negotiated. The UK is reliant upon a fast vaccine rollout just as it faces a new variant and a third national lockdown. This will define UK economic performance in 2021.

Shipping has generally got off to a good start in 2021, none better than LNG. Average spot rates in December rose to \$160,000 daily for a 174,000-cbm unit and to \$145,000 for a 160,000-cbm unit, the highest rates since early 2019, helped by China's ban on Australian thermal coal imports. Cold winter weather in Asia is fuelling demand for natural gas in Japan, China and South Korea with latest January spot rates for 160,000-cbm units hitting \$200,000 daily for Australia/Japan and USG/Japan round voyages and \$225,000 for US/UK rounds, according to Baltic data. The BCI-5TC closed at \$21,131 today, its best level since 15 October, while the BPI-5TC rose to its highest level in 4 months at \$14,031. The BSI-10TC now stands at \$11,322 and the BHSI-7TC at \$11,805 in a possible indication of lower net fleet supply in the smaller size segments. Crude oil tankers are having a tough time as oil trickles out of floating storage into a market of still weak demand, while clean product tankers are doing better, but still struggling. The FBX container freight index sits at 3,984 being 173% higher than its debut at 1,461 points back on 28 May, ably illustrating just how quickly freight markets can recover. A 8,500-teu intermediate can now get \$39,000 daily for 6-12m, up 140% on \$16,250 a year ago. We welcome a new US president and the chance to regain stability, civility and respect.

... Asian markets dominated in 2020 ...

How Did Stock Markets Perform in 2020?

Annual gains of selected global stock market indices (2020)



Comparison of popular indices, type of indices differ
Source: Google Finance



statista

Source : Statista

*Trump's incitement of his mob of supporters to storm and desecrate the Capitol on Wednesday was a step too far. His base's belief in electoral fraud was seeded by Trump propaganda dating back over six months when he realised he was losing in the polls. Former Republican President George W Bush called it an insurrection worthy of a banana republic.

Dry Cargo Chartering

The **BDI** closed its first week of 2021 at 1,606 points, this is up 281 points since our last report on the 18th December 2020. The **cape** market closed today at \$21,131 up \$6,188 from before Christmas. The *Golden Zhejiang* from CCL fixed to Panocean for their usual 170,000mt 10% iron ore cargo from Tubarao to Qingdao at \$15.75 pmt. A Capesize TBN rumoured to have fixed to AngloAmerican for their 170,000mt 10% iron ore from Saldanha Bay to Qingdao at approximately \$11.90 pmt. Rio Tinto fixed a couple of ore runs of 170,000mt 10% from Dampier to Qingdao at \$8.45 pmt. On time charter, the *Taurus* (179,067 dwt, 2011) fixed delivery Zhoushan for 5-7 months redelivery worldwide basis index linked 102.5% with Pacbulk.

A strong start to the year for the **panamax** market, closing play at \$14,031 up by \$1,410. In the Pacific, Klaveness fixed the *TR Infinity* (77,113-dwt, 2015) delivery CJK for a trip via West Australia to South Korea at \$11,250, while the *Ultra Leopard* (81,777-dwt, 2016) was fixed by Caravel delivery Yatsushiro for a mid-January North Pacific round trip at \$12,250. Over in the Atlantic, Cargill took the *Greek Friendship* (82,017-dwt, 2019) delivery East coast South America for a trip to the Far East at \$15,750 plus a \$575,000 ballast bonus. We also heard that Ming Wah fixed the *Kenta* (76,487-dwt, 2010) delivery Gibraltar for a trip via the US Gulf and COGH to China at \$21,000. The period fixtures continued into 2021 with Louis Dreyfus taking on the *Lorient* (82,331-dwt, 2009) delivery Haldia for 6/8 months at \$12,500 with worldwide redelivery, and it was reported that the *BTG Matterhorn* (81,060-dwt, 2016) was also fixed for 6/8 months period delivery Guangzhou on 8th January at \$12,900, again with worldwide redelivery.

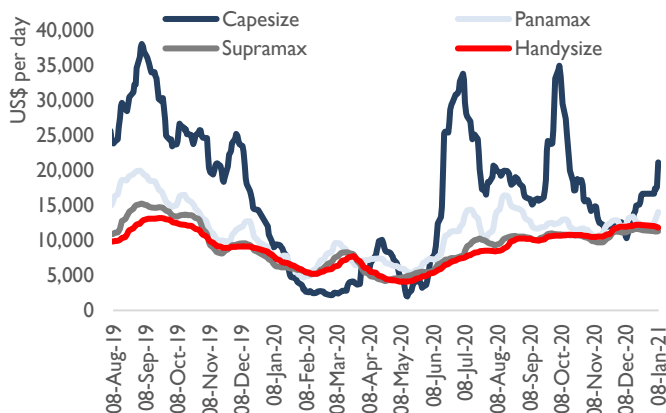
The **supramax** market began to gain ground as Pacific rates improved and more Atlantic activity surfaced. The BSI closed at \$11,322, down from the last report at \$11,631. In the Atlantic, the *Spring Cosmos*

(63,273-dwt, 2014) fixed delivery SW Pass for a trip redelivery Continent at \$22,750 by ADMI, and the *Yuaning Sea* (55,580-dwt, 2004) fixed delivery Mylaki for a prompt trip redelivery US Gulf with cement at \$9,000. In the Indian Ocean, the *Crimson Grace* (61,113-dwt, 2017) was fixed for a trip delivery East coast India for a prompt trip redelivery China with iron ore at \$14,000 by Nas Shipping, while the *Consolidator* (58,811-dwt, 2007) fixed delivery Hoedah for a prompt trip via Adabiya to East coast India with fertilizer at \$17,250. In the Pacific, the *Global Genesis* (57,338-dwt, 2010) fixed delivery Singapore for a trip via Indonesia redelivery Thailand at \$11,500, and the *Great Legend* (52,385-dwt, 2006) fixed delivery CJK for a prompt trip via Indonesia redelivery China at \$9,500 by Jus Loadship.

The **handy** rates closed today at \$11,805 down \$398 from our last report. The Atlantic market was slow in parts, notably in the Mediterranean. A 32k-dwt was fixed at 10,500 delivery Black Sea for trip to Continent, similar levels were seen for intra-Mediterranean fixtures, although there were signs the market is coming off. On the Continent, TKB booked the *SSI Providence* (38,889-dwt, 2020) open Riga for a trip to east Mediterranean with scrap cargo at \$12,500. Nova Marine fixed a 37k-dwt at \$9,500 passing Ushant via Baltic for a trip to South Brazil. It was more promising across the pond in the US Gulf, the *True Love* (38,762-dwt, 2015) fixed delivery Brownsville in mid-January for 3/5 months redelivery Atlantic at \$12,500 with Trithorn. The East coast of South America market softened this week, but it was reported the *Minneapolis Miyu* (38,209-dwt, 2020) was fixed delivery Santos for a trip to Morocco at \$12,450 by Oceana Bulk. In the East, it was rumoured that a 38k-dwt Chinese built vessel fixed delivery Zhoushan for a trip to the US Gulf at \$5,000 plus escalation, while a 35k-dwt vessel was linked with a trip with fertilisers to West coast Central America at \$8,500.

Representative Dry Cargo Market Fixtures

| Vessel | DWT | Built | Delivery | Date | Redelivery | Rate (\$) | Charterers | Comment |
|----------------|--------|-------|----------------------|-----------|-----------------|-----------|-----------------------|-----------------------|
| Piet | 93,200 | 2011 | KaohSiung | 25 Dec | Taiwan | \$11,500 | Taho | Via East Australia |
| Sasebo Glory | 85,020 | 2016 | APS EC South America | 23/25 Jan | Indonesia | \$16,400 | CJ Intl | Plus \$640,000 bb |
| Ultra Leopard | 81,777 | 2016 | Yatsushiro | 13/15 Jan | Singapore-Japan | \$12,250 | Caravel | Via NoPAC |
| Wen Zhu Hai | 76,611 | 2008 | Rotterdam | 4 Jan | Malaysia | \$22,500 | Itiro | Via Ust-Luga Int Coal |
| GNG Concord I | 75,397 | 2012 | Retro Cartagena | 29 Dec | Skaw-Gibraltar | \$13,500 | Bunge | Via US Gulf |
| Port Shanghai | 58,747 | 2012 | Cristobal | PPT | Singapore-Japan | \$20,000 | Western Bulk Carriers | |
| Fortune Tiger | 58,700 | 2013 | New Orleans | 6-10 Jan | Morocco | \$22,000 | ADMI | Int Grains |
| Global Genesis | 57,388 | 2010 | Singapore | 8 Jan | Thailand | \$11,500 | CNR | Via Indonesia |
| Suzanna D | 37,205 | 2012 | Montoir | PPT | South Brazil | \$9,500 | NMC | Via Baltic Int Grain |
| ASL Leban | 37,000 | 2014 | Rouen | PPT | Morocco | \$11,400 | Norden | Int Grain |



| Exchange Rates | This week | 28 th Dec 2020 |
|----------------|-----------|---------------------------|
| JPY/USD | 103.86 | 103.33 |
| USD/EUR | 1.2247 | 1.2244 |

| Brent Oil Price | This week | 28 th Dec 2020 |
|-----------------|-----------|---------------------------|
| US\$/barrel | 55.29 | 52.11 |

| Bunker Prices (\$/tonne) | This week | 28 th Dec 2020 |
|--------------------------|-----------|---------------------------|
| Singapore IFO | 345.0 | 325.0 |
| VLSFO | 433.0 | 400.0 |
| Rotterdam IFO | 320.0 | 301.0 |
| VLSFO | 399.0 | 380.0 |

08 January 2021

Dry Bulk S&P

The momentum from the end of 2020 has continued in 2021. Prices are beginning to trot up on the back of a respectable freight market but cannot yet be said to have broken into a full gallop. Values are still restrained by a lack of both finance and, after several less than bountiful years, cash. Those with cash are able to pick up assets with the best cashflow-to-price ratios seen in several years.

Two capesize sales this week illustrate an improving market. *Unique Carrier* (177,876-dwt, 2007 SWS) is reported at mid to high 11s, while the BWTS and scrubber fitted *Cape Istanbul* (175,607-dwt, 2011 Hanjin) is sold at \$19m.

For the kamsarmaxes, the modern Chinese-built *CYL* (81,212-dwt, 2017 Jinling) is sold at \$20.6m while the modern Japanese built *Sakizaya Noble* (80,982-dwt, 2017 JMU) is sold for \$25.5m. The older *YM Effort* (81,702-dwt, 2008 Mitsui) and *Coral Sapphire* (76,627-dwt, 2006 Sasebo) are reported sold for \$11.5m and \$8.0m respectively – the latter with surveys due in April.

In the Ultra/Supra sector, the eco *Amstel Osprey* (61,330-dwt, 2014 Iwagi) has achieved a stronger \$16.3m. Chinese buyers continue to bid up Tier II supramaxes. *Glovis Madonna* (56,708-dwt, 2013 Xingang) and *Port Canton* (56,745-dwt, 2012 COSCO Zhoushan) are sold at improved levels - \$9.75m and \$9.0m respectively. The older, smaller *Ero L* (50,457-dwt, 2003 Jiangnan) achieved something in the low-mid 5s.

Finally in the handysize sector a third large Japanese built unit has been sold within a month. *Sakura Ocean* (38,239-dwt, 2011 Imabari) registered a solid rise in value with a reported price of \$11.0m with surveys due. Finally *Atlantic Rainbow* (28,368-dwt, 2014 Rainbow) pushes up the benchmarks at \$8.0m.

Reported Dry Bulk Sales

| Vessel | DWT | Built | Yard | Gear | Buyer | Price | Comment |
|------------------|---------|-------|-----------------|----------|---------------------|----------|--|
| Unique Carrier | 177,876 | 2007 | SWS | Gearless | Berge Bulk | \$11.75m | |
| Cape Istanbul | 175,607 | 2011 | Hanjin | Gearless | undisclosed | \$19.00m | DD passed, BWTS passed & Scrubber fitted |
| CYL | 81,212 | 2017 | Jiangsu Jinling | Gearless | Transocean | \$20.60m | |
| YM Effort | 81,702 | 2008 | Mitsui | Gearless | undisclosed | \$11.50m | |
| Sakizaya Noble | 80,982 | 2017 | JMU | Gearless | Chronos | \$25.50m | BWTS fitted |
| Coral Sapphire | 76,627 | 2006 | Sasebo | Gearless | undisclosed | \$8.00m | SS/DD due 04/21 |
| Amstel Seagull | 61,268 | 2015 | Iwagi Zosen | C 4x31T | Hadley Shipping, UK | - | SS/DD passed, BWTS fitted |
| Amstel Osprey | 61,330 | 2014 | Iwagi Zosen | C 4x31T | undisclosed | \$16.30m | SS/DD passed, BWTS fitted |
| Glovis Madonna | 56,708 | 2013 | Tianjin Xingang | C 4x35T | Chinese | \$9.75m | DD due & BWTS fitted |
| Port Canton | 56,745 | 2012 | COSCO Zhoushan | C 4x30T | Chinese | \$9.75m | Tier II |
| Ero L | 50,457 | 2003 | Jiangnan | C 4x36T | Chinese | \$5.25m | |
| Sakura Ocean | 38,239 | 2011 | Imabari | C 4x31T | Greek | \$11.00m | SS/DD due 06/21 & BWTS fitted |
| Atlantic Rainbow | 28,368 | 2014 | Imabari | C 4x31T | Europeans | \$8.00m | |

Tanker Commentary

Experienced name in shipping Peter Georgiopoulos, has propelled himself out of semi retirement and formed United Overseas Group (UOG). In an opening gambit, UOG have acquired the United Arab Chemical Carriers (UACC). The acquisition of not just of the fleet, but of the entire company is expected to complete by the end of Q1. The specifics of the deal have not yet come to light, however it is estimated that the 20 vessel strong fleet of chemical tankers is worth around \$345m.

The activity in the VLCC segment this week continues to show a slight softening in values. The *Tsurumi* (300,610-dwt, 2003 IHI, SS-09/21, DD-07/21) invited offers this week and we have heard that she is now committed to Chinese buyers for \$24.60m. This is a slight discount when compared to the Pantheon controlled *Sea Lion* (318,778-dwt, 2003 Hyundai Samho, SS-04/23, DD-06/21) which fixed and failed at \$27m then sold in December for \$25.5m. Some of the difference in value could be attributed to the survey positions and slightly larger deadweight. The *Pantariste* (309,287-dwt, 2002 Samsung HI, SS/DD due 12/21) fixed and failed to Vietnamese interests before Christmas and is now reported sold for xs \$23m.

The closest comparable sale is the ex-Yinson controlled *Eagle* (309,064k-dwt, 2002 Samsung HI, SS/DD due 10/21), which was reported sold for \$25m at the beginning of December.

The handy tanker market has been very illiquid over the last 9 months, a reflection of very insipid earnings and a long anticipated correction in values which now appears to have arrived. The *Nordic Hanne* (38,396, 2007 GSI) has been sold for \$7.8m. Despite the distressed nature of the transaction, the sale is a new benchmark having initially been marketed for sale in May 2020 with a price tag of \$9m.

Reported Tanker Sales

| Vessel | DWT | Built | Yard | Buyer | Price | Comment |
|-----------------|---------|-------|-------------|-------------|----------|-----------------------------|
| Pantariste | 309,287 | 2002 | Samsung | undisclosed | \$23.00m | |
| Tsurumi | 300,610 | 2003 | IHI | Chinese | \$24.60m | SS due 09/21 & DD due 07/21 |
| Stavanger Eagle | 105,355 | 2009 | Sumitomo HI | undisclosed | \$18.10m | |
| Amalfi | 105,483 | 2003 | Sumitomo | undisclosed | \$11.50m | |
| Nordic Hanne | 38,396 | 2007 | GSI | undisclosed | \$7.80m | DD passed |

Demolition Sales

| Vessel | DWT | Built | Yard | Type | LDT | \$/LDT | Destination |
|----------|--------|-------|------------------------|--------|-----------|--------|-------------|
| Carol HK | 77,549 | 1991 | Daewoo | Bulker | 13,238.30 | 478 | Bangladesh |
| Berni HK | 77,548 | 1991 | Daewoo | Bulker | 13,238.30 | 478 | Bangladesh |
| Jian Hui | 44,124 | 1997 | Ishikawajima Harima HI | Bulker | 7,586 | 470 | Bangladesh |

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