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### POINTS OF VIEW

Yesterday was Earth Day, a fitting occasion for US President Joe Biden to announce his climate change goals, albeit that the finer detail was lacking. It was still a radical and refreshing departure from his predecessor Trump's climate change denial. The US is aiming to reduce its greenhouse gas (GHG) emissions by 50% in absolute terms by 2030, when compared to 2005 levels, and to move to 'net zero' emissions by 2050, realigning itself with the Trump-aborted 2015 Paris Agreement. In the 15 years from 2005 to 2019, US emissions fell by 12%, according to Woodmac.\* This was a period in which a surge in shale drilling allowed natural gas to displace coal and renewable power generation boomed as the costs of wind and solar plummeted. Biden's pledge, designed to galvanise others, means that the US has to find another 38% of GHG emission reductions over the next 10 years, a big ask. Biden is communicating his initiative as a way of creating good-paying union jobs and pushing US leadership in clean energy technologies.

It is frustrating and confusing that there is no harmonisation among nations of reduction targets, dates and baselines. The UK's latest 6<sup>th</sup> Carbon Budget brings aviation and shipping into the net for the first time. At the end of last year, the UK pledged to reduce emissions by 68% by 2030 and, in 2019, it committed to net zero emissions by 2050. The Committee on Climate Change reported in December that total shipping emissions accounted for 3% of UK GHG emissions in 2018, and they were 21% below 1990 levels. This week, in its latest move, the UK committed to cut emissions by 78% by 2035, compared to 1990 levels. Given that 1990 was over 30 years ago, and much progress has been made since then, it seems somewhat outdated. Also, 'net' as opposed to 'absolute' implies a familiar political fudge, an option to cheat. In the US and UK, we have 4-5 year political cycles so whatever is agreed today will be left to others to implement. At least in China and Russia, where Xi is President for Life and Putin aspires to the same status, they may have a chance to see things through.<sup>^</sup> Even if they don't play ball, markets will.

On Wednesday, John Kerry, the US climate envoy, stated that he wanted the IMO to adopt a target of 'absolute zero' emissions for international shipping by 2050, with no offsets. This gives shipping 30 years to fully decarbonise with yet-to-be discovered or implemented new fuels and technologies. The bar has just been raised. Let us remind ourselves that, in 2018, the IMO's strategy was to reduce CO<sub>2</sub> emissions by a minimum of 40% by 2030, and to cut GHG emissions by a minimum of 50% by 2030, both compared to a 2008 baseline. It will unveil a new revised strategy in 2023 while it focuses on more immediate pollution curtailment initiatives.\*\* The IMO often has been seen to be dragging its feet, leaving the EU to undercut it by announcing, in September 2020, its own more ambitious target of cutting GHG emissions from ships by 40% by 2030 compared to average fleet emissions today. On Wednesday, it raised this target to 55% by 2030, although the Brussels taxonomy draft (a fuel traffic-light system) failed to classify gas and nuclear, a major gap in its planning. Carbon reduction is real but it cannot escape reduction to a series of competitive political soundbites, undermining sincerity.

More ambitious global targets can only mean the same for shipping, which no longer flies below the radar. We need to accelerate our path to decarbonisation. LNG is at best an interim solution while the likes of ammonia, hydrogen and methanol go to trial stage. How will the \$3-4tn costs be shared? How will small to medium sized owners survive in the light of upcoming regulations? Does greater polarisation lie ahead between large and small players? The Earth Day summit has set challenging targets ahead of COP26 in November, indirectly turning the screws on shipping. For old ships, it means derated engine power and slower speeds and, ultimately, the scrapheap. For new ships, it means new propulsion systems and new fuels, to be provided by others, just to continue normal trading. We created Covid-19 vaccines within a year, so we can easily come up with new compliant fuels once the self-interested pro-carbon lobby is sidelined. Covid-19 is a global event, having claimed 3 million lives so far. Climate change is a planetary threat for which there is no vaccine. Its target is human existence on Earth. Time to get going.

### ... Biden – Facing Up to Climate Change ...



Source : The FT

\*The EPA reports that net US GHG emissions in 2019 totalled 5.8bt on a CO<sub>2</sub> equivalent basis, 13% down on 2005. These emissions plunged 10% in 2020 as Covid-19 sapped energy demand, but are now rebounding.

<sup>^</sup>China seeks net zero emissions by 2060. Russia and India have yet to set explicit targets. Target reductions by 2030 on a common 2018 baseline :  
US : -47%, UK : -46%, EU : -41%, Japan : -39%.

\*\*The IMO's EEDI (Energy Efficiency Design Index), EEXI (Energy Efficiency Existing Ship Index) and CII (Carbon Intensity Indicator) may all have to be revised upwards under pressure from the USA.

## Dry Cargo Chartering

The **BDI** closed this week at 2,788 up 403 points since last reported.

Another dramatic week in the **cape** market as rates soared to close at \$34,762, up a massive \$6,242 from last week. Iron ore fixtures include AngloAmerican fixing a TBN Cargill vessel for 190,000 mtons 10% from Saldanha Bay to Qingdao 16/25 May at \$18.50 pmt, and Louis Dreyfus taking a TBN Pacbulk vessel for 170,000 mtons 10% from Tubarao to Qingdao at \$26.00 pmt. Additionally Cara Shipping took a TBN Oldendorff Newcastlemax for 180,000 mtons 10% from Port Hedland to Qingdao at \$11.00 pmt. NYK took on the *Elizabeth II* (180,184-dwt, 2007) in direct continuation delivery in June in the Far East for 10 to 12 months at 100% of Baltic 5TC redelivery worldwide.

The **panamax** market continued to firm this week as it closed today at \$24,176 up \$3,057 since last reported on 16<sup>th</sup> April. In the Pacific, Five Ocean fixed the *Medi Chiba* (82,003-dwt, 2016) delivery Maila 22 April for a trip via Indonesia to Malaysia at \$24,000, whilst the *Emerald Star* (81,817-dwt, 2014) fixed delivery Nansha 23 April for a trip via Indonesia to China at \$27,000. In the Indian Ocean, Amaggi fixed *Beteigeuze* (77,089-dwt, 2007) delivery Bin Qasim in DC 25/30 April for a trip via East coast South America to Singapore-Japan range at \$23,500, whilst the *AP Libertas* (75,213-dwt, 2008) fixed delivery retro Tuticorin 16 April for a trip via East coast South America to Singapore-Japan range at \$24,500. Meanwhile in the Atlantic, Ultrabulk took the *LMZ Ceres* (75,092-dwt, 2011) delivery Algeciras 21 April for a trip via the Baltic to South Brazil at \$19,000. Oldendorff fixed *Nordic Oshima* (76,180-dwt, 2014) delivery Gibraltar 25 April for a trip via Kamsar with Bauxite to Stade at \$21,500, and Cargill covered the *Prigipos* (92,475-dwt, 2007) basis delivery Dunkirk 22/26 April for a trip via US East coast to Turkey at \$24,000. Additionally, Woohyun fixed *Ilia* (80,256-dwt, 2011) delivery Beilun 25/30 April for 2 laden legs to redeliver Singapore-Japan range at \$22,750 and a TBN vessel was fixed by RINL for 75,000 mtons 10% coal from Gladstone to Gangavaram for 10/19 May at \$26.90 pmt.

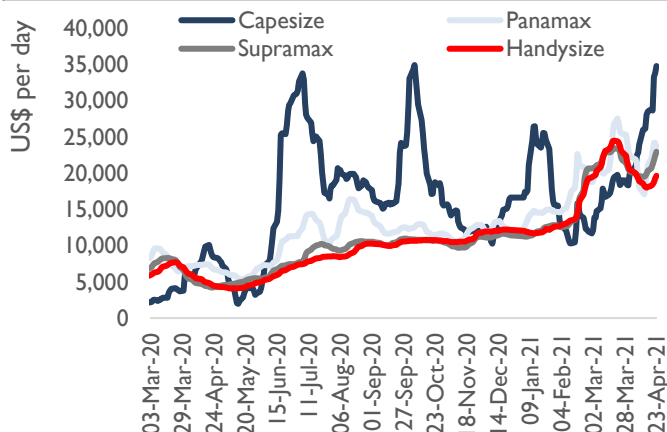
An outstandingly favourable week for the **Supra** market. Rates are swelling and are looking buoyant. The BSI closed at \$22,932, up from last week's \$20,342.

In the Atlantic, the *Sepetiba* (63,542-dwt, 2014) has been fixed for delivery Sepetiba to the US Gulf at \$21,500. Also, the *Nord Potomac* (63,507-dwt, 2016) was fixed to East coast South America to South East Asia at \$21,250 with an additional \$1.1 million ballast bonus. In the Indian Ocean, *Bao Grand* (58,015-dwt, 2010) fixed for Chittagong to China via East coast India for \$22,500. Another was the *Busan Star* (57,336-dwt, 2011) which also fixed for a delivery to Chittagong to China via East coast India at \$22,000. In the Pacific, the *Ionic Spirit* (56,108-dwt, 2010) was fixed for an iron ore run with a delivery at Yangpu to Indonesia via Hainan at \$26,000, while the *Castle* (53,477-dwt, 2009) has been fixed delivery Singapore to Bangladesh via Indonesia for \$30,000.

A strong week for the Handies, the **BHSI** closed today at \$19,654 compared to last week \$18,101. Confidence was up across the Atlantic, with Owners fixing better than last done across the all areas. On the Continent, *Vully* (35,600-dwt, 2011) open Vlissingen fixed for a trip from Hamburg to Algeria at \$15,000 to Union Bulk. The *IVS Kestrel* (32,768-dwt, 2014) fixed delivery Jorf Lasfar for a trip via North Brazil redelivery Italy at \$13,500. In the Mediterranean, the *Mykonos Dawn* (37,880-dwt, 2017) open Bejaia, Algeria fixed via the Continent redelivery Turkey at a reported \$17,750 with Evomarine. East coast South America continued to push. *The Federal Sutton* (37,168-dwt, 2012) open in the River Plate fixed a trip to the US Gulf with petcoke at \$20,000 to Lauritzen. The *Maestro Diamond* (36,920-dwt, 2015) fixed delivery Paranagua for a prompt trip redelivery in the Mediterranean at \$18,500. Busy week for period interest in the Atlantic, notably the *Interlink Probity* (38,635-dwt, 2015) fixed delivery Santos for about 2 to 3 months redelivery Atlantic at \$21,750 with Western Bulk Carriers, and the *Hope* (34,146-dwt, 2011) fixed from Puerto Cabello for 3 to 5 months redelivery Atlantic at \$15,500 with Trithorn. The Pacific remained firm, the *Bunan Benefit* (37,372-dwt, 2019) fixed delivery Hong Kong for a trip via Australia redelivery Japan at \$23,000. A 28,000-dwt open in North China was rumoured to have fixed a trip via Japan to South East Asia with steels at \$18,500, and the *Spinnaker SW* (31,657-dwt, 2012) open Lanshan prompt was fixed for a trip to South East Asia at \$22,000. On period, the *Hilma Bulker* (34,502-dwt, 2017) open South East Asia fixed 2-3 laden legs redelivery worldwide at \$25,000 with China Navigation.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Medi Chiba	82,003	2016	Manila	22 Apr	Malaysia	\$24,000	Five Ocean	Via Indonesia
Medi Egadi	81,874	2012	Aarhus	20/25 Apr	India	\$36,600	Aquavita	Via Ust Luga
Georg Oldendorff	80,866	2015	Rotterdam	25 Apr	China	\$36,000	Langlois	Via North France Int Grains
Sidari	75,204	2007	Kwangyang	18/19 Apr	Singapore-Japan	\$20,250	Oceanwaves	Via NoPac
LMZ Ceres	75,059	2011	Algeciras	21 Apr	South Brazil	\$19,000	Ultrabulk	Via Baltic
Nord Potomac	63,507	2016	EC South America	Early May	SE.Asia	\$21,250	Omegra	Plus \$1.1 Million bb
Stove Ocean	55,861	2013	Casablanca	3/5 May	US Gulf	\$17,000	CNR	
Medi Bangkok	53,466	2006	Singapore	18/23 Apr	China	\$26,000	CNR	Int Sands
Bulk Trader	37,845	2018	Vila Do Conde	PPT	Norway	\$15,750	CNR	Int Alumina
Bunan Benefit	37,372	2019	Hong Kong	26/30 Apr	Japan	\$23,000	CNR	Via Australia



Exchange Rates	This week	Last Week
JPY/USD	107.68	108.77
USD/EUR	0.8286	0.8344

Brent Oil Price	This week	Last Week
US\$/barrel	65.30	67.06

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	390.0	392.0
VLSFO	498.0	503.0
Rotterdam IFO	369.0	380.0
VLSFO	467.0	480.0

23 April 2021

### Dry Bulk S&P

Post Easter the market paused momentarily as the smoke cleared from a frenetic period where values had risen steeply. With the correction in the freight markets, buyers and sellers spent a week or two eying each other warily to see who would blink first. With the freight market roaring back this week the buyers are now blinking rapidly and the chase has restarted in earnest for tonnage across the board.

The scrubber- fitted *Eibhlin* (182,307-dwt, 2011 Universal) is sold at \$30.5m – an improvement on last – how much exactly depends on what value one allots to the increasingly attractive scrubbers.

Kamsarmax values have continued to climb. *Peak Proteus* (82,158-dwt, 2013 Tsuneishi) is sold at a firm \$22m without a scrubber.

Genco are reported as the buyers of *Serena R* (63,997-dwt, 2016 Yangfan) at \$20.5m. She was rumoured sold as recently as last month at a credible \$19.5m.

*Sage Amazon* (63,227-dwt, 2012 Dayang) is sold at \$17.4m – in line with her sister *Sage Danube* sold in late March for \$17.2m. Both sales would seem to offer a modest premium for their ME main engines. However their younger sister *Sage Sanaga* (2013) was sold in early February for \$15.5m.

Supras remain in great demand and short supply. *Maria* (58,730-dwt, 2011 SPP) and *Medi Segesta* (58,730-dwt, 2009 Tsuneishi Cebu) are sold at \$15.9m and \$14.5 respectively.

The handies seem to be marking time for the moment. *Kohinoor* (32,309-dwt, 2010 Kanda) is sold at a lukewarm \$10.95m.

### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>Eibhlin</i>	182,307	2011	Universal	Gearless	undisclosed	\$30.50m	Scrubber fitted
<i>Peak Proteus</i>	82,158	2013	Tsuneishi Tadotsu	Gearless	Greek	\$22.00m	Tier I & not BWTS fitted
<i>Wanisa</i>	79,401	2012	Jiangsu Eastern	Gearless	undisclosed	\$15.65m	Tier II
<i>Serena R</i>	63,997	2016	Yangfan	C 4x30T	Genco	\$20.50m	BWTS fitted & SS/DD due 07/21
<i>Sage Amazon</i>	63,227	2012	Yangzhou Dayang	C 4x35T	CTM	\$17.40m	ME
<i>Oriental Angel</i>	59,941	2012	Hyundai Mipo	C 4x30T	undisclosed	\$14.50m	Tier II & BWTS fitted
<i>Maria</i>	58,407	2011	SPP	C 4x36T	undisclosed	\$15.90m	
<i>Medi Segesta</i>	58,730	2009	Tsuneishi Cebu	C 4x30T	Indonesian	\$14.50m	
<i>Pacific 05</i>	33,702	2009					
<i>Pacific 06</i>	33,671	2010	Samjin	C 4x35T	undisclosed	\$18.00m enbloc	
<i>Kohinoor</i>	32,309	2010	Kanda Zosensho	C 4x31T	undisclosed	\$10.95m	BWTS fitted

## Tanker Commentary

There has been a significant increase in enquiry for large tonnage from Chinese buyers putting upward pressure on values. Tanker sale volumes remain strong with activity following the same trends as last week. In the deal of the week in the VLCC segment, Euronav are reported to have offloaded four units to Ridgebury Tankers. *Nucleas* (307,284-dwt, 2007 Dalian), *Neptun* (307,284-dwt, 2007 Dalian), *Navarin* (307,284-dwt, 2007 Dalian), *Nautilus* (307,284-dwt, 2006 Dalian) are reported sold enbloc for \$30m each.

The LR2/Aframax sector takes to the podium again with numerous sales reported. *Stavanger Bliss* (105, 400-dwt, 2009 Sumitomo, DD due 07/21) has sold \$19.5m and the *Stavanger Blossom* (105,641-dwt, 2007 Sumitomo) has gone for somewhere in the mid/high \$17m region. Pushing values up significantly when compared to the *Navigator Spirit* (105,773-dwt, 2008

Tsuneishi) and the *Explorer Spirit* (105,804-dwt, 2008 Tsuneishi) which Teekay sold in February for \$16m each.

In the MR segment, Japanese controlled *Seto Express* (47,999-dwt, 2007 Iwagi Zosen, SS/DD due 01/22) is reportedly committed for low \$10m. The last similar done was the *FSL Osaka* (45,998-dwt, 2007 Shin Kurushima, SS/DD due 08/22) which sold in January for \$11.25m. Korean owned *DL Cosmos* (49,995-dwt, 2007 SPP) called for offers this week, but interest remains unknown to us at the moment.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Nucleus		2007				
Nautilus	307,284	2006	Dalian	Ridgebury	\$120.00m enbloc	
Neptun		2007				
Navarin		2007				
New Creation	297,259	2009	Dalian	Thenamaris	\$37.50m	
New Trust	157,327	1999	Daewoo	Middle Eastern	\$13.00m	
Ocean Voyager	108,929	2009	SWS	Thenamaris	\$17.25m	
Celtic Sea	105,611	2003	Sumitomo	undisclosed	\$12.75m	
Stavanger Blossom	105,641	2007	Sumitomo	undisclosed	\$17.70m	
Stavanger Bliss	105,400	2008	Sumitomo	Middle Eastern	\$19.50m	DD due 07/21
Capricorn Voyager	104,611	2007	Samsung HI	Greek	\$16.50m	

### Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Angel 121	9,013	1989	Imabari	TANK	2,763.14	undisclosed	Singapore
BP Jacky	6,332	1992	Scheepswerf Pattje	GAS	2,984.00	525	India/Bangladesh
Bull Sulawesi	109,579	1999	Dalian	TANK	19,601.00	536	Bangladesh

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