

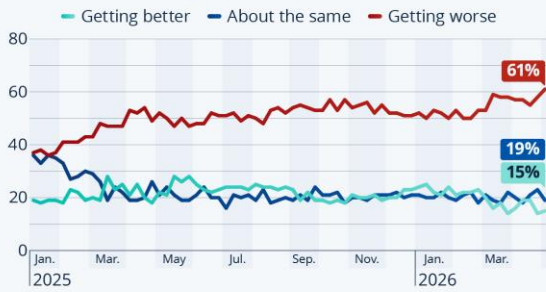


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Six in Ten Americans Believe the Economy is Getting Worse

Share of U.S. adults who believe the following about the economy (in percent)



1,500+ U.S. adult citizens surveyed per week
Not sure/don't know responses not included
Source: The Economist/YouGov



statista

Source: Statista

*Iran's closure of the Strait and the US blockade of Iranian ports are both breaches of the ceasefire as they are a continuation of war by other means. There is no ceasefire in Lebanon, as hostilities continue, a problem for Iran.

**In customary unguarded comments on leaving the WH for Beijing, Trump told the press: "I don't think about Americans' financial situation. I don't think about anybody. I think about one thing: We cannot let Iran have a nuclear weapon."

^Iran will not give the US what it wants on uranium enrichment, uranium stockpiles and ballistic missiles. After Trump's threat of civilisational erasure Tehran now knows for certain that it needs a nuclear weapon shield.

Despite US claims to have destroyed Iran's ballistic missiles and navy, US intelligence has revealed that 70% of its ballistic missiles and 90% of its launchers are intact. Its navy still represents a clear threat to foreign ships in the Strait.

^Iran wins just by surviving. Trump cannot even think about declaring victory before reopening Hormuz, the pre-Feb-28 status. None of his pre-war objectives have been achieved. Ominously, Eleven US F-22 Raptors just arrived in Israel.

The NYT reveals that the US-Israel regime change plot involved installing ex-president Mahmoud Ahmadinejad (2005-2013). He was pro-nuclear, anti-US, highly repressive and wanted to "wipe Israel off the map". A curious choice...

+Ambrey reports that 136 Panama-flagged ships were detained in Chinese ports in April, up from 20 in Feb, after Panama's Supreme Court's Jan 29 ruling that stripped CK Hutchison of its concession over two Panama Canal terminals.

POINTS OF VIEW

On Monday, Trump did another about-turn by calling off planned joint US-Israeli strikes on Iran at the request of Gulf states that feared a devastating backlash against their energy and civilian infrastructure. Who is calling the shots? Maybe it is Abu Dhabi, Riyadh, Doha, Tehran, etc. but certainly not Washington. The US has lost the initiative and is now making the Feb-28 attack all about not letting Iran get a nuclear weapon, dropping regime change, proxies, ballistic missiles, etc. while continuing its blockade of ships calling at Iranian ports. This is proving effective - only 12 ships have passed - in choking off Iran's oil exports and its imports of foodstuffs, medicines and other vital goods. Iran's closure of the Strait of Hormuz is also proving effective with oil prices rising around the world and stockpiles of oil, fertiliser and multi-use gases running low.* Some Asian countries are rationing fuel, telling office staff to work from home, to avoid using elevators and restrict transport use. Inflation is creeping up and the world's central banks will soon have to raise interest rates which will put pressure on the whole range of households, companies and countries.** In this economically destructive game of tit-for-tat blockades, the question is whether Iran can outlast the rest of the world. Most bets are on Iran which - along with Russia, Venezuela and North Korea - has been enduring US-led sanctions for multi-decades. Collectively, they have developed a certain resilience and a common enemy in the Great Satan. The US desperately wants to back out of this ill-judged war and reopen the Strait - even though Israel will want to keep going to the bitter end - and it is beginning to realise that the only thing up for immediate negotiation is reopening the sea-lanes. Everything else, including nuclear talks, will be kicked down the road. Remember, the 2015 JCPOA, which now looks like a good deal, took 600 days to negotiate by teams of experts.^

Trump's delayed two-day trip to Beijing was painted as a huge success, by Trump, not limited to claims of mass future Boeing aircraft and soybean sales, none of which has been firmly committed to by Xi. Most of their talks centred around Taiwan with China warning that US interference will lead to war. This led the US president to say that he prefers things as they are: no independence for Taiwan. In reply, it claimed to be a de facto, but disputed, "sovereign democratic country". It is becoming clear that Trump may negotiate away Taiwan's resistance to reunification, possibly in exchange for China persuading Iran to reopen the Strait. Xi could make it happen given China's close ties to Iran, and the fact that it buys 90% of Iran's oil exports. The US has not, and will not, achieve anything by more bombing. That will not get Tehran to engage in nuclear talks, far from it.^ Instead, the US's lack of commitment to stand by Taiwan may pressure it to negotiate an imperfect settlement because the US has become an unreliable partner. It could follow the 1984 Sino-British Joint Declaration that returned Hong Kong to China in 1997 under a 'One Country, Two Systems' policy that would run for 50 years. It only lasted 25 years in the end. Taiwan could reorientate its advanced microchip plants towards high-growth China, at the expense of slow-growth America, as a fitting riposte to Trump ending the US policy of 'strategic ambiguity'. China's race to global AI dominance would be greatly enhanced.

The closure of the Strait is pushing up oil prices and depressing equity and bond prices, raising bond yields and threatening higher interest rates. Americans have spent an extra \$40bn on gasoline since the start of the war, equivalent to \$136 per household, according to new research quoted in the FT. This exceeds the cost of repairing the country's bridge network or overhauling its air traffic control system. In the closure of the Strait, Iran has rattled the sabre by claiming it is in talks with Oman to introduce permanent tolls on ships in transit. Oman has so far been quiet but is a signatory to UNCLOS, unlike Iran, that prohibits transit tolls. Likewise, this will be vigorously opposed by the US at a time when it is said to be in discussions with Iran about lifting their respective blockades and leaving other issues to be discussed at leisure. As each week goes by and the Strait remains shut, the Tehran tollbooth may become reality if shipowners or nations progressively become willing to bargain to get safe passage. Other chokepoints may follow suit so every effort should be made to prevent Iran and Oman setting a dangerous precedent that could see the cost of shipping rise, pushing up prices and nudging inflation higher. The Telegraph lists the top five chokepoints by share of global maritime trade: 1) Malacca Strait: 21.6% 2) Taiwan Strait: 21.2% 3) Gibraltar Strait: 18.1% 4) Bab al-Mandeb Strait: 16.5% 5) Suez Canal: 16.4%. The Strait of Hormuz is in 8th place with 7.9%. Its closure has seen more tankers shift to the US which is exporting record oil volumes, and this has benefited the Panama Canal. According to Vitol, 12 tankers a day from the US are heading through Panama to Asia, double pre-war levels, the vast majority product tankers. Maxed-out canal capacity and surging demand has led to as much as \$4m being bid for priority passage. This has prompted planners to work on Hormuz and other chokepoint bypasses to hedge against threats to the freedom of navigation and the ensuing economic damage.

Dry Cargo Chartering

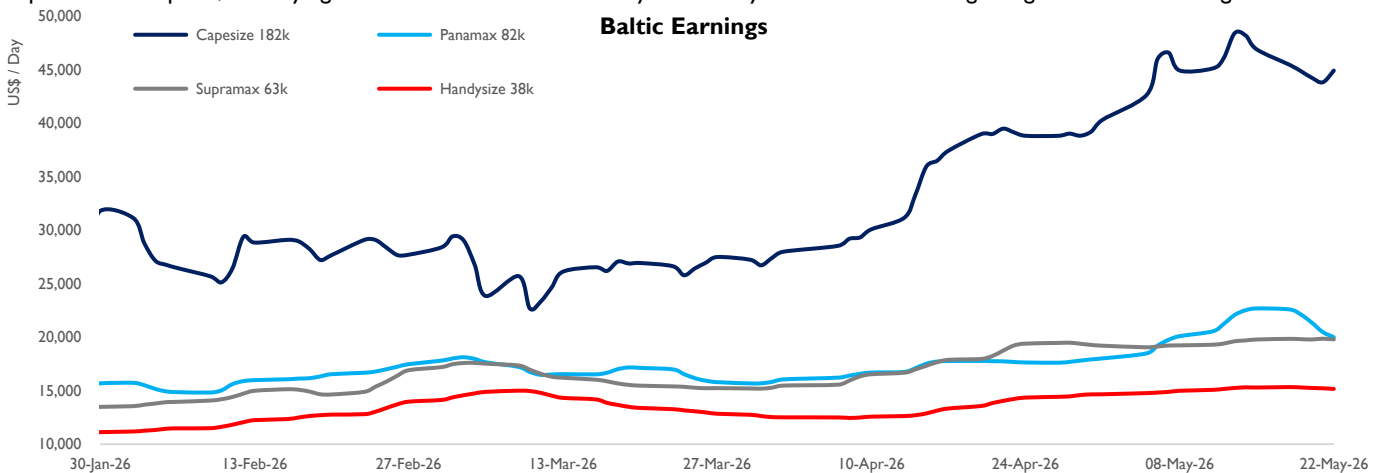
The BDI closed today at 2,991, down 160 from last Friday, while the BCI closed at \$44,931, dropping \$1,985 over the same period. The **Capesize** market ended the week softer overall, although fixing remains high. The Pacific saw strong activity, with multiple trades reported in the mid \$15s range. In the Atlantic, conditions were relatively quiet.

The BPI finished at \$20,004, down \$2,615 since last Friday. The **Panamax** market ended the week on a softer note. The Pacific retreated from its peaks, and a decent replenishment of cargo would be needed to steady the market. The Atlantic cargo activity was slightly quieter with some extra tonnage weighing on rates.

The BSI closed today at \$19,801, up \$13 since last Friday. The **Supra/Ultramax** market opened the week on a mixed but gradually firming footing. In the Atlantic, sentiment improved as stronger US Gulf demand began to translate into better fixing levels. This was reflected in fresh business, with *Port Orient* (61,485 dwt, 2017) open SW Pass reported fixed for a grains trip to Spain at \$27,000 with Cefetra, while *HSL Mexico* (61,167 dwt, 2020) fixed delivery Altamira for a grains run via SW Pass to Japan at \$25,000 with MOL. In Asia, while prompt tonnage in the south continued to cap immediate upside, underlying demand in the north and steady

enquiry provided a more supportive backdrop. Period interest added to the constructive tone, with *Cl Spruce* (64,181 dwt, 2025) reported on subs ex Qinzhou at \$22,000 for 5-7 months with Minmetals, underlining continued appetite for modern tonnage.

The BHSI closed this week at \$15,168, down \$128 since last Friday. The **Handy** market eased slightly compared to last week, though still remaining at healthy levels. This has caused some owners to lower their levels and cover their vessels through to the end of the month, or take a quick repositioning. In the Atlantic, there was minimal cargo activity off the continent, and owners were prepared to wait for rates to recover. The South Atlantic is still driving the market, with *CS Celeste* (38,737-dwt, built 2014) fixed basis delivery Upriver and redelivery Peru with grains at \$28,500 with Norden. In the Pacific, the week opened firm in the north on the back of steady cargo flow and limited tonnage. However, as the week progressed, fresh enquiry remained limited and an increasing tonnage list resulted in rates easing slightly below previous levels. In the south, momentum faded towards the latter half of the week. While tonnage supply remained limited, cargo volumes were still insufficient to generate an uplift. Period activity was muted, except for charterers with first leg requirements to cover. But overall, Handysize continues to chug along at comfortable heights.



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Carina Pacific	95,707	2012	Campha	27 May	Singapore-Japan	\$26,500	Tongli	Via West Australia
Arcadia Salute	95,575	2014	Van Phong	25/26 May	Japan	\$26,500	Jera GM	Via East Australia
Mandy Morn	82,612	2008	Hong Kong	24 May	South China	\$22,000	Tongli	Via East Australia
Admiral Reiwa	82,026	2021	Haldia	15 May	Singapore-Japan	\$23,000	Oceanexl	Via South Africa
Captain J. Neofotistos	79,501	2012	N C South America	16/17 May	Singapore-Japan	\$21,000	Cofco	Plus \$1,100,000 bb
Darya Jaya	63,584	2017	Iskenderun	PPT	Ponce	\$11,000	Pangaea	-
Baranee Naree	56,441	2012	Sihanoukville	18/20 May	China	\$17,000	CNR	Via Indonesia
Propel Prosperity	37,504	2006	SW Pass	Ppt	UK-Continent	\$16,000	OC	
Oceanic Praise	37,431	2015	Kobe	20/21 May	South East Asia	\$17,000s	CNR	-
Lady Lilly	28,397	2013	Recalada	Ppt	China	\$19,000	Ultrabulk	Petcoke

Exchange Rates	This week	Last week	Bunker Prices (US\$/tonne)	This week	Last week
1 USD	159.13 JPY	158.57 JPY	Singapore HSFO	637.0	687.0
1 USD	0.8623 EUR	0.8596 EUR	VLSFO	809.0	840.0
Brent Oil Price	This week	Last week	Rotterdam HSFO	693.0	696.0
USD per barrel	103.21	108.29	VLSFO	755.0	782.0

22 May 2026

Dry Bulk S&P

Following last week's long list of sales, activity in the dry bulk sector remains busy with many deals to discuss in this week's report and pricing seems relatively steady.

Cobelfret has offloaded two of their Japanese built Post-Panamaxes this week in separate deals. *Lowlands Teal* (95,823-dwt, 2020 Oshima) has been sold for 36.5m, while the slightly older *Lowlands Dawn* (93,500-dwt, 2017 Oshima) has been sold to Indian buyers for \$31m with TC attached. With most of the sales in this sector being significantly older, these sales set a new benchmark for Post-Panamaxes of this age and design. At the older end of the fleet, *Xenia* (87,144-dwt, 2006 IHI) has been sold for \$13m.

Moving down to the Kamsarmax sector, *Pedhoulas Commander* (83,684-dwt, 2008 Sanoyas) has been sold privately for \$14.7m. Given both she and the *Xenia* have surveys due, the older Japanese Post-Panamaxes and Kamsarmaxes both seem to be trading broadly in-line with one another.

Given the recent buzz for Chinese built Ultramaxs, it is of little surprise that another pair have been snatched up in quick succession. After inviting online bids, *Qian Dao Hu* (63,398-dwt, 2017 Sainty) and *Mo Gan Shan* (63,326-dwt, 2014 Sainty) have been

sold to Greek buyers for \$49.66m enbloc. This pricing is broadly in line with the two MSFL Ultras - *Huayang Rose* (63,562-dwt, 2016 CSI) & *Huayang Lily* (63,553-dwt, 2016 CSI) which went to Chinese buyers enbloc for \$50.6m last week, both with surveys due.

There is just a single sale in the Supramax sector this week with *Jade* (55,090-dwt, 2010 NACKS) being sold to Turkish buyers for \$15.1m. These 55k designs are rare, but pricing is about where we would expect with a small discount to a Japanese 56k.

Appetite for Handysize bulkers remains healthy with two vessels having invited offers this week. *Asahi Ocean* (32,085-dwt, 2013 Hakodate) has been sold to Vietnamese buyers for \$15.2m with surveys passed. Elsewhere, *Ansac Pride* (37,094-dwt, 2013 Onomichi) also invited offers and is reported to have seen offers in the region of \$18m - we expect fuller details to be reported next week. The higher pricing on the latter clearly illustrates the premium for the larger Handies over the smaller, same-aged *Asahi Ocean*.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Chin Shan	175,569	2004	CSBC	-		\$20.30m	
Lowlands Teal	95,823	2020	Oshima	-		\$36.50m	
Lowlands Dawn	93,500	2017	Oshima	-	Indian	\$31.0m	TC attached
Nefeli C	93,076	2013	COSCO Dalian	-		\$16.0m	DD Passed
Pedhoulas Commander	83,684	2008	Sanoyas	-		\$14.70m	DD due 07/26
Xenia	87,144	2006	IHI	-		\$13.40m	Surveys due
Qian Dao Hu	63,398	2017		C 4x30T			
Mo Gan Shan	63,326	2014	Sainty	C 4x45T	Greek	\$49.66m	Enbloc via online bidding platform / Surveys due
Jade	55,090	2010	NACKS	C 4x31T	Turkish	\$15.10m	
Asahi Ocean	32,085	2013	Hakodate	C 4x31T	Vietnamese	\$15.20m	



Tanker Commentary

Rates remain firm across the board in the tanker market, albeit not quite at the dizzying heights seen a few weeks ago. This week there are only a handful of sales to report, all non-eco.

A vintage VLCC, *Abie* (302,986-dwt, 2002 Samsung) has sold for \$40.5m.

In the MR2 sector, *Vialli* (52,422-dwt, 2012 GSI, epoxy) has sold for \$26m. The pricing is pretty close to the last similar aged MR2 to sell, *UOG Kyma* (44,995-dwt, 2011 Onomichi, epoxy) which achieved \$25.5m earlier this month. Note, this week's ship is deepwell and year younger but will have carried a discount for being Chinese-built.

Meanwhile, *Sunny Victory* (46,803-dwt, 2005 HMD, epoxy) has sold for \$16m, showing how prices have risen when compared to *Dai Phu* (50,530-dwt, 2006 SPP) which sold for \$13.22m in April.

J19 pricing has remained stable with *Easterly Beach Galaxy* (19,998-dwt, 2007 Usuki) selling for \$16.25m. The last done is *JBU Sapphire* (19,860-dwt, 2009 Kitanihon) in March for \$18.7m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
<i>Abie</i>	302,986	2002	Samsung		\$40.5m	
<i>Vialli</i>	52,422	2012	GSI		\$26.0m	Epoxy, Coiled
<i>Sunny Victory</i>	46,803	2005	HMD		\$16.0m	Epoxy coated
<i>Easterly Beech Galaxy</i>	19,998	2007	Usuki		\$16.25m	STST

Monthly Newbuild Update (May 2026)

Global newbuild deliveries had been broadly stable for a long period up to 2020, before gaining momentum in 2023 and accelerating in 2024. This reflects the post-2020 ordering wave, with strong contracting across sectors. This increase in deliveries, however, has not been even across nations. China has led the upturn, with deliveries picking up pace from 2023 onwards, and average monthly output since then have been running 73% above the 2015-20 period. South Korean yards' output has remained relatively steady, albeit exhibiting some rise by 2024-25. Meanwhile, Japanese deliveries have trended consistently lower since 2020 with volumes running 28% below the 2015-20 monthly average.

Since 2020 strong contracting has led to higher newbuild prices and long lead times at major yards. Orderbooks have been their busiest levels since the 2008 boom with yards being stretched, prompting expansion in capacity, in the form of new yards, reactivations of dormant facilities, and increased productivity from existing yards.

Chinese yards have been the most responsive to the surge in demand. We estimate around 7m-CGT per year of capacity has been brought online or reactivated in China since 2020 (1m-CGT is equivalent to ~22 VLCCs, so scope for an extra 160 VLCCs or equivalent per year). The expansion of Chinese capacity is far from over, and we expect deliveries to continue to rise. Another 3m-CGT of extra capacity could be online in China by 2028. In the last 12 months Chinese yards have built 25m-CGT, we expect this to exceed 30m-CGT in 2027. To a lesser degree, South Korean yards have also expanded capacity, but remain focused on higher value, CGT-intensive gas carriers and containerships. Japanese output however, has been structurally constrained by an ageing workforce and competition for labour from other industries (e.g. microchips), leaving limited scope for expanding output.

Drybulk Orderbook										
As of the start of May 2026	Capesize (>100,000-dwt)		Panamax (69-99,999-dwt)		Supra/Ultramax (45-68,999-dwt)		Handysize (25-44,999-dwt)		Total	
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt
2026	45	9.5	130	10.8	128	8.1	98	3.9	401	32.3
2027	75	15.9	162	13.5	206	13.0	98	4.0	541	46.4
2028+	162	35.5	180	15.1	182	11.6	92	3.7	616	65.9
Total	282	60.9	472	39.4	516	32.7	288	11.6	1,558	144.5
OB as % Fleet	13.7%	14.9%	13.8%	14.2%	11.7%	12.8%	9.1%	10.6%	12.0%	13.8%

Crude Tankers Orderbook									
As of the start of May 2026	Aframax (80-120k-dwt)		Suezmax (120-200k-dwt)		VLCC (200k-dwt +)		Crude Total		
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt	
2026	10	1.1	30	4.7	27	8.3	67	14.1	
2027	24	2.8	56	8.8	61	18.8	141	30.3	
2028+	16	1.8	124	19.5	170	52.4	310	73.7	
Total	50	5.7	210	33.0	258	79.5	518	118.2	
OB as % Fleet	7.3%	7.6%	30.1%	30.2%	28.1%	28.1%	22.5%	25.3%	

Product Tankers Orderbook										
As of the start of May 2026	Handy (30-41k-dwt)		MR (41-60k-dwt)		LRI (60-80k-dwt)		LR2 (80k-dwt +)		Product Total	
	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt	#	M-dwt
2026	10	0.4	70	3.5	15	1.1	35	4.0	130	8.9
2027	11	0.4	101	5.0	32	2.4	59	6.8	203	14.5
2028+	6	0.2	95	4.7	16	1.1	70	8.0	187	14.0
Total	27	1.0	266	13.1	63	4.6	164	18.7	520	37.5
OB as % Fleet	5.3%	5.4%	15.0%	15.1%	16.4%	16.4%	30.9%	32.4%	16.3%	19.6%

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

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