

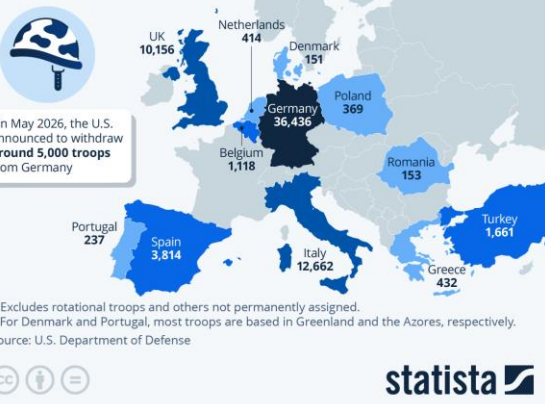


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Where the U.S. Military Presence Is Concentrated in Europe

European countries with more than 100 U.S. active-duty military personnel stationed as of December 2025*



Source : Statista.

*Two US-flag ships transited Hormuz on Monday (Alliance Fairfax 6,000-ceu PCC/2005 and CS Anthem 49,990 dwt PT/2017). Pre-war transits ran at 130 a day. 1,600 ships are trapped in the Gulf with 20,000 seafarers on board.

**HMM's HMM Naru 38,321-dwt MPP-HL/2025 & ADNOC's Barakah 307,925-dwt VLCC//2021 were both attacked although the extent of the damage to each is unknown. Other cargo ships were hit this week. Ceasefire, what ceasefire?

There are rumours that Adnoc, Sinokor, Mercuria and others are getting VLCCs out of the Gulf, maybe hugging the Omani coast, AIS turned off, via both direct sailings and shuttles through the Gulf and STS transfers east of Hormuz.

^In the case of Iran, under the War Powers Resolution, this administration has used up the 60-day limit and is now obliged to get Congress approval for further war. It claims the ceasefire vacates this despite mutual attacks escalating all week.

^^The 2015 JCPOA took 600 days to negotiate by a team of diplomats, scientists and experts. Both are absent today. It had more limited objectives than today's needs. Both sides continue to have talks about talks via Pakistani intermediation.

+Rubio expanded on the president's assertion that Congress approval was not needed: "The operation is over: Epic Fury – as the president notified Congress – we're done with that stage of it. We're now onto this Project of Freedom."

++Trump does not want the Iran war hanging over his Beijing visit, knowing it is interfering with China's energy imports. A critical point is that KSA blocked US access to its airbases and airspace, objecting to Project Freedom as escalatory.

POINTS OF VIEW

On Monday, Operation Epic Fury morphed into Project Freedom, a short-lived US military operation designed to open the Strait of Hormuz to commercial shipping, involving 15,000 troops, 100-plus aircraft and multiple surface ships. It was painted as a humanitarian effort to rescue stranded ships and seafarers stuck inside the Gulf since February 28. It is defensive, "we're not looking for a fight", according to Hegseth, appearing untypically soft. Two US-flag merchant ships were "guided" out on Monday by two US navy destroyers.* This act was met by IRGC missile and drone launches at the warships and the UAE. An oil storage facility in Fujairah suffered drone damage and was set on fire while six IRGC fast boats were sunk by US Apache and Seahawk helicopters. A South Korean ship was struck at anchor leading Trump to invite South Korean forces to get involved in freeing up the waterway. However, beyond the two ships on Monday, commercial shipping is scarcely moving through for an assumed combination of reasons ranging from cost and availability of insurance to ship, cargo and crew safety.** The US retains its leaky blockade on ships calling Iranian ports in retaliation for which Iran refuses to open the strait. The ceasefire is still regarded as holding but - as in Gaza and Lebanon - it quite evidently is not.^ The US is only firing when fired upon, but its failure to call out ceasefire breaches only encourages the other side, leaving Iran free to escalate its actions, hold out in negotiations and delay nuclear talks. US claims to have won the war (yet again) and achieved its objectives (??) is nonsense as Iran retains its asymmetrical fighting capabilities, fast boats, mines, drones, cruise and ballistic missiles and its weapon of mass economic destruction: control of the Strait of Hormuz. Each side claims control of the strait, but Iran's claim is more credible.

The question remains how to reopen the strait, and fast. Nuclear talks will simply have to wait.^.^ Iran effectively closed the strait 44 days before the US imposed its own blockade on ships calling at Iran's ports, on April 13. The world has endured 44 more days of pain than Iran and is running out of oil, gas, fertiliser, etc. In Trump parlance, Iran has all the cards. The closure of the strait has led to about 13m-bpd of Gulf oil exports being shut in, over 12% of 2025 global average oil demand of 105m-bpd. Average daily oil exports via Hormuz in pre-war February were at over 20m-bpd. The shut-in has caused the likes of Iraq, Kuwait and the UAE to cut oil production by in aggregate over 50%, while Saudi Arabia is down about 25%, as they cannot export oil on tankers from the Gulf and storage sites have filled up. Iran is estimated to have two weeks to go before it is forced to shut in output. It has made good use of NITC and dark fleet tankers as floating storage. Dated (spot) Brent has been trading well above one-month ahead futures, up to \$150 a barrel. This will prove increasingly painful for economies around the world, and prices will move even higher if the strait is not reopened soon. Global oil inventories are being drawn at 8m-bpd, with lost demand running at 3m-bpd. It is estimated that this can be sustained for a maximum of three months before shortages hit and reduced consumption is mandated by forced efficiencies, energy rationing, rising prices and more demand destruction. Trump will not admit it but knows that he needs to solve this problem of his making, and get it open, even with a bad deal, claimed as good, if necessary. On Tuesday, he demanded that Tehran wave the white flag of surrender just before he grabbed it and waved it himself.

That morning, Washington time, defence secretary Hegseth and chair of joint chiefs of staff Caine outlined Project Freedom albeit without much detail on how it would work. Late afternoon, secretary of state Rubio told the press that Operation Epic Fury combat ops had finished; the focus would now be on the new humanitarian mission.+ Late that evening, Trump outflanked his team by posting on Truth Social a pause to the 2-day-old escort plan, allegedly after a request from Islamabad and "great progress" in talks. A classic Taco. He may have been spooked by Iran's robust response to the naval escort of two US-flag ships without prior IRGC approval, also aware that an end to the ceasefire would give Congress power to block any further military action. He knew of the depletion of US interceptors and general munitions and the denuding of such items from other theatres, including Europe and Asia, creating vulnerabilities. He is being roasted by Arab Gulf states that never invited the US unilaterally to start a war that has damaged their economies and vital energy infrastructure. Also, US bases have suffered more damage than reported. He meets Xi Jinping next week, key to a peace deal that is beyond the petulant Trump. China has special influence over Iran as it buys 90% of its exported oil.++ In the meantime, large tankers have done well because of, and maybe despite, the closure of Hormuz. Peak Baltic TCEs for tankers YTD are VLCC: \$318,777 on Mar 3. Suez: \$279,748 on Mar 26. Aframax: \$232,626 on Mar 27. Bulk carrier YTD peaks are Cape: \$46,610 on May 7. Pmax: \$20,099 today. Ultra: \$19,487 on Apr 28. What happens next is anyone's guess. Much depends on the hunched Hitchcockian figure in the White House whose brooding silhouette menaces the global economy. Then factor in Iran and Israel, experts at spoiling and delay tactics.

Dry Cargo Chartering

The BDI closed today at 2,978, up 248 points since last Friday, while the BCI finished at \$44,941, up \$4,610 over the same period. The **Capesize** sector had a very firm week, with spot rates peaking at their highest levels since November 2023, by mid-week the BCI182 rose to \$46,017, before a slight tail off to close. The physical market is outperforming the paper, with firm bids and rising offers looking positive.

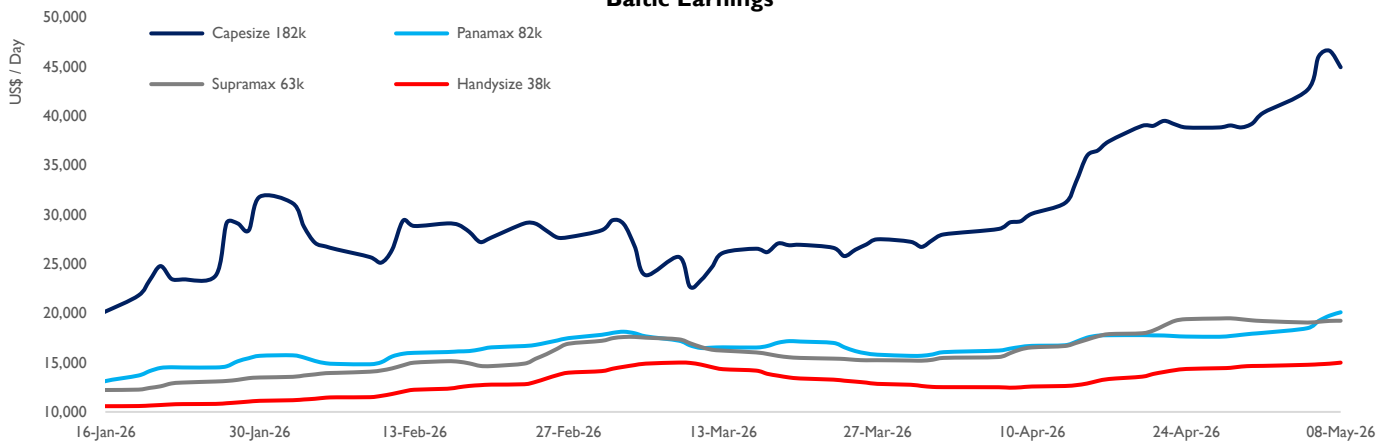
The BPI closed today at \$20,099, up \$2,081 since last Friday. The **Panamax** market has also been positive in both basins throughout the week. The sector is being lent support from Cape strength. In the Atlantic, the highlight has been the fronthaul market with a consistent flow of grain cargoes. This has underpinned bid levels and driven fixtures upwards.

The BSI finished at \$19,240, up \$31 since last Friday. The **Supra/Ultramax** market remained firm throughout the week. Whilst longer term period interest appears to have cooled a little, there are still many of those deals being done in the background at strong levels. If we look at the Pacific, North Asia saw improved cargo volumes, while continued nickel ore exports helped keep rates steady. Backhaul cargoes continued to command healthy premiums, especially for vessels able to call the Gulf of Aden, with

Ultramaxs achieving around \$23,000+ levels. Indonesian coal enquiries also increased during the week, with fixtures concluded in the low-mid \$20,000s within southeast Asia.

The BHSI closed this week at \$14,994, up \$328 since last Friday. The **Handysize** market remained buoyant, despite activity slowing slightly with holidays in China. The Pacific market outweighed the Atlantic, in a flip, which has not been the case for some time. The Pacific market opened quietly but with a firm undertone, supported by limited early-May tonnage and steady demand despite regional holidays. The tight Far East availabilities kept rates steady around last-done levels, while sentiment stayed positive on fresh Australian and backhaul enquiries. In the Continent and Mediterranean, demand continued to lag, prompting many owners to consider ballasting. Similarly, the US Gulf initially remained subdued due to a lack of fresh demand. The South Atlantic remained the most active market within the Atlantic, supported by a number of May cargoes ex-South Brazil and a short tonnage list. Rates for transatlantic crossings were significantly above last done. Early in the week, *Clipper Mallorca* (40,313-dwt, 2025) was fixed delivery South Brazil 13-May redelivery UK-Portugal range with sugar at \$22,000 by Berge bulk, but later in the week a 40k-dwt heard fixed Recalada to redelivery Morocco at \$26,000.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Crimson Kingdom	84,860	2016	Zhoushan	7 May	Japan	24,000	MSP	Via Australia
LV Star	79,252	2012	Gibraltar	8/10 May	Singapore-Japan	\$25,000	Cnr	Via North Coast South America
Samatan	77,154	2015	Singapore	10 May	South China	\$20,000	Cnr	Via Indonesia \$175,000 ballast bonus
Prodigy	76,117	2013	Kunsan	13 May	Japan	\$18,500	Cnr	Via NoPac
Shen Hua 806	75,285	2014	Hong Kong	9 May	Philippines	\$22,000	Cnr	Via Indonesia
SSI Phoenix	63,734	2024	Copenhagen	7/12 May	East Mediterranean	\$28,000	Weco	-
Letizia	61,288	2015	Baltimore	10 May	Finland	\$26,000	Weco	Via US East Coast
Ionic Spirit	56,108	2010	SW Pass	Ppt	East Coast Mexico	\$20,250	PacNav	-
Lefkes	33,398	2014	Canakkale	Ppt	US East Coast	\$10,500	Weco	\$170,000 ILOHC
Primus	32,588	2006	Norfolk	Ppt	Spain – Portugal	\$13,000	Navi Merchant	-

Exchange Rates	This week	Last week	Bunker Prices (US\$/tonne)	This week	Last week
1 USD	156.67 JPY	156.59 JPY	Singapore HSFO	685.0	688.0
1 USD	0.8496 EUR	0.8506 EUR	VLSFO	812.0	761.0
Brent Oil Price	This week	Last week	Rotterdam HSFO	658.0	650.0
USD per barrel	99.82	109.05	VLSFO	792.0	727.0

08 May 2026

Dry Bulk S&P

The Baltic tanker indices have been getting plenty of press coverage after Mercuria's legal action against the Baltic Exchange. The dry indices have not received as much coverage, however Panamax vessels reached their highest levels since March 2024 and Capes since November 2023. The BSI63 Ultramax index which formally took over from the BSI58 in September 2024, reached its highest levels this month since its inception. The BDI overall sits above 3,000, its highest level since 2023.

It is perhaps no surprise then that modern bulkers are attracting plenty of interest. Ultramax vessels are in hot demand at present and prices are rising. Back in March, *MV Ability* (63,253-dwt, 2021 Shin Kurushima) was reportedly sold by Drydel to clients of Astro Bulk for \$37m. This week, the same owners are reported to have sold the sister, *Dominator* (63,652-dwt, 2021 Shin Kasado) reportedly fetching \$38m. The buyer is not confirmed, however, two theories currently vie for pole position. Either it is a repeat deal with the same buyers or ADNOC have picked her up after launching their tenders for bulkers, one of which was for modern Ultramax vessels.

An exact sister sold in October 2025, *CMB Bruegel* (63,667-dwt, 2021 Shin Kasado), which reportedly fetched \$32.5m, evidencing how much pricing has moved in the past six months.

With firm prices across the board, many sellers see this as a good opportunity to take the money on some of their older vessels or ships that are not part of their core fleet, and several of the other vessels sold tick those boxes. The 26-year-old *Federal Yukon* (36,563-dwt, 2000 Oshima) would fall into that category. Her scrap value is about \$3.3m in the sub-Continent, she has DD due in August and she reportedly is sold for \$6m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Yangze 902	93,225	2012	Jiangsu Newyangzi	-		\$13.0m	Sold to current charterers with TC until end 2026
Sirocco	82,000	2014	Sainty	-	Chinese	\$20.20m	
Mandy Morn	82,612	2008	Tsuneishi Zhoushan	-		\$14.0m	
Dominator	63,652	2021	Shin Kasado	C 4x31T	Greek	\$38.0m	Surveys due July
Messinian Spire	56,056	2008	Mitsui	C 4x31T	Chinese	\$14.50m	DD due 08/26
Plant Team	53,477	2009	Zhejiang	C 4x35T		\$10.30m	
Federal Yukon	36,563	2000	Oshima	C 4x30T		\$6.0m	Laker, Ice 1C DD due 08/26

Tanker Commentary

In the VLCC sector, Korean owners SK Shipping are reported to have sold *C. Progress* (319,900-dwt, 2012 Hyundai, scrubber) and *C. Innovator* (313,999-dwt, 2012 Dalian, scrubber) for \$60.5m each with a TC attached at 26-28k/day until November 2027 and September 2026. As the TC rates are well below fair market value, the pricing is far lower than expected. The current 1-year TC rate for a VLCC is over \$110k/day.

A brace of Chinese resale MRs have sold from Horizon Tankers; *Horizon Andros* and *Horizon Syros* (50,000-dwt, 12/2026 & 02/2027 Zhoushan Changhong, scrubber) for \$50m each. There is a significant premium being paid for a prompt ship as most yards in China are quoting a touch under \$45m with delivery in 2029/2030.

A pumproom MR, *UOG Kyma* (44,995-dwt, 2011 Onomichi) has been sold to Greek buyers for \$25.5m with her surveys due in July. The last similar aged pumproom to sell was the large deadweight, *Maersk Maru* (48k dwt, 2011 Iwagi) and *Maersk Mississippi* (47,990-dwt, 2010 Iwagi) for \$22m each in November last year.

Chinese controlled, *Royal Jasmine* (53,148-dwt, 2008 GSI) has sold to Turkish buyers for \$20.8m with DD due in June. The last similar aged deewpell MR to sell was *Jag Prakash* (47,848-dwt, 2007 STX) for \$17.75m in early April with DD passed.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
C. Innovator	313,999	2012	Dalian		\$60.50m	Enbloc for \$121m – Scrubber – TC at around 26-28k pd until max Nov 27
C. Progress	313,990	2012	Hyundai		\$60.50m	Scrubber – TC at around 26-28k pd until max Sep 26
Horizon Andros		2027			\$50.0m	Enbloc for \$100m – Scrubber – Delivery 12/26 & 02/27
Horizon Syros	50,000	2026	Zhoushan Changhong		\$50.0m	
UOG Kyma	44,995	2011	Onomichi	Greek	\$25.50m	Surveys extended until 07/2026
Royal Jasmine	53,148	2008	GSI	Turkish	\$20.80m	DD due 06/26

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