



### CONTENTS

2. Dry Cargo Chartering  
**Crumbling Capes**
3. Dry Cargo S&P  
**Muted Market**
4. Tankers  
**Sweet Suez**

### THE BIGGER PICTURE

... Ever The Optimist ...



Source: The Times

### POINTS OF VIEW

This week's US mid-terms demonstrated that checks and balances do still exist in the US political system. The Democrats now have a majority in the House and the Republicans have extended their majority in the Senate, creating a potential legislative gridlock. This draws to a close a two year period in which the Republicans have been able to railroad bills through Congress without effective challenge. Over the next two years a more bipartisan approach will be needed to get anything done, suggesting more open debate on important matters such as healthcare, immigration, taxes and spending. The politics of anger and hate that the current administration has promoted have polarised American society. We can only hope for a more conciliatory and less abrasive style of politics on the long road to the 2020 election. The midweek presidential press conference and the subsequent firing of attorney general, Jeff Sessions, suggests that we have some way to go before achieving a state of cooperative harmony. The president will continue to appoint supportive judges to the Supreme Court while blocking in the Senate any attempts by House Democrats to impeach him. However, it is unlikely that he will be allowed to thwart the Mueller inquiry\* or stop the House from launching fresh investigations into public speculation about his tax affairs, past links to organised crime, collusion with the Kremlin, perversion of the course of justice and attacks on the First Amendment. Any such distractive investigations into alleged corruption and illegality now need to be fast-tracked so that Congress can get on with the job of serving the people that elected it.

As one would expect, the president claimed victory in the mid-terms having successfully campaigned to protect and extend Republican control of the Senate. In reality, he had given up on holding onto a House majority, realising it was lost. At his long-winded and tetchy press conference he looked tired and defeated. The sacking of Jeff Sessions that followed it was his first move to derail the Mueller inquiry, sending a message to Democrats in the House that he will fight back at any planned snooping into his affairs. While we might expect more open debate on key issues there are areas in which the president is still likely to set the agenda, including foreign policy and trade. His decision to withdraw from the 2015 Iran nuclear deal saw sanctions reimposed on Iran's oil industry this week. European countries, China and Russia still back the 2015 agreement. So as not to cause oil prices to spike, six month oil import exemptions were issued to eight countries so that they have time to adjust to full compliance. These are leading importers of Iranian crude being China, India, Japan, South Korea, Taiwan, Turkey, Greece and Italy. The exemptions caused Brent to plunge from a peak of \$87 in early October to sub \$70 today, a bear market shift in response to easing demand growth and plentiful supply. Lower oil prices protect American consumer spending which represents around 70% of economic activity. Employment is full and inflation is contained, and the president would like to see the Fed keep rates low to avoid stressing the spenders.

The president is also likely to keep up the pressure on those trading partners with which the US has substantial deficits, especially China and the EU. Some conciliatory noises were made by the president ahead of the G20 summit in Argentina at the end of this month, but Xi Jinping of China may be in no mood to offer concessions in the light of the shifting sands in Congress. In shipping, we are bracing ourselves for the consequences of any failure to promptly resolve trade disputes, as this will lead to the imposition of US import tariffs on the totality of Chinese imports in 2019. Until it happens we need not be too alarmed. We have witnessed the fungibility of crude oil and soybean trading in the light of Iranian sanctions and Chinese import duties respectively. All told, we have probably seen a net increase in tonne-miles for both commodities. China's crude imports hit an all-time high of 9.61m-bpd in October, up 32% y-on-y, and up 6% m-on-m from 9.05m-bpd. The impending Iranian sanctions probably helped post the record. It may be a coincidence, but the Baltic's TD3C-TCE (VLCC AG-China) went from \$19,136 on October 1st to a peak of \$51,842 daily on November 1st. In contrast, China's iron ore imports fell to a 4-month low of 88.4mt in October, over 5% down on September's 93.5mt. This may be partly explained by the upcoming winter steel production curbs.^ As if by chance, the Baltic's BCI-5TC (average capesize earnings) was flat in October, going from \$18,749 to \$19,091 daily, but in just nine days in November it has sunk to \$11,250. Crude oil and iron ore, the big beasts of bulk shipping, hinge upon China where we see no signs of demand falling. But, as Mr Trump still casts a spell on global trade, we trust that he and Xi can do a deal in Buenos Aires. After all, it takes two to tango...

\*But the replacement of Jeff Sessions with Matthew Whitaker as acting A-G is a sign to some that the Mueller investigation will be frustrated, as a prelude to possibly being shut down completely.

^Also by fears that the intentional derailment of a 2km-long driverless BHP iron ore train in the Pilbara (with 4 locomotives and 268 wagons) would restrict iron ore shipments from Port Hedland.

## Dry Cargo Chartering

The **BDI** closed the week at 1,147. This was down from last weeks close of 1,457 and largely driven by a **cape** market which fell to its knees, closing at a \$11,250. This was down a staggering \$7,162 from last weeks close. It's no surprise that very little was reported except for trips on voyage. Vale fixed a TBN 170,000/10% Teluk Rubiah/Qingdao at \$6.50 ore run. These runs were being fixed in the low \$4's by Friday. Dampier/Qingdao ore runs were being fixed in the mid \$7's and later \$7 flat by the end of the week. Elsewhere, Vale fixed the *Genco Titus* (177,729-dwt, 2007) 130,000/10% ore for Tubarao/Misurata at \$12.90.

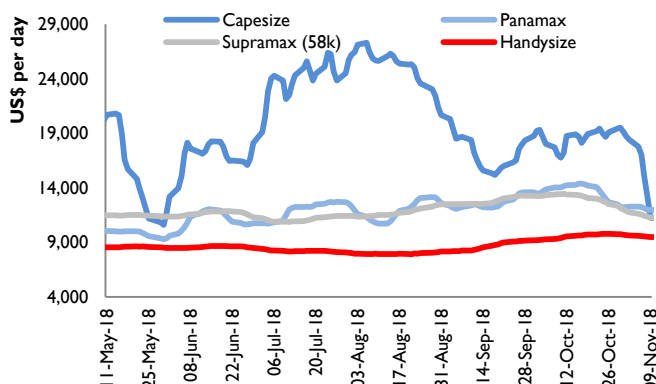
The **panamax** market concluded the week at \$11,975, down from last week close of \$12,263. In the Pacific, MOL took the *King Barley* (82,177-dwt, 2012) delivery CJK for a trip via Indonesia redelivery Japan at \$12,750 and Libra fixed the *Seneca* (83,975-dwt, 2013) delivery CJK for a trip via East Australia redelivery India at \$14,000. The *Huayang Spirit* (75,784-dwt, 2013) fixed delivery Weihai to Pacific Basin for a trip via NoPac redelivery Singapore-Japan at \$12,750. In the Atlantic, Bunge fixed the *GNG Concord 2* (75,337-dwt, 2014) delivery Gibraltar for a trip via US Gulf redelivery Brazil at \$10,750 and D'amico took the *Ibis Wind* (82,937-dwt, 2013) delivery Terneuzen for a trip via Murmansk redelivery Skaw-Gibraltar at \$14,500. On the front haul, the *Explorer Asia* (81,093-dwt, 2016) fixed delivery retro Karaikal to Glencore for a trip via East Coast South America redelivery South East Asia at \$14,750.

Norvic took the *Marietta* (73,641-dwt, 2004), a Noble relet, delivery east coast south America for a trip redelivery Vietnam at \$15,500 plus \$550,000 bb. On the period, Louis Dreyfus fixed the *Fyla* (84,104-dwt, 2013) delivery Haldia in D/C for 3-5 months redelivery worldwide at \$14,500.

This week in the **Supra** market lost \$379 on the TCE, with the BSI closing the week down at \$11,254. In the Atlantic, Cargill fixed *Paqueta Island* (58,707-dwt, 2009) for a trip via the Black Sea into West Africa at \$18,000 delivery Aliaga. Meadway fixed *Melida* (53,806-dwt, 2012) for a front haul out of North Brazil into AG-Japan range at \$13,500 plus \$330,000 bb. In the Pacific, Olam fixed a NoPac run into South East Asia on the *Kyra Panaghia* (63,351-dwt, 2015) at \$12,000 plus \$240,000 bb and *Amfitriti* (58,814-dwt, 2010) was fixed for an Indonesian coal run into Thailand at \$9,000 delivery Port Kelang. Nothing to was reported on the period side of things. The **Handy** market this week continued the trend seen across the board, losing \$125 closing the week down at \$9,474. In the Atlantic, Oldendorff fixed *Moleson* (34,266-dwt, 2010) for a trip out of the US Gulf into Ireland at \$17,250 and *Vil Atlantic* (37,812-dwt, 2010) was fixed for a trip to the Continent delivery Dneprobugskiy. In the Pacific, *Cherry Island* (28,200-dwt, 2014) fixed a trip to East Coast India at low/mid 8's delivery Lanqiao. Little to report on the period front.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Seneca	83,975	2013	CJK	09-10 Nov	India	14,000	Libra	Via E. Australia
Rosco Poplar	82,331	2008	Navlakhi	07 Nov	India	14,500	Indian Charterer	Via AG
King Barley	82,177	2012	CJK	09-10 Nov	Japan	12,750	MOL	Via Indonesia
Andromache	81,600	2017	ECSA	11 Nov	Sing-Jpn	16,500+650K GBB	Sealink	
Tiger North	76,000	2013	Skaw	11 Nov	Gibraltar	14,000	Bahri-Bunge	Via Gdynia and Red Sea
Medi perth	60,477	2017	US Gulf	PPT	NCSA	17,500	Clipper	
Tenwa Maru	57,763	2017	Davao	PPT	China	9,500	CNR	Via Australia
Prabhu Gopal	56,060	2003	Mina Saqr	PPT	India	14,000	CNR	
Star Delta	52,434	2000	CJK	PPT	Singapore	4,500	CNR	Int Aggregates
Dino	33,371	2009	Santos	PPT	Casablanca	18,000	Pacific basin	



Exchange Rates	This Week	Last week
JPY/USD	113.90	112.90
USD/EUR	1.134	1.142

Brent Oil Price	This Week	Last week
US\$/barrel	69.77	72.96

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	506.0	504.0
MDO	693.0	708.0
Rotterdam IFO	436.0	447.0
MDO	638.0	655.0



### Dry Bulk S&P

A more muted feel to the market this week, however a good spread of sectors are still represented in the sales.

Arcelor Mittal are rumoured to have continued their purchasing spree. Mittal were linked three weeks ago to the purchase of *Rich Wave* (81,788-dwt, 2017 Tsuneishi) for \$30m and are rumoured to have paid the same for *Olga V* (81,645-dwt, 2017 Namura).

In the panamax sector, *Taurus Ocean* (78,819-dwt, 2008 Sanoyas) has been sold for \$14.5m. Turnover continues in the older panamax segment as well, *Triton* (75,336-dwt, 2001 Samho) is sold for \$7.35m.

Two Mitsui 56s have been sold this week. *Gemini Pioneer* (55,624-dwt, 2008 Mitsui) is sold to Greeks for \$13.7 and *New Kosmos* (56,011-dwt, 2005 Mitsui) has gone in the low \$11s. Buyers continue to see the value offered by smaller supras with *New Destiny* (53,554-dwt, 2007 Iwagi) sold to Greeks in the low 11s.

On the handies, *Loveland Island* (28,316-dwt, 2010 Imabari) is sold for \$9.5m.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price \$m	Comment
<i>Olga V</i>	81,645	2017	Namura	-	Mittal	30	
<i>Taurus Ocean</i>	78,819	2008	Sanoyas Hishino	-	undisclosed	14.5	
<i>Triton</i>	75,336	2001	Samho HI	-	undisclosed	7.35	
<i>New Kosmos</i>	56,011	2005	Mitsui Eng.	C 4x30.5	Greeks	11.9	
<i>Gemini Pioneer</i>	55,624	2008	Mitsui Eng.	C 4x30	undisclosed	13.7	
<i>New Destiny</i>	53,554	2007	Iwagi Zosen	C 4x30.5	Greeks	low 11s	
<i>Loveland Island</i>	28,316	2010	Imabari	C 4x30.5	undisclosed	9.5	

#### Demolition Sales

Vessel	DWT	Built	Yard	Type	LDT	Price (\$)	Delivery
<i>Saffron</i>	157,406	1998	Daewoo HI	Tank	22,615	468	'as is' Colombo
<i>Magnavia</i>	30,620	1996	Stocznia Gdynia	Cont	10,312	478	'as is' Singapore
<i>Bella J</i>	24,370	1995	Shin Kurushima	Cont	8,186	455	'as is' Hong Kong
<i>Rothorn</i>	14,587	1996	Volkswerft Stralsund	Cont	5,780	330	'as is' Jacksonville, USA
<i>Petalidi</i>	14,111	1993	Stocznia Szczecinska	Cont	3,724	470	'as is' Singapore
<i>Pacific Pearl</i>	11,064	1998	Malaysia Shipyard	Cont	4,367	441	'as is' Singapore
<i>Fox Bay</i>	4,395	1980	Astilleros Espanoles	Reef	2,372	410	India



## Tanker Commentary

This week publically listed companies released their third quarter results. Whilst the losses posted were hard to digest, the general consensus is that the storm has passed. Crude earnings remain healthy, so it is no surprise that all but one sale this week are on larger crude ships.

As widely reported in the media this week, Maran Tankers have acquired 2+2 Suezmax resales with deliveries ex Daehan in August and November 2020. The contracts, which are Tier III and scrubber fitted, were originally placed by Norwegian interests Faerder Tankers for a long term contract to Chevron have been sold for a reported \$62m each. It remains to be seen whether Maran Tankers have secured the TC to Chevron for up to a 7 year period in high \$20s pd.

Clients of Navigare are said to have paid \$31m for the *Shamrock* (156,516-dwt, 2011 Jiangsu Rongsheng). It is understood that the vessel is fixed on a four year TC to a Swiss based trader at an undisclosed level. The price is

around 15% up on the last done\*, an understandable lift in levels when one considers the period market has seen the same improvement^<sup>^</sup>. Teekay Tankers are reported to have sold their *European Spirit* (151,848-dwt, 2003 Hyundai HI) for a very respectable \$15.7m. Back in September Teekay sold the exact sister *African Spirit* for \$13m, so it is interesting to see that the more vintage ships are seeing the same 15% uplift that the more modern ships have enjoyed. After a recent uplift in activity, another Aframax has changed hands this week. German owners Hansa Treuland have sold their *HS Tosca* (115,635-dwt 2004 Samsung) to the joint venture between Spring Marine and Union Maritime. The recently formed joint venture company have paid \$13.5m, a price much in line with recent activity.

\*In July, *Toisa's United Ideal* (161,726-dwt, 2011 New Times) was sold for \$26.75m to Delta Tankers.

^According to Clarksons SIN, 1 year suezmax rates in July were at \$16,000 per day. Today they are at \$18,250 per day- a 14% improvement.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price \$m	Comment
Hull 5043 Hull 5044	158,000	2020	Daehan	Maran Tankers	62 each	Scrubber fitted
Shamrock	156,516	2011	Jiangsu Rongsheng	Europeans	31	TC attached 4 yrs Navigare
European Spirit	151,848	2003	Hyundai HI	Transmed Maritime Ltd	15.7	
Hs Tosca	115,635	2004	Samsung HI	Spring Marine Bulk SA	13.5	
Narodny Bridge	47,791	2003	Hyundai Mipo	undisclosed	8.5	with dd over due and no BWTS extension

### Tanker Fixtures

Vessel	DWT	Built	Yard	Period	Rate (\$/pd)	Charterer
Free Spirit	113,100	2008	New Times	1 yr	15,700	Concord
Ace	113,000	2008	New Times	1 yr	15,750	Litasco Group
Ashley Lady	112,000	2010	Sundong	1 yr	16,500	Vitol
Northern Light	50,900	2006	STX	1 yr	12,500	ExxonMobil
Eco Revolution	39,200	2016	Hyundai Vinashin	2 yrs	13,700	BP

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  
 Fax: +44 20 7240 9603  
 Email: [chartuk@hartlandshipping.com](mailto:chartuk@hartlandshipping.com)  
 Email: [snpuk@hartlandshipping.com](mailto:snpuk@hartlandshipping.com)  
 Email: [consult@hartlandshipping.com](mailto:consult@hartlandshipping.com)

#### Hartland Shipping Services Ltd, Shanghai

Tel: +86 212 028 0618  
 Fax: +86 215 012 0694  
 Email: [snpcn@hartlandshipping.com](mailto:snpcn@hartlandshipping.com)

#### Hartland Shipping Services Pte. Ltd, Singapore

Tel: +65 6702 0400  
 Email: [projects.sg@hartlandshipping.com](mailto:projects.sg@hartlandshipping.com)

© Copyright Hartland Shipping Services Ltd 2018. ALL RIGHTS RESERVED.

No part of this publication may be reproduced, stored in a retrieval system, or transmitted, on any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of Hartland Shipping Services Ltd.

All information supplied in this paper is supplied in good faith, Hartland Shipping Services Limited does not accept responsibility for any errors and omissions arising from this paper and cannot be held responsible for any action taken, or losses incurred, as a result of the details in this paper. This paper is distributed to the primary user of the delivery email account and may NOT be redistributed without the express written agreement of Hartland Shipping Services Limited. The primary user may make copies for his or her exclusive use.