



CONTENTS

2. Dry Cargo Chartering
Cape Cruising
3. Dry Cargo S&P
Bearing Up
4. Tankers S&P
Barren Field

... It's Inflation, Stupid! ...

POINTS OF VIEW

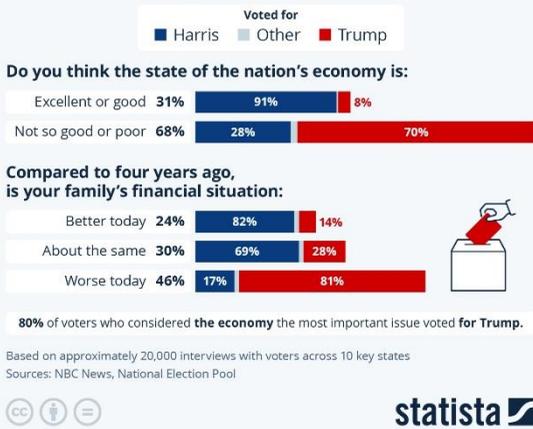
The US presidential election has been decided. In what was supposed to be a race that was too close to call, Trump won at a canter. Biden held on too long and then nominated his VP to run uphill for the top job. Their record over the past four years has been rejected, with Trump hammering their failures on inflation and immigration. The man's own unpredictability, lack of focus and inherent contradictions make any concrete predictions about his actions and their impact fraught with uncertainty. On the economy and global affairs, the new regime is likely to remain boxed-in with few easy choices. However, the domestic political field is far clearer. Trump will face far less constraints than he did last time, thanks to Republicans control of the House and the Senate, alongside the 6-3 conservative control of the Supreme Court. He also no longer needs to worry about staying popular enough to win re-election, unless he has ambitions to create a family dynasty. His first administration was also full of more conventional Republican administrators, this time, more technocrats and ambassadors are likely to be replaced by his own loyalists.* Some see this as the start of a dystopian era, lawyers who were on standby to contest a Democratic victory can now stand down or be redirected to persecute Trump's opponents. Abortion, migration and his own legal cases may all become potential battlegrounds.

Trump has won thanks to the Democrats' handling of the economy, namely their failure to control inflation. However, his agenda could serve to turbo-charge it, just as central banks seem to have finally tamed it. Cuts to personal and corporate tax rates and a new rounds of tariffs would only push up consumer prices. Mass deportations of illegal immigrants are likely to further stoke wage-price pressures too. The bond market has spoken as yields on 10-year treasuries are pushing up to 4.5% on rekindled fears of inflation. Interest rates and mortgage costs will have to remain higher for longer even though the incoming boss would like to seize control of the Fed and cut rates. Elon Musk's DOGE^ would need to perform miracles by cutting government costs to offset the inflationary parts of MAGAnomics. The oil and gas sector will get a boost. Drill baby drill is the new motto, pipelines will be approved, and LNG exports permits resume. This is probably not the end of the green transition though, even in the US. The Bidenomics green energy spending, despite the criticism from Republicans, has overwhelmingly benefitted red states. In April, Bloomberg estimated that \$161bn of \$206bn of cleantech investment under Biden has been in Republican House districts. With Musk, a pioneer of EVs, set to play a prominent role, who knows, Trump may even become a late convert.**

Internationally, the new agenda is a MAGA-driven America First policy. Real wars will be fought by others as the US retires from its role of global policeman and pulls its troops and hardware home, saving trillions of dollars in the process. Diplomacy as a business negotiation will be deployed globally, the art of the deal being used across a series of bilateral negotiations. America always wins. Allies like NATO, South Korea, Japan and Taiwan will all hear a similar message: pay-up and protect yourself from Russia, China and North Korea, or you are on your own.^ Meanwhile the US' foes will need to strike a bargain or face tariffs, or worse, America's still mighty military. But this cake-and-eat-it approach may not survive first contact with reality. It risks creating vacuums that would jeopardise America's own interests. Even if Zelensky can be pressed into making concessions to Russia to end the war, any deal must be credible enough to endure. This will require US weapons or security guarantees. Otherwise, Ukraine and much of Europe will be ripe for Russia's picking, and leave the US and Trump humbled.*** Netanyahu will be permitted to continue his wars in Gaza, Lebanon and beyond. The objective will be to neuter Iran's nuclear weapons programme and see off the aging theocracy. However, this is beyond Israel's capabilities, US military help would be needed too. Allies in the Indo-Pacific will need to stand up to the little rocket man in North Korea and prepare for the threat of an expansionist China. Soon however, Kim's nuclear ballistic missiles will pose a real threat to the US mainland. Guam must have woken up in a cold sweat on Nov 6. Taipei will be left as a sitting duck without the US Navy deterrent to avert a blockade or invasion. Its microchip fabs will be at risk of annexation and Chinese control of AI supply chains will be complete. An absent America would not be the winner here either, no matter what Trump may say.

It's the Economy, Stupid!

U.S. voters' views on the economy and how they voted in the 2024 U.S. presidential election



*In the FT on Thursday, Janan Ganesh's "The Democrats threw away a winnable election" has the useful phrase "Trump Redux will also be Trump Unbound".

^Musk may be invited to setup a department to eliminate government waste. It is unclear if the Department of Government Efficiency (DOGE) is entirely serious, but Musk's growing influence is clear. Tesla shares are up 26% in the past week.

**It is worth remembering that Trump spent much of the 2016 election promising to make US coal mining great again. During his first term its decline actually accelerated. His rhetoric does not always survive cold, hard economics. In a recent debate he declared that renewables are "destroying our country", before then claiming to be a "big fan" of solar power...

^^The UK's labour government recent decision to handover the Chagos Islands to Mauritius, including the strategically important island of Diego Garcia, done in cahoots with President Biden, should be reversed in the interests of western security.

***Even the UK's vaunted "special relationship" with the US may prove to be a mirage, especially after the disparaging comments about Trump from the current Prime and Foreign Ministers, Kier Starmer and David Lammy.

Dry Cargo Chartering

A mixed week for shipping markets with the **BDI** closing at 1,495, up from last week's close of 1,378. This was driven by an improving Cape market, while all other segments sadly finished in the red. The **Capesize** market rallied at the end of the week, closing at \$19,210, up from last weeks close of \$15,329. Both *CL Baise* and *Avila* fixed Tubarao to Qingdao at \$21 for ore with Vale, up from \$20.30 at the beginning of the week with the *Kaizenship* fixing this level with Oldendorff. In the Pacific a TBN was fixed at \$9.30 for Dampier to Qingdao ore.

The **Panamax** market closed the week at \$10,586, down from last week's close of \$10,789. In the Pacific, Tongli fixed the *Yangtze Crown* (82,092-dwt, 2018) delivery Dangjin for a trip via East Coast Australia redelivery South China at \$10,300. *Nord Crux* (81,791-dwt,2016) ex dry dock fixed Qinzhou via East Coast Australia, redelivery South China at \$11,750 with an option for North China at \$12,250. Panocean fixed the *Arriba* (82,039-dwt, 2019) at \$11,750 for a trip ex Panjin via NoPac redelivery Singapore-Japan at \$11,750. It seemed a quiet week in the Atlantic with little reported. Crystal Seas fixed the *George H* (85,121-dwt, 2020) delivery Gibraltar for a trip via USEC redelivery Singapore-Japan at \$19,000. Bunge fixed the *MG Hammond* (84,858-dwt, 2017) for a trip ex Gibraltar via US Gulf, redelivery Continent at \$12,000. On period, *Rizokarpaso* (82.114-dwt, 2023) fixed delivery Yantai for 9-12 months at \$16,900 redelivery worldwide.

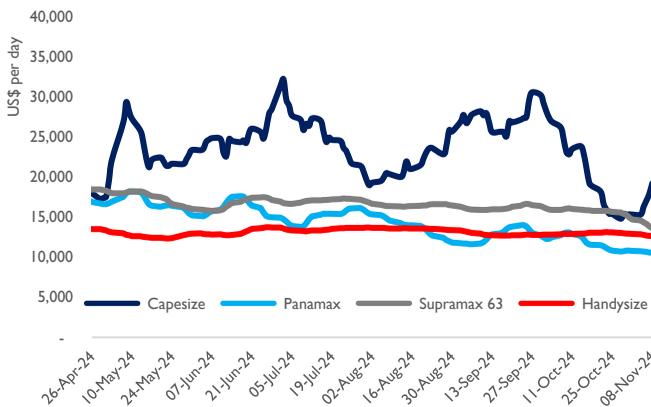
The **Supramax** index closed at \$13,642, this was down from last week's close \$14,704. Rates were spiralling down in most of the regions, especially with the US election in the middle of the week leading to reduced activities from the US while the tonnage list was still growing. Meanwhile the market in the Pacific also dropped further with excessive tonnage. In the Pacific, prompt Indonesian coal supply was weakened. The *Kingfisher* (57,809-dwt, 2010) open Fangcheng prompt was fixed for a trip via Indonesia redelivery China at \$9,000 by Tongli. Trips to Bangladesh however were still giving a good premium. The *Aquapride* (63,458-dwt, 2023) open Kwangyang prompt was fixed for a trip via Australia redelivery Bangladesh at \$16,100 by Norvic. The Indian Ocean was active however rates were similar to last done.

The *Kiran Marmara* (63,714-dwt, 2014) open Kandla prompt was fixed for a trip redelivery China with salt at \$12,000 by Multimax DMCC, while the *Meghna Century* (66,529-dwt, 2018) open Khalifa prompt was fixed for a trip via Arabian Gulf redelivery Bangladesh at \$15,000 by Allianz. In the Atlantic, the *Lila Frostburg* (56,425-dwt, 2013) open Brake prompt was fixed for a trip redelivery Mediterranean with intention scrap by Western Bulk Carriers. The *Iokasti GS* (55,857-dwt, 2016) was fixed basis delivery Rio Grande for a trip redelivery US East Coast with intention concentrates at \$17,400, while the *Pacific Constant* (61,411-dwt, 2016) open Houston was reported fixed for an inter US Gulf-Caribbean trip around \$18,000.

The **Handysize** market closed the week at \$12,648, a tick down from last weeks \$12,926. The market in Asia remained slow with charterers bidding lower than last done, reflecting a weaker market sentiment in the region, however, there was a growing interest in period vessels with charterers viewing this as an opportunity to secure tonnage at favourable terms. In the Far East, a 30k-dwt vessel open North China was fixed at \$12,000 for a trip to South East Asia, while a 25k-dwt vessel open Japan was fixed at low \$9,000 levels for a trip also to South East Asia. A 37k-dwt open Vietnam was fixed at low \$12,000 levels for a trip while the *Union Faith* (32,263-dwt, 2004) open Surabaya spot was fixed to CJK at \$10,000. A 37k-dwt opening Singapore was heard fixed/failed at \$14,000s for 2-3 laden legs. It was a very quiet Atlantic market with Eisbein. In the South Atlantic, *Aeolos* (32,256-dwt, 2001) open RDJ fixed a trip aps Recalada into West Africa at \$14,500. Further up, *Loch Lomond* (38,436-dwt, 2012) fixed \$17,500 for a trip ex Savannah to the Continent. Across the pond, *Maple Ambition* (35,513-dwt, 2015) fixed a trip ex Klaipeda to ARAG with iron ore at \$11,000. Swire were reported to have fixed the *Gullholmen Island* (38,309-dwt, 2011) fixed 4-6 months ex Casablanca at \$13,750 redelivery worldwide.

Representative Dry Cargo Market Fixtures

Vessel	DWT	Built	Delivery	Date	Redelivery	Rate (\$)	Charterers	Comment
Yangtze Crown	82,092	2018	Dangjin	6/7 Nov	South China	\$10,300	Tongli	Via East Coast Australia
Arriba	82,039	2019	Panjin	7/8 Nov	Singapore-Japan	\$11,750	Panocean	Via NoPac
Samatan	77,154	2015	Kunsan	8/9 Nov	Japan	\$12,000	MOL	Via Gladstone
Wu Yang Glory	75,750	2008	Qinzhou	1 Nov	South China	\$9,000	Cnr	Via Indonesia
Stratton	74,403	2004	CJK	1 Nov	South China	\$8,750	Cnr	Via Indonesia
HG Bremen	64,184	2024	Port Elizabeth	Ppt	China	\$18,500	Joint Vision	Via Saldanha Bay \$185,000 ballast bonus
Ultra Colonsay	61,740	2011	Recalada	Ppt	West Coast South America	\$18,000	Cnr	Via Indonesia
Kingfisher	57,809	2010	Fangcheng	Ppt	China	\$9,000	Tongli	Via Indonesia
Mountpark	37,839	2016	Damietta	Ppt	US East Coast	\$10,500	Ultrabulk	-
Ocean Happiness	37,572	2017	Jakarta	Ppt	Vietnam	\$13,000	Tongli	Via South Kalimantan



Exchange Rates	This week	Last week
1 USD	152.37 JPY	152.38 JPY
1 USD	0.9282 EUR	0.9198 EUR
Brent Oil Price	This week	Last Week
US\$/barrel	74.60	74.26

Bunker Prices (US\$/tonne)	This week	Last week
Singapore HSFO	485.0	492.5
VLSFO	594.0	600.0
Rotterdam HSFO	491.5	506.5
VLSFO	529.5	529.5

08 November 2024

Dry Bulk S&P

While the US election may have been decisively settled, there is enough action in the secondhand market to suggest that the direction of the dry secondhand market is less clear. Although overall sentiment is bearish, there are enough buyers satisfied with the discounts already on offer.

The Capesize and Newcastlemaxes markets are dominated by Chinese buyers with several parties competing for *Cape Laurel* (180,309-dwt, 2010 Imabari) which invited offers this week, with the best being at excess \$28m. A deal has not been finalised yet, but we expect a result imminently.

Evidence of a falling market have been most prominent in the post-Panamax / Kamsarmax / Panamax segment. The post-Panamax *Potina* (93,183-dwt, 2011 YZJ) is reported to be on subjects at just \$14m. By comparison, in July this year a two year-older sister *Bonavia* (93,208-dwt, 2009 YZJ) changed hands for \$14.5m. However, to counter this, *Ioannis M* (87,052-dwt, 2005 IHI) and *Captain Mike* (87,052-dwt, 2005 IHI), are reported sold at a much firmer \$13 m each to Chinese buyers. It is worth noting one of the vessels was purchased at end 2021 for \$13.15m.

A clearer indication of market dynamics is the sale by Bocimar of their purchase-option Kamsarmax, *CMB Permeke* (81,795-dwt, 2019 Tsuneishi Cebu) to Greek buyers Adelfia Navigation at \$34m. The sister ship *BW Kobe* (83,109-dwt, 2019 Tsuneishi Cebu) was sold to HMM in July for \$37.5m.

Vintage Panamax values continue to slide. *Navios Sagittarius* (75,756-dwt, 2006 Sanoyas) has been committed to Indonesian buyers for region \$10.8m, compared with last month's sale of *Scorpio WQ* (76,759-dwt, 2004 Sasebo) at \$10.5m.

Yangtze Grace (32,503-dwt, 2012 JNS) has been sold to South East Asian buyers for region \$11.5m. Again, compared with last month's sale of *Maple Fortune* (32,544-dwt, 2010 Taizhou Maple) at \$11m - two years older and arguably from an inferior yard.

Reported Dry Bulk Sales

Vessel	DWT	Built	Yard	Gear	Buyer	Price	Comment
Ioannis M	87,052	2005	IHI	-		\$26.0 m	Enbloc
Captain Mike							
CMB Permeke	81,795	2019	Tsuneishi Cebu	C 4 x 36T	Adelfia Navigation, Greece	\$34.0 m	
Energy Sunrise	81,793	2014	Tadotsu	-	Greek	\$23.5 m	
Yangtze Grace	32,503	2012	JNS	C 4 x 31T	SE Asian	\$11.5 m	



Tanker Commentary

There have been no reported tanker sales this week. This continues the recent drought, last week we reported just one sale, a small chemical tanker, and the week before also drew a blank.

Values have been at their highest levels since 2008, but freight markets have generally underwhelmed, earnings have been decent, but not spectacular enough. Q4 has been somewhat of a damp squib so far too, with rates failing to catch fire.

Trump's election victory may offer some light at the end of the tunnel. His promise to "drill, baby, drill" might lead to a jump in US exports that may herald some better news for freight rates. But as ever in the tanker market, things are rarely so straight-forward.

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