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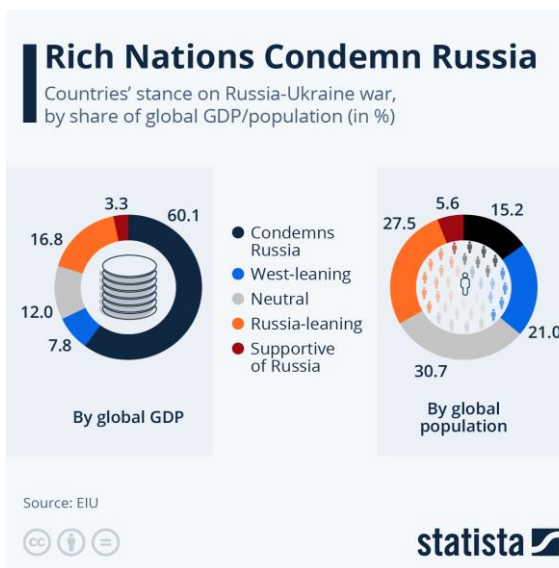
### POINTS OF VIEW

Financial markets await with baited breath the outcome of discussions in the US about the debt ceiling, hoping that accommodations can be made that will prevent default on the nation's debt. This is generally supporting the risk-off switch out of equities and into money market funds. This has disturbed sentiment and has had a trickle-down effect on other markets such as commodities and shipping. The wet and dry freight markets have been drifting, lacking direction while displaying their customary volatility. What happens in the Congress pantomime is out of the control of market players, but there are catastrophic predictions of how markets may be affected should the warring Democrats and Republicans not reach a resolution. We can only hope that they come to their senses and avoid doing even more damage to the tarnished image that these politicians project on the global stage.\* After all, why should the US, with its deeply polarised and partisan politics, thrust the whole world into economic turmoil? The equivalent in damage terms might be a Chinese invasion of Taiwan, but there is no evidence that China is imminently planning such a move,\*\* preferring instead to stick to sabre-rattling that works with parts of the domestic audience and is safer for all concerned. The G7 meets in Hiroshima, Zelensky appeals to the Arab League in Jeddah and Xi Jinping courts the 'stans' in Central Asia, which were formerly part of the USSR.^

On the crude oil tanker front, quarterly average earnings for a modern, eco, scrubber-fitted 310,000-dwt VLCC have weakened lately but came in at \$70,854 daily in Q1 this year. This compares favourably with only \$13,487 per day in Q1 2022. The best quarter in the past year was Q4 at \$87,031. The value of a 5-year old unit has risen to \$100m today, up 30% on its \$77m reading a year ago in May 2022. On the product tanker side, a modern, eco, scrubber-fitted 51,000-dwt MR averaged \$36,878 daily in Q1 which is double the \$18,025 per day earned in Q1 2022. The best quarter in the past 12 months was Q3 when average earnings came in at \$50,525 per day, slightly ahead of \$50,253 daily in Q4. The value of a 5-year old unit has risen to \$42m today, up 25% on its \$33.5m reading in May 2022. Turning to bulk carriers, quarterly average earnings for a modern, eco, scrubber-fitted 180,000-dwt cape averaged \$15,388 per day in Q1 this year, down 26% on Q1 2022's \$20,768 daily. Its best quarter in the past year was in Q2 when it averaged \$29,304 per day. Value-wise, a 5-year old unit is worth \$54.5m today which represents a 3% gain on its \$53m reading a year ago in May 2022. Finally, a modern, eco 38,000-dwt handy averaged \$10,087 in Q1 which was 56% lower than its \$23,125 average of a year ago in Q1 2022. Its best quarter was in Q2 at \$27,429 daily. A 5-year old unit is at \$26.5m, 7% below May 2022's \$28.5m.

Global oil demand continues to rebound on the great reopening, while sanctions have disrupted trade flows, both helping to propel tanker earnings and values. The downshift in bulk carrier earnings and values in the past year can largely be attributed to prolonged Covid lockdowns in China and to its real estate implosion, with both negatively affecting demand for iron ore, coking coal, copper and other non-ferrous metals. For tankers and bulkers, China was the common denominator in their respective joy and despair, and so it will remain. For the rest of this year, and beyond, China will influence the fortunes of both. The latest data coming out of China is not so encouraging with both industrial output and consumer spending falling short of earlier expectations. Industrial production was up 5.6% y-o-y in April, below the 10.6% forecast, while retail sales rose 18.4% y-o-y, also below expectations, after an 11.1% decline a year ago in April 2022. The high growth rates are reflective of base effects as lockdowns hit activity a year ago. Urban youth unemployment (16-24) rose to a record 20.4% in April. In the four months to end April, property investment fell 6.2% y-o-y while fixed asset investment was at 4.7%, both lower than forecast. Iron ore, copper and nickel futures are all trading down this year. Lingering problems in China's property market are taking their toll and the disappointing pace of reopening begs the question as to whether the government might accelerate stimulus measures. We can still hope for a pick-up in the rate of China's recovery in H2 and for a better performance from the rest of the world. Bulk shipping is hanging its hat on low fleet growth with regulations slowing ships down and older ships leaving the playground.

... Money Condemns – Population Defends ...



Source: Statista

\*Series of mishaps: Fed late to react to inflation, mid-size bank runs and Congress debate over the debt ceiling = losing credibility.

\*\*US intelligence claims that the Chinese military will be ready to annex Taiwan by 2027, so there is time to build up deterrents.

^Symmetry: The G7 is meeting in Japan to discuss China and Russia while Xi meets in Xi'an with the Central Asian Republics.

## Dry Cargo Chartering

This week saw **capsize** markets soften consistently and sharply, although average rates were still comparatively much higher than smaller tonnage. The BCI ended up at \$17,459, down \$2,908. Baltic Exchange average freight prices for major routes were as follows: Tubarao-Rotterdam approximately \$9.95 pmt, Brazil-China approximately \$20.80 pmt, West Aussie-China around \$8.80 pmt, RSA-China circa \$15.25 pmt. It was reported that Vale chartered a TBN vessel for 170,000 mtons 10% iron ore from Tubarao to Qingdao mid-June at \$20.75 pmt, while at the tail end of last week an Olam TBN vessel was fixed by Ore & Metal for 170,000 mtons 10% Saldanha Bay to China at \$15.10 pmt. Elsewhere, Rio Tinto took 2 vessels for their usual Dampier/Qingdao run at \$8.75 pmt and \$8.85 pmt apiece. *Cape Sun* was fixed by Mercuria for 170,000 mtons 10% bauxite Kamsar to China 1/5 May at \$21.25 pmt. *Philadelphia* (206,040-dwt, 2012) was taken by NSU delivery Kashima for a trip via West Australia redelivery Far East at \$21,000.

Another flat week as the negative sentiment continues to grow. A **P5 TC** closed at \$11,001 down by \$1,618 since last reported 12th May. Over in the Pacific, Oldendorff fixed both *Perly* (81,886-dwt, 2016) for a trip from Hong Kong to Philippines via Indonesia at \$10,200 and *Darya Preeti* (81,981-dwt, 2019) from Ulsan via NoPac to China at \$10,000. It was also reported that Tongli Singapore took *Fei Jing* (76,098-dwt, 2011) from Bahudopi via Koolan Island for redelivery in Singapore-Japan range at \$11,000 with \$50,000 ballast bonus. In the Atlantic, Viterra was heard to have fixed *Spring Snow* (74,841-dwt, 2010) open North Coast South America to Skaw-Gibraltar at \$16,000. On the front side, Mercuria secured *SSI Surprise* (81,631-dwt, 2013) from North Coast South America to Singapore-Japan range at \$16,750 with \$675,000 ballast bonus. Likewise, Comerge rumoured to fix *JY London* (81,118-dwt, 2020) from Hamburg via North Coast South America for redelivery in Far East at \$18,800. On voyage, SAIL fixed TBN for their 75,000/10 coal lift Newport News-Norfolk / Visakhapatnam 5/14 June at \$32.85.

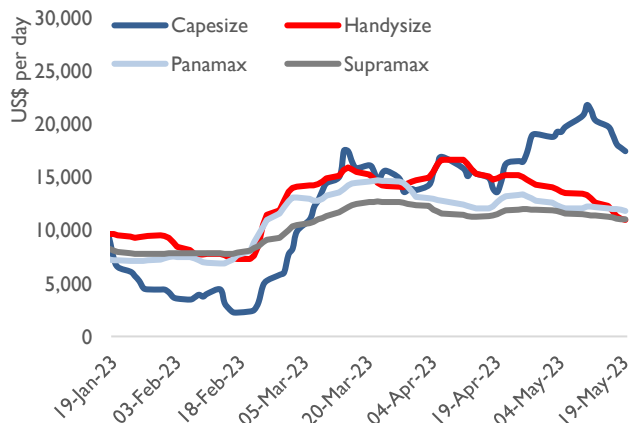
**Supramax** market slide off again for yet another week. With the global public holidays and the lack of cargo volume the rates took another dip this week. The S10TC closed at \$11,846 down by \$314 (-2.58%) since reported last week 12<sup>th</sup> May. In the Pacific, *Bulk Mustique* (64,047-dwt, 2019) fixed delivery Singapore prompt dates for a trip via Indonesia to China @ \$15,750 whilst

*Deyeson* took *Al Danah* (54,682-dwt, 2011) delivery Hong Kong 14-15 May for a trip via Indonesia to China at \$9,250. Whilst in the Indian, Grain Compass fixed *Busan Star* (57,336-dwt, 2011) delivery Magdalla 16-18 May for a trip via West Coast India to the Arabian Gulf at \$12,000 whilst Cambrian took *Ning Feng Hai 616* (56,731-dwt, 2012) delivery Haldia prompt dates for a trip via East Coast India to China at \$7,500. And in the Atlantic, *Dionisis* (63,480-dwt, 2019) was fixed delivery Paranagua 23<sup>rd</sup> May for a trip to Chittagong at \$16,750 plus \$675,000 ballast bonus whilst Louis Dreyfus covered *Barracuda Island* (57,031-dwt, 2015) delivery Santos prompt dates for a trip Upriver at \$16,500.

All quiet on the western side of the Atlantic. Plenty of Handysize owners left it spot this week, not willing to compromise charterers' well below market proposals pre-Ascension Day holidays. The **BHSI** closed this week at \$11,018 down \$358 from last Friday. Continent and Mediterranean markets were short of fresh inquiry, with tonnage failing subs on a regular basis. Trips from Baltic to West Mediterranean paying around \$9,000pd. A 37,000-dwt fixed delivery UK for a trip to West Coast India with fertilizers at \$13,500. Last scrap reported fixed at \$10,500 passing skaw on a 34,000-dwt to Turkey. In the Mediterranean, a 37,000-dwt fixed bagged cement from Iskenderun to North coast South America, a tick under \$11,000. Large handies rating around \$11,000 for trips to ARAG range. Over the water, slight pickup in sentiment in the US Gulf but little reported activity. *Nordschelde* (37,212-dwt, 2013) fixed delivery Vila Do Conde for a trip Norway at \$17,500. A lack of fresh inquiry in the South Atlantic, *Adrienne* (34,845 2020) open Buenos Aries rumoured fixed delivery WWR via Upriver, redelivery Atlantic Columbia with grains at \$18,000. The handy pacific market remained balanced but will require fresh streams of enquiry to maintain the status quo. Some cautioned that the tonnage list may start to grow. *Apollo Bulker* (33,124-dwt, 2011) open Cigading was heard to have fixed for a coal trip via Indo to Philippines at \$11,500. *Magpie SW* (34,302-dwt, 2015) open Batangas was rumoured to have fixed a trip via East Australia redelivery China with Grains at \$10,000. *Maple Fortitude* (32,544-dwt, 2022) also heard fixed for a trip basis delivery Samalaju via West Australia to China with Salt at \$8,000. On the period front, *Chang Yang Jin Hua* (34,961-dwt, 2011) opening in Guangzhou was rumoured to have been fixed for short period at \$11,000 but no further details had yet to emerge.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Genco Tiberius	175,874	2007	CJK	12/13 May	Singapore-Japan	\$26,000	Cnr	Via EC Australia
Star Vega	98,681	2011	Dandong	1 May	South Korea	\$11,000	Cnr	Via EC Australia, Scrubber fitted
Cepheus Ocean	82,072	2015	Kashima	4 May	Singapore-Japan	\$15,250	MOL	Via Nopac
Shi Dai 10	75,414	2012	EC South America	21 May	Singapore-Japan	\$16,500	Cnr	+\$650,000 bb
Feng Huang Feng	75,396	2012	NC South America	20/30 May	Skaw-Gibraltar	\$20,000	Olam Intl	-
Star Lutas	61,347	2016	Kaohsiung	10/11 May	Vietnam	\$12,500	Cnr	Via Indonesia
DSI Pegasus	60,508	2015	Port Elizabeth	Ppt	Far East	\$19,000	Norden	+\$190,000 bb
Zhou Shan Hai	56,987	2009	CJK	10 May	China	\$10,000	AMC	Via Philippines
Olympia Logger	33,263	2010	Geelong	Ppt	SE Asia	\$15,500	Cnr	Via Adelaide
Devbulk Saliha	30,142	2011	Itaqui	Ppt	Baltic	\$14,000	Cnr	-



Exchange Rates	This week	Last week
JPY/USD	138.07	135.36
USD/EUR	1.0797	1.0860

Brent Oil Price	This week	Last week
US\$/barrel	76.61	74.65

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	454.0	450.0
VLSFO	584.0	565.0
Rotterdam IFO	433.0	430.0
VLSFO	526.0	525.0

19 May 2023

### Dry Bulk S&P

Following on from last week's rumour that *Tasik Melati* (180,310-dwt, 2004 Koyo) was sold for \$16m, we can update that she is said to be sold to Chinese buyers Jiangsu Steamship for \$15.5m.

Bocimar are understood to have committed their 2009 SWS built capesize *Mineral Ningbo* (178,120-dwt) for \$23.5m to Chinese buyers. Also reported sold to Chinese buyers is the Berge Bulk controlled *Berge Cristobal* (177,253-dwt, 2003 Namura) for a price slightly excess \$13m, though we understand the deal was agreed two weeks ago.

In the final capesize sale of the week, the 2002 built *Zheng Yuan* (177,643-dwt, Mitsui) is said to have been sold to undisclosed buyers for \$13m

Greek buyers are said to have bought the only panamax sold this week, paying a rumoured \$17.2m for the Chinese controlled *Hong Cheng* (75,081-dwt, 2011 Penglai). This is arguably a tick above the

levels paid by Lomar last week for the block of 4 larger 79k-dwt Jinhai panamax built 2011/12.

Whilst there is only one confirmed handysize sale to report this week; the Korean built *Ionic Hawk* (34,067-dwt, 2012 Dae Sun) for a price in the low \$16'sm, there are a number of other vessels all around the 10-15 year old mark that have invited offers and are now under negotiation. Further news on these will follow next week.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Tasik Melati	180,310	2004	Koyo Dockyard	-	Jiangsu Steamship	\$15.5m	-
Mineral Ningbo	178,120	2009	SWS	-	Chinese	\$23.5m	-
Berge Cristobal	177,253	2003	Namura	-	Chinese	\$13.3m	Scrubber Fitted SS/DD due 07/23
Zheng Yuan	177,643	2002	Mitsui	-	-	\$13m	-
Hong Cheng	75,081	2011	Penglai	-	Greek	\$17.2m	-
Ionic Hawk	34,067	2012	Dae Sun	4x30t	-	\$16.2m	-

## Tanker Commentary

This weeks sales suggest that larger crude tanker prices have softened slightly, and product tanker pricing is nudging in the opposite direction.

The scrubber fitted *Baltic Sunrise* (309,373-dwt, 2005 Hyundai, scrubber fitted) had previously fixed and failed at \$52.5m, however a Chinese buyer has swooped in securing her for \$51.5m with dry docking due at the end of this year. The year younger, non scrubber fitted, *Princess Mary* (306,206-dwt, 2004 Mitsubishi) was sold last month, also to Chinese buyers for \$51m, note that she did not have a scrubber fitted, but had good docking position and BWTS fitted.

Our only suezmax activity this week suggests a step back in pricing, *Agape Soul* (159,165-dwt, 2001 Daewoo) is rumoured to be negotiating at around \$29m. She has BWTS installed and dry docking not due until August 2024. Earlier this month, *Amorozza* (159k-dwt, 2001 Hyundai) achieved \$30m basis dry docking due end 2023.

A new benchmark has been set for modern aframaxes with the Japanese controlled *Southern Glory* (108,411-dwt, 2019 Tsuneishi Fukuyama) being sold to Eastern Pacific for \$66m. Meanwhile appetite for older ships remains high, with *Aframax Riviera* (107k-dwt, 2005 Koyo) changing hands with UAE buyers for \$35m, which is in line with *Songa Coral* (107k-dwt, 2005 Koyo) that was sold earlier this month to Middle Eastern interests at the same level.

The fully coated *Ampleforth* (108,912-dwt, 2008 SWS) has been sold at \$36m, a firm price against the sale of the younger *PS Pisa* (108k-dwt, 2010 Hudong-Zhonghua) at \$36.5m which was reported earlier this month and had a better docking position.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Baltic Sunrise	309,373	2005	Hyundai	Chinese	\$51.5m	-
Agape Soul	159,165	2001	Daewoo	-	\$29.0m	BWTS Fitted
Wonder Polaris		2005		-	\$72.0m	-
Wonder Bellatrix	115,000	2006	Samsung	-	enbloc	-
Ampleforth	108,912	2008	SWS	-	\$36.0m	-
Southern Glory	108,411	2019	Tsuneishi	EPS	\$66.0m	-
Aframax Riviera	107,113	2005	Koyo	UAE based	\$35.0m	-

Should you have any queries about the content of this report or require any services of Hartland Shipping Services, please contact:

**Hartland Shipping Services Ltd,  
London**

Tel: +44 20 3077 1600  
Email: [chartuk@hartlandshipping.com](mailto:chartuk@hartlandshipping.com)  
Email: [snpuk@hartlandshipping.com](mailto:snpuk@hartlandshipping.com)  
Email: [consult@hartlandshipping.com](mailto:consult@hartlandshipping.com)

**Hartland Shipping Services Ltd,  
Shanghai**

Tel: +86 212 028 0618  
Email: [newbuild@hartlandshipping.com](mailto:newbuild@hartlandshipping.com)

**Hartland Shipping Services Pte. Ltd,  
Singapore**

Tel: +65 6702 0400  
Email: [chartops.sg@hartlandshipping.com](mailto:chartops.sg@hartlandshipping.com)

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