



CONTENTS

2. Dry Cargo Chartering
Stable in the East
3. Dry Cargo S&P
Holding Steady?
4. Tankers
Aframax Spotlight

... Feast to Famine ...

Inflation Takes a Bite Out of Americans' Savings

Personal saving as a percentage of disposable personal income in the United States



Source: U.S. Bureau of Economic Analysis



statista

Source : Statista

*According to LLI reports quoting data compiled by the IEA, Argus and Kpler. Recent months are estimates and subject to change.

Indian refiners are buying cheap Russian crude and selling expensive petrol into the US, UK, France and Italy: crude-washing. (CRECA).

^China's stepped up purchases of Russian oil are at the expense of competing supplies from West Africa and Brazil. (Reuters).

Rising H&M, Cargo and P&I insurance, as the UK/EU close their markets to Russia, will simply demand higher oil price discounts.

**EA Gibson has estimated that 150+ elderly VLCC and suezmax tankers are involved in sanctioned trades.

It estimates 12% of the VL fleet and 9% of the suezmax fleet are tied up. We reckon that equates to 104/863 and 57/637 respectively.

POINTS OF VIEW

As Russian troops gain more territory in eastern Ukraine, China and India continue to ramp up their purchases of Russian crude oil and refined products, in defiance of western sanctions. This is in contrast to the likes of Japan and South Korea that are desisting from such purchases in solidarity with the US and UK, while Europe is managing down its Russian oil use over 6-8 months to end 2022. According to Chinese Customs, China imported 8.4mt of Russian oil in May, equating to almost 2m-bpd. This import total includes just over 0.8m-bpd pumped via the East Siberia Pacific Ocean pipeline to the Russian Pacific port of Kozmino and seaborne shipments from Baltic and Black Sea ports. May's 2.0m-bpd total was up 18% on January's 1.7m-bpd and up 25% on the 2021 average of 1.6m-bpd. India's imports of Russian oil rose more sharply to 0.9m-bpd in May from 0.1m-bpd in January and a 2021 average of 0.1m-bpd.* These purchases were clearly opportunistic and price-driven, with alleged discounts of 25-30% being offered on Urals, and conducted without evident fear of western sanctions. China directly imported only 2 x 260K VLCC cargoes of Iranian crude this year-to-date, after one VLCC cargo last December, and has directly shipped no Venezuelan crude at all so far this year. However, subterfuge may well be involved, as it bought 8.4mt of Malaysian crude YTD, a known transshipment centre for sanctioned Iranian and Venezuelan barrels.^ Still, such volumes are a fraction of China's Russian imports.

China's overall crude oil imports in May rose almost 3% MoM to 10.8m-bpd, from 10.5m-bpd in April, and nearly 12% YoY from 9.7m-bpd in May 2021. Jan-May 2022 imports came in at 10.5m-bpd, almost 2% down on the same period last year, compared with the 2021 annual average of 10.3m-bpd. In May, Russia surpassed Saudi Arabia to regain the status of being China's biggest oil supplier, a position that it had ceded 19 months earlier. In second place, Saudi Arabia supplied China with 1.8m-bpd in May, up 9% YoY, but down 15% MoM from April's 2.2m-bpd, as it gave way to cheaper Russian oil. To put things in context, Russia supplied the EU27 with 3.4m-bpd of crude oil and oil products in May, with just over 0.8m-bpd sent by pipeline, out of a total of 7.7m-bpd of Russian oil exports in May. This was down from 3.5m-bpd in April and below the 3.9m-bpd average for both January and February. Russia's total oil exports in May (7.7m-bpd) were only 5% below this year's peak month of 8.1m-bpd in January. Between them, the EU27, India and China are buying enough Russian oil to continue supporting the Kremlin war machine. LLI quotes IEA, Argus, Kpler estimates of Russian oil export revenues of \$20bn in May, the same as in January, and well up on the 2021 average of \$15bn. Rising oil sales by value make for a strong rouble.

In its latest June Oil Market Report, the IEA is predicting total Chinese oil demand to reduce this year for the first time this century, falling just under 1% YoY to 15.4m-bpd. It will import 68% of this total demand, assuming a 10.5m-bpd average for 2022. The IEA put global oil demand at 100.4m-bpd in pre-pandemic 2019, falling to a Covid-induced low of 91.0m-bpd in 2020, recovering to 97.6m-bpd in 2021, rising to a forecast 99.4m-bpd this year. Next year, in 2023, China is expected to help drive demand to 101.6m-bpd, as its economy re-engages, maybe finally bailing out the largest crude oil tankers. There is a sense of optimism that tankers are on the cusp of a sustainable recovery, after a long wait. We can anticipate a rebound in Chinese and global oil demand in H2, while tonnage supply remains constrained. Let's look at average 5-year old values versus average 1-year time charter rates since the start of this year. The VLCC value is up 10% from \$70m to \$77m even as the TC rate is down 5% from \$23,750 to \$22,500 daily. The suezmax value is up 15% from \$47m to \$54m while the TC rate is up 29% from \$20,500 to \$26,500 per day. The aframax value is up 20% from \$41m to \$49m and the TC rate is up 28% from \$19,500 to \$25,000 daily. The MR value is up 16% from \$29m to \$33.5m while the TC rate is up 52% from \$15,500 to \$23,500 per day. All tanker values are up, supported at the top end by high and rising newbuilding prices and, at the bottom end, by strong demand for elderly tankers for ghost trades with sanctioned countries, with Russia now added.** VLCC 1-year TC rates are held back by the poor spot market but, for all the others, the TC market is pricing in decent improvements in trading conditions.

Dry Cargo Chartering

Last weeks gains in the **cape** markets were wiped out by Wednesday this week as softening was seen across the board. Time-charter averages dipped down again to \$19,875 down by \$4,901. Freight rates along the Brazil-China route hovered just below \$30.00 pmt, while prices from Australia to China ended slipping to under \$12.00 pmt by Friday. Despite this somewhat negative sentiment, plenty of concluded fixtures emerged. Rio Tinto were highly active taking at least 3 ships for Dampier-Qingdao for early July dates with prices ranging from \$11.65-\$13.00 pmt. On Tuesday, Vale chartered K-Line relet *Cape Midori* built 2014 for 170,000 mtons 10% from Tubarao to China at \$29.00 pmt for loading end July. We saw a significant number of coal deals come to light this week too, among them Solebay taking a TBN vessel for 170,000 mtons 10% from Richards Bay to China at \$21.25 pmt for 4/10 July, and an unnamed Genco vessel was fixed for 150,000 mtons 10% Bunati to Mundra 3/8 July at \$10.00 pmt. Additionally, Polaris chartered *Yuan Fu Star* (176,000-dwt, 2011) delivery Krishnapatnam 22 June for a trip via RSA to South Korea at \$20,500 per day.

The **panamax** market came off this week as the P5TC closed at \$24,254 down by \$1,503 (-5.84%) since last reported on 17th June. In the Pacific, *Atlas* (75,124-dwt, 2012) fixed delivery passing Taiwan 26th June for a trip via Indonesia to India at \$22,000 whilst *Sinnal* took *Reachy Spring* (93,069-dwt, 2012) delivery Dalian 19-20 June for a trip via East Coast Australia to Malaysia at \$20,000. Meanwhile in the Indian, Norden covered *Ocean Domina* (76,255-dwt, 2005) delivery Dahej 16th June for a trip via East Coast South America to Singapore-Japan range at \$23,000. In the Atlantic, Aquatrade fixed *Fortuna* (83,353-dwt, 2010) delivery Rotterdam 23-24 June for a trip via Santos to Skaw-Gibraltar range at \$24,000 whilst Bunge took *Sakizaya Queen* (81,858-dwt, 2018) delivery Gibraltar 25-27 June for a trip via North Coast South America to Skaw-Spanish Mediterranean at \$27,500 and Olam covered *Falkonera* (81,641-dwt, 2012) delivery East Coast South America 24-25 June for a trip to Singapore-Japan range at \$26,000 plus \$1,600,000 bb. Alternatively, this week Tongli fixed *KM Singapore* (80,559-dwt, 2013) delivery ex drydock Zhoushan 26-30 June for 1 year period with redelivery worldwide at \$25,000. SAIL covered a TBN vessel for 75,000 mtons 10% of Coal loading East Coast Australia 15-24 July and discharging Visakhapatnam at \$30.85.

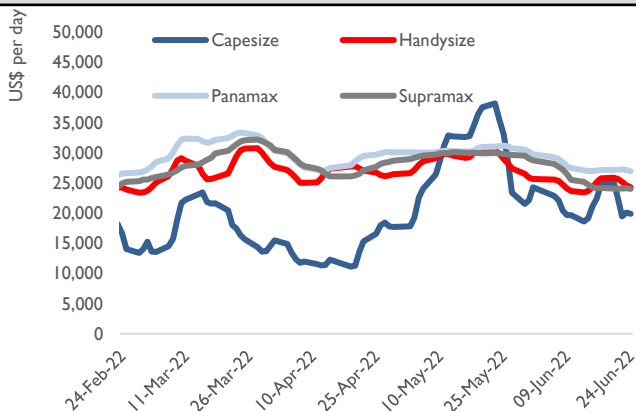
The **BSI** closed at \$26,942, down a fraction from last week's \$27,139. An optimistic outlook was seen at the start of this week in the Pacific however in the Atlantic there has been a build up of tonnage and little new enquires entering the market. Activity

still remained flat in the US Gulf, we heard *Eagle I-Star* (61,405-dwt, 2013) was fixed for a trip from Skaw Passero to Caribbean for \$20,000 and *Bulk Guatemala* (61,446-dwt, 2013) open Houston was rumoured to be fixed for a trip to East Mediterranean at \$28,000. Improving levels can be seen from East Coast South America but little reported so far. From the Pacific arena, positive prospects are mainly driven from Indonesia to both China and India while Australia and NoPac struggle with requirements still. *Eva Bristol* (63,681-dwt, 2021) sailed from Bohai Bay via Indonesia to West Coast India at \$32,000. *Libra Confidence* (63,301-dwt, 2019) from Xiamen to West Coast India via Indonesia was fixed at \$36,750. From the Indian Ocean, continuous flow of fresh enquires into South Africa and India can be felt. *Sophiana* (61,620-dwt, 2016) was fixed from Maputo to Continent range at a very strong \$50,000 due to a prompt laycan. Eastbound, *Captain John* (56,925-dwt, 2011) delivered from Durban via Port Elizabeth to China was fixed at \$24,250.

Despite the promising end to last week, sentiment took a downward turn in the handy sector, as both stocks and paper came off quite dramatically. The **BHSI** closed this week at \$24,009 down \$682 from last week. Lack of fresh inquiry on the continent, put pressure on rates, with little reported activity. Inter-continent trips fixing around mid-teens. The Mediterranean was firm, although a mixed bag of fixtures. *Kaifong* (37,440-dwt, 2020) open Nemrut Bay, fixed a trip to Caribbean-North coast South America range with steels at \$20,600 to BAI. *Merel D* (35,039-dwt, 2016) fixed at \$20,500 for a trip Black Sea to Peru. A 36,000-dwt fixed 21,000 USD per day for a front-haul to China. Cargill fixed the *Ananya Naree* (33,856-dwt, 2011) from Morocco to Brazil at \$12,750. The US Gulf dropped off; *Hydra Dawn* (32,274-dwt, 2013) fixed for a trip from Skaw Passero to Israel at \$19,000 to Western Bulk Carriers. *Pan Ivy* (32,593-dwt, 2010) open cape Finisterre fixed for a trip to the US Gulf with bulk cement at \$14,500. East coast South America was up and down but thanks to an increase of fresh inquiry picked up from last week. *Ippokratis* (37,056-dwt, 2011) open Paranagua fixed from Reclada to A-R-A-G range with agricultural products at \$28,000. East of Suez, the markets remain steady. China, Japan, and South-East Asia firmed in parts, although a softening in Australia and North Pacific, due to a lack of inquiry. *Hilma Bulker* (34,502-dwt, 2017) open South China fixed via China, redelivery Continent with Steels at \$34,000. *Anzac Columbia* (37,993-dwt, 2017) open Indonesia fixed via West Coast Australia, redelivery China with Alumina at \$25,500. *New Momentum* (39,042-dwt, 2018) open Qingdao fixed via North China, redelivery Kemaman at \$27,000. On period, *Bunun Wisdom* (38,168-dwt, 2012) open Daesan fixed 11-13 months at 105% of BHSI.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Reachy Spring	93,069	2012	Dalian	19/20 June	Malaysia	\$20,000	Sinnal	Via EC Australia
Fortuna	83,353	2010	Rotterdam	23/24 June	Skaw-Gibraltar	\$24,000	Aquatrade	Via Santos
Sudety	82,138	2013	Gibraltar	22/30 June	Skaw-Barcelona	\$25,000	CNR	Via NC South America
Medi Gladstone	81,845	2016	Kinuura	22 June	Singapore-Japan	\$24,000	CNR	Via EC Australia
Falkonera	81,641	2012	EC South America	24/25 June	Singapore- Japan	\$26,000	Olam Intl	+\$1,600,000 bb
Darya Sati	63,523	2018	SW Pass	25/30 June	UK-Continent	\$23,500	Ultrabulk	-
Desert Seeker	60,980	2022	Makassar	21/24 June	Pakistan	\$46,000	Victory Shipping	Via Indonesia
Spar Lynx	53,162	2005	Manzanillo, Puerto Rico	Ppt	Baltic	\$24,500	Cargill	Via Brazil
Kaifong	37,440	2020	Nemrut Bay	Ppt	USG/Caribs/ NCSA	\$20,500	Bai	-
Pax	28,734	2010	Bejaia	Ppt	Baltimore-Brunswick	\$18,500	Oldendorff	Via Milos



Exchange Rates	This week	Last Week
JPY/USD	135.13	135.14
USD/EUR	1.0521	1.0468

Brent Oil Price	This week	Last Week
US\$/barrel	111.87	114.74

Bunker Prices (\$/tonne)	This week	Last Week
Singapore IFO	630.0	630.0
VLSFO	1107.0	1107.0
Rotterdam IFO	638.0	638.0
VLSFO	915.0	915.0

24 June 2022

Dry Bulk S&P

A bruising week in the futures market and plenty of ships being circulated for sale has led to speculation prices may stop rising or start to soften ever so slightly. At present though, Sellers aren't offering encouragement to sell below last done with a fairly short sales table listing sales done more or less at last done levels.

The ultramax *Yangzhou Confidence* (63,165-dwt, 2017 Yangzhou Dayang) is reported sold for \$31.15m with prompt delivery in August. Rumours had circulated in May the ship was gone at \$31m flat however that sale failed to finalise.

Lauritzen's sell off of their Naikai 38s continues. *Eva Bulker* (38-140-dwt, 2012 Naikai) fetching the same price as her sister sold a couple of weeks ago.

Lowlands Maine (76,784-dwt, 2005 Sasebo) is on subs in the mid 16s, a slight step down from the sale two weeks ago of *Orient Prima* (76.596-dwt, 2005 Imabari) which fetched \$17m with DD passed & BWTS fitted.

Lastly, *Emilia* (53,098-dwt, 2002 Oshima) is reported to have gone for \$13.9m to undisclosed Buyers. A slight step up on April's sale of *Doric Spirit* (52-428-dwt, 2001 Tsuneishi) which went for \$13m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Lowlands Maine	76,784	2005	Sasebo	Gearless	Chinese	\$16.5m	On subs, BWTS fitted
Tina IV	75,187	2009	Huding-Zhonghua	Gearless	undisclosed	\$16.75m	BWTS fitted
Yangzhou Confidence	63,165	2017	Yangzhou Dayang	C 4x35	undisclosed	\$31.15m	Delivery in August
Emilia	53,098	2002	Oshima	C 4x30	undisclosed	\$13.9m	BWTS included
Eva Bulker	38,140	2012	Naikai Zosen	C 4x30	Devbulk	\$23m	SS passed, Very prompt delivery

Tanker Commentary

There has been a notable increase in interest for tankers in most segments as rates have pushed up, and we're now seeing asset prices following suit.

The Greek controlled *Maridaki* (299,990-dwt, 2005 IHI) has been sold \$36.5m to unnamed buyers, which is firm when comparing it to *New Spirit* (298,972-dwt, 2005 Universal) that changed hands in May for \$33.85m - both had BWTS fitted and good survey positions.

Appetite for Aframax remains firm with three sales this week,

however the transaction of *Maran Sagitta* (105,071-dwt, 2009 HHI) is the stand out sale - agreeing a price with Performance Shipping for \$27.6m with DD due later this year, which is a nudge north in contrast to the year younger *Silver* (107,507-dwt, 2007 Tsuneishi) that was sold with better survey positions for \$27.5m earlier in the month. Otherwise *Angelica Schulte* (106,433-dwt, 2005 Universal) has found a buyer at region \$19.5m, which is arguably in line with this weeks final afra sale with the scrubber / BWTS fitted *Carlton* (115,635-dwt, 2004 Samsung) going to Chinese for \$21.75m, highlighting the premium of a scrubber and larger deadweight.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Maridaki	299,990	2005	IHI	Undisclosed	\$36.5m	BWTS fitted
Storviken	152,013	2006	Samsung	Greeks	\$23.5m	BWTS fitted
Carlton	115,635	2004	Samsung	Chinese	\$21.75m	Prompt delivery, BWTS & Scrubber fitted
Angelica Schulte	106,433	2005	Universal	undisclosed	\$19.5m	BWTS fitted
Maran Sagitta	105,071	2009	Hyundai HI	Performance Shipping	\$27.6m	Done 3 weeks ago
Daisy M	49,999	2008	GSI	undisclosed	\$15.1m	BWTS fitted
Celsius Messina	20,289	2007	Shin Kurushima	Chinese	\$13m	

Should you have any queries about the content of this report or require any services of Hartland Shipping Services, please contact:

**Hartland Shipping Services Ltd,
London**

Tel: +44 20 3077 1600
 Fax: +44 20 7240 9603
 Email: chartuk@hartlandshipping.com
 Email: snpuk@hartlandshipping.com
 Email: consult@hartlandshipping.com

**Hartland Shipping Services Ltd,
Shanghai**

Tel: +86 212 028 0618
 Fax: +86 215 012 0694
 Email: newbuild@hartlandshipping.com

**Hartland Shipping Services Pte. Ltd,
Singapore**

Tel: +65 6702 0400
 Email: chartops.sg@hartlandshipping.com

© Copyright Hartland Shipping Services Ltd 2022. ALL RIGHTS RESERVED.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Hartland Shipping Services Ltd.

All information supplied in this paper is supplied in good faith, Hartland Shipping Services Limited does not accept responsibility for any errors and omissions arising from this paper and cannot be held responsible for any action taken, or losses incurred, as a result of the details in this paper. This paper is distributed to the primary user of the delivery email account and may NOT be redistributed without the express written agreement of Hartland Shipping Services Limited. The primary user may make copies for his or her exclusive use.