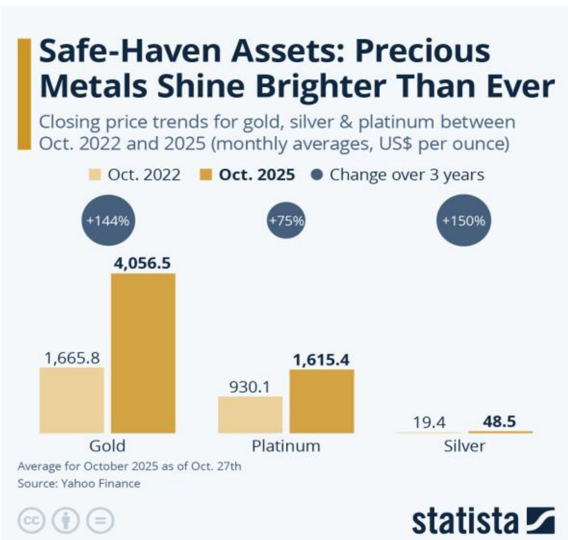
31 October 2025

HARTLAND SHIPPING SERVICES

WEEKLY COMMENTARY

CONTENTS



Source : Statista

*Deals of sorts were also reached with Cambodia, Malaysia, Thailand & Vietnam reducing their tariff rate into the US to 19-20% while, in reverse, the US gains new tariff-free markets for its farmers, ranchers, workers and manufacturers.

These countries also pledged to buy US planes, semiconductors or farm exports and Malaysia will facilitate $70bn in job-creating investment in the US over ten years "if practicable", a big caveat! As usual, nothing is quite what it seems.

**China's massive increase in imports and inventories of oil, gas, coal, raw materials and foodstuffs is either in reaction to US tariffs or in preparation for war with Taiwan, or both. Pres. Trump has given China cover on this matter.

Peaceful 'reunification' is still very much on the cards, made more likely by the suspicion that Pres. Trump will leave Taiwan and its neighbours to defend it. Prevailing on TSMC to build fabs in Arizona only weakens Taiwan's security.

^Youth unemployment (16-24) in China hit a record of 21.3% in mid-2023 at which point the NBS stopped reporting it. In April, China National Nuclear Corporation was hiring for 1,730 key roles. It received 1,196,273 resumes.

China imports vast quantities of ferrous & non-ferrous raw materials, livestock & foodstuffs, oil & gas and LNG. Chinese officials are focused on pulling three defensive levers: boost domestic production, build stockpiles, diversify imports.

^^The CCP has a grand bargain with the people: stay out of politics and the CCP will provide the conditions to enjoy a better life. This trade-off is now strained with so many young people out of jobs. But the system derives some support…

…from what is projected as chaotic and poorly governed overseas democracies, particularly the US. As the Trump administration seizes the executive, legislature, judiciary and military it undermines the validity of a democratic alternative.

POINTS OF VIEW

Another week, another framework trade deal.* This was the big one between the US and China, the world's two largest economies and it was struck in Malaysia on Sunday between Scott Bessent, the US treasury secretary, and Chinese vice-premier, He Lifeng. A US threat to raise import tariffs on Chinese goods by 100% was "effectively off the table" while China would pause export controls on critically important rare earths for one year. This was set for ratification on Thursday this week when presidents Trump and Xi met face to face in South Korea. Outline deals were also reached with South Korea and Japan as they pledged $550bn and $350bn of long-term investment respectively in the US. On Thursday, the China deal was fleshed out. Trump called the meeting "amazing" and 12 out of 10 with his customary hyperbole. Xi said nothing. As details emerged much of the trade conflict has merely been postponed for a year, e.g. the US extra 100% tariffs on Chinese imports, US sanctions on Chinese companies, Chinese restrictions on rare earth exports, and penalties on each other's ships and maritime sectors. The extra 20% fentanyl-linked levy against China was reduced to 10%. China will buy Boeing aircraft and 12mt of US soybeans this year and at least 25mt a year in 2026-28. For context, China consumes 120mt of soybeans a year and this is just a return to prior form. Such purchase pledges will make only a small dent in China's huge trade surplus. In Jan-Jul the US trade deficit with the world hit $807bn, +22% YoY. The sensitive subject of Taiwan was not raised, but its support of Russia was.** De-escalation recognises how damaging each side's actions would be on the other, and on other countries and global supply chains. This may be seen as just another fragile ceasefire, but a 1-year postponement of the main points of contention is a relief to all. However, the underlying problems remain, and China will still be subject to an average tariff rate of 47%. Markets were unimpressed. It had all been priced in on Monday.

Back on Monday, markets reacted predictably to the weekend's framework announcement by swinging from risk-on to risk-off with equities, bond yields, crypto, soybeans and copper up while bond prices and gold eased back. Each side reckons it has leverage in the fight. China has stealthily positioned itself to control almost 70% of global rare earth supply and 90% of world processing, leaving all other nations scrambling to secure alternative supplies and processing outside of China. Meanwhile, China continues investing in rare earths and infrastructure as an extension of its global BRI push. China is already the world leader in renewables ranging from solar and wind to nuclear and hydro. As the US and KSA sabotaged the IMO's net zero framework last week, and recommit to fossil fuels, the door is open for China to further extend its lead in supplying EVs, solar and wind to the rest of the world, another stranglehold in the making. But the competition is not one-sided. The US market is vital to China's massive export machine at a time when internal demand has fallen ever since the 2020 property crisis. Chinese households have suffered the negative wealth effect of the housing market slump which has reined in discretionary spending and ramped up savings for education, healthcare and pensions. China's imports of everything from oil and gas to iron ore and bauxite remain strong despite weak domestic demand. Industry and processing still need to be supported, as major employers, and excess output feeds into exports of steel, aluminium, oil products and manufactures.^ This merely exacerbates tariffs and protectionism in buyer countries and validates, in Trump's eyes at least, his laser focus on nations running trade surpluses with America.

Scott Bessent wants China to boost domestic consumption instead of relying upon exports to generate growth. But this is not so easy. Deflationary pressures have seen consumer prices fall for six consecutive quarters, causing buyers to delay purchases. Also, household consumption accounts for only 39% of GDP, much lower than in most developed economies. AI, robotics and automation help mitigate China's demographic problem but risk denying the young cohort jobs and a path to a better life. According to a report on youth unemployment by the Asia Society Policy Institute, this year will see 12.22 million graduates emerge as jobseekers, an increase of 430,000 on 2024. The most labour-intensive, low-skilled factory work long ago shifted to Southeast Asia where wages are lower while China's advanced manufacturing, higher up the value chain, is increasingly automated, requiring fewer workers. College graduates are often found doing menial jobs, such as delivery work, where 10 million food takeaway drivers are employed. The rollout of delivery drones will only make matters worse. So, AI and automation, whether in China or the US, are both good and bad.^^ On Wednesday, the Fed and Bank of Canada cut rates 25bps while the ECB and BoJ held steady. A path to lower rates will ease the cost of debt servicing and will be welcomed by Trump after heavy lobbying of Jerome Powell. The Trump-Xi relationship and eventual outcome of their talks will set the tone for shipping and trade for years, buried within a new 'great game' between old and new world orders.

Dry Cargo Chartering

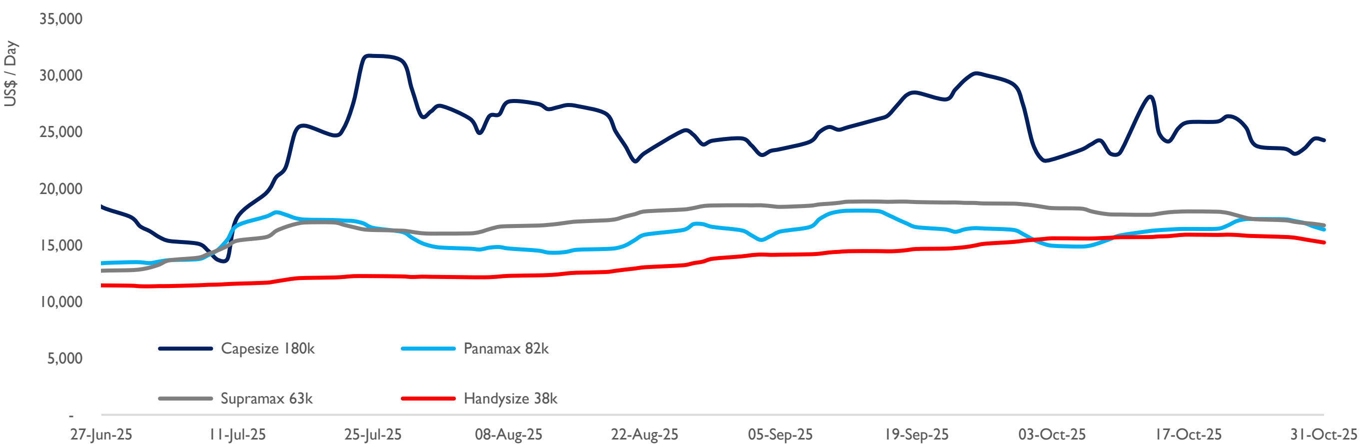
The BDI settled at 1,966 down 25 points since last week and the BCI closed at $24,288 up $477 since we last reported. The **Capesize** market showed a steadier tone, though activity levels remained uneven. In the Pacific, enquiry persisted from both miners and operators, with forward interest shifting into November. Although East Australian volumes were steady, modest demand from other Pacific origins lent mild support. The Atlantic, meanwhile, focused on later laycans with fresh interest emerging from Brazil and West Africa for end-month positions.

The BPI concluded at $16,389 (down $929 for the week). The **Panamax** market softened. In the Atlantic, a slowdown in fresh enquiry and a lengthening tonnage list tilted sentiment in favour of charterers, particularly in the North Atlantic and US Gulf where rates eased. Fronthaul demand was sporadic, although recent China-US trade news should lend encouragement to this trade route. South America held relatively steady, though without sufficient momentum to drive further gains. In the Pacific, midweek activity offered brief support before correcting amid rising supply and muted demand.

The BSI finished at $16,762 down $541 in the last 7 days. The **Supramax** market extended its mild downturn. The Atlantic basin remained under pressure, with dwindling enquiry and accumulating prompt tonnage. Scrap rates from the Continent to Turkey were recorded around mid 20,000's, slightly. The US Gulf also eased on thin equry, while Asia showed mixed but generally soft conditions, northern route were however holding up better than the south.

The BHSI closed today at $15,243 down $569 since last week. The Atlantic **Handysize** market softened this week, with rates edging down across all major loading areas. Fixing activity was limited, charterers showed little urgency to secure tonnage, as rates eased throughout the week. Nevertheless, solid levels were still achievable in key regions. Notably, the *Carpe Diem* (40,455-dwt, 2024) was fixed open Port Harcourt via Recalada for a trip to the West Coast of South America at $28,000. In the Pacific, the Handysize market remained largely stable. A tightening of prompt tonnage in the north led to slightly improved bids from charterers for early November trips to Southeast Asia and the Middle East Gulf/West Coast India, though overall sentiment held steady with sideways trading. Following recent news of a US-China trade truce and the suspension of reciprocal port fees, some charterers opted to delay movements until next week.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Rosco Poplar	82,331	2008	EC South America	22 Nov	Singapore-Japan	$17,250	Cnr	$725,000 ballast bonus
Maia	82,193	2009	Ulsan	6/8 Nov	Singapore-Japan	$17,250	Cnr	Via EC Australia
Kona Trader	76,596	2007	Kunsan	6/8 Nov	Singapore-Japan	$15,500	Cargill	Via NoPac
Prabhu Sakhawat	75,944	2005	Singapore	10 Oct	SE Asia	$14,250	Orca Bulk	Via EC South America
Epicurus	75,395	2005	Busan	30/31 Oct	Singapore-Japan	$15,500	Panocean	Via NoPac
Ocean Begonia	61,465	2012	Laizhou	28/30 Oct	Bangladesh	$15,750	TeamBulk	Via NoPac
Jin Jun	57,887	2009	Gresik	Ppt	China	$14,000	Cnr	Via Indonesia
AE Mars	53,630	2006	Weda Bay	Ppt	China	$11,500	Fullinks	Via Indonesia
Berge Scafell Pike	37,687	2020	Mississippi River	Ppt	EC Mexico	$21,000	Pacnav	-
Marmor	37,064	2012	Houston	Ppt	Italy	$23,000	Aries Bulk	-

Exchange Rates		This week	Last week
	1 USD	154.02 JPY	152.60 JPY
	1 USD	0.8671 EUR	0.8588 EUR
Brent Oil Price		**This week**	**Last week**
	US$/barrel	65.14	66.50

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	394.0	399.0
VLSFO	459.0	461.0
Rotterdam HSFO	410.0	412.0
VLSFO	433.0	443.0

Dry Bulk S&P

The standout transaction of the week has to be *KN Future* (57,999-dwt, 2013 Tsuneishi Cebu). The ship attracted a great deal of interest with some 10 parties buying the inspection report, and finally she was sold to an undisclosed buyer, with two different prices being widely reported of $18.3m and $18.75m. Either way, this is a notable premium over last done levels, with *Forever SW* (58,186-dwt, 2010 Tsuneishi Cebu) achieving a price of $15.2m at the beginning of October. Elsewhere, Meghna are rumoured to have picked up *CMB Bruegel* (63,667-dwt, 2021 Shin Kasado) for $32.5m. Once considering that the CMB Breugel is due for surveys early next year, this is in line with last week's sale of *Dionisis* (63,480-dwt, 2019 Imabari) sold for $31m.

In the only Panamax sale of the week, Chinese buyers are said to have paid $14.4m for the 2014 built *Panamax Palais* (75,434-dwt, 2014 Jiangsu Rongsheng). The last comparable deal was back in the summer, *Pallada* (76,039-dwt, 2012 Hudong) for $12.8m. There was no great movement in values here.

There are three Supramaxes sold, all broadly in line with benchmarks and last done. Firstly, *Heroic Striker* (56,820-dwt, 2010 Jinling) has been sold for $11.75m to Chinese buyers with surveys due. The 2007 Japanese built *Evriali* (53,554-dwt, 2007 Iwagi Zosen) has been committed at a price in the mid $10's with drydocking due in November, and finally the open hatch and box shaped *Atacama Queen* (51,213-dwt, 2011 Imabari) for $14.5m to undisclosed buyers.

Finally, it is reported that Precious Shipping have sold *Chamchuri Naree* (33,733-dwt, 2005 Shin Kochi) for a firm $8.2m with surveys passed. This is a very strong price when compared with *St Theresa* (32,620-dwt, 2006 Kanda), which sold for $7.2m with survey due at the beginning of the month, even once the appropriate adjustments are made for their differing survey positions.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
AP Power	173,541	2006	Boahi	-		$13.80m	Scrubber – done direct between buyer and seller
Palais	75,434	2014	Jiangsu Rongsheng	-	Chinese	$14.40m	
CMB Bruegel	63,667	2021	Shin Kasado	C4x30T	Meghna Group	$32.50m	
KN Future	57,999	2013	Tsuneishi Cebu	C 4x30T		$18.75m	
Heroic Striker	56,820	2010	Jinling	C 4x30T	Chinese	$11.75m	DD due
Evriali	53,554	2007	Iwagi Zosen	C 4x31T		$10.50m	DD due
Atacama Queen	51,213	2011	Imabari	C 4x31T		$14.50m	OHBS
Chamchuri Naree	33,733	2005	Shin Kochi	C 4x30T		$8.20m	

Tanker Commentary

The tanker spot market grabbed the headlines this week, benchmark Middle East - Far East VLCC earnings rose nearly $50k/day in 2 trading days, taking the TD3 route to over $120k/day. This is the first time the route has exceed $100k/day since Nov-22, and its highest levels since the Covid floating storage boom of 2020. A rising tide lifts all ships, and other crude benchmarks and sizes also saw healthy gains. This latest spike is unlikely to have fully filtered through into confirmed deals yet, and we actually have a fairly limited number of tanker sales to report this week.

The VLCC *Saiq* (299,999-dwt 2011 Universal, scrubber-fitted) has been sold for a healthy price of $57m. This is a small notch up against Septembers sale of *FPMC C Knight* (301,861-dwt 2011 IHI) at $55m, which was also scrubber fitted.

Great Eastern have let go of the pumproom type *Jag Pooja* (48,539-dwt 2005 Iwagi Zosen) for a soft $10m, however with docking due next year and no IMO notation, she is limited in what cargoes she can carry. Meanwhile *Yosemite Trader* (47,980-dwt 2011 Iwagi Zosen) has gone for a price in line with last done at $21.5m - in September, we reported *T Matterhorn* (47,981-dwt 2010 Iwagi) at $20m which also had docking due within 6 months.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Saiq	299,999	2011	Universal		$57.0m	Scrubber – TC attached till April 2026
Jag Pooja	48,539	2005	Iwagi Zosen		$10.0m	
Yosemite Trader	47,980	2011	Iwagi Zosen		$21.50m	

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
Email: snpuk@hartlandshipping.com
Email: consult@hartlandshipping.com

Hartland Shipping Services Ltd, Shanghai
Tel: +86 21 2028 0618
Email: newbuild@hartlandshipping.com

Hartland Shipping Services Pte. Ltd, Singapore
Tel: +65 8223 4371
Email: chartops.sg@hartlandshipping.com