



CONTENTS

2. Dry Cargo Chartering
Continent Bouncing
3. Dry Cargo S&P
Capesize Cruising
4. Tankers S&P
Off The Heat

POINTS OF VIEW

Hot off the press, this week we bring you the executive summary of HSBC's latest Global Economics Quarterly "After the peak?", followed by two paras from us.

"Major central banks may still have to raise interest rates a little more, but the overriding message from both ECB President Christine Lagarde and Fed Chair Jay Powell is that even if rates have peaked, rate cuts could still be a way off, a view we tend to share. The other key message from central banks is that they are data dependent. As always, their projections show inflation returning to target and growth broadly returning to trend, but they cannot yet be confident that current policy is restrictive enough to achieve that. Global inflation is still heading lower, which is lessening the squeeze on real incomes, leading to some stabilisation in consumer confidence and spending in places. But the renewed supply-driven rise in oil prices and recent spikes in food prices, in countries such as India, provide a stark reminder that we are now in an era of higher inflation volatility, where key commodity price changes are a function of supply as much as, if not more than, changes in demand. And it is the labour market that still poses the biggest risk of inflation persistence and will be the key indicator that tips the balance as to whether policy rates need to rise further or not.

Thanks to the ongoing resilience of the Americas, Japan, India, and Indonesia, we have raised our global growth forecasts for 2023-24 even though our forecasts for China, much of ASEAN, Europe, and CEEMEA have all been lowered. Our long-held view that the US will avoid a traditional recession and financial crisis warrants only a gradual easing cycle, which we do not expect to start before Q3 2024, while the ECB will likely wait until Q4 2024. In Asia, some are still likely to raise rates further, but the most rapid pace of policy rate cuts will still be in Latin America. We have also made our first stab at forecasts for 2025. That far out, the risks on both sides are even bigger, not least because 2024 is a year of numerous elections. Our medium-term view is still one of a deterioration in the global growth-inflation-interest rate trade off, but we highlight some potential out-performers." We can summarise these various forecasts upon request.

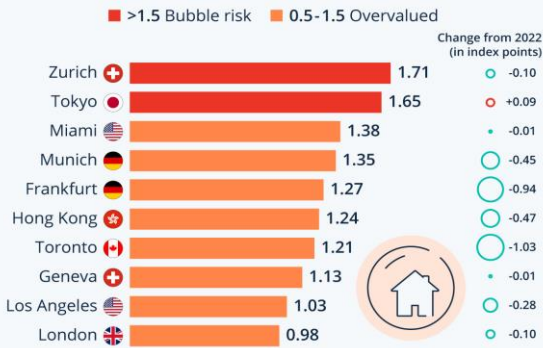
From our perspective, we see inflation in the West and disinflation in China. Western central banks are struggling to contain inflation as supply-side constraints are underpinning energy and food prices and unions are successfully raising wages. The unions had no voice for 15 years when inflation and interest rates were sub 2%; now they are vocal again. However, falling prices in China have mixed effects ranging from disinflationary to undermining overseas industry.* For example, its vast processing machine allows China to import discounted crude from Russia, Iran and Venezuela and export refined products at profitable levels. It neuters sanctions, but it also puts downward pressure on gasoline and diesel prices that would have risen even further in response to OPEC+ output cuts. Inflation and deflation are much in evidence in asset markets where it is convenient to inflate values to lever up the size of bank loans (LTV) while shrinking values to reduce the size of insurance premia. Manipulated valuations eventually bump into reality.

The most topical and egregious example is that of the 11,000 ft2 triplex in Trump Tower on Manhattan's 5th Avenue. The owner erroneously described it as 30,000 ft2 and worth \$327m.** A New York judge has concluded that asset inflation (and its opposite, when it suits) is rampant across the Trump empire. It is also deemed fraudulent, possibly exposing its principal to a \$250 million fine.^ This may cause him to miss a few fairways, but only if his playing partners fail to keep their eyes glued to his ball. The somewhat subdued projection from HSBC above is matched by most other investment banks. The Fed's 'higher for longer' has seen a sell-off in global equities. The risks make less sense when safe-haven US Treasuries yield 4.5% for 10 years and 5.0% for 2 years, their best returns in 16 years. An outlier is shipping. Banks want to lend again as dry bulk earnings and asset values are rallying after a turbulent year. As for commodities - such as oil, iron ore and grains - demand is surprisingly resilient, unlike wobbly supply. Bulk carriers are similar: low supply is a given while demand is volatile and elastic, keeping us all guessing.^

... "Higher for Longer" – but not in Property ...

Global Risk of Housing Bubbles Deflates Sharply

Index scores for housing bubble risk in selected cities in 2023 (>1.5=bubble risk)



Study of 25 cities taking into account housing-price-to-income, price-to-rent, mortgage-to-GDP, construction-to-GDP and price-city-to-country ratios
Source: UBS Global Real Estate Bubble Index



Source: Statista

*There is a flipside. Brazil's branch of ArcelorMittal complained this week that "Chinese and Russian companies are flooding the market with steel products at subsidised prices".

**The Trump Tower penthouse is estimated to be worth \$120m. Mar-a-Lago in Florida was valued at \$739m and reckoned to be worth closer to \$70m. Other portfolio properties are similarly overvalued.

^And Judge Engoron also rescinded the operating licences of Trump Organization's New York State properties endangering the ongoing financial viability of the real estate empire, failing successful appeal.

^^Baltic Exchange Average Spot Earnings 01 Sep to 29 Sep 2023:

BCI 5TC: \$8,561 - \$20,520 daily = +140%
BPI 5TC: \$13,300 - \$15,305 daily = +15%
BSI 10TC: \$10,779 - \$14,041 daily = +30%
BHSI 7TC: \$9,742 - \$12,218 daily = +25%

Dry Cargo Chartering

Another extremely positive week for **Capesize** markets that once again saw average freight prices strengthen. The BCI shot up before tailing off slightly as the week drew to a close, ending at \$20,520, a rise of \$3,246 from last week. From the South Atlantic, we heard that Bunge took *Great Song* (built 2011) for 170,000 mtons 10% iron ore Tubarao-Qingdao for mid-end October at \$23.15 pmt, while Pacbulk chartered *Cape Pylos* (built 2009) for the same trade loading early November at \$23.50 pmt. From Australia, Rio Tinto, BHP and FMG all covered mid-October dates into China with at least nine vessels fixed between them. Freight began at a low of \$9.50 pmt but increased to a high of \$10.30 pmt. TATA Steel were linked with a Costamare TBN cape for 160,000 mtons 10% Seven Islands to Ijmuiden at \$11.50 pmt for 14/18 October. On the time charter front, Richland chartered *Baltimore* (177,243-dwt, 2005) for a trip via Newcastle to Fangcheng at \$20,000pd, and Five Ocean took on the scrubber-fitted newbuild *XH Mega* (210,000-dwt, 2023) delivery ex yard jinhai for 18-20 months trading at \$25,000pd.

In the **Panamax** sector, there was subdued activity particularly in Asia with few transactions reported. Rates seemed to decrease for those needing to fix, while the Atlantic fundamentals appeared mostly unaltered with tonnage still tight leading to firmer rates being reported. The PSTC closed at \$15,305 up by \$141 since last reported. In the Atlantic, *Pisti* (81,737-dwt, 2021) passing Sunda Strait 13 September was rumoured fixed for a trip via East Coast South America redelivery Far East at \$16,750pd to Comerge, while Cofco fixed *Yarra Star* (82,624-dwt, 2008) for East Coast South America business at \$18,500 + \$850,000 bb. Norden controlled *MSXT Thalia* (84,204-dwt, 2022) passing Gibraltar was heard fixed for a trip via US Gulf redelivery Continent at \$21,000pd with Western Bulk Carriers. In the Pacific, *MBA Giovanni* (93,352-dwt, 2010) sailed Fangcheng 26 September was heard fixed basis 2/3 laden legs with the first leg intention Indonesia redelivery Malaysia at \$8,000pd, thereafter \$10,000pd. Ex Australia came reports of the scrubber fitted *Madreus* (98,681-dwt, 2011) Chiba fixed for a trip via East Coast Australia redelivery China at \$14,000pd. *CL Geneva* (85,228-dwt, 2021) Dalian early October was heard fixed for a trip via North China redelivery Japan at \$18,000pd but little else transpired. On voyage, SAIL fixed an Adani TBN for their 75,000 mtons 10% coal lift Hay Point Coal Terminal - Visakhapatnam 21/30 October at \$18.10 pmt.

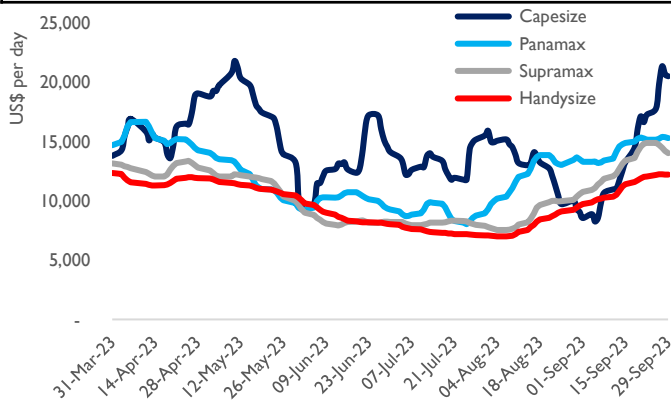
Supramax markets continued to idle sideways this week. All basins softened slightly contrary to the larger sizes. This feels like the last breather in the market prior to a stronger fourth quarter. The S10TC closed at \$14,041 down by \$865 (-6%) since last week on September 22. In the Pacific, *Anatoli* (63,467-dwt, 2018) fixed delivery Kemaman prompt dates for a trip via Indonesia to China at \$18,000pd, and Refined Success covered *Forever SW* (58,186-dwt, 2010) delivery Koh Sichang

prompt dates for a trip via Indonesia with coal to Cambodia at \$14,500pd. In the Indian, G2 Ocean fixed *Nefeli* (63,366-dwt, 2016) delivery Durban prompt dates for a trip with parcels to China at \$20,750 + \$210,000 bb, and *Frosso K* (57,047-dwt, 2010) covered delivery Fujairah prompt dates for a trip to Bangladesh at \$16,500pd. Over in the Atlantic, Bunge fixed *Santa Johanna* (61,255-dwt, 2017) delivery North Brazil prompt dates for a trip to West Coast Central America at \$26,000pd and Oceana covered *Rego* (58,729-dwt, 2009) delivery Santos prompt dates for a trip to South East Asia at \$15,750 + \$575,000bb. Meanwhile on the period front, Oldendorff fixed *Princess Margo* (63,342-dwt, 2015) delivery Chittagong prompt dates for minimum 100 days to about 5 months with redelivery worldwide at \$17,000pd, and ASL Bulk Marine covered *DSI Pyxis* (60,362-dwt, 2018) delivery Gunagzhou prompt dates for minimum 10 October 2024 to maximum 10 December 2024 redelivery worldwide at \$14,250pd.

A mixed week for the **Handysize** sector, the BHSI closed at \$12,218, down \$150 from last week. The continent was moving in all sorts of directions, with operators struggling to find 'market levels'. A 28k-dwt was heard fixed from the Continent to the East Mediterranean with pig iron around \$13,500pd. A few Baltic to West Africa grain runs entered the market, fixing at levels ranging from around \$14,000pd to \$21,000pd for trips on small Handysizes. *Danae* (40,015-dwt, 2022) fixed delivery Greece for a steels trip to the US Gulf at \$20,000pd with Pegasus. One front haul fixed on a 37k-dwt from South Spain via Morocco to Bangladesh at \$23,500pd. A few fixtures from end of last week out of the Gulf have been reported, *Berge Scaffell Pike* (37,687-dwt, 2020) open Mississippi River fixed trip del when/where ready redelivery North Coast South America with agricultural products at \$16,000pd. WECO Bulk fixed *Lan Boa Hai* (39,779-dwt, 2015) open Baltimore for a scrap trip to the East Mediterranean at \$16,500pd. In East Coast South America, a disparity in rates between North and South Brazil started to appear. A 32k-dwt was heard fixed from North Brazil to the United States East Coast at \$13,500, while a 36k-dwt was fixed for a Santos to Casablanca sugar run at \$12,500. In Asia, both owners and charterers aimed to secure arrangements ahead of the upcoming holiday in China. As the week drew to close, activity experienced a noticeable slowdown, levels were said to have remained steady but expected to reduce next week. *Amidala* (34,443-dwt, 2015) open Lianyungang was heard to have fixed for a trip to Hong Kong with rebars at around \$9,500pd. *Ocean Spring* (33,633-dwt, 2010) open Laemchabang also heard fixed a trip to China via Malaysia with silica sands at \$11,000pd. *Funing* (39,784-dwt, 2015) open Xiamen 28 September rumoured fixed an Aussie round voyage at \$12,000pd. *Tania* (37,188-dwt, 2014) open Lianyungang with prompt dates was rumoured to have been fixed for a trip to India in the mid \$12,000s but no further information has surfaced.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Venus History	95,692	2011	Matsuura	29 Sept/2 Oct	China	\$14,800	RTS	Via Weipa
Welprofit	93,249	2011	Keelung	28/30 Sept	Philippines	\$10,750	Oldendorff	Via Indonesia
Asia Confidence	81,129	2017	EC South America	22 Oct	Skaw-Gibraltar	\$21,000	WBC	-
Wu Zhou 6	75,981	2013	Hong Kong	7/12 Oct	Singapore-Japan	\$11,500	Cnr	Via Indonesia
Huayang Spirit	75,784	2013	Kaohsiung	29/30 Sept	Philippines	\$11,000	Norden	Via Indonesia
Anatoli	63,467	2018	Kemaman	Ppt	China	\$18,000	Cnr	Via Indonesia
Forever SW	58,186	2010	Koh Sichang	Ppt	Cambodia	\$14,500	Refined Success	Via Indonesia
Dubai Knight	55,418	2007	Chittagong	Ppt	China	\$13,000	Cnr	Via Indonesia
Funing	39,784	2015	Xiamen	Ppt	China	\$13,000	Cnr	Via Australia
Ocean Spring	33,633	2010	Laemchabang	Ppt	China	\$11,000	Cnr	Via Malaysia



Exchange Rates	This week	Last week
JPY/USD	149.32	148.07
EUR/USD	0.9457	0.9377

Brent Oil Price	This week	Last week
US\$/barrel	95.21	93.53

Bunker Prices (US\$/tonne)	This week	Last week
Singapore IFO	544.0	528.5
VLSFO	692.0	626.0
Rotterdam IFO	592.0	588.0
VLSFO	635.0	665.0

29 September 2023

Dry Bulk S&P

Two weeks of green ink in the paper market coupled with the BCI 5TC sitting at a touch over \$20kpd has given many buyers confidence in the Capesize sector, with three vessels changing hands this week. Sinokor are understood to have sold their *Contamines* (180,922-dwt, 2016 SWS) to Greek buyers for \$41.75m. Even when accounting for the difference in yard quality, this represents a significant step up on pricing from the sale of *HL Passion* (179,656-dwt, 2015 Dalian) for \$35.9m back in July. Japanese owners, Biko Kisen oversaw a tough battle between 7-8 buyers on their *Suigo* (174,802-dwt, 2011 Namura) which called for offers on Wednesday. It is reported that the eventual buyer was Stealth Maritime, who are understood to have paid \$23.6m. This sale is pretty much in line with last week's sale of the *Gracious Eternity* (180,199-dwt, 2009 Imabari) for \$21.8m. Navios Maritime Partners were the final Capesize sellers this week having committed their *Navios Beaufiks* (180,310-dwt, 2004 Koyo) for \$13m.

In the Supramax sector, *Vinayak* (58,089-dwt, 2009 Tsuneishi Zhoushan) has been sold for \$14.75m - a step up from the sale of the sister vessel, *Isabelita* (58,470-dwt, 2010 Tsuneishi Zhoushan) which fetched \$15m at the beginning of the month. Following this, a *Dolphin 57* was also sold with the *Supra Thessal* (57,017-dwt, 2010 Qingshan) going for \$11.5m. Finally, Great Eastern Shipping have agreed a deal with Chinese buyers for their *Jag Rohan* (52,450-dwt, 2006 Tsuneishi) for \$9.25m.

Last of the sales this week was an enbloc deal between Swire Shipping and JP Morgan for three of their BDelta design Handysizes. *Fengning/Foochow/Funing* (39,000-dwt, 2015 Chengxi) have all been committed for a total price of \$58.5m. This is the second trio of the same design ships that JP Morgan have purchased from Swires this year, following the sales of *Wulin/Erisort/Erradale* (39,049-dwt, 2014 Chengxi) back in March.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Contamines	180,922	2016	SWS		Greeks	\$41.75m	
Navios Beaufiks	180,310	2004	Koyo Dockyard		Far Eastern	\$13.0m	BWTS
Suigo	174,802	2011	Namura		Brave Maritime	\$23.6m	
Magic Argo	82,338	2009	Oshima		Minoa Marine	\$15.75m	BWTS
Vinayak	58,089	2009	Tsuneishi Zhoushan	4x 30T	Undisclosed	\$14.75m	
Supra Thessal	57,017	2010	Qingshan	4x 35T	Undisclosed	\$11.5m	BWTS
Jag Rohan	52,450	2006	Tsuneishi Cebu	4x 30T	Chinese	\$9.25m	BWTS
Fengning	39,836	2015	Chengxi	4x 36T		\$19.5m	
Funing	39,784	2015	Chengxi	4x 36T	JP Morgan	\$19.5m	
Foochow	39,758	2015	Chengxi	4x 36T		\$19.5m	



Tanker Commentary

There are unconfirmed reports that two modern Aframaxes, *Crudemed* (115,643-dwt, 2018 Daehan) & *Crudesun* (115,643-dwt, 2018 Daehan) have been committed for \$70m per vessel and the buyers have subsequently arranged three-year charters for each vessel at approximately USD 40k per day. Elsewhere, Vietnamese interests picked up the LR2 *PS Venezia* (108,870-dwt, 2010 Hudong) for \$37.25 mill.

Singapore based owners are reported to have sold *Sandpiper Pacific* (51,833-dwt, 2013 Sundong) for \$34m, this follows on from last week's sale of *Pyxis Epsilon* (50,124-dwt, 2015 SPP) at \$40.75m. The high price of the *Pyxis* vessel can be attested to a US government tender process.

Online bidding took place this week on *Shandong Zihe* (40,059-dwt, 2004 ShinA), with the highest bidder securing her for \$14.45m. By comparison, the last similar vessel sold was *Capt Thannasis* (39,999-dwt, 2004 Hyundai) at \$18m earlier this month.

In the chemical tanker segment, *Bunga Lily* (19,991-dwt, 2011 Fukuoka) received a number of offers this week, with the owners expected to counter next week. The same owners sold *Bung Lilac* (19,992-dwt, 2011 Fukuoka) in April this year for \$21m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
<i>Crudemed</i>	115,643	2018	Daehan	Undisclosed	\$70.0m	
<i>Crudesun</i>					\$70.0m	
<i>PS Venezia</i>	108,870	2010	Hudong-Zhonghua	Hung Phat	\$37.25m	BWTS
<i>Sandpiper Pacific</i>	51,833	2013	Sungdong	Undisclosed	\$34.0m	
<i>Shandong Zihe</i>	40,059	2004	ShinA	Undisclosed	\$14.45m	Auction Sale

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: snpu@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.