

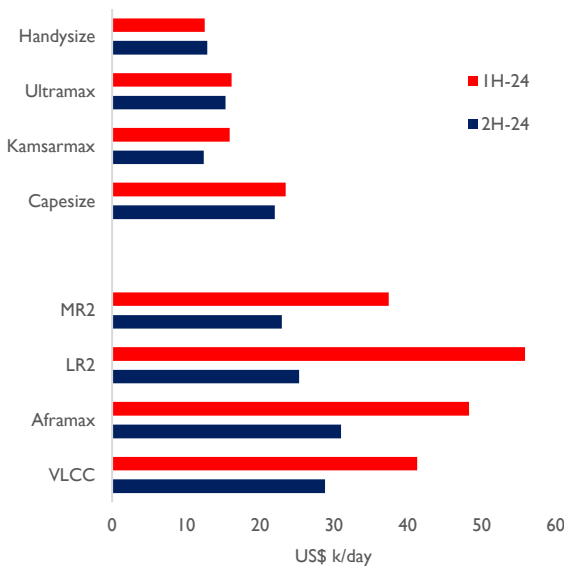


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... A Year of Two Halves ...

1H-24 vs 2H-24 Spot Earnings



Source: Baltic Exchange

VLCC - TD3 (MEG-FE), Aframax - BDTI Aframax, LR2 - TCI (MEG-FE), MR2 - BCTI Pacific & Atlantic basket averages. Capesize - BCI 5TC, Kamsarmax - BPIB2 5TC, Ultramax - BSI63 11TC, Handysize - BHSI38 7TC. Data as of COB Thu 19th Dec.

*This week Reuters ran an article stating that Chinese refined oil consumption peaked in 2023, according to the CNPC's research arm.

LNG powered trucks are already estimated to have eaten 0.4mbpd of diesel demand already in China (Wood Mackenzie). LNG trucks now make up 42% of heavy-duty truck sales in China, up from 9% in 2022 (FT).

^Based on AXS' AIS data. YTD seaborne departures to China as of the end of Nov-24 vs Jan-Nov-23: coal +13%, bauxite +13%, iron ore +3%.

In 2023, total Chinese seaborne imports grew vs 2022: coal +54%, bauxite +13%, iron ore +6%.

**Tonne-mile boosts from the Panama Canal disruptions have largely been eroded since the summer as water levels have risen again. Red Sea diversions remain, but this is only a one-time boost and could be unwound. It will start to disappear from YoY comparisons in the early months of 2025. There also been a slight down-turn in iron ore ex-Brazil compared to last year in recent weeks.

POINTS OF VIEW

As we enter the holidays perhaps the most common emotion among owners, operators and brokers will be disappointment. At various points in 2024, great things have been expected in the dry and tanker markets, but they have not quite materialised. Recency bias dictates that our memories will be clouded by a miserable December. As we write, VLCC rates have dropped below \$20k/day, and Capesizes have continued to slide to below \$10k/day. After a period of rest and reflection over the holidays though, perhaps the mood will become more philosophical. By no stretch of the imagination should 2024 be remembered as a bad year, more as a year of two halves. The BDI, now below the 1,000 line, has still averaged 1,764 to date, its fifth best year since the 2008 financial crisis. Capes have averaged over \$20k/day for only the second year since 2010. Tanker rates have enjoyed another strong year, if not quite as good as 2023. Add on top the premiums that eco or scrubber-fitted ships earn over the indices, and it has still been a very profitable year. Even more so, for the many owners who have already paid down their debts. Yet at the same time, there is a nagging sense that all the optimism in the first months of the year, as reflected in then dizzyingly high asset values, was building up to a winter wonderland in Q4 and beyond. This boom was expected, but also much-needed to justify some of the prices being paid. Instead, Father Christmas left behind a few lumps of coal, and a bleaker outlook for 2025 too. In all major dry and wet sectors (except Handy bulkers), 1H-24 was better than 2H-24. This goes against the usual prevailing seasonal winds too, with both markets traditionally expecting a strong Q4. As such, many of the gains in asset values seen in the first half of the year have been undone.

Who is to blame for this winter woe? For tankers owners there are two grinch that stole Christmas; OPEC's sealed taps and lacklustre Chinese demand. Chinese oil demand seems to have plateaued, ahead of previous forecasts. Weak economic growth, a shift to LNG-fuelled trucks and the growth in electric vehicles, sales up 50% YoY in Nov-24, have all eaten into Chinese oil demand.* New EVs have now overtaken new internal combustion engine sales in China. Alongside stagnation in Europe, there has been no demand spark to help crude prices. In turn, OPEC+ have kept the taps closed to support price targets, with Middle East tensions giving only occasional, short-lived boosts to prices. As such, there has been less oil on the water, and larger crude tankers cleaned-up and cannibalised the product market. Looking at the Chinese economy, it would also be tempting to blame it for the gloom in the dry market too. The property market remains in a downward spiral, demand for steel is rusty and there is no sign yet of the central government being able to spark the consumption boom needed to lift the mood. But to blame China alone would be lazy and wrong. Chinese imports of coal, iron ore and bauxite are all ahead of last year's very impressive figures. Based on AIS vessel-tracking data, we can be confident that the final totals from the end of year customs figures will match or break previous annual records.^ China's economy no longer grows at 10%pa, even 5% is a stretch, but it is still growing, unlike zombie European economies and industries. Stubborn fleet growth (~3%pa), slow demand ex-China, lower congestion and plateauing tonne-mile growth** are as much to blame for the recent dry slump.

So, what lies ahead in 2025? One thing that is certain, if you want to buy tankers or bulkers, it will be cheaper in the Boxing Day sales than it would have been a few weeks ago. We are now starting to see real falls in tanker values, albeit with limited liquidity. The slide in the drybulk market is a few weeks more advanced. The bulls will notice the sheer volume of cash and investors waiting on the sidelines for prices to fall and know that most sellers are under no pressure to sell. It is not 2016 all over again. This could offer a natural floor to values. So should the attractive fleet age profiles and the difficulty in getting a newbuild, maybe this will trigger a buying frenzy when the market reawakens. The bears will say that assets were over-valued relative to rates anyway, and this is just the start of a much overdue correction. The Wise Men will dodge the question and say it depends on the freight market. Will OPEC+ offer a late Christmas present and re-open the taps some time in 2025? Will the Chinese government finally get the economy moving? And what of Mr Trump and his tariffs? A Merry Christmas and a Happy New Year to all our readers, 2025 promises to be another fascinating year of opportunity, volatility and disruption.

Dry Cargo Chartering

Despite a positive start, **Capesize** markets endured another week of sharp declines in the run up to Christmas. In the East, owners generally accepted lower offers and prioritised fixing ahead of the holidays, and whilst the South Atlantic and West Africa markets saw some slight positivity T/A rates were said to be very poor. Timecharter averages closed at \$9,244, a further fall of \$1,230 from last reported. From Australia, Rio Tinto booked five TBN's ex Dampier for early January dates and paid between \$7.40 pmt and \$6.25 pmt into China, while elsewhere Vale covered *Rosemary* (179,742-dwt, 2010) for Teluk Rubiah/Qingdao at just \$4.75 pmt. From RSA, *Cape Valencia* (181,434-dwt, 2012) fixed Saldanha Bay/Qingdao at \$10.79 pmt. Over in South America, Cargill chartered *Alpha Confidence* (176,320-dwt, 2011) for Tubarao/China at \$16.55 pmt, Oldendorff covered the same route with *Marigo P* (179,218-dwt, 2016) with a West Africa loading option at \$16.25 pmt, and EZDK fixed 160,000 mtons 10% Tubarao/El Dekheila at \$8.00 pmt. From Canada, Mittal took *Jewel* (175,784-dwt, 2012) for 150,000 mtons 10% Port Cartier/Qingdao at \$25.75 pmt, and Rio Tinto fixed *Max Warrior* (205,361-dwt, 2014) for 190,000 mtons 10% Seven Islands/Oita at \$23.50 pmt.

Panamax markets in Asia saw minimal activity this week with sentiment remaining low and rates reducing further. More fixtures were seen in the Atlantic driving a small uptick in averages at the end of the week, but overall tonnage lists continued to grow. By Friday the PSTC closed at \$8,782, a slight decrease of \$173. In the Pacific, K Line took *Fiesta* (80,554-dwt, 2013) delivery Kinuura 19/20 December for a NoPac round trip at \$6,750, while we heard that *Armonia A* (82,084-dwt, 2018) fixed delivery Hadong also for a NoPac round trip at \$7,250, and Multimax chartered *Huayang Endeavour* (75,492-dwt, 2013) delivery Meizhou for a trip via Indonesia to South China at just \$4,500. In the Indian Ocean, Teambulk fixed *Navios Sky* (82,056-dwt, 2015) delivery APS Richards Bay for a trip to India at \$13,000 + \$300k bb. In the Atlantic, *Sakizaya Ace* (74,936-dwt, 2013) fixed delivery Ghent for a trip via Brazil to Egypt Med at \$10,500, Louis Dreyfus fixed *Key Hunter* (82,099-dwt, 2011) delivery APS ECSA for a trip to Skaw-Gibraltar at \$15,500, and Koch Trading took *Globe Danae* (80,306-dwt, 2010) APS ECSA for a fronthaul trip to Singapore-Japan at \$12,650 + \$265k bb. On voyage, SAIL covered 75,000 mtons 10% coal Newport News-Norfolk/Visakhapatnam at \$30.10 pmt.

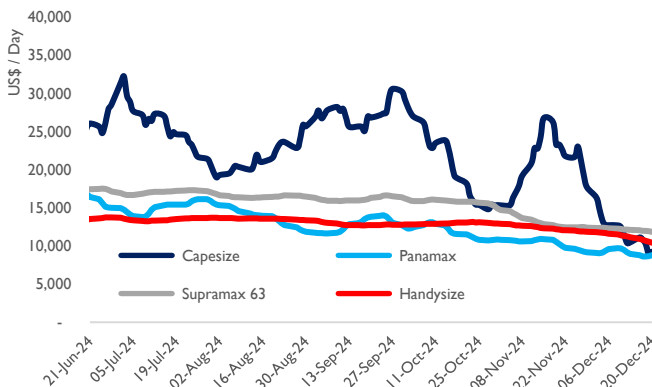
The **BSI** closed at \$11,876, down \$241 from last week. Fundamentals in the Atlantic remained the same, the US Gulf and South Atlantic were stable, whilst the Continent-Mediterranean had limited cargoes to support rates. Ships were still clustered in Indian Ocean, showing little signs of improving. Similarly, many prompt ships were available in the Pacific Ocean this week with little reported activity. Alongside less enquiries from the North Pacific, Indonesian coal freight was notably affected by the bigger sizes as well. Although slightly more cargoes in January were out, the sentiment remained weak. In the Pacific, *Tai Success* (61,486-dwt, 2013) delivery Gresik fixed for a trip via West Australia redelivery Philippines with grains at \$13,000 by Norden, and *Hopa* (63,301-dwt, 2013) delivery Dumai prompt was fixed for a trip via Indonesia redelivery China at \$10,750. For

the North Pacific, *Galaxy Express* (63,750-dwt, 2024) fixed delivery South Korea for a trip via North Pacific redelivery East Coast India - Bangladesh range at \$13,000 by Drydel. In the Indian Ocean, *Afros* (63,223-dwt, 2018) delivery Haldia was heard fixed for a trip to West Coast India with intention iron ore at \$11,500, *Visha Nidhi* (57,144-dwt, 2011) open Mumbai was heard fixed delivery Mina Saqr for a trip redelivery PG - East Coast India in the mid \$9,000s. Limited fixtures were reported in the South Indian Ocean, *Pacific Award* (61,411-dwt, 2015) open Beira was heard fixed for delivery South Africa for a trip redelivery Pakistan at \$16,000 by Propel. In the Atlantic, *Zagori* (63,492-dwt, 2019) delivery Recalada mid December was fixed for a trip redelivery Arabian Gulf at \$14,500 plus \$450,000 ballast bonus, *Nord Allegro* (61,263-dwt, 2007) delivery South-west Pass was fixed for a trip redelivery Far East with grains at \$18,750 by Drydel. Across the pond, it was heard *Tai Stride* (64,539-dwt, 2022) open Antwerp prompt was fixed for delivery Skaw via Klaipeda to South Africa with grains at \$14,750.

The **Handysize** market struggled this week, leaving owners with little choice as we approach Christmas. The BHSI closed today at \$10,427 down \$706 from last week. On the Continent, it didn't take long for Baltnav to cover their Rouen to Morocco grains run at \$7,500, basis arrival pilot station Rouen on a 38,000-dwt. Nova Marine covered their usual Baltic to West Africa run at \$12,000 on a 38,000-dwt. *Julia* (37,449-dwt, 2018) open Brunsbuttel fixed delivery passing Skaw via Gdansk to US Gulf with petcoke at \$7,750. The Mediterranean was even sharper with very few cargoes entering the market, although it was reported, *AP Revelin* (38,795-dwt, 2016) fixed delivery Damietta for a trip redelivery Port Harcourt with bagged gypsum at \$13,000 with Breadbox. The US Gulf started cooling, with a build up of tonnage. A large handy fixed delivery South-west pass for a trip to Casablanca \$12,000. Pacific Basin fixed *Mazowsze* (38,981-dwt, 2009) delivery South-West Pass for a trip into East Coast Mexico with grains at \$12,000. *Szare Szeregi* (39,072-dwt, 2017) open US East Coast fixed via Savannah for a trip to the Continent at \$13,000 with J. Lauritzen. In the South Atlantic, the market was softening but was arguably the strongest market in the Atlantic. *Ocean Gracious* (38,276-dwt, 2013) open Sevilla fixed basis delivery North Brazil for a trip into Caribbean at \$14,250. *Appalosa* (36,067-dwt, 2013) fixed delivery Santos for a trip redelivery to Nigeria at \$17,000 with Oldendorff. *First Brother* (32,385-dwt, 2003) open Salvador fixed delivery Recalada to redelivery Brazil with wheat at \$13,000 with AEC. In the Pacific, sentiment remains negative as we approach the holiday season. Despite a stable cargo book, there is an increasing tonnage count. Owners have started offering more aggressive rates, while charterers are not rushing to secure bookings, and moving only to the rates below last done, thereby no significant uptick in activity is expected in the near term. In the Far East, a 33,000-dwt vessel open CJK was heard fixed at \$11,000 levels for a trip to the Far East while a 32,000-dwt vessel was also heard fixed from Korea into East Coast India at low \$12,000's. In South East Asia, a 32,000-dwt vessel was heard fixed from Philippines to the Far East at low \$8,000's. It was heard a 28,000-dwt vessel open Singapore fixed on subs for an Australia round voyage at \$7,000.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Trans Asia	82,278	2022	EC South America	1/5 Jan	Singapore-Japan	\$14,400	Cargill	\$440,000 ballast bonus
Velos Star	81,846	2015	Gibraltar	19/20 Dec	Eren	\$15,000	Element	Via NC South America
Capetan Giorgis	76,447	2005	CJK	16/20 Dec	Singapore-Japan	\$5,850	Cnr	Via EC Australia
Miryama	75,777	2005	Taichung	19 Dec	South China	\$6,250	PPT Shipping	Via Indonesia
Huayang Endeavour	75,492	2013	Meizhou	23/25 Dec	South China	\$4,500	Multimax	Via Indonesia
Bloom Halo	66,040	2024	Weda	Ppt	China	\$12,000	Cnr	Via Indonesia
Zagori	63,492	2019	Recalada	Mid Dec	Arabian Gulf	\$14,500	Cnr	\$450,000 ballast bonus
Navios Christine	58,058	2009	Koh Sichang	Ppt	China	\$7,000	Tongli	Via Indonesia
AP Revelin	38,795	2016	Damietta	Ppt	Port Harcourt	\$13,000	Breadbox	-



Exchange Rates	This week	Last week
1 USD	156.48 JPY	153.36 JPY
1 USD	0.9617 EUR	0.9521 EUR
Brent Oil Price	This week	Last Week
US\$/barrel	72.91	74.21

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	469.0	467.0
VLSFO	552.5	554.5
Rotterdam HSFO	451.5	446.5
VLSFO	508.5	519.5

20 December 2024

Dry Bulk S&P

Following last week's sole sale, there has been a surge of activity, a final flurry before the Christmas holidays begin.

There have been very few newcastlemax sales recently, however *Panoramix* (203,512-dwt, 2007 CSBC - scrubber fitted) is reported sold this week for \$28m to Chinese buyers however the sale must have been concluded a while ago as she has delivered to buyers yesterday. The last comparable sale was the non-scrubber fitted *Crassier* (206,254-dwt, 2007 Imabari) sold for a similar level around two months ago.

There are two capesizes changing hands this week - K Line having bought *FEG Success* (182,619-dwt, 2010 Kawasaki) for \$28m, and the one-year younger *Zampa Blue* (178,459-dwt, 2011 Mitsui) sold for \$30m to undisclosed buyers. At the beginning of the month the Sasebo built and scrubber fitted *K. Victory* (181,500-dwt, 2012) was sold for \$33.5m

Kouros Maritime are reported to be behind the purchase of *Indigo Omega* (56,092-dwt, 2012 Mitsui) for \$17.2m, a drop on the sale of *ND Armonia* (56,121-dwt, 2011 Mitsui) this time a month ago for \$17.95m, but in line with today's benchmarks. Older units continue to attract buyers, with *SSI Nemesis* (56,023-dwt, 2005 Mitsui) understood sold for \$10.9 mill, and *Zein* (52,042-dwt, 2001 Tsuneishi) sold for \$7.0m, a healthy premium over today's scrap levels.

The only handysize deal to report this week is the Imabari 28 *Momo Glory* (28,222-dwt, 2014 Imabari) to Greek buyers for \$12m.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
<i>Panoramix</i>	203,512	2007	CSBC	-	Chinese	\$28.0 m	Scrubber fitted, Old sale
<i>FEG Success</i>	182,619	2010	Kawasaki	-	"K" Line	\$28.0 m	SS/DD due
<i>Zampa Blue</i>	178,459	2011	Mitsui	-		\$30.0 m	
<i>Indigo Omega</i>	56,092	2012	Mitsui	C 4 x 30T	Kouros	\$17.2 m	
<i>SSI Nemesis</i>	56,023	2005	Mitsui	C 4 x 30T	Chinese	\$10.9 m	
<i>Zein</i>	52,402	2001	Tsuneishi	C 4 x 30T		\$7.0 m	
<i>Momo Glory</i>	28,222	2014	Imabari	C 4 x 31T	Greek	\$12.0 m	



Tanker Commentary

The market has seen a notable uptick in transactions with a flurry of activity this week. The spread between buyers and sellers has closed sufficiently for some deals to conclude with the majority of sales reported below last done. At the time of writing the nationality and names of the buyers on all the tanker sales remain unknown.

There have not been any pumproom MR sales since early October and now we have two in a week. Zinc coated, *Kyra* (47,931-dwt, 2006 lwagi) was sold for \$17.1m, while a year-younger vessel, *Chiba* (45,975-dwt 2007, Shin Kurushima), achieved a similar price of \$17m however she has drydocking due in April 2025 whereas *Kyra's* next docking is in 2026. For context, the most recent pumproom MR sale was that of *Arsos M* (45,737-dwt 2004, Minaminippon), which changed hands in early October for \$16m. Additionally in the handy space, *Valle di Granada* (40,218-dwt 2005, HMD) was sold for \$13.35m. The last comparable vessel, *Sunflyte* (37,272-dwt, 2001, HMD), was sold for \$11.5m at the beginning of December.

In other news, it was revealed earlier this week that Oslo-listed Stainless Tankers has offloaded two of its older J19 vessels. *Marmotas* and *Monax* (both 20,000-dwt, 2005, Usuki - StSt) were sold together for an en bloc price of \$31.4m. The last transaction for a J19 vessel was the sale of *Songa Breeze* (19,999-dwt, 2009, Fukuoka) at the start of December for \$23.8m.

Lastly, Vietnamese owners Hai Phong Shipping have reportedly sold *Dai Thanh* (13,068-dwt 2007, 21st Century) for \$9.5 million. This follows the sale of a two year younger sister vessel, *Winter* (13,052-dwt, 2009, 21st Century), which was sold three weeks ago for \$13.9m.

Reported Tanker Sales

Vessel	DWT	Built	Yard	Buyer	Price	Comment
<i>Kyra</i>	47,931	2006	lwagi	-	\$17.1 m	Zinc coated
<i>Chiba</i>	45,975	2007	Shin Kurushima	-	\$17.0 m	DD due
<i>Valle Di Granada</i>	40,218	2005	HMD	-	\$13.35 m	SS/DD due
<i>Monax</i>	20,762	2005	Usuki	-	\$31.4 m	Enbloc Stainless Steel coated
<i>Marmotas</i>	19,953					
<i>Dai Thanh</i>	13,068	2007	21 st Century	-	\$9.5 m	

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
Email: chartuk@hartlandshipping.com
Email: snpu@hartlandshipping.com
Email: consult@hartlandshipping.com

**Hartland Shipping Services Ltd,
Shanghai**

Tel: +86 21 2028 0618
Email: newbuild@hartlandshipping.com

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

Tel: +65 8223 4371
Email: chartops.sg@hartlandshipping.com

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