16th Annual Capital Link International Shipping Forum
Monday & Tuesday
March 28 & 29, 2022
Digital Conference

In Partnership With Citi

In Cooperation With Nasdaq NYSE AN ICE COMPANY

Capital Link's 16th Annual International Shipping Forum

Held on **March 28 & 29, 2022** as a *Digital Conference*, in Partnership with **Citi,** and in cooperation with **NYSE & NASDAQ.**

2 Days – 18 Sessions – 75 Speakers – 39 Shipping Companies

Over the course of 2 days, the Forum featured leading maritime companies, financiers, and industry participants. 1x1 meetings were scheduled between institutional investors and senior executives of shipping companies and held in parallel to the Forum.

Hosting informative and insightful panel discussions and presentations and showcasing all shipping sectors & critical industry topics, the forum was graciously received by the international shipping & finance community, welcoming a global audience of over 1,440 delegates.

The Forum also received extensive coverage from the major media outlets.
The articles appear in chronological order. We hope it will be of interest to you as it was to us.

Thank you,

Capital Link Team

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https://lloydslist.maritimeintelligence.informa.com/LL1140405/Elvictor-reports-increased-revenues-amid-mounting-challenges-for-crew-managers

Elvictor reports increased revenues amid mounting challenges for crew managers

With new clients on board, firm eyes improved profitability

- 04 Apr 2022
- NEWS
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Nigel Lowrynigel@lowry.gr

Stock conversion accounting pushes publicly-listed crew manager to big loss

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https://www.tradewindsnews.com/finance/shipping-stocks-in-broad-based-gains-after-strong-first-quarter/2-1-1196147

Randy Giveans lead shipping analyst for Jefferies, said gains by shipping stocks on the week were unusually broad-based.Photo: Marine Money

Shipping stocks in broad-based gains after strong first quarter

Listings outperformed broader market to open 2022

4 April 2022 15:11 GMT *UPDATED 4 April 2022 15:11 GMT*
By **Joe Brady**

in **Stamford**
US-listed shipping stocks closed out a resurgent first quarter by again outperforming market indices last week, and the gainers came across operating sectors.

The 29 listings under the coverage of investment bank Jefferies added 3.1% in value, easily topping the 0.1% rise in the S&P 500 and the 0.3% increase in the small-cap Russell 2000 index.

As the quarter closed, the Jefferies Shipping Index was up 33.6% year to date, with a 61% surge year over year.

The gains were diverse. Of the top 10 company performers, six were tanker owners, led by Herbjorn Hansson's Nordic American Tankers with a 15.3% pop. All were fully or predominantly crude carriers save product tanker giant Scorpio Tankers, which gained 5.1%.

The group also included two dry cargo owners, and notably Grindrod Shipping, with a second-best 11.8% rally. There was also gas player Dynagas LNG Partners, and mixed-tonnage provider Navios Maritime Partners, which has bulkers, tankers and boxships.

"The shipping outperformance continues and the word is getting out. I know the Capital Link forum was very well attended, with many clients reaching out with follow-up questions after the various panels," said Jefferies lead shipping analyst Randy Giveans.

“One thing to note would be how diverse the top gainers were. Usually, there is a common theme for the biggest winners, but one sector didn’t shine above the others this week.”

Tankers did have the biggest number on the week with an average 6% gain, which Giveans said was supported by gains in spot rates across most vessel classes.

But they were trailed closely by LNG stocks with an average 5% gain.

“Last week, the EIA reported that US LNG exports had increased as 25 LNG carriers carrying 93 bcf departed the US in the last week of March, up from 23 carriers the prior week,” Giveans said.

"US liquefaction facilities are running above nameplate capacity. Going forward, we expect Western Europe will continue to pivot to the US in order to source more LNG and LPG supply from producing nations other than Russia."

Dry bulk continued its gains with an average 4% rise despite a pullback in spot rates and freight forward curves. Container ships edged up 1%.

The only sector to fall back was LPG, and that was almost entirely down to one owner, Harry Vafias-led StealthGas, plunging 12.9% with no apparent news around the company. Stealth gave back some of the gains from a strong rally the previous week.

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https://www.tradewindsnews.com/gas/cheniere-strikes-option-to-charter-flex-lng-ship-on-term-deal/2-1-1195142

Oystein Kalleklev is chief executrive of Flex LNG.Photo: Johnathon Henninger/Marine Money

Cheniere strikes option to charter Flex LNG ship on term deal

LNG producer also agrees to take another vessel early as spot rates hold ground gained after Ukraine invasion

1 April 2022 17:32 GMT *UPDATED 4 April 2022 9:00 GMT*
By **Eric Priante Martin**

in **Stamford**
Cheniere Energy struck on an option to charter a fifth ship from John Fredriksen-backed Flex LNG.

The deal will see the LNG exporter's Cheniere Marketing International employ the 174,000-cbm Flex Aurora (built 2020) for 3.5 years.

Flex, a New York-listed LNG carrier owner, said the ship will begin its charter in the third quarter of this year.

The option was part of a deal forged by the two companies in April 2021 that saw Cheniere take four vessels on multi-year charters. The deal also included options to extend all the charters by two years.

The rates on the transactions were not disclosed.

The Houston LNG producer has already taken delivery of three of the Flex ships on contracts with minimum tenures of 3 to 3.8 years.

Flex said on Friday that the companies have agreed that the fourth LNG carrier in the deal will be the 174,000-cbm LNG carrier Flex Volunteer (built 2021), which will start its charter in mid-April.

The ship will commence that deal sooner than the originally planned start date in the quarter of this year, meaning the 3.5-year charter has been extended by 2.5 months

The Flex Aurora's new charter means the Flex has no exposure to the LNG carrier spot market, with all of its 13 ships on period contracts and the earliest expiry in the fourth quarter of this year, according to the company's latest annual report to the Securities & Exchange Commission.

But it also means the company could have secured a longer charter for its lone open vessel.

TradeWinds reported on Monday that Flex LNG chief executive Oystein Kalleklev told a Capital Link conference that charterers are asking to fix ships for lengthier time periods amid higher rates fuelled by Russia's invasion of Ukraine.

"We're seeing more inquiries this year for time charter durations of five, even up to 10, years. Usually, that's not something you see in a spot market, where spot markets are at, let's say, $60,000 and you can more than double that for a 12-month time charter," he said.

The shipowner controls a fleet of vessels of between 173,000 and 174,000 cbm in capacity, all of which are fitted with MEGI or XDF two-stroke engines.

Spot rates for LNG carriers of this size have been holding at around $79,250 per day after rebounding in the wake of Russia's invasion of Ukraine, though they remain far from the heights seen late last year, according to data from Clarksons.

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Tankers: Russia to the rescue for 'putrid' market

Aframax, suezmax and medium-range tankers all benefit as Russia's invasion of Ukraine threatens an oil demand shock

- 01 Apr 2022
- ANALYSIS
- 

Michelle Wiese Bockmann@Michellewb_ michelle.bockmann@informa.com

Crude, product and fuel oil seaborne trades are being recalibrated, as higher insurance costs and sanctions on Russia's oil and gas sector lift spot rates for smaller tankers

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https://lloydslist.maritimeintelligence.informa.com/LL1140360/Shipping-investment-sector-facing-a-volatile-backdrop

Shipping investment sector facing a ‘volatile backdrop’

Investment bankers and analysts see a tougher year ahead for shipping deals than last year, but investors’ focus on ESG criteria may have weakened due to Ukraine shock

- 01 Apr 2022
- NEWS
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Nigel Lowrynigel@lowry.gr

‘Equity markets are down about 75% year on year,’ says DNB Markets managing director James Cirenza. ‘This has been a tough start to the year’

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https://www.tradewindsnews.com/esg/streetwise-has-esg-become-one-of-putin-s-dislocations-/2-1-1193712

Russian President Vladimir Putin launched an invasion of Ukraine on 24 February.Photo: Scanpix

Streetwise: Has ESG become one of Putin's dislocations?

In this week's newsletter, we explore how the focus on energy security is shifting focus from another 'e' word — environment

31 March 2022 17:14 GMT *UPDATED 1 April 2022 11:04 GMT*
By **Joe Brady**

in **Stamford**
Investors are sniffing around shipping stocks in numbers not seen in years, according to participants in this week's Capital Link International Shipping Forum webinar.

But while those ranks increase, the portion of investors asking loud questions about environmental, social and governance (ESG) matters is dwindling in the aftermath of Russia's 24 February invasion of Ukraine, experts said.

To be more precise, they're backing off on the "E" more so than the "S" or "G" as concerns over near-term "energy security" begin to overshadow demands to transition to alternative fuels and renewables that may still be a thing of the distant future.

As the US, Western Europe and others begin to seek alternatives to Russian energy sources, harsh realities are focusing minds on the continued relevance of fossil fuels even as pundits say the eventual necessity to transition away from them is also getting a boost.

"I think there's been a big change in the last month," said veteran analyst Magnus Fyhr of investment bank HC Wainwright in a panel appearance.

"People are realising we may have gone a little too fast into this ESG and we all need energy resources going forward.

"I think the shipping industry has done an excellent job with the ESG initiative — maybe even pushing a little too hard. I think investors realise maybe some of these older industries need to be revived again."

Fyhr was not alone in detecting a trend.

"ESG is not as prevalent a topic as it was six months or a year ago. There's certainly been a pullback," said Jefferies lead shipping analyst Randy Giveans.

But Greg Lewis of BTIG called for caution in evaluating the shifting winds.

"Had the pendulum swung too far in one direction? Yes," Lewis said. "Has it now swung too far in the other direction, saying that ESG doesn't matter? Yes.

"ESG investing is here to stay. I don't think anyone is saying 'I'm an ESG investor and I'm going to go out and buy an oil company'."

But it wasn't just analysts noting a re-evaluation of priorities. The topic broke out earlier in the day on a panel dedicated to the global economy's impact on shipping.

Reality check

Analyst Magnus Fyhr on ESG: 'People are realising we may have gone a little too fast.' Photo: Contributed

Those weighing in included Marco Fiori, chief executive of Italian product tanker owner Premuda, who spoke on the speed of energy transition.

"People think this can happen in a few years. No, it will take time. I'm not saying not to adapt, but let's have some realistic expectations. People have been living in a little bit of a dreamland. Sometimes people need a reality-check."

If that's what has been provided by the aggression of Russian President Vladimir Putin, perhaps there is a knock-on effect for public shipowners and their shares.

It may be a secondary factor, as experts say there's been a rotation of investors out of growth stocks like technology listings and into energy and equities backed by physical assets — such as shipping — since November, well before Putin invaded.

The bigger driver has been the spectre of inflation and the reality that rising interest rates will be the tonic applied by regulators such as the US Federal Reserve bank.

The 29 US-listed shipowners covered by investment bank Jefferies are now up 29.7% year to date and 51.6% year over year.

Calls. So many calls

"Our analyst Ben Nolan has never seen more calls coming in from investors who want to talk about shipping," Stifel investment banker Chris Weyers told a capital markets panel.

He noted that LNG — a mooted beneficiary of Russian dislocation — is the hot query.

"The [overall] level of interest is two to three times what it was last year," Weyers said.

Clarksons Platou Securities analyst Omar Nokta has been around shipping since 2003, when the industry was gearing up for its last supercycle.

"For the last decade or so, we've had a real lack of interest," he said. "Stocks sold off and investors focused on other things.

"Now the investor pool is getting bigger. It seems like the pool of capital will be much deeper than anything we've been used to in the past five or 10 years."

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https://lloydslist.maritimeintelligence.informa.com/LL1140354/Owners-see-new-paradigm-for-LNG-shipping

Owners see 'new paradigm' for LNG shipping

Charterers said to be scrambling to seal very long charters at rates far ahead of spot rates as energy security concerns soar after outbreak of war in Ukraine

- 30 Mar 2022
- NEWS
- 

Nigel Lowry nigel@lowry.gr

LNG carrier operators take comfort in lack of available newbuilding slots and large number of steam turbine ships that may be pushed out of the market

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https://lloydslist.maritimeintelligence.informa.com/LL1140350/Box-line-buyers-shrink-charter-fleet

Box line buyers shrink charter fleet

Container carriers scoop up former charter tonnage to secure capacity

- 30 Mar 2022
- ANALYSIS
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James Baker@JamesBakerCI james.baker@informa.com

With charter tonnage in short supply, carriers have turned to buying ships they would usually hire. But that has reduced the charter pool even further, driving more buying

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https://lloydslist.maritimeintelligence.informa.com/LL1140340/Containership-tonnage-providers-still-see-strong-fundamentals

Containership tonnage providers still see strong fundamentals

War in Ukraine and recession risks will not damage longer-term outlook

- 29 Mar 2022
- ANALYSIS
- 

James Baker@JamesBakerCI james.baker@informa.com

Non-operating owners of boxships have been riding high during the container shipping boom. While uncertainties may be taking some of the froth from the market, the manageable orderbook and shortage of fixtures mean the outlook remains healthy

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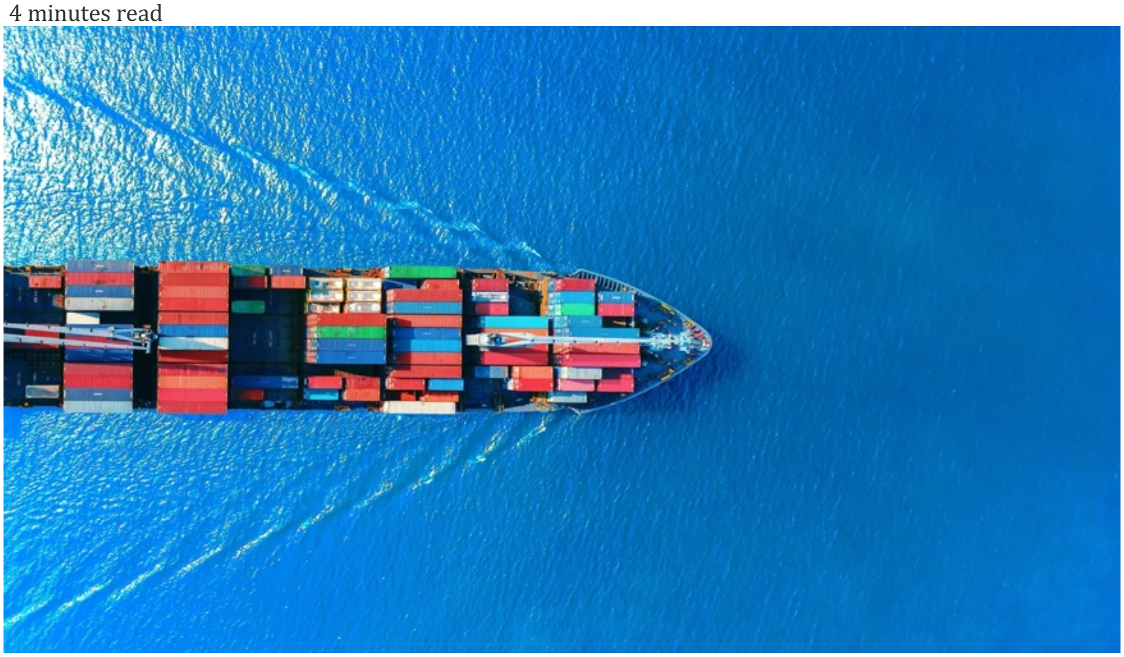
https://www.freightwaves.com/news/ship-charter-rates-still-spectacular-but-war-could-tip-the-balance

Ship charter rates still 'spectacular' but war could tip the balance

Liners continue to pay record sums to charter ships for up to a half decade


Greg Miller Follow on Twitter Tuesday, March 29, 2022

4 minutes read



(Photo: Shutterstock/Studio Concepts)

Do container line bosses believe the historic freight boom will end anytime soon? If the ship charter market is any indication, it sure doesn't look like it.

Liner companies continue to pay record-high sums to rent container ships for up to five years, even as the Russia-Ukraine war caps rate gains.

The Harpex index, which measures container-ship charter rates, has held steady at its highest level ever for the past three weeks. Alphaliner recently said that charter rates are at "historic highs" and have plateaued "after weeks of continued rises."

The conflict hasn't pulled rates down yet. But it has paused new charter deals and temporarily kept rates from going even higher, according to container-ship owners speaking at the Capital Link International Shipping Forum on Tuesday.

'Wait and see' before 'pressing on the gas pedal again'

George Youroukos, chairman of Global Ship Lease (NYSE: GSL), said during the Capital Link forum: "The Ukraine war has added to the already expected inflation and with that in mind, we see some liner companies taking a wait-and-see stance [on ship charters].
"Nothing has changed with the fundamentals. But psychologically, people want to see how this is going to be resolved before pressing on the gas pedal again."

According to Aristides Pittas, chairman of Euroseas (NASDAQ: ESEA), "If you had asked me [about the market] before the war, I would have been extremely bullish. Now, I hear these discussions about a possible recession.

"I think we will have a much clearer picture in a month or two. So, we expect the market to be quieter until then. There is a slight pause right now."

Youroukos added, "Consumer demand has a lot to do with psychology. Right now, people are worried. If this conflict is resolved and there is no longer a question mark in people's minds, we might see the effects of a bottleneck. If people stop ordering, and then they feel this [risk] has passed, we might see a surge in demand again, especially if this pause is for a couple of months."

Long-term charter market

Ship lessors didn't sound perturbed by a hiatus in chartering activity. After all, they're in the middle of the biggest boom in their history. Since Jan. 1, 2020, pre-COVID, shares of Danaos (NYSE: DAC) are up 1,017%, Euroseas 616% and GSL 235%. Danaos hit a new all-time high earlier this month.

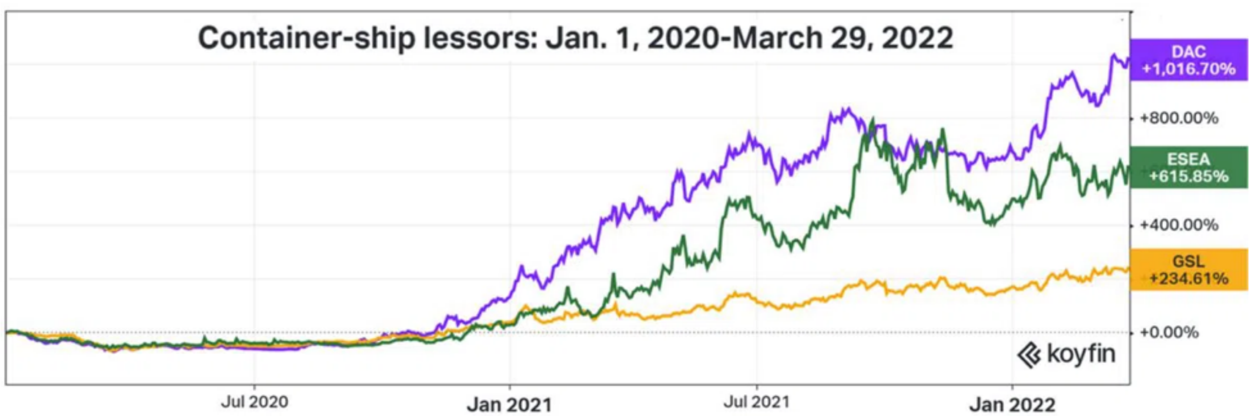


Chart: Koyfin

"This is a windfall we're seeing today. The question is how do we deal with all this cash that's accumulating," said Pittas.

"These are super-healthy rates," said Evangelos Chatzis, CFO of Danaos. "We are fixing 25-year-old [smaller] feeder ships at $30,000 per day, which is a spectacular number that we have never seen before." Chatzis said that midsized ships in the Panamax class are renting for $50,000-$60,000 per day for up to five years.

Alphaliner reported that ocean carrier ONE recently chartered two 8,000 twenty-foot equivalent unit ships, the Conti Annapurna and Conti Conquest, at $65,000 per day each for three years.

Ship sales are creating disruptions that are leading to more chartering in the long-term market, added Youroukos.

"There are charterers there to take the ships for three to five years. Lately we have seen a lot of liner companies buying ships, and this has created issues between the liner companies. Normally, a liner would have extended [an existing charter that's expiring] but the ship has been purchased by a competitor. So, [the original charterer] will lose a ship and will need a replacement."

Short-term charter market

According to Pittas, the main effect of the war-induced pause is being felt in the short-term market, where liners have been paying extremely high day rates for periods of a few months.

"I think everybody agrees that the long-term prospects continue to be good … but what has disappeared recently because of these uncertainties is the short-term charters," said Pittas.

If so, it's a very recent development, because Alphaliner reported extraordinarily high rates in the short-term market just a week before the Capital Link event.

Alphaliner said that BAL Container Line agreed to a "staggering" rate of $235,000 per day for three to four months for the 4,892-TEU Zhong Gu Jiang Su.

It further reported that BAL chartered the smaller 3,834-TEU, 25-year-old Zhong Gu Liao Ning for a "mind-blowing" $200,000 per day, which it called "the highest rate ever paid for a ship of this size and age."

Congestion supports charter rates

Port congestion is a key driver of shipping rates and prices. The more congestion, the lower the effective ship supply and the higher the value of vessels in the freight, charter and secondhand sales markets. "The supply side is very positive [in favor of rates]," affirmed Pittas. "It's the demand side that's the unknown."

According to Constantin Baack, CEO of MPC Container Ships (Oslo: MPCC), around 25-30% of container shipping supply is now tied up in congestion.

Baack believes the most closely watched congestion site — the queue for Los Angeles/Long Beach — has been only temporarily reduced. "My expectation is we will see increased congestion over the next few months in LA/LB.
"We're now seeing quite some delays and congestion on the East Coast as well," said Baack, who also pointed to growing congestion at Chinese ports due to COVID lockdowns and European ports due to the war.
"The Clarksons global port congestion index is very close to an all-time high and the Kuehne + Nagel index is suggesting the same," he said.

According to Chatzis of Danaos, "It's not just the ships and the ports, it's the whole supply chain. These things are going to take time to correct themselves. I don't see it all of a sudden normalizing. I don't see this being fixed anytime soon."

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https://www.tradewindsnews.com/gas/charterers-look-for-five-to-10-year-lng-carrier-charters/2-1-1192950

Flex LNG cheif executive Oystein Kalleklev said charterers have wanted to take his ships on charter for as long as a decade.Photo: Dan Taylor

Charterers look for five to 10-year LNG carrier charters

Russia's invasion of Ukraine has supercharged LNG carrier rates and has charterers looking for long-term deals

29 March 2022 19:29 GMT *UPDATED 29 March 2022 19:29 GMT*
By **Matt Coyne**

in **Stamford**
Energy security concerns raised following Russia's invasion of Ukraine is pushing charterers to look into locking up LNG carriers on multi-year deals.

During the LNG carrier owner panel at Capital Link's International Shipping Forum held online on Tuesday, Flex LNG chief executive Oystein Kalleklev said charterers are asking to fix ships for longer and longer durations given the sector's high rates.

"When we get elevated term rates for 12 months, then, of course, people are asking, 'what if I do three years?' Maybe they don't like that number either these days, so we're getting to five," Kalleklev said.

"We're seeing more inquiries this year for time charter durations of five, even up to 10, years. Usually, that's not something you see in a spot market, where spot markets are at let's say $60,000 and you can more than double that for a 12-month time charter."

Rates hit $300,000 per day in December, panellists said, before crashing to around $30,000 per day ahead of the seasonally-weak northern hemisphere spring and summer.

But Russia's invasion of Ukraine that started on 24 February has pushed European buyers to begin looking elsewhere for cargoes, bolstering rates and pulling in investors.

"The scramble toward energy security and securing capacity from the few independently owned ships this year has caused term rates to be significantly higher," said Karl Fredrik Staubo, chief executive at Golar LNG.

He said the push for period charters was helped by the lack of independent shipowners and that the incoming Energy Efficiency Existing Ship Index and carbon intensity indicator environmental regulations were pushing some to grab high-quality tonnage.

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https://www.tradewindsnews.com/esg/sohmen-pao-on-energy-we-want-to-walk-and-chew-gum-/2-1-1192912

Andreas Sohmen-Pao is confident shipping can play an outsized role in energy transition.Photo: GMF

Sohmen-Pao on energy: ‘We want to walk and chew gum’

Energy security and transition to renewables need not be mutually exclusive, BW Group leader maintains

29 March 2022 17:40 GMT *UPDATED 29 March 2022 19:08 GMT*
By **Joe Brady**

in **Stamford**

Russia’s invasion of Ukraine is likely to pave the way for a heightened concern for availability of traditional energy sources.

But it will also lead to enhanced priority on the transition to renewable energy, BW Group chairman Andreas Sohmen-Pao said on Tuesday.

“We spend a lot of time speaking in binary terms, creating a false dichotomy,” Sohmen-Pao told interviewer Michael Parker during Capital Link’s International Shipping Forum webinar.

“Either we have energy security or climate change mitigation. Either we use traditional fuels or we can’t progress as humankind. What the Ukraine war has shown us is that energy security is something we need to have.”

“It’s difficult to tackle climate change if you don’t have energy security because it means social instability. But I do think this will give a boost to renewables.”

Sohmen-Pao told Parker, the veteran Citi banker and Poseidon Principles chairman, that the twin imperatives reflect the BW Group's mission as an organisation.

"We want to deliver energy to the world today and find solutions for tomorrow. We want to walk and chew gum."

As if to underscore the point, Sohmen-Pao spoke from the headquarters of Danish wind-farm vessel specialist Cadeler, of which he is board chairman and BW the largest investor at 32%.

BW Group also has major presence in tankers, gas carriers and offshore services with more than 350 vessels on the water.

From his base in Singapore, Sohmen-Pao also wears another hat as chairman of the Global Centre for Maritime Decarbonisation (GCMD). It was that role that prompted a number of questions from Parker, who is leading the banking charge toward a greener industry.

Sohmen-Pao described GCMD as making collaborative efforts to get at "the best version of the truth" as it researches energy transition for shipping.

Poseidon Principles chairman Michael Parker pressed Andreas Sohmen-Pao on the future of carbon capture and exhaust-gas scrubbers. Photo: LISW

"We're really focussed on doing as opposed to only researching. It's easy to get stuck at the level of theory," he said.

As an example, Sohmen-Pao said GCMD had detected "gaps" in the study of ammonia as a potential future fuel – safe handling, trialling and building out infrastructure.

"We decided this was an area we wanted to contribute to," he told Parker.

The group is also closely looking at carbon capture aboard vessels as an alternative, he said.

Carbon capture and scrubbers

Parker later pressed Sohmen-Pao on whether he could envision carbon capture being implemented on vessels.

“Yes, but it’s all about time scale,” Sohmen-Pao said. “I’m going to give myself a 30-year time scale. If I had to give a five-year scale, my answer would be no.”

Parker also probed on when exhaust-gas scrubbers would be banned, but Sohmen-Pao was not entirely following him down that path.

“They’ll be phased out over the next 10 years but may never be banned as such. I think they will be phased out because of the availability of these fuels. I’m not sure we need to ban the technology itself,” he said.

Overall, he held out hope for shipping to play an outsized role in energy transition.

“Some people say it’s difficult for shipping to punch much above its weight, but it’s not a belief I have,” he said. “I think we have a big role to play and I hope people perceive that we’re doing our part.”

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https://lloydslist.maritimeintelligence.informa.com/LL1140335/VLCCs-most-affected-as-crew-volatility-hits-tanker-sector

VLCCs most affected as crew volatility hits tanker sector

The head of crew provider Elvictor Group warns that seafarer wages will increase dramatically as Filipinos and other nationalities fill the gap created by Russian and Ukrainian seafarers stepping away

- 29 Mar 2022
- NEWS
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Richard Clayton@rjbclayton richard.clayton@informa.com

Konstantinos Galanakis urges oil majors to rethink their crew matrix or face a significant shortage of trained and experience tanker officers

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https://lloydslist.maritimeintelligence.informa.com/LL1140328/Shipping-does-not-need-more-future-fuels-says-Safe-Bulkers-head

Shipping does not need more future fuels, says Safe Bulkers head

Safe Bulkers president Loukas Barmparis told a Capital Link webinar that he 'did not feel that we are going towards the right direction'

- 29 Mar 2022
- NEWS
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Declan Bush@Declan_LL declan.bush@informa.com

Shipping should narrow its search for future fuels and concentrate on availability as the most important factor rather than develop several at once, the head of Safe Bulkers told a webinar

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https://www.tradewindsnews.com/tankers/product-tanker-market-disruptions-are-here-to-stay-say-owners/2-1-1192861

D'Amico International Shipping finance chief Carlos Balestra di Mottola said Russia was sending more oil products to Latin America.Photo: G. Morty Ortega

Product tanker market disruptions are here to stay, say owners

Low inventories and shifting trades have boosted rates and will continue, shipowners say

29 March 2022 15:44 GMT *UPDATED 29 March 2022 15:44 GMT*
By **Matt Coyne**

in **Stamford**
The changes to the product tanker market following the outbreak of war in Ukraine are tipped to continue, even if Russia and Ukraine come to a peace agreement.

During Capital Link's online International Shipping Forum on Tuesday, a panel of product tanker owners discussed the changes they have seen in the market since Russian troops invaded Ukraine en masse on 24 February.

"We are really just starting to see this, these trends we have seen over the last few weeks are likely to strengthen," said D'Amico International Shipping finance chief Carlos Balestra Di Mottola.

In the immediate aftermath of the invasion, product tanker time charter equivalents in both the Atlantic and Pacific basins hit highs not seen since spring 2020 on the back of shifting trade patterns, low inventories and sanctions concerns.

While both basins have dropped, they remain at elevated levels, with Atlantic MRs jumping $1,723 to $$18,862 per day on Tuesday, while Pacific MRs gained $467 and hit $19,726 per day.

Di Mottola said that even if the sanctions slapped on Russian banks, Sovcomflot and bans on Russian energy and ships were removed the general distaste for Russian cargoes would continue.

Meanwhile, he said Russia was selling its oil products to Latin America.

“Even if official sanctions were removed it's likely many private companies would prefer not to buy Russian oil,” he said.

Torm chief executive Jacob Meldgaard said low global inventories were something that governments would want to remedy and that the European Union decision to move away from Russian energy would not be something that lets up.

“What we’ve seen play out over the last four or five weeks … i.e less reliance on Russian energy, that, of course, goes through all energy sectors,” he said.

“That is not a short term thing in our opinion. That is something that will go on for longer.

“Hopefully we'll see an end to the atrocities in Ukraine [but] what we're seeing short term is also good for product tankers in the long term.”

Hafnia chief executive Mikael Skov said more cargoes were coming into Europe from destinations to the east, adding tonne miles.

Further tonne mile benefits came from general uncertainty in regard to ships.

“Ships are uncertain [as] to where they go,” Skov said.

“Not only are you getting longer tonne miles, longer distances, you’re creating uncertainty on when ships will be available again.”

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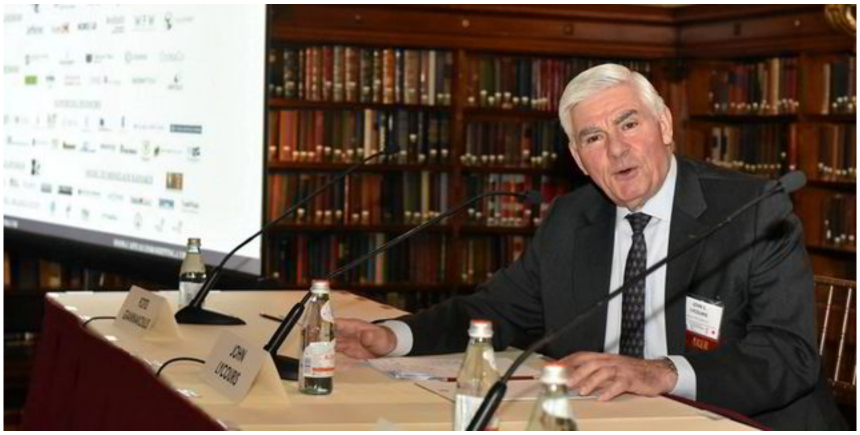
LPG carrier owners have plenty of questions about ammonia as a shipping fuel | TradeWinds (tradewindsnews.com)



John Lycouris, CEO of Dorian LPG USA, speaks at the Capital Link International Shipping Forum in 2019.Photo: Capital Link

LPG carrier owners have plenty of questions about ammonia as a shipping fuel

Gas shipowners are open to carrying it, but there’s a long way to go before the industry will be ready to power their ships with it

28 March 2022 20:47 GMT *UPDATED 28 March 2022 20:47 GMT*
By **Matt Coyne**

in **Stamford**
LPG carrier owners seem blasé about the prospect of ammonia as a shipping fuel.

At Capital Link's International Shipping Forum on Monday, Dorian LPG (USA) chief executive John Lycouris said the industry should not focus on “fairytales” when it comes to cutting emissions.

“I believe the big view is that ammonia will be used for the carriage of hydrogen, not for burning,” Lycouris said during a panel of LPG carrier owners during the online event.

He noted there was not yet an engine to burn ammonia and that it would have to deal with issues like NOx emissions.

He said New York-listed Dorian prefers to focus on transporting ammonia as most ships can do that with limited changes.

"But to say we're going to be doing ammonia, especially grey ammonia is not going to happen. I think green ammonia is going to be very expensive" until the end of the decade, Lycouris said.

Avance Gas executive chairman Oystein Kalleklev said his company has four VLGC newbuildings on the way that are ammonia ready.

"The reason for us doing it is the fact that it's pretty cheap," he said. "It has a nice optionality value."

Avance will see the first of its ammonia-ready newbuildings delivered in 2023, and the company intends to run them on LPG and conventional fuel at first, with a potential shift down the line.

During the panel, Kalleklev said there were many issues with ammonia to be ironed out before that happens.

Ammonia is a zero-carbon fuel, but Kallekleve said it still emits NO_x, which can contribute to climate change, while he said ammonia slip was an order of magnitude worse than CO_2 emissions.

The chemical can also be extremely dangerous to both humans and marine life.

"I think first you should try and get all the ammonia being made [greener]," Kalleklev said.

"Then let's start talking about ammonia as a fuel. it's not cheap, either. it has some drawbacks on LPG and LNG for sure. We haven't really solved that question of whether you can avoid these emissions entirely."

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https://lloydslist.maritimeintelligence.informa.com/LL1140316/High-bunker-prices-will-shrink-bulker-supply

High bunker prices will shrink bulker supply

The dry bulk market has been benefitting from demand recovery and inefficiencies. Now, high fuel costs are keeping a lid on fleet availability

- 28 Mar 2022
- NEWS
- 

Nidaa Bakhsh@LloydsListNidaa nidaa.bakhsh@informa.com

Star Bulk president Hamish Norton said the biggest contributor to high spot rates has been high bunker prices, which is slowing the fleet down and shrinking available supply of ships

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https://www.tradewindsnews.com/tankers/-dynamic-crude-tanker-market-seen-as-good-for-aframaxes-and-suezmaxes-but-a-blow-for-vlccs/2-1-1192198

International Seaways chief executive Lois Zabrocky said discounted Russian oil is finding buyers during Capital Link's International Shipping Forum on Monday.Photo: Capital Link

‘Dynamic’ crude tanker market seen as good for aframaxes and suezmaxes, but a blow for VLCCs

The ‘’highly fluid’ and ‘difficult’ situation will see a crude oil trade shift, shipowners say

28 March 2022 19:35 GMT *UPDATED 28 March 2022 19:35 GMT*
By **Matt Coyne**

in **Stamford**

The only thing crude tanker owners seem sure of is that oil trading patterns will shift and VLCCs are hurting as Russia's invasion of Ukraine stretches into a second month.

Describing the situation as “fluid”, “dynamic” and “in a state of flux”, shipowners on the crude tanker panel at Capital Link’s digital International Shipping Forum on Monday described a market where Russian oil was sailing past European ports en route to India and Asia all at the expense of their largest ships.

“You’re creating this very inefficient trading environment. Sometimes this has a positive effect on overall tonne miles,” said Frontline Management chief executive Lars Barstad, who noted North Sea oil formerly typically exported to Asia was being consumed locally.

“Right now it's not benefitting the [VLCCs], it's hurting the [VLCCs]. How this plays how is going to be difficult to assess.”

Tankers rallied in the immediate aftermath of the invasion, with the Baltic Dirty Tanker Index hitting 1,517 on 7 March, its highest mark in nearly two years, before cooling off. On Monday, the index rose 29 points to 1,141.

On a time charter equivalent basis, VLCCs, aframaxes and suezmaxes all saw higher rates. Since, VLCCs have found an all-time low twice, while aframaxes and suezmaxes — the two asset classes involved in moving Russian crude oil on the water — have moderated, but continue to earn rates not seen since spring 2020.

International Seaways chief executive Lois Zabrocky suggested Russian oil, currently trading at a $30 discount to benchmark prices, was keeping the cargo flowing.

“A lot of the trading coming out of particularly the Black Sea has gone a little bit quiet, gone underground,” she said.

“This situation is highly, highly fluid is what I would say. On the ground what we see is the product tankers are faring better than crude at the moment. the [VLCCs] are the most left out in the cold.”

Brian Gallagher, Euronav's head of investor relations, said there will be a shift where Europe begins buying barrels from the Atlantic basin and the Middle East to replace Russian oil, but that Russia will move that oil to Asia and India.

VLCCs, he said, would be left out in the cold in favour of aframaxes and suezmaxes.

“We don't buy into this view ... that we're going to see a lot of these Russian barrels completely taken out of the marketplace,” he said.

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[Bulker owners disagree on whether to order newbuildings or buy secondhand ships | TradeWinds (tradewindsnews.com)](https://www.tradewindsnews.com)

Safe Bulkers, led by chief executive Polys Hajioannou, has nine newbuildings on order.Photo: Capital Link

Bulker owners disagree on whether to order newbuildings or buy secondhand ships

'Newbuildings are really expensive right now,' says Star Bulk's Hamish Norton

28 March 2022 17:39 GMT *UPDATED 28 March 2022 17:39 GMT*

By **Michael Juliano**

in **Stamford**

Should a bulker owner order newbuildings or buy secondhand ships when looking to replace or add tonnage to his fleet?

The answer will depend upon which bulker owner you ask.

Polys Hajioannou, chief executive of Safe Bulkers, thinks going to the shipyards for brand-new vessels is the way to go, while Star Bulk Carriers president Hamish Norton believes the better option lies in the secondhand market.

"The reason we haven't ordered newbuildings is that … a modern secondhand ship is a good bit cheaper than a newbuilding," he said on Monday as a panellist at Capital Link's annual International Shipping Forum.

"Newbuildings are really expensive right now."

Star Bulk bought seven secondhand vessels about a year ago: three capesizes from ER Capital Holding in late 2020, and then three ultramaxes and four kamsarmaxes from Eneti in early 2021.

Norton said the forward market is not high enough to hedge against the sector with newbuildings, especially when new environmental regulations are on the horizon.

"The ship you order today is almost certainly not the ship you're going to want in 2030," he said during the dry bulk panel moderated by Jefferies analyst Randy Giveans.

"Now, nobody really knows what ship you're going to want given the regulations."

In the freight forward agreement (FFA) market, 2024 contracts for capesize bulkers were worth about $18,500 per day on Monday, while 2029 contracts came in at $14,573 per day. That compares to average spot earnings in the physical market of just under $14,400 per day on Monday.

"You know that the ship you order won't be the ship you want, and probably in two years you can order a ship that you might want in 2030," Norton said.

"So there's some reason to wait."

But Hajioannou is quite happy that Safe Bulkers has nine panamax newbuildings on order, with deliveries through 2023.

"We're very happy about the investment because already the ships are worth $12m to $15m more than the prices we paid on it," he said.

"So there's $100m appreciation of value."

Also, global sanctions against Russia will slow shipping's switch to new fuels and adoption of new environmental regulations, he said.

"It's bad for the environment of course, but it's good for our market," Hajioannou said.

Hamish Norton, president of Star Bulk Carriers, said owners should buy secondhand ships now as new environmental regulations loom on thew horizon. Photo: Johnathon Henninger/TradeWinds Events

“It’s a good investment for us.”

But Star Bulk isn’t the only bulker owner that thinks there is too much future uncertainty in shipping to buy newbuildings.

“If we had more clarity about what the visuals tomorrow would look like, then obviously, you know, people would make a more educated decision,” said Stamatis Tsantanis, chief executive of capesize owner Seanergy Maritime Holdings.

“Right now, I don’t think we have all the right aspects.”

Martyn Wade, chief executive of Grindrod Shipping, agreed with Tsantanis as an owner of 15 handysizes and seven supramaxes.

“I think as all of us sitting here as experienced shipowners, the thing we have learned over the years is you don’t want to be the first of anything,” he said.

“You sit on your hands, you watch and wait and see.”

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THANK YOU