



CONTENTS

2. Dry Cargo Chartering
Capes Steaming Forward Again
3. Dry Cargo S&P
If you can't Buy Apples, Buy Oranges
4. Tankers S&P
Edging Upwards

... BRI's 10th Birthday ...

POINTS OF VIEW

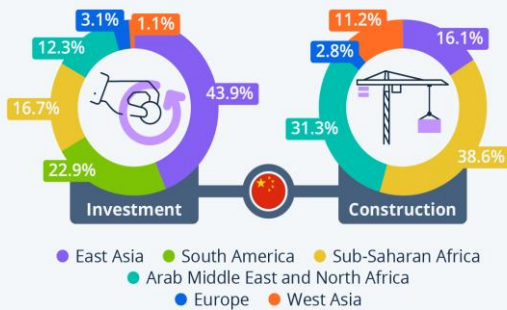
This week in Beijing, President Xi Jinping played host to representatives, including 22 heads of state,[^] of over 140 nations to mark the 10th anniversary of the start of his Belt and Road Initiative. The guest of honour was none other than Russia's President Vladimir Putin. The bond between China and Russia is a matter of some concern to the US, as are their links to regimes in Iran, Syria and North Korea that are backing the 'other team' in wars in Europe and the Middle East. The US has been pivoting to Asia in recent years but now finds itself distracted on multiple fronts. It faces a migratory stream on its southern border in Mexico; a crisis in the Sahel after French withdrawal; wars in Ukraine and Israel; and economic and military competition with China in the Indo-Pacific. President Biden is trying to reverse his predecessor's isolationist tilt, although not his America First policy. He is yet to extend this to repopulating US diplomatic outposts in many of the places outside Asia that are flaring up. For example, there is no American ambassador in Colombia, Peru or Guatemala to help with unpopular migratory flows. There is no permanent ambassador in Nigeria or Djibouti to assist in the Sahel and none in Israel, Egypt, Kuwait or Oman at a time of obvious and urgent need. Diplomatic appointments have been held up by the theatrical Senate confirmation process while House business is paralysed by the absence of a speaker as partisan politics prevail over common sense and the greater good. As Janan Ganesh concluded in an FT article this week: "In the end, America is left with the only foreign policy that is ever viable for a great power, which is the pivot to everywhere."

The US today appears to be geographically stretched in its attempt to continue projecting power overseas, the way in which it maintains political credibility as leader of the western world, and in its role as global policeman, albeit reluctantly of late. This is despite having an unrivalled 11-strong aircraft carrier fleet and 9-strong helicopter carrier fleet (out of a grand total of 46 such vessels in service worldwide). This is relevant to the BRI gathering in Beijing this week. It has dispensed just over \$1 trillion in loans and assistance over the past ten years.* As of August 2023, 155 countries were listed as having signed up to the BRI. The participating countries include almost 75% of the world's population and account for more than half of the world's GDP. Interestingly, the only EU attendee in Beijing this time was Hungary, compared to seven EU nations in attendance at the last forum in 2019 (being Austria, Cyprus, Czech Republic, Greece, Italy, Portugal and Hungary). The only G7 recipient of BRI funds is Italy, although it plans to withdraw entirely from the investment pact. To quote Bloomberg: "President Xi Jinping's signature infrastructure gambit was supposed to connect Asia, Africa and Europe through a network of railroads and trade deals, cementing China's global influence. A decade on, it has run into a diplomatic wall at the European border."

It goes on to say that: "The lack of European leaders at this week's Belt and Road Forum in Beijing pointed to growing scepticism among Western democracies about what Xi described in 2017 as a "project of the century". Instead of making friends and scoring political points across Europe, the Chinese leader appears to have reformed the initiative as a club for emerging economies known as the Global South that can challenge the US-led world order." Nonetheless, as it makes clear, Europe is still very much in business with China. Beijing was the largest partner for EU imports of goods last year, and the third largest for exports. The forum retains its appeal among developing countries across Asia, Latin America and Africa and some European countries are still keen to partner with Beijing. Serbia is mentioned as an example with Serbian President Vucic commenting that the "Belt and Road Initiative has brought a lot of good to our country." The People's Daily, in its Friday editorial, commended the initiative as one that has attracted more participation because the international community recognizes its cooperative spirit amid geopolitical tensions and risks of conflict. There is no doubt that Beijing's global clout within the developing world has grown immensely over the years. It has become the largest official creditor to some poor and developing countries, often replacing the US after it pulled back from lending to developing nations during Latin America's 1980s debt crisis. A reformulated BRI will be a powerful economic force that the West will do well to take seriously.

The Global Reach of China's Belt and Road

Distribution of Chinese Belt and Road Initiative investment and construction engagement, by region (H1 2023)



Source: Green Finance & Development Center



statista

Source: Statista

[^]36 heads of state attended in 2019, at the last BRI forum, and 29 attended the event in 2017.

*China's overall activity in BRI countries is down about 40% from its 2018 peak.

This is hardly surprising given three years of lockdowns, a property crisis and a loss of confidence among its consumers.

Covid, and more recently rising interest rates, have caused defaults among some of China's borrower countries.

These include Zambia, Ethiopia, Sri Lanka and Pakistan. Annual BRI funding fell to \$63.7bn in 2020 from a peak of over \$120bn in 2018.

Dry Cargo Chartering

Yet another generally positive few days for **Capesize** markets saw averages rise considerably before tailing off in the latter part of the week. Overall time charter averages were up to \$29,493, an increase of \$1,902 from previously reported. Rio Tinto were as usual actively covering positions for their Dampier/Qingdao run of 170,000 mtons 10%. Freight prices for the very end of the month and early November ranged from \$10.65 pmt to \$11.15 pmt. Elsewhere, Vale took a TBN vessel for Teluk Rubiah/Qingdao at \$8.90 pmt, and Pacbulk took a TBN vessel for RSA/China at \$21.75 pmt. Vale also took a Classic TBN ship for 150,000 mtons iron ore Tubarao/Misurata at \$21.50 pmt with free D/A's at discharge port. Additionally, we heard that a SAIL tender for 140,000 mtons 10% Norfolk & Newport News/Dhamra was covered at \$39.95 pmt. On timecharter, Richland took *Grand Century* (175,000-dwt, 2005) delivery Rizhao for an Aussie round trip at \$21,000. *True Champion* (179,156-dwt, 2011) fixed delivery Tianjin for a trip via Newcastle to Korea at \$21,500, and *Cape Med* (185,827-dwt, 2006) was fixed by Deyesion retro-sailing Yantai also for an Aussie round voyage at \$23,000.

This week saw a substantial rise in the North Atlantic for the **Panamax** sector with both solid grain and mineral demand, some of which have been endorsed by cape split cargoes. Asia lacked clarity with slow activity and wide bid/offer spreads. P5 TC closed at \$14,738 up by \$634 since last reported. In the Atlantic, *Magna Graecia* (82,062-dwt, 2019) Gibraltar 21/23 October fixed for a trip via North Coast South America redelivery Singapore/Japan at \$23,500 with Cargill, whilst *Nian Nu Jiao* (83,601-dwt, 2010) fixed aps East Coast South America 8/9 November for a trip redelivery Singapore/Japan at \$17,200 plus \$720,000 bb. *Athina L* (81,358-dwt, 2011) Gibraltar 20/22 October was reported fixed for a trans-Atlantic grain round trip at \$18,000 with Western Bulk. In the Pacific, *Peace Gem* (76,433-dwt, 2012) open Hong Kong 20th October was said fixed for an Indonesia round trip at a rate in the low \$13,000's. *Lucky Loong* (76,469-dwt, 2005) Bayuquan 18/22 October was heard fixed with JSSC for a trip via Lyttleton redelivery North China at a rate in the low \$13,000's, while *Pan Unity* (82,709-dwt, 2012) Tokuyama 19/22 October fixed for a trip via NoPac redelivery Singapore/Japan at \$12,800. On voyage, NMDC Steel fixed a TBN position for their 75,000 mtons 10% coal lift Gladstone/Gangavaram 10/19 November at \$17.00 pmt.

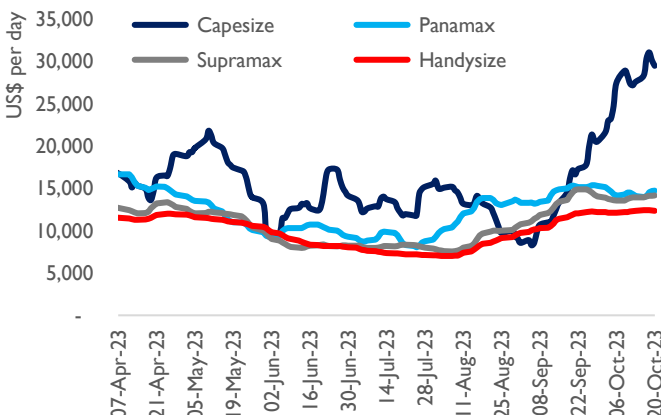
Supramax markets rallied in the Atlantic with big improvements from the US Gulf. The S10TC closed at \$14,153 up by \$203 (+1.46%) since reported last week on the 13th October 2023. In the Pacific, Marubeni fixed *Pavo*

Brave (64,247-dwt, 2021) delivery passing Busan prompt dates for a trip via NoPac to Singapore-Japan range at \$15,000. Whilst in the Indian, Norden covered *Jal Kalpavriksh* (66,337-dwt, 2021) delivery Karachi 16/19 October for a trip via west coast India to Arabian Gulf at \$20,000 and Delta fixed *Yasa Mars* (61,081-dwt, 2019) delivery Paradip 11/15 October for a trip via east coast India to China at \$13,750. Over in the Atlantic, *Victoria T* (61,266-dwt, 2017) fixed delivery South West Pass end October dates for a trip to Singapore-Japan range at \$35,000 and Fertistream covered *Broad Yuan* (56,699-dwt, 2012) delivery Lagos 19/20 October for 2-3 laden legs with redelivery Far East at \$18,000.

The Atlantic **Handy** market this week sat finely balanced, as rates in the Americas picked up whilst the Continent and Mediterranean markets began slipping. BHSI closed today \$12,352 down a marginal \$9 since our last report 13th October. Scrap rates from the Continent were fixed at \$12,500 on a 28k-dwt, with Charterers sharpening ideas as the week went on. A 30k-dwt fixed from the Baltic at low-teens to the Mediterranean. *Canadian Bulker* (39,541-dwt, 2019) fixed delivery Bremen for a trip to United States East Coast with lumber at \$16,650 to Norlat. Cobelfret took *Centurius* (33,367-dwt, 2015) open Tarragona via South Spain for a trip to Bahrain with petcoke at a tick below \$20,000. In the Black Sea, *Foxtrot* (36,209-dwt, 2012) fixed delivery Varna for a grains trip via Romania, to redeliver on the Continent at \$14,000 with Wecco Bulk. The US was the market star performer within the Atlantic this week. A 38k-dwt was heard fixed on subs from the Gulf to East Mediterranean at \$18,000, while scrap rates from East Coast to Turkey fixed at high teens. Positivity remained in the South Atlantic, *CS Jenna* (37,713-dwt, 2015) fixed a trip from North Brazil to the Western Mediterranean with grains at \$21,000 to Lauritzen. *Centurion* fixed *ES Care* (35,510-dwt 2015) delivery Rio Grande for a prompt trip to Caldera at \$26,000 per day. In the Pacific, a shift in tonnage balance can be observed with fresh inquiries falling short of expectations, resulting in a growing number of available vessels. In Southeast Asia, owners experienced decreasing levels, primarily due to limited cargo availability for immediate vessels and a reduction in bids from charterers for their remaining cargo commitments. A change of balance was also said to be more evident in the North China-Japan region as cargo availability had also decreased. *Clipper Alexandria* (32,535-dwt, 2010) opening in Brisbane on 1st November was rumoured to have been fixed for a trip to North China at \$13,500 and *Rubina* (39,058-dwt, 2018) open in Philippines was heard to have fixed for a trip via Indonesia to Malaysia at \$12,750 yet no further details came to light.

Representative Dry Cargo Market Fixtures

| Vessel | DWT | Built | Delivery | Date | Redelivery | Rate (\$) | Charterers | Comment |
|------------------|---------|-------|-------------|-----------|-----------------|-----------|--------------|---------------|
| Cape Med | 185,827 | 2006 | Yantai | 15 Oct | China | \$23,000 | Deyesion | Via Newcastle |
| Power Loong | 95,695 | 2011 | Kashima | 23 Oct | China | \$16,000 | Pacific Bulk | Via NoPac |
| Georgitsi | 81,310 | 2012 | Lianyungang | 17/19 Oct | Singapore-Japan | 13,000 | Imc | Via NoPac |
| Hong Run 6 | 75,921 | 2001 | Putian | 17 Oct | China | \$11,500 | Seatrans | Via Indonesia |
| Atlantic Horizon | 75,709 | 2006 | Kawasaki | 15/20 Oct | Japan | \$11,250 | Jera | Via Stockton |
| Pavo Brave | 64,247 | 2021 | Busan | Ppt | Singapore-Japan | \$15,000 | Marubeni | Via NoPac |
| Victoria T | 61,266 | 2017 | SW Pass | End Oct | Singapore-Japan | \$35,000 | Cnr | - |
| Broad Yuan | 56,699 | 2017 | Lagos | 19/20 Oct | Far East | \$18,000 | Fertistream | - |
| Rubina | 39,958 | 2018 | Brisbane | Ppt | N China | \$12,750 | Cnr | - |
| Canadian Bulker | 39,541 | 2019 | Bremen | Ppt | US East Coast | \$16,650 | Norlat | - |



| Exchange Rates | This week | Last week |
|-----------------|------------|------------|
| 1 USD | 149.92 JPY | 149.56 JPY |
| 1 USD | 0.9439 EUR | 0.9500 EUR |
| Brent Oil Price | This week | Last week |
| US\$/barrel | 93.48 | 88.87 |

| Bunker Prices (US\$/tonne) | This week | Last week |
|----------------------------|-----------|-----------|
| Singapore HSFO | 508.0 | 490.0 |
| VLSFO | 694.0 | 681.0 |
| Rotterdam HSFO | 562.0 | 541.0 |
| VLSFO | 635.0 | 615.0 |

20 October 2023

Dry Bulk S&P

The demand for eco tonnage shows no sign of slowing down with competition not being deterred by firming price levels. However, with the lack of candidates available, attention appears to be shifting down towards non eco tonnage with Buyers following the mantra of "if you can't buy apples, buy oranges".

The eco *Santa Francesca* (61,250-dwt, 2016 Shin Kasado) has been sold to Greek interests for \$26.5m - a very firm price factoring in the vessel will be delivered with SS due on delivery and an outstanding condition of class. Comparatively, the last done of this vintage back in August was \$24m. Elsewhere, the non eco Ultramax *Marlin V* (61,444-dwt, 2013 Iwagi) has been committed in the region of \$21m - a fairly static price compared to the last done.

Somewhat unsurprisingly given spot earnings, Capesize *Frontier Brilliance* (181,412-dwt, 2013 Imabari) achieved a firm \$30m taking into consideration her forthcoming second Special Survey in December.

Reported Dry Bulk Sales

| Vessel | DWT | Built | Yard | Gear | Buyer | Price | Comment |
|---------------------|---------|-------|----------------|-------|------------------------|----------|--------------------|
| Frontier Brilliance | 181,412 | 2013 | Imabari | | Alberta Shipmanagement | \$30.0m | SS/DD due December |
| STL Miracle | 82,338 | 2008 | Oshima | | Greek | \$15.25m | |
| Lady Marite | 76,529 | 2009 | Shin Kasado | | | \$15.75m | |
| Marlin V | 61,444 | 2013 | Iwagi | 4x30t | | \$21.0m | |
| Santa Francesca | 61,250 | 2016 | Shin Kasado | 4x31t | Greek | \$26.5m | |
| Peace | 55,709 | 2006 | Oshima | 4x30t | | \$11.8m | |
| Bulk Trident | 52,514 | 2006 | Tsuneishi Cebu | 4x30t | | \$9.75m | DD freshly passed |
| Majesty Star | 33,382 | 2013 | Shin Kurushima | 4x31t | | \$16.0m | |



Tanker Commentary

High newbuilding prices and long lead times coupled with Baltic Suezmax Average earnings in excess \$50k per day continue to drive prices for modern eco crude carriers in an upwards trajectory. Nordic American Tankers take the spotlight this week following their purchase of *Cherokee* (158,594-dwt, 2016 Hyundai Samho), from Greek owners CM Lemos for \$72m. This is a small step up from the \$75m that EPS paid for the Vitol owned *Elandra Osprey* (157,470-dwt, 2018 Hyundai Samho) back in June this year.

Unnamed buyers have snapped up *Sunny Sky* (38,374-dwt, 2008 GSI) for \$18.5m - the last GSI built unit sold was *Jemma* (38,402-dwt, 2008 GSI) at \$18.5m in March. Looking at more recent sales, *Baltic Freedom* (37,048-dwt, 2006 Hyundai) achieved \$18m in September, which tallies up with this week's transaction taking into account values for Chinese vs Korean built.

Chemical tankers don't feature heavily in our reports, however MOL placed 4 x 8K DWT tankers into the market last month and approximately 17 offers were received, highlighting the appetite in the segment. We understand a Greek buyer has come out on top, securing them for around \$43m enbloc.

Reported Tanker Sales

| Vessel | DWT | Built | Yard | Buyer | Price | Comment |
|--------------------|---------|-------|----------------|-------------------------|---------|-----------------|
| Cherokee | 158,594 | 2016 | Hyundai Samho | Nordic American Tankers | \$72.0m | |
| Sunny Sky | 38,374 | 2008 | GSI | | \$18.5m | |
| Eastern Neptune | | 2006 | | | | |
| Eastern Oasis | | 2007 | | | | |
| Eastern Prosperity | 8,000 | 2008 | Shin Kurushima | Greek | \$43.0m | Stainless steel |
| Eastern Quest | | 2009 | | | | |

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.