



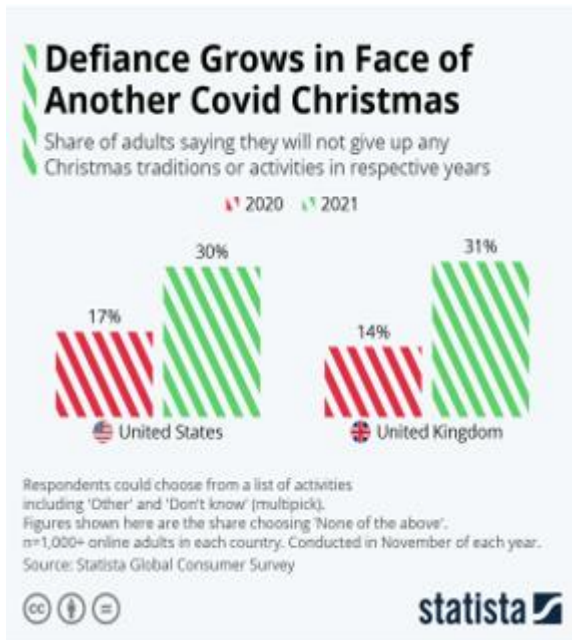
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### POINTS OF VIEW

With the Omicron variant in full flow, there appears to be an unhealthy focus on negative news in the media. This is quite normal, as it is easier to report on and write about bad news and poor prospects than it is about good news and a bright future. People do not need to be told the good news as they already feel it, live it and enjoy it while the doomsayers insist on reminding us that bad follows good just as night follows day. Across Europe, lockdowns and social restrictions are being reimposed, leaving us to wonder what is the point and purpose of vaccines if they fail to buy us freedom. We face slower growth and rising costs, aka stagflation. We are told that Russia is about to march into Ukraine, China is going to invade Taiwan and Iran is about to go nuclear in what are considered the greatest geopolitical risks since WWII. The western powers have no foreign policy and are perceived as weak and disunited by their adversaries. Truth, ethics and civility are under attack as the orange one threatens a comeback in the US and his UK protégé Boris sinks further into his own homemade swamp. Central bankers are fearful and increasingly negative, while investment bankers are losing faith in the markets and warning of impending doom. We are advised to work from home while being encouraged to attend Christmas parties. We must wear a mask on the bus but not in the pub or in church. For some of us, there is the holiday season to look forward to, but it may not be the one we had hoped for.

... No More Lockdowns ! ...



Source : Statista

Shipping is like the curate's egg, good in parts. Tankers continue to take two steps forward and one step back. The market is oversupplied with ships while being undersupplied with oil as the persistent Covid pandemic upsets the global demand recovery. Trafigura, quoted in Tradewinds, fears a repeat of the tanker sector's 2021 'annus horribilis', its worst for tanker earnings in at least 30 years. Oil production cuts, fleet growth and rising bunker prices are contributors. It is bearish and considers that there is a reasonable chance that 2022 will be just as bad as this year for tankers. 2023 may prove to be better, but this will be subject to increased scrapping, failing which the recovery may delay to 2024 and 2025. In its view, to achieve better market balance, more scrapping is required over and above the large shadow tanker fleet that is trading with Iran and Venezuela. According to SIN data, 167 tankers of 13.14m-dwt were scrapped in the eleven months to end November compared with 43 of 2.38m-dwt in the same period last year. Separately, Alphatanker warns that new Covid variants could hit oil demand and push the market into oversupply next year. It assesses Opec+ output at 43.5m-bpd in December but, if it is to succeed in balancing supply and demand, then it would in theory need to cut production by 1.0m-bpd rather than raise it by 0.4m-bpd in January. But Opec+ is unlikely to cede market share to Atlantic producers such as the US, Norway, Canada and Brazil so the market is likely to be oversupplied in H1 2022. If Iran were to return it would add another 1.2m-bpd of oil supply, undermining oil and bunker prices. The positive flip side is the prospect of a period of restocking and increased floating storage which is good while the party lasts but, as we have learnt, it brings with it a hangover later on.

Not to be outdone on the bad news front, and also reported in Tradewinds, S&P Global Platts expects the container market to drop dramatically next year. It forecasts that China/USWC freight rates may fall by as much as 40% next year, having risen 3.8-times in 2021 to date, as demand wanes and the logjams ease. Any such drop will be from a very high base and many carriers will have locked in larger volumes at higher rates under longer term contracts. Demand surges and fresh congestion can still be expected when China's manufacturing normalises, after persistent power outages, and as Covid-affected demand runs hot and cold.<sup>^</sup> The outlook for bulk carriers remains good, mainly based upon unusually constrained supply and what are expected to be steady increases in demand. We have seen a big correction already with the BCI-5TC 54% below its 2021 peak of \$86,953 in October to \$40,035 daily today. The BHSI has been the least volatile, off 24% to \$28,295 today, the BPI down 29% to \$27,610 and the BSI off 30% to \$28,065 from their October peaks, and are now primed for recovery. Meanwhile, in shipping, all the best and worst forecasts are frequently derailed by events.

\*Natixis top five economic threats, in descending order:

- Supply chain disruptions
- Less supportive central bank policy
- Covid variants
- US-China relations
- China's economic growth

<sup>^</sup>Christmas shipping orders should be close to completion by now while Chinese New Year in February and the Winter Olympics in February and March will most likely influence demand patterns.

## Dry Cargo Chartering

The **BDI** closed at 3,272 points, up 101 points from last week's report. This week the **cape** market continued its upward trajectory before tailing off slightly as the week drew to a close. The BCI STC closed at \$40,035, up \$1,939 from last Friday. Plenty of iron ore voyage fixtures were reported as we saw the usual big players chartering a good deal of tonnage. Rio Tinto took several vessels for their Dampier-Qingdao route for 170,000 mtons 10% for loading end of December with freight prices ranging from \$13.35 pmt to \$14.95 pmt, with the 2021-built *Berge Bobotov* among them. Additionally, CSE fixed an unnamed Newcastlemax relet for 150,000 mtons 10% for 16/20 December from Western Australia to Taiwan at \$13.15 pmt, and the same charterers also took another *Berge Newcastlemax* TBN for 170,000 mtons 10% from Seven Islands to Luoyu at \$36.00 pmt. Vale fixed a vessel for January loading along their Tubarao-Qingdao route at \$27.15 pmt. Coal fixtures that came to light included Kepco taking a vessel for 140,000 mtons 10% from Vostochny to Dangjin for 21/25 December at \$9.22 pmt. On the time-charter side of things, Koch kept on in direct continuation the *Diana* relet *Newport News* (208,021-dwt, 2017) delivery Pohang 16/17 December for period until a minimum of 1 July 2023 to a maximum of 30 September 2023 at \$28,000.

The **panamax** market softened marginally this week as it closed today at \$27,610 down by \$544 (-1.93%) since last reported on 3<sup>rd</sup> December. In the Pacific, the *Constantinos G.o* (87,050-dwt, 2011) fixed delivery Goseong prompt dates for a trip via EC Australia to Japan at \$23,000, whilst ASL Bulk took the *Fortune Genius* (74,362-dwt, 2002) delivery passing Singapore beginning of December for a trip via EC South America to Singapore-Japan range at \$20,500 and the *Great Cheer* (93,297-dwt, 2009) was fixed basis delivery Tianjin 8/10 December for a trip via North China to Japan at \$26,000. In the Indian, the *Darya Gayatri* (81,874-dwt, 2012) was fixed delivery Krishnapatnam 10/16 December for a trip via EC South America to Singapore-Japan range at \$23,750 whilst Fastfreight took the *Lily Breeze* (74,744-dwt, 1998) delivery EC India spot for a trip via WC India to Singapore-Japan range at \$23,000. In the Atlantic, Nordic covered the *Trans Africa* (81,270-dwt, 2017) delivery Jorf Lasfar 10<sup>th</sup> December for a trip via Kamsar to Stade at \$48,000, whilst the *GNG Concord 2* (75,700-dwt, 2014) was fixed delivery Rotterdam 10<sup>th</sup> December for a trip via the Baltic to Skaw-Dunkirk range at \$35,000 and the *Beteigeeze* (77,089-dwt,

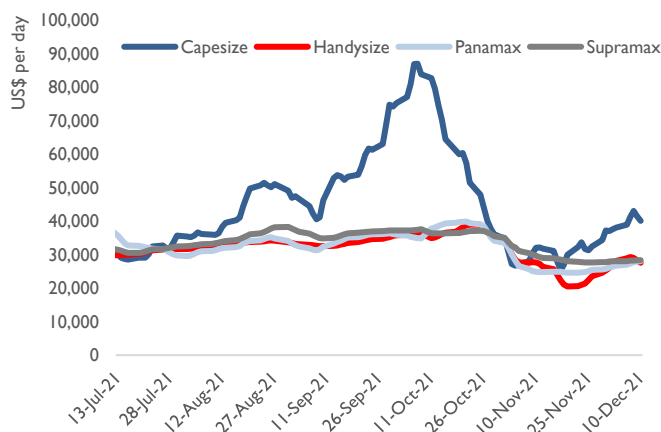
2007) was taken delivery Recalada 1/10 January 2022 for a to Mombasa at \$43,750. Alternatively, The KEPCO tender covered a GNS TBN Vessel for 75,000 mtons 10% of coal loading Balikpapan 16/25 December and discharging in Yeosu at \$11.05 pmt.

We are once again experiencing a rise in the **supra** market as rates are climbing at an exponential rate. In the Pacific and Indian Oceans, rates are pushing while over in the Atlantic they still remain high and firm albeit with a slight drop. The BSI closed at \$28,065, up from last week's \$26,741. In the Atlantic, *Captain D Lempsis* (53,466-dwt, 2005) was fixed for a trip delivery Owendo to Norway at \$33,000. *Ageri* (56,754-dwt, 2012) was fixed for a prompt trip delivery SV Pass to the Black Sea at \$38,000. In the Indian Ocean, *Tassos N* (55,764-dwt, 2009) was fixed for a prompt manganese ore run delivery Saldanha Bay and redelivery in the Baltic region at \$41,000. Another was *Papa John* (56,543-dwt, 2010) that was fixed delivery APS Durban for a prompt trip to China at \$25,000 and with a \$500,000 ballast bonus. In the Pacific, *Kang Yao* (52,988-dwt, 2004) was fixed for a trip carrying silica sand delivery Singapore and redelivery China at \$32,000, while *LMZ Phoebe* (56,733-dwt, 2011) was fixed for a trip with delivery Singapore via Indonesia to China at \$31,000.

The **handysize** index closed the week at \$28,295, up from last weeks close of \$28,065. Rates remained firm in the Atlantic with the exception of the Continent which dipped at the end of the week. In East Coast South America, AXLE fixed *Nemrut Bay* 34k dwt at \$39,000 dop Rio Grande for a trip via Plate to South East Asia. Weco also took the *Kashing* 37k dwt at \$47,000 dop Vitoria for a trip to West Coast South America with steels. In the Mediterranean it was reported that Lighthouse took the *Alberto Topic* 34k-dwt at \$29,500 passing Otranto for a steels run ex Black Sea to the US Gulf. Swire also took the *Pabari* 37k dwt at \$29,000 delivery ICDAS for a trip via Black Sea to US East Coast. Onto the Continent where *Mother M* 34k dwt fixed \$32,000 dop Germany for a trip to West Mediterranean. In the Pacific rates remained steady. *Unison Leader* 35k-dwt fixed \$18,000 bss Manila for a Pacific Round Voyage. We also heard a 28k-dwt fixing \$21,000 dop Cailan for a coal run to Japan. On period we heard a 37k dwt in East Coast South America fixing \$28,000 for 7-9 months redelivery Atlantic.

## Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Cemtex Orient	98,704	2012	Taichung	10 Dec	Singapore-Japan	\$30,000	Jera	Via Australia
Great Cheer	93,297	2009	Tianjin	8/10 Dec	Japan	\$26,000	CNR	Via North China
Constantinos G.o	87,050	2011	Goseong	PPT	Japan	\$23,000	CNR	Via EC Australia
Mont Font	82,113	2012	Rotterdam	8/9 Dec	Skaw/ Barcelona	\$36,000	CNR	Via EC Canada
GNG Concord 2	75,700	2014	Rotterdam	10 Dec	Skaw-Dunkirk	\$35,000	CNR	Via Baltic
LMZ Phoebe	56,733	2011	Singapore	12 Dec	China	\$31,000	CNR	Via Indonesia
Captain D Lempsis	53,466	2005	Owando	15/20 Dec	Norway	\$33,000	WBC	
Kang Yao	52,988	2004	Singapore	13/14 Dec	China	\$32,000	Century Scope	Int Silica Sand
Kashing	37,440	2021	Vitoria	19/22 Dec	WC South America	\$47,000	Weco	Int Steels
Rea	32,755	2010	Recalada	16/22 Dec	Algeria	\$37,750	Cargill	Int Grains



Exchange Rates	This week	Last Week
JPY/USD	113.41	113.40
USD/EUR	1.1289	1.1308

Brent Oil Price	This week	Last Week
US\$/barrel	76.06	72.25

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	424.0	406.0
VLSFO	599.0	604.0
Rotterdam IFO	406.0	388.0
VLSFO	540.0	530.0

10 December 2021

### Dry Bulk S&P

A festive slow down feels like a distant prospect at present. Instead, the sales tables are bulging with Greek and Chinese Buyers actively snapping up units pre-Christmas. Positive sentiment and firming earnings driving buying interest as prices sit at discounts to the Q3 peak. Values in some sectors seem to have bottomed out or are on the rise again.

The Costamare shopping spree continues as they continue to be linked to a string of further purchase of Chinese built bulkers. These include two Longxue kamsarmaxes and a Qingshan dolphin 57. The kamsars, *Egyptian Mike* & *George P* (81k-dwt, 2012,2011, Guangzhou Longxue) are tied up at \$39m en bloc with Q1 delivery.

A slight step down on the mid November sale of *SM Aurora* (81,870-dwt, 2012 Jiagsu Eastern) for \$21m.

Meadway Shipping have flipped their handy bulker *Targa* (28,419-dwt, 2009 Imabari, BWTS fitted). They bought her in Q2 in the 9s and are reported to have sold her on for \$14.2m to Middle Easterns. The price seems firm compared to the sale of one year old sister vessel *Dewi Gandawati* (28,282-dwt, 2008 Imabari) which we understand is tied up for \$11.95m however she has both DD and BWTS due in Q1 next year.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Mangas	178,918	2011	Bohai	Gearless	Chinese	-	BWTS fitted
Egyptian Mike	81,601	2012	Guangzhou Longxue	Gearless	Costamare	\$39.00m enbloc	Q1 delivery
George P	81,569	2011					
Belnor	58,018	2010	Yangzhou Dayang	C 4x35T	undisclosed	\$33.50m	
Belstar		2009		C 4x36T			
Nikolas III	58,081	2009	Tsuneishi Zhoushan	C 4x30T	Chinese	\$17.50m	
Silvia Glory	56,797	2012	Yangfan	C 4x36T	Chinese	-	
Universal Bangkok	56,729	2012	Qingshan	C 4x30T	Union Marine	\$16.50m	
Universal Bremen	56,726	2010	Qingshan	C 4x30T	Costamare	\$15.50m	BWTS fitted
Shandong Hai Da	56,734	2013	Jinling	C 4x30T	Chinese	\$18.05m	BWTS fitted, Tier II & auction
Xiang Hua	53,350	2003	Toyohashi	C 4x31T	Chinese	\$11.00m	Prompt delivery in China, Internal deal
Targa	28,419	2009	Imabari	C 4x30T	Middle Eastern	\$14.20m	BWTS Fitted
Dewi Gandawati	28,282	2008	Imabari	C 4x30T	undisclosed	\$11.95m	BWTS due

## Tanker Commentary

Aframaxes and MR's take up most of the space in the week's sales with almost all finding new homes amongst Greek buyers. Client of Socar have sold two afra, *Silver and Gold* (107k-dwt, 2010 Tsuneishi) to undisclosed Greek buyers for \$24.5m each. Fellow compatriots Castor Maritime have purchased *Argenta Pallas* (115k-dwt, 2006 Samsung) for \$18.15m (basis TC attached to AET at \$15k/day). Looking down at slightly older units, *Kanpar & Bareilly* (106k-dwt, 2005 Hyundai Samho) are committed for \$14.5m each, again to Greek buyers.

In the MR sector, clients of Celsius have sold *Celsius Palermo* (53k-dwt, 2010 Shin Kurushima, BWTS fitted) for \$16.7m to undisclosed Greek interests. *AG Mars* (50k-dwt, 2006 SPP) has sold for \$10m showcasing a tick up in values when compared to the 2007 built *PTI Amazon* and *Rhine* which we reported last month gone for high \$9m each. Elsewhere, The dirty trading *Hafnia Hope* (40k-dwt, 2007 Saiki, SS/DD due) has sold for \$9.5m including BWTS system on order to be fitted in her upcoming DD.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Agneta Pallas	115,341	2006	Samsung	Castor	\$18.15m	TC attached to AET at \$15k/day
Silver	107,507	2010	Tsuneishi	Greek	\$24.50m	
Gold	107,488	2010				
Kanpar	106,094	2005	Hyundai Samho	Greek	\$29.00m enbloc	
Bareilly	105,061					
Celsius Palermo	53,540	2010	Shin Kurushima	undisclosed	\$16.75m	BWTS fitted
AG Mars	50,546	2006	SPP	undisclosed	\$10.00m	
Hafnia Hope	40,009	2007	Saiki	undisclosed	\$9.50m	Including BWTS system & trading DPP
Chembulk Virgin Gorda	34,614	2004	Kitanihon	Hansa Tanker	\$18.00m enbloc	
Chembulk Barcelona	33,573		Shin Kurushima			

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