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POINTS OF VIEW

The bulk carrier sector continues its upward path, led by the big ships, as the BDI hit its highest level since 2010 today, at 3,007 points, with the BCI-5TC rising to \$40,608 daily. The Baltic indices are volatile but nothing like as edgy as the share prices of leading listed bulk carrier companies. They zig-zag up and down as they climb a wall of worry, although the trend line is resolutely up, with more to do. Such a faltering ascent feels more sustainable than a steady upward trajectory that draws in day-traders who ride the momentum without knowing much, if anything, about the underlying business. We are still in the early days of a demand recovery at a time of declining net new supply, and even fleet contraction in the smaller handysize segment of bulk carriers under 40,000-dwt.* Global economic activity is far from returning to pre-pandemic levels with China leading the way and the US, UK and Japan all in early phase bounce-backs. In Europe, vaccine rollout is incompetently slow while for developing nations, especially in the southern hemisphere (Latin America, Africa, ISC, Southeast Asia) vaccines are either not widely available or there is hesitancy to take them. Global cases have never been higher^ while, in India, Modi's penchant for political rallies, religious festivals and cricket saw the crowds return. On Thursday, India broke the world record for daily infections for a tenth consecutive day, reporting 386,555 new cases.

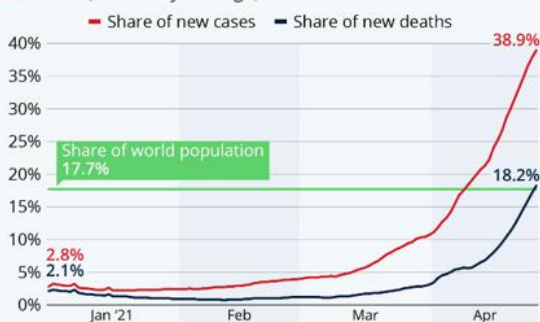
As the WHO has said repeatedly, no-one is safe until everyone is safe. So, countries with good vaccine rollouts need to prepare to send vaccines to lagging nations or risk the boomerang effect of importing new variants. This will eliminate vaccine progress and may force further unpopular, and possibly unenforceable, lockdowns. We have all had enough of mandated solitude. Meanwhile, CRS data puts S&P deals at an all-time high volume in March at 15.64m-dwt, just in front of 15.45m-dwt last December, with April at a respectable 14.04m-dwt. The next best full year since records began, in January 1995, was 15.46m-dwt in March 2017, narrowly making second place. To have the 1st and 3rd highest monthly S&P volumes in the past four months, in 26 years of coverage, might indicate that this market could rival 2007-08, and yet almost no-one wants to believe it. We have just embarked upon a Covid-constrained demand boom in the context of ESG-induced supply restraint that could last for many years. Conventional bank finance is under pressure to follow Poseidon Principles and banks should be wary of granting long loan tenors on new ships whose useful economic lives could be radically shortened by the arrival of new technology. Owners will logically have to front up much more equity and bear the lions-share of the risks of accelerated obsolescence. A supply squeeze is on the horizon, and this will allow demand free room to express itself in terms of higher freight, earnings and asset values.

Within the John Fredriksen stable of companies, the tanker company Frontline is currently buying shares in the bulker company Golden Ocean. Take it from them, bulk carriers are for today, while tankers can wait. Global oil demand growth will recover over the balance of this year and should get back to 2019 pre-pandemic levels of 100m-bpd some time in 2022. Hanging over tankers, like the Sword of Damocles, are record and rising Covid-19 cases around the world and the chance that President Biden may do a deal with Iran and allow the NITC tanker fleet to trade legally again.** Lloyds List estimates that lifting sanctions would release 218 tankers of 37.8m-dwt, or 7.5% of the global fleet, into regular trading over a three-month period. This combination of another hit to demand from delays to normalizing consumption of transportation fuels, and a tsunami of extra tankers on the supply side, is bad for near-term tanker prospects. In the meantime, the Danish giant AP Moller-Maersk has just upgraded its full-year earnings guidance by 47% on what it describes as an "exceptional market situation." It now forecasts underlying EBITDA of \$13-15bn up from its previous guidance of \$8.5-10.5bn. It foresees the current strong container market conditions to continue well into Q4, revising its full-year 2021 global demand growth forecast up to 5-7% from the previous 3-5%. This does not look like a flash in the pan; it has all the hallmarks of something more robust. If it was not for tankers, we would already be in a synchronized boom, but that increasingly looks like next year's story.

... COVID-19 : Not Nearly Over Yet ...

India Emerges as the World's COVID-19 Hotspot

India's share of global new COVID-19 cases and deaths (seven-day average)



Source: Our World in Data



statista

Source : Statista

*And the huge number of containership orders for 13,000-teu, 15,000-teu and 24,000-teu megaships is blocking out shipyard space for large tankers and bulkers. Good for them.

^There is the possibility that, as Covid-19 spreads around developing nations, crew changes will become even more difficult, causing even greater delays and diversions and maybe disabling some ships.

**On the flipside, some of the estimated 115 older tankers involved in subterfuge trades will see their 10-times premium evaporate and face going for demo or layup, as Indian demo is hampered by Covid-19.

But this has opened the door to Bangladesh and Pakistan who are capitalizing on strong demand for steel scrap. Two Aframax tankers have just been sold to Bangladesh for c. \$535 per LDT, another record!

Dry Cargo Chartering

The **BDI** closed this week at 3,053, up 265 points since last reported.

Yet another excellent week in the **capsize** market which saw rates rise a further \$5,846 from last week to close play at \$40,608. Olam chartered the *Gingo* (169,159-dwt, 2000) for a 150,000 mtons 10% stem from Richards Bay Coal Terminal to Mina Saqr and Kandla at \$16.00 pmt and with free D/A's at the discharge ports. Freight prices continued to rise for iron ore stems out of North-West Australia to China as the week progressed. On Monday, Rio Tinto fixed the *Paschalis D* (170,188-dwt, 2002) for 170,000 mtons 10% from Dampier to Qingdao for a mid-May shipment at \$11.45 pmt, but by Thursday the same charterers fixed a TBN vessel for the same stem on very similar dates at \$13.20 pmt. Rates for the usual Tubarao to Qingdao ore route approached the \$30.00 pmt mark towards the end of the week. Additionally, Vale Dubai chartered a CCL TBN vessel for 150,000 mtons iron ore from Tubarao to Misurata at \$21.70 pmt for 15/24 May.

The **panamax** market remained relatively flat this last week as it closed today at \$24,045 down \$131 since last reported on 23rd April. In the Pacific, Oceanways fixed the *Seaduty* (82,449-dwt, 2008) delivery Kushiro 30 April for a trip via NoPac to Singapore-Japan range at \$26,750 whilst TataNYK fixed *Sakizaya Star* (82,400-dwt, 2020) delivery CJK for a trip via East coast Australia to India at \$28,000. In the Indian Ocean, Amaggi fixed *Star Virginia* (81,061-dwt, 2015) delivery retro Haldia 18 April for a trip via East coast South America to Singapore-Japan range at \$27,000 whilst the *Yasa H Mehmet* (83,482-dwt, 2011) fixed delivery Haldia 27/30 April for a coastal trip redelivering India at \$32,000. Meanwhile in the Atlantic, Viterra took *Flag Mette* (81,200-dwt, 2016) delivery Murmansk 4 May for a trip to Safi with coal at \$16,800 plus a \$115,000 GBB, and Golden Ocean fixed *Elsa S* (80,868-dwt, 2015) delivery North coast South America 14/19 May for a trip to Skaw-Gibraltar range at \$34,000. Additionally, a TBN vessel was fixed by SAIL for 75,000 mtons 10% coal from Abbot Point to Visakhapatnam for 8/17 May at \$27.45 pmt.

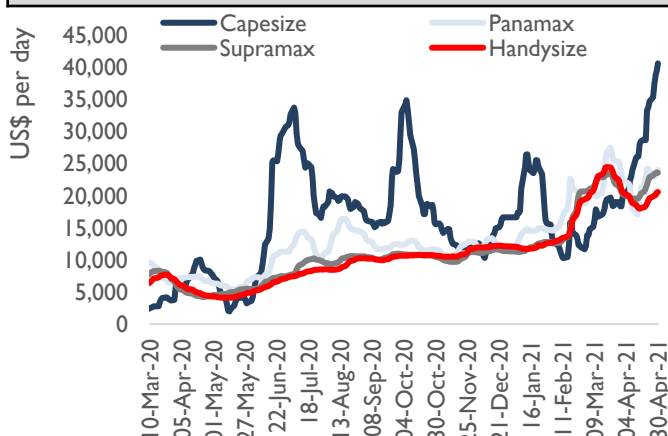
A stellar week for the **supra** market. Rates are still looking rather firm across all regions. The BSI closed at \$23,581, up from last week's \$22,932. In the

Atlantic, the *Egret Bulker* (57,809-dwt, 2010) has been fixed delivery Port Everglades to Japan via the US Gulf at \$26,000., while the *Bao Progress* (56,756-dwt, 2011) was fixed Chittagong to China via East coast India at \$27,000. In the Indian Ocean, *Jin Hao* (56,625-dwt, 2012) was fixed for a clinker run to Karachi redelivery Chittagong at \$28,000. The *Federal Lyra* (55,725-dwt, 2014) has been fixed for a prompt trip delivery Freetown to the Black Sea at \$20,000. In the Pacific, the *Ultra Infinity* (61,188-dwt, 2016) was fixed for an iron ore run delivery Indonesia to South Korea via South Australia at \$31,000, while the *Mackenzie* (63,204-dwt, 2016) was fixed Sihanoukville redelivery China via Indonesia at \$29,500.

The **BHSI** closed this week at \$20,607 up \$953 from last week. The Atlantic remained firm with an increased period interest, although signs the market was fading towards the later stages of the week with national holidays looming. On the continent, the *Orion Bay* (30,009-dwt, 2012) fixed delivery Dunkirk for a trip via Baltic redelivery West Africa at \$21,000 for first 40 days \$23,000 thereafter. In the Mediterranean, the *Everest K* (35,065-dwt, 2009) fixed delivery Piraeus for a trip via Black Sea redelivery North coast South America at \$18,000. Lauritzen fixed the *Seahorse* (32,962-dwt, 2012) from Nouakchott via Sherbro River redelivery East coast Mexico at \$15,000. In the US Gulf, PCL fixed the *Strategic Fortitude* (37,829-dwt, 2016) for 4 to 6 months, redelivery Atlantic at \$17,500. The East coast South America, recorded some strong rates, the *Cs Jaden* (38,101 dwt, 2013) fixed Recalada for a spot trip redelivery Singapore-Japan with grains \$29,000 to GMT and the *Nedim* (35,156-dwt, 2013) fixed delivery Vila do Conde for a prompt trip redelivery Norway with Alumina at \$25,000 to Fednav. Very positive sentiment in the Asian markets, the *Yangtze Brilliance* (32,456-dwt, 2011) fixed delivery Zhangzhou for a spot trip via Japan redelivery South East Asia with bulk cement at \$25,000. A 37,000 dwt was rumoured fixing bulk cement cargo basis delivery Vietnam for a trip to the US West coast at \$31,000 with agreed in lieu of hold cleaning of \$50,000. A 38,000 dwt open in Thailand was fixed for a trip via Indonesia to China at \$24,000. On period, *Izumo Hermes* (37,301-dwt, 2020) fixed delivery CJK for 4 to 6 months redelivery worldwide at \$23,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
MBA Giovanni	93,352	2010	Manila	29 Apr/2 May	Taiwan	\$25,000	Swissmarine	Via Indonesia
Athinuola	82,177	2012	Qingdao	23/26 Apr	Singapore-Japan	\$24,000	Panocean	Via NoPac
Yangtze Crown	82,092	2018	Gibraltar	23 Apr	Singapore-Japan	\$33,000	Cofco Agri	Via US Gulf & Suez
Sunny Eternity	77,211	2014	Aps NC South America	10/14 May	Skaw-Gibraltar	\$27,000	Golden Ocean	
Patricia V	75,354	2010	Gijon	22 Apr	Gibraltar	\$17,350	Olam Intl	Via NC South America & Turkey
Mackenzie	63,204	2016	Sihanoukville	27 Apr	China	\$29,500	CCS	Via Indonesia
Egret Bulker	57,809	2010	Port Everglades	PPT	Japan	\$26,000	CNR	Via US Gulf
Antigoni B	56,928	2011	Brake	PPT	US Gulf	\$17,000	Genco	Int Scrap
Interlink Fortuity	38,734	2017	Kwangyang	PPT	Continent	\$24,000	CNR	
Montego Bay	34,402	2010	Charleston	PPT	EC Mexico	\$14,300	Lauritzen	



Exchange Rates	This week	Last Week
JPY/USD	109.00	107.68
USD/EUR	0.8278	0.8286

Brent Oil Price	This week	Last Week
US\$/barrel	67.27	65.30

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	392.0	390.0
VLSFO	504.0	498.0
Rotterdam IFO	380.0	369.0
VLSFO	482.0	467.0

30 April 2021

Dry Bulk S&P

The BDI went above 3,000 points yesterday, the last time it reached these heights was over a decade ago on June 15th 2010.

With earnings firm it is no surprise that sales are being concluded at premiums to last done in various sectors.

Lowlands Patrasche (58,2013-dwt, 2013, Tsuneishi Cebu) was sold from Japanese with Pangea rumoured to have won out in negotiations with various Greek, Turkish and other European Buyers competing too. Vessels sold in the traditional Japanese style setting a date for offers and inviting offers provide particularly useful benchmarks and also exemplify the way the market has moved on. At \$18m, this sale represents a notable step on the last comparable unit done six weeks ago, *Global Venus* (58,635-dwt, 2013 Kawasaki) which achieved \$16.5m.

Castor Maritime continue their Panamax buying spree, picking up the (76,822dwtm 2014 SPP, electronic M/E) for \$21m. Two kamsarmaxes of the same age were sold too both with 'MC' engines. *BW Canola* from Oshima & *Emerald Star* from Tsuneishi Cebu. Despite being built in the Philippines, *Emerald Star* gained a premium due to being scrubber fitted. Three ships of the same vintage being sold with differing characteristics will inform the market of relative discounts and premiums for certain attributes and size too.

It is Orthodox Easter this weekend, May day holidays globally early next week and Golden Week for most of Asia the market would generally take a bit of a breather, however with earnings as high as they currently are and plenty of Buyers still on the hunt it would be no surprise for more sales to take place with values continuing their current upward trajectory.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Emerald Star	81,817	2014	Tsuneishi Cebu	Gearless	undisclosed	\$24.50m	Scrubber fitted
BW Canola	81,344	2014	Oshima	Gearless	undisclosed	\$24.00m	
Four Coal	76,822	2014	SPP	Gearless	Castor Maritime	\$21.00m	BWTS fitted
New Emperor	76,585	2006	Imabari	Gearless	undisclosed	\$12.00m	SS/DD due 08/21
Cemtex Venture	73,594	2006	Jiangnan	Gearless	undisclosed	\$12.75m	SS/DD due 08/21
Neo Beachwood	61,418	2011	Iwagi	C 4x31T	undisclosed	\$16.70m	SS/DD/BWTS due
Lowlands Patrasche	58,105	2013	Tsuneishi Cebu	C 4x30T	Pangea	\$18.00m	BWTS fitted
Berge Bandai	39,359	2016	Jiangmen Nayang	C 4x30T	Germans	\$17.50m	SS/DD passed & BWTS fitted



Tanker Commentary

The focus this week has been on older VLCC's. The Taiwanese controlled *Starlight Venture* (291,768-dwt, 2004 Hyundai HI, SS/DD passed) has invited interest with five buyers reported to have been onboard. Elsewhere, Angelicoussis controlled *Maran Carina* (306,314-dwt, 2003 Daewoo) has sold to Chinese interests for \$24.9m. This is in line with the sale of *Nave Neutrino* (298,330-dwt, 2003 Universal) which has reportedly changed hands for \$25m. Both units have drydockings due in May.

LR2 *Poseidon* (109,996-dwt, 2009 Sasebo), LR2 *Polaris* (99,997-dwt, 2008 Sasebo) and LR2 *Pioneer* (99,997-dwt, 2008 Sasebo) are rumoured to be on subjects with Castor Maritime as the buyers. Castor are also reported to have bought the *Davis Sea* (106,062-dwt, 2005 Hyundai HI, Scrubber & BWTS fitted) for \$14.75m. A significant premium to the sister *Sulu Sea* (105,522-dwt, 2005 Sumitomo, Scrubber & BWTS fitted) which sold at the beginning of the month for \$14m.

New York listed Greek shipowners, Pyxis are reported to have purchased an un-named 48,000 dwt, 2013 Hyundai Mipo built MR tanker for \$20m with delivery over the summer. The last similar done was the *Leopard Sun* (49,999-dwt, 2013 SPP) and the *Leopard Moon* (49,999-dwt, 2013 SPP) which sold enbloc for \$21.4m each. The *DL Cosmos* (49,995-dwt, 2007 SPP) has reported sold for mid/high \$10m falling in line with last week's sale of the *Seto Express* (47,999-dwt, 2007 Iwagi) which was reported sold for \$11m. The slight discount can be attributed to the *DL Cosmos* having a Wartsila main engine.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Maran Carina	306,314	2003	Daewoo	Chinese	\$24.00m	DD due 05/21
Nave Neutrino	298,330	2003	Universal	undisclosed	\$25.00m	DD due 05/21
Davis Sea	106,062	2005	Hyundai HI	Castor	\$14.75m	
DL Cosmos	49,995	2007	SPP	undisclosed	\$10.75m	Wartsila ME

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Amazon	26,096	1997	Guangzhou	BULK	6,674.00	undisclosed	China
EM Vitality	300,361	1996	Mitsubishi HI	TANK	47,329.72	500 (with 200 MT Fuel Oil)	Singapore
Marta	17,812	1981	Ishikawajima	TANK	5,935.00	383	Brazil

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