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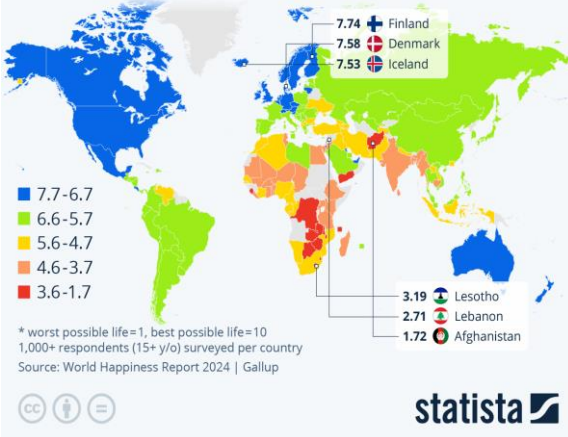
There was a smug air of triumphalism at this week's CERAWEEK conference in Houston. As Bloomberg reports, on day one Amin Nasser, Saudi Aramco CEO, declared that the global push to overhaul energy systems to slow climate change is "visibly failing" on most fronts. Darren Woods, Exxon CEO, highlighted a failure to appreciate the reliability and affordability of the existing system. "We're not on the path to meet net zero in 2050. One of the challenges here is that while society wants to see emissions reduced, nobody wants to pay for it." The grip that ESG issues had on Wall Street in locked-down 2020 and 2021 has loosened as it bumps up against real-time economic realities and practicalities. In April last year, the EPA proposed that EVs should account for 67% of all new passenger car and light-duty truck sales by 2032, from less than 8% of total sales in 2023. This week, in a concession to the automotive and energy lobby groups, and to realpolitik in an election year, Biden relaxed the targets. The final EPA rules now see the steepest cuts to emissions put back three years, from 2027 to 2030, and the target mix is amended to allow for 56% of EVs and 13% of plug-in hybrids by 2032. Back to CERA. After the decarbonisation trend of 2020-21, Russia's invasion of Ukraine in Feb 2022 reinforced our need for, and reliance on, fossil fuels. Wael Sawan, Shell CEO, having just downgraded Shell's emissions targets, said that oil and gas will play a stabilising role in the world's energy system while the transition takes hold.

On day two, Tuesday, it was the turn of AI, the letters behind two great new buzzwords. Panels agreed that AI could revamp exploration, drilling and pumping as it creates a potent new source of demand. Ryan Lance, Conoco CEO, said that: "It is going to be transformational. It is going to be huge. It is going to impact every one of your businesses here." And maybe some that were not so present, such as tanker shipping. As Bloomberg reported from the scene, "the technology itself will require a breathtaking amount of electricity. Not only will that be a boon for companies that generate power, but it will add customers for those that drill for gas." That's one in the eye for Greenpeace and tree-huggers everywhere. John Ketchum, NextEra Energy CEO, remarked that power demand, that has been flat for years, is set to increase by 81% over the next five years. Toby Rice, EQT Corp CEO, said that AI will gobble up more power domestically than households by 2030. It cannot have been long ago that we assumed technological advance would reduce our energy demand, and then along comes AI and it turns the world upside down. Various other CEOs talked about sending employees back to school to study AI, its use in robotic drilling to enhance productive life of ageing wells and its potential to enhance trading. All very positive for what was previously doomed.

On Wednesday at CERA, President Biden's moratorium on granting LNG export licences, thus delaying final investment decisions on new LNG terminals, garnered attention. Few attendees would be in favour of the delay. Natural gas is an abundant US domestic resource and selling and shipping it in LNG form is a great way of earning higher netback prices in markets in Europe and Asia. Concerns about methane's persistent atmospheric damage were mitigated by the fact that its continued export to countries such as India and China would enable the phase-out of dirtier coal use. There is a security angle as well, as US LNG exports to Europe help replace banned Russian imports of pipelined gas and seaborne LNG. Those complaining about the impact of new LNG export terminals along the Gulf Coast were balanced by the creation of jobs within local communities. Harking back to day one, Jennifer Granholm, US Energy Secretary, offered hope to those in the industry about the current pause: "As we sit here next year, you and I, this will be in the rearview." Not one for the environmental movement, although presumably few if any of its flag wavers were present. Yesterday, day four at CERA, it was decided that one key word summed up this year's meeting: demand. Whether discussing oil, gas, power or renewables, speakers at the event were optimistic about consumption. As Bloomberg reports, it is not a choice between fossil fuels and low-carbon alternatives; it has become clear right now that the world needs all the above.* This will be music to the ears of tanker owners investing in new ships whether burning fuel oil and LNG or being methanol or ammonia ready.

Where People Are (Un)Happiest With Their Lives

Assessment of own life on a scale of 1 to 10
(average value per country)*



Source : Statista

*Bloomberg outlines the reasons for high energy 'demand':

- US growth. US energy demand is supported by Biden's reindustrialisation policy.
- India is expanding rapidly. China, despite its property woes, is doing relatively well.
- Oil. Less than 3 months into 2024, oil demand forecasts are being revised higher.
- Power is the winner. The energy transition will be electricity heavy:
- ICEs to EVs and gas boilers to heat pumps. IE only adds rocket fuel to demand.
- Despite the solar power boom, it's unlikely that renewables can meet this demand.
- Fossil fuel generators stay on-line longer. More gas-fired output will be needed.
- Getting carbon out of the global energy supply by 2050 will be a huge challenge.

Dry Cargo Chartering

The previous week saw widespread and consistent softening of **Capesize** markets as the BCI dipped below \$30,000 again. Cyclone Megan caused significant disruption and delay in Western Australia, while rates softened in the Atlantic and Brazil as well. T/C averages ended up at \$28,875, a steep decline of \$4,457 from last reported. Despite the poor weather, Rio Tinto booked in four TBN positions 170,000 mtons 10% Dampier/Qingdao for early April dates with freight ranging from \$12.00 pmt to \$12.90 pmt. Elsewhere, *True Courage* (182,644-dwt, 2016) by BHP on Tuesday for 160,000 mtons 10% iron ore Port Hedland/China at \$13.10 pmt, while Oldendorff took *Pan Margaret* (180,705-dwt, 2013) for the same trade at \$12.80 pmt. We also heard Simec fixed a Polaris TBN for 170,000 mtons Whyalla/Qingdao for late April at \$17.60 pmt. Rio Tinto were also actively taking tonnage for Canadian cargoes as they fixed *Genco Resolute* (181,060-dwt, 2015) for 140,000 mtons 10% Seven Islands/Djen-Djen at \$17.25 pmt, as well as a TBN LNG dual fuel vessel for 190,000 mtons 10% Seven Islands/China at \$37.75 pmt. Elsewhere in the Atlantic, *Sikamia* (207,923-dwt, 2008) was linked to 190,000 mtons 10% Sudeste/Qingdao at \$28.75 pmt, and a TBN ship was reportedly fixed for Freetown/Qingdao at \$29.75 pmt to Treasure Boost Shipping. On T/C, Cosco took *NN Tenacity* (179,929-dwt, 2011) delivery Samcheonpo 23 March for an Aussie round-trip at around \$35,000.

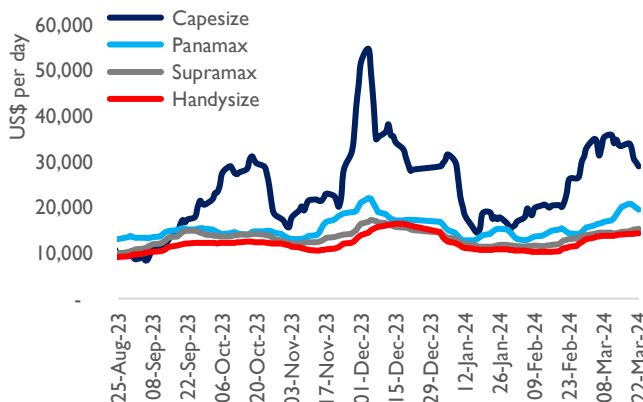
Likewise a subdued week for **Panamax** markets as much of the fizz appears to have dissipated with a sharp drop in activity. The North Atlantic appeared flat with little change, while further South there were talks of a clear slowdown in activity for the second half April. Charterers stepped back from the recent frenzy, culminating in a wide bid/offer gap and little being done. Asia appeared softer despite a good replenishment of demand, and consequently rates were mixed with very much a positional focus. P5 TC closed at \$19,483 down by \$623 since last reported. In the Atlantic, *Buena Ventura I* (83,366-dwt, 2011) open Jorf Lasfar 4 April was reported fixed for a trip via North Coast South America redelivery Skaw-Gibraltar at \$20,000 with Bunge, while *Zoi XL* (82,489-dwt, 2006) fixed delivery aps US East coast 2 April for a trip redelivery China at \$27,500 plus \$750,000 bb with Louis Dreyfus. *Circle Harmony* (81,177-dwt, 2012) open Singapore 28/30 March was fixed for a trip via East Coast South America redelivery Singapore-Japan at \$21,000. In the Pacific, *Proteas* (76,454-dwt, 2005) open Hachinohe prompt was fixed for a NoPac round trip at \$17,000 but further details were lacking. *BBG Nanning* (81,702-dwt, 2019) open Yosu 20/21 March fixed for a trip via Australia redelivery Far East at \$20,500 to Tongli, while *Ripley Prosperity* (76,565-dwt, 2008) open CJK 17 March fixed for a trip via Indonesia redelivery India at \$16,500 with Delta. On voyage, SAIL fixed a TBN position for their 80,000 mtons 10% coal lift DBCT/Visakhapatnam 14/23 April at \$20 pmt.

The **Supramax** market firmed this week as a result of a tightness on tonnage within the Atlantic. The biggest improvement we noticed was the East Coast South America front haul, but rather unusually this coincided with an increase in the China to West Africa back haul. The S10TC closed at \$15,212 up by \$627 (+4.30%) since reported last Friday. In the Pacific, *Amis Champion* (60,830-dwt, 2014) fixed delivery Penang 16/18 March for a trip via Indonesia to West Coast India at \$17,500, whilst *Josco Yangzhou* (55,621-dwt, 2005) fixed delivery passing Singapore prompt dates for a trip via Indonesia to China at \$18,000. In the Indian, Joint Vision covered *Great Voyage* (61,088-dwt, 2021) delivery Port Elizabeth 2/5 April for a trip to the Far East at \$23,000 plus \$230,000 bb and *Nazia Jahan* (58,110-dwt, 2010) fixed delivery Tuna 27th March for a trip via West Coast India to the Arabian Gulf at \$10,500. And in the Atlantic, Fednav took *CMB Jordaens* (63,475-dwt, 2019) delivery Oxelsund prompt dates for a trip with fertiliser to China at \$27,500 and WBC fixed *Turicum* (58,097-dwt, 2012) delivery Ghent end of March for a trip with petcoke to China at \$27,500.

General positivity remained across the **Handy** sector, despite a fall of \$18 since last Friday in the BHSI closing today at \$14,039. In the Atlantic, the Continent remained in the balance, a shortening of spot tonnage keeping levels healthy, with little fresh enquiry entering the market. Swire fixed *Densa Hawk* (36,746-dwt, 2013) open Hartlepool via Norway at \$14,000 for trip to US Gulf. *Centurius* (33,367-dwt, 2015) open Flushing fixed delivery passing Skaw via Odense for a trip redelivery Marmara Sea at \$16,500. The Mediterranean was tight, rates softened at the start of the week but stabilised. Various cargoes entered the market within the Black Sea, boosting sentiment for April. *Emil Selmer* (32,626-dwt, 2010) open Gibraltar was heard fixed for a trip basis delivery passing Ushant via Liepaja redelivery Morocco at \$12,850. On period, a 43k-dwt open on the Continent reportedly fixed/failed for short period at \$16,500 with Atlantic redelivery. In the South Atlantic, the cargo to tonnage imbalance further improved levels for owners. A 37k-dwt was linked to fixing from Vitoria to Rotterdam at \$20,500 whilst others heard the rate was \$20,000. In the US Gulf and US East Coast, the limited tonnage list further boosted owner optimism. In the US East Coast, 38k-dwt was fixed for a trip from Norfolk to Antwerp-Rotterdam-Amsterdam-Ghent range at \$11,000 but no further details surfaced. From Asia, while levels remained stable across several regions, there were signs of a slowdown in fresh enquiries leading to a growing sense of negative sentiment. *Tao Star* (25,064-dwt, 2010) open Belawan 25/27 March was fixed for a Pacific round at \$12,000, whilst the logger *Bamboo Star* (37,609-dwt, 2019) open in Bayuquan 23 March was rumoured to have been fixed for an inter Far East trip in the \$15,000's. Elsewhere, a 28k-dwt open hatch box-shaped vessel was said to have been fixed delivery Richards Bay for a trip to the Continent at \$15,000 but no further details surfaced.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Pegasus Island	88,876	2018	Kawasaki	26 Mar	Japan	\$20,000	Jera	Via NoPac
Zoi XL	82,489	2006	US East Coast	2 Apr	China	\$27,500	Louis Dreyfus	-
Ocean Legend	78,208	2020	Tomogashima	18/20 Mar	Singapore-Japan	\$21,500	Deyesion	Via EC Australia
PRT Kaho	77,113	2014	Otake	20 Mar	Japan	\$24,000	NS United	Via EC Australia
Great Rich	75,524	2012	Falmouth	24 Mar	Porto Torres	\$22,000	EP Resources	Via Rotterdam
Pacific Victory	63,508	2017	Weda	Ppt	Vietnam	\$19,000	Cargill	Via Indonesia
Yangtze Elite	56,854	2011	Zhoushan	Ppt	Philippines	\$14,000	Cargill	Via Campha
Josco Yangzhou	55,621	2005	Singapore	Ppt	China	\$18,000	Cnr	Via Indonesia
Western London	39,260	2015	Dunkirk	12/13 Mar	USG	\$15,500	Norlat	-
Emil Selmer	32,626	2010	Passing Ushant	Ppt	Morocco	\$12,850	Cnr	Via Liepaja



Exchange Rates	This week	Last week
1 USD	151.34 JPY	148.91 JPY
1 USD	0.9244 EUR	0.9184 EUR
Brent Oil Price	This week	Last week
US\$/barrel	85.52	84.91

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	493.0	491.0
VLSFO	649.0	653.0
Rotterdam HSFO	494.0	482.0
VLSFO	608.0	610.0

22 March 2024

Dry Bulk S&P

We are entering a prolonged holiday period, book-ended by the Western and Greek Easters with the Eid al-Fitr celebrations in between. This week Greece celebrated the start of Lent on Monday and celebrates Independence Day on Monday. Holy Week next week in the West means that activity will tail off from the middle of the week. Due to recent and upcoming holidays, activity has slowed, resulting in a shorter sales list this week. Despite the slowdown, market values have risen quickly in the last two months and the market has been stripped bare of sales candidates. It will take time for the shelves to be re-stocked and both sellers and buyers to come to terms with the new benchmarks. Optimism and cash still remain in ample supply and the few sales we do have this week point to continued upward momentum.

In the Capesize sector the Japanese-owned, non-scrubber fitted *Orange Tiara* (181,396-dwt, 2012 Koyo) is sold for a strong \$35.0m with delivery not before the fourth quarter.

For the Panamax, the *Xing Ji Hai* (77,171-dwt, 2009 Oshima) is sold for a similarly robust \$17.5m. A year older sister was sold in February for \$14.1m.

The Chinese-built Supramax *Desert Unity* (54,043-dwt, 2006 Kouan) is sold for \$10.1m while the Greek-controlled Handysize *Sunset* (37,334-dwt, 2009 Saiki) is sold for a last-done price of \$15m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Orange Tiara	181,396	2012	Koyo			\$35.0m	Q4 Delivery
Xing Ji Hai	77,171	2009	Oshima		E Nomikos	\$17.5m	
Desert Unity	54,043	2006	Kouan	C 4x36T		\$10.1m	
Sunset	37,334	2009	Saiki	C 4x30T	Turkish	\$15.0m	OHBS
Margaret SW	25,010	2012	Kanasashi	C 3x30T		\$13.2m	



Tanker Commentary

Two enbloc deals make up our sales report this week. A trio of VLCCs have been tied up along with a brace of MRs.

Euronav are understood to have sold three ageing VLCC's, namely; *Nectar/Noble* (307,284-dwt, 2008 Dalian) and *Newton* (307,284-dwt, 2009 Dalian) for a total price of \$154.9m. The identity of the buyer has not been reported at this stage, though both Sinokor and unnamed Chinese owners have been linked to the purchase. It would appear that values for this vintage have held steady over the last month, as evidenced by the sale of *Nave Spherical* (297,572-dwt, 2009 Shanghai Jiangnan) for \$54m back in February.

In the MR sector, Scorpio Tankers have continued their selling spree. Gulf Energy Maritime are linked to the purchase of *STI Larvotto* and *STI Le Rocher* (49,990-dwt, 2013 Hyundai Mipo) for \$72.3m enbloc. The pricing is very much in line with last done levels, which were set by Scorpio themselves when they sold five 2015 SPP units of the same size to Chinese buyers for an average price of \$39m back in February.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Newton	307,284	2009			\$53.5m	
Nectar	307,284	2008	Dalian		\$49.7m	Enbloc
Noble	307,284	2008			\$51.7m	
STI Larvotto	49,990					
		2013	HMD	Gulf Energy Maritime	\$72.3m	Enbloc
STI Le Rocher	49,990					

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