



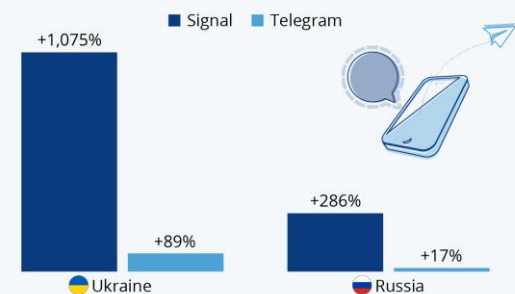
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### ... Avoiding Intercepts ...

#### Growing Demand for Messaging Security in Ukraine and Russia

Pre- to post-invasion change in downloads of the encrypted apps Signal and Telegram in Ukraine and Russia\*



\* Change from Jan 30 - Feb 23 to Feb 24 - Mar 20, 2022  
Source: Sensor Tower

statista

Source: Statista

\*It would be the largest release since the SPR was established in 1975, designed to get voters on his side ahead of the November mid-terms in the absence of any external help from KSA and UAE.

^Hindustan Petroleum allegedly bought 2mb of Russian Urals crude for May loading. IOC and Hindustan are both state-owned refiners.

\*\*Russia will ship c. 2.3m-bpd of Urals crude in April from Ust Luga & Primorsk in the Baltic and Novorossiysk in the Black Sea, the most in 3 years. Europe normally takes 70% of such seaborne exports.

### POINTS OF VIEW

All markets continue to be buffeted by the 24-hour news cycle, reacting instantly often to repent and reverse the very next day. It is in the nature of the binary decisions made by computers that act first and ask questions later, with no room for nuance. Consequent extreme price volatility in Russian-related commodities raises cash margins on exchanges and poses systemic risks to commodity traders. WTI and Brent crude dropped around 5% each to \$103 and \$107 a barrel after Biden's announcement that he would release 1m-bpd of crude from the SPR for 180 days, the equivalent of just 1% of daily global consumption, and the 180mb total is equivalent to only nine days of US consumption.\* The IEA has estimated that western sanctions on Russia could reduce its exports by up to 3m-bpd this month, 3% of global demand. Australia, Britain, Canada and the US are stopping the import of Russian crude oil while the EU-27 bloc has been unable to reach a unanimous decision on an embargo, fracturing western solidarity. Oil majors such as BP, Shell and Exxon are exiting joint ventures in Russia while oil traders such as Glencore and Trafigura will refrain from new oil trades involving Russia, but will honour existing contracts. India and China continue to buy Russian oil, now at heavy discounts to Brent prices. In March, Indian Oil Corp bought two lots of 3mb of Russian Urals crude from Vitol on a delivered basis, according to India's Economic Times, although Aljazeera quotes Vitol as not agreeing any new deals since 24 February.^ It is believed that Sinopec, CNOOC and CNPC are still open to spot purchases of Russian oil and gas. For them, it is business as usual, mostly buying Urals crude while teapots prefer ESPO crude from nearby Kozmino.

On the plus side, typically it is Asian buyers that are taking up Russian crude that is being spurned by western buyers, helping to provide market liquidity. The more expensive imports that it replaces will find their way to western buyers that are operating sanctions.\*\* On the ship owning side, many owners are self-sanctioning for fear of getting caught up in hostilities or found with banned cargo on board. Euronav just announced that it will terminate business with Russian customers, accounting for less than 5% of its turnover. In the short term, and as Russia supplies about 20% of heavy bunker fuel, it sees the spread between HSFO and VLSFO narrowing as the heavy stuff becomes less available and more expensive. Over the longer term, the adjustment in oil trade flows is likely to add ton-miles which may help compensate for any limitation on trading activities caused by tariffs, embargoes and sanctions. Regular crew changes, still hampered by Covid, will get even more difficult given rising travel restrictions and difficulties in repatriating seafarers. Sovcomflot's 134-strong fleet of tankers and LNGCs is subject to UK and EU sanctions and financial restrictions imposed by Washington. It has been accused of increased incidents of "dark activities", when AIS transmitters are turned off, since 24 February. SCF denies any such thing but, logically, Russian tankers are likely to follow Iranian and Venezuelan ships in increasingly going dark to avoid the sanctions on their nations' energy exports.

How have crude oil tankers done in Q1 2022? VLCCs, according to Baltic data, have not done at all well. The VLCC-TCE, average of AG/East & AG/West, over Q1 was -\$17,700pd, the worst quarter on record since records began back in early 2008. In contrast, the Suezmax-TCE came in at an average of \$21,742pd and the Aframax-TCE at \$21,860pd in Q1. Both these sizes saw an enormous boost in spot rates on and after 24 February while the fortunes of the VLCCs got even worse after an initial spike. Despite the poor earnings environment for VLCCs, the Baltic's take on 5-year old values rose during the quarter from \$72.4m to \$73.6m thus continuing the upward momentum with a 15% gain since being valued at just \$64.0m at the start of 2021. A 5-year old Suezmax rose in value from \$47.9m to \$48.8m in Q1, taking its gain to 11% since being valued at \$43.8m at the beginning of last year, while a 5-year old Aframax went from \$40.8m to \$43.5m in Q1, gaining 28% on its start 2021 reading of \$34.1m. MR product tankers did relatively well in Q1, also getting a lift since 24 February, with the MR Atlantic Basket averaging \$13,490pd and the Pacific Basket 11,747pd. A 5-year old MR product tanker rose in value from \$28.7m to \$31.0m in Q1, taking its accumulative value gain to over 20% since posting \$25.7m in January 2021. The steady and consistent gain in tanker values is anticipating better earnings ahead.

## Dry Cargo Chartering

A much calmer week across **cape** markets saw rates soften a touch before rallying again as the week drew to an end. Time charter averages were at \$15,460 by close of play, down by just \$188 from our last report. Coal voyage fixtures that came to light this week included the 2006-built *Seacon Africa* that was chartered by Vale to load 190,000 mtons 10% at Teluk Rubiah for discharge in Qingdao at \$7.60 pmt, while Olam took a TBN vessel for 160,000 mtons 10% Drummond to Atlas for 12/14 April at \$15.25 pmt. Ore fixtures saw the usual players Rio Tinto and BHP charter several vessels out of Western Australian ports to Qingdao with freight prices ranging from around \$10.50 pmt to \$11.50 pmt as the week progressed. We also heard that Vale took *Maran Virtue* built 2012 for 190,000 mtons 10% for loading at their private port Ponta Da Maderia, Brazil to Taranto for 5/19 April at \$11.25 pmt. Additionally, Ore & Metals chartered the 2012-built Adani relient *Aashna* for 170,000 mtons 10% iron ore loading Saldanha Bay to Qingdao at \$17.90 pmt. Lastly, it was reported that the babycape *Amami* (99,648-dwt, 2011) was fixed delivery Longkou 24 March for a trip via East coast Australia redelivery Japan at \$32,000.

The **panamax** market continued to yo-yo at it softened this week after closing at \$27,660 30,713 down by \$3,053 (-9.94%) since last reported on 25<sup>th</sup> March. In the Pacific, Oldendorff took the *Lila Seoul* (79,454-dwt, 2012) in DC basis Kapar 2/4 April for a trip via Indonesia to Singapore-Japan range at \$27,000 whilst Glovis fixed the *Kyzikos* (92,598-dwt, 2007) delivery passing Jeju 25<sup>th</sup> March for a trip via East Coast Australia back to South Korea at \$30,500 and Heartland took the *Lord Russell* (89,123-dwt, 1985) delivery Singapore for an Indo/China coal run at \$100,000. In the Atlantic, Jera fixed the *Lowlands Dawn* (93,500-dwt, 2017) delivery Gibraltar 31<sup>st</sup> March for a trip via Drummond to Japan at \$40,250 whilst Olam took the *KM Keelung* (82,072-dwt, 2010) delivery Brunsbuttel prompt for a trip via North Coast South America with option US Gulf to Singapore-Japan range at \$37,500. Alternatively, this week Viterra took the *Alanood* (80,729-dwt, 2020) delivery Tianjin 1-4 April for about 9-12 moths with redelivery worldwide at \$30,000 and the *TW Hamburg* (93,229-dwt, 2012) was taken delivery Huangpu for March/April dates for 5-8 months with redelivery worldwide at \$28,500. SAIL covered a TBN vessel for 75,000 mtons 10% coal loading HPCT 16/25 April and discharging Visakhapatnam at \$29.75. Also that *Lord Russell* fixture was an April fool's joke.

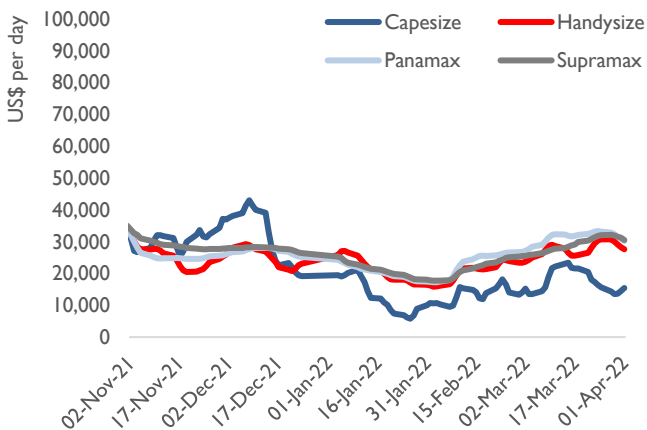
The **BSI** closed at \$30,301, down from last weeks \$33,217. A subdued week as sentiment eroded in many areas. From the Atlantic, fresh enquiry slowed for the East Coast South America area and limited opportunities were observed from the

US Gulf. *ER Bordeaux* (55,621-dwt, 2011) open Bremen was heard fixed for a trip to Turkey with scrap at \$28,000. *Medi Brisbane* (60,386-dwt, 2016) was fixed for a trip delivery Djen Djen to Conakry at \$36,000. From the Pacific, with further softening from the South and limited fresh enquiries from Indonesia, sentiment remained negative. *Jin Yao* (52,050-dwt 2004) was fixed for a trip with delivery Brunei via Indonesia redelivery Brunei at \$35,000. *YM Advance* (63,509-dwt, 2019) was fixed with prompt delivery Caofeidian and redelivery South Korea with nickel ore at \$36,000. From the Indian ocean, little activity surfaced with lower rates were seen. *Star Pisces* (60916-dwt 2015) was fixed for a prompt trip with delivery Magdalla and redelivery East coast India via Port Elizabeth carrying manganese ore at \$30,000. *Multan* (52,244-dwt, 2002) was fixed for a trip delivery Colombo to North China with iron ore at just \$18,000.

The **BHSI** closed this week at \$30,511 down \$1,571 from last week. The Atlantic was largely positive, although the booming East coast South America started showing signs of easing, putting pressure on the surrounding loading markets. In Asia, limited activity and a drop in inquiry lead to rates dropping across the board. On the Continent, *Fatih* (35,386-dwt, 2011) open Ghent prompt fixed via Rouen redelivery Casablanca with Grains at \$22,000, *Tiberius* (33,383-dwt, 2013) open Waterford fixed via Canada redelivery Algeria at \$20,000. The Mediterranean was active, a 35,000-dwt was heard fixed basis delivery East-Mediterranean for 4-6 months redelivery Atlantic at \$26,000. *Sibi* (28,440-dwt, 2009) open Constanta fixed for a trip to the Adriatic with redelivery passing Otranto south bound with an intended cargo of coke at \$21,000. US Gulf was quiet with little reported activity, *IVS Orchid* (32,525-dwt, 2011) open Port Hedland end March was rumoured fixed for a trip South East Asia with alumina at \$33,500 plus \$315,000 ballast bonus. *Carlota Bolten* (37,430-dwt, 2014) fixed delivery South-West Pass redelivery West Mediterranean range with Grains at \$31,000. East coast South America cooled and the HS3 route dropped back below \$50,000. *Inasa* (38,129-dwt, 2020) open prompt in the Ivory Coast was fixed via East Coast South America to the Continent with Pig Iron at \$31,500 to Meadway. In the Indian-Asian markets, *Pan Amber* (38,220-dwt, 2012) open in Cilacap fixed for a trip to China with coal at \$30,000 and *Dewi Saraswati* (31,005-dwt, 2009) open in Kakinada fixed for a trip to West Coast India at \$25,500. Further East, a 37,000-dwt, fixed from Indonesia to North China with Coal in the high \$20,000. *Sea Leo* (28,671-dwt, 1999) open Morowali, Indonesia fixed \$29,500 with steels to China with AMC. On period, *Bunun Wisdom* (38,168-dwt, 2012) open China fixed with mid-April dates for 3/5 months at \$36,000.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Amami	98,648	2011	Longkou	24 Mar	Japan	\$32,000	CNR	Via EC Australia
Lowlands Dawn	93,500	2017	Gibraltar	31 Mar	Japan	\$40,250	Jera	Via Drummond
KM Keelung	82,072	2010	Brunsbüttel	PPT	Singapore-Japan	\$37,500	Olam Intl	Via NC South America option US Gulf
Golden Frost	80,559	2020	Gibraltar	Beg Apr	Stade	\$40,000	Oldendorff	Via Kamsar Scrubber benefit to Charterers
Lila Seoul	79,454	2012	Kapar	02/04 Apr	Singapore-Japan	\$27,000	Oldendorff	Via Indonesia
BBG Nova	63,314	2016	Lake Charles	01/10 Apr	Rotterdam	\$35,000	CNR	-
Star Antares	61,234	2015	Philippines	02/03 Apr	Continent	\$51,500	CNR	-
Jahan Moni	55,496	2008	CJK	01 Apr	South China	\$26,500	Refined Success	Via Semirara
Inasa	38,129	2020	Ivory Coast	PPT	Continent	\$31,500	Meadway	Via EC South America
Sibi	28,440	2009	Constantza	PPT	Passing Otranto	\$21,000	Meadway	Via Adriatic



Exchange Rates	This week	Last Week
JPY/USD	122.45	122.05
USD/EUR	1.1052	1.0984

Brent Oil Price	This week	Last Week
US\$/barrel	104.86	120.25

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	670.0	686.0
VLSFO	862.0	900.0
Rotterdam IFO	645.0	685.0
VLSFO	865.0	905.0

### Dry Bulk S&P

Another week brings another bulging sales list with panamaxs and kamsarmaxes taking pole position in the sales tables.

There is plenty of competition and demand within the sector and the sales we report represent firm numbers. Having previously been reported committed at \$24.5m two weeks ago, reports now place *Darya Kirthi I* (80,545-dwt, 2012 STX) as sold at \$26.5m basis surveys passed & BWTS fitted. *Rosco Litchi I* (81,949-dwt, 2011 Tsuneishi Zhoushan) is reported sold at \$25.75m to clients of Chartworld, Greece. We hear Rosco may have disposed of another 2008 built Japanese Kamsar however details of the sale are yet to emerge. The German owners of the ice class panamaxs *Rio Tamara* & *Rio Grita* (75k-dwt, 2014 Taizhou Kouan) are sold for \$22.5m each having been on and off the market consistently since October last year when guidance was considerably lower than the levels reportedly achieved.

During the week Jinhui announced the purchase of an ultramax for \$25.5m. We understand this is *Peng De* (64,485-dwt, 2014, Guangzhou Huangpu). Given firming prices in other sectors, this represents a softening to the last done *Drogba* (63k-dwt, 2015 Chengxi) in the high 28s earlier this month. The vessel *Peng De* was not widely circulated and perhaps the slightly discounted price could be attributed to some element of the deal we are unaware of. There are plenty of Buyers for this type of ship so perhaps she would have achieved more had the Sellers' adopted a different approach.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Rosco Litchi	81,949	2011	Tsuneishi Zhoushan	Gearless	Greek	\$25,75m	
Azur	82,282	2007	Oshima	Gearless	Turkish	\$20.20m	
Darya Kirthi	80,545	2012	STX Offshore	Gearless	undisclosed	\$26.50m	SS/DD passed, BWTS fitted
Evershine	78,693	2005	Mitsubishi	Gearless	Chinese	\$12.00m	Prompt delivery
Rio Tamara	75,610	2014	Taizhou Kouan	Gearless	Undisclosed	\$22.50m	Ice 1C
Rio Grita	75,378	2014	Taizhou Kouan	Gearless	Undisclosed	\$22.50m	Ice 1C
Peng De	64,485	2014	Guangzhou Huangpu	Gearless	Jin Hui	\$25.50m	
S Hermes	61,272	2016	Imabari	C 4x31T		\$32.00m	Scrubber fitted
S Echo	61,258	2015	Imabari	C 4x31T	Centrofin	\$31.00m	Scrubber fitted
S Tango	61,192	2015	Imabari	C 4x31T		\$31.00m	Scrubber fitted
Orient Rise	56,700	2010	Qingshan	C 4x30T	undisclosed	\$17.00m	BWTS fitted
Sinoway Act	28,361	2008	Imabari	C 4x31T	Greek	\$13.90m	
Nikolaos GS	28,361	2008	Imabari	C 4x31T	undisclosed	\$9.25m	

## Tanker Commentary

Larger sizes are seeing a push this week, with the majority of sales in the Afra and Suez Sector. Older tonnage is still finding it's place in the market, especially in the Suez market. Uncertainty is still rife but positivity prevails. This week we saw *Da Yuan Hu* (159,149 dwt, built 2004 Boahai) has sold for \$16.50m with prompt delivery in China. The last similarly done was the *Erviiken* (152,149 dwt, 2004 blt Samsung) which was sold for \$15,5m. Showing that the market is on an upward trend.

Furthermore it seems Afra's are seeing a strong week, we saw an enbloc sale of *Atlantic Anthem* and *Atlantic Avenue* (116,087-dwt , 115,785 dwt, 2011 , 2010 Samsung blt) sold to Synergy marine for \$57m enbloc. We have to head back to December last year to find a similar sale the *Gold* and the *Silver* (107,488 dwt and 107,507 dwt, 2010 blt Tsuneishi) which sold for \$24.5m each showing that despite uncertainty in the market it continues to hold strong.

To continue the Afra sector push we also saw the *Berica* (115,146 dwt, 2008 blt Sasebo) sold for \$23m to undisclosed buyers this week. Which considering last done back in February, *Bergita*, (105k-dwt, 2007 blt Tsuneishi) was sold for \$16.05m to Westport Tankers.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Bari	159,186	2005	Hyundai HI	Undisclosed	-	
Da Yuan Hu	159,149	2004	Bohai	Undisclosed	\$16.50m	Prompt delivery China
Advantage Anthem	116,087	2011	Samsung	Synergy Marine	\$57.00m enbloc	
Advantage Avenue	115,785	2010	Samsung			
Berica	115,146	2008	Sasebo	Undisclosed	\$23.00m	
STI Savile Row	109,999	2015	Sundong	Advantage	\$86.00m enbloc	5 year TC to Trafigura in the low \$20's - Scrubber fitted
STI Carnaby	109,999	2015	Sundong			
STI Benicia	49,990	2014	SPP	Msea Capital	\$26.50m	Scrubber fitted
Challenge Pegasus	47,786	2007	STX Shipbuilding	Greek	\$12.75m	BWTS fitted

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