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POINTS OF VIEW

Brent crude is trading above \$90 a barrel as Middle East tensions rise after Israel was suspected of being responsible for the 1st April attack on Iran's consulate in Damascus, leading to the deaths of 16 people including senior IRGC commanders. An Iranian response is regarded as imminent, and it may come direct from Iran or via one of its proxies in the region, most likely Hezbollah. President Biden has made it clear to Iran that the US is standing four-square behind Israel and its commitment is ironclad. This represents a significant potential escalation, even as Iran has avoided direct confrontation with Israel so far, and it puts at risk the region's vital oil exports. Most analysts doubt that Iran has the military capability to engage in a significant direct confrontation with Israel and the US, but we are all left guessing in what form any retaliation may take place. According to Axios, the foreign ministers of Saudi Arabia, the UAE, Qatar and Iraq have been speaking to their Iranian counterpart this week attempting to de-escalate the situation. If oil prices spike above \$100 then Saudi-led Opec+ may release extra barrels to the market to avoid an inflationary impact that could lead to demand destruction. This is happening at a time of a public backlash against the green transition whose huge cost threatens economic growth. When pushed, the public votes with its wallet, opting for growth over environmental altruism, denting aspirations of a net zero 2050. Oil and gas are not going out of fashion any time soon. Sorry Greta.

As demand for EVs has recently slowed, in favour of sticking with ICE vehicles at the margin, so have prices of critical minerals such as lithium, nickel and cobalt eased. Such a pendulum effect can be seen in oil and gas prices as well. European gas prices surged after Russia's invasion of Ukraine in February 2022. Now they are falling after mild winters in the US and Europe caused oversupply. Bloomberg reported yesterday that gas prices in the US have turned negative and now trade at -\$2 pm/Btu in West Texas even as WTI crude sells at over \$85 a barrel, near to a 6-month high. The gas is a byproduct of oil drilling and storage space is running out as pipelines are jammed and gas stocks are 40% above the 5-year average. Beneath the geopolitical tensions are supply and demand fundamentals, and these are supported by better-than-expected economic performance in the US, Europe and China that has boosted overall demand. Biden will be worried about high oil prices and inflation in the run-up to November's presidential election, especially since latest inflation figures are pushing back the start of Fed interest rate cuts. He will want oil prices well below \$100 while MBS and Opec+ might happily settle for \$95-100 if they can get away with it. The oil demand outlook for 2024 is positive with the IEA forecasting 1.2m-bpd growth this year and 1.1m-bpd in 2025, both being a big step down from the 2.3m-bpd demand growth of last year.*

Tanker owners had best stick to reporting good quarterly results without getting too carried away with bullish forecasts in such an unpredictable and event-driven market. Analysts otherwise. Fearnley Securities is not alone in foreseeing a long-term upcycle for tankers and puts a 'buy' rating on all eleven tanker stocks that it covers, given the enduring disruption and tonne-mile gains linked to Ukraine and the Red Sea and limited net new tanker supply. How have tankers done in terms of daily spot earnings in 2024 YTD compared with Cal 2023 and Cal 2022? According to SIN data, a modern VLCC is averaging \$57,954 in 2024 compared with \$56,826 in 2023 and \$44,458 in 2022. A modern Suezmax is averaging \$59,956 in 2024 after \$60,461 in 2023 and \$55,881 in 2022, while a modern Aframax is averaging \$60,770 in 2024 compared with \$62,101 in 2023 and \$66,765 in 2022. These large crude tankers have performed consistently well in the past few years and have bright prospects ahead based on limited new supply. It is the same with product tankers as illustrated by a modern MR which is averaging \$39,475 in 2024 after \$33,549 in 2023 and \$41,353 in 2022. Naturally, strong spot earnings push up term rates and raise asset values. The BSPAs for five-year old tankers show good gains in the five quarters since the start of last year. A VLCC is now at \$108.9m, up 17% from \$93.4m; a Suezmax is now at \$82.6m, up 28% from \$64.3m; and an Aframax is at \$71.4m, up 21% from \$59.2m. On the product side, a MR is today worth \$45.7m, up 10% from \$41.6m. If earnings continue to trend upwards, as many expect, then these values have further upside potential.



[Source : Statista](#)

*Opec is much more optimistic than the bearish IEA with a forecast of 2.2m-bpd growth in 2024 to 104.5m-bpd and 1.8m-bpd growth in 2025 to 106.3m-bpd.

Dry Cargo Chartering

Capesize markets witnessed a fairly flat start to the week before a sizeable uptick on Thursday and Friday. An upbeat sentiment was reported in both basins after Eid holidays concluded, with TC rates gaining significant traction. The Baltic Exchange Capesize index ended up at \$21,164pd, an increase of \$2,307 since last reported. As is often the case, the majority of fixtures seen were Australia/China iron ore voyages with the usual majors Rio Tinto, BHP, FMG, and Cargill covering eight positions from Port Hedland and Dampier to Qingdao. Freight paid this week ranged from \$8.85 pmt to \$9.00 pmt for end of the month dates. From their Teluk Rubiah terminal, Vale fixed 180,000 mtons 10% to Dung Quat at \$5.00 pmt. Over in South America, Vitrol chartered a TBN position for 190,000 mtons 10% Tubarao/Qingdao at \$24.00 pmt, while Trafigura took *Max Warrior* (205,361-dwt, 2014) open spot CoGH for 180,000 mtons 10% Sudeste/China at around \$23.50 pmt. On the coal front, a Kepco tender was won by a Sangyong TBN Cape for 135,000 mtons 10% Gladstone/Boryeong 21/30 April at \$12.77 pmt. Additionally, *Cape Boss* (175,882-dwt, 2003) open Xiamen 14 April was rumoured fixed for one TC trip within the Pacific at \$25,000.

The **Panamax** market received a much-needed lift from South America this week, contributing to an overall improvement. Signs of stabilisation were observed in the North Atlantic, possibly due to a decrease in the tonnage list. In addition, with the solid-looking North Coast South America grain programme, fronthaul rates appear well supported. Although Asia was slightly subdued due to various holidays this week, there was some positivity through emerging demand from Australia providing some support. P5 TC closed at \$15,419 up by \$164 since last reported 05 April. In the Atlantic, ADM1, prominent in the market in recent days, were linked to *Amy Sunny* (76,598-dwt, 2006) open Hong Kong 10 April for an East Coast South America round trip at \$14,500. *Billy Jim* (82,134-dwt, 2014) fixed delivery aps East Coast South America 1/7 May for a trip with sugar redelivery India at a rate a tick below \$19,000 plus \$900,000 bb with Klaveness. *Sasebo Glory* (85,020-dwt, 2016) fixed delivery aps East Coast South America 22 April for a trip redelivery Singapore-Japan at \$20,000 plus \$1,000,000 bb with Axle Marine. In the Pacific, Libra Shipping were linked to *Fj Fresia* (82,566-dwt, 2023) open Campha 12 April for a trip via Indonesia redelivery India at \$13,250. *PS Cadiz* (82,256-dwt, 2010) open Iyomishima 9/11 April fixed for a trip via Australia redelivery China at \$12,700 with Tongli, whilst *Magic Thunder* (83,375-dwt, 2011) open Bahudopi 19/21 April was reported fixed for a trip via Australia redelivery China/Japan range at \$21,000 to Pacific Bulk.

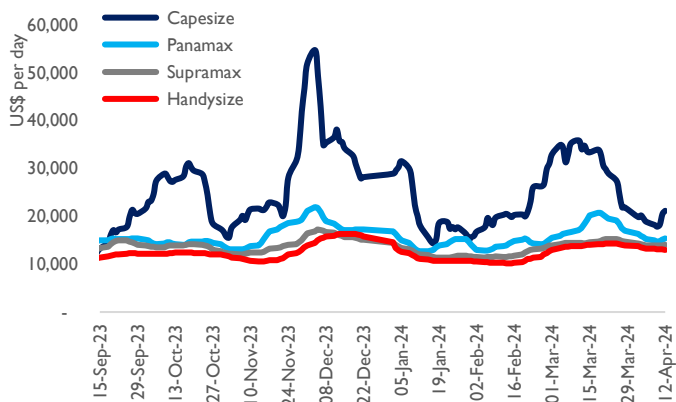
The **Supramax** market flattened out this past week as the index idled sideways. A quieter market was followed with a balanced tonnage supply as the rates seemed to settle. There is optimism that an influx of cargo could firm the rates. The SIOTC closed at \$13,990 up by \$124 since reported last Friday. In the Pacific, PB fixed CL

Hengyang (64,761-dwt, 2023) delivery Samalaju 14 April for a trip via Indonesia to West coast India at \$15,000 and *Yuanning Sea* (55,580-dwt, 2004) was taken delivery Cebu 12 April for a trip via Philippines with nickel ore to China at \$21,000. *MQ Delphi* (56,780-dwt, 2011) open Vung Tau was also reported fixed for a trip via Philippines to China with nickel ore but at \$13,500. Whilst in the Indian Ocean, Seapol covered *Glory Tom* (63,696-dwt, 2015) delivery Puttalam 9/10 April for a trip via the Arabian Gulf to Bangladesh at \$12,050, and Bainbridge took *Ageri* (57,352-dwt, 2012) delivery South Africa 18 April for a trip with coal to Pakistan-India range at \$20,650 plus \$205,000 bb. *Asian Summit* (62,466-dwt, 2017) open Mumbai was taken by Cargill for a trip via the Arabian Gulf with clinker redelivery West Africa at \$14,000. And in the Atlantic, Bunge fixed *Fairfield Eagle* (63,301-dwt, 2013) delivery Bremen for a trip via the Baltic to South Africa at \$18,500, and Weco covered *Otzias* (56,720-dwt, 2012) delivery SouthWest Pass 15 April for a trip via Mobile with coal to the Continent at \$9,000. *Baltic Mantis* (63,470-dwt, 2015) open Fairless Hills was rumoured fixed vis US East Coast with coal to Continent-Baltic range at \$19,000 to XO.

Reported activity in the **Handysize** markets was fairly restricted this week as the BHSI closed at \$12,992, down by \$247 since our previous report. In the Atlantic there remained little opportunity for prompt tonnage at present, however, some expect to see improvements in May. In the US Gulf and US East Coast, there was a consensus that a bottom may have been found in the region as owners showed resistance to further reductions despite minimal cargo availability. On the Continent as well, there was a scarcity of prompt requirements while rates softened slightly in South America. *Chrysanthe* (32,527-dwt, 2011) was rumoured fixed for a trip basis delivery Recalada to Algeria at \$16,500 to Oldendorff. In the Pacific, the South East Asia region provided limited opportunity for tonnage this week with holidays in Indonesia and a lack of fresh enquiry from Australia. Orders within this range did remain substantial but overall activity was still minimal. Again, some are anticipating a livelier market come next week. *ASL Leban* (37,059-dwt, 2014) was heard fixed for a trip with grains passing Singapore to North China at \$11,000, while a 32k-dwt 2006 built vessel was heard fixed for a trip basis delivery Samalaju to Philippines in the \$9,000's. *Summit SW* (37,055-dwt, 2014) was heard fixed for a trip basis delivery Phu My for legs at \$15,000. In the Far East, prompt tonnage levels continued to outweigh cargo demand. Moreover, there was a notable gap in consensus with Charterers bidding in the region of \$9,000 while Owners were aiming closer to \$13,000 for trips. There is however a feeling that fortunes may change for the better for both local and NoPac loading requirements. *Xing Ning Hai* (34,443-dwt, 2015) was heard fixed for a trip basis delivery Penglai to Australia at \$9,500, and a 28k-dwt 2011 built vessel was heard fixed for a trip basis delivery Qingdao to South East Asia at \$9,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Ocean Treasure	92,667	2011	Taiwan	17 Apr	Taiwan	\$11,500	Tongli SG	Via Indonesia
Attalia	82,171	2010	Aps East Coast South America	19/20 Apr	Singapore-Japan	\$19,000	Comerge	+ \$900,000 bb
Ines Corrado	81,272	2012	Aps Recalada	01/05 May	South East Asia	\$19,500	Orca	+ \$950,000 bb
Captain V. Madias	79,501	2012	Aps North Brazil	12/15 Apr	Brazil	\$30,000	Norsul	Via Brazil/ Argentina min 70 / max 110days
Kamars	74,444	2004	Singapore	10 Apr	Singapore -Japan	\$12,000	Reachy	Via EC South America
Ning Yue Hai	63,562	2017	Rizhao	09/10 Apr	China	\$16,000	cnr	Via Philippines
Genco Madeleine	63,166	2014	Port Elizabeth	Ppt	China	\$22,250	Drydel	+ \$225,000 bb
Jacob H	57,001	2011	Singapore	Ppt	North China	\$12,500	cnr	Via Indonesia
Yasa Sparrow	55,446	2013	Gangavaram	Ppt	East Coast India	\$12,000	cnr	Iron Ore
ASL Leban	37,059	2014	Passing Singapore	Ppt	North China	\$11,000	cnr	Via Australia



Exchange Rates	This week	Last week
1 USD	152.98 JPY	151.47 JPY
1 USD	0.9403 EUR	0.9240 EUR
Brent Oil Price	This week	Last week
US\$/barrel	91.05	91.43

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	520.0	514.0
VLSFO	657.0	662.0
Rotterdam HSFO	497.0	512.0
VLSFO	625.0	635.0

12 April 2024

Dry Bulk S&P

In light of Ramadan and various other public holidays, there has been a notable reduction in the number of owners offering on ships this week. The queues of hungry buyers particularly for younger, 'eco' vessels are not as lengthy as they were a month ago however prices are holding steady.

Three Ultramaxs have been sold this week all from the Japanese market, perhaps a combination of weak Yen and soft period rates relative to asset prices will keep a steady flow of ships coming for sale. Kobe Shipping are understood to have sold *Aries Sumire* (64,276-dwt, 2020 Shin Kurushima) to Bangladeshi owners, Meghna, for \$35.5m - a step up from last week's sale of *World Royal* (61,201-dwt, 2022 DACKS) at \$35.3m. The Nissen controlled *African Lion* (66,721-dwt, 2013 Mitsui - ME engine, Scrubber) invited offers on Tuesday and is rumoured to be committed to Thenamaris for \$24.75m. This price does appear soft when compared to last week's sale of the same wide-beam design *New Champ* (66,529-dwt, 2018 Mitsui) at \$33.8m. *Maritime Prosperity* (61,453-dwt, 2012 Shin Kasado) was the last of the Ultramaxs sold, having now been committed to Greek owners Drydel for around \$22.3m.

Following her initial invitation for offers last week, *Voge Sophie* (38,705-dwt, 2019 Taizhou Kouan) has been sold with fresh surveys for \$26.6m. The

price is fairly in line with February's sale of *Interlink Amenity* (39,989-dwt, 2018 Huatai) which Precious Shipping purchased for \$25.25m. Elsewhere, Sincere Industrial are reported to have sold their *FW Excursionist* (34,484-dwt, 2019 Hakodate) to Turkish owners Dadaylilar for a \$27m. This seems very firm for a ship with special survey and dry due August and when compared with when Lauritzen sold the sister ship, *Helga Bulker* (34,483-dwt, 2017 Hakodate) for \$22.25m in January and the more recently the sale of the Chinese owned *Naruto Strait* (34,391-dwt, 2016 Namura) which sold for 20.5m in March.

Finally, despite some turbulence in spot and paper markets in the Capesize sector in the last few weeks, mini-cape *Spring Samcheonpo* (119,597-dwt, 2009 Sanoyas) has been sold to Chinese buyers for \$18.4m with SS/DD due.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Spring Samcheonpo	119,597	2009	Sanoyas		Chinese	\$18.4m	SS/DD Due
W-Raptor	79,499	2007	Jiangnan		Chinese	\$12.85m	
African Lion	66,721	2013	Mitsui	C 4x30T	Thenamaris	\$24.75m	Wide Beam / Scrubber / Eco
Aries Sumire	64,276	2020	Shin Kurushima	C 4x31T	Meghna	\$35.5m	
Maritime Prosperity	61,453	2012	Shin Kasado	C 4x31T	Drydel	\$22.3m	
Daidan Mustikawati	55,765	2005	Kawasaki	C 4x31T		\$11.0m	SS/DD Due
Voge Sophie	38,705	2019	Taizhou Kouan	C 4x30T	Europeans	\$26.6m	SS/DD Freshly Passed
Morges	35,697	2011	Shinan Heavy Ind.	C 4x30T		\$14.3m	
FW Excursionist	34,484	2019	Hakodate	C 4x30T	Dadaylilar	\$27.0m	SS/DD Due



Tanker Commentary

More than ten years after Capital placed the order at Samsung Ningbo, *Amfritrion* (50,102-dwt, 2017 Samsung (Ningbo)) has now been sold for an \$8.5m premium to her contract price in 2013. She is reported to have sold for \$43.5m and was contracted for around \$35m. The firm pricing in the modern product sector is a result of very few candidates on the market whilst rates remain firm, as well as both the cost and long lead-time of ordering a replacement. Great Eastern are rumoured to have picked up eco MR, *Lady Malou* (51,486-dwt, 2013 HMD) for \$36m, falling in line with last months sale of *STI Lavrotto* (49,990-dwt, 2013 HMD, eco) *STI Le Rocher* (49,990-dwt, 2013 HMD, eco) which sold for \$36.15m each.

Pumproom MR, *Nyon Express* (45,996-dwt, 2010 Shin Kurushima) has sold for \$27m, the last pumproom ship of this age to change hands was *Ardmore Seafarer* (50,093-dwt, 2010 Onomichi) for \$26.8m in February. Norwegian parcel tanker owner, Stolt Nielson are reported to have sold zinc coated, *Stolt Facto* (46,105-dwt, 2010 SLS, 29 tanks/29 pumps) for \$28m.

In the Handy sector, Union Maritime are rumoured to have been behind the purchase of pumproom, *Golden Lavender* (34,826-dwt, 2022 Fujian Mawei, epoxy phenolic) for \$33m. The last eco Handy to change hands was 2019 built sister, *Dictador* (34,747-dwt, 2019 Fujian Mawei) which sold on November 2023 for \$29.2m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Lady Malou	51,486	2013	HMD	Great Eastern	\$36.0m	Eco M/E
Amfritrion	50,102	2017	Samsung (Ningbo)	D'Amico	\$43.5m	
Jag Pahel	46,319	2004	Hanjin		\$14.5m	
Stolt Facto	46,105	2010	SLS		\$28.0m	Zinc, 29 Tanks / 29 Pumps
Nyon Express	45,996	2010	Shin Kurushima		\$27.0m	
San Carlos	37,258	2007	HMD		\$20.5m	
Golden Lavender	34,826	2022	Fujian Mawei	Union Maritime	\$33.0m	
Livarden	19,951	2007	Fukuoka Shipbuilding		\$18.0m	Stainless Steel
Patagonia	16,772	2006	Qiuxin	Turkish	\$22.6m	En bloc, Ice 1A
Paterna	16,748					

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