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IMF Corrects Global Growth Forecast Down by a Sliver

Global real GDP growth forecasts published by the IMF



Source: International Monetary Fund

statista

Source: Statista

POINTS OF VIEW

Last week, we had mentioned the rising polarisation between democracies and autocracies, much in focus these days, with its latest manifestation the move by Opec+ to cut oil output. This has the effect of raising prices, causing discomfort in oil consumer countries that are already suffering from inflation and a cost of living crisis. Western sanctions against Iran, Venezuela and Russia have drawn these countries closer with the latter two set to form a shipping alliance to benefit mutual trade. The sanctioned countries have gained tacit or explicit support from diverse countries ranging from Brazil, Turkey and the UAE to Saudi Arabia, India and China. It is a powerful and populous bloc of nations that fit under the Global South banner. This week, we heard of the most significant unauthorised leak of classified US intelligence material in ten years,* much of it relating to Ukraine. The ringleader in the security breaches has been named as Jack Teixeira, a 21-year old anti-government Air National Guardsman in the intelligence wing. The authenticity of the documents is not disputed as it is clear that both the National Security Agency and Department of Defence take them seriously. Many of the revelations are deeply embarrassing, involving spying on friend and foe alike, and may make future intelligence sharing difficult as trust is eroded. This latest intelligence failure follows revelations that top secret documents were found in the residencies of both the current and the previous US presidents. So what was revealed?

A Feb 17 document, posted on Discord, outlines how Egypt planned to covertly supply Russia with missiles, artillery rounds and gunpowder. Factory workers were to be told that the munitions were for Egypt's military. It may be payback for the supply of Russian grain. Egypt is the largest beneficiary of long-term US military aid after Israel, receiving over \$1bn a year in security assistance. Both sides were keen to distance themselves from the leak. Egypt wants continued aid while the US wants continued access to the Suez Canal. Another paper suggests that the NSA had uncovered attempts by Mossad, the Israeli secret service, of promoting recent anti-government protests in Israel. This is strongly denied by both sides. Other papers revealed that North Korea had paraded an unprecedented number of ballistic missile launchers in February. On Thursday, North Korea launched one towards Hokkaido in Japan causing widespread panic. The US is committed to defending South Korea from attack by North Korea, so it was inconvenient to be caught eavesdropping on official communications debating whether or not South Korea should supply ammunition to the US that would be passed straight on to Ukraine. To America, this displays an unexpected timidity unbecoming of such a rising economic, technological and diplomatic powerhouse. To Seoul, Ukraine is a far away place and its active involvement may draw reprisals from Pyongyang.

Beyond the red faces and duplicity are the real risks to personnel caused by real-time revelations of combat readiness in Ukraine. It may all be a clever Kremlin misinformation campaign but much of the detail seems to be all too plausible to warrant outright US denial, while some photos and casualty numbers published by Russian Telegram channels appear to be doctored. America's downbeat opinion of Ukraine's ability to mount a decisive spring counter-offensive is worrying. It is based around an assessment of inadequate air defences, weaponry, ammunition and fighter jets - all of which are in the gift of the US and Nato – and are needed to support the newly assembled Ukrainian brigades with their Nato-supplied tanks and artillery. If Ukraine's allies draw the conclusion that the war is headed for stalemate then they may withdraw the supply of weapons and funding. Britain has denied that it has 50 special forces operatives in Ukraine**, consistent with its original pledge not to have boots on the ground, and keen to avoid Russia accusing it of direct involvement in the fighting. Other papers imply that the Wagner Group has covertly sought to buy arms from Turkey. It all amounts to an even more complex geopolitical backdrop, but bulk shipping seems to be taking it in its stride. China's March import data is strong with iron ore and coal up and soybeans down. Collectively, they were at 148.2mt, just below the record 148.8mt of July 2020. Its crude oil imports were at 12.3m-bpd, up 22.5% y-o-y, and the highest since June 2020. Is China back?^ Earnings and values of bulkers and tankers are at good levels and should maintain and even gain strength going into the second half of 2023.^

*Leaks from the NSA's whistle blower Edward Snowden in 2013 following the damaging WikiLeaks disclosures in 2010-11.

**Together, it is asserted, with other special forces operatives from Latvia (17), France (15), the US (14) and Holland (1). All denied.

^It would seem so. And so is the Brics bloc (Brazil, Russia, India, China, South Africa), all pro-China with the exception of India.

^^180K Cape avg earnings. 1Q23: \$15,388 vs 1Q22: \$20,768 pd.
180K Cape 5yo values. 1Q23: \$53.5m vs 1Q22: \$47.0m. (CRS)

310K VLCC avg earnings. 1Q23: \$70.854 vs 1Q22: \$13,487 pd.
310K VLCC 5yo values. 1Q23: \$100.0m vs 1Q22: \$72.0m. (CRS)

Dry Cargo Chartering

After the Easter break **capsize** markets softened before levelling off at an average of \$15,344 after an uneventful week. The Baltic Exchange reported that average cape freight prices for Brazil-China were at around \$22.00 pmt, a little above \$8.00 pmt ex Australia, and just under \$16.00 pmt from RSA. Very limited fixture information emerged this week. On Wednesday we heard that Rio Tinto fixed a TBN vessel for 170,000 mtons 10% iron ore from Dampier to Qingdao at \$8.15 pmt, while elsewhere *Aashna* built 2012 was chartered by Ore & Metal to load Saldanha Bay for China at the beginning of May at \$14.75 pmt. Vale fixed *Ocean Leader* built this year for their usual 170,000 mtons 10% Brazil-China route for 10/20 May at \$21.75 pmt, and on the coal side of things charterers LSS took a TBN vessel for 125,000 mtons 10% coal loading Baltimore for Kandla loading 4/12 May at \$27.50 pmt.

The **panamax** market also struggled to find its footing after the Easter weekend. P5TC closed at \$15,317 down continuously this week. In the Pacific, Cofco were reported to have taken *Delfin* (81,645-dwt, 2017) for a prompt trip from Tianjin via Nopac for redelivery in Singapore-Japan range at \$15,000 whilst Polaris took *CSK Unity* (77,105-dwt, 2015) for a prompt trip from Shanhaiguan to South Korea via South Australia at \$13,000. LSS were linked to *Magna Graecia* (82,062-dwt, 2019) from Oita for a trip to India via Australia at \$15,750. In the Indian Ocean, Cargill secured *KT Birdie* (74,886-dwt, 2011) sailing Dahej for a trip via East Coast South America to Singapore-Japan range at \$17,000. Over in the Atlantic reports came that WBC took scrubber fitted *Ultra Cougar* (81,843-dwt, 2015) for a trip from Jorf Lasfar via Brazil to Denmark at \$16,250 with scrubber benefit to charterers. In the North, it was rumoured that Cargill took *Despina V* (80,737-dwt, 2018) open Ushant for a trans-Atlantic trip to North Coast South America at \$13,500. SAIL fixed a TBN vessel for their 75,000 mtons 10% coal lift Gladstone to Visakhapatnam loading 5/15 May at \$18.10 pmt.

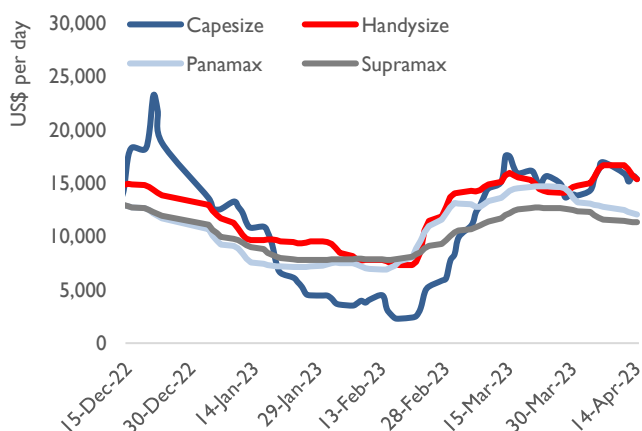
The **supramax** market was negatively hit this week off the back of an Easter and public holiday hangover. The global cargo volume has been disappointing over the past month. The S10TC closed at \$12,059 down by \$714 (-5.59%) since reported last week Thursday on the 6th of April. In the Pacific, Pacific Basin fixed *CMB Bruegel* (63,667-dwt, 2021) delivery Taichun on prompt dates for a trip via West Coast Australia with salt to Japan at \$13,400, *Vosco*

Sunrise (56,742-dwt, 2013) was covered delivery Hong Kong 13th April for a trip via Indonesia to China at \$8,000 and last week Swire took *Belray* (61,379-dwt, 2019) delivery Ulsan 4-5 April for a trip via Indonesia with concentrates to the Continent around \$10,000. Whilst in the Indian, this week *Pacific Nexus* (55,819-dwt, 2017) was fixed delivery Maputo mid-April dates for a trip to Full India range at \$15,000 plus \$150,000 bb, whilst last week Victory Shipping covered *Lowlands Breeze* (61,430-dwt, 2013) delivery Magdalla prompt dates for a trip to SE Asia at \$16,000 and Synabulk took *African Buzzard* (66,550-dwt, 2014) delivery Dammam 4-5 April for a trip via Arabian Gulf to Bangladesh at \$21,000. And in the Atlantic, this week Polaris fixed *Ocean Enterprise* (63,216-dwt, 2016) delivery SW Pass prompt dates for a trip to Japan at \$21,000 whilst last week Polaris also covered *Brigitte* (58,624-dwt, 2017) delivery US Gulf Prompt dates for a trip via US Gulf to Japan at \$18,500 and *Queen* (58,096-dwt, 2010) was taken delivery Continent prompt dates for a scrap run to the East Mediterranean at \$12,500.

A short week limited by Easter but encouraging signs from the Atlantic for handies The **BHSI** closed this week at \$11,306 down \$207 since 6th April. Small improvements from the Continent and Mediterranean markets. *Venture Spirit* (43,482-dwt, 2016) fixed basis delivery Bizerte for a trip to the Arabian Gulf at \$18,500. A 34,000-dwt vessel fixed at \$9,000 from Algeria to Marmara. US Gulf was slow with limited activity reported. East Coast South America remains balanced, *Arctic Ocean* (33,757-dwt, 2010) open Paranagua fixed delivery Recalada for a trip Dakar with grains at \$16,000. *Trammo Baumann* (38,638-dwt, 2015) open San Nicolas fixed to West coast South America at \$23,000. In the Pacific, visible activity remained limited and numbers of open tonnage continued to grow with minimal enquiry. However, some felt a brighter outlook was expected as we move into second half of April and more enquiry was observed from Australia. *Xing Zhi Hai* (34,443-dwt, 2015) was fixed basis delivery Singapore for a trip via Indonesia to the Philippines at \$8,800 to Tongli. *St Andrew* (32,751-dwt, 2010) open spot in Singapore was heard to have been placed on subjects for a trip via Western Australia to Singapore-Japan at \$8,000 to GMT but no further details surfaced.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Jin Tai Feng	93,758	2012	Bayuquan	3/4 Apr	Malaysia	\$10,000	Smart Gain	Via EC Australia
Pampero	93,275	2011	Lumut	16 Apr	Philippines	\$14,250	Oldendorff	Via Indonesia
Crimson Kingdom	84,860	2016	Jorf Lasfar	11/12 Apr	Skaw-Gibraltar	\$19,000	NS United	2/3 Laden legs
CSK Unity	77,105	2015	Shanhuiguan	15/16 Apr	South Korea	\$13,500	Polaris	Via S Australia
Guo Yuan 8	75,971	2011	EC South America	29/30 Apr	Singapore-Japan	\$19,400	Louis Dreyfus	+940,000 bb
CMB Bruegel	63,667	2021	Taichun	Ppt	Japan	\$13,400	Pacific Basin	Via WC Australia
Ocean Enterprise	63,216	2016	SW Pass	Ppt	Japan	\$21,000	Polaris	Via US Gulf
Queen	58,096	2010	Continent	Ppt	East Mediterranean	\$12,500	Cnr	-
Freidrich Schulte	38,709	2015	Buitrago	Ppt	WC South America	\$22,500	Cnr	-
Xing Zhi Hai	34,443	2015	Singapore	17/20 Apr	Philippines	\$8,800	Tongli	Via Indonesia



Exchange Rates	This week	As of 31 st March
JPY/USD	133.34	133.19
USD/EUR	1.1003	1.0877

Brent Oil Price	This week	As of 31 st March
US\$/barrel	86.34	79.41

Bunker Prices (\$/tonne)	This week	As of 31 st March
Singapore IFO	500.0	440.0
VLSFO	622.0	576.0
Rotterdam IFO	480.0	416.0
VLSFO	585.0	562.0

14 April 2023

Dry Bulk S&P

The highlight sale this week would be the *Global Royal* (61k-dwt, 2022 DACKS) which has fetched a price of \$34.7m. It is unclear who the eventual buyers were but both Greek and Japanese interests have been linked to the deal. For comparison, the last done DACKS Ultramax's were the *Jens Oldendorff/Jacob Oldendorff* (61k-dwt, 2019 DACKS) which sold in late February for \$32m per vessel with 5 year TC back.

In the Panamax sector, Ultrabulk have sold their *Ultra Panache* (78k-dwt, 2011 Sanoyas) for region \$21m. This seems a very firm price when compared to the Japanese controlled *Navios Aldebaran* (76k-dwt, 2008 Imabari) which also called for offers this week. It is understood that she saw a number of offers in the low \$15m range and has subsequently been withdrawn from the market.

Finally, Singapore based owners, Wilmar International have sold their, *Roslyn* (57k-dwt, 2009 Qingshan) for \$14m - a firm price for a standard Dolphin-57 fitted with a Tier-I main engine.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Ultra Panache	78,450	2011	Sanoyas	-	-	\$21.00m	
Global Royal	61,211	2022	DACKS	4x31	Japanese	\$34.70m	
Roslyn	57,012	2009	Qingshan	4x30	-	\$14.00m	

Tanker Commentary

Sale and Purchase activity has eased over recent weeks that have encompassed Easter, Orthodox Easter and Ramadan. Despite the seasonal lull, values on both dry and wet have continued to firm irrespective of short term movements of earnings.

As you can see from the select few sales in the table - MRs continue to be in high demand with pricing eclipsing last done levels. R Shipping in Greece have sold a 2006 built MR *Grace Lucrum* (51k-dwt, 2006 Shina) for approximately a \$10m premium on what they paid for her last summer. The ice class IB vessel has reportedly changed hands for \$22.8m having been purchased for approximately \$13m in July 2022. Elsewhere the pumproom configuration *Odori* (45k-dwt, 2005 Shin Kurushima) has also obtained a firm \$20m. Finally, Stamford Shipping are understood to have parted company with the MR (named after the former Chelsea player and manager) *Di Matteo* (46k-dwt, 2009 Naikai) for an eye catching price of \$26m when taking into account the vessel

has DD due in December. The last Japanese pumproom MR of this vintage sold was *Rich Breeze* (47k-dwt, 2009 Onomichi) in March for \$23.75m suggesting an appreciation in values of circa 10%.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Grace Lucrum	51,371	2006	ShinA	-	\$22.80m	Ice IB
Di Matteo	46,592	2009	Naikai	-	\$26.00m	
Odori	45,897	2005	Shin Kurushima	-	\$20.00m	

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