04 September 2026

HARTLAND
SHIPPING SERVICES

WEEKLY COMMENTARY

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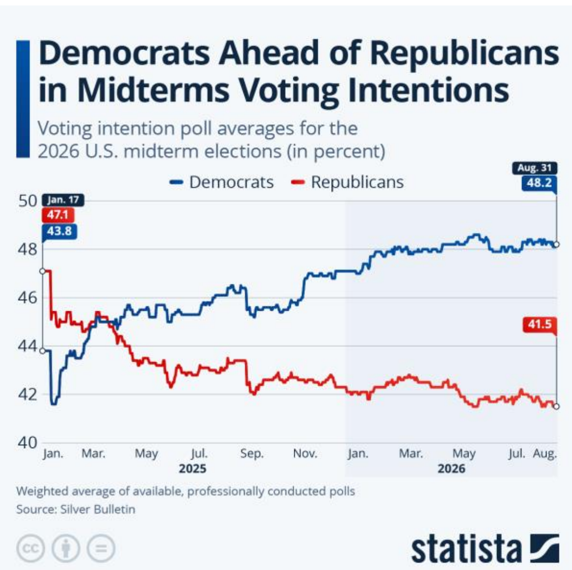

Source: Statista

*It is more normal to start with diplomacy and switch to military action if that does not work. This administration has done it back to front, and then back again.

**USS Gerald R. Ford was deployed for 326 days, the longest since the Vietnam war, before returning to its base in Norfolk, Virginia, on May 16 this year.

^The US Strategic Petroleum Reserve held 287mb in the week ending Aug 28. This is just 40% of its authorised capacity and its lowest level since 1982.

Trump modestly declared it "the biggest oil deal in world history" but it will neither lower gas prices nor help fill the SPR for years to come, if ever.

Under the deal, the Pentagon's Office of Strategic Capital will be 'gifted' a 35% stake in North American Blue Energy Partners owned by Alejandro Betancourt.

It has a government concession that covers 17 oilfields and around one-fifth of Venezuela's reserves but insufficient capital to go it alone without investors.

^^1998: year Chavez was elected. Corruption and incompetence caused oil and cash flows to dry up. Then Maduro printed money and sparked hyperinflation.

Rystad Energy analysts estimate that it will take $180bn of investment to push Venezuela's oil output above 2m-bpd by 2040. It will require a new ecosystem.

Yesterday, JD Vance credited President Trump for avoiding a gasoline price crisis. The real credit goes to China, cutting 5 to 6m-bpd imports, balancing the market.

POINTS OF VIEW

Sorry, more strait talking. The US just switched from its failing kinetic military strategy to economic strangulation. Then it about-turned and reverted to military action.* The trigger was Iran's alleged deployment of mine-laying missiles following US claims to have cleared Hormuz of mines. But Iran suggests that two US-chaperoned tankers hit mines in the strait this week. US strikes against Iranian missile launchers and radars invited a robust response against US bases in Iraq, Jordan, Kuwait and Bahrain resulting in severe damage and loss of life. This must be exasperating for the White House as it contradicts its claims to control the strait and to having eliminated Iran's retaliatory capability, only instantly to be proven wrong. On Monday, Iran disabled Sinokor's 321,000/2011 Senegal Prosperity. On Tuesday, it hit Bahri's 300,800/2019 Sidr. Each was laden with 2m barrels of Saudi crude and had exited Hormuz to the Gulf of Oman. In retaliation, US forces took out NITC's Hawk 317,400/2008 and Sinopa 159,700/1999 in tit-for-tat attacks. This escalation saw Brent leap to $95+, bond and equity prices to plunge and bond yields to surge. Scott Bessent's recent market intervention to lower bond yields has been erased leaving the US looking rudderless in the face of a relentless foe in Iran that it had assumed would be a pushover. However, the US blockade of Iran's oil exports is proving totally effective. It hopes that an economic siege will ramp up stress within Iran, leading to a negotiated peace. America's optimistic scenario relies upon US warships, sailors and pilots maintaining their arduous dual mission of blocking Iran's exports while protecting convoys of the Arab oil exporting countries. Judging by the sorry state of USS Abraham Lincoln as it limped into Pattaya midweek, after a 286-day deployment without shore leave, this may be a stretch.**

Masoud Pezeshkian, the moderate Iranian president, urged a return to the MoU which, after all, is heavily loaded in Iran's favour. Unfortunately, hardliners in the IRGC are said to be in favour of continuing to consolidate control over Hormuz and cause economic pain to the US and its allies from higher energy and other commodity prices. They are aware of the upcoming midterms and the depletion of America's arsenal of offensive and defensive missiles that are being denuded from other potential conflict regions around the world, leaving the US and its occasional allies vulnerable. Markets wobbled this week as prospects diminished of either war in Iran or Russia being over by Christmas. With oil prices up, inflation worries hint at interest rate rises in the US, UK, Europe and Japan as the wider world gets caught in the crosshairs of these conflicts. The president's desperation to bring domestic gasoline prices below $4 a gallon has led to some fanciful announcements. The biggest involves Venezuela and access to 65bn barrels, or c. 20% of the nation's proven reserves, that will quickly lower gas prices and replenish the SPR.^ Its oil infrastructure is so dilapidated (wells, pipelines, refineries, ports, etc.) that billions of dollars and many years will be needed to raise output. Securing co-investment in NABEP will not be easy for many reasons. The Orinoco's bitumen-like crude needs to be cut with imported diluents, such as condensate, before it can be piped and shipped. There are also serious security issues as the oilfields are lawless areas. Also, any deal struck today may unravel tomorrow. On Wednesday, Chevron announced its plan to invest $7bn over five years, a pledge that sits alongside other initiatives from the likes of Eni and Repsol.

Chevron aims to more than double its Venezuelan output and expects to be producing 600,000-bpd at sub $20 a barrel in five years – among the world's cheapest – despite usual breakeven costs for new oil projects in Orinoco being c. $90 a barrel, according to Wood Mackenzie. Chevron's costs will beat new US shale oil projects at c. $60 and new Middle East projects at c. $25. Chevron stayed on in Venezuela even after Exxon and Conoco had assets nationalised by Chavez in the mid 2000s. The separate Trump deal seeks to reclaim past losses via access to the best oilfields. Obstacles are pollution, broken infrastructure, hard-to-process oil, high breakeven costs, huge capital investment, security risks and legality. But the biggest problem for the Pentagon is that Venezuelans and outsiders alike see it as a resource grab by a powerful state to the north pressuring a weak and compliant leader in situ, Delcy Rodriguez, formerly Maduro's No.2, after Maduro's seizure by the US on Jan 3. Venezuela's current crude oil output is estimated at 1.1-bpd, about one-third of its peak of 3.4m-bpd in 1998.^^ The country's oil industry has been hobbled by decades of sanctions and by mismanagement, negligence and corruption under former presidents Chavez and Maduro. Other crudes than Venezuela's may be exploited first in a world that is fast moving towards renewable energy and electrification. Trump's customary bullish announcement of his NABEP deal, fixed with the country's left-wing Chavista regime, promises to lower US gas prices. Really? It is all about the November midterms in which the Republicans are trailing. As Ambrose Evans-Pritchard put it in the Telegraph: Trump's "Maga-Chavista joint venture is an odd mix of imperial predation, theatre, and commercial nonsense. Venezuela is best left to its people. The Orinoco is best left to the crocodiles."

WEEKLY COMMENTARY

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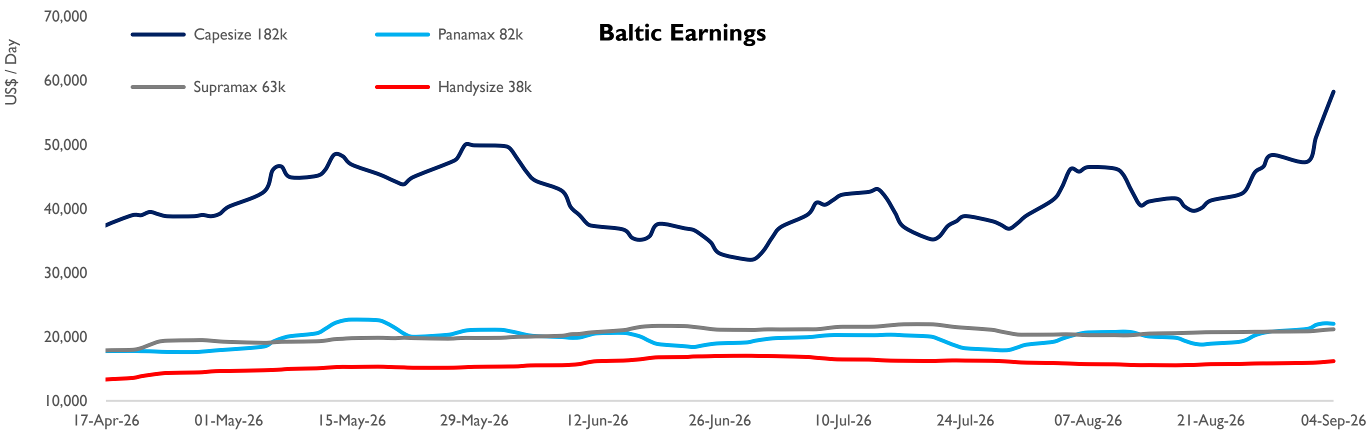
Dry Cargo Chartering

The dry cargo sector had a very strong week, with plenty of fixing across all areas pushing Capes above $58k/day, with the BCI reaching its highest level since October 2021. The BDI closed today at 3,628, up 442 points over the week, while the BCI closed at $58,294, gaining $9,895 since last Friday. In the Pacific **Capesize** market, all major miners were actively fixing, with C5 rates reaching the high $18s by the end of the week. In the Atlantic, there was robust demand across the entire basin, with overall market confidence continuing to strengthen.

The BPI closed today at $22,035, up $1,201 this week. The **Panamax** market had a healthy week. In the Atlantic, transatlantic and fronthaul activity remained strong, supported by sustained demand for September cargoes. In the Pacific, there was strong demand for Australian and Indonesian coal, with Capesize stem splits providing further support.

The BSI closed at $21,177, up $358 from last Friday. The **Supramax/Ultramax** market saw a firmer tone developing across both basins. The Atlantic remained well supported, led by the US Gulf and South Atlantic where healthy grain, petcoke and minor bulk demand kept owners in charge. Fronthaul cargo in particular fixed at very firm levels, *Dubai Sky* (64k-dwt, 2025) delivery Charleston 13 Sep fixed Cape Henry trip South East Asia with coal at $35,000 by Drylog. Asia also showed better momentum, with North Pacific and Australia business providing solid support. Period interest remained strong, with short-term business in the East concluded around the low-$20,000s, reinforcing the positive outlook. Overall, tightening positioning and improving demand suggest the market is well placed for further gains into September and beyond, with operators' sentiment reflecting the same.

The BHSI closed this week at $16,199, up $344 from last Friday. The **Handysize** market opened to September with sentiment increasingly positional across both basins. In the Atlantic, the Continent and Mediterranean stayed quiet, though rates firmed toward the close of the week. The US Gulf and South Atlantic led activity, with East Coast South America still the dominant force, HS3 index paying $23,350 close of play today. *Patmos Dawn* (38,581-dwt, 2020), open Mobile, fixed Panama City delivery with pellets, redelivery Denmark at $19,000 or UK-Continent at $20,000, while a 38,000-dwt fixed Recalada/West Coast South America in the high $20,000s. The Pacific market started slowly but gained momentum, with some fixtures reported above last-done levels. Sentiment remained positive in the Far East, supported by a balanced tonnage and cargo demand. Southeast Asia however was quieter amid a lack of cargoes. Overall period demand remained healthy, with increased enquiries for period vessels of up to one year.



Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate ($)	Charterers	Comment
Lestari Kuala Lumpur	82,000	2026	Maoming	8 Sept	Singapore-Japan	$24,500	Raffles	Via EC South America
ITG Uming	81,994	2020	Maizuru	3 / 4 Sept	Singapore-Japan	$23,750	Venture Shipping	Via NoPac
CSK Unity	77,105	2015	Sual	6/8 Sept	South China	$24,000	JSSSC	Via Indonesia
SM Donghae	76,058	2001	Putian	9 Sept	Singapore-Japan	$17,500	Cnr	Via Indonesia
Golden Lily	73,193	2002	Zhangzhou	10 Sept	South China	$16,000	Cnr	Via Indonesia
MFM Jazz	63,584	2025	Santos	Mid Sept	Singapore-Japan	$19,250	Comerge	$925,000 ballast bonus
Ocean Azalea	63,083	2015	Santos	22 Sept	Ciwandan	$19,500	Cargill	$950,000 ballast bonus
Makra	58,451	2012	Skaw	Ppt	Mediterranean	$22,500	WBC	Via ARAG
Shinsung Accord	37,063	2015	Brisbane	Ppt	Indonesia	$19,500	Cnr	-
Sea Horse	32,525	2011	Norfolk	Ppt	Continent	$14,000	Lauritzen	-

Exchange Rates		This week	Last week
	1 USD	156.02 JPY	159.62 JPY
	1 USD	0.8608 EUR	0.8591 EUR

Brent Oil Price	This week	Last week
USD per barrel	95.44	89.02

Bunker Prices (US$/tonne)	This week	Last week
Singapore HSFO	646.5	627.0
VLSFO	860.5	770.5
Rotterdam HSFO	567.5	528.5
VLSFO	684.5	656.5

Dry Bulk S&P

The Capesize market continues to roar ahead with no sign of slowing, with the index at its highest level in five years. Likewise, the standout dry sale this week is the 16-year-old Japanese built *Erato* (180,120-dwt, 2010 Imabari, scrubber) which has reportedly gone to Korean buyers for a healthy $38m. The sale is broadly in line with last done, which was two weeks ago, the scrubber-fitted *Mount Dampier* (181,469-dwt, 2011 Imabari) sold for $38m with surveys due.

Another firm price has been reported in the Supramax sector. *Stenia Colossus* (58,731-dwt, 2011 Kawasaki) invited offers on Wednesday and has been reportedly committed at $21m - an extremely firm price despite having freshly passed Special Survey. Last week we reported the sale of the two-year-younger *African Wagtail* (58,340-dwt, 2013 DACKS) which achieved the same price, underlining the strength of values for Japanese and Japanese-affiliated Supramax tonnage.

In the Handysize sector we have five sales to report, with the standout transaction being *Bianca* (33,773-dwt, 2013 Samjin) which fetched $13.5m. Elsewhere, *Ansac Pride* (37,094-dwt, 2013 Onomichi - OHBS) has sold for $18.5m. In mid-August we reported the year younger eco-engined *African Harrier* (37,707-dwt, 2014 Imabari) selling for $20m. It is worth mentioning *Ansac Pride* has a non-eco Mitsubishi engine.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Erato	180,120	2010	Imabari		Korean	$38.00m	Scrubber
KM MT. Jade	81,487	2008	Universal			$16.10m	DD due
Stenia Colossus	58,731	2011	Kawasaki	C 4x31T		$21.00m	
Ansac Pride	37,094	2013	Onomichi	C 4x31T		$18.50m	
Ze Hui	35,212	2011	Nanjing Dongze	C 4x31T		$11.10m	SS/DD due
TBC Kailash	35,152	2011	Nanjing Dongze	C 4x30T		$9.50m	SS/DD due
Bianca	33,773	2013	Samjin	C 4x35T		$13.50m	
Bam Arion	30,003	2012	Tsuji Jiangsu	C 4x30T	Indian	$9.50m	Auction

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Tanker Commentary

After a few weeks where crude sales have dominated our tanker report, there has been a bit more activity on the product side this time.

Ultranav have found a new Greek home for their scrubber-fitted LR1, DDP trading, *Cabo San Vicente* (63,605-dwt, 2008 STX, Ice 1A) which went for $22m. Taking into account the smaller deadweight, the sale price is slightly firm against *Shahrazad* (75k-dwt, 2009 HMD) which went for $22m with no scrubber earlier in April this year.

A few MR2 sales have been the highlight of this week. *LVM Aaron* (50,927-dwt,2014 Dae Sun, eco) is reported sold to Turkish owners for $35.5m. By comparison, the one year younger, *STI Brooklyn* and *STI Black Hawk* (49,990-dwt, 2015 SPP, scrubber) achieved $35m each in March.

Rui Fu Sheng (46,846-dwt, 2007 Sungdong) has been sold for $19m, which is surprisingly firm against last done *Minerva Xanthe* (50,922-dwt, 2006 STX) which went for $16m just last week. *Gran Couva* (47,128-dwt, 2008 HMD) has been sold at $19.25m with surveys due this year, falling in line with the *Rui fu Sheng* sale. Elsewhere, the Croatian-built *Sundo Horn* (47,171-dwt, 2005 Uljanik) is reported sold for $13m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Cape Benat	156,719	2010	Jiangsu Rongsheng	Lila Global	$62.50m	
Cabo San Vicente	63,605	2008	STX	Greek	$22.00m	
LVM Aaron	50,927	2014	Dae Sun	Besiktas	$35.50m	
Sundo Horn	47,717	2005	Uljanik		$13.00m	
Gran Couva	47,128	2008	HMD		$19.25m	DD due
Rui Fu Sheng	46,846	2007	Sundong		$19.00m	

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