HARTLAND
SHIPPING SERVICES

02 May 2025

WEEKLY COMMENTARY

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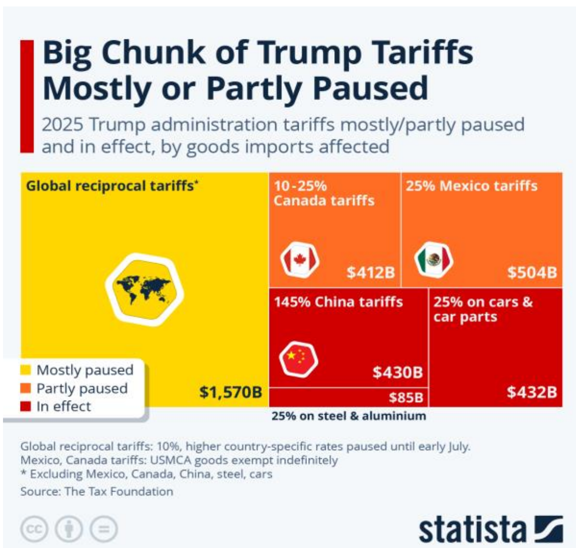
… Uncertainty breeds Uncertainty …



Source : Statista

POINTS OF VIEW

Donald J. Trump has just completed his first 100 days in office in this term and, by his own reckoning, it has been one of the best-ever presidential starts. However, beyond the realms of his vivid imagination, it has been one of the worst. He had promised a "boom like no other" and he has delivered that only in the alternative sense of blowing up the S&P 500 which is down 7.9% since his inauguration. It is the third worse performance in over 50 years dating all the way back to an 11.8% drop under Gerald Ford in 1974 and a 9.7% fall under Richard Nixon in 1973. DJT follows two consecutive years of over 20% annual gains in the S&P 500. Trump blames the overhang of Biden's term and yet Biden delivered a 10.9% rise in the index in his first 100 days in 2021. The early effects of Trump's tariffs are beginning to be felt widely by American consumers and companies and possibly nothing short of a complete rollback will prevent a US technical recession.* The threat of tariffs was the stick while removal of tariffs would be the carrot. Companies making things ranging from cars and microchips to pharmaceuticals and consumer goods are investing in US production facilities, even though much of this was in train prior to Trump 2.0. The US economy recorded a 0.3% contraction in Q1 after a 2.4% gain in Q4, inconsistent with the pledge to "Make America Great Again". Investors were shunning US bonds and equities and preferring gold and markets in the UK and Europe, lifting them from their gloom. China, the main overseas target for Trump's tariffs, remains defiant.

On Wednesday, Trump's 100th day, a US-Ukraine Reconstruction and Investment Fund was established covering reconstruction and metals and minerals extraction in Ukraine. It is the culmination of a long-running saga and vital optics to squeeze a success story into the period. Then yesterday, on his 101st day, he reassigned Mike Waltz, his national security advisor, at the heart of the Signal leaks. The agreement is really a prime facie non-deal but still a major triumph for Zelensky. There is no precondition of holding elections, each side will pay equally into the fund, there is no demand for back payments for US military assistance provided over the past three-plus years, and Russia is held responsible for starting the war.** Future security assistance is unclear, more implied than actual, but it is still better than anything that Europe can offer. Putin, who is not a party to the deal, is exploiting Trump's naivety and vanity and is refusing a ceasefire. He wants to continue fighting and to take all of Ukraine. Hence, the US has just today withdrawn from formal mediator peace talks, inviting direct negotiations. In theory, Putin will have to contend with a multi-decade US civilian presence on the ground in Ukraine as the US tries to extract slim pickings from only 5% of world 'critical' raw material deposits, much of which is in Russian-held territory, with no refining and processing capacity in place.^ China's dominance of critical minerals and refining is a given, but Bloomberg reminds us that there is a glut, so prices are low. Higher prices from rising demand will increase supply.^^ The cure for low prices is low prices, and high prices high prices, as output adjusts.

Ambrose Evans-Pritchard, writing in the UK's Telegraph, penned a piece yesterday entitled: "The tables have turned, and Putin's Russia is now in dire trouble." He suggests that Trump's minerals deal (really a shale gas deal) remains painful for Kyiv, but it has dashed the Kremlin's military hopes. The deal, allegedly heavily influenced and brokered by Starmer and Macron, happened only after steering Trump away from his pro-Kremlin infatuation. A $350bn claim for war debt reparations and a US colonial takeover of Ukraine's infrastructure have been dropped. The fix was played to the world from the marble floors of St Peter's in Rome, important grandstanding for the visually-obsessed US president. Evans-Pritchard observed that the Russian war economy is exhausted as the price of Urals crude collapses from $77 in mid-January to $56 a barrel and the LNG price in Asia has fallen 30% in two months.+ Xi Jinping is now trying to charm Europe as he seeks to avoid the imposition of tariffs on a diversionary flood of Chinese exports from the closed US market. His 'no limits' friendship with Putin is on the verge of being pragmatically revised. The US-Ukraine deal does not prevent Ukraine's passage to EU and Nato membership, thus making it worlds apart from the dreadful US-Russian bilateral proposal. Shale gas resources from the Yuzivska field could replace half of the lost Russian gas exports to Europe, while Ukrainian pipelined gas and US LNG can replace the rest, further squeezing Putin. The 100th day deal may yet be seen as a game-changer one day.

*Mark Malek, CIO of Siebert: "Recessions are started by corporations, when they stop hiring people, then start firing people, then stop spending money."

**Trump wanted to claim Ukraine for $350bn in military assistance provided. The real number is well under half that, but Trump continues to repeat it.

^That is the out-of-date estimate of potentially unreliable Soviet-era geological surveys, regarded as absurd and fictional by many, a convenient optical illusion.

Ukraine's economy ministry estimates that resources worth c. $370bn are in Russian-occupied territory. Hundreds of billions will need to be invested.

^^Javier Blas: "Critical Minerals Are a US Headache, Not an Emergency." History tells us engineers & entrepreneurs will deliver the US from the current hysteria.

+Tumbling oil prices will make it hard for Russia to finance its war effort beyond the summer. An end to the war may be in sight, but it won't be down to Trump.

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Dry Cargo Chartering

The BDI concluded trading at 1,421, a rise of 48 since last week.

The Baltic Capesize timecharter average finished up at $17,241, strengthening $1,574 since last reported. The Capesize market was bolstered by healthy levels of enquiry from West Australian miners and operators for mid to late May dates. Other areas of the Pacific have seen a tick up in volumes as well. This is less the case in the Atlantic, where business ex Brazil and West Africa is being done at lower levels, with most interest for late May to early June dates.

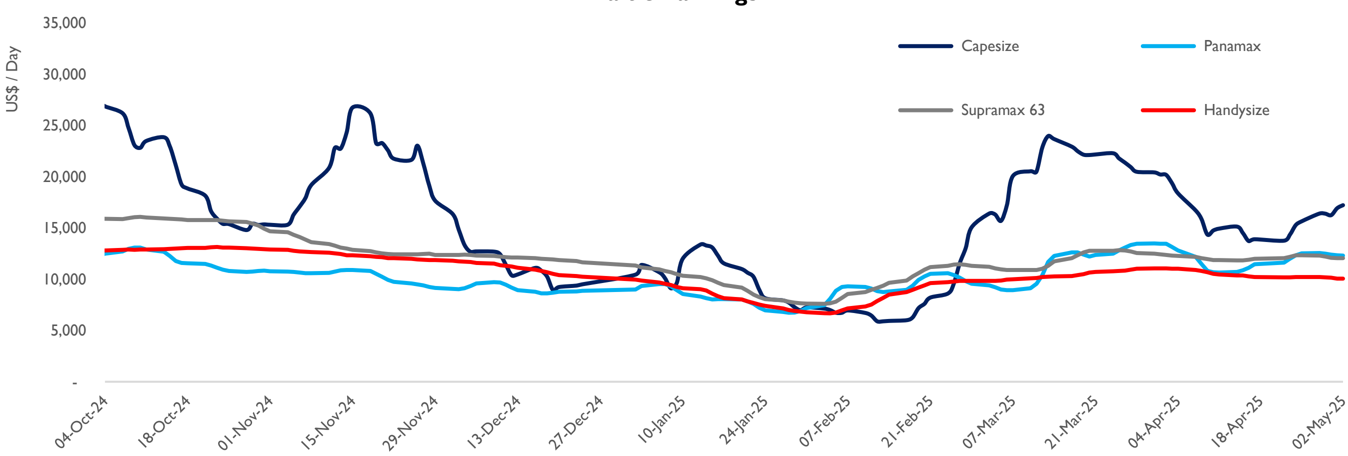
The Baltic Panamax timecharter average settled at $12,310, a fall of $218 in the week just gone. In the Atlantic, the North saw a tiny pickup in activity, while the South remained quiet, on some level due to the Geneva dry conference. Tonnage in the Mediterranean is lengthening, though sentiment remains cautious but stable.

Baltic Supramax timecharter averages closed the week at $12,077, down $274 in the last 7 days. A holiday-impacted week saw activity slow to a crawl across both basins. The widespread May Day celebrations and Geneva dry events created a perfect storm of inactivity, with most market participants adopting a wait-and-see approach. While the South Atlantic showed isolated resilience, other regions including the USG were stuck in low-gear. In the Pacific, sentiment turned negative as enquiries evaporated.

Indonesian routes were unusually quiet, a pre-holiday sweep wasn't carried forward from last week.

The BHSI ended today at $10,080, slipping by $139 since last week. Activity in the Continent and Mediterranean was limited, with only slight rate movements. *Parla* (35,733-dwt, built 2011) fixed from Safi to Dakar-Tema with gypsum at $9,000. In the South Atlantic, market fundamentals remained largely unchanged, with rates holding near previous levels, with owners inclined to wait until next week before rating. *CS Celeste* (38,737-dwt, built 2014) open Santos fixed via UpRiver to the East Med with grains at $18,000 with EFE. The US Gulf continued to show sluggish activity, marked by minimal fixtures and weak sentiment. In the Pacific Handysize market, there was a general lack of fresh inquiries which has kept the market flat with numbers remaining steady for now. With holidays across the region, the Asian markets were experiencing a slow pace, with tonnage levels increasing especially in South East Asia and NOPAC, causing rates to stay largely unchanged.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Ragnar	95,750	2013	Tanung Bin	6/8 May	China	$12,500	Cnr	Via WC Australia
Ocean Artemis	93,103	2011	Kimitsu	1/5 May	Korea	$10,000	Five Ocean	Via Dalrymple
Honor Star	76,939	2007	Gunsan	Spot	Singapore-Japan	$13,000	Klaveness	Via NoPac
Shen Hua 806	75,285	2014	Port Dickson	5 May	SE Asia	$11,000	Cnr	Via Indonesia
Protefs	73,630	2004	Kemen	5/7 May	South China	$7,250	Cnr	Via Indonesia
Federal Indus	63,458	2019	Rio Grande Ppr	Ppt	EC Mexico-US Gulf	$18,250	Centurion	-
Skywalker	63,056	2015	US Gulf	Ppt	Baltic	$12,500	XO	-
Karpathos Dawn	56,700	2010	Belawan	1/3 May	CJK	$9,250	Cnr	Via Indonesia
Tomini Alize	36,046	2016	Immingham	25/26 Apr	US East Coast	$12,000	Norden	-
Bulktec	33,345	2009	Recalada	Ppt	Puerto Cabello	$17,500	Sagitta	-

Exchange Rates		This week	Last week
	1 USD	144.59 JPY	143.74 JPY
	1 USD	0.8825 EUR	0.8795 EUR
Brent Oil Price		**This week**	**Last week**
	US$/barrel	61.60	66.10

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	436.0	452.5
VLSFO	496.0	511.5
Rotterdam HSFO	401.5	431.5
VLSFO	434.5	462.5

Dry Bulk S&P

The global holidays this week has meant there is very little concluded business to report. Chinese buyers are still dominant with a sustained appetite for older tonnage. Uncertainty over US trade policy is not helping investors make decisions.

The sale of the week is that of *Kmarin Oslo* (63,099-dwt, 2015 Hantong) reportedly at $21.2m, which seems a little soft especially considering she has freshly passed surveys.

Elsewhere, the Cape *Mineral China* (171,128-dwt, 2003 HHI) is sold with surveys due at $13.2m and the Panamax *Fame* (75,912-dwt, 2004 Tsuneishi) is sold for $8.9m.

Finally, the modern Japanese Handy *Ansac Moon Bear* (33,426-dwt, 2017 Shin Kurushima) is sold to Turkish buyers at $18.5m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Mineral China	171,128	2003	HHI	-		$13.2 m	SS/DD due
Fame	75,912	2004	Tsuneishi	-	Chinese	$8.9 m	
Kmarin Oslo	63,099	2015	Hantong	C 4 x 36T		$21.2 m	SS/DD Freshly Passed
Ansac Moon Bear	33,426	2017	Shin Kurushima	C 4x 30T	Turkish	$18.5m	

Tanker Commentary

Activity has picked up compared with previous weeks, with plenty of high value sales. The headline transaction is yet to be confirmed, with rumours of Atlas offloading four modern Suezmax tankers at $96.5m each - these may make the sales table next week.

In the larger tanker segment, CMB have offloaded scrubber-fitted *Iris* (314,000-dwt, 2012 HHI), *Hakone* (302,624-dwt, 2010 Universal) and sister *Hakata* (302,550-dwt, 2010 Universal) to separate buyers. Individual prices are undisclosed.

Elsewhere, the sale of *Pacific Loyalty* (307,284-dwt, 2006 Dalian) at $42m and *Layla* (317,821-dwt, 2007 Hyundai) at $46.75m would suggest values have nudged north against last done - both transactions are in line with one another once the age difference and country of build has been taken into account. Last done comparable is *Eurohope* (306,506-dwt, 2007 DSME) sold at the beginning of April for $46.25m.

BP have off loaded six eco MR2 tankers, all built at Hyundai Mipo, (one built in 2016, the other 5 in 2017) - the actual buyer remains a mystery. However, fingers are pointing towards Tsakos who offered for the full pack, taking them for $192m. Several buyers are understood to have offered at marginally higher levels but only on a couple of the vessels, making it an easy choice to go for the buyer in bulk. For reference, the last HMD unit was sold a few weeks back with *PS Atene* (49,999-dwt, 2018 Hyundai) achieving $37.8m.

Reported Tanker Sales

<table>
<tr><th>Vessel</th><th>DWT</th><th>Built</th><th>Yard</th><th>Buyer</th><th>Price</th><th>Comment</th></tr>
<tr><td>Iris</td><td>314,000</td><td>2012</td><td>HHI</td><td>Modec</td><td rowspan="3">TBC</td><td rowspan="3">Scrubber Fitted</td></tr>
<tr><td>Hakone</td><td>302,624</td><td>2010</td><td>Universal</td><td>Chinese</td></tr>
<tr><td>Hakata</td><td>302,550</td><td>2010</td><td>Universal</td><td>Chinese</td></tr>
<tr><td>Layla</td><td>317,821</td><td>2007</td><td>Hyundai</td><td>Chinese</td><td>$46.75 m</td><td></td></tr>
<tr><td>Pacific Loyalty</td><td>307,284</td><td>2006</td><td>Dalian</td><td></td><td>$42.0 m</td><td>Wartsila M/E</td></tr>
<tr><td>British Chief</td><td rowspan="6">45,999</td><td rowspan="5">2017</td><td rowspan="6">HMD</td><td rowspan="6">Greeks</td><td rowspan="6">$192.0 m</td><td rowspan="6">En bloc</td></tr>
<tr><td>British Engineer</td></tr>
<tr><td>British Officer</td></tr>
<tr><td>British Cadet</td></tr>
<tr><td>British Captain</td></tr>
<tr><td>British Sailor</td><td>2016</td></tr>
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