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... The largest one may be at imminent risk ...

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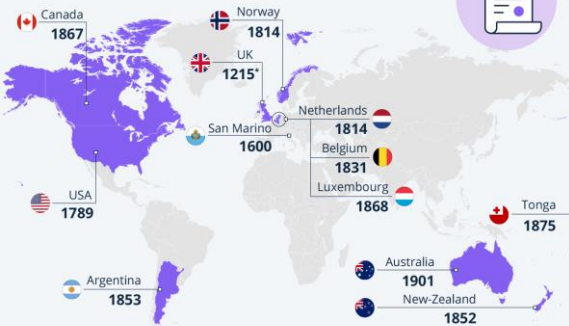
It has been a bad week for President Zelensky of Ukraine, for lame-duck President Biden of the US, and for Nato. And all for the same reason: western dithering in the face of Putin's empty threats to resort to the use of tactical nuclear weapons. The transatlantic alliance eventually got around to supplying old battle tanks, first generation F-16s (two years after the first request) and a variety of medium to long range missiles. But this provision of money and weapons has been accompanied by restrictions on their use: no attacks deep into Russian territory. The result is that Ukraine is valiantly fighting with one arm tied behind its back as if the West does not really want it to prevail in its mission to expel the invaders. Biden's generous but arm's length policy has merely prolonged the war, extended the death count and amplified the destruction. His refusal this week to endorse UK and French wishes to allow Ukraine to deploy their long-range Storm Shadow and Scalp missiles deep into Russian turf, taking out its offensive capability, will only encourage Putin to persist in his assault and keep alive his ambition of occupying all of Ukraine. Accordingly, the UK, France and Nato have dropped their plan* as, absent the US pied piper, they are collectively exposed to Russian retaliation without any certainty of US back-up. The Democrats in Congress are largely in favour of continuing support of Ukraine, while Republicans are generally in favour of pulling the plug and spending the money on more worthy projects at home. Meanwhile, Putin is hoping for a Trump electoral victory in November and a generous territorial settlement in Russia's favour.

Biden's reservations about letting other Nato members fire long-range missiles into Russia is based upon his fear of escalation. This would seem to be misplaced as escalation has already taken place, in terms of big-time financial and military support that lacks any element of plausible deniability. Also, Storm Shadows have already been used in Crimea in the destruction of Russia's Black Sea fleet. The US holds the key in other ways as these Franco-British missiles rely upon proprietary American GPS guidance systems. Former UK defence secretary, Ben Wallace, suggested that a failure to allow deployment of these weapons would make Britain an 'appeaser' of the Kremlin. The reference to Neville Chamberlain's 1938 policy of appeasement was presumably intended. On the other side, Russia is taking delivery of drones and ballistic missiles from Iran,** artillery shells from North Korea and key weapons components from China. Escalation on both sides is evident and, arguably, the West is already at war with Russia and yet it cannot get itself to admit it. Putting the UK and EU economies on a war footing might galvanise moribund economic growth. For its part, Russia has been launching cyber-attacks against various Nato countries, including the US and UK, as well as executing spetsnaz operations against European infrastructure. The European war has legs as Ukraine is tenacious, has just enough money and weapons to keep fighting, while Russia appears incapable of winning.^\

This week Israel stole the limelight from Ukraine as it shifted its offensive to the north: Lebanon. This war also has legs, and it is escalating fast with remote attacks against Hezbollah and missile strikes against its rocket launchers.^ Israel is now involved in military operations on seven fronts.+ Netanyahu's domestic and external disputes with everyone demonstrate a dogged determination and are equally vexing. Waiting in the wings is the upcoming US presidential election on November 5, which may prove to be the most important election in history. If Harris wins, there is a chance that the US will get sucked into wars on three fronts in Ukraine, Israel and Taiwan. Conversely, if Trump gets in, then Ukraine, Israel and Taiwan may be abandoned and left to cope on their own.++ Foreign Policy magazine recalls George Washington's farewell speech in which he counselled America to "steer clear of permanent alliances with any portion of the foreign world" and to maintain their "detached and distant situation" behind protective oceans. Maybe this is Trump's inspiration. What it means is, regardless of who wins, there will be more war either because the US is engaged, or because it is not. Shipping, an innocent bystander, will be a beneficiary as war generates a freight premium to pay the ships that supply the world through thick and thin. Most of the globe wants peace, but polarised minority views are calling for greater conflict. The US election result will be close, and it will be violently contested, encouraging bad actors around the world to make mischief.

The World's Oldest Constitutions

Year of introduction of the oldest constitutions still in place in the world in 2024



* The Magna Carta is considered the founding instrument of the constitutional framework of the United Kingdom; two of its articles are still in force today.

Sources: Comparative Constitution Project, Statista research



statista

Source : Statista

*The next opportunity for Zelensky will be to outline his 'victory plan' to the UN general assembly in NYC starting this weekend, hoping that Biden will change his mind.

**Allegedly, Russia has shared nuclear weapons technology with Iran in return. This, in turn, has implications for Israel as it is determined to avoid Iran going nuclear.

^In losing control of Kursk after Ukraine's recent lightning offensive, Putin has suffered the first loss of Russian territory since the Second World War.

^^Occupying the Philadelphi Corridor between Egypt and Gaza (the smuggling route for arms, money and people), and exploding Hezbollah devices, are both provocative.

+Gaza, West Bank, Yemen, Lebanon, Syria, Iraq and Iran. Make it eight if we include its ongoing disputes within Israel and the region and with the West, led by the US.

++As Thomas L. Friedman put it in the New York Times this week: "As for Trump, he is strong and wrong on the two key foreign policy issues – alliances and immigrants. His default option – America alone – is a prescription for America weak, America isolated, America vulnerable and America in decline."

Dry Cargo Chartering

The BCI closed today at \$26,826 down \$536 since last Friday. A busy week in the **Capesize** market, especially in the Pacific market, although rates started to soften towards the end of the week. The South Atlantic showed signs of improving, activity from South Brazil and West Africa to China picked up, whilst the North Atlantic remained flat. Cargill Metals took the 2011 built *Linda Hope* 170000mt/10% from Pointe Noire to Qingdao at \$30.80. In West Australia, *Rio Tinto* fixed a 'TBN' for 170000mt/10% from Dampier to Qingdao at \$11.55 fio, while CSE fixed a 'TBN' 135000mt lifting from Port Hedland to Kaohsiung 1/3 Oct at \$11.50 fio.

A good week in the **Panamamax** market, the BPI closed at 13,842 up \$993 since last Friday. Atlantic continued to firm, with strong demand particularly for trans-Atlantic and the longer front haul trips in the North. The South Atlantic was equally positive, with high demand again from East Coast South America drawing tonnage from around the South Atlantic and Indian Ocean with high paying front haul liftings. *CCS Orchid* (81,966-dwt, 2017) fixed arrival pilot station East Coast South America for a trip redelivery Singapore-Japan at \$17,100 + \$710,000 ballast bonus with Bunge, whilst Cargill were linked to both *Kirribilli* (82,206 2011) retro sailing Krishnapatnam 1 September at \$14,750 and *Alpha Pride* (82,032-dwt, 2019) retro sailing Haldia 30 August at \$16,000 both for front haul trips. Further East, the scrubber fitted *Ultra Margay* (81,921-dwt, 2020) Zhoushan 19 September fixed subjects for a trip via the North Pacific redelivery Singapore-Japan at \$15,000 to Hanson, whilst *Sakizaya Power* (81,564-dwt, 2017) open Fukuyama fixed for a North Pacific round trip at \$16,000. From Australia it was reported that the scrubber fitted, *Golden Forward* (81,210-dwt, 2020) retro Panjin 16 September fixed for an Australian round trip at a rate a tick above \$13,000.

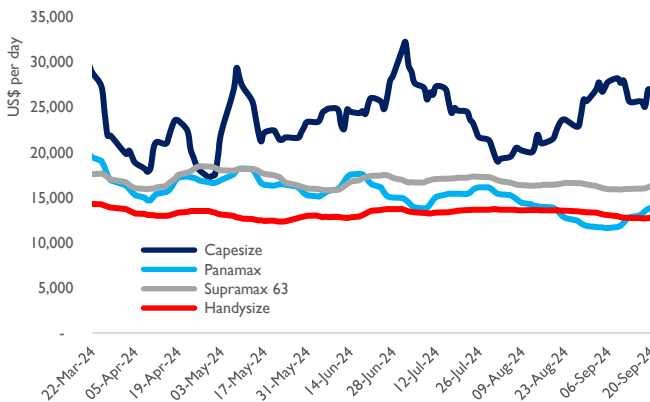
The Baltic **Supramax** index closed at \$16,290, down \$313 since last Friday. In the Atlantic, more activity and fixtures were reported this week, but except the US Gulf, hire rates in most regions are under pressure with limited fresh cargo orders. On the Continent, *Genco Vigilant* (63,497-dwt, 2015) fixed delivery Ghent for a trip with scrap redelivery Turkey at \$13,500 to Pacific Basin. In the Gulf, *Bahri Munira* (64,499-dwt 2020) was fixed to XO Shipping basis delivery Texas Gulf for a trip with Petcoke redelivery West Coast India at \$27,500. *Kallone* (55,840-dwt, 2007) open Caribbean fixed for Wilmington to Continent with pellets at \$21,000 to Lauritzen. Further South, *Princess Margo* (63,342-dwt, 2015) was heard fixed from North Coast to East Coast South America at around \$18-\$19.00 pmt with Anglo American. The Pacific market was quiet for the first three days during the holidays across China and South Korea, it came back stronger from Thursday onwards.

Cosmos (63,272-dwt, 2014) was fixed delivery Koh Sichang for a trip via Indonesia to China with coal at \$16,000, *Feng Li Hai* (63,424-dwt, 2017) open Fangcheng fixed for a trip via Vietnam to Bangladesh with clinker at \$23,500. In the Indian Ocean, the hire rate remained weak. *Observer* (56,624-dwt, 2012) fixed basis delivery Durban for a trip to China at \$15,500 + \$155,000 ballast bonus by Minmetals, *Shanghai Bulker* (56,719-dwt, 2012) fixed delivery Port Elizabeth for a trip to East Coast India at \$14,000 + \$140,000 by Norvic.

There were minimal gains this week in the **Handysize** market, the BHSI closed today at \$12,731 up just \$1 since last week. The Continent and Mediterranean saw marginal gains, with many spot-prompt vessels still in the area. A 35,000-dwt fixed via Dunkirk redelivery Adriatic Sea with steel coils \$10,500 with T Bulk. Cargill took *Yaloussa* (28,361-dwt, 2008) basis delivery Castellon for a trip redelivery Brazil at \$6,500 basis 42 days, balance \$10,000. Intra-med trips were heard fixed around \$10,000 from West to East Mediterranean with clean cargo. Trips from the Continent to US, fixed at levels around \$11-12,000 per day. The US Gulf remained the healthiest market within the Atlantic. *Bunun Hero* (37,811-dwt, 2015) fixed from South-West Pass to UK-Cont range with agriprods at \$19,000 with Martrade. *Atlantic Bulker* (36,309-dwt, 2014) fixed via South-West Pass for a short intra-gulf trip with ADMI basis redelivery East Coast Mexico with grains at \$15,000. It was reported, although few details emerged, a handy fixed from Lake Charles to China at \$22,000 TCE rate. In the South Atlantic, rates continued to soften, *Chrysanthe* (32,495-dwt, 2011) delivery WVR Santarem for a prompt trip to the Caribbean with grains at \$13,000 with Fednav. *Tina S* (34,690-dwt 2011) open Rio De Janeiro fixed Recalada to UK-Continent with grains at \$14,000 with Summit. Despite the holidays, there was a positive sentiment in the Asian market with regional rates maintaining their usual pace with strong cargo support, while tonnage count is ticking downwards slightly. In the Far East the market was supported mainly by the North Pacific and backhaul orders, resulting in fixtures surfacing above last done levels. *Rana* (39,915-dwt, 2015) was heard fixed at around \$14,750 levels for a trip to Mediterranean-Continent areas. A 38,000-dwt vessel open in the Far East was heard fixed on subs at \$15,000 for a trip to East Coast India compared to that of a 28,000-dwt ship open North China fixing around \$11,000 for similar. In South East Asia, although rates were being exchanged at higher levels, fixing activity was minimal, with owners not rushing to fix, despite many fresh enquiries from New Zealand. A 35,000-dwt vessel open Vietnam was heard fixed around \$10,750 levels for a trip to West Coast India.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Grand Star	81,602	2013	EC South America	29 Sept	SE Asia	\$16,250	Langlois	\$625,000 Ballast Bonus
Georgia T	80,416	2011	Cai Lan	Ppt	Philippines	\$11,500	Klaveness	Via Indonesia
Navios Asteriks	76,801	2005	Qingdao	20 Sept	Singapore-Japan	\$11,500	Louis Dreyfus	Via NoPac
Jawor	76,649	2010	Ushant	18 Sept	Skaw-Spain	\$9,500	Bunge	Via ECSA
Subarnarekha	76,015	200	Putian	18 Sept	South China	\$12,000	Cnr	Via Indonesia
Konkar Ormi	63,520	2016	Port Elizabeth	Ppt	China	\$18,000	Oldendorff	\$180,000 Ballast Bonus
Spring Cosmos	63,272	2014	Koh Sichang	19 Sept	China	\$16,000	Cnr	Via Indonesia
Scorpio Confidence	63,215	2020	US Gulf	25/30 Sept	E Mediterranean	\$23,000	ECTP	-
Navision Vincentz	39,855	2014	US Gulf	Ppt	WC South America	\$22,000	Cnr	-



Exchange Rates	This week	Last week
1 USD	143.86	140.42 JPY
1 USD	0.8961	0.9019 EUR
Brent Oil Price	This week	Last Week
US\$/barrel	74.25	72.48

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	470.0	449.5
VLSFO	608.5	583.5
Rotterdam HSFO	421.5	416.5
VLSFO	514.5	524.5

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Dry Bulk S&P

The market in recent weeks has recorded some softer sales - particularly in the kamsarmax and ultramax sectors. The question is are sellers generally willing to follow prices downwards? A long list of mid-aged kamsarmaxes for sale, does not translate into a long list of mid-aged kamsarmaxes for sale at "last done" prices. There remain significant funds to be re-invested and it may be that buyers will gratefully scoop up the limited amount of cheaper tonnage on offer and push values back towards their recent levels. Time will tell, but with the freight markets largely unchanged, sellers are entitled to ask what has changed?

However the kamsarmax *Navios Harmony* (82,790-dwt, 2006 Tsuneishi) is sold for \$13.0m which marks a softening of prices, although her imminent surveys may have contributed to the modest value. No such decline is evident in the sale of the panamax *Bettys Perfection* (76,635-dwt, 2007 Sasebo) at \$14.7m.

Finally, in the supramax market, *Visayas* (56,136-dwt, 2010 Mitsui) is sold for \$16.8m - bang on the benchmarks.

One market that shows no sign of decline is the older capesizes. *China Peace* (174,413-dwt, 2005 SWS) is sold at a solid \$19.5m

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
China Peace	174,413	2005	SWS			\$19.5 M	
Navios Harmony	82,790	2006	Tsuneishi			\$13.0 M	DD due
Bettys Perfection	76,635	2007	Sasebo			\$14.7 M	
Visayas	56,136	2010	Mitsui	C 4 x 30T		\$16.8 M	DD due



20 September 2024

Tanker Commentary

Pertamina continue to grow their fleet, with reports that two 2019 Chinese built LR2 tankers are on subjects at around \$73-74m - the last similar vessel sold was *Aurviken* (112,802-dwt, 2019 Samsung) back in March for \$73m, which suggests Pertamina paid a healthy price which is likely, given the lack of suitable candidates on the market. We expect to report these sales in the coming weeks.

This week's MR2 sales highlight stable pricing in the segment. Greek interests have secured *Sea La Vie* (49,999-dwt, 2007 Hyundai Mipo) for \$24.85m which is in line with June's sale of *Torm Platte* (46,959-dwt, 2006 Hyundai Mipo) at \$23.5m which is one year older. *Caribbean Star* (46,383-dwt, 2004 Shin Kurushima) has gone this week at \$17.9m. By comparison, *Kalamos* (46,719-dwt, 2004 Iwagi) went in August for \$17.8m, which was also zinc coated.

Healthy earnings in the chemical tanker segment means owners are reluctant to let their vessels go for anything less than last done. Woojin Tankers of Korea are reported to have paid \$32.5m for *Horin Trader* (19,855-dwt, 2015 Usuki) which has docking due mid 2025. The last done similar units were *TRF Kristiansand* (19,996-dwt, 2016 Kitanihon) and *TRF Kobe* (19,997-dwt, 2016 Kitanihon) back in April in an en bloc deal at \$65m. Both are a year younger and have scrubbers fitted.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
Sea La Vie	49,999	2007	HMD	Greeks	\$24.85 M	Epoxy
Caribbean Star	46,383	2004	Shin Kurushima		\$17.9 M	SS/DD freshly passed. Zinc coating
Horin Trader	19,855	2015	Usuki	Koreans	\$32.5 M	STST

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