



### CONTENTS

2. Dry Cargo Chartering  
**Cape's heatwave**
3. Dry Cargo S&P  
**Sugar Plum**
4. Tankers  
**Staycation**

## THE BIGGER PICTURE

... Illinois soybeans in search of a home ...



Source: The FT

\*Trump believes in getting his retaliation in first, unsettling his opponent and gaining leverage. But, it should be noted, the TTIP talks broke down as neither the US nor the EU would dismantle certain tariff barriers.

^Saudi Arabia is temporarily halting all crude oil shipments from the Red Sea via the Bab al Mandeb Strait after Iranian-backed Houthi rebels attacked two of its crude carriers.

## POINTS OF VIEW

The US president is engaging in wars on many fronts. On the trade war front with China he is threatening to outgun his opponent by imposing tariffs on up to \$500 billion of goods and services. An issue of interest to us is the \$12.0bn-plus annual soyabean exports to China which China will look to source from alternative suppliers in future so as to avoid its own 25% import duty. At the US end, Trump will use a Great Depression era programme to channel \$12.0bn in aid to affected American farmers via the USDA's Commodity Credit Corporation. This move does not require congressional approval and thus fits the autocratic pattern of bypassing government institutions. Obviously, the best solution would be to remove the tariffs, then there would be no need to provide a remedy to an act of self harm. The president is demanding higher contributions to the Nato budget from European countries. They need to get to 2% which is still well below America's 3.5%, a gap that must close if the US is to stay in Nato and honour the 'casus foederis' pact of Article 5. There are signs that European members accept that they must spend more to guarantee irreplaceable US support in their defence.

A softer US-EU dialogue emerged this week after the Washington visit of Jean-Claude Juncker, president of the European Commission. Reputed to be a legend in his own lunchtime, JCJ wanted to discuss trade and head off raised US tariffs on European car imports. At present, the US applies a 2.5% tariff on European cars while the EU imposes a 10% tariff on American cars. Trump and JCJ have in common giant egos and dubious election circumstances. JCJ derives his power from presiding over 513 million people against Trump's 327 million (fake census?). Just ahead of the meeting on Wednesday Trump proposed that they scrap "all tariffs, barriers and subsidies" while publicly doubting that the EC would take the bait\*. The reality is that, in the round, the average weighted tariffs on each side are in the 2.5-3.0% range with the US having a deficit in goods trade but a surplus in services, the goods deficit being a reflection of a strong US economy. Positively, Trump and JCJ agreed to explore removing tariffs to create greater market access for each other's companies and goods. Realistically, when the trade negotiators take over, they will run up against the usual obstacles and vested interests. For example, French farmers will not open their markets to US farm products, despite Trump's victory claims. US tariffs on steel and aluminium imports will be revisited.

On the geopolitical war front, there has been little news on North Korea since the Singapore summit, but news this week is that the regime is dismantling a key rocket launching facility. It is a promising sign. On the Iran front, things are getting testy ahead of the reimposition of sanctions in November. One impact of this policy reversal has been to undermine the moderate President Rouhani who is now forced to adopt more bellicose language to impress the radical clerics under Khomeini. The US is succeeding in getting leading buyers of Iranian crude – such as India, Japan, South Korea and Turkey – to cut their purchases as the US seeks to stop oil revenues flowing into Iranian coffers and create a public backlash against the country's rulers. Regime change has not played well in the region over the past 40 years, and this time is unlikely to be any different. Rouhani, has threatened to stike tankers in the Strait of Hormuz that are shipping Arab oil to export markets^\*. Trump angrily tweeted in capital letters that Iran risked consequences "the like of which few throughout history have suffered before."

At risk in the bulker and tanker sectors are some 20mt of annual US soyabean sales and up to 2.5m-bpd of Iranian crude oil exports. In a fungible market, both of these can be replaced by other sources with unpredictable gains and losses to tonne-miles. Where it gets more complicated is in the container industry that deals substantially in finished goods. Some container trade may get hit twice by tariffs. Once at the raw material input level for commodities such as crude oil, oil products, petrochemicals, steel, aluminium, oilseeds and agricultural products and again at the manufacturing process output level. It could thus raise the retail cost of such items as gasoline, plastics, household goods, cars, trucks, white goods, canned drinks, cereals, and so on in what could be a double whammy price impact on consumables that are transported by containerships. If we put up the price of things for no good reason, then expect people to buy a lot less for every good reason. We could do without trade wars, phoney wars and real wars; we still expect Trump to pull back from the brink once he has extracted his concessions.

## Dry Cargo Chartering

The BDI finished the week at 1,676, down from last weeks close of 1,689. The **Capes** ended the week at \$23,824, down from last weeks close of \$24,446. In the Atlantic, the *Aquamaka* (179,362-dwt, 2009) 180,000/10% was fixed by TKSE for Saldanha Bay/Rotterdam at \$8.60. In the Pacific, Rio Tinto fixed the *Ekaterini* (173,555-dwt, 2012) 170,000/10% for Dampier/Qingdao at \$9.85 and the SwissMarine TBN 180,000/10% was fixed by Roy Hill for Stanley Point/Qingdao at \$10.30. On the front haul, the *Star Pauline* (180,274-dwt, 2008) was fixed for delivery Singapore/Singapore-Japan via Brazil at \$23,000 plus \$400,00 bb and H-Line fixed the *China Harmony* (179,505-dwt, 2016) for Rotterdam/Singapore-Japan via Port Cartier at \$43,000. On the period front, Jera fixed the *Nymphé* (180,018-dwt, 2009) delivery Qingdao for 6/8 months at \$25,000 and the *Han Fu Star* (175,062-dwt, 2012) was fixed by Bunge delivery Tianjin for 1 year at \$20,000.

The **Panamax** market started the week strong and concluded it at \$12,695, up from last week close of \$12,457. In the Pacific, J&J Maritime fixed the *Ying Shun* (82,000-dwt, 2013) delivery Hong Kong for a trip via Indonesia redelivery Taiwan at \$10,000 and Cobelfret took the *Ascanius* (76,878-dwt, 2004) delivery Tachibana for a trip via Long Beach redelivery China with petcoke at \$11,200. In the Atlantic, the *Atalandi* (77,528-dwt, 2014) fixed delivery Immingham for a trip via Baltic redelivery Skaw-Gibraltar \$18,500. The *Jin Qi* (93,078-dwt, 2012) was fixed to ADMI delivery Gibraltar for a trip via US Gulf redelivery Skaw-Gibraltar at \$14,000. In the Indian Ocean, PWSL took the *Galio* (81,404-dwt, 2013) delivery Paradip for a coastal trip with coal redelivery east coast India at \$17,000. On the front haul, Season fixed the *Kythira I* (81,398-dwt,

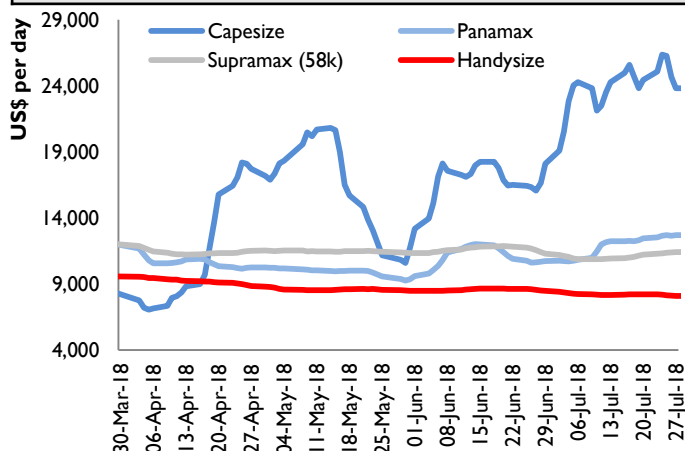
2011), a South 32 relet, delivery east coast South America for a trip redelivery Singapore-Japan at \$15,750 with \$575,000 bb. On the period side, the *King Loong* (77,430-dwt, 2006) fixed delivery Gangavaram for 4-6 months redelivery worldwide at \$13,000.

This week the **Supramax** market regained a bit of ground this week closing at \$11,404, up \$172. In the Atlantic, Norden took *Porto Leone* (63,800-dwt, 2014) delivery Chesapeake for a trip via US east coast into the Continent with woodpellets at \$17,350 and *Sheila* (58,608-dwt, 2016) was fixed for a front haul via the Black Sea at \$20,500 delivery Egypt Mediterranean into Singapore/Japan range. In the Pacific, *Emmanuel C* (58,837-dwt, 2008) fixed at \$11,000 delivery Singapore for a trip via Indonesia into China and *Great Amity* (56,050-dwt, 2004) fixed an Australian round voyage with salt into South Korea at \$12,250. Quiet on the period side of things, however *Olympic Progress* (55,415-dwt, 2012) fixed 3/5 months at \$12,250 delivery Hazira redelivery Arab Gulf/Japan range.

The **Handy** market this week slipped back further, losing \$107 to finish the week at \$8,209. In the Atlantic, *NY Trader I* (38,271-dwt-dwt, 2014) fixed a scrap run with Centurion delivery Amsterdam-Rotterdam-Antwerp-Gent into the east Mediterranean at \$10,500 and Medlogs took *Asia Pearl II* (delivery Safi for a prompt trip into the Black Sea at \$7,000. *Pretty Keel* (35,248-dwt, 2012) fixed a steels run ex east coast India delivery Chittagong into the Arab Gulf at \$12,250. In the Pacific, Cargill took *TS Golf* (38,859-dwt, 2017) delivery Singapore for a trip to China with Salt at \$9,250.

### Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Star Pauline	180,274	2008	Retro Singapore	14 Jul	Sing-Jpn	23,000 + 400K GBB	Hyundai Glovis	
Anangel Fortune	175,500	2005	Huanghua	Spot	Sing-Jpn	23,000	CNR	Via West Australia
Jin Qi	93,078	2012	Gibraltar	01-02 Aug	Skaw-Gibraltar	14,000	ADMI	Via US Gulf
Peak Liberty	81,837	2015	Tachibana	29 Jul	Sing-Jpn	11,500	Norden	Via NoPac
Pantera Rosa	78,844	2009	ECSA	11-15 Aug	Skaw-Gibraltar	19,500	Jera	
Porto Leone	63,800	2014	Chesapeake	End Jul	Continent	17,350	Norden	Via USEC
Medi Lisbon	58,710	2007	Kaoshiung	31 Jul	China	11,500	CNR	Int Nickel Ore
Chris GR	55,715	2005	Mumbai	26-27 Jul	China	11,500	CNR	
NY Trader I	38,271	2014	ARAG	28-29 Jul	E Med	10,500	Centurian	Int scrap
Asia Pearl II	35,239	2009	Safi	PPT	Black Sea	7,000	Medlogs	



Exchange Rates	This Week	Last week
JPY/USD	111.01	111.85
USD/EUR	1.1653	1.1706

Brent Oil Price	This Week	Last week
US\$/barrel	74.85	72.71

Bunker Prices (\$/tonne)	This week	Last week
Singapore IFO	471.0	449.0
MDO	651.0	642.0
Rotterdam IFO	442.0	425.0
MDO	638.0	621.0



### Dry Bulk S&P

The holidays are upon us, and a suffocating thick blanket of heat smothers the northern hemisphere from Lapland to Tokyo. The freight markets remain vigorous while all the time orderbooks evaporate. And still the bulk market sits panting in the shade like an elderly dog.

Enbloc caper deals feature again this week. Sinokor are reported as the buyers of four units from the Cara Fleet. *Stella Anita*, *Stella Annabel* (180,350-dwt, 2012/2011 Dalian) and *Stella Charlene* and *Stella Flora* (176,300-dwt 2012 SWS) are sold at \$115m enbloc.

More names are emerging of the dozens of bulkers that are being squeezed into the Chinese flag fleet ahead of the 1<sup>st</sup> September deadline. The panamax *Dubai Star* (75,202-dwt, 2001 Samho) is sold at \$9.4m while the sister supras *Christina L* and *Maria L* (50,380-dwt, 2005 Jiangnan) are sold at \$8m each.

Finally a couple of supramax sales illustrate differing fortunes for sellers. Prices seem to be souring with the sale of *Aquarius Ocean* (53,478-dwt, 2005 Imabari) at just \$9.8m, while the plum sale of the week is *Tchaikowsky* (58,790-dwt, 2008 Tsuneishi Cebu) at a sweeter \$14m.

#### Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price \$m	Comment
<i>Stella Anita</i>	180,355	2012	Dalian		Sinokor	115	Enbloc sale
<i>Stella Annabel</i>	180,337	2011					
<i>Stella Charlene</i>	176,357	2012	SWS				
<i>Stella Flora</i>	176,292						
<i>Dubai Star</i>	75,202	2001	Samho	-	Chinese	9.4	
<i>Tschaikowsky</i>	58,790	2008	Tess Cebu	C 4x30	Undisclosed	14	
<i>Aquarius Ocean</i>	53,478	2005	Imabari	C 4x30.5	Greeks	9.8	
<i>Christina L</i>	50,380	2003	Shanghai Jiangnan	C 4x36	Chinese	8 (each)	
<i>Maria L</i>	50,337						

#### Demolition Sales

Vessel	DWT	Built	Yard	Type	LDT	Price	Delivery
<i>Maiden Energy</i>	29,998	1990	Minaminippon	TANK	6,096	365	'As is' Belawan
<i>Maiden East</i>	17,740	1986	Uwajima		5,112		



## Tanker Commentary

Over the past few weeks the narrative has been that cyclical players have been waiting in the wings. This week it appears that some of those players have stepped onto the field and taken advantage of the fact that many of their peers may be somewhat distracted by the sun and the sea.

Vs remain firmly in the spot light with two transactions to report. CM Lemos have now sold out of the VLCC sector and become a pure suezmax player. The Greek owner has sold their *Gloric & Symphonic* (298,495-dwt, 2006 Universal) for \$33m per ship to London based Zodiac Maritime. The price is much in line with last week's deal on the *Bright Harmony* (309,774-dwt, 2009 Imabari) at \$41m. Having seen interest from four buyers, JX Ocean have sold their *Nichioh* (303,994-dwt, 2004 Universal) for region \$23.5m, with Hellenic Tankers coming out victorious. Interestingly, out of the 12 VLCCs sold this year, 7 have been concluded in Q3.

The LR2 sector has also seen some action this week with two deals to report. The German controlled *Sigma Integrity* (105,291-dwt, 2009 Hyundai Ulsan) has been sold for \$21.5m with Latsco being rumoured as the buyer.

The price is a step down to the Chandris controlled *Aegea & Amorea* (115k-dwt 2009 Samsung) sold in May for \$23m, also to Latsco; although part of this will be down to the fact that the Chandris ships were clean traders.

Having been in the market since 2014, the *River Eternity* (105,445-dwt 2006 Sumitomo) is said to have finally found a buyer, yes you guessed it... Latsco again. Even when one takes into account the ship has no coils, the \$13.5m price tag being mentioned reflects the pressure on tanker prices today. The coated *Pink Stars* (115,592-dwt, 2010 Samsung) will invite inspections again next week, having seen only one offer at \$23m which was rejected. With prices at historic lows, those that believe there is light at the end of the tunnel may be choosing their holiday destinations by the strength of the phone signal, and not by the clearness of the water.

### Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price \$m	Comment
Nichioh	303,994	2004	Universal	Hellenic Tankers	23.5	
Gloric	298,495	2006	Universal	Zodiac	66	Enbloc sale
Symphonic	298,522					
River Eternity	105,445	2006	Sumitomo	Latsco	13.5	
Sigma Integrity	105,291	2009	Hyundai Ulsan	Latsco	21.5	
Laima	37,330	2003	HMD	Undisclosed	8.5	
Baltic Sea I	37,248	2003	HMD	Middle Eastern	6.1	

### Tanker Fixtures

Vessel	DWT	Built	Yard	Period	Rate (\$/pm)	Charterer
Ascona	319,000	2018	Hyundai Samho	3 years	34,000	Undisclosed
Tonegawa	299,633	2018	Namura	3 years	30,000	Koch
Kastelorizo	115,000	2018	Shanghai Waig	1 year	15,500	Castleton
Georgia M	74,998	2007	Minaminippon	1 year	13,000	ENOC

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.