



CONTENTS

2. Dry Cargo Chartering
Panamax Positivity
3. Dry Cargo S&P
Summer Sales
4. Tankers
Buoy of Summer

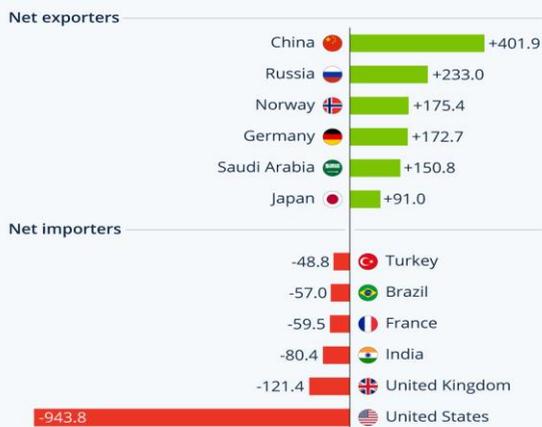
POINTS OF VIEW

We are now in mid-summer and activity is generally slowing as people take off on holiday. They are not missing much as the three main shipping sectors are about as soggy as the going was at Glorious Goodwood last week. The US is showing early signs of economic recovery as it leads the way in bringing down inflation and restoring consumer confidence. Recession fears are receding although interest rates may stay elevated into 2024 to keep downward pressure on prices. It is a similar story in Europe and the UK even though both are a long way behind the US. In contrast, China is still performing below expectations, and we await details of any stimulus package while doubting that it will do much for shipping this year.* Chinese exports fell 14.5% y-o-y in dollar terms in July, the steepest fall since February 2020, while imports declined 12.4%, the worst reading since January this year. In the first seven months, imports were down 7.6% to \$1.46tn while exports were down 5.0% to \$1.94tn. These are indications of weak consumption at home and soft demand abroad. Manufacturing activity has contracted for four months in a row on faltering sales of computers, steel, clothing, textiles, fabrics and integrated circuits.** Crude oil imports dropped 18.8% m-o-m to 10.3m-bpd, the lowest since January, while iron ore imports slipped 2.0% m-o-m in July to 93.5mt. Coal imports almost doubled y-o-y in H1, averaging 37.0mt a month, coming in at 39.3mt in July after 39.9mt in June on high power demand for air conditioning.

... US & China : polarised ...

Which Countries Are Net Exporters & Importers?

Selected countries by positive/negative current account balance in 2022* (in billion U.S. dollars)



* net trade in goods and services (exports minus imports) plus net earnings and net transfer payments
Source: World Bank

statista

Source : Statista

From a shipping perspective, the most important recent development in the Ukraine conflict is the deterioration in the security environment for shipping in the Black Sea. After pulling out of the Black Sea Grain Initiative in July, Russia started attacking Ukraine's grain ports and storage facilities as it sought to sabotage its exports to Africa, the Middle East and Southeast Asia. The alternative route, via trucks and trains overland to Poland's Baltic ports is far less efficient and can only handle a trickle of the usual seaborne volumes via the southern route. Russia has threatened to attack any commercial ships loading grains from Ukraine's Black Sea ports. In retaliation, Ukraine has used sea drones to attack a Russian warship and a small tanker and has promised to target Russian flag tankers carrying oil exports from Russian Black Sea ports. Despite this, insurance premiums are apparently not much changed as these twin threats are enough to deter most owners of bulk carriers and oil tankers from persisting with these trades. The net effect is to reduce cargo flows for bulkers and tankers that typically engage in such business. The grain situation is well documented but interruption to Russian oil exports is new, especially affecting Suezmax tankers that are the optimal for the Black Sea. Novorossiysk, Russia's largest oil export port, accounted for 1.9m-bpd or 42% of Russia's total exports of 4.6m-bpd in July, according to Kpler. European tankers were already retreating from taking oil exports from its Baltic and Black Sea ports as Urals crude has traded above the G7/EU price cap of \$60pb for the past month.

One theory is that European owners' fears of breaching western sanctions will reignite the second-hand S&P trade in elderly Suezmax and Aframax tankers, being the most suited for Black Sea and Baltic Sea cargoes respectively. As mainstream owners leave, so more tankers will be needed in the shadow fleet to carry the cargoes that they are leaving behind. However, Russian seaborne export volumes were down 16% m-o-m in July as Russia honours its pledge to Opec to cut its oil output by over 0.5m-bpd to year end. More mid-sized tankers will only be needed in the shadow fleet should Russian seaborne exports rise in line with recovering demand and Opec 'consent'. In the tanker segments that benefit the most from the Russian crude export trade, values remain high despite current relative softness in spot earnings and a recent dip in values. The historical perspective is more positive. A modern eco scrubber-fitted Suezmax averaged \$13,186 daily in the spot market in 2021, \$55,881 in 2022 and \$66,557 in 2023-ytd. For a similar Aframax the numbers are \$13,921 daily in 2021, \$66,765 in 2022 and \$69,807 in 2023-ytd.^ This justifies asset value gains. Since the start of 2022, the BSPAs^^ for 5yo tankers show that a Suezmax has risen 48% going from \$47.9m to \$70.7m while an Aframax has gained 58% going from \$40.8m to \$64.3m. Values have been supported by strong earnings, high newbuilding prices and the persistent strong premium to scrap values of 15-20yo units being sold into the shadow fleet.

*China may be facing Japan's lost decades after the 1989 crash.

**China's CPI and PPI both fell y-o-y in July, a sign of deflation.

^Figures courtesy of Shipping Intelligence Network.

^^Baltic Sale & Purchase Assessments.

Dry Cargo Chartering

A persistent softening was broadly seen across **Cape** markets this week. Baltic Exchange time charter averages dropped \$1,880 to close play at \$13,200 on Friday. Despite this a huge amount of fixtures came to light, mostly Australia-China business. The usual crowd booked a selection of tonnage with BHP fixing at least five vessels for 160,000 mtons 10% iron ore Port Hedland-Qingdao among them Afales built 2012. Freight ranged from \$8.25 pmt to \$8.50 pmt. FMG took two positions for the same business at a cheaper \$8.05 pmt and \$8.00 pmt respectively. Rio Tinto fixed three vessels for end of August 170,000 mtons 10% Dampier-China runs at \$8.05 pmt to \$8.50 pmt, and two stems of 190,000 mtons 10% both at \$8.25 pmt. The same charterers took also fixed Cape Lily for 170,000 mtons 10% Seven Islands-Qingdao at \$25.00 pmt for early September. Elsewhere, Vale chartered Irene II, Hui Xing Hai, and Cape Stars for Tubarao-Qingdao at \$20.25 pmt to \$20.40 pmt, and also Genco Titus for 170,000 mtons 10% Teluk-Son Duong at \$4.90 pmt for loading next week. It was also rumoured that Bunge fixed *Rangiroa* (206,026-dwt, 2013) open Rotterdam for a Kamsar-China run at around \$20.80 pmt.

The positive energy continued from last week in the **Panamax** markets. In the North Atlantic, activity was said to have continued to show healthy levels and tonnage availability was said to have tightened leading to more gains for owners. In the South Atlantic region, sources spoke of continued appetite from charterers for September shipments helping to maintain the positivity for both front haul and trans-Atlantic directions at present. In Asia, after a subdued start to the week, signs of life appeared in the lead-up to the holiday in Singapore and broking spoke of improving bids as tonnage lists had contracted and a more bullish sentiment was evident. P5TC closed at \$12,037 up by a sizeable \$4,469 since last reported. In the Pacific, *Yu Qiang* (81,608-dwt, 2012) open Xhanjian 7/9 August was rumoured to have been fixed for a trip via Indonesia to South China at around \$6,000. *He Fan* (74,700-dwt, 2001) opening in Shanwei 9/11 August was rumoured to have been fixed via Indonesia to CJK at \$4,750 to Yuan Hai. *Peace Garden* (76,356-dwt, 2012) was linked to Oldendorff fixing delivery CJK 4/5 August for a trip via Indonesia and South East Asia redelivery passing Taiwan at \$6,500. In the Atlantic, *MG Mercury* (84,790-dwt, 2016) was rumoured to have been fixed basis delivery Jorf Lasfar for a trip via North Coast South America to Skaw-Gibraltar at \$10,000 but further details are yet to surface. *Thalia* (81,031-dwt, 2016) was rumoured to have been fixed basis retro sailing Zhanjiang 26 July via East Coast South America for a round voyage at \$13,000 to Comerge but others heard the rate was \$12,750. *Ionic Katana* (82,936-dwt, 2012) was fixed basis delivery East Coast South America for a trip to Singapore-Japan range at \$15,250 plus a ballast bonus of \$525,000. On voyage, RINL fixed a 'TBN' vessel for their 80,000 mtons 10% coal lift Gladstone-Gangavaram 16/25 Aug at \$17.30 pmt.

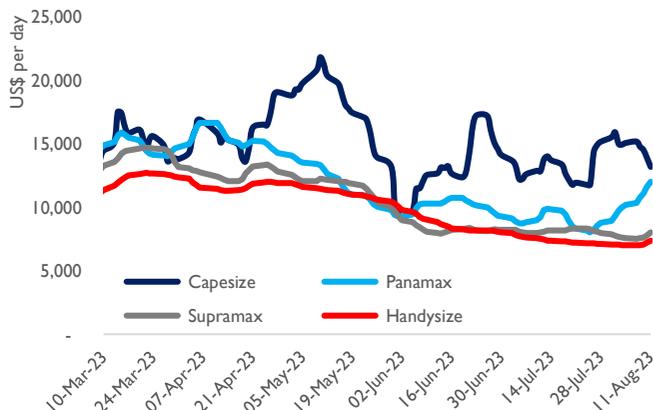
Supramax markets finally showed signs of long-awaited improvement. South Africa led the charge over the last fortnight with a tight squeeze in tonnage for mid-August dates.

This rallied the other basins. The improvement in the larger sizes has also improved the supras. The S10TC closed at \$8,008 7,568 up by \$440 (+5.81%) since reported last week on the 4th August. In the Pacific, *Aris Glory* (58,758-dwt, 2007) was fixed delivery Tieshan 15/16 August for a trip via Philippines with nickel ore to China at \$8,000 for South China or \$9,000 for North China redelivery, whilst Panocean covered *Nikos N* (53,815-dwt, 2011) delivery Singapore 8/9 August for a trip via Indonesia to China at \$8,500. In the Indian, Norvic covered *New Horizon* (55,445-dwt, 2010) delivery Mina Saqr on prompt dates for a trip to Bangladesh at \$11,000 whilst Allianz Bulk took *Victoria T* (61,266-dwt, 2017) delivery Tuticorin 12/16 August for a trip via East Africa to Southeast Asia at \$10,500. In the Atlantic, NMC fixed *Ocean GLSR* (56,108-dwt, 2014) delivery lower Baltic on prompt dates for a trip with grains to Nigeria at \$9,750, and Lighthouse Navigation took *Ocean Knight* (56,808-dwt, 2011) delivery Recalada for a trip to Algeria at \$13,500. Meanwhile on the period front, Norden covered *Al Wathba* (63,672-dwt, 2013) delivery Mediterranean for min 9 to max 12 months with redelivery worldwide at 115% of the BSI.

The BHSI closed this week at \$7,396 up \$376 from last Friday. Green across the paper market helped shift sentiment, with rates across both basins expected to pick up in the coming weeks. Despite the marked improvement this week, the Atlantic still tails behind the Pacific. Continent and Mediterranean inquiry remains moderate, a 34,000-dwt vessel fixed arrival pilot station in Algeria to ARAG at \$4,750 p/day, perhaps the bottom of the market. Cargill fixed a 35,000-dwt at \$6,500 p/day delivery Canakkale via Black Sea for a trip to Spanish Mediterranean. Scrap runs from the Continent to Turkey fixed around \$7,000 p/day on a 33,000-dwt. *Team Bravo* (33,642-dwt, 2012) fixed delivery French Bay for a trip redelivery Abidjan with grains at \$7,200 to Nova Marine Carriers. In the USG, larger handies are still holding flat at \$7,000 p/day for Trans-Atlantic trips. *Kinling* (37,440-dwt, 2022) open St Lawrence fixed delivery Vila de Conde for a trip redelivery to US Gulf with alumina at \$9,500. East Coast South America pushed on this week, *Apogee Endeavour* (28,341-dwt, 2009) fixed delivery Recalada for a trip redelivery Buenaventura with grains at \$12,800. In West Africa, *Tac Imola* (40,261-dwt, 2021) open Lome fixed delivery Walvis Bay via West Africa for a front haul trip redelivery Spore-Japan range at \$11,700 with Oldendorff. Despite limited visible activity, glimpses of positivity returned to Asia. Some observed a change in tonnage balance and growing levels of log enquiry resulting in improving prospects for owners. Period interest was also said to have improved. *Steady Sarah* (38,468-dwt, 2011) opening in Port Kelang was heard to have been fixed for a trip to China at \$7,250, and *Liverpool Strait* (37,452-dwt, 2013) open in Dung Quat was also heard to have been fixed for a trip to Southern China at around \$7,000 but no further details surfaced for both. On the period front, *Taokas Wisdom* (31,943-dwt, 2008) open East Coast India 15/20 August was rumoured to have fixed for 3 to 5 months at \$7,000 for the first 40 days and \$8,800 thereafter. *Papora Wisdom* (28,344 -dwt, 2009) open end of August in Kuching was rumoured to have been fixed for 3 to 5 months at \$7,000 for the first 45 days and \$8,250 thereafter.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Costanza	92,672	2010	Fangcheng	Ppt	Japan	\$7,500	Jera	Via EC Australia
Tai Keystone	84,703	2017	Japan	10/10 Aug	Singapore-Japan	\$10,000	Norden	Via NoPac
Wavelet	81,480	2021	Bahodopi	11 Aug	India	\$10,000	Tongli	Via Indonesia
Agios Makarios	80,929	2021	Gibraltar	8/12 Aug	Singapore-Japan	\$21,000	Cnr	Via NC South America
Crystalia	77,525	2014	Qinzhou	11/12 Aug	S China	\$7,000	Cnr	Via Indonesia
Elite Star	75,395	2007	Hong Kong	Ppt	Singapore-Japan	\$9,000	Seacon HK	Via EC South America
Zhen Yang Nan Hai	73,035	1999	Fangcheng	7/10 Aug	S China	\$4,000	Cnr	Via Indonesia
PVT Sapphire	56,024	2006	Obi Island	Ppt	S China	\$8,100	Fullinks	Via Indonesia
Nikos N	53,815	2011	Singapore	8/9 Aug	China	\$8,500	Pan Ocean	Via Indonesia
Valeria	32,391	2011	New York	Ppt	East Mediterranean	\$6,300	Shield	Via US East Coast



Exchange Rates	This week	Last week
JPY/USD	144.85	141.69
EUR/USD	1.0962	1.1016

Brent Oil Price	This week	Last week
US\$/barrel	87.26	86.35

Bunker Prices (US\$/tonne)	This week	Last week
Singapore IFO	570.0	567.0
VLSFO	648.0	631.5
Rotterdam IFO	585.0	555.5
VLSFO	617.0	607.5

11 August 2023

Dry Bulk S&P

The fluttering of a breeze in the sails of the freight market has prompted buyers to abandon their holidays and grab deals across the market. This is not just one or two buyers dipping their toe into the market but a pack of buyers chasing and competing for tonnage. Some high profile and well-respected names are involved in the hunt. The rapid softening prices of the last month has established market values that enough buyers are comfortable with. Will this surge of activity be enough to stop the decline in values? Will there be enough bargains to go round?

In the Capesize sector, the Lykiadopolou owned *Ariadne* (180,010-dwt, 2009 Daewoo) has been sold to Greek buyers at about \$21.5m after calling for offers on Monday. As many as nine credible buyers were bidding and the price was noticeably higher than the *Shiosai* (176,827-dwt, 2009 Namura), which was also sold two weeks ago for \$21m. and significantly above the *Ocean Cobalt* (180,200-dwt, 2008 Imabari) at \$19.4m in July.

In the Kamsarmax market, the Marubeni controlled *Navios Southern Star* (82,224-dwt, 2013 Tsunenishi) took offers on Thursday and was quickly committed in the \$21.5 - 21.8m range. The buyers are reportedly Astra Shipmanagement, Greece who beat off a competing pack of four or five buyers.

There is significant interest in modern, eco-design Ultramax's, with

two vessels changing hands this week at firm levels. Norden continue to sell and have this week disposed of their *Nord Amazon* (64,499-dwt, 2020 Oshima - Scrubber Fitted) for \$32m to Meadway Bulklers. This was said to be a repeat term deal following their purchase of the ex. *Nord Baltic* (62,625-dwt, 2018 Oshima - Scrubber Fitted) which was concluded in May last year. Turkish owners, Densay are also understood to have sold one of their modern Ultramax's. The *SSI Formidable* (63,510-dwt, 2017 Jinling) has been sold for \$27m although it is as of yet unclear when the deal was signed.

Finally, the handysize sector is still fit and firing, with two modern units changing hands. Kimbara Kisen called for offers on their *KK Mineral* (45,429-dwt, 2017 Tsuneishi Zhoushan) last week and it has since been revealed that she has been sold to Chinese buyers for \$22m. This deal was swiftly followed by Oldendorff's sale of a 2018 Fesdec design, *Bulk Trader* (37,845-dwt, 2018 Avic Weihai) in the region of \$20m with TC attached until February 2024 at \$12,500 per day. The price is very much in line with the recent sale of *Tomini Ghibli* (37,896-dwt, 2016 Avic Weihai), which was sold to European buyers for mid-high \$17m last week. It is not just the modern ships that are getting the attention this week. German owners invited offers on the *Vil Atlantic* (37,852-dwt, 2010 Jiangsu - Ice IC) yesterday and she is understood to be holding a number of offers in the mid \$9m range.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Ariadne	180,010	2009	Daewoo	-	Greek	\$21.50m	
Navios Southern Star	82,224	2013	Tsuneishi Fukuyama	-	Astra	\$21.80m	
Nord Amazon	64,499	2020	Oshima	C 4x30	Meadway Bulklers	\$32.00m	Scrubber fitted
SSI Formidable	63,510	2017	Jinling Shipyard	C 4x30	Undisclosed	\$27.00m	
KK Mineral	45,429	2017	Tsuneishi Zhoushan	C 4x30	Chinese	\$22.00m	
Bulk Trader	37,845	2018	AVIC Weihai	C 4x30	-	\$20.00m	TC attached at \$12,500/day util Feb 2024



Tanker Commentary

Despite the relatively quiet sale and purchase market and a lull in freight rates, it was still a record week in oil tanker markets. The IEA this week declared that global oil consumption surpassed 103mbpd in June, an all-time record, and is set to continue rising into the second half of the year.

The hunt for securing early newbuilding berths continues apace, with two orders placed to report this week. Clients of An Tankers (TMS) have ordered 2x 50,000-dwt MR tankers at Chengxi Shipyard, deliveries Q4 2025 to early 2026 at a price of \$42m each.

Hafnia/Socatra joint venture have placed an order for 4x 49,800-dwt Methanol fuelled MR tankers at Guangzhou Shipyard International (GSI), deliveries between 2025-2026 for region \$50m per vessel. The high price in combination with the premium for methanol dual-fuel will be made palatable by a long-term TC to TotalEnergies. More generally we note the almost complete absence of South Korean yards from the recent surge in tanker ordering, as they work their way through a vast backlog of LNG carriers and containerships.

A combination of summer vacations and a slightly softer market have slowed down the pace somewhat on reported second hand tanker sales this week. with only 2 chemical tanker sales to report. *Celsius Birdie & Celsius Eagle* (25,000-dwt, 2009/2010 Fukuoka - StSt) have been sold enbloc for \$50m. By comparison *RT Star* (26,199-dwt, Shin Kurushima - StSt) was sold for \$24m back in June.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Sea Luck III	105,869	2003	Hyundai Samho	-	-	-
SW Southport I	46,992	2004	STX Shipbuilding	Sea Trade	-	Epoxy Phenolic
Celsius Birdie	25,399	2009	Fukuoka	-	\$50.00m enbloc	STST
Celsius Eagle	25,390	2010	Fukuoka	-		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

© Copyright Hartland Shipping Services Ltd 2023. 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.