



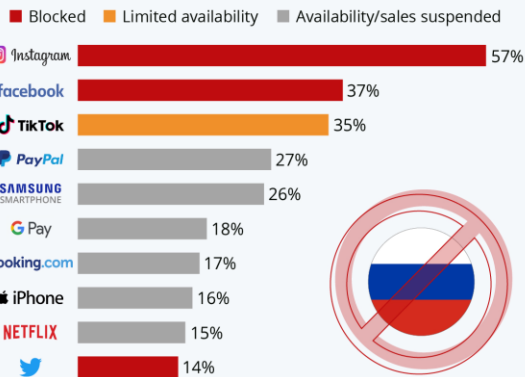
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... Out of Touch ...

Tech Companies' Retreat Affects Millions of Russians

Share of Russian adults using products/services that are not currently available in the country



n=around 2,000 adults (18-64) in Russia per product group (e.g. social media). Usage currently or in the last 12 months. Conducted Jan-Dec 2021.

Source: Statista Global Consumer Survey



statista

Source: Statista

POINTS OF VIEW

Today, John Simpson of the BBC set out Russia's six preconditions for a ceasefire in Ukraine: four easy and two difficult. The easy ones: neutrality pledge (agree not to join Nato), disarmament, protect the Russian language, and denazification. The difficult ones: recognition of the independence of Crimea and recognition of the independence of Donetsk and Luhansk in the Donbas region. Adopting a neutral position is easy as, in practical terms, it would not be possible for Ukraine to join Nato within the next ten years. Disarmament is a given, the Russian language is fine while denazification will be quick, as Nazification is not recognised.* It will be much more difficult for Ukraine to cede territory even if it might appear to be a fait accompli. Recognition is not on the cards, especially as Ukraine seems to be winning the ground war despite the horrendous toll on people and property. Earlier today, a huge rally[^] was underway in the Luzhniki Stadium in Moscow to celebrate the 8th anniversary of the repossession of Crimea. Maybe therein lies the secret to Ukraine's strong and valiant resistance: it has been at war with its eastern neighbour for eight years, and the West has been arming it over that time with light and portable defensive weaponry that is destroying Russian tanks and aircraft. A telephone call between presidents Biden and Xi just took place with the US apparently warning China not to supply Russia with new offensive military equipment. As things stand, there is little prospect of this war ending soon.

In the past, wars have often proven to be good for shipping, but this one is the worst in Europe since 1945 and it may yet escalate to involve more actors and lead to the deployment of chemical, biological and even nuclear weapons. We already had a lot on our plate before the 24 Feb invasion, including a global shortage of commodities of all kinds, many of which originate in the combatant countries. There has been insufficient investment in oil, gas and coal as the energy companies have been forced to divest current assets and switch to renewables. The major iron ore producing areas in Brazil and Australia have been subject to seasonal rains and cyclones which routinely have interfered with mining, rail and port operations. Copper output has been beset by stoppages across the world, ranging from Chile to Mongolia, due to never-ending strikes, environmental issues and royalty disputes. Grains and oilseeds production in the Americas, Europe and Australia has been hampered by flooding, drought and wildfires. We could go on. Suffice to say, it is a really bad time to find large volumes of Russian and Ukrainian oil, coal, gas, grains, oilseeds, steel, forest products and fertilisers locked in and unexportable. This is feeding into the pre-existing condition of global commodity and goods price inflation which is demanding higher interest rates, raising debt servicing costs and holding back consumer spending. Add to this the need to raise taxes to repay government Covid spending over the past two years, and Covid is not over yet. New lockdowns in Shenzhen, Hong Kong and Shanghai are affecting factory output, overland transport, port operations and shipping.

Today, the FBX reads exactly the same as it did 3 months ago, on 9,437 points, having been well above this level for most of the period. Asia/North Europe has fallen 12% or \$1,705 in the three weeks since the invasion. If the FBX were to fall abruptly then some breakbulk and parcel cargoes might migrate back to boxes from smaller geared bulk carriers. As it stands, the BHSI is 8% above its 3m-ago reading of \$29,922 per day. Over the same period, the BSI is up 20% to \$32,147 daily, the BPI is 22% higher at \$25,868 and the BCI is 7% lower at \$21,604. In the tanker space, the Ukraine situation has helped all but the VLCCs as most tanker owners self-sanction and a few run the gauntlet for a big payday lifting Russian oil. The Suez-TCE surged from \$5,802 on 20 Dec to a peak of \$90,265 on 1 Mar only to fall back to \$43,831 daily today, while the Afra-TCE went from a 3m-ago \$11,471 to a peak of \$69,328 on 3 Mar and is back down to \$35,271 per day today. Over the same timeframe, the MR Pacific went from \$13,228 to a peak of \$23,926 on 16 Mar only to ease back to \$22,085 daily today, while the MR Atlantic was at \$15,501 on 20 Dec, reached a peak of \$24,768 on 16 Mar, then dropped back to \$23,195 daily today. So far, war has been good for shipping, but the monetary response to higher prices will be higher interest rates and the fiscal response to Covid will be higher taxes. This all creates very interesting supply and demand dynamics, lots of scenarios, and a whole range of possible outcomes.

*This we understand to be a very controversial and contentious topic, subject to much heated debate.

[^]Putin gave a speech but got cut off at some point in what the state television company claimed was a technical glitch.

Dry Cargo Chartering

A comparatively calmer week across the **cape** markets as time-charter averages softened a touch to \$21,604, down by \$591. Some correction was seen across the major trade routes for example Tubarao-Qingdao dropped by approximately \$3.00 pmt to end the week at around \$28.00 pmt, while Western Australia-China freight prices ended up at approximately \$12.00 pmt. Iron ore voyage fixtures this week included Rio Tinto taking *Golden Monterrey* built 2016 for 170,000 mtons 10% from Dampier to Qingdao at \$12.35 pmt for 31 March onwards, while Alam chartered a TBN vessel for 170,000 mtons 10% for loading Tubarao option West Africa for Qingdao at \$27.25 pmt. Additionally, Pacbulk fixed a K-Line TBN vessel for 170,000 mtons 10% for Saldanha Bay to Qingdao 3/9 April at \$19.80 pmt. On the coal side of things, it was rumoured a SAIL tender went to a TBN vessel for 140,000 mtons 10% loading Norfolk and Newport News for East coast India at \$42.80 pmt for prompt loading. Lastly, we heard that *S Cape* (175,526-dwt, 2003) was fixed delivery Tianjin 24/25 March for 11/13 months trading at \$25,500 redelivery worldwide.

The **panamax** market re-corrected after a fortnight of strength as it closed at \$25,868 down by \$2,817 (-9.82%) since last reported on 11th March. In the Pacific, D'Amico fixed the *MBA Liberty* (82,217-dwt, 2010) delivery Manila 19th March for a trip via Indonesia to Philippines at \$26,000, whilst HMM covered *Caravos Triumph* (81,664-dwt, 2012) delivery Singapore 15/20 March for a trip via Indonesia to South Korea at \$30,000 + \$140,000bb and MOL took the *MBA Future* (82,181-dwt, 2019) delivery Nagoya prompt dates for a trip via Prince Rupert with petcoke to Japan at \$30,000. Meanwhile in the Indian, Omega fixed the *Star Amethyst* (82,123-dwt, 2009) delivery retro sailing Haldia 3rd March for a trip via EC South America to SE Asia at \$26,750 as well as fixing the *Yiannis B* (82,562-dwt, 2008) delivery retro sailing Dahej 7th March for the same trip via EC South America to SE Asia at \$27,000. In the Atlantic, the *Golden Ionari* (81,827-dwt, 2011) was fixed delivery Amsterdam 16th March for a trip via NC South America to Singapore-Japan range at \$29,000 whilst Crystal Sea took the *MSXT Oceanus* (Pacific Bulk relet, 81,642-dwt, 2012) delivery EC South America 1/10 April for a trip to Singapore-Japan range at \$23,000 + \$1,300,000bb. Alternatively, this week, Refined Success took the *Guo Yuan 88* (86,417-dwt, 2021) delivery Yantai 23rd March for 7-9 months with redelivery

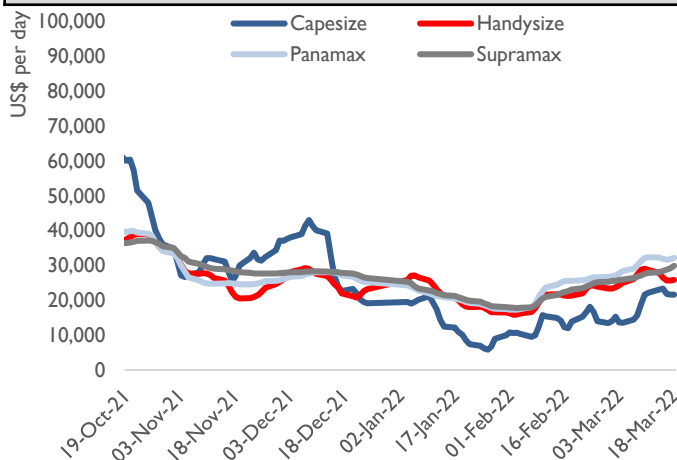
worldwide at \$33,000. Kepco Tender was covered by a GNS TBN vessel for 80,000 mtons 10% of coal loading Taboneo 25 March – 1 April and discharging Hosan at \$16.12.

The **BSI** closed at \$32,147, down slightly from last week's \$32,330. Despite the muted sentiment early on, we observed a pick up by the week end. The Atlantic market observed greater gains in the US Gulf where trans-Atlantic rates are improving, *Taxidiara* (56,049-dwt, 2007) was fixed from the US Gulf to West coast Italy with an intended cargo of petcoke at a much improved \$31,750 with Oldendorff. Owners are still reluctant to trade to the Continent and Mediterranean regions given the ongoing situation there and consequently weaker markets. Meanwhile from ECSA *Kiran Anatolia* (63,478-dwt, 2013) open Recalada was fixed for a trip via East Coast South America redelivery Egypt at \$42,000. In the Pacific, the rates continue to soften due to further drop in level of enquiry from Indonesia. Stronger tonnage availability was observed. *Hong Kong Eagle* (63,472-dwt, 2016) was fixed for a trip with delivery Gresik and redelivery China at \$55,000. *Ji Hong* (52,571-dwt, 2004) was open Nantong reported fixing a trip via CIS redelivery Vietnam at \$57,000. From the Indian Ocean, we continue to observe positive sentiment with strong rates. *Hanton Trader II* (63,518-dwt, 2014) was fixed a trip delivery Sohar and redelivery East Coast India at a strong \$53,000.

The **handysize** index closed the week at \$29,922, up from last weeks close of \$27,858. This included a \$4,777 single day increase on HS3 on Friday. There was a rumour of a 34k dwt fixing \$45,000 for Recalada to Morocco. Equally impressive was a 33k dwt in La Coruna fixing \$16,000 dop for a trip via East Med, redelivery USG, although some suggested it was also loading West Med. Also in the Med we heard a 34k fixing \$20,000 dop Otranto for a trip via East Med redelivery USG. Continent and USG also remained firm throughout the week. A prompt 34k in London fixing \$16,000 APS Rouen for a wheat cargo into Algeria. Little was reported in the Pacific aside from some impressive period fixtures including a 28k in Colombo fixing \$32,000 for 5/7 months. Some suggested rates were beginning to soften although still at levels which would keep the majority of owners happy.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Alpha Pride	82,032	2019	Dongjin	12 /13 Mar	Singapore-Japan	\$33,000	Bunge	Via NoPac 10/3 fixture
Golden Ionari	81,827	2011	Amsterdam	16 Mar	Singapore-Japan	\$29,000	CNR	Via NC South America
Pisti	81,737	2021	Ulsan	18 Mar	Singapore-Japan	\$35,000	Pacific Basin	Via Australia
Ever Best	81,717	2013	Safi	13 /16 Mar	Singapore-Japan	\$21,000	Cargill	Via NC South America
JY Pacific	81,138	2019	Hamburg	11 Mar	Continent	\$23,000	Cargill	Via US Gulf
Agri Kinsale	77,171	2009	Gibraltar	22 Mar	Skaw-Gibraltar	\$22,750	Oldendorff	Via NC South America
Hong Kong Eagle	63,472	2016	Gresik	PPT	China	\$55,000	Naval Bulk	Via Indonesia
Alkyoni SB	55,757	2014	Pascagula	PPT	Egypt	\$41,000	XO Shipping	-
Ocean Happiness	37,572	2017	SW pass	PPT	EC Mexico	\$22,000	CNR	-
Indian Ocean	37,490	2015	Upriver	22 /23 Mar	North Brazil	\$45,000	Worthington	-



Exchange Rates	This week	Last Week
JPY/USD	119.28	116.87
USD/EUR	1.1024	1.0980

Brent Oil Price	This week	Last Week
US\$/barrel	106.31	111.15

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	629.0	680.0
VLSFO	839.0	948.0
Rotterdam IFO	638.0	660.0
VLSFO	860.0	919.0

18 March 2022

Dry Bulk S&P

Another busy week in the dry bulk markets with supramax vessels in particular appealing to buyers. Competition for tonnage remains high with buyers chasing deals and attempting to locate and lock in Sellers. *Atlantic Tulum* (58k-dwt, built 2008 Tsuneishi Cebu) has been sold for \$17.3m to Chinese buyers Diamond Star. A tick under last weeks sale of Tess58k 2008 *Friendly Seas* (Tsuneishi Zhoushan) which reported sold for \$18m. Elsewhere in the sector, a couple of Dolphin57 types have found new homes. *Atlantic Mexico* (57k-dwt, built 2011 Taizhou) is sold for \$17.5m and *Seacon Singapore* (57k-dwt, built 2013 Taizhou Cebu, BWTS fitted) for \$19.45m. The latter deal which went to Hongyaun Marine, was via auction. Both are solid prices and show again a slight increase on last done a week ago, the 2013 Huatai built vessel *Nathan Brandon* which went for \$19m.

Gearless ships remain top of most buyers wish list, and this week in the handysize sector *Venture Team* (39k-dwt, built 2015 JNS) has reportedly been committed at high \$24m levels to Italian buyers.

In the Kamsarmax sector, the Italian controlled *MBA Liberty* (82k - dwt, built 2010 Tsuneishi Zhoushan) has been committed for \$22m basis charter attached. Further to a couple of modern ships reported last week, *Agri Grande* (82k-dwt, built 2017 Jiangsu Newyangzi) is understood to have sold for \$30.5m basis delivery Q3. The price seems on the light side when stood alone but is clearly discounted to more prompter deals due to the agreed delivery laycan of later in the year.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Azul Libero	203,278	2004	Universal	Gearless	Chinese	\$18.75m	
Stella Anita	180,355	2012	Dalian	Gearless	Chinese	\$30.50m	
MBA Liberty	82,217	2010	Tsuneishi Zhoushan	Gearless	undisclosed	\$22.00m	TC attached & BWTS fitted
Agri Grande	81,966	2017	Jiangsu Newyangzi	Gearless	Chinese	\$30.50m	Delivery Q3 2022
Renaissance Everglory	81,666	2012	Qingdao Beihai	Gearless	undisclosed	\$38.00m enbloc	
Balti	75,776	2005	Sanoyas	Gearless	Chinese	\$16.50m	
Atlantic Tulum	58,802	2008	Tsuneishi Cebu	C 4x30T	Diamond Star	\$17.30m	
Atlantic Mexico	56,697	2011	Taizhou	C 4x30T	undisclosed	\$17.50m	
Seacon Singapore	56,501	2013	Taizhou Cebu	C 4x30T	Hongyuan Marine	\$19.45m	BWTS fitted & Tier II, Auction
Hai Long	56,083	2007	Mitsui	C 4x30T	Chinese	\$16.25m	
Venture Team	38,947	2015	JNS	C 4x31T	D'Amato	\$24.85m	

Tanker Commentary

With the average price of a litre of petrol in the UK rising to 163.71p on Monday and diesel also hitting a new record at 173.68p and still on the rise despite the price of oil dropping below \$100 a barrel for the first time since Russia invaded Ukraine, the wet market is still finding its feet courtesy of Russian sanctions, both enforced and self-sanctioning. The waters are muddy when it comes to Russian oil and we saw many tankers this week leaving Russia with AIS showing destination unknown, it seems many tanker Owners are trying to work out what is and is not allowed. Since the war began seaborne trade with Russia has dropped by 58% according to financial data provider Refinitiv. However despite this the tanker sale and purchase market is still showing resilience and signs of improvement.

This week we saw a fleet of VLCC's change hands, the Euronav controlled *Sandra / Sara / Simone / Sonia* (314k-dwt, 2011/11/12/12 STX Offshore) sold to Sinokor for high \$ 40's mill. Furthering this,

in a deal we now understand to have taken place back in February, Euronav are believed to have also sold *Blue Power* (106k-dwt, 2003 Tsuneshi) to Vietnamese buyers for \$13.5m. Last Month we saw another Japanese 2003 built Aframax, *Gundala* (107k-dwt, 2003 Imabari) sell for \$11.7m to Chinese buyers.

Meanwhile in the MR sector we saw a couple of older vessels find new homes. *Super Emerald* (50k-dwt, 2005 ShinA) was committed for \$10m to undisclosed buyers. We have to head back to December last year to find the last done Korean built vessel of a similar age sold in which *Ocean Pluto* (50k-dwt, 2007 SLS) was sold for \$9.7m to EGN Bulk Carrier Co Ltd. On the slightly smaller side we saw the D'Amico owned *High Priority* (47k-dwt, 2004 Naikai, Epoxy) committed for \$9.2m. Similarly *Haruna Express* now renamed *Marvels* (46k-dwt, 2004 Minaminippon Shipbuilding) was sold back in January to Seven Islands for \$8.8m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Simone	323,182	2012				
Sonia	314,000	2012				
Sandra	314,000	2011	STX Offshore	Sinokor	\$40.00m	enbloc
Sara	323,183	2011				
Blue Power	106,360	2003	Tsuneishi	Vietnamese	\$13.50m	
Super Emerald	50,346	2005	ShinA	undisclosed	\$10.00m	
High Priority	46,847	2004	Naikai	undisclosed	\$9.20m	Epoxy

Demolition Sales

Vessel	DWT	Built	Yard	Type	LTD	Price \$	Delivery
Cape Sun	171,746	1999	Hyundai HI	BULK	22,396.00	undisclosed	Ho Chi Minh/Johar
Alabama Star	72,514	2004	Samsung HI	TANK	13,638.00	725	Subcontinent

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