28 August 2026

HARTLAND SHIPPING SERVICES

WEEKLY COMMENTARY

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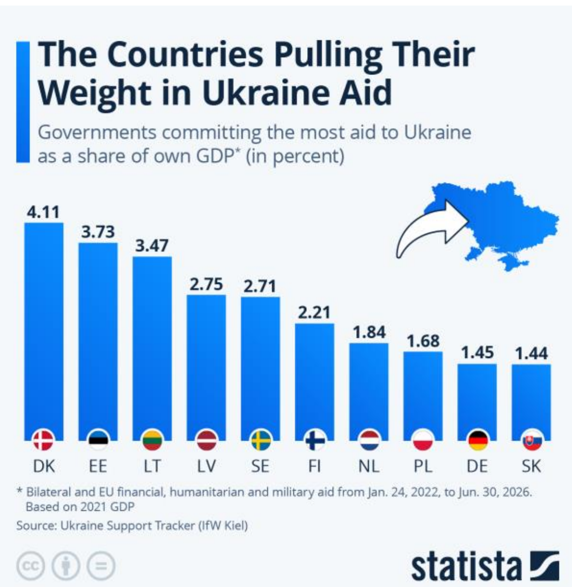

Source: Statista

*Trump will increase tariffs on Canadian cars, auto parts and steel to 50% from Jan 1. "Canada will be treated like a State no longer." He wants it as the US 51st.

**The US will target Iran's banks, shipping, etc. and those of its trading partners that enable it to survive. A problem for China, buyer of 90% of Iran's oil exports.

The risk is that the US becomes the outcast, isolated by all its former global trading partners as they resort to trading among themselves, avoiding the US.

Iran's response has been to say that it will exercise control over Hormuz by freezing ALL oil exports and attack the oil facilities of Arab oil exporters. And:

Iran is also threatening to retaliate against US business interests in the Gulf. The US will maintain its blockade and Iran & Oman will try to keep the strait shut.

^Both companies are under direct threat from Iran for breaching its blockade of Hormuz. They are being accused of an "act of war" against the Iranian people.

^^After war started, Iran shut the strait to foreign ships and its exports averaged 1.8m-bpd for a few months, up from 1.7m in Cal '25. This has now reversed:

In the month to Aug 21, they fell to 0.25m. The US blockade has crushed Iran's oil exports while US sea and air overwatch allows convoys to exit the strait.

Kpler: In week Aug 3-10, 9m-bpd of non-Iranian crude left the Gulf by sea and pipeline, 65% of pre-war volumes. "Iran is stuck while its neighbours move on."

POINTS OF VIEW

The US seems determined to go to war with everyone, everywhere, all at once: shooting and economic with friend and foe. Last week it was South Korea's turn to get a dressing down for not sharing enough of the economic burden of keeping the Korean Peninsula safe and for not helping in US's war against Iran. Instead, Trump offered an olive branch to North Korea's leader, Kim Jong-un, despite his military support of Russia in Putin's war against Ukraine. This week, a fully fledged trade war is breaking out between the US and Canada as Carney rejected the US offer just before the midnight deadline expired last Friday.* This is a tariff war between neighbours whose economies and trade are deeply intertwined. Both will suffer economic damage, higher prices and job losses. The 50% rate damages US credibility but, thanks to the USMCA, it lifts Canada's average tariff rate to a manageable 11%. So much shouting, so little effect. Carney knows how to handle Trump. Fight back because playground bullies back off when confronted. Canada will match the US's $20bn levies dollar-for-dollar starting Sep 8, enough time for a customary Taco. On Monday, treasury secretary Scott Bessent announced his Operation Economic Outcast, a warning of expanded sanctions against Iran and its global financial and trading connections. It replaces the stalled US military Operation Epic Fury.** Trump sorely needs a distraction from his Iran quagmire, so he is following the Steve Bannon trick of 'flooding the zone.' Lack of US attendance at Ukraine's 35th independence anniversary on Monday shows how much Trump has got bored of this endless war and is leaving it to Europe to sort out. An Anglo-French agreement will permit Ukraine to make Storm Shadow / Scalp missiles under licence, much to Putin's fury. These two nations do not care for Putin's sabre-rattling. He himself is rattled by Ukraine's success in hitting economic targets deep inside Russia.

So many threats are being tossed around by the US, Iran, Russia, China and others on top of actual kinetic and cyber attacks, generating destabilising migrant flows and funding infrastructural sabotage by hired proxies. Many other countries are being drawn into these two stalemate wars in Europe and the Middle East. They are combining and going global in a world war quite unlike the last two. Bessent's lame duck Monday speech was rebuffed by China, despite not being named, saying that it will not back away from Iran. He will target five sectors for secondary sanctions: digital assets, technology, gold, aviation and shipping. No timeline was given for Iran's partners to stop their trading with Iran. Before the war, its biggest trading partners included China, the UAE, Turkey and Iraq. They amount to a mix of somewhat friendly and not so friendly, but the risk is that they and others all unite against the US as a common enemy. At this stage, Bessent is giving Iran's partners a chance to remedy their 'bad behaviour' before the US takes unspecified action. As usual with this administration, details are lacking. Five decades of sanctions against Iran have not achieved the endgame of regime change or ended its nuclear weapons' capability, largely a result of weak enforcement. But this latest announcement is a lot less extreme than earlier threats of civilisational erasure. Sure, Iran's oil exports are blocked, inflation is at 88%, the rial is plummeting, official unemployment is at 9%, and its people are suffering. Then again, the US has $40tn in national debt, its 30-year bond yields breached 5% last week and 10-years hit 4.75%. Annual inflation is 3.4%, well above the 2% target. The US economy is reliant on massive AI and data centre spending, and expansionary private credit. It is a fragile edifice.

Logistical challenges of moving oil, dry cargo and consumer goods around the world are not getting any easier. 90% of global trade by weight/volume goes by sea and currently we have impediments to safe transit in the PG/AG, Red Sea, Black Sea and Panama Canal. The last due to falling water levels rather than projectiles - but watch this space. Trump is treading on China's toes in his quest to extend US control over Latin America in pursuit of bringing it into the US hemisphere of influence. In the MEG, the UAE has developed a shuttle system that sees tankers exit Hormuz on the Omani southern side in convoys with US military overwatch. It is using its own tankers, those of Adnoc L&S, as well as those of friendly supporters willing to run the gauntlet, led by South Korea's Sinokor.^ The latter went on a VLCC buying spree before the war started and has built up a huge fleet with the help of investment from MSC. The UAE already has the advantage of being able to move 1.8m-bpd of crude by pipeline to Fujairah, outside the strait. This is being doubled. KSA's East-West pipeline can move max 7m-bpd from Abqaiq in the AG to Yanbu on the Red Sea coast. 2m-bpd is taken by local refineries, 4m-bpd gets exported as crude oil. This has become problematic now that the Houthis are successfully targeting Saudi tankers in the Red Sea. Aramco's offers to Asian buyers to pick up cargoes FOB Yanbu are falling on deaf ears. Some buyers prefer FOB Sidi Kerir (Alexandria on the Med) despite the huge detour around Africa that raises delivered costs. Latest reports suggest Aramco is copying the UAE in using Sinokor tankers to shuttle to the Gulf of Oman. There they do STS transfers to oceangoing ships. Prepare for the long game as this is a holy war, and they never end.^^

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Dry Cargo Chartering

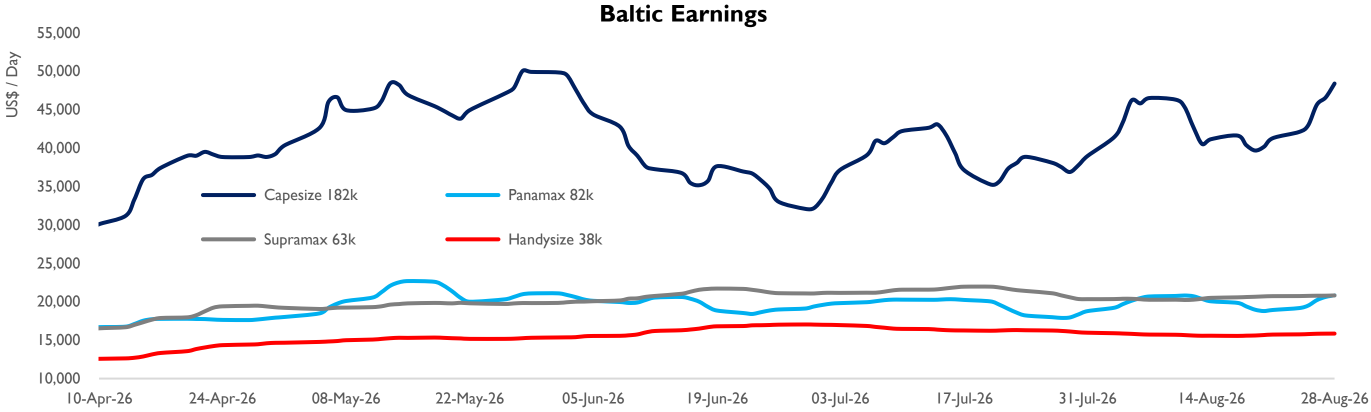
The dry cargo sector had a very positive week, with activity picking up as the holiday period draws to a close. The BDI closed today at 3,186, gaining 345 points over the week, while the BCI reached a three-month high of $48,399, up $7,111 since last Friday. In the Pacific **Capesize** market, sustained miner activity helped maintain momentum throughout the week. Meanwhile, the North Atlantic remained notably firm, while the South Brazil-China and West Africa-China routes also posted a strong performance.

The BPI closed today at $20,834, up $1,906 this week. The **Panamax** market saw a noticeable improvement compared with last week. The North Atlantic firmed, including a mid-week fixture at $20,500 for an 82k-dwt, delivery/redelivery Gibraltar, via North Coast South America. In the Pacific, round voyages recorded the strongest gains, supported by robust North Pacific grain activity and firm Australian mineral demand.

The BSI finished at $20,819, up $91 from last Friday. The **Supra/Ultramax** market delivered a mixed week, with Asia emerging as the stronger side while the Atlantic struggled for direction. North America, particularly the US Gulf, lost some ground early in the week before finding firmer footing, while the Continent remained largely flat amid limited activity. A lack of Black Sea grain kept pressure in the Mediterranean, meaning larger Ultramax vessels opening in the area tends to turn to NCSA or even Recalada for cargoes. The South Atlantic was broadly stable, partly supported by firmer Panamax conditions, while Asia continued to strengthen. North Pacific grain demand, combined with increased Indonesian business into India and Bangladesh and ongoing nickel ore trades, helped draw tonnage away from the Indian Ocean. *Aqualibra* (63k-dwt, 2018) open Nanjing end August fixed a trip via NoPac redelivery SE Asia at $19,500, but later in the week, *Berge Catherine* (63k-dwt, 2020) open Kitimat 21-23 September fixed a trip redelivery SE Asia at $22,000 plus $400k bb.

The BHSI closed this week at $15,855, up $126 from last Friday. The **Handysize** market had a positive week overall, with sentiment improving across several regions despite relatively limited fixture volumes. Within the Atlantic, the Continent and Mediterranean remained largely flat, although grain activity from the Baltic picked up, *K Sukret* (33k-dwt, 2014), open Liverpool, fixed delivery Skaw for a trip via the Baltic to Luanda at $15,850 with Navision. The US Gulf showed early signs of resilience, although rates remained capped by a high tonnage count and Panama Canal costs discouraging vessels from leaving the area. Fixtures included a 32,000-dwt vessel at $14,000 for a grain voyage from the US Gulf to the UK Continent, while a modern 40k-dwt vessel secured $21,000 for an Altamira to Guayaquil trip. East Coast South America remained the strongest Atlantic market, with the HS3 index closing today at $22,494 for a Trans-Atlantic trip.

Baltic Earnings



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Venus History	95,652	2011	Mizushima	30 Aug	Singapore-Japan	$22,000	Contango	Via EC Australia
Ever Best	81,719	2013	Kimitsu	30/31 Aug	Singapore-Japan	$20,000	Marubeni	Via NoPac
Star Peace	79,025	2011	Las Palmas	25 Aug	Indonesia	$26,100	Classic	Via US East Coast
Santa Emilia	77,134	2014	EC South America	8/12 Sept	Singapore-Japan	$21,000	Cargill	$1,000,000 ballast bonus
Chang Yang Jin Sha	76,662	2002	Yangjiang	26 Aug	South China	$14,500	Lotus	Via Indonesia
Aqualibria	63,948	2018	Nanjing	End Aug	SE Asia	$19,500	ASL	Via NoPac
Star Mistral	63,351	2014	Puerto Quetzal	26/27 Aug	Philippines	$22,000	Dai An	-
Josco Fuzhou	58,705	2012	Luoyuan	Ppt	China	$19,500	Cnr	Via Philippines
An Hai Confidence	37, 405	2012	Pomalaa	26/28 Aug	Taiwan	$15,000	Cnr	Via Indonesia
ES Honesty	37,052	2014	Skaw	Ppt	Matadi	$16,500	Norden	-

Exchange Rates		This week	Last week
	1 USD	159.62 JPY	158.95 JPY
	1 USD	0.8591 EUR	0.8568 EUR
Brent Oil Price		**This week**	**Last week**
	USD per barrel	89.02	93.62

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	627.0	678.5
VLSFO	770.5	833.0
Rotterdam HSFO	528.5	600.5
VLSFO	656.5	677.5

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Dry Bulk S&P

In an all geared sales list today we have four Supramax sales and one Handysize sale to report this week.

Two Dolphin 57 type Supras have found new buyers this week, both sales are broadly in line with last done, underlining that values for this design have remained largely unchanged. This contrasts with Japanese built Supramax values that continue to edge higher. Firstly, *Kanchana Naree* (56,920-dwt, 2011 Taizhou Sanfu) has sold for $14.6m with its special survey due in October this year. In June we reported the sale of the year younger *Maud* (56,969-dwt, 2012 Jiangsu Hantong) which sold for $15.1m with SS due in Jan 27. Secondly, *FLC Happiness* (56,799-dwt, 2009 Taizhou Kouan) has sold for $12.38m. This is largely in line with same aged *Lila Mundra* (57,269-dwt, 2009 STX Dalian) which sold this month for $12.5m.

Meanwhile, Japanese affiliate built *African Wagtail* (58,340-dwt, 2013 DACKS) has sold for region $20m. This is marginally up on recent comparable sales of June's *African Tern* (58,342-dwt, 2013 DACKS) and May's Crimson Knight (58,651-dwt, 2013 NACKS) which sold for $19.8m and $19.5m respectively, providing further evidence of the continued appreciation in Japanese built designed Supramax values.

Finally, Vietnamese-built, Korean affiliate OHBS Handy *Devbulk Sinem* (38,009-dwt, 2013 Pha Rung VNM) has found Dutch buyers for around $15m. As the only vessel of this type built at this yard, there is little directly comparable tonnage against which to benchmark the sale. The OHBS type *Ikan Landuk* (37,115-dwt, 2013 Onomichi) which sold for $16.9m in July, does however provide some guidance, with the premium reflecting the higher value generally attributed to pure Japanese built tonnage.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
African Wagtail	58,340	2013	DACKS	C 4x31T		Region $20.00m	
Kanchana Naree	56,920	2011	Taizhou Sanfu	C 4x30T	Chinese	$14.60m	SS/DD due
FLC Happiness	56,799	2009	Taizhou Kouan	C 4x30T	Chinese	$12.38m	
Devbulk Sinem	38,009	2013	Pha Rung Vietnam	C 4x30T	Dutch	$15.00m	OHBS

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Tanker Commentary

As older tonnage takes the spotlight this week, there have been a number of blockbuster crude sales. *Olympic Leopard* (319,368-dwt, 2011 Hyundai, Scrubber, Wartsila Flex) has sold for $115m to ADNOC with very prompt delivery. The story remains in the larger sectors that prompt ships command big premiums; you can order a VLCC in Korea for $131m with delivery Q3 2030.

Suez Ice Supreme (146,536-dwt, 2007 Universal, Ice 1A, Scrubber) has been sold for $56m to SPM. This show prices firming compared to *Sonangol Namibe* (158,425-dwt, 2007 Daewoo) which was sold in early August for $49.7m. Both ships have their surveys due, however despite *Suez Ice Supreme* being Ice 1A and scrubber fitted, there is still a noteworthy premium. It is worth noting she has an electronic engine which is very rare for a vessel of this vintage and could explain some of the premium.

In the product market, Chinese controlled *Xing Tong 799* (49,962-dwt, 2011 Onomichi) has sold for $27.2m. The last similar aged pumproom MR to change hands was *MFM Memphis* (48,020-dwt, 2011 Iwagi) in July which achieved $26.8m with delivery in October. Elsewhere, *Minerva Xanthe* (50,922-dwt, 2006 STX, SS/DD passed, Ice 1A) has sold to Far Eastern buyers with delivery in October. Same owners sold *Minerva Rita* (50,922-dwt, 2005 STX, SS/DD passed, Ice 1A) for $16.1m in July.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Olympic Leopard	319,368	2011	Hyundai	ADNOC	$115.00m	Scrubber, Wartsila Flex
Suez Ice Supreme	146,356	2007	Universal	SPM	$56.00m	Scrubber, Ice 1C
Xing Tong 799	49,962	2011	Onomichi	SE Asian	$27.20m	
Minerva Xanthe	50,992	2006	STX	Chinese	$16.00m	SS Passed

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