15 May 2026

WEEKLY COMMENTARY

HARTLAND
SHIPPING SERVICES

CONTENTS

…"All Quiet on the Middle Eastern Front"…

Source : Statista

* Whilst less than a billion barrels are yet to be fully lost (roughly, 75 days x 12mbpd = 900m), once adding in the time to restart production, even if Hormuz reopened today, a billion barrel loss is comfortably baked-in.

^ Fitch ratings estimated on March 20 that a three month closure would see oil prices average $130/bbl for the duration of the closure. This is not to criticise their commentary, few if any contrarian views were published by household names at the time.

** *"How the world has avoided an oil catastrophe"* – The Economist (May 12) and *"How long can the US be the oil supplier of last resort"* – Bloomberg (May 13) are both excellent reads, our commentary uses some of their data estimates.

^^ Kpler and Bloomberg estimate that 4 VLCCs have exited since May 10. *"Hormuz oil flows creep higher as more supertankers exit"* – Bloomberg (May 14).

*** Cape fleet growth has been slow at ~2% in recent years, whilst tonne-miles are being boosted by strong Brazilian iron ore volumes and bauxite from Guinea.

POINTS OF VIEW

Attention spans are getting shorter for the TikTok generation, perhaps this is reaching financial and commodity markets too. We are now two and a half months into the closure of the Strait of Hormuz. The world has already lost 1 billion barrels of oil from production shut-ins, every day around 12mbpd can be added to this.* It would be even higher were it not for the pipeline bypasses to Yanbu and Fujairah. A quick read of the news or glance at the markets would suggest that this simply does not matter anymore. Politicians seem indifferent, Britain's leaders have moved on and have decided to tear themselves apart, again. Meanwhile, the President Trump is visiting Beijing. Amongst discussions on trade, Taiwan and chips, there was a statement that both nations believe the Strait should remain open, but obviously details about how or when, are light. If you could travel back in time to early March and say that the Strait would still be as good as shut today, but that oil would be trading at around $108/bbl, and the S&P500 would be up 7% from early February, you would be laughed at, but here we are.^ Oil prices have not yet risen to the levels that many feared might trigger a broader macro crisis. $108 Brent is lower than the average seen in Q2-22 ($112) following Russia's invasion of Ukraine. Even back then, very little oil supply was actually lost, merely redirected from Europe to new buyers.

Today's pricing certainly does not reflect the energy crisis we were promised, the Economist called it this week "the great commodity market mystery".** A common answer in recent weeks, was as follows: the typical headline oil price is a 1-month future (paper), but spot (physical) prices were closer to $140/bbl, a $30 or so premium over the paper price, compared to the usual narrow gap (~$2) in more normal times. Futures markets were just pricing-in a TACO and / or a prompt reopening. However, in recent days this physical-paper spread has largely closed, the physical oil shortage is clearly not as bad as feared. News of a few ships getting through Hormuz is likely a red herring too. Yesterday it was reported that 30 Chinese ships have been allowed safe transit by Iran. Likewise, two Japanese tankers have also got through recently. The exact nature of all these voyages are unknown, but it seems likely that these were ships leaving the Gulf. Instead, constant inbound voyages are needed for filled-up onshore storage tanks to be emptied onto tankers and allow shut-in production to restart. Meanwhile, the flow of Iranian oil on dark fleet tankers has been choked by the US blockade. Finally, there is a stream of non-Iranian cargoes moving on the handful of ships still prepared to take the risk through Hormuz. Bloomberg reports that these flows have crept up to 2mbpd in recent days, i.e. 1 VLCC per day. It is possible that slightly more are happening with all involved presumably tight-lipped. Still, it is likely that this is only making a small dent in 12mbpd.^^

The search for a complete answer leads us back to the two great powers meeting in Beijing. EIA data suggests net US exports have hit staggering levels in recent weeks, now up to 5.9mbpd, compared to 3.3mbpd this time last year, thanks to inventory releases and strong production. However, US drivers are starting to feel the squeeze at the pump too. High gas prices are politically toxic. Entering the summer driving season with mid-term elections this autumn, Trump may face more calls for oil export restrictions. Inventory releases are only a temporary fix. Meanwhile, China's foresight in building up enormous oil reserves in recent years is clearly paying dividends and helping the world; allowing for lower Chinese imports and more oil for other buyers in Asia. A magic wand has not been waved though. Global demand destruction is already at somewhere in the region of 4mbpd, and this is despite huge draws on national strategic reserves and private commercial inventories. This is merely buying oil and financial markets time.

Shipping markets are also benefitting from this delay in reckoning. Crude and product ranker rates have trended downwards in recent weeks (except the highly illiquid routes loading inside Hormuz) but still trade at very firm levels. After the initial spike caused by the immense reshuffling and re-positioning of the fleet, it seemed likely that a market starved of cargo would start to fall, despite the longer tonne-miles. Rates are still holding the line at strong numbers thanks to herculean US Gulf exports and reserve releases. In drybulk markets, many (ourselves included) had concerns that a Hormuz-related energy crisis and economic slowdown could harm dry commodity demand too. Instead, Capesize markets are on fire, trading for most of the last two weeks at just under $50k/day, dragging up Panamaxes and smaller tonnage with them. A surge in thermal coal demand is adding further fuel to fire of strong Capesize fundamentals.*** Gas to coal switching to replace lost Middle Eastern LNG cargoes is providing yet another comeback for the cargo whose demise has been predicted a thousand times. The question now for all markets, shipping, commodity or financial, is whether Trump is able to take advantage of this temporary reprieve in oil prices and find a way to reopen Hormuz before it is too late.

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HARTLAND SHIPPING SERVICES

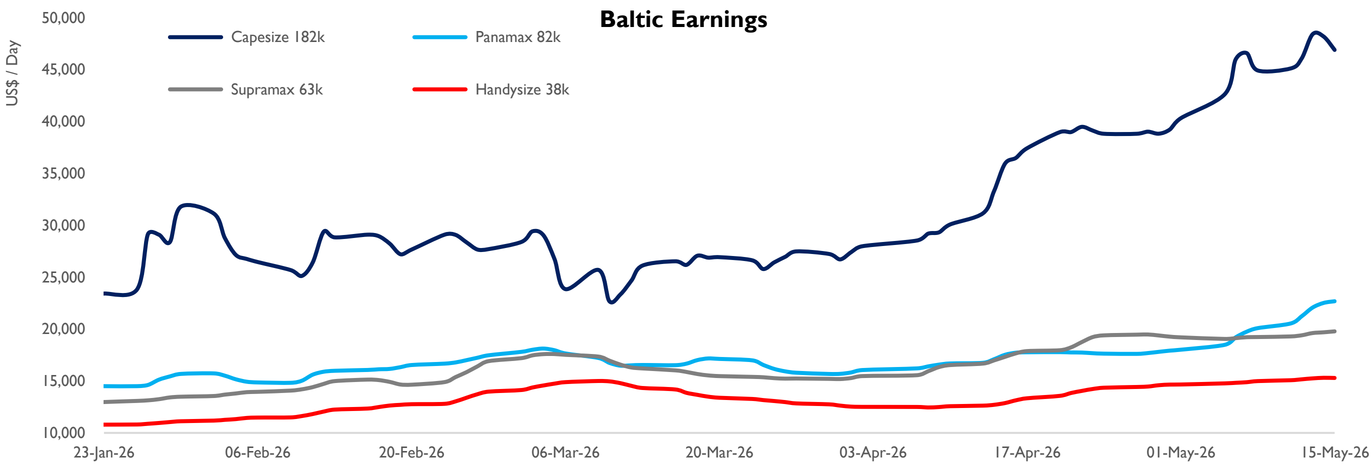
Dry Cargo Chartering

It was another good week for drybulk rates, Capesize earnings continued to strengthen, supporting the smaller sizes too. The Panamax market stood out, with the BPI82 hitting its highest level since Jun-22. The BDI closed today at 3,151, up 173 points since last Friday. The BCI ended the week at $46,916, up $1,975 since last Friday. The **Capesize** market saw solid gains at the start of the week which was paused slightly by Ascension Day on Thursday. In the Pacific, activity levels were solid overall with strong activity out of Brazil and West Africa into China. In the North Atlantic, conditions remained tight, with improving fronthaul bids reportedly emerging from East Coast Canada into China.

The BPI closed today at $22,619, up $2,520 since last Friday. The **Panamax** market continued its firm trajectory through the week. Similarly to Capes, fronthaul rates remains the strongest in the Atlantic, with healthy North Coast South America grain demand keeping cargo volumes healthy. The Pacific has seen constant mineral flows from Indonesia and Australia which combined with improving North Pacific grain demand has helped sustain rates. Jera were reported to have fixed the *Blue Ridge* (82,099 2013), open Panjin on 16 May, for an East Coast Australia round trip at $24,500.

The BSI finished at $19,788, up $540 since last Friday. The **Supra/Ultramax** market marched on, the index continued to climb and performance was generally firmer, meaning period interest cooled off further. The Atlantic basin remained largely positional as the US Gulf steadied and the South Atlantic gradually improved. There were pockets of big headline numbers from East Coast South America which can be explained by large cubic Ultras taking up Panamax stems (63/10 corn) from Santos. The Pacific maintained positive momentum, supported by strengthening North Pacific and backhaul demand, with the market showing no signs of slowing yet.

The BHSI closed this week at $15,296, up $302 since last Friday. The **Handysize** market remained mixed but generally firmer this week. The Atlantic felt quieter and more position-driven. Activity across the Continent and Mediterranean was limited, resulting in minimal changes in rates. The US Gulf markets were largely steady, *Federal Franklin* (34,492-dwt, 2021) fixed delivery US East Coast redelivery Denmark at $18,000 with PCL. The market remained firm in the Pacific, with healthy cargo volumes driving a steady increase in activity across the region. The tonnage list remained tight, especially in Far East, supported by strengthening backhaul and Indian ocean demand. Overall, trading maintained a positive momentum, with both owners and charterers progressively raising their rate expectations.



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Lito	81,967	2012	Skaw	15/16 May	Singapore-Japan	$29.250	Olam	Via North Coast South America
Argonaut	81,117	2016	Zhoushan	17/22 May	Japan	$22,500	Klaveness	Via NoPac
Cornelia M	78,400	2012	Lianyungang	18 May	Singapore-Japan	$22,500	Costamare	Via NoPac
Great Triumph	77,835	2015	Zhoushan	16/17 May	China	$26,000	Cnr	Via Australia
Modest SW	76,483	2012	Flushing	15/19 May	Singapore-Japan	$27,500	Cnr	Via North Coast South America
KM Weipa	63,377	2017	Tianjin	13 May	Caribbean	$18,000	Cnr	-
Rugulus I	55,426	2004	Lanqiao	18/20 May	Marmara Sea-Black Sea	$26,000	Weco	Via US East Coast
Victoria May	58,634	2016	Tamatave	Ppt	SE Asia	$22,000	Oppulence	Via Durban
Sea Hope	37,687	2015	Singapore	Ppt	Japan	$17,000	NYK	-
Devbulk Saliha	31,018	2011	CJK	Ppt	South Africa	$15,000	Cnr	Via China

Exchange Rates	This week	Last week
1 USD	158.57 JPY	156.67 JPY
1 USD	0.8596 EUR	0.8496 EUR

Brent Oil Price	This week	Last week
USD per barrel	108.29	99.82

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	687.0	685.0
VLSFO	840.0	812.0
Rotterdam HSFO	696.0	658.0
VLSFO	782.0	792.0

Dry Bulk S&P

This week's sales tables is not one to disappoint, with several sales at all ends of the age spectrum. Prices remain strong.

The owners of *Joy* (81,096-dwt, 2019 Chengxi) have reportedly sold the vessel to Asian interests. Whoever said that happiness does not have a price would be surprised - it is actually $31m. This is a firm sale price against the scrubber fitted *Nord Aries* (81,895-dwt, 2020 Jiangsu Newyangzi) which we reported as sold in April for $32m.

Elsewhere, *HC Pioneer* (83,476-dwt, 2010 Sanoyas) has been sold for $17.5m with surveys passed. This sale price is slighly soft against the recent sale of another pure Japanese built Kamsarmax, namely *Spirit of Ho Ping* (82,152-dwt, 2011 Tsuneishi), which achieved $19.35m.

MSFL controlled *Huayang Rose* (63,562-dwt, 2016 CIC Jaingsu) & *Huayang Lily* (63,553-dwt, 2016 CIC Jaingsu) are reportedly committed to Chinese buyers enbloc for $50.6m. The prices are slightly weaker than last done, *Jin Rui* (64k-dwt, 2014 Jiangsu Hantong), which went for $24m just 2 months ago. However, the Huayang pair were sold with surveys due at relatively short notice.

Moving down to the Supramax sector, we have 3 sales of varying vintage to report. Japanese owners have reportedly sold *Sumaq Queen* (51,052-dwt, 2017 Imabari, eco) to Greek buyers for $25m after inviting offers last week. Tonnage of this age and design - especially with open hatch and box design are rare and this sale sets a new benchmark. Byzantine have sold *Sety* (55,753-dwt, 2010 IHI) for $16.5m; considering her surveys are freshly passed and she has a Wartsila main engine, this price is broadly in line with *Messinian Spire* (56,056-dwt, 2008 Mitsui) which went last week for $14.5m with surveys due. Of the older the vintage, the non-IACS classed *Majesty* (52,421-dwt, 2002 Tsuneishi) has been sold with surveys due for $7m. For comparison, *Vosco Unity* (53,552-dwt, 2004 Imabari) achieved $8.5m in April with surveys due in Q3.

Finally, the log-fitted *Ken Orchid* (28,225-dwt, 2011 Imabari) has been sold for $10m with surveys due. By comparison, in April, *Ithaca Patience* (28,349-dwt, 2010 Shimanami) achieved $9.8m with surveys freshly passed.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Moana	82,000	2026	Yizheng Yangzi	-		$36.50m	Delivery 05/26 CC class
Joy	81,096	2019	Chengxi	-	Asian	$31.0m	
Nord Polaris	81,791	2016	Tsuneishi Cebu	-	Blumenthal	$28.0m	Waiving inspection, surveys due, prompt delivery
HC Pioneer	83,476	2010	Sanoyas	-		$17.50m	
Huayang Rose	63,562	2016	CIC Jiangsu	C 4x35T	Chinese	$25.30m	Enbloc
Huayang Lily	63,553			C 4x30T		$25.30m	
Sumaq Queen	51,052	2017	Imabari	C 4x31T	Greek	$25.0m	OHBS
Crimson Knight	58,651	2013	NACKS	C 4x31T		$19.50m	
Sety	55,753	2010	IHI	C 4x35T		$16.50m	Wartsila Flex
Majesty	52,421	2002	Tsuneishi	C 4x30T		$7.0m	Non IACS
Amber S	47,282	2000	Oshima	C 4x25T	Middle East	$5.80m	
AC Splendor	32,740	2005	Kanda	C 4x31T	Lebanese	$8.60m	
Ken Orchid	28,225	2011	Imabari	C 4x31T		$10.0m	Logger

Tanker Commentary

Very modern and resale MR2 tankers remain in high demand, with the likes of Torm and Scorpio being named as buyers of recent en bloc deals in the last few months.

This week, we report a fresh bloc of four MR2s being sold - two of which are on the water, namely *CS Fujairah* (50,629-dwt, 2026 Chengxi) and *CS Rotterdam* (50,629-dwt, 2026 Chengxi) with timecharters attached for minimum 12 months, and two sister, Chengxi-built resales which will deliver in Q4 2027. The reported price for all four ships is $198m, working out at an average of $49.5m per vessel, the buyer is still unconfirmed. For reference, we reported last week of resales *Horizon Andros* and *Horizon Syros* (50,000-dwt, 12/2026 & 02/2027 Zhoushan Changhong, scrubber) fetching $50m each, which had earlier deliveries and were scrubber fitted. We are yet to see a MR2 resale break the $50m mark, however with values continuing to creep up, this may happen soon.

Although several negotiations are ongoing, our only conclusive 'vintage' sale is *Gemini Pearl* (50,561-dwt, 2007 SPP) which has been picked up by Windar Shipping in Hong Kong for $17m. Again, slightly soft against April's sale of the *Cordoba* (46,763-dwt, 2007 Sungdong) at $17m, however *Gemini Pearl* has a Wartsila main engine which will carry a discount. It is worth noting that both vessels have similar docking positions, coatings and are deepwell designs.

Reported Tanker Sales

<table>
<tr><th>Vessel</th><th>DWT</th><th>Built</th><th>Yard</th><th>Buyer</th><th>Price</th><th>Comment</th></tr>
<tr><td>CS Fujairah</td><td rowspan="2">50,629</td><td rowspan="2">2026</td><td rowspan="4">Chengxi</td><td rowspan="4"></td><td>$49.50m</td><td>TC attached for 12 months at rgn $21.5k pd</td></tr>
<tr><td>CS Rotterdam</td><td>$49.50m</td><td>TC attached for 12-15 months at rgn $23.8k pd</td></tr>
<tr><td>CS Singapore</td><td rowspan="2">50,000</td><td rowspan="2">Q4 2027</td><td>$49.50m</td><td></td></tr>
<tr><td>CS Houston</td><td>$49.50m</td><td></td></tr>
<tr><td>Gemini Pearl</td><td>50,561</td><td>2007</td><td>SPP</td><td>Windar Shipping</td><td>$17.0m</td><td>Wartsila</td></tr>
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