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### POINTS OF VIEW

Events have moved fast in the Middle East over the past two weeks as war in Israel risks spiralling out of control.\* Israel is now conducting military operations on seven fronts: Gaza, West Bank, Lebanon, Yemen, Syria, Iraq and Iran. Israel's opponents include the Iranian-backed 3Hs – Hamas, Hezbollah, Houthis – Shi'ite militias in Syria and Iraq, and the IRGC in Iran. The common denominator is the Islamic Republic of Iran which is devoted not just to the eradication of Israel but to the destruction of the West and all that it represents. America, the West's lead, was labelled the 'Great Satan' by Ruhollah Khomeini, Iran's founder. Today, Iran is led by supreme leader Ayatollah Ali Khomeini and the Mullahs of Tehran. Nato and the UN tend to play down the threat and call for ceasefires every other day. The US and UK do this while continuing to supply weapons, money and humanitarian relief, the latter to assuage the guilt of the impact of the former. Netanyahu has ignored such calls knowing that a ceasefire is likely to be a chance to regroup before attacking again. Netanyahu and Trump share ethical deficiencies and various other features. The first is a recognised strongman while the second aspires to be one. If Netanyahu loses office, then he faces corruption charges and possible jail. If Trump does not regain office, then he awaits a similar fate. Trump is unashamedly anti-Muslim and allegedly has lost faith in any two-state solution. Despite falling out with Netanyahu, after blaming him for the security failures leading to Oct 7, he is likely to be strongly pro-Israel, making Nov 5's US election of vital interest to Israel and the whole region.<sup>^</sup>

Israel has lately enjoyed great 'success' in demoralising and disorientating its enemies with exploding paggers and walkie-talkies and in the eradication of senior members of Hamas, Hezbollah and the IRGC. The assassination of Nasrallah has brought outright war with Iran closer. Iran hid behind its proxies, but now it is out in the open.\*\* It knows that it is no military match for a combined Israel and Nato, led by America. Israel may relish the gifted opportunity to degrade Iran's 'axis of resistance' and neutralise its nuclear weapons programme. In 2015, Obama's JCPOA eased sanctions on Iran in exchange for greater IAEA monitoring. In 2018, Trump gladly ripped it up, reimposed sanctions and applied 'maximum pressure'. Both failed as, with monitoring ended, Iran accelerated its nuclear programme. Sanctions are routinely sidestepped, including shipping its discounted oil on dark tankers to friends in China and elsewhere. Last year, Biden paid \$6bn of frozen funds to the Mullahs in exchange for five hostages, money that was apparently used to finance terror. A cornered Iran with its rising nuclear threat represents unfinished business for Israel. It should be the same for the West, still awaiting a lightbulb moment. The Islamic Republic is widely viewed as the largest state sponsor of terrorism, destabilising the Middle East and with ambitious plans to go global. With the Russians, and others, it is fuelling civil war in Sudan that abounds the Red Sea, posing enduring risks to shipping transiting the Suez Canal and Red Sea.

The Abraham Accords of Sep 15, 2020,<sup>^^</sup> aimed to normalise relations between Israel and neighbouring Arab and Muslim states, initially the UAE & Bahrain, and later Morocco. The catalyst for such a peace agreement between unlikely allies was the perceived spread of the increasingly malign influence of Iran and the need to resist it via opposing but innovative economic partnerships. It is said that this fragile truce was a major driving force behind the barbaric attack on Israel of Oct 7 last year. Bluntly put, Iran could not stand idly by as Israel and the Arab world were reconciled. Iran has powerful backers, not just in Russia and China. Those three are united in evading crippling US-led Western economic sanctions. Iran's agents undermine the West by infiltrating marches in major cities, not least in London, and by waging cyber ops to promote their cause. They use protest and social media, both outlawed in Tehran, to turn Western society against itself, fanning the flames of the extreme political and social polarisation that is so evident today. Netanyahu would like to recruit the US and Nato, already preoccupied with Ukraine, to join his war and raise the chance of decisively containing the Iranian threat.+ However, in shipping, we already have disrupted shipping lanes in the Black Sea and Red Sea and would prefer not see this tit-for-tat, eye-for-an-eye escalation continue. Biden suggested back in April that Israel should 'take the win' after successfully repelling Iran's first missile barrage. Maybe he should say it again, and maybe Iran will be content to calm things down.

### The Demise of U.S. Political Debate?

Share of respondents who say the following about the tone/nature of political debate in the U.S. (in percent)



Answers may not sum to 100 due to excl. of response 'no answer'.  
4,233 U.S. adults surveyed Jul. 10-16, 2023  
Source: Pew Research Center

statista

Source : Statista

\*A biannual survey conducted by the BoE found that 93% of banks and investment firms rate geopolitical risks as their main concern, up from 85% six months ago.

<sup>^</sup>Trump has claimed he would settle the Israel and Ukraine conflicts in a single phone call apiece, without elaboration. Netanyahu may want to get ahead of such a chance.

\*\*Iran retaliated for the Hezbollah leader's death by launching missiles at Israel that Biden deemed "defeated and ineffective". He wants the spiral of violence to stop.

<sup>^^</sup>Right at the end of Trump's presidential tenure. Trump said Oct 7 would never have happened under his presidency, but the seeds of the attacks were sewn in his term.

His son-in-law, Jared Kushner, was a key mover in the accords, in shifting the US embassy to Jerusalem, and in recognising Israel's claim to the Golan Heights...

+Biden/G7 told Israel not to attack Iran's nuclear infrastructure. Option: hit IRGC & oil refineries. Risk: Iran will target Israel's gas installations. Result: higher energy prices.

After Soleimani's assassination, Iran played a game of 'strategic patience'. It is now unclocked after its missile barrages, exposed to a strategically impatient Netanyahu.

## Dry Cargo Chartering

**Capesize** markets corrected this week, mostly as a result of Golden Week celebrations in the East. A quieter Pacific was characterised by declining cargo availability and a persisting downward trend throughout the week, while conditions in the South Atlantic were also said to be softening. Timecharter averages ended at \$26,897, a steep decline of \$3,701. From Port Hedland, BHP covered *Thalassini Niki* (182,443-dwt, 2015) for 160,000 mtons 10% to China at \$11.40 pmt and another TBN at \$11.10 pmt for mid-October dates. Rio Tinto took their usual selection of vessels from Dampier, freight ranged from \$10.80 pmt to \$11.65 pmt. Cosco fixed *Cape Celtic* (178,342-dwt, 2011) for Whyalla/China in the mid/high \$16's pmt, Mercuria fixed 190,000 mtons 10% Western Australia/China at \$11.15 pmt, and Vale took *Star Scarlet* (175,649-dwt, 2014) for Teluk Rubiah/Dung Quat at \$6.20 pmt. From South America, Anglo fixed *Barbarian Honor* (180,091-dwt, 2011) for Acu/Qingdao 20 October onwards at \$27.25 pmt, and Costamare fixed *Almera* (176,552-dwt, 2011) for Tubarao/Qingdao 1/10 November also at \$27.25 pmt.

**Panamax** markets also softened this week before a small uptick on Thursday and Friday. There was talk of a need for fresh impetus worldwide as growing tonnage lists and cheap freight rates in the Atlantic were seen. Overall timecharter rates closed on Friday at \$12,496, a fall of \$517. In the Atlantic, we heard *Basic Explorer* (82,609-dwt, 2023) fixed delivery Rotterdam for a trip via the US East Coast to India at \$25,000, while *Nord Aquarius* (82,375-dwt, 2022) was fixed to ST Shipping delivery Wilhelmshaven again for a trip via the US East Coast to China at \$24,000. In the Indian Ocean, *Amadeus* (81,676-dwt, 2016) fixed delivery Colombo via Richards Bay to India at \$14,000, and Mercuria took *Anglo Red* (81,712-dwt, 2013) delivery Haldia for a trip via East Coast South America to the Far East at \$12,750. In the Pacific, Tongli fixed *Thyme* (82,312-dwt, 2014) delivery Zhoushan for an Aussie roundtrip at \$12,000, Hanson covered *Taho Australia* (81,320-dwt, 2019) delivery Tomogashima for a NoPac roundtrip at \$16,000, and we heard *Fj Iris* (82,792-dwt, 2023) fixed delivery Bahudopi for a trip via Indonesia to South China at \$19,500. Additionally, Comerge took on *Basic Sky* (81,917-dwt, 2023) delivery Japan for 1 year trading at \$17,000 redelivery worldwide.

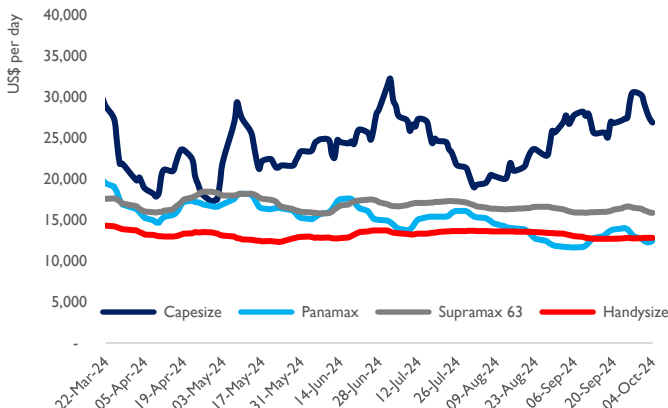
The **BSI** closed at \$15,897 down \$616 from last Friday. Within the Atlantic, the market seems to be cooling, notably in the Continent and Mediterranean, with a growing tonnage list. *Turicum* (58,097-dwt, 2012) was fixed for a trip delivery Poland 10 October redelivery West Africa at \$17,500 to NBC. In the US Gulf, *Ace Halo* (66,066-dwt, 2024) open South West-Passero fixed a trip redelivery Turkey with petcoke at \$22,000 to Weco Bulk. Further south, *Alonissos* (57,155-dwt, 2010) open Paranagua fixed delivery Recalada to Baltic at \$10,750 to Mainline, *Chang Hang Run Hai* (58,032-dwt, 2012) fixed Durban for a trip to the Far east with parcels \$14,500

plus \$145,000 bb with Oldendorff. Pacific regions went quiet with hire rates dropping gradually as expected while the Chinese enjoyed their golden week holidays. In the Pacific, *Spar Corona* (58,018-dwt, 2011) open Donghae fixed for a trip via Cape of Good Hope redelivery Mediterranean with steels at \$17,000, *Nordic BC Kiel* (55,947-dwt, 2010) fixed to Fullinks for a trip delivery Pasir Gudang via Indonesia redelivery China with coal at \$17,750. Whilst In the Indian Ocean, *Beauty Lily* (63,654-dwt, 2015) fixed to Norvic for a trip via Salalah redelivery East Coast India with gypsum at \$17,000, *Ageri* (56,754-dwt, 2012) fixed delivery Ruwais for a prompt trip redelivery East Coast India with sulphur at \$17,250 by Pacific Basin. On period, *Meghna Energy* (55,641-dwt, 2008) fixed from Dalian for 3-5 months redelivery PG-Japan range \$13,500 to XO.

The **BHSI** closed today at \$12,824 up \$51 since last Friday. The Atlantic market stayed flat with some early signs of positivity on the Continent and in the Mediterranean, despite the rates. *Reliable* (38,603-dwt, 2017) open Fos was placed on subjects delivery aps Egypt redelivery Pecem with steels at \$11,000. *CS Jaden* (38,101-dwt, 2013) open Gdansk fixed delivery basis dop Gdansk redelivery West Africa (intention Dakar and Luanda) at \$16,000 with EFE. A 30-dwt fixed an intra-mediterranean coal run at mid 7,000's. *Ubc Tacoma* (37,332-dwt, 2018) open Porto Marghera fixed on subs basis aps delivery South Spain redelivery US East Coast with cement \$11,000 to Conti Lines. In US Gulf, *Andalucia* (37,430-dwt, 2013) open Southwest-Passero fixed on subs via *Santa Marta* redelivery Peru at \$18,000 with Aries. *SN Serenity* (36,228-dwt, 2016) open Port Arthur fixed on subs redelivery West Coast Central America at \$17,750 with Sagitta, while *Ravni Kotari* (34,373-dwt, 2010) open Veracruz fixed via Southwest Pass redelivery Portugal with wheat at \$12,000 to Baltnav. The South Atlantic was steady, despite a lack of fresh enquiry in the market. A couple of reported grain trips from to US East Coast with Falcon and Norden fixed at \$11,000 while one handy completed at \$12,000 with pig iron to the US Gulf. The market in the Far East remained steady despite the holidays in China and Korea. Typhoon-related congestion caused disruptions to vessel schedules in the northern region. Backhaul trips remained strong at mid-high teens levels, supported by a lack of larger units capable of loading steels and owners' reluctance to have their vessels opening during Christmas. We heard a 40k-dwt open Japan fix \$17,000 for trip backhaul with steel coils. *African Lapwing* (39,757-dwt, 2014) open Japan was heard to be placed on subjects for short period in the high \$15,000s. The South East Asian market did not disappoint with increased cargoes into and out of Australia. We heard a 34k-dwt open Singapore fixed \$13,000 for short period. The market is anticipating a cautiously upbeat week ahead, stimulated by a healthy volume of cargo to be covered after the holidays.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Century Wave	91,686	2012	Nagoya	6/8 Oct	North China	\$14,500	Cnr	Via Australia
Yasa H. Mehmet	83,482	2011	CJK	3/4 Oct	China	\$13,000	Cnr	Via Australia
Basic Explorer	82,609	2023	Rotterdam	10 Oct	India	\$25,000	Cnr	Via US East Coast
Saphira	82,577	2021	US Gulf	14 Oct	Skaw-Gibraltar	\$16,500	Olam	With \$200,000 ballast bonus
Galio	81,404	2013	Butterworth	6 Oct	South China	\$16,000	Cnr	Via Indonesia
Ace Halo	66,066	2024	South West Pass	6/7 Oct	Turkey	\$22,000	Weco	-
CL Hengyang	64,761	2023	Mumbai	6 Oct	China	\$14,000	Avenir	-
Agria	56,805	2011	Toledo	4/7 Oct	Vietnam	\$15,750	Cnr	Via Indonesia
Aurelia	37,293	2012	Burgas	1/2 Oct	US East Coast	\$12,000	TAF	-



Exchange Rates	This week	Last week
1 USD	148.84 JPY	142.52 JPY
1 USD	0.9108 EUR	0.8929 EUR
Brent Oil Price	This week	Last Week
US\$/barrel	78.14	71.63

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	490.5	473.5
VLSFO	614.5	583.5
Rotterdam HSFO	457.5	444.5
VLSFO	543.5	520.5

05<sup>th</sup> October 2024

### Dry Bulk S&P

A busy week with sales across most sectors despite the Chinese holidays. Any signs of a clear direction this market is taking are yet to emerge, with sales this week in line with last-done prices, or in some instances even higher. Recent corrections in Kamsarmax values have certainly woken up many an owner, who have been waiting in the vestibules for the 'right price'. However, values in the geared sector remain steady, and in fact this week's Ultramax sales would indicate a firming of asset values for Japanese eco ships. The Chinese are back at their desks next week which could inject further demand back into the market, in conjunction with some potentially positive news coming out from China with regards to recent economic stimulus packages. The waters may become less murky.

Zodiac have sold *Beechgate* (63,449-dwt, 2019 Iwagi, ME) to Bangladesh based Meghna Group for \$35.2m, a price above our current benchmarks. Another eco Iwagi built ship, *Nord Adriatic* (61,254-dwt, 2016 Iwagi, ME), has also achieved a very firm price of \$29.8m to undisclosed buyer (DD passed earlier this year, next SS 04/2026). By comparison, the year older sister vessel *Lowlands Amstel* (61,177-dwt, 2015 Iwagi, ME) was reported last week sold \$26.3m (SS/DD due 05/2025).

Handysize values remain resilient. The Chinese built *Maple Fortune* (32,544-dwt, 2010 Taizhou Maple Leaf) has gone for \$11m - the same price as the one year younger sister ship *Maple Fortitude* (32,491-dwt, 2011 Taizhou Maple Leaf) achieved one month ago. Korean built *Fatih* (37,947-dwt, 2011 Samho) is reported sold for \$15.15m

A peaky Capesize sector is now perhaps seeing signs of values climbing down off from their lofty heights. *Stella Hope* (180,007-dwt, 2016 Dalian) is reported sold to clients of Genco for \$47.8m. A touch down when compared to *Herun Zhoushan* (181,056-dwt, 2017 SWS) which sold for \$52m in early August. *Sealeader II* (180,999-dwt, 2011 Qingdao Beihi) has been committed to Chinese buyers for \$28m which is under recent benchmarks.

### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Sealeader II	180,999	2011	Qingdao Beihai		Chinaland	\$28.0 M	
Stella Hope	180,007	2016	Dalian Shipbuilding Ind.		Genco	\$47.8 M	
Beechgate	63,449	2019	Iwagi	C 4 x 31T	Meghna	\$35.2 M	
Nord Adriatic	61,254	2016	Iwagi	C 4 x 31T		\$29.8 M	
NPS Mosa	53,556	2007	Iwagi	C 4 x 31T	Koreans	\$12.8 M	DD due Prompt delivery FE
Fatih	37,947	2011	Samho	C 4 x 35T		\$15.15 M	
Maple Fortune	32,544	2010	Taizhou Maple Leaf	C 4 x 31T		\$11.0 M	
Kefalonia	28,742	2009	Imabari	C 4 x 31T		\$10.15 M	



## Tanker Commentary

There are fewer sales to report this week, perhaps down to China celebrating Golden Week.

On the newbuilding front, it has been reported that Shell have contracted ten MR2 at Guangzhou Shipyard International for \$48m each with deliveries due in 2027 & 2028. As of the beginning of the month, the orderbook for MR tankers already stood at 17% of the fleet with a total of 290 ships on order.

In the secondhand market, there are four sales to report, all of which are MR2 Tankers. Giants of the tanker sector Bahri have bought zinc coated and scrubber fitted sisters *Maritime Inspiration* (49,996-dwt, 2021 GSI) and *Maritime Verity* (49,993-dwt, 2021 GSI) for \$50.5m per vessel.

There has been very little liquidity in the modern MR2 sector lately, with no modern tonnage sold since April when *Stavanger Pioneer* (49,999-dwt, 2019 Hyundai Vinashin -Scrubber) sold for \$48m.

Meanwhile, Hafnia are rumoured to have offloaded their *Hafnia Andromeda* (50,386-dwt, 2011 GSI) for \$31m. The last comparable vessel sold was the year older *Dignity* (50,392-dwt, 2010 GSI) which was picked up in June for \$29m with surveys due in April next year. Finally, it has been reported that *Alithini II* (49,900-dwt, 2009 STX) was sold for \$27m. This price is up on last done *Nave Orbit* (49,999-dwt, 2009 SPP) which was sold for \$26m at the end of July, however she did have forward delivery.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Hafnia Andromeda	50,386	2011	GSI		\$31.0 M	
Maritime Inspiration	49,996	2021	GSI	Bahri	\$101.0 M	Enbloc Zinc coated Scrubber Fitted
Maritime Verity	49,993					
Alithini II	49,900	2008	STX		\$27.0 M	

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