CONTENTS

2. Dry Cargo Chartering
Cargo is King

3. Dry Cargo S&P
Holiday Hiatus

4. Tankers
Holding Firm

… The Global South is not Media Friendly …

Source : Statista

POINTS OF VIEW

The West's response to crisis is increasingly in the form of a kind of Sino-Soviet interventionism in which the remedy is worse than the illness. China showed us the way in its heavy-handed and counter-productive reaction to Covid, and then along came Russia with its special military operation in Ukraine that massively outlasted its intended three-day blitzkrieg. Both have led to enormous loss of life and have cost billions of dollars of treasure. Unfortunately, the current deadlock in Ukraine is leading the key backers on both sides to reconsider their arm's length support for more war. Unless Ukraine makes significant headway in its upcoming counter-offensive then truce intervention will be ushered in by countries ranging from France, Germany and Turkey to China, India and Brazil on terms that will most likely favour the invader. Realpolitik might determine that a permanent ceasefire is now needed in the context of the Wagner Group's stirring up a civil war in Sudan that could spread across northern Africa.* This contagion risk may end up gaining priority over stagnation in Ukraine. The US failed to anticipate the February 2022 invasion, despite plenty of warning signals, reminiscent of its failure to anticipate Iraq's invasion of Kuwait in August 1990. Both events were preceded by military build-ups on the border. However, there is no doubting the scale and extent of the US reactive response on each occasion. In another context, the same might be said of the US Federal Reserve. It was slow to raise rates and kept the QE stimulus going in denial of inflation dangers that had been absent for so long.

The upshot is that it has raised rates ten times since the start of 2022, going from 0-0.25% to 5-5.25%, a killer 21-fold rise in a bit over a year. It has hit households with mortgage renewals, companies with debt refinancings and banks stuck with long-dated government securities that the Fed had encouraged them to hold post-GFC, fully 15 years ago. This year we have seen the failure of Silicon Valley Bank, Signature Bank and First Republic Bank. When depositors withdrew their money in droves, these banks crystallised huge paper losses on devalued bonds that they had intended to keep to maturity, at which point they would get their principal back. JP Morgan has worked with the FDIC to take over many of the defaulted assets to protect deposit holders, a policy that transfers concentration risks from medium-sized to large banks, and begs the question of how big is their appetite as other banks come under attack.** The Fed plays Pied Piper to the BoE and ECB and they too were slow to anticipate inflation. The BoE has blamed Covid, early retirement, a tight labour market, Brexit, war in Europe and public sector wage claims for generating inflation. It is of course blameless, battered by exogenous shocks. BP and Shell might argue the same, but in a good way. Their mega profits are being used by populist politicians to clamour for even higher windfall taxes, causing investment in the North Sea to tank. IOCs and traders have only exploited the situation before them: an energy crisis caused by Europe's over-dependence on Russian energy, Opec+'s success in managing supply and the inflationary effect of western sanctions on nations that hold the largest oil and gas reserves.^

The UK is now easing listing rules on the London exchange to stem the flow of IPOs to New York, a strange time to loosen the guardrails. Going the other way, its competition watchdog is set to review the AI market which is moving fast in a positive, or dangerous, direction depending on your viewpoint.^^ ChatGPT, Bard and OpenAI are in the crosshairs as 'expert' scrutiny looms. Shipping is faced with many obstacles including tariffs, sanctions, climate change, carbon reduction targets, altering trade flows, even hijackings and much more. This is happening at a time when political and regulatory intervention is reducing demand for consumer goods, and even basic staples, as prices have risen too fast and too far. China started the year well, but is now losing steam, as it is unable to sustain recovering growth rates on internal demand alone.+ It needs export markets and yet they are shutting down as recessionary forces impact company and household spending. This has blowback effects on steelmaking, oil refining, food processing, retailing and construction, dragging down demand for iron ore, non-ferrous metals, crude oil, coal, cereals, fertilisers, forest products, etc.. There is still a good chance that the politicians, regulators and markets will tame inflation, ease financial conditions and give us the pro-growth strategies we need to avoid sliding into the abyss.++

*Wagner is rumoured to be supplying Sudan's Rapid Support Forces (RSF) with arms. The RSF was formerly known as the Janjaweed.

**Latest banks to suffer deposit withdrawals, aka bank runs: PacWest, Western Alliance & First Horizon. Hedgies are shorting their shares.

^Russia, Iran and Venezuela have huge oil and gas reserves but are prevented from bringing them to market by western sanctions.

^^This follows the resignation of Google's AI pioneer, Geoffrey Hinton, citing fears about the rapid progress of generative AI.

+China PMIs, Apr vs Mar 2023. Manufacturing: 49.2 vs 51.9. Non Manufacturing: 63.9 vs 65.6 – disappointing despite base effects.

++Earlier forecasts by investment banks and traders of $100 oil in H2 2023 have been walked back as the demand outlook turns gloomy.

Dry Cargo Chartering

After widespread holidays at the beginning of the week, limited gains were seen across some **capesize** markets with time-charter averages ending up at $19,768, an increase of $688. Baltic Exchange average freight prices for major routes were as follows: Tubarao-Rotterdam approx. $10.80 pmt, Brazil-China approx. $22.30 pmt, West Aussie-China approx. $8.90 pmt, RSA-China approx. $16.00 pmt. Plenty of Rio Tinto fixtures emerged this week involving a variety of trades. The charterers took a TBN vessel for 165,000 mtons 10% bauxite Kamsar to China for end of May at $22.25 pmt, and at least 2 vessels for their usual Dampier-Qingdao route at $8.65 pmt and $8.70 pmt respectively. They also covered a 190,000 mtons 10% ore stem from Seven Islands to China at $26.45 pmt for end of May dates. It was also rumoured that *New Orleans* built 2015 was fixed for 170,000 mtons 10% iron ore Sudeste to Qingdao at $23.40 pmt, but charterers were not reported. Additionally, *Genco London* (177,852-dwt, 2007) was fixed by Hyundai Glovis delivery Gangavaram for a trip via Brazil to the Far East at $20,000 plus $470,000 bb.

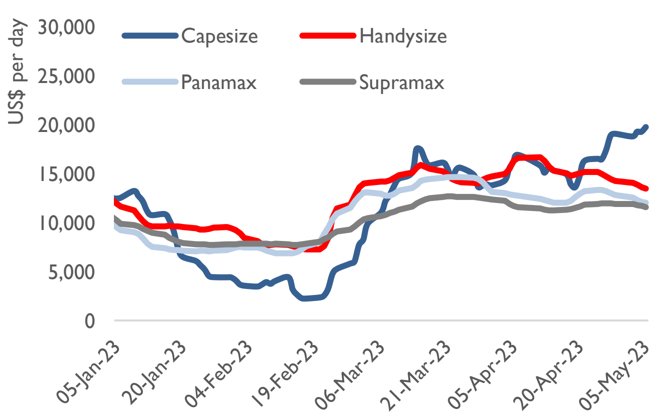
It has been a dull and directionless week for the Panamax market. **P5 TC** closed at $13,512 down by $762 since last reported 28th Apr. In the Pacific, *Jin Xia Feng* (81,537-dwt, 2014) was reported to have been fixed for a trip from CJK via Nopac for redelivery in Singapore-Japan range at $11,000, whilst MOL took Cepheus Ocean (82,072-dwt, 2015) open Kashima for a Nopac round trip at a rumoured low $15,000s. Lotus Ocean controlled *Pantazis L* (76,629-dwt, 2003) open Hong Kong for an Indonesian round trip at $11,500. Over in the Atlantic, *STL Miracle* (82,338-dwt, 2008) was said to have been fixed for a trip open Hazira to Singapore-Japan range via East Coast South America and similarly, Bunge fixed Captain Antonis (82,177-dwt, 2011) from Karaikal to Singapore-Japan range via East Coast South America at $17,000. On voyage, SAIL fixed TBN for their 80,000/10 coal lift from DBCT/Visakhapatnam 20/29 May at $16.65.

The slow and sluggish week in the supramax market, **BSI** closed this week at $12,053 down $758 since last week. In the Pacific, Transpower fixed *Safesea Anya* (56,806-dwt, 2010) delivery passing Singapore prompt dates for a trip via Indonesia to India at $10,000 whilst it was heard Hyundai Glovis have a 63,000-tonne vessel on subs delivery Dangjin for a trip to Continent-Mediterranean range around $10,000. Whilst in the Indian, *African Buzzard* (66,550-dwt, 2014) was fixed delivery Paradip early May for a trip via Arabian Gulf to Bangladesh at $12,000. And in the Atlantic, Meadway fixed *Porto Kyoto* (63,733-dwt, 2022) delivery Rio Grande 5-10 May for a trip with grains to Spain at $26,500, whilst Conti-Lines took *Kaan Aksoy* (61,113-dwt, 2022) open Brownsville 14th May, delivery Mobile for a trip with woodchips to Italy at $17,000 and Ultrabulk covered *Navios Celestial* (58,063-dwt, 2009) delivery Oran early May for a trip via Spanish Mediterranean with gypsum to US East Coast at $15,800.

The **BHSI** closed this week at $11,605 down $329 from last week. Market cooled quickly in the Atlantic with limited fresh inquiry, Danish bank holiday today adding further pressure, notably on the Continent and in the Mediterranean. End of last week a 38,000-dwt was fixed for a scrap trip from the Continent to US Gulf at $14,000. A 32kdwt fixed $13,000 delivery Skaw for a trip to west Mediterranean. A 28,000kdwt was done at $10,000 delivery Canakkale for a trip to Caribbean. A 34kdwt fixed at 10,000 aps Greece to ARAG. Across the pond, *Sopot* (39,095-dwt, 2019) open Veracruz fixed intra-gulf to Mexico with grains at $16,000. *Kapadokya* (32,262-dwt, 2003) open Caribbean fixed period 3/5 months redelivery Caribbean at $12,500. Further south into East Coast South America, *Charles* (37,193-dwt, 2011) fixed delivery Vitoria for 2/3 laden legs with Orca, while *Kinling* (37,440-dwt, 2022) open Rosario fixed delivery WWR via upriver into the Caribbean at $20,000. In the pacific, negativity continued despite the return of some from widespread holidays in Asia. Minimal fresh enquiry leading to a build-up of open tonnage. More period activity observed this week. *Eastern Hawk* (37,520-dwt, 2020) open Niihama was heard fixed for 3/5 months with first leg trading into the US Gulf, at $13,250 to Western Bulk Carriers. The *Eternity C* (36,835- dwt, 2012) open Zhoushan 30 April was heard fixed for 2/3 laden legs at $11,500 but no further details surfaced.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Genco London	177,852	2007	Gangavaram	Ppt	China	$20,000	Hyundai Glovis	Via Brazil, +470,000 bb
Denita Wave	93,201	2011	EC Australia	21 Apr	Taiwan	$11,000	Jijiao Port	+300,000 bb
Energy Sunrise	81,793	2014	Rizhao	29 Apr	Philippines	$11,000	Klaveness	Via Indonesia
Velos Libra	77,134	2014	Singapore	7 Apr	Singapore-Japan	$17,150	Cargill	Via EC South America
Glory Loong	75,395	2005	Singapore	18/19 May	Singapore-Japan	$14,740	Grand Ocean	Via EC South America
Porto Kyoto	63,733	2022	Rio Grande	5/10 May	Spain	$26,500	Meadway	-
Kaan Aksoy	61,113	2022	Mobile	Mid May	Italy	$17,000	Conti-Lines	-
Sifnos	57,050	2010	SW Pass	Ppt	Germany	$15,500	Union Bulk	-
Sopot	39,095	2019	US Gulf	Ppt	EC Mexico	$16,000	Cnr	-
Guama	34,938	2011	Canakkale	Ppt	Tunisia	$11,000	Mya Swiss	Via Varna



Exchange Rates	This week	Last week
JPY/USD	134.23	136.11
USD/EUR	1.1020	1.0963

Brent Oil Price	This week	Last week
US$/barrel	74.42	79.07

Bunker Prices ($/tonne)	This week	Last week
Singapore IFO	439.0	465.0
VLSFO	560.0	580.0
Rotterdam IFO	423.0	447.0
VLSFO	517.0	535.0

Dry Bulk S&P

Most of the world has celebrated something this week - either Golden week or May Day holidays. For the UK we have another celebration this weekend. King Charles is crowned on Saturday and we have an extra Monday bank holiday to recover from the excitement.

Unsurprisingly amongst such office absenteeism there are few sales to report. The three sales we do have all appear to illustrate a steady or rising market.

Thalassic (81,426-dwt, 2009 Universal) is reported sold to Greek buyers at $21m which is as per benchmarks.

Ultramax values continue to climb. *Mount Athos* (63,155-dwt, 2014 Hantong) is sold at $25.5m with an index linked charter attached. The year younger *Diomidis* (63,167-dwt, 2015 Jinling) was sold two weeks ago for $25m.

Finally the Chinese built supramax *Regal* (53,571-dwt, 2008 Zhejiang) is sold at $11m, a respectable price considering her surveys are due.

Next week starts with a number of Japanese-owned units calling for offers so expect a longer list this time next week.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Thalassic	81,426	2009	Universal	-	Omicron Shipmanagement	$21.00m	BWTS Fitted
Mount Athos	63,155	2014	Hantong	4x30t	Safeen	$25.50m	TC attached to Drylog until end 2024 at 112% Index
Regal	53,571	2008	Zhejiang	4x35t	-	$11.00m	DD due incl BWTS installation

Tanker Commentary

US based Ridgebury have offloaded another Suezmax, with their scrubber fitted Ridgebury *John Zipse* (164,772-dwt, 2009 Hyundai Samho) changing hands for $45m which is a tick more than last done. In April, the same owners set the benchmark with Ridgebury *Elizabeth B* (158,574-dwt, 2012 Hyundai) reported as sold at $47m which is younger, a smaller design and has no scrubber fitted.

Middle Eastern buyers have secured *Songa Coral* (107,081-dwt, 2005 Koyo) for $35m basis ex. docking. A good price for the Sellers who had been holding out for a touch less earlier this year, a clear indicator that competition remains firm.

In February we reported the sale of the CPP trading *Lila Alabama* (72,514-dwt, 2004 Samsung) at $20.25m, this week Chinese buyers have snapped up *Ever Victory* (70,462-dwt, 2005 Universal) for $21m which is a touch over last done, considering Ever Victory has no heating coils so will be limited to carrying products only.

In the MR segment, the Epoxy coated *Adamas I* (50,122-dwt, 2009 SPP) has been committed in the mid $24m with special surveys due in April 2024. Last month, the similar aged deepwell unit, *Celsius Randers* (46k-dwt, 2010 Hyundai) was sold at $27m, making the sale of Adamas I look light. However it's worth noting she is Phenolic Epoxy coated which should carry a premium.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Ridgebury John Zipse	164,772	2009	Hyundai Samho	-	$45.00m	Scrubber & BWTS fitted
Songa Coral	107,081	2005	Koyo	UAE based	$35.00m	
Ever Victory	70,426	2005	Universal	Chinese	$21.00m	Epoxy Coated / BWTS fitted / No heating Coils
Adamas I	50,122	2009	SPP	-	$24.50m	

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
Email: chartuk@hartlandshipping.com
Email: snpuk@hartlandshipping.com
Email: consult@hartlandshipping.com

Hartland Shipping Services Ltd, Shanghai
Tel: +86 212 028 0618
Email: newbuild@hartlandshipping.com

Hartland Shipping Services Pte. Ltd, Singapore
Tel: +65 6702 0400
Email: chartops.sg@hartlandshipping.com