



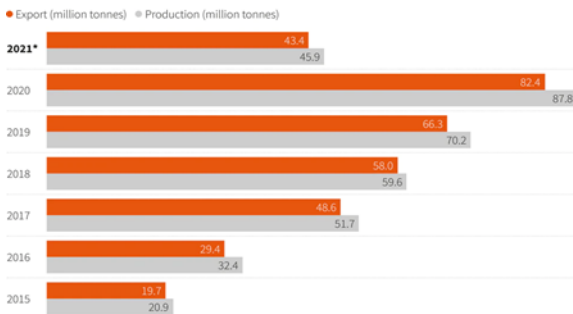
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... Guinea : Big in Bauxite ...

#### Guinea's bauxite production and exports

Guinea is the world's second-biggest producer of bauxite, the aluminium ore, supplying all major markets of the world.



Note: \*January-June  
Source: Ministry of Mines and Geology, Guinea

Source : Reuters / Ministry of Mines & Geology, Guinea

\*62% Fe iron ore, CFR China, has fallen 39% from its 16 July peak of \$220 to \$134 per tonne today.

\*\*Bauxite production & exports in 2020: Australia 102/37mt, Guinea 88/82mt, China 70/0mt. Guinea has the largest reserves at 7.4bt.

^In 1H21, 41% of Guinea's bauxite exports went on capes, 29% on nukes, 12% on panamax, 10% on VLOCs, 6% on supras. (Arrow).

^^In 2010, China imported only 30mt of bauxite. Last year, it imported 112mt of which 53mt, or 47%, came from Guinea.

### POINTS OF VIEW

We are enjoying the best run in bulk carrier earnings in over ten years and yet so many people are looking for any reason to announce an imminent correction. The lack of conviction is not so surprising as, like stock markets, we climb a wall of worry. The extraordinary spike in bulk carrier earnings and ship values in 2007-08 was long enough ago that many young practitioners in our industry did not experience it. Today's excessive caution contrasts with the reckless animal spirits that prevailed 13-14 years ago when market players pushed earnings and prices into nosebleed territory. They happily played chicken with the market, in the full knowledge that it would eventually come down just as fast as it had gone up. These days, in a similarly unpredictable world, some degree of hesitancy is understandable, and it may even help us make more sustainable gains. Last Friday, we saw the reported sale of a Chinese resale kamsarmax, an 85,000-dwt unit delivering from Shanghai to Guan in mid-2022, for \$36m, about \$2m above current newbuilding prices. In fact, both newbuilding and resale prices are up by around \$2m since the start of Q3 as higher input costs, bumper earnings and strong demand propel both nominal readings higher. However, in the context of the heady days of 2007-08, these numbers are not at all remarkable. Taking a 76,000-dwt resale panamax, nominal values peaked in November 2007 at \$106m, easing back to \$87m in September 2008, the month in which Lehman collapsed, only to crash to \$46m in October. Prices hit a cyclical floor of \$35m in April 2009, which is right where we are now in price equivalent terms for a resale kamsarmax. This provides some context and illustrates the upside potential.

Today, the water cooler chatter seems to be predominantly tilted to the downside, with talk of Vale being unable to meet its iron ore production targets, port congestion unwinding, the Atlantic and Pacific rebalancing and Chinese curbs on its steel production set to persist. China easily sells us a story about reducing its marginal steel output to curb pollution and rein in its over-leveraged real estate companies. We often buy it at face value. The resultant collapse in iron ore prices\* has served the authorities well; it might also be taken as a green light by traders to buy on a speculative basis. Ultimately, when push comes to shove, economic growth overrides all other considerations as it endorses the CCP's authority. However, the CCP must also be aware that a fast-rising middle class cares about its health, so anti-pollution measures do matter. Last Sunday, we had another event that caused the markets to sell off, a military coup in Guinea, the world's second largest producer of bauxite,\*\* the raw material that is converted into alumina and then to aluminium at a tonnage ratio of 5:2:1. Bauxite from Guinea makes up around 5% of global capesize trades,^ with the Ministry of Mines putting its bauxite exports at 43.4mt in 1H21, out of 45.9mt of production, with 30mt going to China. So far, there are no reports of any delays and, as bauxite accounts for two-thirds of Guinea's exports by value, it will want to keep going.

Aluminium prices were already doing well in the Covid-19 recovery phase and more recently have been boosted by refinery outages in Brazil, Jamaica and China. That helps explain why aluminium hit a 13-year high of \$2,890 per tonne today. The importance of Guinea to large bulk carriers, to the seaborne bauxite market, to the aluminium smelters, and to China, should not be under-estimated.^ Nonetheless, the 'shoot first ask questions later' brigade saw fit to suppress the BCI-5TC by 13.1% between last Friday and Wednesday, dropping it from \$46,647 to \$40,518 daily. Since then, it has recovered 14.0% to \$46,172 today. Meanwhile, the BFA Cape 4Q21, fell 4.3% from \$34,720 on Friday to \$33,210 on Monday, only to rebound 16.4% to \$38,648 daily today. The assessors must have realised, belatedly, that they shot the wrong guy on Monday. Is this trigger-happy volatility really justified, maybe some calm is needed? Average weekly earnings for a 5-year old 180,000-dwt eco cape were up 104% from \$21,179 in week one to \$43,211 daily last week, having corrected from over \$48,500 in the previous two weeks, according to SIN data. The Baltic S&P Assessments show that such a modern eco cape has risen in value by 39% since the start of this year, improving from \$32.0m to \$44.4m, a \$12.4m gain. Expect more events, more kneejerk reactions, more index volatility and an anxious but upwardly trending market.

### Dry Cargo Chartering

The **BDI** closed today at 3,864 points, down 80 points from last week.

Freight rates continued to fall in the **capsize** market this week before a sizeable resurgence on Thursday and Friday. Prices along the Tubarao-Qingdao iron ore route were just below \$32.00 pmt by close of play, with reported fixtures including several 170,000 mtons 10% Vale cargoes for early October dates with rates ranging from \$29.75 pmt to \$30.25 pmt. The same charterers also took the 2020-built Bunge relet *Niseko Queen* for 190,000 mtons 10% for the same trade again at \$30.25 pmt. Other additional fixtures include charterers EZDK fixing an Egeden TBN vessel for 150,000 mtons 10% from Ponta Ubu to El Dekheila for 13/22 September at \$19.90 pmt, and charterers Ore & Metals taking a Pacbulk TBN vessel for 170,000 mtons 10% from Saldanha Bay to Qingdao at \$23.08 pmt. Coal voyage fixtures include ST Shipping taking a TBN vessel for 160,000 mtons 10% from Richards Bay coal terminal to the Continent area at \$15.50 pmt for 10/19 September. On the period side of things, Koch took on *Houston* (177,000-dwt, 2009) delivery Singapore 9<sup>th</sup> September for 1 year trading redelivery worldwide at \$27,000.

The **panamax** market softened at the start of the week then recovered towards the end to remain relatively flat compared to last week's levels. The market closed today at \$32,356 down by \$89 (-0.27%) since last reported on 3<sup>rd</sup> September. In the Pacific, Oldendorff fixed the *Star Gwyneth* (82,790-dwt, 2006) delivery Tobata 10/15 September for a trip via East Australia to India at \$31,000 p/day whilst Naas shipping took the *Mitose* (77,376-dwt, 2008) delivery Qinzhou 10/12 September for a trip via Indonesia to China at \$33,000 p/day. In the Indian, Meadway took the *Yasa Unity* (75,580-dwt, 2006) delivery Tuticorin 7<sup>th</sup> September for a trip via Black Sea with grains to SE Asia at \$34,000 p/day. Meanwhile in the Atlantic, Langlois fixed the *Jia Da* (75,431-dwt, 2010) delivery El Dekheila 14/15 September for a trip via Black Sea to Egypt at \$31,000 p/day, Cargill took the *Medi Newport* (81,756-dwt, 2017) delivery Gdynia 15/20 September for a trip via Baltic to Skaw-Gibraltar range including Morocco at \$33,500 p/day as well as Cofco Agri covering the *CIC Epos* (79,528-dwt, 2014) delivery NC South America 16<sup>th</sup> September for a trip to Skaw-Spain range at \$29,000 p/day + \$375,000 BB. Alternatively, BG Shipping fixed the *Amphitrite* (98,697-dwt, 2012) delivery Kinnura 11<sup>th</sup> September for 13-15 months with redelivery worldwide at \$27,000 p/day and Worthington took the

*Magic Nebula* (80,282-dwt, 2010) delivery retro sailing Singapore 5<sup>th</sup> September for 6-8 months with redelivery worldwide at \$31,750 p/day. SAIL also took a TBN vessel for their 75,000 mtons 10% coal from Dalrymple Bay to Visakhapatnam for 1/10 October at \$31.65pmt.

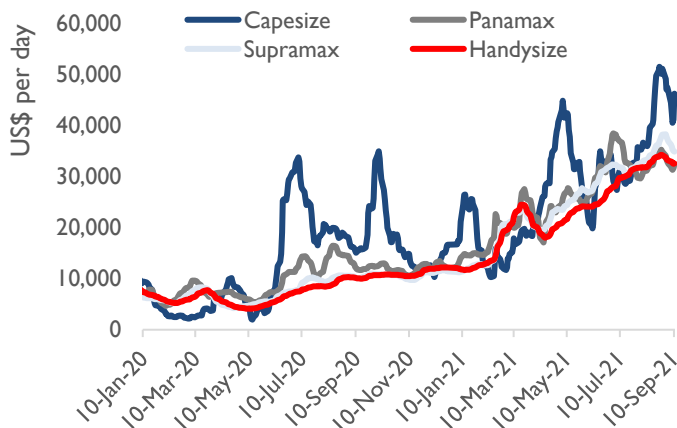
Yet another dismal week for the **supra** market as rates took a plunge and saw red for the entire week. But while rates fell aggressively, the Indian market seemed to maintain its position very well with slight volatility on indications around this region. The BSI closed at \$34,867, down from last week's \$36,832.

In the Atlantic, *Sun Vil II* (56,042-dwt 2013) was fixed for a trip delivery East coast South America to Algeria at \$36,500. *CL Kate* (63,607-dwt, 2017) was rumoured to have been fixed for a trip delivery Barranquilla to India at \$43,250. In the Indian Ocean, *LMZ Phoebe* (56,733-dwt, 2011) was fixed for a trip delivery Kandla via the Arabian Gulf redelivery Bangladesh at \$50,000. *Unity Spirit* (60,652-dwt, 2015) was fixed for a trip delivery Richards Bay to Pakistan at \$31,000 with a \$700,000 ballast bonus. In the Pacific, *Magia* (57,596-dwt, 2015) was fixed for a prompt trip delivery Taiwan via Indonesia to West coast India at \$34,000. *HS Luck* (52,421-dwt 2002) was fixed for a trip delivery Shindongkou redelivery South China up to CJK at \$28,600.

Timecharter averages also fell across **handysize** markets this week dipping down to \$32,534, a fall of \$553. The US Gulf remained a particularly weak point with transatlantic trips originating there going for around \$20,000 per day. In the Pacific, *Momo Glory* (28,222-dwt, 2014) fixed delivery Thailand for a prompt trip to South Korea at \$28,000, while in the Indian Ocean *Nalinee Naree* (31,699-dwt, 2005) fixed delivery West coast India 19/22 September for a trip to the US Gulf at \$38,500. In the Atlantic, it was reported that Clipper took *Parity* (37,152-dwt, 2012) delivery Fazendinha for a grains trip to the Continent at a discounted \$21,000 while *Aquitania* (35,938-dwt, 2005) was fixed delivery Paranagua for a prompt trip via River Plate to North Brazil at \$34,000. Elsewhere, *De Sheng Hai* (39,821-dwt, 2017) fixed delivery Port Said for a trip via the Black Sea to the US Gulf with agricultural products at \$39,500. Charterers were Tiryaki. Period fixtures reported this week include *Dolce Vita* (38,650-dwt, 2015) fixing delivery Paranagua for 6/8 months trading redelivery Atlantic at \$28,000, and *Ocean Galaxy* (37,193-dwt, 2011) delivery North China for 3/5 months trading redelivery worldwide at \$37,000.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Flourish Power	95,379	2012	Qingdao	2/3 Sept	China	\$40,500	Alam Shipping	Via Gove Int Bauxite
Pan Topaz	82,787	2012	Batangas	10/13 Sept	Malaysia	\$36,250	Ocean Base	Via Indonesia
Medi Newport	81,756	2017	Gdynia	15/20 Sept	Skaw-Gibraltar	\$33,500	Cargill	Via Baltic
CIC Epos	79,528	2014	NC South America	16 Sept	Skaw-Spain	\$29,000	Cofco Agri	Plus \$375,000 bb
Mitose	77,376	2008	Qinzhou	10/12 Sept	China	\$33,000	Naas Shipping	Via Indonesia
GH Eclipse	63,800	2019	Binh Thuan	7/8 Sept	Thailand	\$41,500	CNR	Via Indonesia
Josco Yangzhou	55,621	2005	Yangjiang	PPT	China	\$35,000	CNR	Via Philippines Int Nickel Ore
HSL Luck	52,421	2002	Shindongkou	6/9 Sept	China	\$28,600	CNR	Via Indonesia
Maria GS	28,378	2011	Sepetiba	16/19 Sept	Recalada	\$26,500	Clipper	Via River Plate
Momo Glory	28,222	2014	Thailand	PPT	South Korea	\$28,000	CNR	



Exchange Rates	This week	Last Week
JPY/USD	109.87	109.92
USD/EUR	1.1831	1.1869

Brent Oil Price	This week	Last Week
US\$/barrel	72.70	73.49

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	457.0	446.0
VLSFO	543.0	530.0
Rotterdam IFO	402.0	404.0
VLSFO	508.0	511.0



10 September 2021

### Dry Bulk S&P

In any great climb, one must take breath. The dry market is firing on all pistons and in the S&P market, values have continued to rise with no shortage of Buyers. The eye catching prices have been achieved by vessels offering a very prompt delivery giving buyers a quick return on their investment. German owners invited offers on their *Ranger* (82,172-dwt, 2012 Tsuneishi Zhoushan) at the end of August and was concluded at \$24m. When comparing it to this week's sale of the Japanese controlled *Vijayanagar* (82,167-dwt, 2010 Tsuneishi), it's a notable step up against the last done as she has been concluded at similar levels. She is BWTS fitted and giving delivery within October / November.

Elsewhere, *Navios Altair I* (74,475-dwt, 2006 Hudong-Zhonghua) to Chinese interests for \$14m basis delivery end September. The last similar aged unit sold was back in April, when the *Cemtex Venture* (73,594-dwt, 2006 Jiangnan) achieving \$12.75m however this was at the start of the bull run that the dry market is experiencing.

Owners of the Norwegian controlled *Nautical Runa* (63,577-dwt, 2015 Hantong) and *Nautical Lucia* (63,548-dwt, 2016, Hantong) have decided to cash out, leaving the table to collect a healthy \$55m en bloc for their scrubber fitted units to unnamed interests. Meanwhile Norden have taken a similar approach having agreed to sell their scrubber fitted *Nord Summit* (61,649-dwt 2012 Oshima) for \$25.5m to Hong Kong based buyers.

Moving to the handy segment, the Chinese controlled *Phoebe Star* (32,597-dwt, 2010 Jiangsu Zhenjiang) has been sold for \$14.1m with prompt delivery, and Cosmship have offloaded their *Niki C* (29,974-dwt, 2011 New Century) basis surveys due in September for \$12m to Chinese interests. In comparison, the last Chinese built handysize sold was *Great Reward* (31,785-dwt, 2011 Guangzhou Huangpu) at the end of July for \$13.25m.

### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Vijayanagar	82,167	2010	Tsuneishi Holdings	Gearless	undisclosed	\$24.00m	
Navios Altair I	74,475	2006	Guangzhou Huangpu	Gearless	Chinese	\$14.00m	Auction
Nautical Runa	63,577	2015	Hantong	C 4x36T	undisclosed	\$55.00m enbloc	Scrubber fitted
Nautical Lucia	63,548	2016					
Ocean Success	56,815	2011	Tianjin Xingang	C 4x30T	undisclosed	\$15.90m	
Atalanti SB	56,019	2006	Mitsui	C 4x30T	Bangladeshi	\$16.00m	
Ivy Delta	55,869	2011	IHI	C 4x35T	Oscar Wehr	\$20.50m	
Bao Ella	53,468	2006	Imabari	C 4x31T	undisclosed	\$15.00m	SS/DD passed & BWTS fitted
Josco Suzhou	49,416	2004	NACKS	C 4x25T	undisclosed	\$13.50m	Auction
Phoebe Star	32,597	2010	Jiangsu Zhenjiang	C 4x31T	undisclosed	\$14.10m	
Niki C	29,974	2011	New Century	C 4x30T	Chinese	\$12.00m	SS/DD due 09/21 & BWTS due 07/22
Lucky Trader	23,522	1996	Saiki	C 4x30T	undisclosed	\$6.73m	



## Tanker Commentary

With limited tanker S&P activity this week, it is clear the market is experiencing more than a summer lull. It has been reported that the Greek controlled *KOS* (305,870-dwt, 2001 Daewoo) changed hands two weeks ago for \$27m, with storage buyers in the Black Sea reported to have taken the vessel. Despite *Kos* having surveys due, this shows firming prices when compared to *Maya VN* (318,778-dwt, 2003 Hyundai Samho, SS – 04/2023, DD – 09/2021) which sold at the beginning of August for the same price. It must be noted that the *Maya VN* was flipped from cash buyers to Chinese.

The only confirmed sales this week have been in the MR sector. Greek controlled deepwell MR *Hellas Explorer* (51,246-dwt, 2008 STX, SS/DD due 01/2023) has sold for \$12.8m to fellow countrymen Astra Shipping. The last Korean deepwell MR to have sold other than the multi-ship acquisition from Ridgebury Tankers was *Grand Ace2* (46,185-dwt, 2006 STX, SS/DD passed, BWTS fitted), which changed hands in July for \$9m representing little movement in price over the summer months.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
KOS	305,870	2001	Daewoo	Black Sea based	\$27.00m	Old Sale
Hellas Explorer	51,246	2008	STX	Astra	\$12.80m	

### Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Sanmar Stanza	47,110	1999	Onomichi	TANK	9,364.00	578	Colombo
Hafid	47,228	2000	Onomichi	TANK	9,246.00	605	Pakistan
Sharifa 4	95,416	1995	Hyundai HI	TANK	16,484.00	615-618	Pakistan
Lindoia BR	34,999	1996	Estaleiro Ilha	TANK	9,420.00	437.20	Brazil

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