



CONTENTS

2. Dry Cargo Chartering **Touching Bottom?**
3. Dry Cargo S&P **Autumn Haze**
4. Tankers S&P **Inactivity**

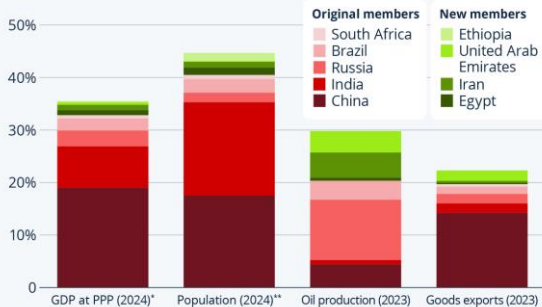
POINTS OF VIEW

US bonds are plunging amidst a global sell-off as investors worry that interest rates will need to stay higher for longer to tackle rising US government debt. The yield on 10-year Treasuries has soared from as low as 3.6% in September to 4.2% today as bond prices fall. Borrowing costs around the world are thus surging as the dollar strengthens against other currencies making dollar debt repayment more expensive. Latest moves coincide with betting markets favouring Trump's chances of regaining the presidency.* Traders are rethinking the path of interest rate cuts and some even fear that 25bp cuts in November and December may be at risk as the Fed looks to damp down inflationary pressures. The job market is strong, and the economy is proving to be more robust than anticipated. Trump's announced headline policies of import tariffs (20% universal and 60% on China), mass deportations of "illegals" (which will squeeze a tight labour market and boost wages), and extending expiring tax cuts (which largely benefit the wealthy), will be inflationary, if implemented. They will also raise the annual budget deficit and the ballooning national debt that already stands at \$35.7tn.** Trump has threatened to take away interest rate setting powers from the Federal Reserve and award them to the White House instead. This might be a recipe for faster interest rate cuts, despite the disastrous effect on inflation, and ultimately markets, because he sees high central bank base rates as stifling business and consumption. It will, at the very least, relieve his tottering real estate empire.

... BRICS : The New World Order ? ...

The Global Clout of the New BRICS

BRICS countries' share of global GDP, population, oil production and goods exports



* IMF estimates as of April 2024 ** UN estimates, medium variant
Sources: IMF, UN Population Division, Energy Institute, WTO

statista

Source : Statista

*In the latest and final NYT/Siena national poll, Harris and Trump are deadlocked on 48% each, and the story is much the same in the seven battleground states. Coin toss!

**IMF predicts US debt will surpass 100% of GDP in 2025. Deutsche Bank forecasts the US budget deficit at 7-9% a year from 2026 to 2028 regardless of who is president.

^Heritage Foundation's blueprint to strengthen the executive branch, dismantle the federal government and its agencies, and implement a right-wing conservative agenda.

^^Harris: "Economists have said that Trump's sales tax would actually result for middle-class families in about \$4,000 more a year because of his policies."

+Bloomberg: The Fed's preferred measure of inflation (PCEP Index) would surge to 3.7% by end 2025 if Trump imposes these new tariffs. The Fed's inflation target is 2%.

Interest rates would have to rise to tackle inflation, consumer prices would be 2.5% higher and 0.5% would be shaved off GDP growth, according to the Bloomberg model.

The IMF puts global growth at 3.2% in both 2024 & 2025 but, if Trump's new tariffs are introduced, it estimates 0.8% will be wiped off GDP growth in 2025 & 1.3% in 2026.

There is fortunately one caveat: Congress. Many policies will need to get through both the House and the Senate to be made into law. So, the upcoming election is of huge importance and the worst outcome might be Republican control of the White House, the House and the Senate. This would imply that the Republicans will have carte blanche power to implement Project 2025, or various components of it.^ We do not expect many Americans to be interested in the UK's upcoming, and much feared, budget on Oct 30. However, many non-US nationals will be very interested in the Nov 5 US election as it will impact the whole world. Harris still has a chance of winning, but she has been much less forthcoming on policy. One may assume a continuation of Biden policy. This will also be inflationary and raise the annual deficit and national debt, but apparently not by as much as from Trump's headline policies. Simplistically, Trump is often seen as strong while Harris is often perceived as weak and, importantly, she has no track record of leadership at this level. This matters for foreign policy and how wars in Ukraine and Israel play out. Trump has promised to get both settled fast, without elaborating how he will persuade Zelensky to cede territory to Putin or how he will stop Netanyahu from continuing to degrade the Iran-backed militias that surround, and seek to destroy, Israel. Harris will probably continue Biden's policy of arming and financing Ukraine, subject to Congress, while sticking with the failed Biden/Blinken attempts to bring about a ceasefire in Gaza.

Of interest to us in shipping and trade are the ramifications of higher tariffs, not just on China, but on allies as well. Trump's 2018-19 tariffs were mostly carried over by Biden, and more added, as well as new provisions to block high-tech transfers to China. Ramping up global protectionism is, on the face of it, a bad idea. Tariffs are borne by exporters, importers or consumers or a combination of all three. A study found that Trump's tariffs mostly ended up as a pass-through to consumers, a form of sales tax, hurting low-income households the most.^ The inflationary impact of higher prices would need to be countered by raising interest rates, pushing up the dollar and damaging exports. Corporate profits will suffer, stocks would decline, and households will spend less at the margin. The dollar would eventually weaken on the back of slower economic growth. On balance, the view is that tariffs will cost the economy more than they would protect it. However, the impact on growth will be limited as imports are not a big share of US GDP. Aggregate, and highly dispersed, consumer losses will be largely offset by wage gains in sectors that are protected. In fact, greater damage may be done to China's manufacturing and exports, increasing job losses and youth unemployment, as US consumers cut back. This will have the effect of kicking China when it is down. Ouch. For shipping, it would have a marginal negative impact on containers first, then a gradual blowback on China's raw material and energy imports. New tariffs should be resisted for the good of everyone.+

Dry Cargo Chartering

The recent negative trajectory of **Capesize** markets continued this week, before flattening out on Friday suggesting a floor may have been reached. Timecharter averages closed at \$15,395, a further slump of \$3,480. Freight paid by Rio Tinto this week ex. Dampier was consistent and ranged from just \$8.90 pmt to \$8.75 pmt on at least six TBN's. Two Port Hedland/Qingdao fixtures were reported at \$8.85 pmt each. From RSA, Ore and Metal covered Saldanha Bay/Dangjin at \$14.78 pmt for 17/21 November, and Saldanha Bay/Qingdao at \$15.04 pmt for 12/16 November, while Libra fixed 150,000 mtons 10% coal Richards Bay/Gangavaram at \$10.00 pmt. Little was reported from West Africa owing to Emirates Global Aluminium halting bauxite shipments from Guinea. From South America, *Pacific Century* (180,467-dwt, 2011) was chartered for Itaguaí/China by CSN at \$21.75 pmt, and Cosco reportedly fixed *Thalassini Agatha* (182,307 2011) for Tubarao option West Africa to China 18/22 November at sub \$21.50 pmt. From Canada, Rio Tinto fixed 140,000 mtons 10% Seven Islands/Djen-Djen at \$12.25 pmt, and Posco took *Spring Harmony* (182,498-dwt, 2024) for 150,000 mtons 10% Port Cartier/Gwangyang second-half November at \$26.45 pmt. On timecharter, Richland fixed *Irene II* (180,184-dwt, 2006) delivery Zhoushan for a trip via Gladstone to China at \$17,500.

A similar scenario played out for **Panamax** markets that endured another week of slow decline. Activity in both basins reportedly rose towards the end of the week but was not enough to turn the tide. Overall timecharter averages ended up at \$10,813 (the lowest of all four average), a fall of \$749 from last reported. In the Pacific, *Sea Progress* (81,715-dwt, 2014) fixed delivery Koh Sichang for a trip via Indonesia to South China at \$13,000 option North China at \$13,500, *Viterra* chartered *Tatry* (82,138-dwt, 2013) delivery Ishinomaki for a NoPac round trip at \$13,000, and *Energy Hope* (81,122-dwt, 2012) fixed delivery Misumi for a trip with coal via East Coast Australia redelivery Singapore-Japan at \$11,750. *Pedhoulas Cedrus* (81,802-dwt, 2015) was covered delivery Mizushima for 5/7 months trading redelivery worldwide at \$18,000. From the Atlantic, *Aquavita* took *Aeolian Grace* (76,525-dwt, 2007) delivery Stade for a trip via the US East Coast redelivery Cape Passero at \$10,000, *Enesel* fixed *BBG Labin* (82,022-dwt, 2022) delivery Dunkirk for a trip via US East Coast option US Gulf with coal to Brazil at \$10,500, and Norden chartered *Elite Diva* (81,251-dwt, 2023) delivery East Coast South America for a trip to Skaw-Gibraltar range at a much better \$20,000. On voyage, 75,000 mtons 10% coal Newport News/Gangavaram was fixed by RINL for loading 10/19 November at \$38.45 pmt.

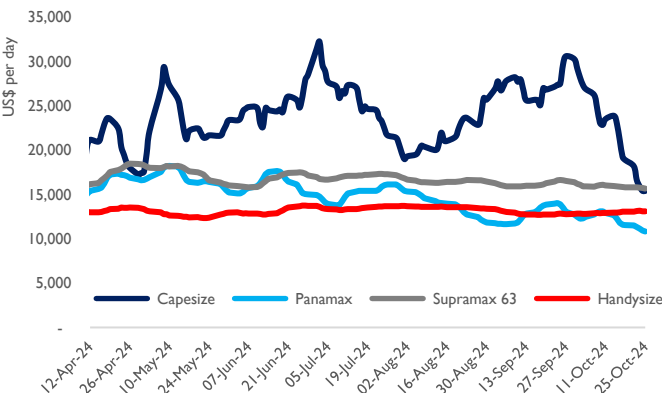
The **Supramax** Atlantic market remained fairly balanced as cargoes from the US Gulf still paid healthy rates, attracting ballasters from the Continent-Mediterranean region. The Pacific had limited fresh inquiry to for prompt tonnage, but Southeast Asia seemed to have touched the bottom close to the end of the week. The Indian Ocean maintained similar levels as last week with no significant improvements or dips seen. The BSI closed at \$15,669, down slightly from last week's \$15,802. In the Pacific, long haul round voyages still remained weak. *Sikinos* (63,615-dwt, 2023) fixed delivery Japan for a prompt trip via Australia to Indonesia at \$15,000 with scrubber benefit to Owners. In Southeast Asia, little stimulation was observed from Indonesian coal orders. *Auzonia* (53,732-dwt, 2012) fixed delivery Singapore for a prompt trip

via Indonesia to Thailand at \$11,000 to Crescent Bulk, and *Owl* (57,809-dwt, 2011) was fixed delivery Map Ta Phut 21/23 October for a trip via Indonesia to China with coal at \$12,000 to Xianglong. In the Indian Ocean, *Mouton* (56,819-dwt, 2010) was fixed delivery passing Fujairah for a trip redelivery Bangladesh with limestone at \$14,500 to Allianz. East Coast India was more active, *Eptalofos* (61,156-dwt, 2023) was fixed delivery Haldia for a prompt trip via East Coast India to China at \$12,500 to Olam, and *Jia De Chang He* (56,531-dwt, 2011) was fixed delivery Krishnapatnam 25/26 October for a trip via East Coast India to China with iron ore at \$8,750 to Allianz. In the Atlantic, *Gannet Bulker* (57,809-dwt, 2010) was fixed delivery Lome 24/25 October for a trip via Owendo to China with manganese ore at \$16,000. It was heard *Dai Shan Hai* (56,945-dwt, 2010) open Vitoria 31 October fixed a fronthaul trip at around \$12,500-\$13,000 plus around \$250,000-\$350,000 bb but details were unclear. *Delos Dawn* (52,224-dwt, 2008) open Port-au-Prince 26/31 October was heard fixed for a US Gulf fronthaul at \$22,000.

The **BHSI** closed today at \$13,098 up only \$20 since our last report Friday 18th October. The Atlantic felt flat across all major loading zones, enticing few operators to take on period tonnage to cover the rest of the quarter. Continent and Mediterranean markets remained stable, despite little activity or a buzz. Ultrabulk took two ships this week, *Laoura* (38,552-dwt, 2017) open Liverpool fixed delivery Brake redelivery US Gulf with lumber at \$9,750, and *Seamaster* (36,962-dwt, 2018) open Tyne fixed basis delivery Sluiskil for a trip redelivery West Coast Mexico with fertilisers at \$14,250. Intra-Mediterranean clinker trips were heard fixed at around mid-\$10,000's per day on the smaller handy types, while for grain trips from Black Sea to Algeria, Charterers were still aiming around low-\$9,000's with Canakkale delivery. In the US Gulf, the market was stable with little reported activity. A 40,000-dwt fixed delivery South-West Pass redelivery Morocco with grains at \$18,000. *Clipper Bari-Star* (37,976-dwt, 2023) fixed delivery South West Pass to redelivery West Coast South America at \$17,500 with Sagitta. TKB covered their coal to Spain with *Top Marine* (39,850-dwt, 2024) via Santa Marta at \$15,000. In the South Atlantic, markets edged slowly up towards the end of the week. *Paris Trader* (40,292-dwt, 2023) fixed delivery Rio Grande for a trip redelivery Veracruz at \$16,500. A 30,000- dwt fixed for a trip via East Coast South America to Caribbean at \$14,000, while trans-Atlantic trips were paying around \$16,000's. The Pacific handysize market generally saw softer conditions with a growing list of spot tonnage in both the Far East and Southeast Asia, while cargo availability from the North Pacific and Australia was limited. In the Far East, *Ultra Tatio* (37,927-dwt, 2016) fixed delivery Qingdao for a trip via Southeast Asia redelivery Continent-Baltic range with steels at \$13,800 for the first 70 days, thereafter \$16,000, to Panoean. A 38,000-dwt vessel open Japan was heard fixed in the mid-\$15,000's for a backhaul trip. On the period side, a 34,000-dwt vessel fixed delivery Far East for 1 year at \$12,500. In Southeast Asia, a 32,000-dwt open Thailand fixed at around high-\$10,000's for a trip to Japan. Another 32,000-dwt open Philippines was heard fixed at mid-\$9,000's for a trip to Vietnam. A 38,000-dwt vessel open Thailand was covered at around \$12,000 for a West Australia to Japan gypsum trip.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Aris	95,731	2012	Jingtang	27 Oct	Japan	\$10,500	NYK	Via East Australia
BBG Xijiang	82,801	2024	Donghae	24 Oct	Singapore-Japan	\$14,000	Cnr	Via Indonesia
Alexandros Petrakis	76,596	2008	US Gulf	23 Oct	Argentina	\$19,000	Norvic	-
Persefs	76,432	2013	US Gulf	5/12 Nov	Singapore-Japan	\$15,000	Jade Alliance	\$550,000 Ballast Bonus
Shandong Hai Wang	75,538	2014	Koahsiung	26/30 Oct	South China	\$11,000	Century Scope	Via Indonesia
Sikinos	63,615	2023	Japan	Ppt	Indonesia	\$15,000	Cnr	Via Australia Scrubber benefit for Owners
Gannet Bulker	57,809	2010	Lome	24/25 Oct	China	\$16,000	Cnr	Via Owendo
Auzonia	53,732	2012	Singapore	Ppt	Thailand	\$11,000	Crescent Bulk	Via Indonesia
Top Marine	39,850	2024	Santa Marta	Ppt	Spain	\$15,000	TKB	-
Clipper Bari-Star	37,976	2023	SW Pass	Ppt	West Coast South America	\$17,500	Sagitta	-



Exchange Rates	This week	Last week
1 USD	152.04 JPY	149.67 JPY
1 USD	0.9235 EUR	0.9207 EUR
Brent Oil Price	This week	Last Week
US\$/barrel	75.50	72.74

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	499.0	475.5
VLSFO	598.5	596.0
Rotterdam HSFO	521.5	471.5
VLSFO	544.5	549.5

25th October 2024

Dry Bulk S&P

The secondhand markets are well stocked with sales candidates at the moment and buyers have a wide choice in pretty much every sector.

Older tonnage is undoubtedly under pressure and prices have stepped down most notably for older Kamsarmax and Panamax tonnage. Tumbling rates in the Capesize market means that almost uniquely for this year we have no Capesize sales to report this week. But for the moment there is little stress in the market and sellers generally are able to ignore the lowballs. Those sellers with a set divestment and re-investment programme to follow may need to bend towards buyers at the moment, but for the majority of participants there is enough hay in the loft to adopt a more wait-and-see policy.

The older Panamax *Scorpio WQ* (76,759-dwt, 2004 Sasebo) is sold at \$10.5m - arguably a 15% or more decline in price over the last three months.

Oldendorff have sold a pair of Japanese-built Ultramax. *August Oldendorff* (61,090-dwt, 2015 JMU) and *Alwine Oldendorff* (61,090-dwt, 2014 JMU) are reported at about \$50m enbloc to Costamare. Both have scrubbers and Wärtsilä main engines.

In another enbloc deal, the Dolphin57 design *Lascombes* and *Gruaud Larose* (both abt 56,700-dwt, 2011 Qingshan) are sold for \$25.6m enbloc. Prices are softer, but as ever with Dolphin57s quality is very variable so it is hard to draw a clear picture of the extent of decline. The TESS58 design *Virono Pride* (58,761-dwt, 2009 Tsuneishi Cebu) is sold at a softer \$15.2m, although some are reporting her sold at \$15.75m.

The deal of the week is the very modern Handymax *Blue Ocean* (40,567-dwt, 2023 JNS) which is reported sold at \$30m to British owners Denholm. Not many buyers stepped forward for her and the buyers were able to secure her at a discount to the 2020 sister *Ultra Bosque* which was sold last week for \$27.5m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Scorpio WQ	76,759	2004	Sasebo	-	Greeks	\$10.5 m	
August Oldendorff	61,090	2015	JMU	C 4 x 30 T	Costamare	\$50.0 m	SS/DD due on Alwine
Alwine Oldendorff		2014					
Virono Pride	58,761	2009	Tsuneishi Cebu	C 4 x 30 T	Chinese	\$15.2 m	
Lascombes	56,081	2011	Qingshan	C 4 x 30 T		25.6 m	
Gruaud Larose	56,729						
Blue Ocean	40,567	2023	JNS	C 4 x 31 T	Denholm	\$30.0 m	
Discovery	37,019	2012	Zhejiang Ouhua	C 4 x 30 T		\$14.0 m	
Indian Ocean	36,009	2011	Samjin	C 4 x 35 T		\$12.3 m	
Ken Ryu	31,949	2002	Saiki	C 4 x 30 T	Feng Sea	\$6.9 m	
Ken Mei	29,825	2003	Shikoku	C 4 x 31 T		\$7.2 m	
Ken Toku	29,678	2005	Shikoku	C 4 x 31 T		\$8.3 m	



Tanker Commentary

We have no new tanker sales to report this week. The theme in the tanker market is actually quite similar to what is happening the dry cargo sector. Values of tankers, both young and old, are at their highest levels since 2008. However, the indices remain stuck in no-man's land, very healthy, but probably not enough to justify some of the values being paid for modern ships. A lot of faith is being placed in favourable supply-side dynamics in the next 2-3 years.

Whilst there are no confirmed deals this week, there are some rumours that 3 x LRIs built 2006 *Onomichi* (Ice 1A) have been sold for \$23.75m each. If confirmed, this is in line with the recent sale of *Octa Lune* (72,910-dwt, 2005 HHI) which went to Chinese buyers a few weeks ago for just over \$22m.

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