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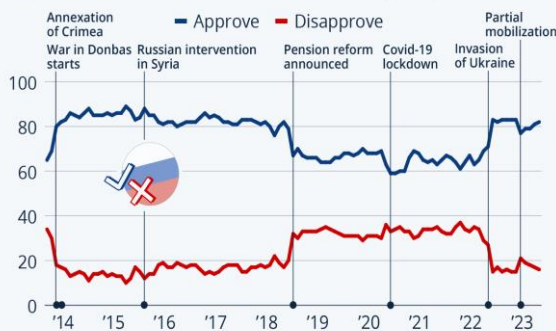
POINTS OF VIEW

It could escape no-one that today is the anniversary of the Russian invasion of Ukraine, Putin's "special military operation" to demilitarise Russia's southern neighbour. It was supposed to last only three days but has dragged on for a year already. Putin has blamed the war squarely upon Nato and the West and their attempts to turn Ukraine westwards to join a host of eastern European countries that were formerly members of the Warsaw Pact and in the USSR's orbit. Russia and Ukraine are the two combatants within the continent's largest country by land mass after Russia itself, although other countries are providing finance and weapons to each side while refraining from direct involvement. Ukraine is backed by the US, UK, EU and Nato. Russia is backed by Iran, Syria and North Korea and also, philosophically at least, by China despite, or because of, pressure from the international community.* Beijing has provided Moscow with economic support while under western sanctions by buying Russian oil and gas exports and supplying it with goods and components that have replaced blacklisted western imports. In invading Ukraine, Russia wanted less Nato on its western border but instead will get more of it as Finland and Sweden are set to sign up while Ukraine and Moldova are candidate countries to join the EU. Ukraine is a polarising issue with nations forced to take sides, excepting much of the Global South**, which may consider that Russia is not important enough to hate, while maybe also preferring a cloak of neutrality given conflicts of interest between the patronage of past western and present eastern aid providers, donors, lenders, meddlers and colonisers.

As John Bolton, former US national security adviser, wrote in the Telegraph: "Today, we are in a world war in Ukraine, not directly with Nato forces, but with almost everything else on the line." President Biden made a surprise visit to Kyiv on Monday to shore up western support for Ukraine's defence before moving on to Warsaw on a three day visit to Poland. He met with Nato and the Bucharest Nine[^], a group of nine countries which border Russia, formed in 2014 after Russia's annexation of Crimea. He pledged to defend "every inch of Nato". This visit pre-empted Putin's rambling state of the nation address on Tuesday in which he eventually announced Russia's withdrawal from the New Start treaty. As the Guardian put it: "There was perhaps only one truth spoken during Vladimir Putin's two-hour state of the nation address: that Russia would suspend its participation in the New Start treaty with the US. The rest was yet another trip down the rabbit hole into the Russian president's parallel universe." The next day, at a pro-war concert in Moscow, Putin addressed tens of thousands of reluctant citizens who had been bussed in to the Luzhniki stadium to hear him applaud the armed forces for confronting the evil West. It was pure theatre but without the jokes. Allegedly, China is said to be evaluating its support of Moscow, which may even include the supply of lethal weapons to the aggressor, as it fears a Russian defeat and the emergence of a pro-Western regime in Moscow. It also wants to mend fences with Europe, its biggest trading partner, as it seeks economic rehabilitation.

Putin Approval Remains High Throughout Ukraine Invasion

Share of Russians approving/disapproving of the performance of President Vladimir Putin (in %)



1,000+ Russians surveyed per month (personal interviews)
Source: Levada Center

statista

Source : Statista

*On Wednesday, China's top foreign policy official, Wang Yi, met with Putin in the Kremlin where they vowed to strengthen mutual ties. Both resent unilateral western sanctions applied globally.

**The Global South is a loose concept that generally identifies countries in the regions of Latin America, Africa, Asia and Oceania. In this instance, mostly countries in the first three regions.

[^]The Bucharest Nine, from north to south: Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovakia, Hungary, Romania and Bulgaria. Formed in Bucharest on 4 November 2015.

^{^^}UN. Oct '22 vote condemning Russia's attempts to annex four regions of Ukraine: 143 for, 5 against, 35 abstentions. Yesterday's vote for 'lasting peace': 141 for, 7 against, 32 abstentions.

There is no end in sight to this war as the West dithers on arms supply, withholding weapons that might give a decisive advantage, prolonging the war and death and destruction in Ukraine.

We really do face kaleidoscopic possibilities with little idea as to which pattern will prevail. China's limitless friendship with Russia may have come at a cost, by uniting and distancing the OECD countries that they had written off, but still wield huge economic and military power. Russia's ability to fund its war faces challenges this year as the G7 price caps on crude oil and products start to take effect with Urals trading at a \$40 discount to Brent. 2023 will be very different to 2022 as Russian cash and gold reserves are being drained away with a 20% month-on-month fall in its national wealth fund in January alone as energy revenues plummeted. China has \$3.2tn in FX reserves and could come to the rescue should it be willing to risk backing the losing side and estranging the western trading partners that it needs to help kickstart its ailing economy. In March 2022, the UN General Assembly's 193 member states voted 141 for, 5 against, with 35 abstentions on a resolution that Russia end its military operation in Ukraine. Abstainers included China, India and many nations in Latin America, Africa and Asia. Similar motions were voted on in October 2022 and yesterday.^{^^} Not much has changed. Nations representing over half of humanity refuse to condemn Russia. The national alignments around this conflict will shape geopolitics, economics, shipping and trade for years to come.

Dry Cargo Chartering

The **capsize** markets took a positive turn this week with gains seen across the board. Time charter averages move up to \$4,754 by Friday, an improvement of \$2,508. Average Baltic Exchange freight prices for Tubarao-Rotterdam were sub \$7.00 pmt, around \$17 pmt for Brazil-China, and about \$6.80 ex. Western Australia. There was fixing in both basins and healthy level of activity leading to renewed confidence. In the Pacific, BHP reported to have paid \$6.50 for the *Ocean Leader* (182,101-dwt, 2023), and Rio Tinto paying \$6.65 pmt for *Yuan Fu Star* (176,00-dwt, 2011). Also heard *Yue Shan* (177,799-dwt, 2009) fixed for two laden legs within the Pacific at region \$8,650 to Cosco, however limited information emerged. In the Atlantic, heard Saldanha Bay to Rotterdam basis 15–24 March is said to be fixed around \$4.40 pmt, while the Seven Islands stem fixed on Oldendorff Newcastlemax tonnage at \$7.00 pmt by charterers TKSE. Also heard that Bunge had fixed a Genco vessel for a Kamsar to China fixture basis 21-26 March at region \$17.25 pmt.

The **Panamax** market remained stable, ending the week at \$11,439. In Atlantic, *Medi Chiba* (82,003-dwt, 2016) delivery Gibraltar was fixed a trip via NSCA redelivery US Gulf at \$19,500. There was a fair amount of activity in the Pacific this week. We heard Norvic who took *Ionic Kizuna* (81,868-dwt, 2015) delivery Xinsha for a trip via Australia redelivery India at \$12,250. *GH Glory* (74,973-dwt, 2010) was fixed for delivery Hong Kong trip via Indonesia redelivery Korea at \$9,000 while *Cymona Glory* (84,091-dwt, 2011) was fixed \$6,000 delivery Machong also for a Indonesia round voyage. On the period front, we heard *Anastasia* (92,216-dwt, 2012) delivery Qinzhou was fixed for short period at \$12,000.

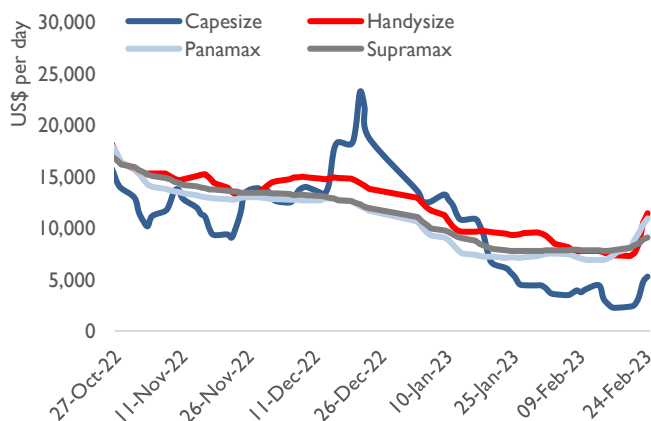
Supramax markets shot up this week, carried predominately by a bullish Pacific market. The S10TC closed at \$10,957 up by \$3,316 (43.4%) since last reported on the 17th of February. In the Pacific, *R Cheng Shan* (56,439-dwt, 2013) fixed delivery Kendari 28th Feb – 3rd March for a trip via Indonesia to China at \$15,000 whilst *CP Nanjing* (63,526-dwt, 2017) was covered delivery Singapore prompt dates for a trip via Indonesia to Thailand at \$14,500. Whilst in the Indian ocean, *Zhong Chang Yu* (56,874-dwt, 2012)

fixed delivery Chittagong 2-3rd March for a trip via East Coast India to China at \$8,500 and *African Griffon* (61,286-dwt, 2014) was taken delivery West Coast India prompt dates for a trip with salt to the Far East at \$11,500. And in the Atlantic, Louis Dreyfus fixed *Nord Bosphorus* (60,457-dwt, 2016) delivery Rotterdam prompt dates for a trip via ARAG with scrap to the East Mediterranean at \$8,000 and *Malto Elan* (57,687-dwt, 2017) was taken delivery Skaw early March dates for a trip with scrap to the East Mediterranean at \$8,500. On the period front, *Nord Aegean* (63,702-dwt, 2022) fixed delivery Damman 1-2 March for min 4-6 months period with redelivery worldwide at \$15,500 whilst *Kmarin Genoa* (63,253-dwt, 2014) was taken delivery Kolsichang 28 Feb for 4-6 months period with redelivery Singapore-Japan range at \$14,500.

The **handy** market this week took a positive turn, sentiment jumped up in both basins with green across the index. The BHSI up \$1,281 since last Friday, closing today at \$9,086. Plenty of cargo in the Mediterranean and on the Continent, *Lord Mountbatten* (28,207-dwt, 2011) fixed at \$6,900 from Caen to Morocco with grains. A 35,000-dwt fixed delivery south Spain to ARAG range at \$4,250. *HTK Discovery* (37,322-dwt, 2007) fixed delivery dop Martas to south Spain at \$8,000. In the US Gulf, *Mykonos Dawn* (37,880-dwt, 2017) fixed a petcoke trip to Portugal at \$8,750. *Maestro Pearl* (36,920-dwt, 2015) open Houston fixed delivery Vila De Conde for a trip to Iceland with Alumina at \$13,500. In South America, *CS Candy* (37,459-dwt, 2012) open Abidjan fixed delivery Recalada for a grains trip to Caribs at \$14,000 with Pacific Basin. Period interested strengthened, it was reported, *Sikinos* (37,400-dwt, 2022) fixed delivery Casablanca for 10/13 Months redelivery worldwide including Russia at \$14,000. In the East, *Seastar Vulcan* (39,810-dwt, 2015) delivery Kandla for a trip to West Coast India & Persian Gulf, redelivery Mediterranean with Steels at \$10,000. *Manta Hacer* (32,316-dwt, 2004) open Paradip fixed East Coast India back to the Mediterranean with Steels at \$9,000. In Southeast Asia, *Dora Bay* (30,153-dwt, 2012) Kosichang fixed via Vietnam redelivery United States West Coast with Bulk Cement at \$10,000. A 38,000-dwt, vessel fixed from Indonesia via West Australia back to Indonesia with grains at \$10,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Ionic Kizuna	81,868	2015	Xinsha	25 Feb	India	\$12,250	Norvic	Via Australia
Atmosphere	76,606	2009	EC South America	7-10 Mar	Singapore-Japan	\$13,000+\$300k	Cargill	1-2 LL
Glory Cuaiba	75,886	2008	EC South America	5-12 Mar	Ska-Gibraltar	\$10,000	Bunge	-
Nord Aegean	63,702	2022	Dammam	1-2 Mar	Worldwide	\$15,500	Cnr	m/m 4
Nord Bosphorus	60,457	2016	Rotterdam	Prompt	East Med	\$8,000	Louis Dreyfus	Via ARAG
Zhing Chang Yu Sheng	56,874	2012	Chittagong	2-3 Mar	China	\$8,500	Langlois	Via EC India
Woori Sun	53,556	2004	Dung Quat	Prompt	China	\$11,000	Panocean	Via Indonesia
TBC Prime	38,529	2011	Imbituba	25-28 Feb	WC South America	\$14,000	Ultrabulk	Grains
Timaru Star	33,527	2004	Brisbane	Prompt	Japan	\$13,000	Baltnav	Via E Australia
Tiberius	33,383	2013	Bulgaria	Prompt	Algeria	\$8,500	Norden	Grains



Exchange Rates	This week	Last week
JPY/USD	136.39	134.27
USD/EUR	1.0540	1.0666

Brent Oil Price	This week	Last week
US\$/barrel	82.67	82.90

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	430.0	431.0
VLSFO	600.0	650.0
Rotterdam IFO	408.0	402.0
VLSFO	560.0	585.0

24 February 2023

Dry Bulk S&P

After a lacklustre start to 2023, we finally begin to see the first signs of a long awaited recovery in dry freight rates. The BDI gained over 300 points this week and should these gains be sustained, we anticipate a flurry of S&P activity to follow.

The standout sale this week would be the *Interlink Priority* (38k-dwt, 2015 Kouan C4x30t BWTS Fitted - Ice IC) which has been sold in the region of high \$19m. It is quite remarkable that the sellers have achieved such a figure, given the last sister vessel, *Interlink Sagacity* (38k-dwt, 2015 Kouan C4x30t BWTS Fitted - Ice IC) was sold for \$19.5m in mid December. This further evidences the significant premiums the younger, eco design vessels are achieving when compared to their ageing counterparts.

Greek owners, Globus, are understood to have sold their *Sun Globe* (58k-dwt, 2007 Tsuneishi Cebu C4x30t BWTS Fitted) to Chinese buyers for \$14.1m. This is very much in line with the last done Tsuneishi 58, *Bonita* (58k-dwt, 2010 Tsuneishi Zhoushan C4x30t BWTS Fitted) which sold for just shy of \$16m a few weeks ago. In other Supramax news, *Pacific Dream/Pacific Vision* (57kdwt, 2013 Jiangsu Hantong C4x36t) have been tied up in an enbloc deal worth \$ 31m.

In the Capesize sector, the *Xin Jin Hai* (180k-dwt, 2009 Dalian BWTS Fitted) called for offers this week and is understood to be committed in slight xs of \$18m. We understand that majority of the buying interest was from Chinese and Vietnamese, much the same as *Ocean Caesar* (180k-dwt, 2008 Imabari BWTS Fitted) which was sold last week for region \$20m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Dona Tara	81,323	2011	Hyundai	gearless	-	\$20.5m	BWTS fitted
Sun Globe	58,790	2007	Tsuneishi Cebu	C4x30T	Chinese	\$14.10m	BWTS fitted
Pacific Dream	56,531	2013	Jiangsu Hantong	C4x36T	-	\$15.50m	
Pacific Vision	56,425	2013	Jiangsu Hantong	C4x36T	-	\$15.50m	
Interlink Priority	38,709	2015	Taizhou Kouan	C4x30T	-	\$19.90m	BWTS fitted, ICE 1b
Patronus	30,587	2007	Cochin	C4x30T	Turkish	\$7.25m	BWTS fitted, Box shape



Tanker Commentary

Activity in the Crude and Product secondhand market continued to gather pace with increased number of sales to report. Last week's title "Old is Gold" has been the re-occurring theme recently with the majority of tonnage currently changing hands being built pre-2009.

This trend has been reflected in benchmarks figures where, as an example, a 10-yr old MR gained 60% since January 2022, when prices really started to edge upwards compared with only 38% for a 5-yr old. Having said that, one can view the sale of 2007-09 built MR tankers reaching \$22-25m as low when spot rates are close to \$50k per day.

The exception that proves the rule went for GNMTC which have been back in the market and taken 2 resale units from Leon Patitisas. With delivery due this year, the two Daehan aframaxs went for \$76-77.6m each – giving a unit price of \$46m when ordered, it marks another evidence of a handsome asset play by the Greek Owner.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Front Eminence	321,300	2009	Daewoo	Yinson	-	
Ridgebury Judith	150,393	2008	Universal	-	\$40.00m	Scrubber fitted
Delaware Star	115,000	2023	Daehan	GNMTC	\$76.00m	Scrubber fitted
Galveston Star	115,000	2023	Daehan	GNMTC	\$76.00m	Scrubber fitted
Lila Alabama	72,514	2004	Samsung	-	\$20.25m	Epoxy
Chemtrans Saturn	72,247	2006	Hudong-Zhonghua	IMS	-	Epoxy
Ibis Pacific	51,277	2007	STX	-	\$22.00m	Epoxy, BWTS fitted
Ridgebury Katherine Z	50,215	2009	SPP	-	\$24.80m	Epoxy
UOG Andros	49,999	2009	SPP	Gardsea	\$22.50m	Epoxy
Viviana	47,221	1999	Onomichi	-	\$8.00m	Epoxy
Baltic Sun II	37,305	2005	Hyundai Mipo	European	\$27.30m enbloc	Epoxy, Ice 1b
Giannutri	37,299	2004	Hyundai Mipo			

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