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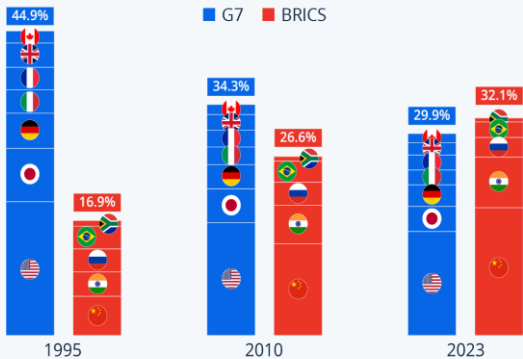
### POINTS OF VIEW

We continue to see catastrophic weather events around the world and probably wonder what it will take to get everyone to pull together to reduce harmful emissions. We accept that we are in a transition phase and that we cannot flick the off switch on oil, gas and coal for fear that renewables will not deliver replacement power loads. The sun does not always shine, the wind does not always blow, and it often rains in the wrong places away from hydro-electric plants. At a national level, many developing nations want to continue burning carbon fuels as a cheaper alternative to going all-in on renewables or be paid not to. Most developed countries have contributed much to global warming but now wish to deprive poorer countries from doing likewise. Fiscal transfers may be needed to drive the energy transition, and that looks unpalatable in countries suffering from inflation, high interest rates and elevated post-pandemic debt levels. IOCs such as Exxon, Chevron, BP and Shell want to continue producing oil and gas as profits from these will help fund the shift – a policy that shareholders may quietly approve of. Everybody wants everyone else to stop, just not themselves. It all amounts to an increasing stand-off\* between the G7 (Canada, France, Germany, Italy, Japan, UK and US) and the BRICS (Brazil, Russia, India, China and South Africa) with its long list of membership aspirants including Argentina, Indonesia, Iran, Saudi Arabia and Venezuela. This club is larger in GDP terms than the G7.<sup>^</sup>

... The fall of 'democracies' and rise of 'autocracies'? ...

### The Rise of the BRICS

G7 and BRICS countries' share of global GDP at purchasing power parity



2023 data based on IMF estimates as of April 2023  
Source: IMF World Economic Outlook



Source : Statista

China highlights its difficulty in moving away from coal, as hydropower has proven unreliable, and despite its massive investments in wind and solar. Reuters reports how Typhoon Doksuri brought record heavy rains to northern China at the end of July and in early August, causing widespread flooding in Hebei province and to Beijing and nearby cities. But, in southern China, where the hydroelectric power generation is clustered, there has been persistent drought since mid-2022. The hydro deficit has mostly been filled by coal. In the last four years, January-July, China's electricity generation has risen steadily from 4,045bn-kWh in 2020, to 4,645 in 2021, 4,773 in 2022 and 5,013 in 2023. In the same 7m periods, hydro output has oscillated from 622bn-kWh in 2020, to 625 in 2021, 729 in 2022 and 572 in 2023. Equivalent thermal generation\*\* has gone from 2,896bn-kWh in 2020, 3,354 in 2021, 3,285 in 2022 and 3,547 in 2023. Again, in the first 7m, China's coal production has risen from 2,123mt in 2020, to 2,262 in 2021, 2,562 in 2022 and 2,672 in 2023. Its annualised domestic coal output is now running at almost 4.6bt a year, an astonishing figure, and yet it still needs to import. Thermal coal and lignite imports in the first 7m were at 200mt in 2020, 170 in 2021, 139 in 2022 and 261 in 2023, the latest jump due to imports of cheap Russian, abundant Indonesian and resumed Australian coal, raising stocks to cover for less sun, wind and rain.

Four-fifths of China's total hydro generation comes from provinces along the Yangtse River system and further south. The two southwestern provinces of Sichuan and Yunnan accounted for 48% of total hydro output in 2020, according to the NBS. Adding in the central and southern provinces of Hubei, Guizhou, Guangxi, Hunan, Fujian, Guangdong and Chongqing took the 2020 total share to 80%. Lower rainfall since mid-2022 has depleted water volumes behind the dams. July and August are peak precipitation months but were low last year and being repeated this year.<sup>^^</sup> At the city of Yibin, on the Sichuan-Yunnan border, total rainfall was 79mm in July 2023 and 45mm in July 2022 after an average of 191mm between 2014 and 2021. The figure for August 2023 to date is 102mm, after 84mm in August 2022, and an August monthly average of 246mm from 2014 to 2021. These consecutive drought years will deplete the region's hydro resources and depress hydro generation until at least the middle of 2024. Under such circumstances, coal-fired generation and coal production and imports may continue to rise even further. We are trapped in a vicious spiral whereby more coal-burning may accelerate climate change giving us more floods, drought, wildfires, storms, rising water levels and desertification. Until we can fix it so that it rains where it is needed, and not where it isn't, and so that the sun shines and the wind blows, but not too much, then we are likely to be chasing our tails. The scale of the challenge requires supra-national co-operation and a public-private partnership to meet the costs. It will boil down to a G7 versus BRICS+ contest.

\*The BRICS, and the broader Global South, are intent on establishing a new world order on what may prove to be an outdated perception of decline in collective US and western influence and leadership.

<sup>^</sup>In 2023, G7 is 30% and BRICS 32% of global GDP (IMF). If Indonesia and Saudi Arabia join, the BRICS bloc will account for 44% of the global GDP by 2040 vs 21% for the G7. (Bloomberg Economics).

\*\*Thermal power generation consists of using steam power from burning oil, LNG, coal and other substances to rotate generators and create electricity.

<sup>^^</sup>In July 2023, China raised wind by 16bn-kWh and solar by 5bn, compared with July 2022, and raised thermal by 44bn, compensating for a 25bn hydro loss, leading to a net y-o-y load gain of 40bn-kWh.

## Dry Cargo Chartering

**Cape** markets saw a notable depression again this week. Time-charter averages dipped to \$9,735, a fall of \$3,520 from previously reported. Yet a good number of fixtures still emerged. BHP covered their Port Hedland to Qingdao route for early September and fixed several vessels for 160,000 mtons 10% iron ore with freight prices ranging between \$7.50 pmt to \$7.80 pmt. FMG also fixed at least two vessels for the same trade for similar prices and dates. Vale chartered 2 ships for Teluk Rubiah-China at \$5.50 pmt apiece. Elsewhere, Oldendorff fixed KSL Seattle built 2014 for 170,000 mtons 10% Tubarao-Qingdao 5/15 September at \$20.00 pmt on Tuesday and also Capricorn Sigma built 2015 for the same trade at \$19.00 pmt on Wednesday. Other deals included Ore and Metal taking a TBN ship for Saldanha Bay-China at \$13.60 pmt and Rio Tinto taking another TBN vessel for Seven Islands-Qingdao at \$23.00 pmt. On the period front, SM Gladstone (179,255-dwt, 2010) scrubber-fitted and open CJK 21/22 August reportedly fixed 1 year at \$17,300.

Mixed week for the panamax sector, **BPI** closed today \$13,041 up \$1,004 since our last report on Friday the 18<sup>th</sup>. In the Atlantic, the Seacon controlled Elite Star (75,395-dwt, 2007) retro sailing Hong Kong fixed for a trip via East coast South America redelivery Singapore-Japan at \$11,250 with IMC. For the same trips, the Pan Viva (75,026-dwt, 2010) sailed Zhoushan at \$10,000 whilst Cofco were linked with the Csc Shi Jia Zuang (81,601-dwt, 2020) Paradip at \$13,500. Attalia (82,171-dwt, 2010) fixed delivery East Coast South America for a trip redelivery Singapore-Japan \$16,600 plus \$660,000 bb with Bunge. On the Continent, Navios Dolphin (81,630-dwt, 2017) delivery Brest via Puerto Drummond with redelivery Japan at \$25,750 to Jera. In Asia, ArcelorMittal controlled AM Annaba (76,079-dwt, 2013) sailed Dalian for a North Pacific round trip. Chinaland fixed Bettys Perfection (76,635-dwt, 2007) delivery passing Taichung for a trip via Indonesia redelivery South China at \$7,000. Darya Gayatri (81,874-dwt, 2012) fixed delivery Leizhou for a trip via Indonesia redelivery India at \$8,000. OCF fixed the Shandong Fu Yuan (81,781-dwt, 2018) delivery Kaohsiung for a trip via Australia redelivery India at \$10,250.

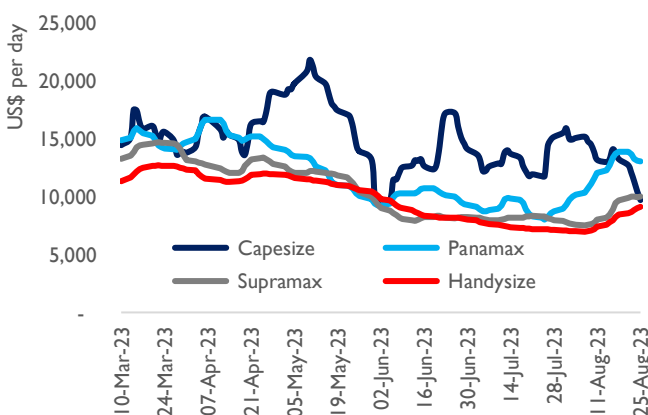
**Supramax** market settled after a fortnight of improvement. The tonnage supply and cargo volume seems back to being well balanced. The South Atlantic still feels firm which should hold the market levels globally. The S10TC closed at \$9,993 up by \$319 since reported last week on the 18<sup>th</sup> August. In the Pacific, Bulk Monaco (63,733-dwt, 2023) fixed delivery Cebu 26-27<sup>th</sup> of August for a trip via Indonesia to South East Asia at \$14,000 and Jade Alliance covered Noble Steed (56,089-dwt, 2008) delivery Zhanjiang 25<sup>th</sup> of August for a trip to South East Asia at \$7,500.

Whilst in the Indian Ocean, Artemis Bulker (63,468-dwt, 2020) was taken delivery Bin Qasim prompt dates for a trip to East Coast India at \$14,000, Sand Topic (59,914-dwt, 2017) was fixed delivery Pipavav 19<sup>th</sup> of August for a trip via Arabian Gulf to West Coast India at \$11,500 and APJ Jad (52,461-dwt, 2011) was covered delivery Tuticorin for a trip via Salalah to East Coast India at \$7,000. In the Atlantic, Propel fixed Navios Christine B (58,058-dwt, 2009) delivery Nouakchott prompt dates for a trip via Jorf Lasfar with fertiliser to East Coast India at \$15,000, Bunge covered Dionis (58,096-dwt, 2010) delivery SV Pass end August for a trip to Singapore-Japan range at \$16,000 and Van Infinity (56,693-dwt, 2011) was taken delivery Owendo end August dates for a trip to China at \$17,000. Meanwhile on the period front, Bunge took Tomini Entity (63,500-dwt, 2020) delivery Durban prompt dates for 10-12 months redelivery worldwide at \$14,000.

The **BHSI** closed this week at \$9,122 a notable jump of \$613 since last week. Pressure was released this week, bullish sentiment picked up across the Atlantic with rates improving significantly, notably in the Mediterranean. Continent was quiet in comparison, scrap rates to Turkey stay fixed around \$10-11,000 p/d arrival pilot station on a 32,000-dwt A couple of larger handies fixed from the Continent to West Africa at mid 10's. Centurion operated an OCP cargo on Sea Dolphin C (33,802-dwt, 2011) which fixed at time charter equivalent \$10,000 from Algeria via West Mediterranean to the Continent. Activity in the Gulf also picked up, a 37,000-dwt fixed from Houston to West Coast at a tick under 9,000 per day. In South America, Yasa Kyoto (37,402-dwt, 2023) open San Lorenzo fixed delivery for a trip via Upriver to West Africa at \$17,000 p/d with Nova Marine. Limited tonnage availability has continued in South East Asia, but some resistance can be observed from charterers and levels had remained stable. Despite the bullish sentiment, more cautious outlook for September, as visible limited requirements were seen in the market which may lead to levels softening in future. Obrovac (34,444-dwt, 2010) open Singapore was heard to have been fixed for a trip via Aussie to China with Alumina at \$9,950. Ocean Fortune (37,595-dwt, 2014) opening in Tarakan was rumoured to have been placed on subjects for a trip via Indonesia to China with an intended cargo of coal at \$10,500. On the period front, charterers were said to have maintained an interest in taking tonnage for multiple legs, Poavosa Wisdom III (28,232-dwt, 2011) was heard to have been fixed basis early September delivery in the far East for 3/5 months at \$9,000 and IVS Thanda (37,715-dwt, 2015) open Humen was rumoured to have been fixed 2/3 laden legs at \$12,000, no further details had yet to surface.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Star Maria	82,598	2007	Retro-Singapore	1 Aug	Singapore-Japan	\$13,500	Cofco Agri	Via ECSA
Sea Taurus	76,616	2004	Tianjin	26/30 Aug	India	\$9,500	Avenir	Via N.China with ferts
Mistral	74,886	2012	Hong Kong	24 Aug	Philippines	\$6,750	Oldendorff	Via Indo
SV Aurora	63,023	2014	Kaohsiung	29 Aug/1 Sept	Payra	\$13,000	Oldendorff	Via Indo
Star Monica	60,935	2015	Pyeongtaek	27 Aug	China	\$11,000	PB	Via NZ with logs
Sand Topic	59,914	2017	Pipavav	19 Aug	WC India	\$11,500	Cnr	Via AG
Navios Christine B	58,058	2009	Nouakchott	Ppt	EC India	\$15,000	Propel	Via Jorf with ferts
Van Infinity	56,693	2011	Owendo	End Aug	China	\$17,000	Cnr	-
Great Intelligence	38,797	2017	Bahrain	1/5 Sept	Thailand	\$8,500	GMT	Via Ruwais with ferts
Poavosa Wisdom III	28,232	2011	Far East	Early Sept	-	\$9,000	Cnr	3/5 months



Exchange Rates	This week	Last week
JPY/USD	145.94	144.85
EUR/USD	1.0813	1.0962

Brent Oil Price	This week	Last week
US\$/barrel	84.30	87.26

Bunker Prices (US\$/tonne)	This week	Last week
Singapore IFO	535.0	570.0
VLSFO	630.0	648.0
Rotterdam IFO	535.0	585.0
VLSFO	590.0	617.0

25 August 2023

### Dry Bulk S&P

Despite mounting fears surrounding the health of the Chinese economy, the secondhand market remains remarkably robust.

So far this year, we have seen 73 Capesizes (100k-dwt+) change hands, up 42% from the same period in 2022. Perhaps Buyers see something on the horizon which economists cannot? The physical market is certainly not providing much excitement, with the average Baltic Capesize earnings (STC) having come off by around \$3.5k per day from where it closed last week.

In the first of three Capesizes sold this week, Turkish owners Beks have been linked to the purchase of *Santa Lucia* (176,610-dwt, 2006 Namura) from Japanese owners for just over \$16m. This was followed by *Lila Global* selling off their three-year-old Capesize, *Lila Lisbon* (176,423-dwt, 2003 Universal) to Chinese buyers for \$12.5m. Finally, Chinese owners, Joyway Shipping are understood to have committed their *Yuan Fu Star* (175,163-dwt, 2011 Jiangsu Rongsheng) to undisclosed buyers for \$23m.

Continuing in the gearless segments, the Augustea owned mini-Cape, *AOM Elena* (106,498-dwt, 2010 Oshima - scrubber fitted) has been committed to Indonesian owners for \$20.5m. It is speculated that the buyers behind the deal are Jakarta based Landseador

Shipping - the same owners who purchased the last sold mini-Cape back in May of this year, *FPMC B 103* (106,668-dwt, 2011 STX Dalian - scrubber fitted) for \$24.5m.

In the Kamsarmax sector, Greek owners, W Marine have purchased the *Belo Horizonte* (81,681-dwt, 2012 Taizhou CATIC) from Hamburg based A.O. Schifffahrt for \$17.5m. This is the second transaction carried out between the two parties this year, following the former's purchase of the sister ship, ex. *Blumenau* (81,652-dwt, 2012 Taizhou CATIC) back in March.

Stepping down to Supramaxes, Globus Maritime continue with their fleet renewal. Following their recent order for 2x 64k-dwt Ultramax's in Japan, they have cashed in on two Dolphin 57's, *Star Globe/Sky Globe* (56,000-dwt, 2010/2009 Taizhou Kouan) for a combined price of \$21.9 mill.

There is one further Supramax to report this week, the Japanese built *Windsor Adventure* (55,975-dwt, 2008 Mitsui) that we understand has achieved a price of \$13.2m - pretty much in line with the sale of *Tai Honesty* (55,418-dwt, 2007 Oshima) which was concluded in early July for \$12.3m.

### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
SANTA LUCIA	176,760	2006	Namura	-	Beks	\$16.05m	
LILA LISBON	176,423	2003	Universal	-	Chinese	\$12.50m	
YUAN FU STAR	176,000	2011	Jiangsu Rongsheng	-	-	\$23.00m	
AOM ELENA	106,498	2010	Oshima	-	Indonesian	\$20.50m	Scrubber fitted
ALAM KEKAL	82,079	2018	Oshima	-	Far Eastern	\$31.80m	
BELO HORIZONTE	81,681	2012	Taizhou CATIC	-	W Marine	\$17.50m	
STAR GLOBE	56,867	2010	Taizhou Kouan	C 4x36	-	\$21.90m enbloc	
SKY GLOBE	56,854	2009		C 4x36	-		
WINDSOR ADVENTURE	55,975	2008	Mitsui	C 4x31	-	\$13.20m	

\*We have been made aware that the sale of the *SSI Formidable* as reported in our 11th August 2023 Weekly Commentary was to Undisclosed Buyers and not Russian.



## Tanker Commentary

Modern Suezmax tanker sales have been sparse this year - we report the eco-type *Namsen* (157,543-dwt, 2016 New Times) this week as sold at \$67m basis docking due early 2024. A healthy figure for the sellers, compared to the younger Korean-built *Elandra Osprey* (157,470 dwt, 2018 Hyundai), which fetched \$75m in June, basis surveys freshly passed.

Meanwhile in the MR segment, PV Trans are understood to be the buyers behind *Brunswick* (45,902-dwt, 2010 Shin Kurushima), securing her for \$24.75m - this is in line with *Anfa* (47,975, 2010 Iwagi) which was reported as sold in June at \$24.5m. We assume that there will have been a slight premium paid for the tender process, as both units had special surveys due in early 2025.

In July, we reported *Leon Poseidon* (37,577-dwt, 2011 Hyundai) as sold at \$25m, whereas this week, we have sister ship *Acamar* (37,583-dwt, 2011 Hyundai Mipo) achieving a lower figure of \$23.5m. Dry docking is due on both ships in early 2024.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
NAMSEN	157,543	2016	New Times	Hayfin	\$67.00m	
BRUNSWICK	45,902	2010	Shin Kurushima	PV Trans	\$24.75m	Epoxy
ACAMAR	37,583	2011	Hyundai Mipo	-	\$23.50m	Epoxy Phenolic Long subs

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