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### POINTS OF VIEW

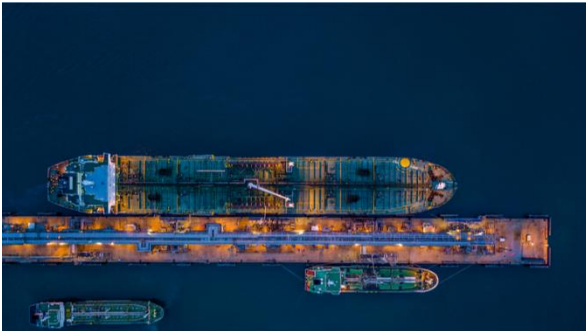
Tankers continue to endure difficult market conditions although, after a tough Q1, there are glimmers of better earnings as we move into Q2. 2020 was a game of two distinct halves for tankers with the first half being bountiful and second half being akin to a drought. The collapse in oil prices in 1H20, caused by Covid-related declining demand, led to strong end-user purchasing for storage and future consumption. Once onshore storage tanks were filled, floating storage came into play with mostly crude oil stored east of Suez and mostly refined products stored west of Suez. It was totally anticipated that emerging from lockdowns in 2H20 would revive oil demand, push oil prices higher and lead to drawdown of cheaper oil held ashore and afloat. It made for a good first but poor second half. Furthermore, at this time last year we were not anticipating going into serial lockdowns that would drain demand for transportation fuels – such as gasoline, diesel and jet – for everything from cars and trucks to trains and planes. Such fuels represent about 60% of oil demand with the EIA forecasting US gasoline consumption to average 8.6m-bpd in 2021 after 8.0m-bpd in 2020 and 9.3m-bpd in 2019.

At the macro level, the IEA estimates that global oil demand fell from around 100m-bpd in 2019 to about 91.5m-bpd in 2020 and is forecast to recover to about 97m-bpd this year, still 3% below 2019 levels. Also, on a more micro level, the EIA forecasts OPEC crude production to rise from 25.1m in 1Q21 to 25.8m-bpd in 2Q21 and to 27.9m-bpd in 2H21, so the real ramp-up happens in the second half. Also on a micro level, Lloyds List Intelligence assesses that MEG clean and dirty exports fell 9% year-on-year in 1Q21 falling from 19.3m-bpd to 17.6m-bpd. Today, with Brent above \$60, destocking continues and OPEC+ now plans to introduce an extra 2m-bpd in the May-July period, with Saudi Arabia expected to supply about half of this, contributing to the trend of improving tanker rates. Demand recovery is proving to be somewhat patchy as parts of the world go back into lockdowns, and vaccination rollout and takeup also prove to be inconsistent, with there being a pressing need to help developing countries level up.

Tanker supply still looks benign despite a recent flurry of VLCC orders. 2023 delivery is said to be closed for VLCCs after an ordering spree of 15,000-teu and larger box ships which compete for the same dock space. In absolute terms, on an annualised basis, the total tanker orderbook of 54.26m-dwt in 2020 was last lower than this in 2001, when it was at 50.92m-dwt. The 2020 OB/FL ratio for all tankers fell to an historic low of just 8.7% which bodes well as oil demand recovers and returns to trend growth. Despite tanker scrap prices of \$460+, tanker demolition has been disappointing. A pick-up in March saw 1Q21 tanker scrapping come in at 29/1.98m-dwt after 17/2.00m-dwt in 4Q20. In the previous three quarters of 2020 only 32/1.70m-dwt was dispatched. The ISC scrapyards are being hampered by Covid lockdowns while also being outbid by shady buyers in sunny places. Large crude tankers are being bought for further trading, to be deployed in subterfuge trades involving Iranian and Venezuelan oil. US rapprochement with Iran may lead to the NITC fleet becoming more visibly active but, in reality, it is already fully employed in storage and discreet deliveries to Asian buyers. If Biden does a deal then the subterfuge trades will die and those tankers will head for the beaches.

How have tankers done in average earnings after five quarters of Covid, going backwards from 1Q21 to 1Q20? VLCC: \$11,714 - \$20,251 - \$27,946 - \$92,535 - \$91,441. Suez: \$11,654 - \$8,662 - \$14,274 - \$48,915 - \$58,083. Afra: \$13,633 - \$8,037 - \$10,881 - \$34,365 - \$44,800. MR: \$9,767 - \$8,994 - \$11,448 - \$28,586 - \$22,384. The last three poor quarters have impacted heavily on values and this is how 5-year old values have changed between the start of 2020 and the end of 1Q21. VLCC: \$75.5/66.0m (-12.6%). Suez: \$52.8/44.2m (-16.3%). Afra: \$40.2/35.3m (-12.2%). MR: \$29.6/26.7m (-9.8%). They are still well down but actually bottomed out in Q1 and are now on the rebound. Much is anticipated of tankers over the next few years, but they still have a long way to go just to recover to pre-pandemic levels. Then, once unshackled from the dark deprivations of Covid-19, they will be free to enjoy an exuberant return to life, just like the rest of us.

... Tankers : Down, but not Out ...



Source : Lloyds List

## Dry Cargo Chartering

The **BDI** closed today at 2,085 down 633 points from last week.

Since our last report, the **cape** market has improved somewhat, climbing to close the week at \$23,911. BHP and Rio Tinto both fixed mid-April Western Australia-Qingdao iron ore cargoes with the former fixing 170,000 mtons 10% out of Port Hedland at \$8.90 pmt, and the latter also fixing 170,000 mtons 10% out of Dampier at \$10.15 pmt. On timecharter, Panocean fixed the *Lake Dolphin* (179,418-dwt, 2011) delivery Mailiao for a trip via Australia to Singapore-Japan at \$27,000. Several period fixtures were also concluded including Swissmarine taking on the *Navios Bonavis* (180,022-dwt, 2009) delivery CJK for 5/7 months redelivery worldwide for an index linked rate of 103.5% 5TC, and the *Stella Alice* (180,157-dwt, 2010) being fixed by Rio Tinto for 12/16 months delivery China redelivery worldwide at \$20,650.

The **panamax** market has taken a significant dip in the past fortnight as part of a wider softening of sentiment. Markets closed today at \$18,026, down \$7,421 since last reported on 26<sup>th</sup> March. In the Pacific, Woohyun fixed the *Maple Rising* (91,443-dwt, 2003) delivery Qingdao for a trip via Vanino to China at \$28,000, while Norden fixed the *Lucky Sunday* (80,372-dwt, 2009) delivery Son Duong for a trip via Indonesia to India at \$22,000. In the Indian ocean, the *Transcenden Bright* (81,574-dwt, 2018) fixed retro-sailing Haldia to East coast South America redelivery in the Far East at \$23,500. Meanwhile in the Atlantic, Cargill took on the *Alexandria* (82,852-dwt, 2012) delivery Amsterdam for a trip via Murmansk and Civitavecchia redelivery Gibraltar at \$19,000, and Oldendorff fixed the *Key Future* (82,099-dwt, 2012) delivery Bilbao for a trip with coal via the US East coast to India at \$30,000. Additionally, Uniper fixed the *Scorpio relet Trans Africa* (81,270-dwt, 2017) for 80,000 mtons 10% coal from Baltimore to the Continent at \$12.50 pmt.

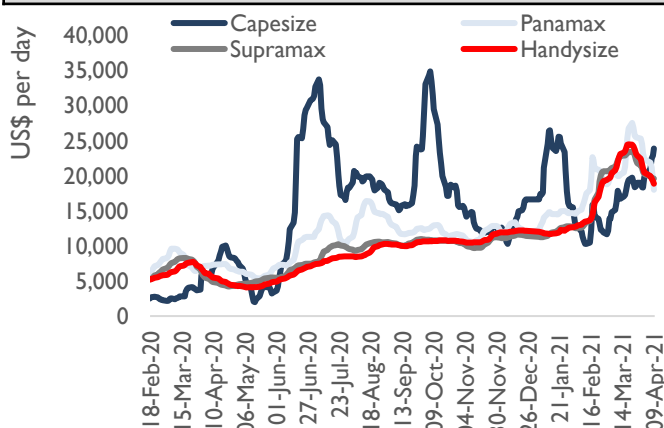
A sluggish week for the **supra** market. Rates are slowly slackening and the trend is continuing to move downwards. The BSI closed at \$19,584 down from last week's \$20,241.

In the Atlantic, the *Arizona* (56,969-dwt, 2010) was fixed for a prompt trip from Recalada to the Philippines with grains at \$16,500 inclusive with a \$650,000 ballast bonus. Also, the *CS Sonoma* (56,704-Dwt, 2010) was rumoured to have been fixed from East Coast South America for a transatlantic trip at \$17,000. In the Indian Ocean, *Anna Dorothea* (55,646-dwt, 2008) has been fixed for a trip from Haldia to china at \$24,500. Another was the *Magnum Energy* (53,628-dwt, 2009) that was fixed iron ore trip delivery Chittagong to China via East Coast India at \$16,000. In the Pacific, the *Union Glory* (55,055-dwt, 2010) was fixed for a trip from Surabaya to China via Indonesia At \$25,000. While the *Lowland Beacon* (61,400-dwt, 2011) was fixed from CJK to Singapore-Japan range via Australia at \$22,000.

The **BHSI** closed this week at \$18,885 dropping \$4,008 since last week. The market continued to soften across all loading zones in the Atlantic, despite a number of fresh cargoes. The Continent & Mediterranean equally suffered an oversupply of tonnage with a number of spot ships being caught short. In the Black sea, the *Mercurius* (34,537-dwt, 2010) fixed basis delivery Poti for a trip redelivery Morocco at \$16,500 with Norden. It was reported a 35,000-dwt fixed delivery Greece for a trip to Italy at \$14,500. The *Nordic Skagen* (33,741-dwt, 2013) fixed delivery Canakkale for a prompt trip via Black Sea redelivery US Gulf with steels at \$16,500 to BAI. Across the pond, the *Lady Deniz* (28,742-dwt, 2009) fixed delivery South-West Pass for trans-Atlantic trip redelivery Turkey with grains at \$11,000 to Oldendorff. It was reported a 31,000-dwt open Vera Cruz spot was fixed and failed basis delivery Rocky Point redelivery Rotterdam with Alumina \$10,000 to Wecco Bulk. In the East, the *Seiyo Harmony* (32,379-dwt, 2003) open Busan was rumoured to have fixed via CIS redelivery Far East at low \$20,000's. A 33,000-dwt open in China fixed \$19,000 DOP for a trip via CIS to China with Coal. The *AC Amity* (32,752 dwt, 2013) fixed Nantong for a trip via CIS redelivery Philippines with Steels at \$17500 to East Asia Holly. Little reported period activity.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
KSL Sakura	181,062	2015	Cape of Good Hope	PPT	Japan	\$23,500	NYK	Via Ponta Ubu Plus 1.1 Million bb
Stella Naomi	181,031	2016	Huanghua	PPT-6 Apr	Singapore-Japan	\$28,500	Panocean	Via West Australia
Alexandria	82,852	2012	Amsterdam	2 Apr	Gibraltar	\$19,000	Cargill	Via Murmansk & Civitavecchia
Bahia Blanca	81,818	2017	APS US Gulf	Beg Apr	Singapore-Japan	\$20,000	CNR	Plus \$1.1 Million bb
Coral Ruby	75,596	2008	Shenzhen	PPT	South China	\$23,000	China Fancy	Via Indonesia
Lowland Beacon	61,400	2011	CJK	8/10 Apr	Singapore-Japan	\$22,000	CNR	Via Australia
Arizona	56,969	2010	Recalada	PPT	Philippines	\$16,500	LDC	Int Grains Plus \$650,000 bb
Antigoni B	56,928	2011	Brake	PPT	US Gulf	\$17,000	Genco	Int Scrap
AC Amity	32,752	2013	Nantong	PPT	Philippines	\$17,500	East Asia Holly	Int Steels Via CIS
SFL Clyde	31,639	2012	Bahia Blanca	12/13 Apr	Brazil	\$16,500	Clipper	



Exchange Rates	This week	26 <sup>th</sup> March
JPY/USD	109.68	109.74
USD/EUR	0.8410	0.8489

Brent Oil Price	This week	26 <sup>th</sup> March
US\$/barrel	62.91	63.72

Bunker Prices (\$/tonne)	This week	26 <sup>th</sup> March
Singapore IFO	365.0	373.0
VLSFO	481.0	477.0
Rotterdam IFO	355.0	360.0
VLSFO	452.0	450.0

9 April 2021

### Dry Bulk S&P

The market is a little less frenetic after the Easter holidays and note the list below represents two weeks' worth of sales. After a month where values have accelerated away it would be understandable if market participants wanted to stand back and let the smoke clear a bit. Corrections in the physical and paper markets have given some buyers pause for thought, but as of yet there are no signs of sellers folding. The new levels obtainable are drawing new sales candidates into the market and the shelves are slowly being restocked.

Two capsizes sales demonstrate further gains in values. *Linda Dream* (180,180-dwt, Imabari 2007) and *Cape Ray* (177,853-dwt, SWS 2007) are sold at \$21m and \$16m respectively. The sale of the newcastlemax *Shin Nichiho* (203,190-dwt, Universal 2005) however was at a softer \$16m.

Post-panamaxes do not seem to have been carried forward in the same way that their kamsarmax/panamax cousins have and are now trading at a distinct discount. *Jin Hua Feng* (93,738-dwt, Shanhaiguan 2013) and *Siberian Express* (92,974-dwt, COSCO 2012) are sold at \$14.3m and \$16.0m while the panamax *Xi Jiang Yue* (74,940-dwt, Sasebo 2011) is sold at region \$18.75m while the E engine *Stella Dora* (81,055-dwt, Jinling 2014) is sold at \$21.5m. As a good marker to how the kamsarmax market has recently advanced is the sale of *Nord Stellar* (81,183-dwt, 2016 Hudong, scrubber-fitted) at \$26.0m. She was bought from Scorpio in December for \$20m.

Two Dolphin57 sisters have been sold from separate owners but for similar strong prices – *Melati Laut* (56,643-dwt, Qingshan 2011) and *Golden Rose* (56,628-dwt, Qingshan 2011) are sold at \$13.0m and 13.2m respectively.

### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Shin Nichiho	203,190	2005	Universal	Gearless	Chinese	\$16.50m	
Linda Dream	180,180	2007	Imabari	Gearless	undisclosed	\$21.00m	
Cape Ray	177,853	2007	SWS	Gearless	Chinese	\$16.00m	
Jin Hua Feng	93,738	2013	Shanhaiguan	Gearless	Chinese	\$14.30m	Tier II
Siberian Express	92,974	2012	COSCO	Gearless	undisclosed	\$16.00m	
Nord Stellar	81,183	2016	Hudong-Zhonghua	Gearless	Globus	\$26.00m	Scrubber fitted
Stella Dora	81,055	2014	Jiangsu Jinling	Gearless	Chinese	\$21.50m	
Xi Jiang Yue	74,940	2011	Sasebo	Gearless	undisclosed	Mid/high \$18.00m	BWTS fitted
GH Northern Dancer	63,025	2017	New Times	C 4x30T	Belships	\$21.75m	80% cash & rest in Shares with TC attached
Melati Laut	56,643	2011	Qingshan	C 4x30T	Chinese	\$13.00m	SS/DD due 12/21
Golden Rose	56,628	2011	Qingshan	C 4x35T	undisclosed	\$13.20m	SS/DD due 09/21
V Fulmar	52,307	2004	Oshima	C 4x30T	Chinese	\$9.50m	BWTS fitted
Navios Serenity	34,690	2011	Tongyeong	34,690	Greek	\$10.50m	SS due 07/21
Nordic Bulker 2	28,458	2002	Imabari	C 4x31T	Middle Eastern	\$5.80m	BWTS fitted

## Tanker Commentary

A number of high profile owners are in the process of selling VLCC's with Chinese buyers willing recipients. As you can see in the sales table, five VLCCs over 15 years of age are reported to be changing hands with values superseding last done.

Next week, it should be the aframax sectors turn to steel the limelight with 3 vessels within the 10-15 year age range inviting offers with several others of this vintage already reported to be under negotiations. Monday will see aframax *FSL Hong Kong* (115,940-dwt, 2007 Samsung) call for offers with LR2s *Ocean Voyager* (108,929-dwt, 2009 SWS) and *Champion Prosperity* (115,098-dwt, 2009 Sasebo - uncoiled) to follow on Tuesday and Wednesday. With interest levels at very healthy levels prices are likely to provide us with new benchmarks.

In the product space, eco MR *Overseas Gulf Coast* (50,332-dwt, 2019 Hyundai Mipo) is understood to have been sold to Eastern Pacific for \$32.5m. The sale illustrates the premium Korean yards command over their Chinese counterparts when compared to the price of \$31.5m Celsius paid for two MR resales ex Yangzijiang shipyard before Easter.

It is pleasing to report the first handy tanker sales for sometime. *Krisjanis Valdemars* (37,266-dwt, 2007 Hyundai Mipo) has been sold to Avin Oil for \$10m basis surveys passed and BWTS fitted. Whereas subjects have been lifted on the sister *Nord Hummock* (37,159-dwt, 2007 HMD) at a comparatively firm \$9.5m when taking into consideration the survey position and forthcoming BWTS installation.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
DHT Condor	320,050	2004	Daewoo	undisclosed	\$28.50m	CAP I & Scrubber fitted
DHT Lake	298,564	2004	Daewoo	undisclosed	\$28.50m	CAP I & Scrubber fitted
DHT Raven	298,563	2004	Daewoo	undisclosed	\$28.50m	CAP I & Scrubber fitted
Qi Lian San	318,348	2012	SWS	undisclosed	\$44.00m	
Santa Marina	299,984	2004	Universal	undisclosed	\$27.50m	
Supreme	164,551	2002	Hyundai HI	Sea Pioneer	\$15.85m	
Umlma	106,005	2006	Hyundai Samho	Monte Nero	\$15.00m	SS passed & BWTS fitted
Sulu Sea	105,522	2005	Sumitomo	Hong Kong based	\$14.00m	Scrubber fitted
Analipsi Lady	71,818	2005	STX	undisclosed	\$11.75m	
Overseas Gulf Coast	50,332	2019	Hyundai Mipo	EPS	\$31.00 - \$32.00m	
Jiangsu Newyangzi YZJ2015-2203	49,600	2021	Jiangsu Newyangzi	Celsius	\$63.00m enbloc	Delivery June/July
Jiangsu Newyangzi YZJ2015-2204						
Nord Imagination	48,006	2009	Iwagi Zosen	Transocean	\$13.80m	
Nounou	44,990	2000	Brodosplit	Dubai based	\$6.00m	DPP
Krisjanis Valdemars	37,266	2007	Hyundai Mipo	Avin	\$10.00m	SS/DD passed & BWTS fitted
Nord Hummock	37,159	2007	Hyundai Mipo	German	\$9.50m	
Octaden	19,983	2007				
AS Olivia	19,981	2007				
AS Omaria	19,974	2007	Usuki	Tufton	\$41.00 enbloc	J19
AS Orelia	19,971	2008				

### Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Mass I	47,172	1996	Onomichi	TANK	9,302.00	undisclosed	Pakistan
R Rose	4,998	1991	Singmarine	BULK	2,150.00	undisclosed	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](mailto:chartuk@hartlandshipping.com)  
 Email: [snpuk@hartlandshipping.com](mailto:snpuk@hartlandshipping.com)  
 Email: [consult@hartlandshipping.com](mailto:consult@hartlandshipping.com)

#### Hartland Shipping Services Ltd, Shanghai

Tel: +86 212 028 0618  
 Fax: +86 215 012 0694  
 Email: [snpcn@hartlandshipping.com](mailto:snpcn@hartlandshipping.com)

#### Hartland Shipping Services Pte. Ltd, Singapore

Tel: +65 6702 0400  
 Email: [chartops.sg@hartlandshipping.com](mailto:chartops.sg@hartlandshipping.com)

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