14 March 2025

HARTLAND SHIPPING SERVICES

WEEKLY COMMENTARY

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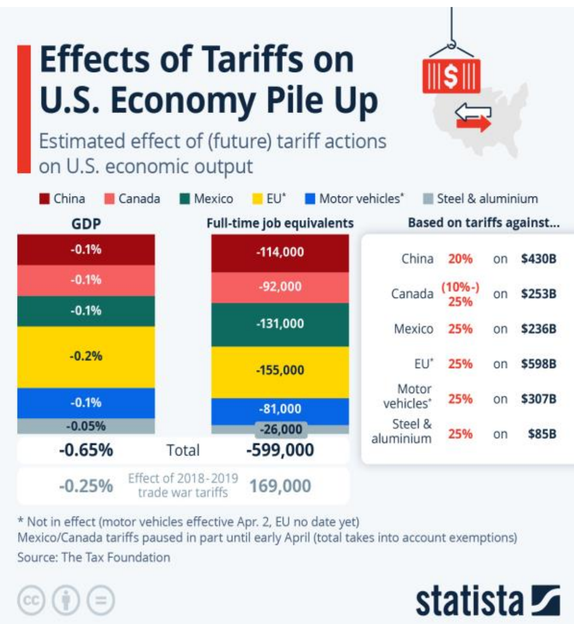
… Tariff Tantrums…



Source : Statista

^He told Fox News: "Look, our country has been ripped off for many decades, for many, many decades, and we're not going to be ripped off anymore."

New York Times on Trump: "A showman who makes absolute and sweeping promises that inevitably run into the reality of governing."

^^Putin is playing for time despite Trump threatening to hit Russia hard financially. This will test Trump's resolve to finally get tough with Putin.

Rising concerns may not persuade Trump to change course, such is his attachment to tariffs and desire to hit nations running surpluses with the US.

*Tesla's market value hit an all-time high of $1.5 trillion on Dec 17 before the share price more than halved to its current levels.

**Tariffs may cause "a little disturbance", according to the president. But he said: "We are OK with that. It won't be much."

+Should equities continue to sell off then Trump may be persuaded to change course. Stock market performance is equated with presidential performance

POINTS OF VIEW

Over 50 days into Trump 2.0 and the bump has turned into a slump. Even he cannot deny the possibility of an uptick in inflation and the risk of recession. But he seems incapable of linking the stock market meltdown to his erratic tariff and trade policies that are based upon flawed and naïve economic assumptions.^ US importers of steel and aluminium face a 25% import tariff, particularly affecting Canadian and Mexican exporters. Canada and Europe have retaliated against US tariffs on a dollar-for-dollar basis with Europe politically targeting US exporters of products such as Levi jeans, Harley Davidson motorbikes and Bourbon Whiskey that are based in Republican states. In his recent state of the union style address to Congress, Trump proclaimed that America is Back. Yes indeed, but is it back to the 18th century? His policy flip-flopping is unnerving global investors. His latest volte face has involved reinstating intelligence sharing with Ukraine after its recent removal was immediately followed by a barrage of ballistic missiles and drones aimed at Ukraine's cities. After meetings this week in Jeddah, Ukraine has agreed to a 30-day truce in return for resumed US military assistance while refusing to acknowledge Russia's claims over land seized illegally. Russia agreed provisionally yes, but practically no, to a 30-day ceasefire.^^ Conflicts, ceasefires, tariffs, trade wars, deregulation, climate change, shifting alliances and policy indecision are generating uncertainty that markets detest.

US stock market indices have surrendered all their gains, and some, since the Nov 5 election as they reacted negatively to US government trade policies. The rot started with the Magnificent Seven, off 20% since a December high, but has since become a broad-based sell-off as investors dump US assets on fears of recession induced by tariffs, job cuts, persistent inflation and sticky interest rates. Bloomberg points out that Trump's America First policies have, paradoxically, spurred a shift away from US assets. Investors are rushing into the relative safety of Chinese equities, the euro, the yen, Australian government bonds and the offshore yuan. The euro has jumped 7% from a February low while a gauge of Chinese stocks in Hong Kong is up 20% this year. Tesla, Musk's car company,* fell 15% on Monday and is down 50% from its Dec 17 peak while the Nasdaq is off 14% and the S&P 500 down 10% from their Dec 19 peaks, all as of Mar 13 close. But it has not been all bad. As Gideon Rachman wrote in the FT: "Trump is making Europe great again". The US president has provided the biggest stimulus towards European integration since the end of the cold war. Defence stocks have rallied strongly with shares in German ammunition manufacturer, Rheinmetall, up 105% this year with other European defence stocks, such as Thales and Leonardo, also soaring. Germany will unlock hundreds of billions of euros for defence and infrastructure spending, and has the fiscal room to do so, rescuing its moribund economy in the process. It is taking the lead in Europe.

The Bank of International Settlements has warned that the uncertainty generated by Trump's promises to impose tariffs and embark on a massive job cull threatens the world economy's soft landing after years of high inflation and elevated interest rates. It stated that "policy uncertainty on tariffs, US fiscal policy, immigration, and regulation … work like a negative demand shock. They would have negative effects on spending, investment and we see some signs of that. If tariffs are implemented – and some have been – then the negative demand shocks can become supply shocks and give rise to inflationary pressure." The observations are nothing new, many market watchers have been warning of such consequences of US government policy intentions. The question is whether the Democratic opposition, and concerned Republicans, dares to speak up and challenge the president to hold back, or unwind, such schemes before the damage is done, even as the White House seems willing to tolerate an economic downturn in pursuit of what it sees as long-term gains.** The probability of a US recession is still seen as low (Goldman Sachs has raised is forecast from 15% to 20%) on the basis that the administration can still reverse decisions on trade protectionism and federal job cuts. The tit-for-tat trade war that has already started will push up prices of essentials such as gasoline, groceries and electricity, hitting low-income households the hardest. Many such voters sided with Trump at the election based on his pledge to bring down prices. He had promised an economic "boom like no other"; but now he cannot rule out a recession.+

WEEKLY COMMENTARY

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HARTLAND
SHIPPING SERVICES

Dry Cargo Chartering

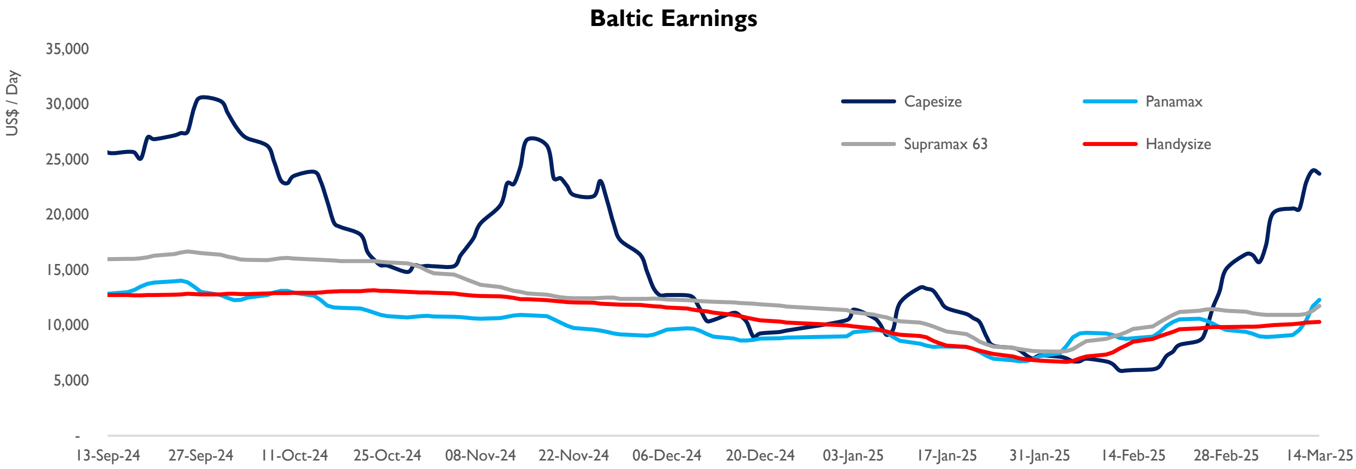
The **Baltic Dry Index** rose 269 points this week, with trading concluding at 1669 in a positive week across the board.

The **Capesize** physical market continued its bull run, the BCI closing the week on $23,697. This continues a longer climb of 52% in just over a fortnight and about 300% in the last month, likely driven by an increased number of vessels waiting for loading at West African ports and additional support from adverse weather conditions in China.

The **Panamax** markets finally caught a tailwind, after a weak start to the year, as the BPI ended the week strong at $12,287. The sudden increase in transatlantic business can be seen as the driver of this. Rates in the Pacific have been firming up but marked gains are expected next week as tonnage lists run short.

In the **Supramax** sector, it was a positive week with strong sentiment prevailing across both the Atlantic and Asian regions. The BSI closed at $11,752, a welcome rise of $1,459 since we last reported. Sent from FrontThe Continent-Mediterranean region saw a solid boost in demand, accompanied by an increase in rates being quoted and cargo volumes on the up. Yet, it was the Pacific region which improved more significantly. The North-Pacific was supported by steels returning to the market robustly and the lack of non-chinese built vessels, whilst the South had indonesian coal volumes back in swathes.

The **BHSI** closed today at $10,298, up $295 since last week. The Continent and Mediterranean remained positive with increasing fresh enquiries and a lack of prompt tonnage, sending rates seen upwards. The U.S. Gulf and South Atlantic faced downward pressure due to increasing tonnage, with some ballasters away from the US. The Pacific saw a steady but quiet market. Overall, European markets showed slight rate increases, while Owners have become increasingly reluctant to head to the Americas due to tariff concerns and overall uncertainty over what the Trump administration will do next.



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Athina Carras	82,057	2012	EC South America	14/20 Apr	Skaw-Gibraltar	$15,500	Aquatrade	-
LMZ Atlas	82,017	2019	EC South America	22 Mar	Singapore-Japan	$14,000	Reachy	$400,000 Ballast Bonus
Chola Symphony	78,087	2012	EC South America	23 Mar	Singapore-Japan	$13,000	Cargill	$300,000 Ballast Bonus
Chang Yang Jin Long	76,423	2004	Hong Kong	16/18 Mar	South China	$9,000	Cnr	Via Indonesia
Samoa	75,506	2010	Shibushi	16/25 Mar	Singapore-Japan	$10,750	ASL Bulk	Via NoPac
MTR Chessmaster	63,500	2025	Far East	Ppt	Philippines	$13,000	Norden	Via NoPac
SFL Yukon	56,836	2010	Cigading	14 Mar	W Africa	$13,250	Raffles	Via Indonesia
Yangtze Impression	56,836	2010	Bayuquan	Ppt	China	$13,000	Cnr	Via China
Blue Sapphire	38,580	2020	Corinto	8/9 Mar	North Brazil	$12,250	Cnr	Via Longview
Poavosa Ace	28,208	2013	Penang	1/4 Mar	WC India	$10,250	Cnr	-

Exchange Rates		This week	Last week
	1 USD	148.50 JPY	147.52 JPY
	1 USD	0.9198 EUR	0.9213 EUR
Brent Oil Price		**This week**	**Last week**
	US$/barrel	70.37	71.36

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	475.0	489.0
VLSFO	519.0	511.0
Rotterdam HSFO	451.5	442.0
VLSFO	508.5	495.0

Dry Bulk S&P

We have plenty of sales to report this week, all non-eco, across all sectors. Chinese buyers continue to hoover up older tonnage. The market waits to see what burdens the US regime will place on US transportation costs on the 24th March, but whatever the eventual result, another unwelcome level of uncertainty has been added to the markets.

Maran Odyssey (171,681-dwt, 2006 DSME) and Maran Sailor (171,680-dwt, 2006 DSME) have been sold to clients of GMS in an enbloc deal for just under $19m each. This is a noticeable tick up on the last similar DSME Cape sold at the end of January, Salt Lake City (171,810-dwt, 2005 DSME, SS/DD due Sept '25) which went for $16.2m.

Strange Attractor (55,742-dwt, 2006 Mitsui, scrubber fitted) has been sold to Chinese buyers for $9.8m basis DD due, which is slightly under our benchmarks and giving no premium for her scrubber. Elsewhere in the Supramaxes, the Diamond53 design New Venture (53,390-dwt, 2009 Chengxi) is sold for $10m.

In the Handysize sector, open hatch hatch/box hold designs continue to carry a strong premium. Pnoi (32,282-dwt, 2009 Kanda - OHBS) has been committed at $11.2m, and Lion (32,256-dwt, 2007 Kanda - OHBS) has achieved a firm $10m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Maran Odyssey Maran Sailor	171,681 171,680	2006	DSME		GMS	$38.0m	En Bloc
Navios Asteriks	76,801	2005	Sasebo			$7.85m	SS/DD due
Strange Attractor	55,742	2006	Mitsui	C 4x30T	Chinese	$9.8m	DD due
New Venture	53,390	2009	Chengxi	C 4x36T		$10.0m	
Fortune Hero	35,000	2012	Huludao Bohai	C 4x30T		$8.5m	Auction sale
Pnoi	32,282	2009	Kanda	C 4x31T		$11.2m	OHBS
Lion	32,256	2007	Kanda	C 4x31T		$10.0m	OHBS

Monthly Newbuilding Update
(March 2025)

In February, the US Trade Representative (USTR) proposed striking fees on Chinese-built and Chinese-operated vessels entering US ports, with tiered fees for other vessels, depending on the share of Chinese-built tonnage their operators have. The proposed fees are extended to vessels under construction in Chinese yards. It also suggests a phased increase in US exports carried under US-flagged and built vessels. A hearing is set for March 24th, after which President Trump will make a decision, but no specific implementation date has been outlined.

Although the US represents a relatively small portion of global drybulk trade (~8%), the share of the global drybulk fleet potentially subject to fees is significant, as they extend to entire fleets containing any Chinese-built vessels. Nearly all major owners and operators would be affected. In dwt terms, the Chinese-built fleet makes up 47% of the total drybulk fleet, and in addition, 72% of the current drybulk orderbook is at Chinese yards. China is the major shipbuilder across almost all shipping sectors, and took 74% of all shipping orders (CGT terms) in 2024. The share of Chinese-built tonnage across dry sectors is remarkably consistent, between 45-50% in all sizes. Supramaxes, the main segment operating in the US, has the highest share of Chinese-built tonnage at 50%, increasing to 52% when incorporating the current orderbook. Handysizes are an outlier, with a slightly lower share of Chinese-built tonnage in the fleet, and only 45% of the Handysize orderbook is being built in China, much lower than other drybulk segments (all over 70%), as Japan continues to be a significant Handysize builder. Meanwhile, a true US shipbuilding resurgence remains somewhat unlikely. The US has built as much shipping tonnage since 2006 as China did in December 2024 alone (3.3mGT).

As of 4th March 2025	Capesize (>100,000-dwt)		Panamax (69-99,999-dwt)		Supra/Ultramax (45-68,999-dwt)		Handysize (25-44,999-dwt)		Total	
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt
2025	34	6.8	123	10.1	164	10.4	121	4.9	442	32.2
2026	50	9.8	174	14.5	166	10.5	107	4.3	497	39.1
2027+	61	13.6	163	13.6	139	8.9	41	1.7	404	37.8
Total	**145**	**30.2**	**460**	**38.2**	**469**	**29.8**	**269**	**10.8**	**1,343**	**109.1**
OB as % Fleet	**7.1%**	**7.5%**	**14.2%**	**14.5%**	**11.1%**	**12.3%**	**8.9%**	**10.3%**	**10.7%**	**10.8%**

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Tanker Commentary

Crude tanker sales dominate this weeks report with five ships sold in this segment of the market.

Two VLCCs are reported sold. Yinghao Spirit (296,481-dwt, 2009 Bohai) has been sold for $52m - a million dollar premium on the price paid for her in September last year. Norwegian owners DHT are reported to have sold DHT Lotus (320,142-dwt, 2011 Bohai) to Chinese buyers for $55m.

In the Suezmax sector, Pentathlon (158,475-dwt, 2009 Samsung) is sold for $40.5m. Last done is Teekay's enbloc sale of four of 2009 built Bohai Suezmaxes which sold for $35m each at the beginning of February.

Moving down a size, Chinese buyers continue to purchase circa 15 year old built Aframaxes as prices continue to cool. This week Southport (115,642-dwt, 2008 STX) sold for $35m. By contrast, at the end of January the same aged Nemo (105,773-dwt, 2008 Tsuneishi) sold for $37m.

Finally, there are two handy tankers sales to report. Eco Fleet (39,208-dwt, 2015 Hyundai Vinashin) has been offloaded to Italian buyers for $29m with surveys due. The second sale is of Yash (37,320-dwt, 2002 STX) committed at $8.2m - a big discount from the sale of Sunflyte (37,272-dwt, 2001 HMD) sold for $11.5m in November 2024.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
DHT Lotus	320,142	2011	Bohai	Chinese	$55.0m	
Australis	299,095	2003	Universal	Seacon	$28.0m	FSU
Yinghao Spirit	296,481	2009	Bohai		$52.0m	
Pentathlon	158,475	2009	Samsung		$40.5m	
Southport	115,642	2008	STX	Chinese	$35.0m	
Eco Fleet	39,208	2015	Hyundai Vinashin	Italians	$29.0m	SS/DD due
Yash	37,320	2002	STX		$8.2m	DD Due

Tanker Orderbooks (March 2025)

Crude Tankers As of 4th March 2025	Aframax (80-120k-dwt)		Suezmax (120-200k-dwt)		VLCC (200k-dwt +)		Crude Total	
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt
2024	5	0.6	28	4.4	4	1.2	37	6.2
2025	13	1.5	39	6.1	29	9.0	81	16.6
2026+	22	2.5	42	6.6	62	19.1	126	28.2
Total	**40**	**4.6**	**109**	**17.1**	**95**	**29.3**	**244**	**51.0**
OB as % Fleet	**5.8%**	**6.0%**	**16.5%**	**16.6%**	**10.5%**	**10.5%**	**10.8%**	**11.2%**

Product Tankers As of 4th March 2025	Handy (30-41k-dwt)		MR (41-60k-dwt)		LR1 (60-80k-dwt)		LR2 (80k-dwt +)		Product Total	
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt
2024	4	0.1	87	4.3	9	0.7	41	4.7	141	9.9
2025	6	0.2	106	5.3	19	1.4	54	6.2	185	13.1
2026+	9	0.6	88	4.3	34	2.5	76	8.7	207	16.1
Total	**19**	**1.0**	**281**	**14.0**	**62**	**4.6**	**171**	**19.6**	**533**	**39.1**
OB as % Fleet	**3.7%**	**5.0%**	**16.7%**	**16.9%**	**16.4%**	**16.6%**	**36.6%**	**37.9%**	**17.6%**	**21.6%**

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