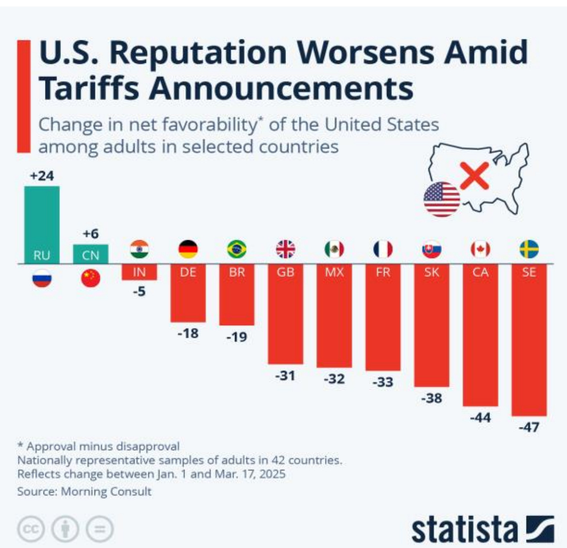
25 April 2025

HARTLAND
SHIPPING SERVICES

WEEKLY COMMENTARY

CONTENTS

… The green corner : "Friendship without Limits" …



Source : Statista

*2024, US imports from China: $127bn electrical, $85bn machinery, $32bn toys, $218bn other. US exports to China: $15bn electrical, $17bn farm, $15bn fuels, $97bn other. Tariff calculations are based on each country's US trade surplus.

**MAGA, America First, Project 2025, Made in China 2025. 145% US (maybe soon to be cut) vs 125% PRC import tariffs. Such are the policies that pit the US versus China in a trade battle for global supremacy in the hi-tech industries.

^The IMF foresees a sharp slowdown in the US, revising its January growth forecast down from 2.7% to 1.8%. Its chief economist said: "The landscape has quickly changed … we are entering a new era as the global economic system that has operated for the last 80 years is being reset."

^^The WSJ criticised Trump for bullying the Fed. It said that the actual issue is not interest rates but his uncertain tariff policy, which is the key catalyst for high inflation and slow economic growth, causing markets to fall and investors to fret. It went on to state: "Mr Trump thinks he can bully everyone into submission …

… but he can't bully Adam Smith, who deals in reality. Markets know tariffs are taxes, and taxes are anti-growth. The Trump tariffs are the biggest economic policy mistake in decades, and extending the 2017 tax reform and deregulation may not compensate for all the damage."

+Sir Richard Branson is the latest to attack Trump's tariffs in the FT as "erratic and unpredictable", "doing so much damage" and "very difficult for businesses to deal with". He has an airline which is heavily exposed to the transatlantic trade, cruise ships, fitness clubs, etc.

"It's such a pity because everything was going so bloody well up to about three months ago." Virgin Atlantic is seeing softer demand from US customers booking flights to Europe as the dollar weakens, and US-inbound traffic from Europe is also lower on political, economic and border fears despite better FX rates.

POINTS OF VIEW

Liz Truss, who was a conservative prime minister for just 49 days from 6 September 2022, recently penned an article in the Telegraph entitled: "Trump has been proven right about pretty much everything". Her sympathy for Trump probably derives from her belief that her office-ending mini-budget was upended by an unelected elite ranging from Whitehall civil servants to the woke media and other assorted liberals. Her policies chimed with Trump's: lower taxes, deregulation, wokeism, mass migration, China trade, net zero, covid lockdowns, drugs and so on – the last six having been disastrous. But the liberal elite did not go for her policies on the basis they would raise the budget deficit and further inflate the national debt, so she was ousted. In her defence she quoted US economist Thomas Sewell, who once wrote: "People will forgive you for being wrong, but they will never forgive you for being right – especially if events prove you right while proving them wrong." She is looking for redemption but believes that her policies will come good in the long run. She views the Paris Climate Accords as unilateral economic disarmament in the West, that China is eating our lunch and that the 'swamp', or the 'deep state', is a real threat and a subversion of democracy. On both sides of the Atlantic towns and cities have been hollowed out as industries shut down leaving dilapidated city centres and a trail of social and drug problems in their wake. Fracking has been a huge success in the US, but it is not allowed in the UK, prevented by nimby self-interest groups. But the Davos groupthink elite cannot get around to admitting that it is the one at fault.

China is singled out for unfair trade policies after joining the WTO in 2001. Last year the US imported $463bn of goods from China while the US exported only $144bn of goods to China, leaving a massive deficit of $319bn which is central to Trump's tariff wars.* There is no consideration of the fact that the US is a rich country, consumers have a choice, and US manufacturing was outsourced over the last 40 years. The goods need to be reimported, generating US trade deficits. Truss claims that the left-wing media and the liberal establishment – on both sides of the pond – are wrong to see Trump as an idiot. But our very own right-winger and head of the Reform party, Nigel Farage, is right in saying that Trump is trying to do "too much too soon." Trump is fighting a collectivised establishment of people, groups and companies that are determined to protect their vested interests. He wants to break this down via shock and awe measures as he 'floods the zone' with executive orders. At the heart of it all is the trade conflict between the world's two largest economies, which is already causing huge disruption to markets having barely started. All other countries are forced to choose sides in an increasingly polarised world, we need more time to see how things pan out.** Tariffs could raise prices in the US as Chinese goods are excluded but lower prices in Europe as goods are diverted from America: inflationary in the US, disinflationary in Europe. In the meantime, the uncertainty will only delay fresh investments across industry and in shipping markets.

The IMF has downgraded its economic forecasts due to tariffs but optimistically expects the world economy to escape recession. World trade growth is forecast to drop from 3.8% in 2024 to 1.7% this year while Its January projections of global economic growth have been cut from 3.3% each for 2025 and 2026 to 2.8% and 3.0% respectively.^ The IMF stated: "Growth prospects could immediately improve if countries ease from their current trade policy stance and promote a new, clear and stable trade environment." Meanwhile, Bloomberg quotes an ECB official criticising Trump's tariff policies, saying that the US president has signed the world up to a "lose-lose game" on trade based upon flawed economic arguments: "It's more crucial than ever, across the Atlantic, to tell the truth, to fully assess the damage of a trade war, and to open the way for a possible positive dialogue." A WSJ editorial^^ is scathing in its comments on tariffs: "Smart presidents pay attention to market signals and adapt. The adaptation now would be to negotiate a quick end to the tariff barrage, claim some trade deal victories and call it a day." The editorial board went on: "but the markets are spooked because they don't know if Mr Trump listens to anyone but his own impulses." Trump would be dismissive of such criticism as the IMF is a despised multilateral while the WSJ has joined the NYT and WaPo in the liberal swamp of the legacy media that he so detests. We repeat, only time will tell.+

WEEKLY COMMENTARY

25 April 2025

Dry Cargo Chartering

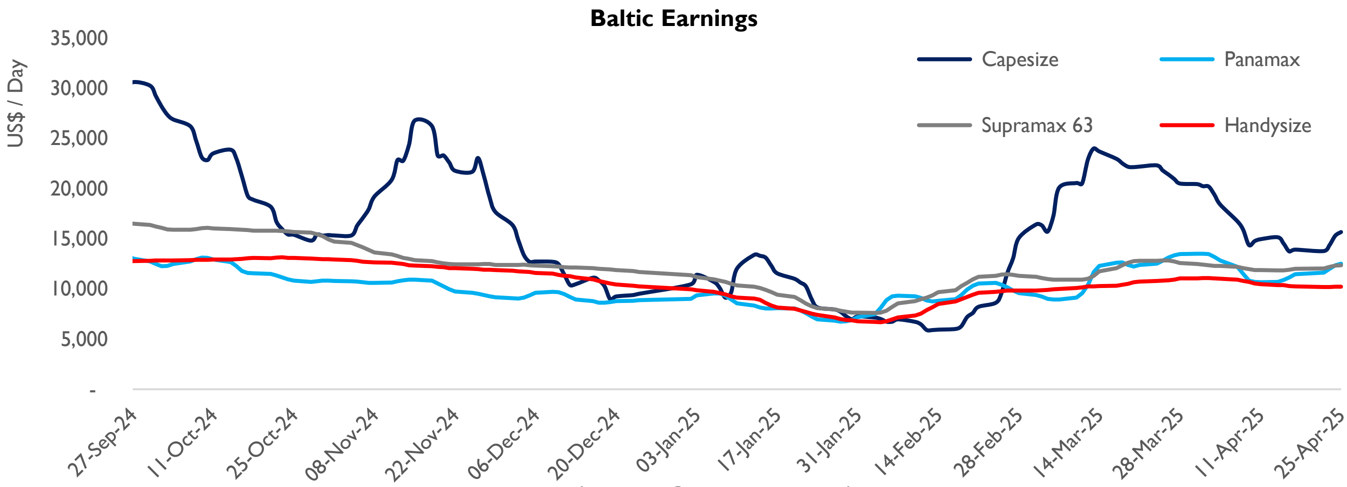
The **BDI** closed at 1,373 points this Friday, rising 112 points from its perch prior to the Easter Holidays.

The **BCI** finished this week's trading at $15,667, climbing $1,754 since April 17th. The Capesize market steadily moved upwards following a subdued start due to the Easter holidays. By the end of the week, a shorter tonnage list and firmer, much improved rates pointed to a market on the rise.

The **BPI** concluded at $12,528, a rise of $1,068 in the last seven days. The Atlantic Panamax market was once again the centre of attention, possibly influenced by the easing of USTR port fees causing many players to return, but also due to seasonal cargo volumes from South America. The strong demand across the basin pushed rates upwards with reports of various fronthaul fixtures from North and East Coast South America.

The **BSI** settled at $12,351 up $345 in the last week. The Supramax market exhibited diverging trends this week, with the Atlantic basin continuing to struggle while Asian markets showed sustained improvement. Limited fresh enquiry and sparse fixing activity characterized most Atlantic routes, though some signs of stabilization emerged in the South Atlantic. Meanwhile, Asian routes built momentum with consistent rate gains across multiple regions. The market is particularly strong for business going to India, with many owners concerned about the upcoming monsoon season there, leaving those willing to take tonnage to the sub-continent commanding a premium.

The **BHSI** closed today at $10,219 down $17 since April 17th. The Handysize market had a relatively quiet week, marked by limited activity. The subdued sentiment from before Easter continued into this week across both the Continent and the Mediterranean, with few new inquiries and little trading. The South Atlantic saw minimal movement, though in contrast, rates began to show an upward trend. Meanwhile, the US Gulf experienced very few fresh inquiries, extending the list of spot tonnage in the area. Charterers struggled to make sense of owner's short period ideas, with little interest within the Atlantic. It was also a slow start to the week within the Pacific Handysize market. As in the Atlantic, a hangover from Easter Holidays resulted in limited fresh enquiries, leaving a stagnant market sentiment with flat rates. However, towards the end of the week, the market appeared firmer with tonnage in South East Asia and North Pacific tightening, prompting charterers to raise their bids to secure the vessels ahead of golden week.



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
BBG Nanning	81,702	2019	Lianyungang	25/28 Apr	South China	$12,500	Cnr	Via West Coast Australia
Bulk Greece	81,606	2019	North Coast South America	8 May	Skaw-Gibraltar	$19,500	Cnr	Scrubber benefit to owners
Ocean Belt	76,553	2008	Wenda	25/30 Apr	Singapore-Japan	$14,000	Cnr	Via East Coast Australia
Chailease Bright	76,249	2012	Chiba	28/29 Apr	Singapore-Japan	10,000	Norden	Via NoPac
Aster Ocean	75,798	2004	Hong Kong	26 Apr	South China	$11,500	Cnr	Via Indonesia
Tomini Liberty	63,510	2018	Port Elizabeth	Ppt	China	$17,000	Norvic	$170,000 ballast bonus
ASC Glory	58,018	2009	Bing Thuan	23/26 Apr	Brunei	$14,000	Transtech	Via Indonesia
PVT Diamond	55,623	2011	Koh Sichang	21 Apr	Thailand	$13,000	WBC	Via East Kalimantan
Lucky Luke	42,083	2025	SW Pass	Ppt	WC Central America	$14,250	Drydel	-
Global Fortune	33,701	2011	East Coast South America	Ppt	West Africa	$13,500	Cnr	-

Exchange Rates		This week	11th April
	1 USD	143.74 JPY	142.85 JPY
	1 USD	0.8795 EUR	0.8807 EUR
Brent Oil Price		**This week**	**11th April**
	US$/barrel	66.10	63.20

Bunker Prices (US$/tonne)	This week	11th April
Singapore HSFO	452.5	425.5
VLSFO	511.5	489.0
Rotterdam HSFO	431.5	416.5
VLSFO	462.5	448.5

Dry Bulk S&P

It was a relatively quiet week across all dry sectors, perhaps not overly unexpected given the combination of Easter holidays and global geopolitical/macroeconomic uncertainties still to be unravelled.

Chinese appetite for older Panamax ships remains, with *Ivestos 6* (76,596-dwt, 2006 Imabari) reported sold to Chinese buyers for $9m. The same owners sold *Ivestos 1* (76,801-dwt, 2004 Sasebo) earlier this month for $8.1m.

In the Supras, *Tamarack* (50,344-dwt, 2003 Kawasaki) has achieved $8.3m which is line with benchmarks. The Greek controlled *Avigator* (53,806-dwt, 2002 New Century) has been sold for $6.2m to Chinese interests.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Ivestos 6	76,596	2006	Imabari	-	Chinese	$9.0 m	
Avigator	53,806	2002	New Century	C 4 x 40T	Chinese	$6.2 m	
Tamarack	50,344	2003	Kawasaki	C 4 x 31T	-	$8.3 m	

HARTLAND SHIPPING SERVICES

Tanker Commentary

It has been almost a year since a modern VLCC was sold with Bahri being the buyer last June, however this week's headline sale will set fresh benchmarks. Aysad Shipping secured the scrubber fitted sisters *Landbridge Wisdom* (307,894-dwt, 2020 Dalian) and *Landbridge Glory* (307,852-dwt, 2019 Dalian) for $205m enbloc.

Elsewhere, asset prices continue to soften. The Chinese controlled *Jinjiang Experience* (112,871-dwt, 2009 New Century) has found a buyer at $33.5m basis docking freshly passed. By comparison, the one-year older *Free Spirit* (113,091-dwt, 2008 New Times) was sold in February for $36.5m with surveys due later this year.

Two sister MR2's have been sold, both with IMO III notation - *Gulf Elan* (46,894-dwt, 2007 HMD) at $16m with docking passed, and the younger *Tamiat Navigator* (46,624-dwt, 2010 HMD) at $18m with docking due. Both are in line with one another once docking positions have been considered. For reference, these sales this week are a notch down on pricing against February's transaction of *Torm Thames* (47,036-dwt, 2005 HMD) at $15m with docking due in Q3.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Landbridge Wisdom Landbridge Glory	307,894 307,852	2020 2019	Dalian	Aysad Shipping	$205.0 m	Enbloc Both units scrubber fitted
JinJiang Experience	112,871	2009	New Times		$33.5 m	SS/DD passed
Gulf Elan	46,894	2007	HMD		$16.0 m	Zinc Coated
Tamiat Navigator	46,624	2010	HMD	Chinese	$18.0 m	Zinc Coated SS/DD due

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