



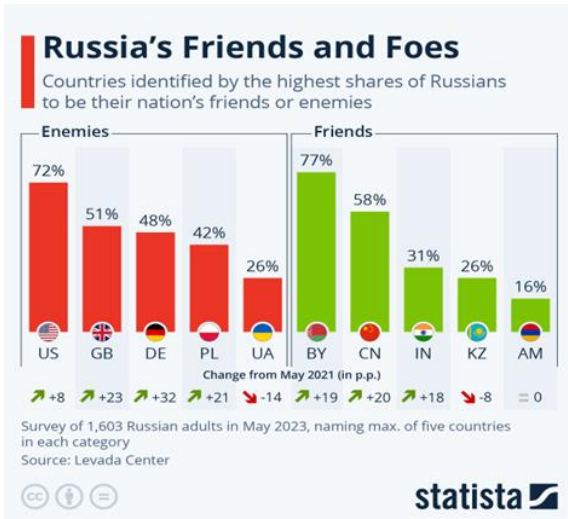
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POINTS OF VIEW

On Monday, US secretary of state, Anthony Blinken, met with Chinese president, Xi Jinping, in Beijing in a meeting that had been postponed after the shooting down of a Chinese spy balloon in US airspace in early February. The idea was to tamp down increasingly strained relations which risk spiralling out of control. The very next day, President Biden referred to Xi as a 'dictator'* which naturally offended the Chinese and may scupper an intended Xi-Biden meet later this year. China had been cracking down on foreign consultancies operating in China and escalating its rhetoric and military harassment of Taiwan and US forces in the area. For its part, the US and its western allies are shifting factories and supply chains away from China and restricting its access to high-end microchips and other IT products that can be weaponised. The US is keen to stress that this is a de-risking as opposed to a decoupling policy. As usual, the European response is mixed. For decades, the UK has allowed Chinese investment in its critical infrastructure, from seaports and airports to utilities and power. Apart from stripping Huawei from 5G networks, much of this is now irreversible. Most recently, Germany has sold a 25% stake in HHLA's Hamburg container terminal to Chinese state-owned COSCO Ports while Italy has gone the other way by imposing restrictions on state-owned Sinochem's stake in Pirelli. The US is keen to counter China's expanding influence in the Asia-Pacific region by, for example, ramping up the Quad and Aukus** and regaining military access to the Philippines after vacating its permanent presence at Clark Air Base (Nov 1991) and Subic Bay Naval Station (Nov 1992) after the PI Senate voted 12-11 to terminate the leases. It was an historic mistake on both sides.^

... Global Realignment ...



Source : Statista

The western media was fixated by the missing Titan submersible 370 miles off the Newfoundland coast. Its five super-wealthy 'explorers' were on a mission to check out the Titanic, a maritime memorial and submerged tomb to 1,517 lost souls lying 3,800m below the sea surface, only to end up joining them.^^ An international search and rescue mission was deployed consisting of sophisticated private, state and military assets worth north of a billion dollars. Last week, the international media was less interested in a rusty old fishing trawler that capsized off Kalamata on route from Libya to Italy, with over 600 penniless refugees feared lost at sea. Evidently, money talks. As it does in Saudi Arabia whose rehabilitation, after the 2018 Khashoggi affair, is now almost complete. At that time, then president DJT was reluctant to point fingers, instead prioritising weapon sales to the kingdom for use in Yemen and in defence of its oilfields against Iranian proxies. Biden's previous reference to MBS as a pariah was undone by his fist bump in Jeddah last July on his unsuccessful mission to secure more oil and lower prices. The New York Times has revealed details of DJT's involvement in a \$4bn hotel, villa and golf complex in Oman, financed by Oman and Saudi interests. He does not have to put up any money, maybe just as well, but will collect management fees and adorn buildings with his family name which has been erased from many skyscrapers in America.

This might explain why DJT downplayed human rights issues, sought to continue with weapons sales and failed to criticise human dismemberment. Money talks. It questions the extent to which his business and political interests intersect and whether he was teeing up business opportunities while still in office. This is after all a former president who does not quite understand the difference between what belongs to him and what belongs to the state (such as classified files, state gifts and campaign funds). In the announced merger between the US PGA Tour and Liv Golf one might detect the small but invisible hand of DJT. His golf courses were excluded from the PGA but permitted by LIV. Now his golf courses will be able to benefit from the merger and may even turn a profit one day. The China-brokered truce between Riyadh and Tehran will allow MBS to pursue his Vision 2030 without distraction. Saudi Arabia wants to join an enlarged BRICS++ so we are heading for a US and Them dynamic: a West in decline and an anti-West in ascent. It takes imagination to count out America when the Chinese engine is running on empty, Russia is the new pariah state and OPEC's carbon fuels are going out of fashion in the greening era. The race to dominate AI and its spinoffs is on. Each side has various levers of its own to pull. Shipping will need to navigate complex geopolitics and constantly changing trade flows. That's all in a normal day's work.

*This unscripted remark was made to 130 guests on Tuesday night at a campaign fund-raiser at a private home in Marin, California.

**The Quad is an Indo-Pacific alliance of India, Japan, Australia and the US. Aukus is an alliance between Australia, the UK and the US.

^The retreat was mutually agreed, with the US questioning their cost and relevance post-Cold War, opening the door to China expansion.

^^The White Star Line liner sank on its maiden voyage from the UK to New York on 15 April 1912 after hitting an iceberg.

+MBS's Vision 2030, is a challenge to, and a pivot away from, the West. It aligns KSA with China, Russia, India, Iran and others.

++BRICS: Brazil, Russia, India, China and South Africa are to a nation pro-Russia and anti-West. KSA wants to join this club.

Dry Cargo Chartering

A much improved week for the **capsize** market that saw time-charter averages leap up \$4,578, to close play at \$17,252. Baltic Exchange average freight prices for major routes were as follows: Tubarao-Rotterdam approximately \$9.85 (+\$1.10) pmt, Brazil-China approximately \$21.75 (+\$1.35) pmt, West Aussie-China around \$8.80 (+\$0.65) pmt, RSA-China circa \$16.00 (+\$0.85) pmt. Rio Tinto took plenty of TBN vessels for their Dampier-Qingdao 170,000 mtons 10% iron ore route. Freight prices ranged from \$7.85 pmt early on Monday and reached up to \$8.50 pmt as the week progressed. All were for early July dates. The same charterers also took another TBN vessel for 170,000 mtons 10% Seven Islands to Oita for mid-July dates at \$25.75 pmt, and on Thursday BHP fixed 160,000 mtons 10% Port Hedland-China 8/10 July at \$8.40 pmt. Little came to light in terms of T/C or period deals this week.

The **panamax** market is showing little signs of abating, limited activity is reflecting a rather stagnant market. In the Pacific, scrubber fitted *Aljazi* (80,618-dwt, 2020) open Fangcheng was reportedly fixed for a trip to China via Australia at \$14,500 with scrubber benefit going to Charterers but other details remained under wraps. In South Asia, Transpower was rumoured to have taken *Artemis* (76,942-dwt, 2006) open Guishan for a trip to Vietnam via Indonesia at \$12,350. Whilst in the North, *Climate Ethics* (87,285-dwt, 2023) open Sakaide was heard to have been placed on subjects for a Pacific round trip at around \$12,500. In the Atlantic, Bunge was reported to have fixed *Inception* (80,327-dwt, 2011) from East Coast South America to Singapore-Japan range at \$15,000 with \$500,000 ballast bonus. For a similar trip, Comerge was heard to have fixed scrubber fitted *Bulk Greece* (81,606-dwt, 2020) at \$17,000 with \$700,000 ballast bonus. And also, scrubber fitted *Xiao May* (85,180-dwt, 2021) was secured by Norden for a trip via East Coast South America from Ennore to South East Asia at \$13,000. On voyage, SAIL fixed TBN for their 75,000/10 coal lift HPCT/Visakhapatnam 12/21 July at \$15.95.

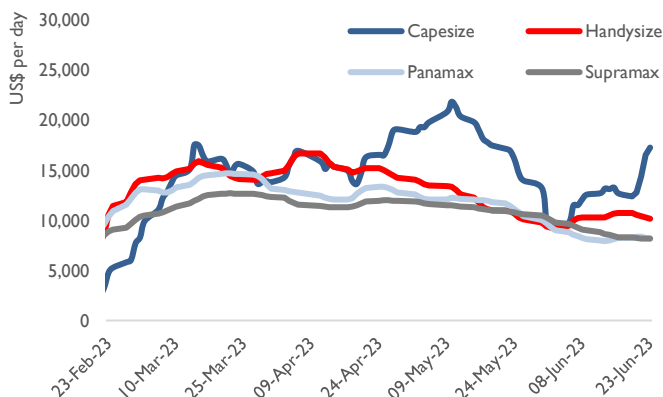
Supramax market seems to be bottoming out, with a few pockets of stability, yet there are still areas under downward pressure. The SIOTC closed at \$8,178 down by \$52 (-0.63%) since reported last week 16th June 2023. In the Pacific, *Federal Iris* (63,498-dwt, 2016) fixed delivery CJK prompt dates for a trip via Australia with grains to Singapore-Japan range at \$10,000, Pacific Basin covered *Aqualea* (63,948-dwt, 2018) for a Viterria relet basis delivery passing Busan on prompt dates for a trip via NoPac to South East Asia at \$9,000 whilst *Merida* (56,670-dwt, 2012) fixed delivery Qinzhou on prompt dates for a

trip with clinker to Bangladesh at \$9,000 and *Effy N* (55,804-dwt, 2009) was taken delivery Niihama on prompt dates for a trip via Indonesia to China at \$7,250. Whilst in the Indian, Clipper fixed *FJ Dalia* (64,273-dwt, 2023) delivery Port Elizabeth 2-8 July for a trip to China at \$16,000 with \$200,000 ballast bonus whilst Reachy covered *Young Harmony* (63,567-dwt, 2014) open Kandla 18-20 June for a trip delivery aps Maputo to China at \$15,000 with 155,000 ballast bonus and Midstar took *Um Elhanya* (56,726-dwt, 2010) delivery Salalah on prompt dates for a trip to South East Asia at \$8,300. And in the Atlantic, Drylog fixed *Alora* (63,008-dwt, 2017) delivery North Brazil 1-7 July for a trip to Atlantic Columbia at \$15,000, Skyfusion covered *Amis Star* (61,123-dwt, 2019) delivery Abidjan on prompt dates for a trip loading fertilisers ex-Onne and sailing via Red Sea to Port Said at \$13,000 whilst Aston took *Nikolaos A* (58,122-dwtm 2009) delivery Santos 5-15 July for a trip to Chittagong at \$14,500 with \$450,000 ballast bonus and Sudden fixed *Tai Harvest* (50,338-dwt, 2003) delivery Santos on prompt dates for a trip to the Black Sea at \$12,000. Meanwhile on the period front, WBC covered *DSI Altair* (60,309-dwt, 2016) delivery West Coast India 25th June for a period with a minimum duration until 10th August 2024 and a maximum 10th October 2024 with redelivery worldwide at \$13,800.

Handy market still struggled this week with rates marginally weaker. The HS7TC closed at \$8,197 down by \$149 (-1.79%) since reported last week 16th June 2023. With holidays in China, visible activity had slowed down with minimal fresh requirements entering the market. However, slight positivity can be seen for cargoes loading ex Japan. In South East Asia, some observed increased levels of open tonnage which may lead to further reductions for Owners. The *Pacific Cypress* (38,055-dwt, 2012) open Belawan was heard to fixed trip to South Korea at \$8,250. The *AC Splendor* (32,740-dwt, 2005) open Humen was also heard to have been fixed for laden legs in the low to mid \$8,000. The *Clara Enterprise* (33,428-dwt, 2017) was fixed basis delivery Singapore for 2 to 3 laden legs at \$9,100. The *Destiny* (29,229-dwt, 2010) open Bunbury was fixed for coastal business in the \$11,000s. And in the Atlantic, *Eastern Hawk* (37,520-dwt, 2020) fixed delivery Houston for a trip with petcoke to WCSA-WCCA range at \$11,000 whilst Lighthouse covered *Bunun Power* (37,283-dwt, 2021) delivery passing Canakkale with steels to Tampa-Vera Cruz range at \$6,500 for first 50days and \$8,000 thereafter and Cargill took *Bobic* (31,896-dwt, 2006) delivery Canakkale for a trip with grains to Algeria at \$6,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Illawara Fortune	95,707	2013	Wakayama	25 June	China	\$10,000	Trafigura	Via NoPac
Zonda	93,263	2011	South Africa	2/3 July	China	\$13,750	Reachy	+\$375,000 bb
Orion Globe	81,837	2015	EC South America	8 July	Singapore-Japan	\$16,750	Marubeni	+675,000 bb
Aquavita Aim	81,300	2019	Singapore	23 June	Japan	\$15,000	Kline	Via Indonesia
Inception	80,686	2011	EC South America	10/20 July	Singapore-Japan	\$15,000	Bunge	+\$500,000 bb
Aqualeo	63,948	2018	Passing Busan	Ppt	SE Asia	\$9,000	Pacific Basin	Via Nopac
Gladiator	56,784	2012	North Brazil	1/7 July	South Brazil	\$12,500	Norsul	Coastal trip
Nordic Stavanger	56,172	2011	Amazon River	1/7 July	Atlantic Columbia	\$13,000	Eagle	-
Pacific Cypress	38,055	2012	Belawan	Ppt	South Korea	\$8,250	Cnr	-
IVS Kinglet	33,132	2011	Japan	Ppt	Arabian Gulf	\$8,250	Cnr	-



Exchange Rates	This week	Last week
JPY/USD	143.40	141.81
USD/EUR	1.0894	1.0940

Brent Oil Price	This week	Last week
US\$/barrel	72.91	76.66

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	439.0	444.0
VLSFO	600.0	595.0
Rotterdam IFO	472.0	477.0
VLSFO	435.0	542.0

23 June 2023

Dry Bulk S&P

The long anticipated 'return of China' has not yet materialised and therefore dry freight rates across the board continue to underwhelm. Having said this, the cash rich market may have dropped to levels that buyers are now comfortable re-entering at. This is particularly relevant to the modern 'eco' design vessels, of which we have a number of sales to report this week.

We kick off in the Capesize sector, where GoodBulk have sold their *Aquaenna* (175k-dwt, 2011 Jinhai) to Greek buyers for a fee in the high \$22m range. This continues GoodBulk's strategy of opportunistically selling older Capesizes, as they have done earlier this year in the two enbloc deals they concluded with Norden and Brave Maritime respectively.

Continuing within the gearless sectors, a trio of Kamsarmax's have been sold this week. Firstly, the *JY Pacific* (81k-dwt, 2019 Chengxi) has been sold via commercial auction for \$28.76m - very much in line with the scrubber-fitted sister vessel, *JY Bulk* which was sold last week. Following on from this, it is widely reported that Tsuneishi group have committed their *Rikke* (81k-dwt, 2016 Tsuneishi Zhoushan) for \$27m. This sale illustrates the slip in asset

values since April, when Greek buyers purchased the year-older sister vessel, *Valiant Spring* (81k-dwt, 2015 Tsuneishi Zhoushan) for \$28.2m. The final Kamsarmax sale this week also comes from Japanese owners as Mitsubishi Ore are reported to have sold their *Santa Cruz* (81k-dwt, 2011 Tsuneishi) for \$18.6m.

AVIC Leasing have sold yet another pair of Crown-63 design Ultramax's this week. We note the *Virgo Confidence/Gemini Confidence* (63k-dwt, 2019 New Dayang) have been committed in the region of \$27.5m per vessel. This follows the deal that Spar Shipping concluded one month ago with AVIC for their *Aries Confidence/Taurus Confidence* (63k-dwt, 2018 Dayang). Elsewhere, the Nisshin owned *Hanton Trader* (63k-dwt, 2014 Jiangsu Hantong) has been sold for \$23.6m. We understand this was a purchase option exercised by the long-term charterers.

Finally, Greek owners, Newport SA have sold their *Agia Irimi* (28k-dwt, 2013 Imabari) for \$13.8m. Even when factoring in the age difference, this is a notable step up from the last done sister vessel, *J-Harmony* (28k-dwt, 2009 Imabari) which was sold to Vietnamese buyers in late April for \$9.7m.

Reported Dry Bulk Sales*

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>Aquaenna</i>	175,975	2011	Jinhai	-	Costamare	22.80m	
<i>Santa Cruz</i>	83,456	2011	Sanoyas	-	Eastmed	18.60m	
<i>Rikke</i>	81,895	2016	Tsuneishi Zhoushan	-	Hellenic Star	26.50m	
<i>JY Pacific</i>	81,139	2019	Chengxi	-	-	28.76m	Commercial Auction
<i>Prabhu Puni</i>	76,015	2002	Tsuneishi	-	-	9.60m	SS due 2027
<i>Hanton Trader III</i>	63,800	2014	Jiangsu Hantong	4x30t	-	23.60m	Eco M/E
<i>Gemini Confidence</i>	63,270	2019	New Dayang	4x35t	-	27.50m	
<i>Virgo Confidence</i>	63,206			4x35t	-	27.50m	
<i>RHL Julia</i>	55,701	2009	Mitsui	4x30t	-	15.30m	
<i>Agia Irimi</i>	28,207	2013	Imabari	4x31t	Greek / Syrian	13.80m	

*The information provided on the *IVS Orchard* was factually incorrect and sent in error. Please disregard.



23 June 2023

Tanker Commentary

A fresh benchmark has been set for modern suezmaxes, with Eastern Pacific snapping up the scrubber fitted *Elandra Osprey* (157k-dwt, 2018 Hyundai) for \$75m. Elsewhere in the suezmax segment, owners of *Sonangol Kassarje* (158k-dwt, 2005 Daewoo) have agreed to sell at \$37m to Infinity Ships basis docking due at the end of the year.

For product tankers, values are perhaps easing ever so slightly.

Turkish owners Beks have purchased *Faros* (75k-dwt, 2005 Hyundai Ulsan) for \$18m, a notch down when compared to *Gulf Pearl* (75k-dwt, 2005 Hyundai) which went for \$20.5m back in May (and both have docking due within 2023). Note that Benetech, who are selling *Faros* (75k-dwt, 2005 Hyundai Ulsan), picked the ship up for \$10.4m in 2019.

In the MR segment, *Anfa* (47k-dwt, 2010 Iwagi) has fetched a softer \$24.5m, with BWTS fitted and special surveys not due until 2025 - the last similar sale was *Di Matteo* (47k-dwt, 2009 Naikai) which changed hands for \$26m in April. Elsewhere, the phenolic epoxy coated *Gulf Jumeirah* (46k-dwt, 2008 Hyundai) has gone for \$23.5m with special surveys and BWTS due late this year, which is in line with last weeks sale of *Eagle Bay* (47k-dwt, 2008 Hyundai) at \$24.2m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Sonangol Kassarje	158,706	2005	Daewoo	Infinity Ships	37.00m	
Elandra Osprey	157,470	2018	Hyundai Samho	EPS	75.00m	Scrubber Fitted
Faros	74,999	2005	Hyundai Ulsan	Beks	18.00m	
Falcon Sextant	50,994	2009	STX	Vietnamese	25.8m	Epoxy/Zinc Coated
Anfa	47,975	2010	Iwagi	-	24.50m	
Kobe	46,622	2009	Naikai	Greek	-	STST
Gulf Jumeirah	46,488	2008	HMD	-	23.50m	SS/DD/BWTS Due
Emerald Stars	37,270	2005	HMD	UAE	18.20m	Ice IB
RT Star	26,199	2011	Shin Kurushima	-	24.00m	STST

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 21 2028 0618
Email: newbuild@hartlandshipping.com

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

Tel: +65 8223 4371
Email: chartops.sg@hartlandshipping.com

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