21 August 2026

HARTLAND
SHIPPING SERVICES

WEEKLY COMMENTARY

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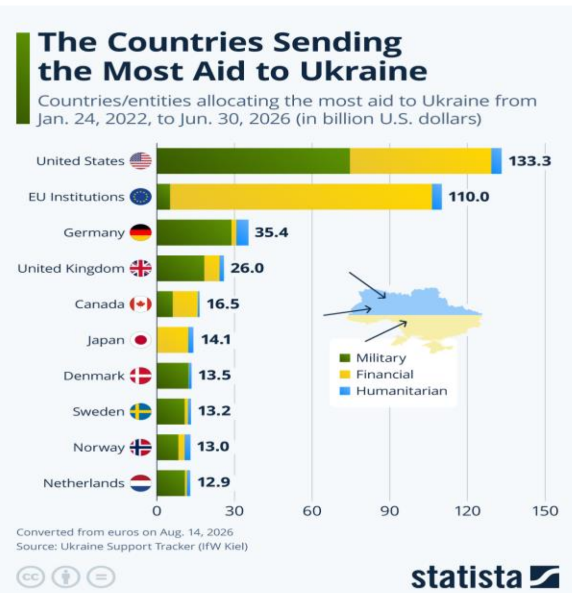

Source: Statista

*Iran replied that the strait will remain in Iran's hands and it will keep it shut and wait out Trump's term, with no intention of continuing with virtual negotiations.

An official said that Iran's strategy should be neither outright war nor a formal peace deal, but instead a prolonged period of ambiguity and strategic patience.

Separately, the UAE has halted all trade with Iran, after latest missile attacks, and this could prove problematic for Iran as the UAE is a major transhipment hub.

**It now must be supplied from Diego Garcia 2,200 miles away in the Chagos Islands in the Indian Ocean, a base the UK surrendered to Mauritius in May 2025.

The US has been on and off about this 'trade' in exchange for a 99-year lease. It risks falling under Chinese influence given that Mauritius benefits from the BRI.

^US military facilities in Bahrain, Kuwait, Saudi Arabia, Qatar, Iraq, Jordan, Oman & UAE allegedly have been damaged to varying degrees. All of which is denied.

The US is debating whether to repair these facilities or head for the exit. Having failed to protect its own bases and its Arab allies, it may be time to 'reorientate'.

^^With KSA, UAE and Iraqi pipeline detours, China's 5-6m bpd of curtailed crude oil imports, global stock drawdowns, demand destruction, rising coal …

… and renewable use, oil conservation and rationing, and increased Atlantic-sourced exports, is the Strait of Hormuz at risk of becoming redundant?

POINTS OF VIEW

The 60-day validity of the 14-point June 17 Islamabad MoU expired last Monday, Aug 17. Iran and Oman are engaged in discussions about reopening the Strait of Hormuz that do not involve the US. At a rally last weekend, Pres. Trump said: "Pretty soon I'll be declaring the Hormuz Strait a territory of the US". It generated an immediate backlash from senior Iranian officials.* Let's look at the short-form 14 points of the MoU, assigning a done or not to each. Point 1: The immediate and permanent termination of military operations on all fronts, including Lebanon. No. Point 2: Respect each other's sovereignty and territorial integrity. No. Point 3: Commit to negotiating and achieving a final deal within 60 days. No. Point 4: The US to remove its naval blockade and to exit its forces from Iran's proximity within 30 days. No. Point 5: Iran to arrange for safe passage of commercial vessels through Hormuz with no charge for 60 days. The future administration of Hormuz to be defined by Iran and Oman. No. Point 6: The US and its regional partners to agree to a $300bn reconstruction plan for Iran within 60 days. No. Point 7: The US undertakes to lift all types of sanctions against Iran as part of a final deal. No. Point 8: Iran shall not procure or develop nuclear weapons and is to define permissible enrichment and supervision. No. Point 9: Pending the final deal, the US and Iran agree to maintain the status quo of its nuclear program. No. Point 10: The US Treasury to issue waivers for the export of Iranian crude oil and products. No. Point 11: The US to make frozen and restricted funds and assets fully available to Iran. No. Point 12: The US and Iran to agree a mechanism to monitor successful implementation of this MoU. No. Point 13: Upon implementation of paras 1, 4, 5, 10 and 11 the parties will start negotiations to finalise the deal. No. Point 14: The final deal will be endorsed by a binding UNSC resolution. No.

So, dispiritingly, that is where we are – without progress on any of the 14 points. Same in the Gaza 15-pointer. Factions on both sides were against the June 17 MoU, even Iranian hardliners despite it being apparently loaded heavily in Iran's favour. Moving onto another shipping-related topic is the operational status of USS Abraham Lincoln. Family of crew members highlighted the desperate situation of their sons and daughters on board as its 272-day deployment stretches crew and equipment to breaking point. This is denied by Pete Hegseth's Ministry of War at the Pentagon. Moaning is normal; not moaning is more worrying. Recall that USS Gerald R. Ford limped off to Crete for repairs after a fire in its aft laundry in March. It had been deployed for 326 days and was set to return to Norfolk, VA. in May. Marine Traffic had her leaving Marseille for the US on Aug 9. Rumour has it that the Lincoln's dilemma is that it can no longer be supplied by the US Fifth Fleet's HQ in Bahrain as Iran effectively destroyed its operational capability.** Defence Security Asia suggests that end June independent high-resolution satellite imagery identified at least 228 damaged or destroyed structures, vehicles, systems or infrastructure across some 15 US bases throughout the Gulf region.^ It contradicts the Pentagon's claims of minimal damage. Furthermore, the Atlantic estimates that US stocks of interceptors are down to 20% of pre-war levels and will take a minimum of four years to replace. The US cannot prosecute all-out war without risking devastating Iranian attacks on its regional military bases and its Gulf Arab allies. Axios quotes two "US officials" as saying that Iran's radars over Hormuz have been severely degraded by US aircraft. The US has opened a shipping corridor in/out of Hormuz along the Omani coast that is shipping out 10m-bpd, half of pre-war levels.^^

Trump scaled back this week's joint exercises with South Korea, that took place annually since 1954, on a combination of cost grounds and that the exercises are inappropriate and hostile to North Korea. He defended Kim Jong-un as unthreatening and respectful and he boasts of having enjoyed good relations with him over his two divided terms, starting Jan 2017. This ignores the fact that Kim is sending thousands of troops, munitions and ballistic missiles to Russia for use against Ukraine. It is seen as a reprimand to South Korea for not helping the US in its war against Iran even though, as with other allies, it was not warned or consulted prior to the Feb 28 attacks. North Korea and China will interpret this as US and allied division making confrontation in the Korean Peninsula and the Taiwan Strait more likely. Supporting Kim while threatening key ally Oman is upside-down. Another interpretation is that Trump is preparing to re-engage with Kim, in search of a distraction, and this would be welcomed by Seoul. The CIA anticipates that Putin is about launch an attack on Poland or the Baltic states to test Nato's Article 5. He is also threatening the UK for supplying long-range drones to Ukraine. This is nothing new. The reality is that the US, Europe and Asian allies are under continuous assault from the CRINKs that are active in the European & Middle East wars and poised to expand them within and beyond these theatres. A WP/Ipsos poll indicates 68% of Americans regard the Iran war as not worth fighting. Iran is aware of this and will bide its time to ramp up pressure in the run-up to the midterms. In the meantime, Hormuz and B-E-M workarounds are active. What next?

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Dry Cargo Chartering

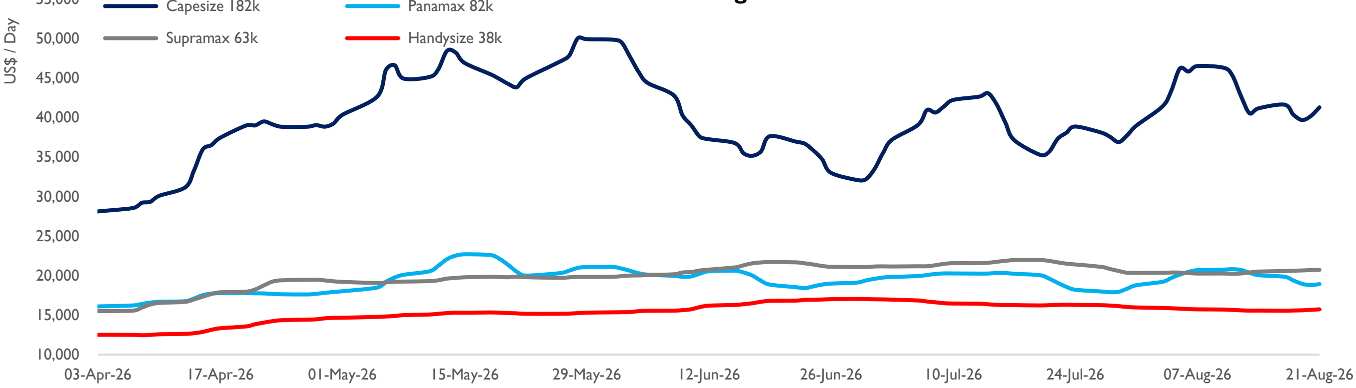
The dry cargo sector experienced a quiet week, with the geared vessels seeing slightly more gains than the larger sizes. The BDI closed today at 2,841, down 22 points from last Friday, while the BCI closed at $41,288, up $133 over the same period. The **Capesize** sector saw a mixed performance across both basins. In the Pacific, there was increased activity with a constant miner presence supporting the C5 route whilst in the Atlantic, the South Brazil and West Africa-to-China markets remained subdued. There were signs of strength emerging from the North Atlantic, although momentum faded towards the end of the week.

The BPI closed at $18,928, down $1,127 from last Friday. The **Panamax** market had a challenging week, with rates declining in the Atlantic, although they still remain at very healthy levels. A Kamsarmax fixed for a fronthaul from the US East Coast to Southeast Asia at $30,750. The Pacific market was relatively stable, despite plenty of prompt tonnage.

The BSI closed today at $20,728, up $220 this week. The **Supramax/Ultramax** market maintained a firm underlying tone, with improving activity emerging across several regions. The Atlantic showed signs of strengthening, while the Continent and Mediterranean remained soft due to ample tonnage but appeared close to finding a floor. The South Atlantic was balanced, with owners holding their ground, while Asia continued to improve on stronger NoPac and Southeast Asian enquiry. Although rate gains remain limited, increasing activity ahead of September is giving owners confidence, with expectations building for a stronger market as the month gets underway. With this in mind, period activity picked up, with Chinese operators moving for prompt tonnage. *Dayang Jinlan* (56,469-dwt, 2012) open CJK 30 August fixed 5-7 months with Sinoway at $15,000, while Chinaland took *Yuan Hai Qing Han* (63,776-dwt, 2025) open Qinzhou 27-28 August for 8-10 months at $20,750. Several other private deals were concluded.

The BHSI closed at $15,729, up $150 from last Friday. The **Handysize** market had a quiet but balanced week, with Asia once again leading the way as tightening prompt tonnage and steady cargo flow, particularly from South-East Asia, led to a gradual firming in the Pacific. The index changed very little, but we expect further rises next week, as market players return from the summer break. In the west, East Coast South America stayed firm, but the US Gulf suffered a mini-collapse, with owners having to chase charterers bids down. An index-type Imabari 38 started the week asking for $17,000, but levels had dropped closer to $11k by the end of the week. The Continent and Mediterranean continued to lag amid thinner cargo volumes. Overall, the balance is beginning to tilt in owners' favour, with improving positioning in Asia offering an encouraging signal for the weeks ahead. Although there are pockets of real weakness, we are still in what is an historically firm market.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Gloria	82499	2011	Singapore	5 Aug	Singapore-Japan	$19.500	Oldendorff	Via EC South America
Pan Pegasus	81553	2019	Phu My	20/22 Aug	South Korea	$21,250	KLC	Via Indonesia
Chailease Cherish	76195	2013	Zhoushan	16 Aug	Singapore-Japan	$15,500	Cnr	Via NoPac
Starlight	75611	2004	CJK	22/29 Aug	Singapore-Japan	$15,500	Cnr	Via NoPac
Shen Hua 803	75403	2013	Hong Kong	19/20 Aug	Singapore-Japan	$14,100	Multimax	Via Indonesia
Orion Trader	63753	2025	Houston	Early Sept	India-Japan	$34,000	Mayborne Bulk	-
Astro Sirius	63562	2019	Kendari	21/22 Aug	Japan	$21,000	Cnr	Via EC Aus
DSI Altair	60309	2019	USEC	20/25 Aug	N. Spain	$28,000	Navimerchants	-
Dejima Confidence	40426	2025	Weda	20/24 Aug	Japan	$20,500	Cnr	Via Aus
C Tiger	35693	2011	Iskenderun	Ppt	NCSA-US Gulf	$9,850	Cnr	-

Exchange Rates	This week	Last week
1 USD	158.95 JPY	158.94 JPY
1 USD	0.8568 EUR	0.8633 EUR

Brent Oil Price	This week	Last week
USD per barrel	93.62	87.87

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	678.5	627.5
VLSFO	833.0	831.0
Rotterdam HSFO	600.5	537.5
VLSFO	677.5	661.0

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Dry Bulk S&P

The Panama Canal Authority has announced the number of daily transits will be further reduced, first to 34, then to 32 by mid-September due to the lack of rain. It wouldn't be a great shock to see this number fall further. Eight bulkers a day would 'normally' transit the Panama Canal, this has dropped to about four since the war began with the canal being filled up with tankers. There is no sign of drybulk sales drying up though as inefficiencies and uncertainty offer motive for both buyers and sellers with a well populated sales table this week.

Norwegian owners, Spar Shipping saw plenty of interest from Chinese buyers for their 20 year old *Spar Scorpio* (53,565-dwt, 2006 Chengxi). She has reportedly fetched $11.5m with SS due, Spar have often achieved strong prices selling ships into China. The company contracted this series of 53s themselves which they have steadily sold out over the past few years and so are proven sellers. They have strong tank tops and can carry 2x25t steel coils, well suited to export Chinese steels and often have had energy saving devices retrofitted. Even allowing for these factors, the sales represents a firm price. In March this year, *Figeac* (53,177-dwt, 2011 Chengxi) sold for $11.9m, achieving just $400k more for a vessel that is 5 year younger.

On the larger sizes, Capes continue to sell. The EPS owned, scrubber fitted *Mount Dampier* (181,469-dwt, 2011 Imabari) has been sold for around $38m. Mercuria have been linked to the purchase, however, at the time of writing this has not been confirmed. The Chinese owned, *Jian Fa* (175,085-dwt, 2004 SWS) also changed hands for $18.5m. With a lightweight pushing 23,000 LDT this sale price represents about an $8m premium over the current scrap value of the 22 year old vessel.

Finally, MUR is linked to a further Handy disposal following a string of eco Namura 34 sales over the past year. This time, *African Harrier* (37,707-dwt, 2014 Imabari) has been offloaded for a reported $20m but a buyer has not been named yet.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Mount Dampier	181,469	2011	Imabari			$38.00m	SS/DD Due Scrubber
Jian Fa	175,085	2004	SWS			$18.50m	
Efraim A	82,174	2010	Tsuneishi Zhoushan		Middle Eastern	$20.30m	
Ivestos 9	75,131	2008	Hudong			$11.90m	SS due
Amaryllis	63,500	2013	Yangzhou Dayang	C 4x35T		$24.30m	
Spar Scorpio	53,565	2006	Chengxi	C 4x36T	Chinese	$11.50	SS Due
African Harrier	37,707	2014	Imabari	C 4x31T		$20.00m	Eco

Tanker Commentary

As the summer holidays continue, activity remains fairly quiet in the tanker S&P market. The market should start to see more life in the next couple of weeks as buyers and sellers return to their desks, but in such a strong but volatile and uncertain freight market, there may continue to be large bid-offer spreads.

The vintage storage VLCC *Hellstugutinden* (299,095-dwt, 2003 Universal) has been sold for $57m. Interestingly, despite having overdue surveys, this represents a firm price compared with *Grit* (298,555-dwt, 2003 Daewoo) which was sold for $50m last week, with surveys due next year.

Elsewhere, the Aframax *Seasenator* (105,175-dwt, 2007 Namura) has been sold for a price slightly below $40m, in the high $30m range. Once adjusted for age, this is very much in line with the last done sale, *Samos* (104,649-dwt, 2010 Sumitomo) which went for $44.5m earlier in June.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Hellstugutinden	299,095	2003	Universal		$57.00m	FSU, no BWTS
Seasenator	105,175	2007	Namura		High $30s	
Mumbai	46,818	2003	HMD		$10.35m	

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