



CONTENTS

2. Dry Cargo Chartering
Will the Dragon Awaken?
3. Dry Cargo S&P
Eco Rush
4. Tankers S&P
Good Crudentials

POINTS OF VIEW

Today we heard the news that Alexei Navalny, Putin's most serious political opponent and vocal critic of Russia's invasion of Ukraine, has died in prison in Siberia four years after he survived a Novichok poisoning. The circumstances of his death are unknown. This follows news from a rally in South Carolina last weekend at which Trump recounted a story from his presidency when he was asked whether the US would assist a Nato member under Russian attack if it was below 2% of GDP defence spending. He said "No, I would not protect you. In fact, I would encourage them (Russia) to do whatever the hell they want. You got to pay." He did not invite Russia to attack such a member as some news outlets have inferred. However, it does raise the question of just how committed to Nato an America under Trump might be, and whether it would respect Article 5 of the Nato treaty under which an attack on one is an attack on all. The prospect of a collective response to defend a victim of aggression is a key plank in the Nato deterrence, and undermining this principle weakens western security. The former president sees himself as the saviour, not the destroyer, of Nato after cajoling members to raise their spending, a process started by Obama after Russia's 2014 annexation of Crimea. The likes of France, Norway, Italy, Germany, Denmark, Canada and Spain do not meet the 2% target. Events are serving a wake-up call.*

... Top three democracies have elections this year ...

The World's Biggest Democracies

Estimated population of the world biggest democracies in 2024 (in million people)



* probably in October, no later than January 2025
Countries listed as democracies on EIU 2022 Democracy Index (latest available)
Sources: Economist Intelligence Unit, UN Population Division



statista

Source : Statista

The fact is that around half of the US electorate supports Trump's unilateral America First policy that seeks to relinquish its traditional role of global policeman. Such a role used to serve America's world-wide interests and vacating it would leave a vacuum to be filled by a coterie of anti-western powers. But economic and security problems at home, ranging from the cost-of-living crisis to illegal immigration across the southern border, dictate that many Americans would prioritise domestic spending over funding and fighting other people's wars. The mood swing was playing out well before Trump; he is simply capturing public sentiment and exploiting it for his political benefit and that of the Republican party. He is giving people what they want. There has been a slow multi-decade erosion of liberal capitalist democratic values that gradually are being replaced by illiberal statist authoritarian principles that threaten individual freedoms. Putin's Russia is a beneficiary of partisan politics in Congress and visible ruptures in the European alliance. A \$60bn Ukraine aid package is being held up by Republicans in the House while divisions within the EU saw Hungary delay €50bn in aid to Ukraine. It finally passed on 1st February but yesterday Hungary blocked a new Russia sanctions package.** Domestic agendas are thus raising the possibility of a Russian victory.

Nato was formed 75 years ago in 1949 while the Cold War ended 35 years ago. Since then, attempts to impose western values on the rest of the world via multilateral institutions has met resistance that has over time morphed into a powerful backlash. If Nato fails, then alternative value systems will prevail. It is evident in the war in Ukraine, but other conflicts are brewing in Latin America, Africa, the Middle East, Asia and the Indo-Pacific. If Trump is re-elected, then the indications are that the US may abandon Europe and the Middle East to focus its military and economic might on its main competitors east of Suez: India and China.^ That will leave Europe exposed as it has become over-reliant upon the US and has failed to adequately pay for its own defence. Peaceful bargaining and diplomacy fail when the other side is prepared to use force to get its way. Events that displayed western weakness under pressure include Obama failing to act on his red lines in Syria in August 2013; Trump's abandonment of America's Kurdish allies in Syria in October 2019; and Biden's retreat from Afghanistan in August 2021.^.^ The stalemate in Washington, and latest speculation around Nato, send the wrong message. The Russian economy is on a war-footing, and is resupplying its military much faster than Nato is resupplying Ukraine, despite Nato countries having a collective economic muscle 25-times greater. Defence spending needs to rise if we are to avoid wider conflict and all the social, economic and commercial disruption that will entail.+ For shipping, a total collapse of global order may have frightening implications for economics and trade, but the initial piece-meal disintegration we are experiencing today is clearly beneficial, for now. Nowhere is this more true than the Red Sea, which ships are avoiding in ever greater numbers.

*The Times reported that Russia produces ten artillery shells for each one that Europeans make and that, albeit a bit cruder and less reliable, cost one tenth of ours.

**The sanctions package targets about 200 people and entities from Russia, China and other countries deemed to be helping Moscow's war effort. It is the first time for EU sanctions to hit China and India.

^Trump's approach is transactional, preferring bilateral deals, which the US can 'win', over multi-lateral deals that dilute US gains. Japan, S. Korea and Australia should prepare to lose the hub to their spokes.

^^Military action was averted after the UK Parliament voted against it, after which Congress did the same. Instead, under threat of US attack, Syria had given up all its chemical weapon stocks by Jun 2014.

+European Nato members will spend a record \$380bn on defence this year, up from \$230bn in 2014. At the Munich Security Conference, the EU announced ambitious plans to gear up, centralise and consolidate Europe's military industrial complex.

Dry Cargo Chartering

Capesize rates saw a very similar pattern as the week before, with a midweek dip and a rebound on Friday. Despite the ongoing holidays in the Far East, sentiment remained generally bullish with many anticipating much more activity when Asia returns on Monday. Timecharter averages were up to \$20,304, an increase of \$558. As expected, fewer Australian iron ore fixtures emerged this week but among those that did we saw Rio Tinto take three vessels for 170,000 mtons 10% Dampier/Qingdao with freight ranging from \$8.90 pmt to \$9.50 pmt. BHP were active taking two positions, as were FMG who fixed a TBN Newcastlemax for 190,000 mtons 10% Port Hedland/China at \$9.55 pmt for end February dates. Vale also fixed a TBN ship from their Teluk Rubiah terminal to China at \$6.80 pmt for 23/25 February. From the Atlantic, *Ubuntu Sincerity* (190,000-dwt, 2024) fixed 170,000 mtons 10% iron ore Tubarao/Qingdao 1/10 March at \$24.00 pmt, *Maran Eagle* (209,388-dwt, 2021) fixed the same trade for second-half March at \$23.50 pmt, and *Maran Virtue* (180,391-dwt, 2012) was taken by Costamare at \$24.75 pmt for 1/10 March. All had West Africa loading options. Additionally, Rio Tinto chartered an Oldendorff Newcastlemax for 190,000 mtons 10% ore Seven Islands/Qingdao 10/16 March at \$33.50 pmt. Little was reported in terms of T/C or period deals.

A week of gains for the **Panamax** market with better numbers being discussed across both the Atlantic and Asian arenas. Demand remained healthy both from the North and South Atlantic although fresh fixing information was limited. From Asia, with people slowly returning to their desks some reported better levels of fresh enquiry, helping to a more positive feel with owners happy to ballast vessels should local rates remain a bit low. P5 TC closed at \$14,817 up by \$1,236 (+9.1%) since reported last Friday. In the Atlantic, *KM Singapore* (80,559-dwt, 2013) was heard fixed basis retro sailing Haldia 8 February for a trip via East Coast South America redelivery Singapore-Japan at \$16,000 with Cargill. *Chilaease Blossom* (82,146-dwt, 2013) sailed Rotterdam 11 February was fixed for a trip via Colombia redelivery India to Trafigura, but rate details missing. *Star Galaxy* (81,699-dwt, 2012) delivery aps East Coast South America 24 February was confirmed fixed for a trip redelivery Singapore-Japan at \$16,500 plus \$650,000 bb. In the Pacific, *Indian Goodwill* (75,398-dwt, 2014) open Wakayama 15 February fixed for a grains trip via NoPac redelivery Singapore-Japan at \$11,750 to Cobelfret, whilst for the same trip *DL Dahlia* (81,667-dwt, 2013) open Ulsan 15/17 February was fixed at \$11,250 to Klaveness. *Indus Prosperity* (92,928-dwt, 2011) passing Taiwan 15 February fixed for a trip via Indonesia redelivery South China at \$10,750 to Oldendorff. On voyage, *Mercuria* fixed 'TBN' for their 160,000 mtons / 10% coal lift Drummond/ARA 3/12 March at \$13,000.

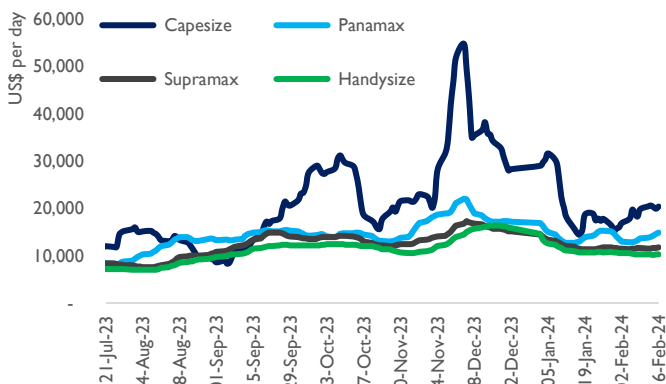
The **Supramax** market went into the Chinese holidays on a firm run. The market

held its rates which some would say is uncharacteristic for this time of the year. There is a positive feel globally and even though the Atlantic seemed to tail off slightly to end the week, the Pacific rallied on Friday in preparation for next week. The S10TC closed at \$11,783 up by \$199 (+1.72%) since reported last Friday. In the Pacific, *Yannis Pittas* (63,243-dwt, 2014) was fixed last week delivery Kohsichang prompt dates for a trip via Indonesia to West Coast India at \$8,000. Whilst in the Indian, *Pacific Valor* (63,564-dwt, 2015) fixed to Norvic delivery Port Elizabeth 24-27 February for a trip with manganese ore to China at \$24,000 plus \$240,000 bb, whilst *Equinox Star* (58,680-dwt, 2011) was covered by Victory Shipping delivery Porbandar 14-15 February for a trip via Salalah to West Coast India at \$13,500 and XO Shipping took *Saltwind Explorer* (55,649-dwt, 2011) delivery Mina Saqr 20-25 February for a trip with limestone to Bangladesh at \$21,000. And in the Atlantic, Agrocrop fixed *African Predator* (63,713-dwt, 2023) delivery East Coast South America end February for a trip to Chittagong at \$18,000 plus \$800,000 bb and Navision covered *Liberty Island* (58,032-dwt, 2012) delivery Ghent prompt dates for a trip with scrap to East Mediterranean around \$16,000. Whilst on the period front, Ashley Shipping took *Greenwich Pioneer* (63,674-dwt, 2020) delivery China prompt dates for 12 months with redelivery worldwide at \$16,500 and Bunge covered *Artemis Bulker* (63,468-dwt, 2020) delivery India prompt dates for 12 months with redelivery worldwide at \$17,000.

A subdued week for the **handysize** sector, with minimal visible activity across most regions. The BHSI made a small correction at \$10,287 up \$54 since last Friday. Enquiry levels remain buoyant in the Continent and the Baltic, reflecting marginal improvements in the region. *ID Pioneer* (35,534-dwt, 2012) open Port Said was rumoured to have been fixed a trip from Alexandria to Spain at \$12,000. *Western Panama* (39,000-dwt, 2015) open Flushing was rumoured to have been fixed a trip to West Africa at \$13,000 with Fednav. In the South Atlantic, limited activity was said to have remained with Carnival Season ending. Pressure remained on prompt tonnage in the US Gulf region. *Nordschelde* (37,212-dwt, 2014) failing subjects for a trip from the US Gulf to Morocco with an intended cargo of coal at \$11,000 to XO, who then fixed *Zudar* (38,273-dwt, 2011) for the same run at \$10,750. In Asia, although visible activity remains limited, there's a resurgence of positive sentiment as more people returned from Chinese New Year holidays. Some have noted increased level of enquiries from Indonesia and Australia, coupled with tightened tonnage availability, enabling owners to demonstrate more resistance. *Federal Skeena* (37,168-dwt, 2012) open Jakarta mid-February was rumoured to have been fixed for an Aussie round trip to Far East with alumina at \$8,300. A 32k-dwt open Philippines was rumoured to have been fixed for an Indonesian coal trip to Far East at low \$7,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Meteor	82,589	2010	Haldia	8 Feb	Singapore-Japan	\$16,500	Mizzen	Via EC South America
Vita Unity	82,545	2021	NC South America	8 Mar	Skaw-Gibraltar	\$23,000	ADMI	-
Flag Zannis	79,164	2014	Zhoushan	16 Feb	Philippines	\$10,750	Olam	Via NoPac
Kypros Land	77,060	2014	Hong Kong	13 Feb	China	\$12,500	Cnr	Via Australia
Katerina III	75,700	2011	EC South America	29 Feb	Singapore-Japan	\$16,000	D'Amico	-
Amis Treasure	61,125	2020	Koh Sichang	10 Feb	S.Korea	\$15,000	Cnr	Via Australia
Liberty Island	58,032	2012	Ghent	Ppt	East Mediterranean	\$16,000	Navision	-
Key Ohana	55,705	2010	Djen Djen	Ppt	Nouachott	\$13,000	LHN	-
Zudar	38,273	2011	US Gulf	Ppt	Morocco	\$10,750	XO Shipping	-
Federal Skeena	37,168	2012	Jakarta	Mid Feb	Far East	\$8,300	Oldendorff	-



Exchange Rates	This week	Last week
1 USD	150.60 JPY	149.45 JPY
1 USD	0.9414 EUR	0.9282 EUR
Brent Oil Price	This week	Last week
US\$/barrel	83.06	82.05

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	460.0	454.0
VLSFO	659.0	665.0
Rotterdam HSFO	462.0	467.0
VLSFO	587.0	592.0

16 February 2024

Dry Bulk S&P

Following Thenamaris' swoop on four Polaris owned modern Newcastlemaxes last week, we continue to see strong buying appetite for modern gearless tonnage, particularly from Greek owners. Neda Maritime are the latest to make a splash in the modern Newcastlemax market, having been linked to the purchase of *Bulk Seoul/Bulk Shanghai* (207,991-dwt, 2019 New Times - Scrubber Fitted) for \$127.5m enbloc. This sale was swiftly followed by the one-year-old Capesize, *Carouge* (182,080-dwt, 2023 Imabari) which was sold by Shoeni Kisen to compatriot owners on a BBHP basis.

After a flurry of Chinese design Post-Panamax sales in recent weeks, one Japanese postie has been sold this week. *CMB Pomerol* (95,731-dwt, 2012 Imabari) is reportedly sold to Samos Steamship for \$21m. When factoring the difference in age and scrubber premium, this sale represents a step up from the last done sister vessel *Double Miracle* (95,444-dwt, 2014 Imabari - Scrubber Fitted) which sold for \$24m back in December.

Continuing in the gearless sectors, a number of Panamax/Kamsarmaxes have changed hands this week. Firstly; Pavimar feature in our sales table again with the sale of *Magic Nebula* (80,282-dwt, 2010 STX) for \$16m and compatriot owners Ionic Holdings have committed their *Ionic Katana* (82,936-dwt, 2005 Tsuneishi) for \$13.2m. The theme of fleet refreshment continues amongst the Greek owners with W Marine selling their *W Galaxy* (76,629-dwt, 2006 Imabari) for \$13.2m and unnamed Greeks purchasing the *Zhong Xin Pearl* (75,321-dwt, 2013 Guangzhou Huangpu - ME engine) for \$16.8m.

Concluding this week's report in the geared sectors, strong demand for eco tonnage and a lack of sales candidates is putting strong upward pressure on asset values. This has been in evidence in the Ultramax sector by *Santa Johanna* (61,255-dwt, 2017 Shin Kurushima) being tied up at close to \$31m. The high price is perhaps reflective of the very prompt delivery. Regardless, this sale represents a big step up on benchmarks when considering the *CMB Chikako* (61,299-dwt, 2014 Shin Kasado - ME engine) sale at \$24.6m just a week prior. On the Handysizes, Turkish owners, Devbulk have purchased the high spec *Maestro Sapphire* (39,830-dwt, 2020 Saiki - OHBS) for \$28m. The *Maestro Sapphire* is the third Handysize that Devbulk have bought from Swiss owners Maestro Shipping, following the deals they executed between Q1 and Q2 last year for *Maestro Diamond/Maestro Pearl* (37,322-dwt, 2015 Saiki - OHBS) at \$22.5m per vessel.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Bulk Seoul	207,992	2019	New Times		Neda	\$127.5m	Enbloc, Scrubber Fitted
Bulk Shanghai	207,992						
Carouge	182,080	2023	Imabari		Japanese		BBHP
Sapientza	177,736	2008	Jiangnan			\$22.5m	SS/DD Passed
CMB Pomerol	95,731	2012	Imabari		Samos	\$21.0m	
Magic Nebula	80,282	2010	STX			\$16.2	
W Galaxy	76,629	2006	Imabari			\$13.2m	
Zhong Xin Pearl	75,321	2013	Guangzhou Huangpu		Greek	\$16.8m	M/E Engine
Santa Johanna	61,225	2017	Shin Kurushima	C 4x31t	Greek	\$31.0m	Prompt Delivery
SSI Challenger	56,042	2004	Mitsui	C 4x30t	Chinese	\$10.7m	SS Due
Super Henry	55,430	2008	Kawasaki	C 4x31t	Gurita Lintas	\$14.5m	Prompt Delivery
Maestro Sapphire	39,830	2020	Saiki	C 4x30t	Devbulk	\$28.0m	OHBS
Jakob Selmer	34,954	2011	Samjin Weihai	C 4x35t	Greek	\$11.9m	



Tanker Commentary

As the VLCC market rages on amidst Red Sea diversions and tight tonnage lists, we have seen VLCC TCE earnings moving to circa \$70k/day. Unsurprisingly, given the booming market over recent weeks, a number of fresh newbuilding orders in China from established VLCC owners have come to light.

In the second hand market there have only been a couple of reported sales in the crude sector this week. Navios controlled *Nave Spherical* (297,572-dwt, 2009 Jiangnan - scrubber fitted) is reported to have sold for \$54.0m. The last similar done was the non-scrubber fitted, *Tohshi* (300,364-dwt, 2007 IHI) which achieved \$44.0m at the end of January. Roswell Tankers are rumoured to have offloaded *Raptor* (159,395-dwt, 2007 Universal) to Chinese interests for \$46.5m.

Dong-A are have reported to have sold *Dong-A Triton* (49,997-dwt, 2015 Hyundai Mipo) for \$37.5m. Comparing to historical newbuilding prices, you probably could have something similar in July 2021 for the same price and have taken delivery around now, hindsight is everything! The firm price falls in line with *St Pauli* (49,999-dwt, 2017 Hyundai Mipo) which sold earlier this month for \$42m. Ardmore, who were reported to be the buyers of *St Pauli*, are in the process of fleet renewal and are rumoured to have sold their pumproom, *Ardmore Seafarer* (50,093-dwt, 2010 Onomichi) for \$27.25m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Nave Spherical	297,572	2009	Jiangnan		\$54.0m	Scrubber Fitted
Raptor	159,395	2007	Universal	Chinese	\$46.5m	
Ardmore Seafarer	50,093	2010	Onomichi	Great Eastern	\$27.25m	
Dong-A Triton	49,997	2015	HMD		\$37.50m	

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