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POINTS OF VIEW

Stock markets rallied in the first half of this week, and sold off in the second half, initially siding with the view that higher bond yields and rising equity prices can both find support in an economic recovery. The dollar is higher, base and precious metals are lower and the rotation from growth to value stocks continues. Tech shares are being traded in for shares with tangible assets. Higher inflation can be tolerated, and need not surge above 2%, as there is still slack in the economy from high levels of unemployment, but risks may lie in failing smaller companies. Labour is not strong enough to make wage demands, but the supply side is weakened by business closures, and by firms that are only just hanging on, being beneficiaries of direct government support.* Any post-lockdown pent-up surge in consumer spending on goods and services may be met by an inability to produce the goods and supply the services that are demanded, squeezing up prices in the process. This would not be dissimilar to the position we currently find ourselves in dry bulk and container shipping. On the dry bulk side, global demand for grains and oilseeds is testing the market's ability to supply after weather in growing areas has been variously too hot, dry, cold or wet. Some exporting countries have imposed export duties to protect their domestic markets. Iron ore demand and prices remain strong and yet Brazil, the largest supplier, has suffered temporary production problems linked to bad weather, regulatory checks and coronavirus. Copper demand is high and yet its supply is constrained by labour strikes and royalty disputes around the world. Even thermal and coking coal are in big demand despite political and environmental moves to restrict imports and usage.

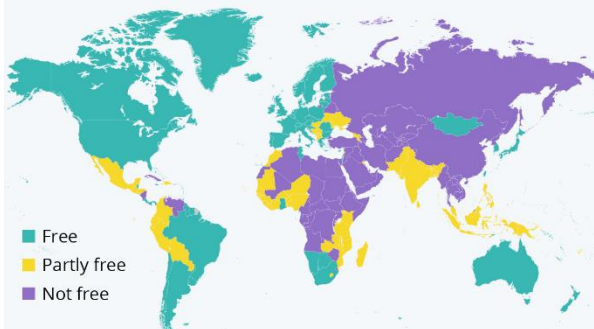
... Not so Free ...

The geared ultramax and handy sizes are the most favoured having the lowest segmental fleet growth while also having the highest correlation to global GDP growth via their participation in the expansionary minor bulk trades. This is borne out in average earnings data as provided by the Baltic. Today, the supramax index (BSI-10TC) stands at \$21,089 daily, up over 2% WoW[^] and 2.8-times its \$7,564 reading of a year ago. The handysize index (BHSI-7TC) is at \$20,357 daily, up almost 6% WoW and 3.2-times its \$6,292 reading of a year ago. The kamsarmax index (BPI-5TC) is not far behind the handysize bulkers at \$20,165 daily today, up almost 5% WoW and 2.1-times higher than its \$9,610 reading of a year ago. The capesize index (BCI-5TC) is the worst performing dry cargo segment today, but the best YoY[^] improver, only because things were truly awful in Q1 of 2020. It today stands at \$14,794 daily, up 24% WoW and 5.8-times higher than the abysmal \$2,542 reading of 12 months ago. All of these segmental indices are up on yesterday making for a good end to the week. Examples of period charters include the Great Tang 180,247 / 2011 taken by Olam for 12 months basis delivery China end March for \$20,000 per day and the Samos Warrior 80,415 / 2011 fixed by Pacific Bulk for 6 months basis prompt delivery China for \$16,500 daily. In the smaller supramax segment, the Star Hercules 56,546 / 2012 was fixed for a short 3-5 month period basis prompt delivery Indonesia for \$20,100 per day, charterer unknown.

The container sector sees itself caught by surprise at the speed and extent of the demand recovery, complicated by logistical issues and port congestion. Blanked sailings on Transpacific and Asia-Europe are being re-instated and available ships are being chartered on longer durations at 3-4 times the rates of last June and July. At the end of last week, the latest available CRS data, a 2,750-teu unit was earning \$21,750 per day for 6-12 months time charter, that being 3-times its 2020 low of \$7,250 in early July. Meanwhile, an 8,500-teu intermediate size was assessed at \$44,000 daily which is 3.8-times its 2020 low of \$11,500 in mid June. As far as container freight rates are concerned, the Baltic's FBX weighted index stood at 4,060 points yesterday, down 6% week-on-week but 3-times higher than its 1,347 point reading of a year ago. One week ago, the FBX rate for China-USWC was at \$4,922 per FEU, its highest level in 12 months, only to fall by almost 15% to \$4,197 yesterday, its largest weekly drop since the start of the pandemic. Today, it bounced back over 12% to \$4,709 per FEU, clearly not ready to throw in the towel. There was a dip in Asia-Europe rates as well but they remain at over 5-times their levels of a year ago, with the prospect of high rates to mid-2021. A taste of things to come?

The State Of Freedom In The World

Countries assessed for freedom levels in 2020*



* 195 countries and 15 territories were rated for access to political rights and civil liberties.

Source: Freedom House



statista

Source : Statista

*Will furloughed jobs come back once the payments end, and can businesses survive once the loans and grants are terminated?

[^]WoW: week on week, today's reading compared with 7 days ago.
[^]YoY: year on year, today's reading compared with 365 days ago.

Dry Cargo Chartering

The **BDI** rose by 154 points from last week to close at 1,829.

The **cape** market climbed \$2,860 from last week to close the indices today at \$14,794. ETCP took a couple of TBN 170,000mt 10% ore stems on the usual Turbaro to Qingdao run at \$16.50 pmt. An Oldendorff Newcastlemax fixed by COFCO for their 185,000mt ore 10% stem for the same route was heard to be fixed at \$15.80 pmt. Another Newcastlemax from Koch fixed to Chalco from Kamsar back to China with bauxite at approximately \$16.50 pmt. Welhunt fixed a TBN 130,000mt 10% from Abbot Point to Hon Mieu + Campha at \$12.00 pmt. On time charter, the *Great Tang* (180,247-dwt, 2011) fixed delivery China for 10/13 months redelivery worldwide at \$20,000 with Olam, while the *Irene II* (180,184-dwt, 2006) fixed delivery Dangjin for a period of 3/5 months redelivery Singapore-Japan range at \$13,500 with Panocean.

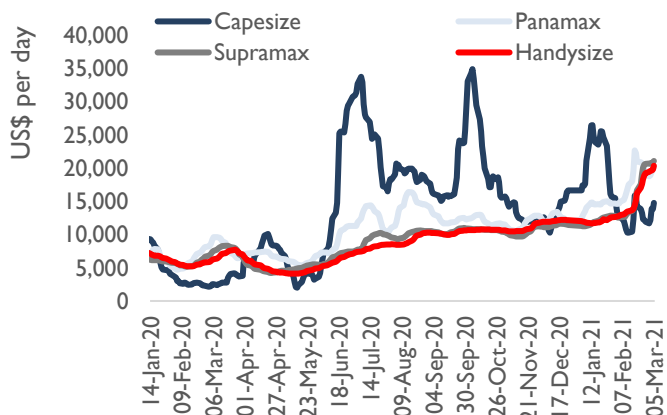
The **panamax** market continued to perform well this week with play closing at \$20,165, up from last week's \$19,256. In the Atlantic, it was reported that the *Nord Polaris* (81,781-dwt, 2016) was fixed by Cofco delivery US Gulf for a trip East at a highly impressive £20,000 plus a ballast bonus of \$1m. Meanwhile, we also heard that the *NBA Magritte* (82,099-dwt, 2013) was fixed delivery Liverpool for 2 laden legs redelivery Skaw-Gibraltar range at \$19,000 by Bunge. Over in the Indian Ocean, the *JY Lake* (81,200-dwt, 2019) fixed delivery Haldia for a trip with iron ore via East coast India to China at \$32,500, while in the Pacific Cofco also fixed the *Darya Shanti* (82,028-dwt, 2016) for a NoPac round voyage at \$21,000. Interest in period tonnage was sustained this week and saw rates climb even further. Louis Dreyfus took on the *Magic Venus* (83,416-dwt, 2010) delivery Manila for 5/7 months at \$18,500, while the *Samos Warrior* (80,415-dwt, 2011) was reported fixed delivery Qingdao for a minimum of 5 to about 7 months at \$16,500. Both of these fixtures were with worldwide redelivery.

A strong week for the **supra** market, numbers are still firm and have seen an increase from last week in all trade routes. The BSI closed at \$21,089, up from last week's \$20,530. In the Atlantic, the *New London Eagle* (63,140-dwt, 2015) has been fixed for a trip with sugar delivery Santos to Prai at \$20,500 plus a \$1,050,000 ballast bonus, while the *Desert Victory* (57,434-dwt, 2011) fixed for a trip from the US Gulf to Spain at a huge \$36,000. In the Indian Ocean, the *Rigi Venture* (63,500-dwt, 2014) was fixed for a trip from Chittagong to China via East coast India at \$34,000. Also, the *Lucky Source* (53,411-dwt, 2006) has been fixed for a trip delivery Porbander to Bangladesh at \$28,000. In the Pacific, rates shot up later in the week after a quieter start due to the Korean national holiday. The *Jia Run* (56,774-dwt, 2010) was fixed for a prompt trip from Qinzhou to Chittagong at \$19,250, and the *Yan Dun Jiao I* (50,077-dwt, 2001) was fixed for a bulk cement run from Beihai to Philippines at \$23,000.

The **BHSI** continued to ascend with the indices gaining \$1,103 from last week, closing today at \$20,357, although there were signs in parts it is weakening. Sentiment in the Atlantic market is cooling a little despite some strong rates. Navitramp fixed a 32,000-dwt delivery Oran for a trip via A-R-A-G to Morocco at \$22,000. The *Weco Laura* (38,575-dwt, 2020) fixed delivery Antwerp for a prompt trip redelivery East coast South America with fertilizer at approximately \$21,000. It was heard the *Izumo Hermes* (37,301-dwt, 2020) fixed delivery East Mediterranean via Black Sea to China at \$35,000. Another 34,000-dwt was fixed Black Sea to US Gulf at low-mid \$19,000's. Remarkable rates persisted in East coast South America, but here too there were indications that pace may be slowing slightly. Rumours linked the *SE Nicky* (37,717-dwt, 2018) with a trip delivery Vila do Conde to Norway at \$29,000. It was also reported that the *Eastern Hawk* (37,520-dwt, 2020) fixed delivery Red Sea for a trip to S.E. Asia again at \$29,000. Over in the Pacific, we heard that a 38,000-dwt fixed delivery Japan for a steels trip via CIS to Vietnam at \$20,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
H S C	173,799	2006	CJK	1 Mar	Singapore-Japan	\$10,000	Zhejiang Shipping	Via Pacific
Flag Hope	93,242	2011	Yantai	5/6 Mar	Singapore-Japan	\$20,000	Refined Success	Via WC Australia
NBA Magritte	82,099	2013	Liverpool	PPT	Skaw-Gibraltar	\$19,000	Bunge	2 Laden Legs
Bahri Trader	81,855	2014	Aps Us Gulf	5/10 Apr	Singapore-Japan	\$20,500	CNR	Plus \$1.05 Million bb
Star Emily	76,417	2004	Aps NC South America	11/12 Mar	Skaw-Gibraltar	\$27,000	Admi	
New London Eagle	63,140	2015	Santos	5/7 Mar	Prai	\$20,500	Raffles	Plus \$1.05 Million bb
Ivy Alliance	55,886	2011	CJK	PPT	China	\$17,500	CNR	Via Indonesia
Yan Dun Jiao I	50,077	2001	Beihai	1 Mar	Philippines	\$23,000	CNR	Int Cement
Weco Laura	38,575	2020	Antwerp	PPT	EC South America	\$21,000	CNR	Int Ferts
Ishizuchi Star	37,637	2017	Dakar	PPT	Norway	\$22,000	MUR	Via Vila do Conde Int Alumina



Exchange Rates	This week	Last week
JPY/USD	108.23	105.45
USD/EUR	0.8392	1.2126

Brent Oil Price	This week	Last week
US\$/barrel	68.95	66.19

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	402.0	396.0
VLSFO	510.0	528.0
Rotterdam IFO	395.0	394.0
VLSFO	495.0	494.0

05 March 2021

Dry Bulk S&P

Bolstered by a rising period market, confidence continues to build in the secondhand market. Buyers are having to move quickly on tonnage that flickers briefly in the market and is gone.

The focus this week is firmly on the supramax sector. Values here have risen some 25% since the start of the year but still look undervalued against the period rates on offer. As it stands ten year old unit values have only recovered to 2019/20 levels. It was mooted last week that the sisters *Winning Bright* and *Winning Angel* (abt 58,750-dwt, 2012 NACKS) would be sold in the mid 13s. We understand they are now sold for \$14.5m each.

At the start of the week we heard *Fortune Bird* (55,610-dwt, 2010 Mitsui) with surveys passed was sold at \$12.6m. A couple of days later her year younger sister *Mykali* (56,132-dwt, 2011 Mitsui) achieved a stronger \$13.85m, despite having surveys due. We understand *Luminous Nova* (56,103-dwt, 2013 Mitsui) was motoring to a deal in the low 14's, until Great Eastern stepped in at \$15m.

Buckle-up, we are likely to be travelling quickly in the coming months.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Robin Wind	78,228	2013	Shin Kurushima	Gearless	undisclosed	\$18.00m	SS/DD passed
Winning Bright	58,756	2012	NACKS	C 4x31T	AM Nomikos	\$29.00m enbloc	SS/DD passed
Winning Angel	58,799						
Mykali	56,132	2011	Mitsui	C 4x30T	Chinese	\$13.85m	SS/DD due 2H 21
Luminous Nova	56,103	2013	Mitsui	C 4x30T	GESCO	\$15.00m	
Fortune Bird	55,640	2010	Mitsui	C 4x30T	Far Eastern	\$12.60m	Still on subs, BWTS fitted & SS/DD passed
Avra	53,806	2004	New Century	C 4x40T	Jinhui	\$7.27m	
Alam Sejahtera	33,297	2016	Shin Kochi	C 4x31T	Greek	\$14.25m	SS/DD due 05/21

Tanker Commentary

The market continues last week's theme of tentative optimism.

Values in the crude segment continue to cautiously rise. MISC's *Bunga Kasturi Empat* (300,325-dwt, 2007 Universal) and *Bunga Kasturi Enam* (299,319-dwt, 2007 Universal) have sold for \$34m and \$35m respectively. By comparison last October her 2006 built sister, *Bunga Kasturi Tiga* (300,398-dwt, 2006 Universal) sold for \$32.5m. The Tsakos owned, *Silia T* (164,286-dwt, 2002 Samho) has been sold for \$15.5m to Russian buyers. The last similar done was the one year younger, *Nell Jacob* (159,999-dwt, 2003 Samsung HI) which was reported sold in February for \$15.7m. – although she had a drydock survey due in June.

This week two Korean built MR's have changed hands. *MR Pat Brown*

(50,096-dwt, 2009 SPP, BWTS fitted, SS – 07/22, DD – 02/24) has sold for low \$14m. Another unit from the Xihe fleet is sold. *Ocean Mercury* (50,353-dwt, 2008 SLS, epoxy, SS – 08/23, DD – 08/21) which has sold for somewhere in the low \$10m region.

In the handy tanker segment, Norden have sold the *Nord Bell* (38,431-dwt, 2007 GSI, SS/DD due 04/22) for \$8.4m to German buyers - a step up from last week's sale of the *Nordic Pia* (38,396-dwt, 2006 GSI, SS/DD due 08/21) which went for \$7m.

The deal of the week consists of a bloc of eight MRs from Team Tankers to Danish compatriots Torm for \$82.5m and 5.97m shares.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Bunga Kasturi Empat	300,325	2007			\$34.00m	
Bunga Kasturi Enam	299,319	2008	Universal	undisclosed	\$35.00m	
Silia T	164,286	2002	Samho	Russian	\$15.50m	
Marvin Star	157,985	2009	Hyundai HI	Vietnamese	\$23.50m	
Koro Sea	105,905		Namura			
Nectar Sea	105,370	2008	Sumitomo	undisclosed	\$32.50 enbloc	
MR Pat Brown	50,096	2009	SPP	undisclosed	\$14.25m	
Team Amorina	46,184					
Team Allegro	46,184					
Team Corrido	46,156					Corrido – SS/DD due 06/21
Team Leader	46,070	2012 / 12 / 11 / 10 /	Brodotrogir	Torm	Cash share deal	Discoverer – DD due 07/21
Team Cavatina	46,067	09 / 08 / 08 / 07				Voyager – DD due 04/21
Team Voyager	46,017					Adventurer – DD due 10/21
Team Discoverer	45,979					
Team Adventurer	45,966					
Nord Bell	38,431	2007	GSI	undisclosed	-	SS/DD due 04/22

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Power Loong	69,618	1992	Tsuneishi	BULK	9,750	440.00	Pakistan
Victoriya	41,420	1995	Varna	BULK	9,870	460.00	Pakistan
MR Nautilus	43,538	1998	Uljanik	TANK	10,650	465.00	-
Formosa Eight	35,621	1996	Shin Kurushima	TANK	7,337	-	-

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