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HARTLAND
SHIPPING SERVICES

WEEKLY COMMENTARY

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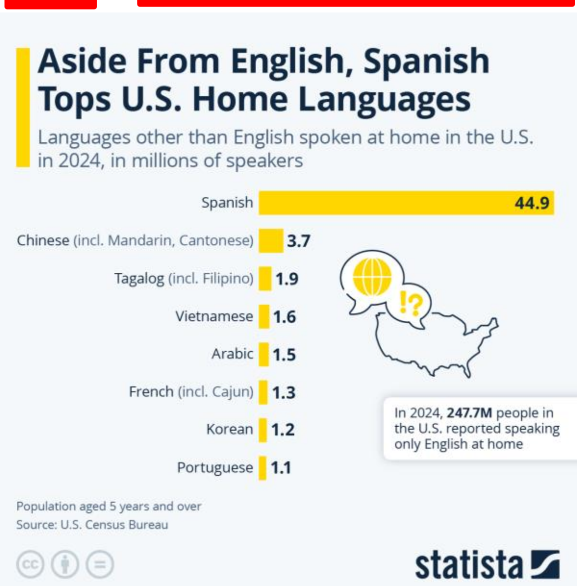


Source : Statista

POINTS OF VIEW

Last Friday the US Supreme Court voted 6-3 that Trump's tariffs, imposed under the International Emergency Economic Powers Act, are illegal. No such national emergency justified their imposition. The three justices 'for tariffs' were Kavanaugh, who swerved sexual assault charges prior to his Senate confirmation, Thomas, recently found unethically to have accepted luxury trips and other inducements, and Alito, recently exonerated of accepting gifts and allowing controversial flags to fly outside his home. They may be seen to be in Trump's pocket and needing his protection as they, like him, are prone to alleged misdemeanours only, it seems, to get away with them. Of the six 'against tariffs', three were conservatives (Roberts, Gorsuch and Barrett) who got a verbal dressing down from the president for their lack of "patriotism". The administration was ready for this outcome and immediately imposed a flat 10% levy, under Section 22 of the 1974 Trade Act, on all imports, hiking it to 15% on Saturday. The levies expire after 150 days.* This restored the average universal tariff rate to c.15%, up from c.3% before this all malarky started. Upon expiry late July, Congress will need to approve any extension and is expected to reassert its control over taxation. So, Trump's precious tariff weapon has been defanged. But not much has really changed as other statutory authorities can be used to rebuild the tariff wall, albeit liable to legal challenge. Shipping might best ignore these on-off tariffs and pity the customs agents tasked with assessing changing duties and enabling reluctant refunds.

Tuesday, Feb 24, marked the fourth anniversary of Russia's special military operation in Ukraine that morphed into a 4-year invasion, many lives lost, and the capture of at best 20% of Ukraine.** The various stated aims were to demilitarise Ukraine, which is now more militarised than ever, and to push back NATO expansion, which is now larger – with the addition of Finland and Sweden – and far more united and powerful than ever before. Another objective was to protect the people residing in eastern Ukraine. Thousands of civilians have been killed, cities and villages have been devastated, and hospitals, schools, energy and civilian infrastructure have been cynically targeted by Russia. German defence minister, Boris Pistorius, criticised Trump's strategy towards Putin, including rolling out the red carpet for him in Alaska last August, and treating him as a friend, while withdrawing US military support for Ukraine. Before that, Trump had made another tactical mistake in ruling out Ukraine joining Nato. These missteps sent all the wrong signals. Such unusually blunt European criticism of the president illustrates how allies are increasingly resisting his pro-foe policies as France, Canada, the UK and Germany have joined many non-OECD countries that seek to cement counter-balancing ties with the US's strategic rival, China. To drive friends into the hands of foes is an astonishing diplomatic failure but it is much appreciated by China and Russia who find their orbits of influence expanding, effortlessly. But each, in their own ways, needs all the help that they can get given their imbalanced export-reliant economies.^ Onto ships. Large tankers are doing well for many reasons ranging from usual geopolitical uncertainty to limited growth in the compliant VLCC fleet and fewer trading opportunities for shadow fleet tankers.

It follows tougher restrictions on lifting Russian and Iranian oil and the shift of Venezuelan oil to US control. The ominous build-up of US military forces within striking range of Iran rather paints Trump into a corner in the face of Iranian defiance. The witless Witkoff and Trump cannot understand why the theocracy has not capitulated in the face of this show of strength. They under-estimate the regime's determination to stay in power, at any costs, not caring about the impact on its economy and people.^^ That much was evident from the brutal crackdown on protesters who took to the streets on Trump's encouragement that the cavalry was coming, only for him to renege. Lessons are not being learnt on either side. Iran needs its nuclear program and its ballistic missiles for self-protection. Surrendering them would be the equivalent of Ukraine giving up its nuclear weapons in 1994, under the Budapest Memorandum, leaving it exposed to future Russian attack.+ The security guarantees it got in exchange from the US, UK, France, China and Russia proved worthless, thus any discussion of security guarantees today comes with an historic health warning. Moving on, VLCC rates are hitting unusual highs with one-year rates at above $110,000 daily and spot rates exceeding $200,000 a day. VLCC owners ranging from Capital and Maran to Frontline and DHT owe a debt of gratitude to South Korea's Sinokor and its partner the Aponte family for building a big share of the compliant fleet, holding back tonnage, and squeezing up rates. Latest reports suggest that Sinokor controls two-thirds of the 24 VLCCs that can load in the USG in the next 30 days. It may continue to push up rates and asset values but, on a cautionary note, past Korean speculation has not always ended well. The 'rehabilitation' list includes Pan Ocean (1993 & 2013), Hanjin (2017) and HMM (2016 & 2024). But fear not, these companies tend to fail, only to resurrect themselves, phoenix-like, with debts wiped out, to have another go.

*This immediately favoured the likes of China and Brazil (founder members of BRICS) with lower tariffs and penalised allies such as the UK and the EU with higher tariffs than had previously been agreed. Retaliation is threatened…

**Ukraine's General Staff reported on Feb 24 that Russia has 'lost' 1,261,420 troops since the start of the 2022 invasion. Russian independent media outlet, Mediazona, confirmed the identities of only 200,186 deceased Russian soldiers.

^Foreign Affairs: "America the Fearful": "Rather than aim his coercion at great-power peers, Trump has targeted weak adversaries and even allies. His motive for doing so lies neither in an overweening confidence nor in canny strategy…

…It comes instead from fear: of a loss of status on the world stage and of the decline of American power relative to that possessed by other states." Trump's personal insecurities match America's: fear of decline and loss of influence.

FA adds: "American power, in absolute terms, is by many measures as healthy as ever. The US economy is as large as those of the world's next four largest combined." Caveats exist to this assessment, but none admitted in the SOTU.

^^FP says that Khamenei has pivoted to Karbala, a Shiite moral and political code that glorifies resistance over compromise in the face of external threats. Better to die on one's feet than live on one's knees. The US does not get martyrdom.

+32 years ago, the West (as in the US, UK, France, and others) was still the greatest threat. Ukraine could never have imagined that the threat today would be much closer to home: Russia, backed by its 'no limits' friendship with China.

Dry Cargo Chartering

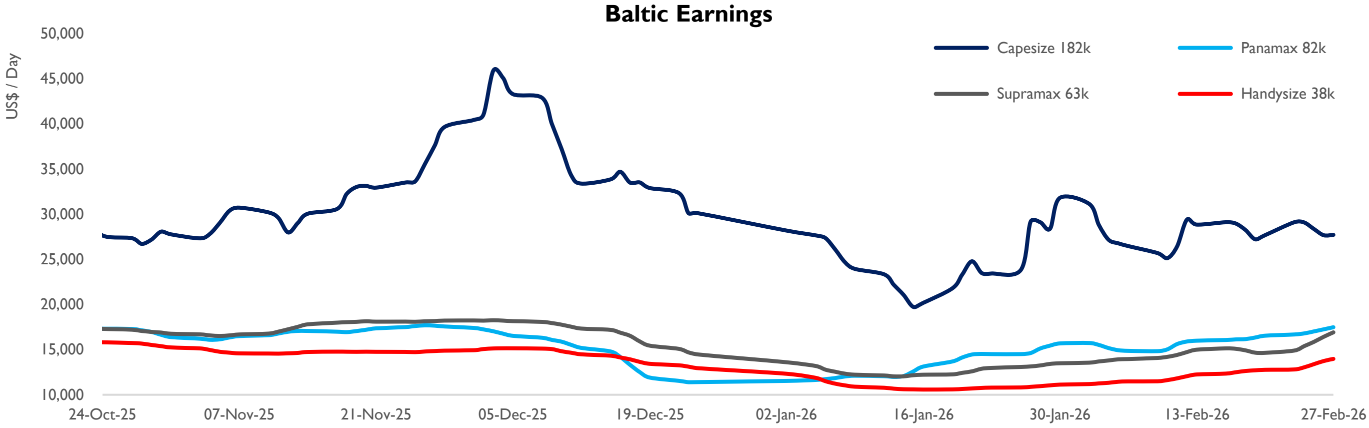
It was a strong week for dry charter markets. Spot rates rose as the market reawakened after lunar holidays, whilst there was also an improvement in sentiment, particularly sub-Capesize, with gains in period rates and paper. The BDI ended the week at 2,140, up by 97 points since last Friday while the BCI (182k-dwt) finished at $27,714, up $39 week-on-week. In the **Capesize** market, both basins showed upward momentum. Brazil to China is dominating the market with March fixtures in the high $23s ($/t) and even higher numbers for April. In the Pacific, sentiment remains steady with C5 fixtures being seen in the high $9s for early March dates.

The BPI settled at $17,481, up $938 since last Friday. In the **Panamax** market, there is still a clear split between the two basins. The Atlantic is seeing prompt tonnage building up, with limited signs of fresh enquiry. The Pacific, however, continues to benefit from steady cargo flow and low vessel availability, gaining momentum for the short to medium term. The period interest remains high, with the *Sakizaya Diamond* (81,938-dwt, 2015) open early April in China for 11-13 months at $17,500.

The BSI ended this week at $16,915, up $2,269 since last Friday. The **Supramax** market strengthened progressively over the course of the week, transitioning from a positional opening, to a far more active and constructive close. The most noteworthy gains were in the Pacific, with the S2 route (N China - Aus or Pacific RV) gaining nearly $5k/day this week. The Continent saw firmer rates on scrap demand, while the Mediterranean remained flat. The US Gulf and South Atlantic stayed active, underpinned by steady demand and available tonnage. A 64k-dwt ship fixed US East Coast to ARAG at $27,000, while a 64k-dwt fixed for a trip via the US Gulf to West Coast Central America at $31,000.

The BHSI closed at $13,976, up $1,210 since last week. The **Handysize** market maintained a positive tone across both basins. The Continent and Mediterranean remained steady, with sentiment largely positional. In contrast, the South Atlantic and US Gulf stayed firm, supported by fresh demand and a tightening tonnage list, prompting charterers to increase offers as owners showed increased resistance to fixing. *Ken Forest* (40,099-dwt, 2025) fixed delivery Savannah to Continent with pellets at $28,000 to Norden. The period interest remains a top priority for some operators; *Tokyo Spirit* (35,550-dwt, 2014) open Casablanca fixed balance period Aug-Oct redelivery Far East at $16,000. In the Pacific, the market remained firm, mirroring the Atlantic, where tight vessel availability is pushing charterers to raise their bids. Period activities were also picking up as operators are taking on tonnage at aggressive levels. The *Deana* (37,980-dwt, 2023), open Onsan 10–17 March fixed to Damico at around the low-to-mid $14,000s level.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Taho Circular	84,484	2022	Ishikawa	27 Feb	Japan	$21,500	Cnr	Via East Coast Australia
Kesaria	81,932	2009	Shibushi	4/8 Mar	Singapore-Japan	$20,000	Bunge	Via NoPac
Sweet Lydia	79,467	2012	Mariveles	5/6 Mar	Singapore-Japan	$18,000	Cnr	Via East Coast Australia
CSK Unity	77,105	2015	Mizushima	7 Mar	Singapore-Japan	$20,000	Tongli	Via East Coast Australia
Malakand	76,830	2004	Chaozhou	7 Mar	South China	$12,500	Cnr	Via Indonesia
Belhaven	63,430	2017	Rotterdam	2/4 Mar	Mediterranean Egypt	$22,000	Pangea	Via Amsterdam-Rotterdam-Antwerp-Ghent
HG Sagunto	63,371	2018	Port Elizabeth	Ppt	China	$21,000	Erasmus	$210,000 ballast bonus
Alpha Flame	57,811	2015	Incheon	21/22 Feb	South Korea	$12,000	Cnr	Via West Australia
Pavlara	38,463	2016	Machong	Ppt	Japan	$9,500	Swire	Via Ho Chi Minh
Union Taylor	37,693	2014	US East Coast	Ppt	Continent	$23,000	Cargill	-

Exchange Rates		This week	Last week
	1 USD	156.16 JPY	155.40 JPY
	1 USD	0.8476 EUR	0.8502 EUR
Brent Oil Price		**This week**	**Last week**
	USD per barrel	72.54	71.30

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	431.0	460.0
VLSFO	507.0	515.0
Rotterdam HSFO	419.0	427.0
VLSFO	475.0	478.0

Dry Bulk S&P

The Lunar New Year celebrations are over, as our Eastern colleagues returned to their desks with haste, and so did the rest of the market.

We saw plenty of ships receive offers this week with great interest across all sectors. The eco Kamsarmax T*hree Sakias* (81,094-dwt, 2014 JMU) drew fierce competition with reports of ten offers. At the time of writing, we understand she has been sold to Indian buyers for $26.75m. Liquidity in this sector has been scarce in recent months, the most similar sale being back in October 2025, *Nord Crux* (81,791-dwt, 2016 Tess Cebu) traded for $26.7m. It is worth noting the strong price commanded by a JMU Kamsarmax and the lack of alternatives available.

Aquavita Sea (81,479-dwt, 2020 Jiangsu Hantong) has changed hands for $30.5m. This represents a remarkable firming for the sector with the last Chinese Kamsarmax sale being *Seacon Shanghai* (80,881-dwt, 2019 CSSC Wenchong), which Dexter Navigation bought for $26.7m last month.

We have an Ultramax resale to report this week; *Qidong Xiangyu XY197* (63,800-dwt, 2026 Nantong Xiangyu) has been bought by Greek buyers for $36.5m which will deliver in August 2026. This is largely in line with a pair of Ultramax resales that Spar Shipping bought last month for $36.1m each - *Nantong Xiangyu XY149* and *Nantong Xiangyu XY150* (both 63,500-dwt, 2026 Nantong Xiangyu) with delivery scheduled for August and November, respectively.

The Supramax *Kapta Mathios* (58,743-dwt, 2009 Tess Zhoushan) sold this week with surveys due in November for $13.75m, this is a step up on the sister ship *Florinda* (58,791-dwt, 2008 Tess Zhoushan) which found new buyers last month with drydocking due for $12.6m.

The modern Handysize market has been busy this week. A brace of open hatch, box shaped JNS built vessels took offers this week - *Nord Santiago* (39,475-dwt, 2018) and *Action Trader* (39,481-dwt, 2017), with rumours of around 10 inspections taking place, and offers in excess of $20m and $21m. In addition to ongoing negotiations on these two, *CL Contigo* (40,799-dwt, 2015 Jiangsu Hantong) has been sold for $19.5m. The last similar deal came back in November, this was the logs fitted *Saturnia* (38,947-dwt, 2015 JNS) which sold for $18.5m. In light of this, we are seeing the values of eco Handysizes heading in the same direction as the Kamsarmaxes and Ultramaxes.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Aquavita Sea	81,479	2020	Jiangsu Hantong	-	Thenamaris	$30.5m	
Three Saskias	81,094	2014	JMU	-	Indian	$26.75m	Eco M/E
Qidong Xiangyu XY197	63,800	2026	Nantong Xiangyu	C 4x30T	Greek	$36.50m	Delivery ex-yard August 2026
Kapta Mathios	58,743	2009	Tsuneishi Zoushan	C 4x30T	Chinese	$13.75m	
CL Contigo	40,799	2015	Jiangsu Hantong	C 4x36T		$19.50m	Eco M/E

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Tanker Commentary

The tanker market continues to make the headlines, with TD3 TCEs (VLCC MEG-FE round voyage) now exceeding $200k/day, and reports of VLCC 1-year TC fixtures being concluded at over $100k/day. Unsurprisingly, asset values continue to trade at high levels or are climbing even further.

Wah Kwong has offloaded *Trikwong Venture* (297,136-dwt, 2012 Dalian) for $86m to Korean buyers, likely Sinokor. This is a healthy step up against the last done, *Singapore Spirit* (318,2013-dwt 2013 SWS) which went for $84.5m in January, despite being a year older.

The Aframax tanker *P. Sophia* (105,071-dwt, 2009 Hyundai) has gone for $36.65m. This sale is slightly above the last done - *Ionic Artemis* (107,605-dwt, 2009 Tsuneishi) which we reported as sold in January for $35.6m, which has a similar docking position, due in 2027.

For the LR1s, *Hafnia Shinano* (73,662-dwt, 2008 Dalian) went for $15m earlier this month, and this week we report *Agile* (73,611-dwt, 2007 New Times) at $13.5m with freshly passed docking, highlighting more stagnant pricing for this type and age of vessel.

Finally, in the MR2s, *Hansa Tromsoe* (51,501-dwt, 2008 STX) has gone for $16.9m, in line with the *Seaways Grace* (49,999-dwt, 2008 HMD) and *Seaways Madeleine* (49,999-dwt, 2008 HMD), which sold for $16.8m at the end of January.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Trikwong Venture	297,136	2012	Dalian	Korean	$86.0m	
P. Sophia	105,071	2009	Hyundai		$36.65m	Coiled
Agile	73,611	2007	New Times		$13.50m	Epoxy, Coiled – CPP
Hansa Tromsoe	51,501	2008	STX		$16.90m	Epoxy

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