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POINTS OF VIEW

China's National Development and Reform Commission tried its best, but the price of most infrastructure-related commodities remain at elevated levels. The government body has taken to threatening hoarders and malign speculators with severe punishment should they continue to contribute to the high input prices of raw materials. So far, most factories have absorbed these higher costs by sacrificing their profit margins, leaving consumer price inflation at modest levels. The government is concerned that, at some point, these higher costs will be passed onto consumers, aware as it is that higher prices can lead to social unrest should they flow through to household staples. On 1st July, China celebrates the 100th anniversary of the founding of the Chinese Communist Party, and it will not want anything to spoil what will no doubt be a meticulously choreographed event. Today, President Biden announced a bipartisan agreement to spend hundreds of billions of dollars on hard infrastructure including roads, bridges, airports, water and broadband. The package is likely to include \$559bn in new money with diverted cash from other areas taking the total to \$1.2tn over eight years. This could provide post-surge support of key commodities for years to come after a decade of under-investment. The most likely beneficiaries would include iron ore and coking coal for steelmaking, copper for wiring and lumber for construction.

Iron ore hit a record high of \$218 on 12 May, before sinking back to \$202 on 7 June, but is now back to \$214 a tonne. Premium coking coal recently rose above \$300 a tonne, basis delivered China, after it unofficially banned imports from its largest supplier, Australia, last October. Australia supplies a big portion of the coking coal that China imports annually. Other Asian steelmakers can now buy this premium Australian coal for around \$180 a tonne FOB, while China searches far and wide for substitute volumes from South Africa, Colombia and North America. This is all because it bristled at Australia's request for an investigation into the origins of Covid-19, belatedly receiving widespread support for such a move. In the Jan-May period this year, China imported only 18.2mt of coking coal from all sources, down from 31.7mt in the same period in 2020. Domestic production has fallen in response to safety checks and pollution controls* while the Mongolian border is closed after frequent positive testing of truckers. This leads to firmer domestic coking coal prices at a time when demand for thermal coal for power generation exceeds China's ability to mine it. It may face a coal crisis in the second half of this year and will need to raise seaborne imports of both varieties. Copper is down 12% to \$4.28 from its 11 May peak of \$4.90 a pound, while lumber is down 48% to \$875 from its early May peak of \$1,686 per thousand board feet. US homebuyers finally balked at earlier sky-high prices.[^]

Feedback from the virtual Marine Money conference this week was positive with expectations of a very strong dry bulk market over the next few years. Panellists pointed to forecast supply growth of 2-3% over the next 18 months, to end 2022, against demand growth of 5-7% in tonne-mile terms over the same period. There was a perception that newbuilding slot availability for bulk carriers is scarce, given strong container ordering, and that the technology challenges are a disincentive to order. Optimising existing ship performance and slow steaming seem to be the best options. Cutting speeds by 10-15% will certainly further constrain effective supply although strong markets may keep older ships from the scrapyards until markets correct. These days, owners of smaller bulk carriers often prefer to take \$30,000+ per day from the charter market as opposed to selling at a premium price. On fuels, there is unlikely to be an alternative to interim LNG before 2030, so oil is not about to vanish any time soon. All the Baltic indices finished the week on an upbeat note with the BCI at \$33,069 daily, the BPI at \$32,774 per day, the BSI at \$31,644 daily and the BHSI on \$27,058 per day. Yesterday, the BFAs all closed up with the Cape rising to \$39,411 for 3Q21 and \$35,993 for 4Q21, the Panamax up to \$35,774 for 3Q21 and \$31,429 for 4Q21, the Supramax firmed to \$34,042 for 3Q21 and \$29,367 for 4Q21, while the Handysize shifted up to \$27,146 for 3Q21 and \$23,900 for 4Q21. Hopes are now running high for a good second half performance over the balance of this year.

... A slow-burn tourist recovery ...

Tourism Experts Fear Long Road to Recovery

% of tourism experts expecting international tourism to return to pre-pandemic (2019) levels by this time



Based on a global survey among the UNWTO's Panel of Tourism Experts conducted in May 2021
Source: UNWTO



statista

Source: Statista

*The NDRC has sought to reduce output from the main Shanxi region by 30-40% to reduce pollution while mine inspections follow repeated fatal accidents in domestic coal mines.

[^]US consumers have ventured back out to eat, drink and shop having suspended lockdown house improvements and newbuild starts after steep building material price rises.

Dry Cargo Chartering

The **BDI** closed this week at 3,255 points, up by 37 points from last Friday.

A comparatively flat run for the **capsize** market that saw time-charter averages drop by just \$346 from last reported to close play at \$33,069. Fixtures this week include Panocean taking *Dong-A Eos* (179,329-dwt, 2009) delivery retro-sailing Yeosu for a trip via East Australia redelivery Korea at around \$23,000, while Deyesion fixed *ASL Mars* (175,085-dwt, 2004) delivery Fangcheng for an end of June trip via Indonesia to Zhoushan at £29,000. Additionally, Ultrabulk took *Mineral Destelbergen* (175,401-dwt, 2010) delivery Gangavaram for a chrome ore trip via South Africa to China at \$45,000. Coal voyage fixtures concluded this week include a TBN CCL vessel being chartered for a 133,000 mtons 10% Kepco tender from Newcastle to Hadong for 11/15 July at \$17.65 pmt. On the iron ore front, a Glencore TBN vessel was fixed by CSE for 180,000 mtons 10% from Seven Islands to China at \$32.00 pmt for mid-July dates, and the 2012-built *Pan Emerald* was fixed for 170,000 mtons 10% from Port Hedland to Qingdao for 9/11 July at \$10.10 pmt by Rio Tinto. On the Saldanha Bay to Qingdao route, an Adani TBN vessel was fixed for 170,000 mtons 10% for 19/24 July at \$18.87 pmt for an Ore + Metals tender with a D/A cap of \$80,000.

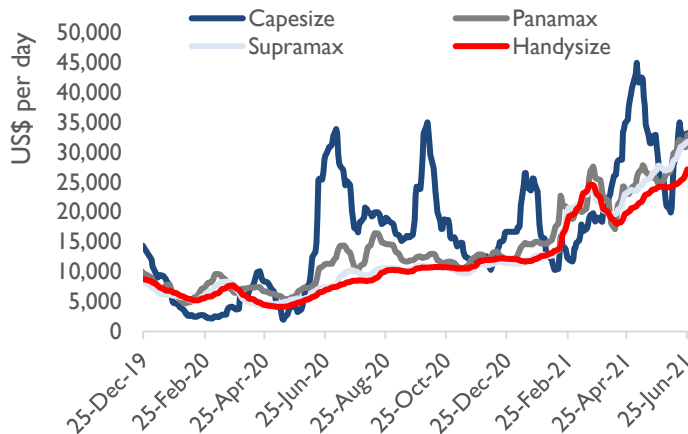
The **panamax** market continued to tick up this week as it closed today at \$31,438 up by \$877 (2.9%) since last reported on 18th June. In the Pacific, Oldendroff fixed *Treasure Star* (82,207-dwt, 2010) delivery Singapore 25th June for a trip via EC South America back to Singapore-Japan range at \$32,250 whilst Polaris took *Shi Dai 8* (75,458-dwt, 2012) delivery Qinzhou 23rd June for a trip via EC South America to Singapore-Japan range at \$27,000. In the Indian Ocean, Cargill fixed *Navios Prosperity I* (75,527-dwt, 2007) delivery retro Paradip 17th June for a trip via EC South America to Singapore-Japan range at \$29,000 and Cargill also fixed *Samoa* (75,506-dwt, 2010) delivery Tuticorin 25/30 June for a trip via East Coast South America to Singapore-Japan range at \$30,875. Meanwhile in the Atlantic, Cargill fixed *Coral Crystal* (78,103-dwt, 2012) delivery Gibraltar 26th June for a trip via US East Coast & Ploce to Skaw-Gibraltar range at \$27,000 whilst Aquatrade took *Evangelistria* (75,750-dwt, 2008) delivery Gibraltar 1/5 July for a trip via the Amazon river to the Continent at \$30,000. Additionally, Bunge took *Good Wish* (75,019-dwt, 2011) delivery Singapore 27 June/3 July for 6-8 months with redelivery worldwide at \$28,500. A Five Ocean TBN vessel was fixed for the Kepco tender for 75,000 mtons 10% coal from Balikpapan to Dangiin for 10/14 July at \$14.44 pmt.

It has been yet another extremely bullish week for the **supra** market. Rates are immense and are still rising steadily in all trade regions. The BSI closed at \$31,644, up from last week's \$30,819. In the Atlantic, *TCLC Quanzhou* (61,632-dwt, 2017) have been reported with a fixed delivery Douala to Ireland via River Plate at \$31,500. Also, *Akour Li* (58,831-dwt, 2010) open Lagos was fixed for a trip to reliver China at \$40,000 with an additional \$250,000 ballast bonus. In the Indian Ocean, *Luna Rossa* (61,645-dwt, 2010) open Dharmatar was reported to be fixed at \$37,000 for a minimum period of 4 months. *Thor Caliber* (58,749-dwt, 2008) was fixed for a delivery to Bin Qasim to redeliver around the PG region at \$41,000. In the Pacific, *Heilan Song* (56,852-dwt, 2011) was fixed for a trip with a delivery to Indonesia to redelivery China at \$36,000. Also, *Bao Grand* (58,015-dwt, 2010) was fixed with a delivery to Surabaya and a redelivery to CJK at \$37,000

The **BHSI** closed this week at \$27,058 up \$1,788 from last week. The handy market continued its pursuit upwards, both basins remained firm with a strong sentiment across board. On the Continent, despite little reported scrap activity, *ms charm* (32,449-dwt, 2010) fixed Ghent for a scrap trip to the East Mediterranean at \$20,000 with EMR. Global Coral (45,418-dwt, 2014) open Immingham fixed basis dropping outward pilot to the USG at \$27,500 with Clipper. In the Mediterranean, a 38,000-dwt open Algeria fixed a trip to Brazil at \$24,500. *Corsair* (35,062-dwt, 2001) open lavrion, Greece via Odessa and Nemrut Bay into Dakar and Abidjan at a snip, \$28,000 to Conti gmt. *Western Paris* (38,737-dwt, 2015) fixed delivery Oran via Bilbao redelivery North Coast South America with Clinker at \$30,000 to COFCO. The US Gulf remained quiet with little reported action, a 38,000-dwt rumoured fixed delivery Mississippi River redelivery Panama/Quetzal range at \$30,000 with Bunge. Down the East Coast of South America, *Seastar Titan* (30,439-dwt 2009) open Paranagua fixed basis delivery Imbituba and redelivery Continent with Petcoke at \$27,000 to Ultrabulk. A 34,000 was also rumoured to have been placed on subjects for a Trans-Atlantic run basis delivery South Brazil and Redelivery Continent-Mediterranean range at \$32/33,000. In the East, *Clipper Belle* (38,204-dwt, 2012) delivery South Korea for a prompt 2 -3 Laden legs redelivery worldwide at \$29,000. A 32,000-dwt open Japan fixed basis delivery Japan for a trip to the Arabian Gulf with Steels and Generals at \$27,000. A 33,000 open North China was rumoured to have been fixed for a trip via CIA and Redelivery in China at \$23/24,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Dong-A-Eos	179,329	2009	Yeosu	19 June	S.Korea	\$23,000	Panocean	Via EC Australia
W-Mayfair	93,260	2010	Huanghua	25/27 June	Japan	\$31,500	NYK	Via North China
Kerkyra	81,375	2012	Luoyuan	20/21 June	Japan	\$32,750	NYK	Via EC Australia
Coral Crystal	78,103	2012	Gibraltar	26 June	Skaw-Gibraltar	\$27,000	Cargill	Via US East Coast
Star Emily	76,617	2004	Cape Passero	27/28 June	Singapore-Japan	\$39,000	Olam	Via NC South America
TCLC Quanzhou	61,632	2017	Douala	PPT	Ireland	\$31,500	Viterra	Via River Plate
Bao Grand	58,015	2010	Surabaya	1 July	CJK	\$37,000	CNR	
Chang Hang Dong Hai	57,053	2010	Yangpu	26/27 June	China	\$31,500	CNR	Via Philippines
Global Coral	45,418	2014	Immingham	PPT	USG	\$27,500	CNR	Via Cont
Seastar Titan	30,439	2009	Imbituba	5/10 July	Cont	\$27,000	Ultrabulk	Int Petcoke



Exchange Rates	This week	Last Week
JPY/USD	110.69	109.50
USD/EUR	0.8373	0.8228

Brent Oil Price	This week	Last Week
US\$/barrel	75.36	72.59

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	428.0	410.0
VLSFO	545.0	530.0
Rotterdam IFO	412.0	391.0
VLSFO	521.0	501.0

25 June 2021

Dry Bulk S&P

Another busy week and no let up across the board as the market continues to accelerate upwards.

In the Capes, Peter Livanos led Drylog have sold *Bulk Kyushu* (180,211-dwt, 2006 Imabari) to Chinese buyers for \$20.5 mill. A month ago the 2 year older ship *Mineral Kyoto* (180,310-dwt, 2004 Imabari) sold for mid \$15m. The 2011 built *Lowlands Tenacity* (179,929-dwt, 2011 HHI) invited offers last week and has now been committed to Greek buyers Moundreas for \$29.5m.

In the Ultramax sector, *Amber Champion* (63,800-dwt, 2013 Chengxi, BWTS fitted) has been sold for \$20.5 mill and the 2 year younger sister ship *Vialli* (63,493-dwt, 2015 Chengxi, BWTS fitted) is rumoured to have gone for \$23m to clients of Eagle Bulk. By comparison, a month ago Eagle acquired two ships from TRF, *Nautical Loredana* and *Nautical Hilary* (64,556-dwt & 63,531-

dwt, 2015 Hantong, BWTS and Scrubber fitted), for \$22m per ship. In the Supras, *New Unity* (53,472-dwt, 2006 Iwagi) has been sold for \$13.25m. For perspective, the last 'Iwagi-53' type reported sold was at the end of February, *Captain Cherif* (53,556-dwt, 2004 Iwagi), which was sold for a price of \$6.6m.

Another busy week in the Handy segment. The Japanese owned *Dream Island* (34,467-dwt, 2015 Hakodate) has been sold to Turkish interests at \$18.3m with very prompt delivery early July in Japan. *Liberty Island* (37,218-dwt, 2011 Saiki) has been sold to Greek buyers for \$15m (SS/DD due 08/21). *Hamburg Pearl* and *Houston Pearl* (35,921-dwt & 35,914-dwt, 2011 Hyundai Mipo) have found a new home for \$28.5 mill enbloc basis SS/DD passed and BWTS fitted. The JNS built *Konstantinos M* (32,178-dwt, 2012 JNS) has been committed to undisclosed buyers for \$12m basis TC attached at \$19,500 per day until November.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Bulk Kyushu	180,211	2006	Imabari	Gearless	Chinese	\$20.50m	
Lowlands Tenacity	179,929	2011	HHIC	Gearless	Moundreas	\$29.50m	
King Sail	177,643	2002	Mitsui	Gearless	Chinese	\$12.50m	
Nanakura	91,439	2003	Oshima	Gearless	Chinese	\$12.00m	
Yarrowonga	82,624	2008	Tsuneishi	Gearless	Greeks	\$17.00m	SS/DD passed & BWTS fitted
Elinda Mare	79,648	2010	New Century	Gearless	Taiwanese	\$18.00m	
Lemessos Queen	76,565	2008	Imabari	Gearless	Greeks	\$17.85m	September/October delivery & BWTS fitted
Amber Champion	63,800	2013	Chengxi	C 4x30T	undisclosed	\$20.50m	Eco & BWTS fitted
Vialli	63,493	2015	Chengxi	C 4x30T	Eagle Bulk	\$23.00m	BWTS fitted
Bulk Titan	58,090	2009	Tsuneishi Cebu	C 4x30T	undisclosed	\$16.50m	BWTS fitted & in DD for 4 months due to incident
New Unity	53,472	2006	Iwagi Zosen	C 4x31T	undisclosed	\$13.25m	
Liberty Island	37,218	2011	Saiki	C 4x30T	Greek	\$15.00m	SS/DD due 08/21
Hamburg Pearl	35,921						
Houston Pearl	35,914	2011	Hyundai Mipo	C 4x35T	undisclosed	\$28.50m enbloc	SS/DD passed & BWTS fitted
Jia Tia	35,112	2011	Zhejiang Yueqing	C 4x30T	European	\$9.20m	Auction
Dream Island	34,467	2015	Hakodate	C 4x30T	Turkish	\$18.30m	
Konstantinos M	32,178	2012	Jiangmen	C 4x31T	undisclosed	\$12.00m	TC attached at \$19,500/d until November
Star Life	28,210	2011	Shimanami	C 4x31T	undisclosed	\$11.25	



Tanker Commentary

A slight uptick in VLCC rates has been the only excitement this week for chartering brokers as flat figures have been dished out on other segments both on crude and clean. This lack of activity is also reflected in this weeks sales list with a limited number of transactions to report.

In the MR segment, negotiations continue to take place on the Korean owned *Grand Ace2* (46,185-dwt, 2006 STX, Phenolic Epoxy) and HK controlled *Jasmine Express* (46,999-dwt, 2004 Onomichi). Both deals are expected to conclude within the coming week.

Meanwhile Greek owners IMS SA have been successful in securing Empire Navigations' MR tanker *Lara* (50,655-dwt, 2007 SPP, SS/DD due 06/2022) for \$10.7m. Arguably a good price for IMS when comparing it to the sale of the *Hellas Explorer* (51,246-dwt, 2008 STX, SS/DD due 01/2023) that achieved \$13.25m in May, with surveys passed. The most recent Korean built MR sale was in fact earlier this month, with the *Atlantic Pisces* (49,999-dwt, 2009 HMD) at \$15m however we understand this failed.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Jasmine Express	46,999	2004	Onomichi	Greek	\$7.60m	
Kohzan Maru III	45,286	2000	Shin Kurushimna	undisclosed	\$6.75m	Zinc coated

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Oro Singa	113,333	1999	Samsung HI	TANK	17,707.00	525	Indonesia
Wid A	4,580	1989	Naikai	TANK	2,329.00	525	India

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