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### POINTS OF VIEW

It has been another typically turbulent week in financial, commodity and shipping markets. Stock markets were disturbed by the US Consumer Price Index jumping 4.2% year-on-year last month. The US Federal Reserve has been trying to calm frayed investor nerves by insisting that cost pressures are transient once taking into account the base effects of an enormous drop in demand a year ago. Fast forward to today and we have resurgent demand, as richer countries gradually emerge from lockdowns, and interrupted supply, as workers and factories are slow to pick up the pace. We can add to these factors disruption in global supply chains caused by bad weather, port congestion, the Ever Given and Covid-19. A shortage of computer chips has brought entire car production lines to a standstill. On the demand side, people who were buying stay-at-home stuff are now buying back-to-work-and-play stuff. Offices are being refurbished in Covid-adapted ways, services and hospitality venues are reopening and transport demand is recovering. But talk of post-pandemic is misleading, as we are mid-pandemic at best, with global cases still rising. Labour shortages are pushing inflation as generous welfare hand-outs make unemployment more attractive and more profitable than working in the US, while the furlough extension in the UK largely achieves the same result.

We are still far from being back to pre-pandemic levels of demand, but the 2021 demand surge has made it seem as if we are back in the mythical Roaring 20s. China may be more-or-less back there, while the US may achieve it later this year, and the rest of us will be lagging behind, with some less privileged countries being years away. A few economists see this year's vertiginous rise in equity and commodity prices as peaking in this quarter and then giving way to a slower phase of demand recovery. This will certainly be the case when comparing future months on a year-on-year basis, as the recovery dates back to the middle of last year, while the craziness started last November when vaccines were first announced. Record commodity prices recently came off their peaks (oil, iron ore, steel, copper, lumber, grains, etc.) which may be indicating that the demand surge is indeed petering out. They seemed to have taken the BCI-5TC, and its futures, with them as it peaked on \$44,817 daily on 5 May and hit bottom on Wednesday 19 May at \$31,392 daily, 30% off its peak. Today it is up 4% from that low to \$32,593 and may now be set for a more nuanced upward trend. The next leg up is likely to be influenced by sluggish supply growth working in concert with more restrained and less frantic demand growth. Biden's two-phase hard and soft infrastructure plans, costing \$4.1tn after the \$1.9tn stimulus and recovery budget, may need to be put on hold to avoid the inflationary genie escaping the bottle.

Bulk carriers and containerships have done very well since mid-2020, the obvious beneficiaries of a rebound in demand for the raw materials that go into making things, and then moving those manufactured goods around the globe. Conversely, in mirror image, tankers were whacked with a 9m-bpd, or 9%, drop in global oil demand last year. It hit hard from mid-2020, when oil prices started to recover, which teased crude and product tankers out of storage into an increasingly dismal market that is approaching its anniversary. The varying fortunes of the shipping sectors are reflected in the Baltic indices, as well as listed company share prices. The BDI started 2020 on 976 and peaked at 3,266 points on 5 May, 3.3-times higher. Today it is 12% lower at 2,869 points. The FBX that tracks container freight started 2020 on 1,439 and peaked 3.6-times higher at 5,118 points on 18 May. Today it is down just a little to 5,052 points. The BDTI started 2020 on 1,503 points, sank to a low of 403 last November and closed at 610 points yesterday. Its cleaner cousin, the BCTI, started last year on 889 points, peaked at 2,190 in April last year and was on 540 points yesterday. One might expect a role reversal in the second half of 2021, with tankers doing much better by Q4, while bulk carriers and containerships may be trading lower by then. However, the chances are good that they will all be booming by year-end in what could be a rare synchronised boom. Golden Ocean and Star Bulk have just enjoyed one of their best ever first quarters while for Euronav and Frontline it was one of the worst. Who knows what lies in store on the shipping and trade rollercoaster?

### Pandemic – Far from Over

#### Global coronavirus cases pass 160 million



Source : BBC

## Dry Cargo Chartering

The **cape** market continued to soften this week albeit at a slower pace, and perked up slightly as the week came to a close. The BCI closed at \$32,593, down \$1,949 from last reported. The scrubber fitted *Maran Mariner* (179,702-dwt, 2011) was fixed delivery CJK for a Pacific round voyage at \$40,000 by HMM, and the CCL relet *Mineral Dragon* (178,062-dwt, 2008) fixed delivery Arabian Gulf for a chrome ore trip via Maputo and Richards Bay redelivery China at \$39,500 to Ultrabulk. Swissmarine took the NYK relet 2012-built *Cape Swan* for 160,000 mtons 10% coal from Baltimore to Kandla at \$35.50 pmt, while a TBN vessel was fixed by Formosa for 130,000 mtons 10% coal from Newcastle to Mailiao for mid-June dates at \$16.25 pmt. Ore fixtures concluded this week include Rio Tinto chartering a TBN NYK vessel for 170,000 mtons 10% from Seven Islands to Qingdao for early June dates at \$29.50 pmt, and Glovis fixing a 170,000 mtons 10% iron ore stem from Tubarao to Qingdao for second-half June dates at \$25.25 pmt on a TBN basis.

The **panamax** market softened this week as it closed today at \$25,693 marginally down by \$959 (3.6%) since last reported on 14<sup>th</sup> May. In the Pacific, Norden fixed the *Ming De* (82,111-dwt, 2014) delivery Bayuquan prompt for a trip via Australia to Singapore-Japan range at \$28,000 whilst Viterra fixed *Magic Vela* (75,003-dwt, 2011) delivery Singapore 18 May for a trip via East Coast South America back to Singapore-Japan Range at \$25,500. In the Indian Ocean, the *Yasa H Mehmet* (83,482-dwt, 2011) fixed retro sailing Tuticorin 9<sup>th</sup> May for a trip via East Coast South America to Singapore-Japan Range at \$26,000 whilst ASL fixed *Efrain A* (82,174-dwt, 2010) delivery South Africa 17 May for a trip to China at \$30,000 plus \$600,000 bb. Meanwhile in the Atlantic, Olam fixed *Gigalia Prudence* (81,498-dwt, 2012) delivery East Coast South America 4/10 June for a trip to Singapore-Japan Range at \$23,000 plus \$1,300,000 bb whilst Swissmarine fixed *Alpha Hero* (82,052-dwt, 2018) delivery Stade 15/17 May for a trip via Ust Luga to Safi at \$24,000. Additionally, MOL fixed *Astarte* (81,513-dwt, 2013) delivery Yeosu 19/29 May for 5-7 months with redelivery Worldwide at \$25,000. Also a TBN vessel was fixed by SAIL for 75,000 mtons 10% coal from Newport News to Visakhapatnam for 10/19 June at \$47.30 pmt.

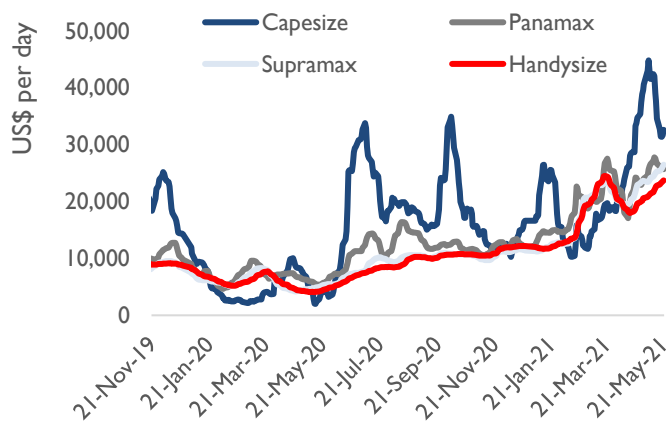
It was yet another phenomenal week for the **Supra** market. Rates are immense and the market is looking exceptional for all trade regions. The BSI closed at

\$26,493 up from last week's \$25,264. In the Atlantic, the *Grande Island* (58,110-dwt, 2009) was fixed for a trip with a delivery to the Mississippi River to redeliver Japan at \$31,000. Another was *Bulk Uruguay* (57,937-dwt, 2011) which has been fixed for a coal run with a delivery to Mobile to China at \$30,000. In the Indian Ocean, *Aliki Perrotis* (60897-dwt, 2015) was fixed for a prompt iron ore trip to deliver at Visakhapatnam to North China via East Coast India at \$39,500. The *Clipper Kalavryta* (63,325-dwt, 2015) has been fixed for a delivery passing Jeddah to redeliver Paradip via the Red Sea at \$32,000. In the Pacific, the *Europa Bay* (58,606-dwt, 2013) was fixed for a nickel ore run with a delivery from Taichung to Philippines at \$32,000. *Pavo Bright* (61,281-dwt 2017) has been fixed for a delivery to Samarinda to China with an option to redeliver to Vietnam at \$30,000 with a ballast bonus of \$275,000 by China Coal Solution.

Another positive week in the handy market, the **BHSI** closed today at \$23,706 up \$867 from last week. On the Continent, the *Gant Flair* (28,339-dwt, 2010) fixed a scrap trip to Turkey for a time charter equivalent rate of \$15,000. In the Mediterranean, the *Maple Star* (35,534-dwt, 2012) fixed delivery passing Canakkale for prompt trip redelivery Caribbean at \$21,000 with Conti-Lines. The *Four Rigoletto* (34,438 dwt, 2011) fixed for a relet delivery Tuzla for the 1<sup>st</sup> leg of period redelivery West Africa with Clinker at \$21,000 with Lighthouse. In the US Gulf, perhaps the weakest sector of the Atlantic, the *Unison Medal* (37,431-dwt, 2015) fixed for a trip to the Spanish Mediterranean with Petcoke at \$20,000 to TKB. In East Coast South America the *Smew* (35,949-dwt, 2014) was fixed basis delivery San Lorenzo redelivery Peru with grains at \$34,250 to Drylog. The *Orient Alliance* (33,755-dwt, 2012) open Freetown fixed for a trip via East Coast South America to the Mediterranean at \$16,500. In the East, A 32,000-dwt open China fixed basis delivery via Australia back to China with Fertilizer at \$30,000, a similar 30,000-dwt vessel was heard fixed for a non-fertilizer cargo from China via Australia to China at around \$24,000. On period, *Benjamin Confidence* (34,898-dwt, 2017) delivery Lanshan for 4 to 6 months redelivery worldwide at \$27,000 and in the Indian ocean, the *Pavosa Wisdom VII* (28,20-dwt, 2012) fixed delivery Chittagong for 8/11 months redelivery worldwide at \$16,000 with Lighthouse.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Maran Mariner	179,702	2011	CJK	22/24 May	Singapore-Japan	\$40,000	HMM	Via Pacific round
Figalia Prudence	81,498	2012	Aps ECSA	4/10 June	Singapore-Japan	\$23,000	Olam Intl	+ \$1.3m bb Int Grains Via NoPac
Mairini	79,023	2010	Kunsan	19 May	Singapore-Japan	\$27,000	PCL	Int Grains Via NoPac
Lambay	75,038	2011	NC South America	End May	Continent	\$30,250	Golden Ocean	Int Grains
Magic Vela	75,003	2011	Singapore	18 May	Singapore-Japan	\$25,500	Viterra	Via EC South America
Pavo Bright	61,281	2017	Samarinda	PPT	China with Option Vietnam	\$30,000	CCS	Plus \$275,000bb
Thor Confidence	58,781	2008	Baltimore	PPT	Sepetiba	\$18,500	CNR	Int Coal
Grande Island	58,110	2009	Mississippi River	Early June	Japan	\$31,000	Bunge	
Budva	36,000	2014	Santos	PPT	UK-Continent	\$26,000	Pacific basin	Int Sugar
IVS Magpie	28,240	2011	Singapore	PPT	Indonesia	\$28,000	CNR	Int Salt Via Australia



Exchange Rates	This week	Last Week
JPY/USD	108.71	109.33
USD/EUR	0.7775	0.8244

Brent Oil Price	This week	Last Week
US\$/barrel	66.22	67.77

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	365.0	390.0
VLSFO	480.0	500.0
Rotterdam IFO	355.0	372.0
VLSFO	461.0	480.0

21 May 2021

### Dry Bulk S&P

Positivity has returned to the Cape sector after last week's dip, and an increased scramble for tonnage has again ensued. Nissen Kaiun have sold the scrubber fitted *Australia Maru* (181,415 dwt, 2012 Koyo) to Greek buyers at region \$33m. A price that shows a clear direction this market is going recently; \$2.5m more than the last scrubber fitted 2011 built cape which was sold 4 weeks ago (the *Eibhlin*) – also by Nissen – for \$30.5m. The *Mineral Kyoto* (180,310 dwt, 2004 Koyo) has been sold to at \$15.5m, and the *Tiger Shandong* (180,091 dwt, 2011 Qingdao Beihai) has gone to Chinese buyers via auction for a price of \$23.31m (SS/DD + BWTS due). The latter sale representing another \$2.3m gain on last 2011 sister sold end of April (*Tiger Liaoning*, \$21m).

In the Kamsarmax sector, Kambara Kisen have been busy this week selling 3 ships in total. Hulls S1612/13 (82,000 dwt, delivery ex Tsuneishi Fukuyama Q1 2022) have been committed to Hong Kong based interests at \$34m each, setting a new benchmark. Kambara also invited offers this week on the *Ioanna L* (81,837 dwt, 2017 Tsuneishi Zhoushan) and early rumours suggest she has been quickly committed at \$29m levels to so far undisclosed buyers.

In the handies, the *Sredna Gora* (37,302 dwt, 2010 Huatai, BWTS fitted, CR4x30T) has been sold to Greek interests at \$11.6m - a price around \$1m above last similar done.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>Australia Maru</i>	181,415	2012	Koyo	Gearless	Greeks	\$33.00m	BWTS & Scrubber fitted
<i>Mineral Kyoto</i>	180,310	2004	Koyo	Gearless	undisclosed	\$15.50m	
<i>Tiger Shandong</i>	180,091	2011	Qingdao Beihai	Gearless	Chinese	\$23.31m	Auction & SS/DD/BWTS due
<i>Ioanna L</i>	81,837	2017	Tsuneishi Zhoushan	Gearless	undisclosed	\$29.00m	BWTS fitted
<i>Rosalia D'Amato</i>	74,716	2001	Hudong-Zhonghua	Gearless	Chinese	\$5.50m	Damaged condition
<i>Tai Hawk</i>	52,686	2004	Oshima	C 4x30T	Jin Hui	\$10.50m	BWTS fitted
<i>Fushun</i>	48,224	1997	Oshima	C 4x25T	undisclosed	\$6.50m	
<i>Sredna Gora</i>	37,302	2010	Huatai	C 4x30T	Greeks	\$11.60m	BWTS fitted

## Tanker Commentary

Focus over recent months in the VLCC segments has been on older tonnage. This weeks reports of more modern tonnage indicates light at the end of the tunnel. Currently VLCC's are loosing around \$4500 per day, these counter cyclical transactions highlight the positive outlook that is present in the market today. Frontline have purchased six VLCC's resales owed by Central Mare, currently being built at Hyundai Heavy Industries giving delivery between Q1 2022 and Q1 2023. The vessels have changed hands for \$565.8m, or \$94.3m per vessel.

Oslo based Transportation Recovery Fund are reported to have sold the *Hudson* (297,683 dwt, 2017 HHIC, SS/DD passed, Scrubber fitted). Navigare are reported to have bought the vessel for \$70.5m. With nothing similar done recently, these modern sales will set new benchmarks.

In the LR2 segment, more tonnage has changed hands this week. Folegandros & Kastelorizo (109,896 dwt, 2019 SWS) are reported sold to Greek owners, Capital for \$84 mill enbloc. A price falling in line with the Salamina (109,898 dwt, 2018 SWS) which Zodiac Maritime picked up in late March for \$41 mill. Elsewhere, another older LR2 has been sold to Indonesian buyers. Bai Lu Zhou (110,503 dwt, 2007 Dalian, SS 06/23, DD 03/23) is reported to have been sold for low \$14m region. The discount when compared to last week's off market sale of the Ocean Taipan (108,936 dwt, 2008 SWS, SS 05/23, DD 06/21) which sold for \$17m.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Hudson	297,638	2017	HHIC	Navigare	\$70.50m	Scrubber fitted
Bai Lu Zhou	110,503	2007	Dalian	Indonesian	\$14.25m	
Folegandros	109,896	2019	SWS	Capital	\$42.00m	
Kastelorizo	109,900				\$42.00m	
Dong Ting Hu	74,032	2007	New Century	undisclosed	\$9.65m	
Hong Ze Hu	73,976	2007	New Century	undisclosed	\$9.65m	
Maersk Miyajima	48,020	2011	Iwagi Zosen	Vietnamese	\$16.50m	BWTS fitted

### Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Cavalier	47,629	1995	Onomichi	Tank	9,606	570	Bangladesh

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