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... Conflicts of Interest ...

The World at War in 2022

Countries in which armed clashes between state forces and/or rebels were reported in 2022*



* As of Feb 4
Source: The Armed Conflict Location & Event Data Project



statista

Source : Statista

POINTS OF VIEW

We can all be forgiven for feeling confused as to what is going on in Ukraine and which side to believe. The US, UK, Nato and others are convinced that a Russian-backed invasion of Ukraine is imminent while Russia and Belarus firmly deny that there is any such intention. There are fears that Russia could stage a 'false flag' event that would justify a military incursion, tactics believed to have been used in Georgia in 2008 and in Ukraine in 2014. What is clear is that powerful forces to the east and west of Ukraine are intent on determining its future without that much regard to the opinion of the people who live there. It finds itself trapped in the middle of a big power contest for control over the European continent. The crisis has resolved the recent problem of a unilateral US, a bickering Europe and a divided Nato. These formerly disparate elements are now united as never before. The current escalation certainly seems dangerous and it could quite easily lead to a miscalculation and a much broader conflict. And yet the upside results of any intervention promise to be minimal while the downside risks are enormous, ranging from huge loss of life to pain inflicted by even tighter economic sanctions.

It is estimated that Russia has amassed around 150,000 troops near the Ukraine border together with tanks, artillery, armoured vehicles, missile launchers and fighter jets. The Times UK has photographic evidence of the construction of a pontoon bridge over the Pripjat River in Belarus, just to the northwest of Kyiv, only 8km from the Ukrainian border. It also has a photo of a newly constructed field hospital at Osipovichi, just to the southeast of Minsk. Pontoon bridges and field hospitals go beyond threatening symbolism; they are among the necessary components of coordinated military action. Moscow will go ahead with strategic drills tomorrow, involving nuclear ballistic and cruise missile launchers and ships from the Northern and Black Sea fleets. This upping of the tempo is drawing an alarming reciprocal response from the US, in particular, and its allies. The US has sent twelve F-35A Lightning II joint strike fighters from Utah to Germany, four B-52H Stratofortress bombers from North Dakota to Gloucestershire, and six KC-35 Stratotankers from Cambridgeshire to Germany. This week, the US moved eight F-15E Strike Eagles from North Carolina to Poland while British Typhoon jets conducted air policing sorties in Romanian air space.

President Lukashenko of Belarus was in Moscow today with President Putin of Russia ahead of their joint war games tomorrow. They reiterated that there was no plan for an attack on Ukraine and claimed that their economies are better able to withstand escalating economic sanctions than before. Ukraine is currently staging its own military drills that Russian television contends are designed to regain control of the separatist-controlled republics of Donetsk and Luhansk in the eastern Donbas region. This is denied. A three-day conference starts in Munich today as the western powers push the diplomatic angle. Nato has been dogmatic in its insistence that its club membership is open to Ukraine although, in reality, it is not in prospect not least because it is currently disqualified given its pre-existing conflict with Russia dating back to 2014. A 10-year moratorium on new membership, and demilitarisation of the east-west border, could buy time to negotiate future Ukraine-Russian relations and mutual security arrangements.

This situation matters to us all, but in ways in which it is, as yet, hard to imagine. In shipping terms, Russia is an important commodity processor and exporter, so the degree of supply disruption would depend upon the scale and duration of military operations. Shutting westbound gas pipeline flows from Russia will benefit LNG carriers as they pull in spare cargoes from Australia, Japan, Qatar and the US. Black Sea grain and oil exports might be affected to some extent and there may be a scramble for thermal coal as oil and gas remain elevated in price and short in supply. For tankers, the inability of Opec+ to raise its oil output by a modest 0.4m-bpd each month is an issue. Another is the progress of US-Iran negotiations to lift sanctions which would increase legitimate Iranian oil supply and decrease illegitimate Iranian tanker activity. Beyond that it is hard to say, but containers continue to do well as illustrated by the sale of the Navios Utmost and Navios Unite (8,208-teu HHI 2006) for \$120m each while sub-cape bulk carriers continue to enjoy strong earnings and firm interest in the second-hand market.

Dry Cargo Chartering

Rates seemed to soften across the **cape** markets before picking up again as the week drew to a close. Time-charter averages were down \$1,509 from last reported to end up at \$13,888. Despite this we saw plenty of iron ore fixtures, among them the 2012-built Ssangyong relet *Navios Symphony* was chartered by Rio Tinto for 170,000 mtons 10% from Dampier to Qingdao for end-February dates at \$8.45 pmt, while on Wednesday Richmark took *Berge Olympus* built 2018 for 180,000 mtons 10% for 5/10 March loading in Western Australia to be discharged in Qingdao at \$7.50 pmt, and it was reported that Oldendorff fixed the 2004-built *Star Tianjin* from 170,000 mtons 10% from Acu to Bahrain for 16/25 March at \$17.50 pmt. While there were few coal voyage fixtures that came to light this week, we continued to see a healthy amount of period activity. Yesterday we heard that Solebay took on *Seattle* (179,362-dwt, 2011) delivery Fangcheng 22/25 February for period trading up to a minimum of 1st October 2023 up to a maximum of 15th December 2023 at \$26,500. Additionally, Deyesion fixed *Andros Beauty* (171,014-dwt, 2003) delivery Manila 13/16 February for 11/13 months trading at \$20,000 redelivery worldwide.

The **panamax** market settled from last week's improvement and remained firm but flat this week as it closed at \$21,375 down by \$248 (-1.15%) since last reported on 11th February. In the Pacific, Bocimar fixed the *Ting May* (85,001-dwt, 2019) delivery Busan 19/22 February for a trip via EC Australia to Taiwan at \$25,000, the *Nian Nu Jiao* (83,601-dwt, 2010) was covered basis delivery retro sailing Singapore 12th February for a trip via EC South America back to SE Asia at \$23,000 and the *Kiran Eurasia* (79,158-dwt, 2011) delivery CJK prompt for a trip via NoPac to Singapore-Japan range at \$20,000. In the Indian, the *Aqua Lady* (76,492-dwt, 2004) fixed delivery PMO 10/14 February for a trip via Mina Saqr with Limestone to Tuticorin at \$22,000 whilst Olam took the *Kavo Alkyon* (75,409-dwt, 2005) delivery PMO 10th February for a trip via Black Sea to Singapore-Japan range at \$25,000. In the Atlantic, Norden fixed the *Iole R* (83,684-dwt, 2008) delivery EC South America 1/7 March for a trip to SE Asia at \$20,000 + \$1,000,000bb whilst the *Theodore JR* (81,715-dwt, 2015) was fixed delivery passing Milos 21st February for a trip via Black Sea to Singapore-Japan at \$37,000. Alternatively, Crystal Sea fixed the *Calipso*

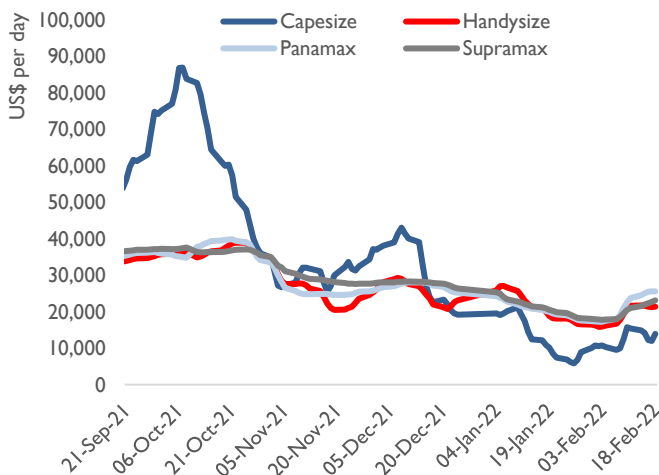
(73,691-dwt, 2005) delivery Guishan 12th February for 3/5 months with redelivery worldwide at \$22,500. RINL has covered a TBN vessel for 75,000 mtons 10% coal loading Gladstone 3/12 March and discharging Gangavaram at \$23.55.

The **BSI** closed at \$25,576, up from last weeks \$23,743. Mixed Sentiment this week on the Supra market. In the Pacific the market sentiment remained positive but with limited fresh enquiry surfacing. The *Medi Paestrum* (55,614-dwt,2009) was fixed for a trip with delivery Busan and redelivery Singapore - Japan range at a improved \$29,000, the charterers Oldendorff. *Global Hope* (57,296-dwt,2010) was fixed with prompt delivery basis Kolsichang and redeliver China at \$25,000 to Tongli. Meanwhile it is a muted market in the Atlantic with little change on last week. The *Sarita* (63,474 -dwt,2019) was fixed for a trip with delivery Jorf Lasfar around 18 February for a clinker run to Nouakchott at \$28,000 with Nordic. The *FCL Fortune* (53,000-dwt,2010) fixed delivery Texas for trip with petcoke redelivery Turkey. Rates have shown significant growth in the Indian ocean, short period is back over 30k, a crown 63 open Fujairah is worth \$33,000. The *African Jacana* (58,753-dwt,2012) was fixed for a trip with delivery Mumbai and redelivery Bangladesh at \$31,500. The *Fortune ark* (53,505-dwt,2006) open Jebel Ali 19/24 February fixed a trip to Bangladesh at \$33,250.

The **handy** market continued to strengthen this week as it closed at \$23,130 up by \$2,112 (10.05%) since last reported on 11th February. In the Pacific, the *Stella Rioni* (38,230-dwt, 2017) fixed delivery N China prompt for a trip to the Mediterranean at \$32,000. In the Atlantic, *Integrity* fixed the *Capetan Vasilis II* (34,468-dwt, 2010) delivery Canakkale prompt for a trip via Black Sea to Algeria at \$17,000, the *Global Fortune* (33,458-dwt, 2011) fixed delivery Belfast prompt for a trip via Mukran with Grains to Morocco at \$14,500, Bunge fixed the *Maple Glory* (32,318-dwt, 2011) delivery Bahia Blanca 21st February for a trip to South Brazil at \$24,000 whilst Cargill took the *Lady Serra* (30,124-dwt, 2011) delivery Savannah prompt for a trip with pellets to UK-Continent range at \$15,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Ting May	85,001	2019	Busan	19/22 Feb	Taiwan	\$25,000	Bocimar	Via EC Australia
Iole R	83,684	2008	EC South America	01/07 Mar	Southeast Asia	\$20,000	Norden	Plus \$1,000,000 bb
Darya Shanti	82,028	2016	Yosu	16/17 Feb	Singapore-Japan	\$24,000	CNR	Via NoPAC
Ck Angie	81,146	2011	Itagui	01/07 Mar	Singapore-Japan	\$21,000	CNR	Plus \$1,100,000 bb Scrubber for charterers benefit
NS Hangzhou	77,834	2004	EC South America	01/02 Mar	Singapore-Japan	\$19,000	CNR	Plus \$900,000 bb
Sarita	63,474	2019	Jorf Lasfar	18 Feb	Nouakchott	\$28,000	Nordic	-
Global Hope	57,296	2010	Kolsichang	PPT	China	\$25,000	Tongli	Via Indonesia
FCL Fortune	53,000	2010	Texas	PPT	Turkey	\$19,000	Bulk Trading	-
Stella Rioni	38,230	2017	North China	PPT	Mediterranean	\$32,000	CNR	-
Maple Glory	32,318	2011	Bahia Blanca	21 Feb	South Brazil	\$24,000	Bunge	-



Exchange Rates	This week	Last Week
JPY/USD	115.05	115.86
USD/EUR	1.1344	1.1389

Brent Oil Price	This week	Last Week
US\$/barrel	91.77	92.42

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	523.0	513.0
VLSFO	738.0	623.0
Rotterdam IFO	513.0	510.0
VLSFO	677.0	678.0

18 February 2022

Dry Bulk S&P

Unlike the Jamaican 2 man bobsleigh team the dry market has not crashed disappointingly. Rather it continues to build on last week's rising earnings and sentiment. Leaving Buyers hoping and believing that only way is up (like Great Britain's winter Olympics medal 'haul')...

Two Target Marine controlled vessels *Andros and Syros Island* (63k-dwt, 2016/15 Zhejiang) were the subject of much conjecture with multiple rumours suggesting them sold for \$50m en bloc to undisclosed Buyers however this is not confirmed. The Japanese built *Ultra Excellence* (61k-dwt, 2016 Tadotsu, BWTS fitted) also invited offers on Thursday this week. We understand she was tied up to European Buyers who paid \$31.4m which if correct shows another significant increase in the sector.

Moving onto the Handy sector, we saw several larger handys come onto the market this week. One of the vessels there was much speculation over was the Erasmus owned *ES Dignity* (37k-dwt, 2014 Saiki, BWTS fitted) which was inviting offers this week. We understand that despite seeing \$23.5m Owners have now decided to fix her out for 2-3 years. However one Owner who did decide to sell their ship was Greek Owners Cosmship, who sold their vessel *Majesty* (34k-dwt, 2011 Dae Sun) for \$15.5m. At the end of last year the year younger sister ship *Boxy* (34k-dwt, 2012 Dae Sun) was sold for the exact same price \$15.5m. 28's are still finding their place in the market. This week we saw the BWTS fitted *Tramontana* (28k-dwt, 2010 Shimanami) sell to undisclosed buyers for \$14.2m. This is a firm price against last done *Royal Innovation* (28k-dwt, 2011 Imabari) which sold end of last month for \$12.5m to Greek buyers. However it is worth noting that her next special survey is not due till August 2025.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Baosteel Evolution	206,331	2007	Imabari	Gearless	Greek	\$19.50m	BWTS fitted & SS/DD due 07/22
Bonanza	73,613	2003	Jiangnan	Gearless	undisclosed	\$10.50m - \$11.00m	
Ultra Excellence	61,214	2016	Tadotsu	C 4x31T	European	\$31.40m	BWTS fitted
Mandarin Grace	56,693	2011	Jiangsu Hantong	C 4x36T	undisclosed	\$33.50m enbloc	
Mandarin Trader	56,677						
Majesty	34,375	2011	Dae Sun	C 4x30T	undisclosed	\$15.50m	
Ekaterina	31,764	1998	Hakodate	C 4x31T	Turkish	\$8.50m	
Tramontana	28,351	2010	Shimanami	C 4x31T	undisclosed	\$14.20m	

Tanker Commentary

A flurry of activity in the tanker market this week following a firm improvement in clean spot rates in the Atlantic, coupled with positive sentiment, we have seen a higher volume of sales this week.

In the suezmax sector, *Rineia* (159k-dwt, 2004 Hyundai HI, DD due) is reported to have sold to Middle Eastern buyers for \$18m. A firm price when compared to the recent sale of the Teekay Tankers controlled *Kaveri Spirit* (159k-dwt, 2004 Hyundai HI, DD due), which was sold for \$15.5m one month ago.

In the LR2 sector, *Orange Stars* (115k-dwt, 2011 Samsung, epoxy coated, BWTS fitted) is rumoured to have sold for \$28.5m with TC attached until March-April. *Phoenix Hope* (105k-dwt, 2008 Hyundai HI) is reported to have committed to Chemnav for \$18.25m. *Zantoro* (109k-dwt, 2006 Dalian, Epoxy) has sold for low \$13m, while sister *Aquanus* (109k-dwt, 2006 Dalian, Epoxy) took offers this week, at the time of writing the outcome of this remains

unknown. With few LR2 sales in recent months, these will set the benchmark.

Bergshav controlled *Bergitta* (105k-dwt, 2007 Tsuneishi Holdings) is reported sold for \$17.2m to Westport Tankers, Greece. A slightly firming price when compared to the 10k dwt, larger *Taurus Sun* (115k-dwt, 2007 Sasebo) which sold last week at very similar levels.

Japanese controlled deepwell MR, *Jupiter Express* (45k-dwt, 2012 Shin Kurushima, Epoxy), is reported to have sold for \$18.5m. A strong price when compared to two year older sister, *Prime Express* (45k-dwt, 2010 Shi Kurushima, Epoxy) which sold last month for \$16.2m.

In the MR1 sector, Turkish controlled *Sky* (37k-dwt, 2007 Hyundai Mipo), is reported to have sold for \$8.1m. A price that will set the benchmark for the three further sisters that are also for sale.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Rineia	159,106	2004	Hyundai HI	Middle Easterns	\$18.00m	
Orange Stars	115,756	2011	Samsung	undisclosed	\$28.50m	BWTS fitted & epoxy coated & TC ends in March/April
Zantoro	109,647	2006	Dalian	undisclosed	\$13.25m	Epoxy
Bergitta	105,827	2007	Tsuneishi Holdings	Westport Tankers	\$16.50m - \$16.75m	
Phoenix Hope	105,585	2008	Hyundai HI	Chemnav	\$18.25m	
Nord Snow Queen	38,289	2008	Guangzhou	Greeks	\$9.50m	
Sky	37,879	2007	Hyundai Mipo	undisclosed	\$8.10m	

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Nusa Merdeka	104,875	2003	Samsung	TANK	17,297.00	670.00	Bangladesh
Bull Damai I	115,000	1004	Hyundai Samho	TANK	19,132.00	670.00	Bangladesh
Gas Komodo	56,875	1991	Nippon Kokan	GAS	18,551.00	680.00	Bangladesh

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