Lloyd's List

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Dry bulk woes spark secondary loans market revival

Commercial banks looking to unload positions to hedge funds or alternative investors at a discount

THE current state of the dry bulk market has some investors anticipating a revival of transactions in the secondary loan market, where commercial banks unload positions to hedge funds or alternative investors at a discount, *writes Alexander MacInnes*.

With the Baltic Dry Index hovering near all-time lows and down 50% from this time last year, investors are preparing for more calls from anxious traditional ship lenders who are already under greater regulatory pressures on marking the currently depressed values of assets used as collateral for their loans.

Hedge fund investors baulked at the price banks were asking in 2014, like Danske Bank's bid to auction Torm's debt. *Danske Bank*

And while some investors say that despite the depressed dry bulk outlook, it may be too early to see a significant bank exodus, at least one US hedge fund analyst said late last week that he has started receiving calls from banks as a way to gauge interest in such loan transactions.

The selling and buying of loans in the secondary market in shipping saw its peak in 2013 and the early part of 2014, with some of the largest transactions reshaping the makeup of lenders to some of the industry's more distressed companies, such as Genco Shipping & Trading and Eagle Bulk Shipping.

In those two examples, hedge funds like Centerbridge Partners and Oaktree Capital Management scooped up significant positions in November 2013 from the Royal Bank of Scotland, in the case of Eagle Bulk, and DNB, in the case of Genco. Those two companies ultimately filed for Chapter 11 protection after those deals.

Other deals included a lender to Eitzen Chemical selling up to $60m of a credit facility for a price in the mid-80s in December 2013; TMT lenders dumping loans to that company during its Chapter 11 case last January; and Nordea unloading a $166m position in struggling tanker operator Torm last March.

Similar transactions, however, struggled into 2014, with hedge fund investors baulking at the price banks were asking – as highlighted by Danske Bank attempting, but failing to pull off successful auction for $200m of Torm bank debt in July.

And ultimately, investors saw fewer deals come to market during the second half of last year, as noted by Greg Leveto, of Goldman Sachs, who spoke about the secondary market

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during a Marine Money forum in November.

Mr Levato said the successful deals were done when the buyer moved up its bid closer to what the bank was asking. The problem, according to Mr Levato at the time, was that "the bid has fallen off".

Today, investors looking at the dry bulk side believe that while it may be too early for any substantial trading, the banks could likely lower their asking prices. One trader said the sector is still in the "early innings" and that many banks will likely be amenable to amend and extend their loans for some of their more troubled clients.

And unlike the immediate wake from the 2008 economic — and shipping — crisis, banks today are likely secured in their position on the tanker side, the trader added.

"It's not the whole portfolio [that is distressed today]," he said, adding that the banks will likely focus on its dry bulk "problem child".

With capesize spot quotes down to $5,600 per day and $3,400 per day for panamax vessels, bankers are starting to worry not only about the balance sheets of their clients, but the scrutiny of their portfolios from regulators, according to a European banker this week, who warned that the dry bulk sector could remain depressed for the next two years.

"We do expect some portfolios will see some changes," the banker said.

Still, that source added that buyers interested in picking up specific loans would be smart to wait, as more discounts are likely to come later into a worsening environment.

"We're looking at a bunch of deals, but we haven't seen any bargain out there where we would say: 'We have to do this'," said another investor.

GLOBAL LINER SHIPPING MIDDLE EAST

No let-up in box shipping oversupply

Carriers are expecting oversupply and freight pressure to remain as carriers continue to order bigger ships

Global Liner panel: Lars Christiansen, DP World's Mohammed Al Muallem and Christian Juul-Nyhom.

SHIPPING lines are expecting overcapacity and rate pressure to continue for the next few years, despite some possible uplift in demand as a result of lower oil prices, *writes Damian Brett*.

Speaking at the Containerisation International Global Liner Shipping Middle East conference in Dubai, United Arab Shipping Co chief trade officer Lars Christiansen said he expected further orders of large vessels as carriers sought to match the economies of scale that their rivals were able to offer.

"I'm not too sure there will be equilibrium in supply and demand this year or next year," he said.

"We see a lot of carriers still going to the market looking to build big ships and this is a natural development.

"With bunker costs increasing in the longer run, it is an advantage to build bigger and more efficient ships.

"We are looking at a market where there will be a lack of equilibrium over the next two to three years at least."

Mr Christiansen said also expected the continued cascading of vessels to other trade lanes, such as the Asia to Middle East market.

Mercator International partner Jesper Kjaedegaard pointed out that this trade lane was an ideal place to cascade tonnage as ships can be operated at a low cost because of the lack of canal transits.

It was hard to make any projections on the demand side because of the current uncertain economic conditions, Mr Christiansen said.

Maersk Kanoo managing director Christian Juul-Nyhom agreed that overcapacity would remain for the next few years, but added if oil prices remained below a level of $60 per barrel, world GDP would benefit from a 0.3% increase.

This would result in a 0.5% increase in container volumes, although the figure would vary from trade lane to trade lane, he said.

The Asia-Europe trade lane would receive a 0.6% boost in volumes, while the transpacific, transatlantic and intra-Asia trade lanes would receive a 1% increase.

In contrast, volumes to the Middle East and Indian Subcontinent would decline by 1.8%.

Overall, container volume growth would be between 3%-5% over the coming two years as growth would be affected by nearsouring and a slowdown in containerisation and offshoring.

In terms of capacity, Mr Juul-Nyhom said Maersk estimated an 8% increase in 2015 and just over 5% in 2016.

"This means the nominal capacity is going to increase ahead of demand in the years to come," he said.

"We will have to live with a capacity oversupply in the years to come and over the last few years we have lived with a decline in freight rates. There is nothing to indicate that on a global basis this will stop."

More container news

Regional gateway ports to handle larger ships
La Spezia Container Terminal receives its biggest boxship, the 16,600 teu MSC London
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Asia-Europe box volumes up 7.4% in 2014

Freight rates stay weak despite healthy trade flows

CONTAINER volumes in the Asia to Europe trades grew by 7.4% in 2014, equal to more than 1m teu of additional cargo over the course of the year, *writes Janet Porter*.

But eastbound volumes were relatively lacklustre, despite some carriers reporting good conditions in the container trades from Europe to Asia.

The full-year westbound performance was helped by strong cargo flows in the early months of the year, with growth rates slowing in the final quarter.

Nevertheless, total westbound liftings rose to almost 15.4m teu, against 14.3m teu in 2013, according to the latest Container Trades Statistics data.

The numbers compare with 13.6m teu in 2012 and 14.2m teu in 2011.

In the eastbound trades, total volumes for the year were just 1.3% higher at close to 7m teu, despite a year-end uplift when December liftings were 7.4% more than 12 months earlier.

CTS aggregates data from member lines and then rounds them up to give an estimate for the whole trade.

Despite healthy trade volumes, freight rates remained under pressure, as the CTS indices confirm.

Its aggregated price index ended 2014 at 82, compared with 85 a year earlier and 93 at the start of 2013.

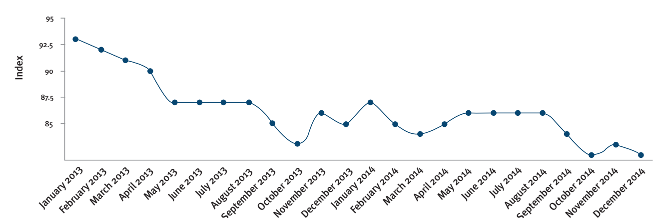
In the Asia to Europe trades, the index was down at 70 by December 2014, against 92 at the beginning of the year. That price rally did not last long, with the index reaching the low point for the year by December, when it was 13.6% weaker than 12 months earlier.

The indices are based on the 2008 quarterly average equalling 100.

In mid-2012, the index for this route topped 107 at one stage, but then fell as low as 67 for a few weeks in 2013.

The price index for the Europe to Asia trades ended 2014 at 82, up 5.7% on a year earlier, having touched 92 in May and June.

Shanghai: total liftings from Asia to Europe rose to almost 15.4m teu, against 14.3m teu in 2013. *chungking/Shutterstock.com*



Volumes in the Asia to North America trades rose by almost 3% last year to 15.6m teu, while the price index stood at 100 in December, a gain of 8.7% compared with 12 months earlier.

Rates on this trade remained relatively stable in the latter part of 2014.

Swelling China trade boosts Hamburg box traffic

Container throughput up 5.1% to 9.7m teu but German port loses ground on rival Rotterdam

HAMBURG has posted box volume growth of 5.1% after handling 9.7m teu during the 12-month period, *writes Linton Nightingale*.

The Helgoland Bay port attributed the rise to its 9.8% jump in Chinese container trade, with volumes both to and from the Asian country accounting for as much as 3m teu of its total volumes.

In response to its annual throughput figures, the port said it now fully expects to surpass the 10m teu mark during the course of 2015.

Yet despite growth above the 4.2% average for the major ports in the north European range, Hamburg still lost ground on Europe's busiest box port Rotterdam, which, after two consecutive years of negative growth, reported last month that it had achieved volume growth of 5.8%, having shifted 12.3m teu.

However, with Antwerp handling 8.9m teu last year, a rise of 4.5% on-year, Hamburg increased the gap between itself

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Hamburg handled 9.7m teu in 2014, up 5.1% on the year before. *SergiyN/Shutterstock.com*

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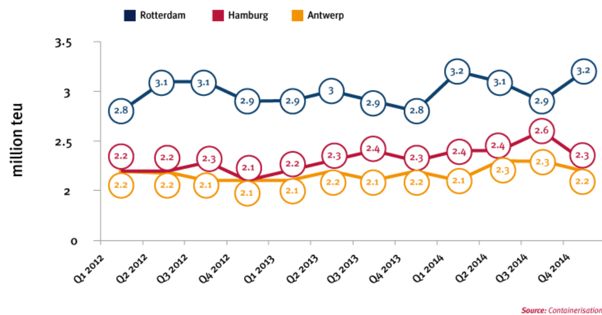
QUARTERLY THROUGHPUT VOLUMES OF EUROPE'S TOP THREE CONTAINER PORTS

Lloyd's List | Chart



More port news

A new era in automation
A look at the impact of the opening of two new automated terminals in Rotterdam
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Abu Dhabi Terminals reports 26% volume growth at flagship facility
Container throughput at Khalifa Port Container Terminal rises to 1.1m teu
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and the Belgian port to cement its position as Europe's second-largest container port in terms of throughput volumes.

On top of its notable increase in trade with China, Hamburg also secured a hike in traffic with its Polish and Indian trading partners, where volumes increased 22.6% and 14.9% respectively.

Transhipment services in the Baltic region, meanwhile, were hit significantly by the Russian trade embargo, meaning that volumes grew only marginally by 0.5%.

Trade between Hamburg and Russia, the port's second-largest market partner, slipped some 7.8% to slightly under 662,000 teu over the past 12 months, in light of the sanctions and weak Russian rouble.

Commenting on the port's annual result, Axel Mattern, a member of the Port of Hamburg's marketing executive board, pointed out that in handling 8.5m teu of loaded containers, up 5.5% on-year and representing 87% of its total throughput volumes, Hamburg achieved the highest proportion of loaded boxes among Europe's premier ports.

Meanwhile, in terms of total cargo throughput figures, the port achieved its best-ever result. Total throughput of 1.45m tonnes, representing growth of 4.8%, was driven not only by its rising box volumes, but also by a surge in general cargo traffic, up 6.1% to 102.7m tonnes on-year.

Growth was also spurred by iron, steel, paper and timber exports, and a significant increase in the imports of tropical fruit, climbing 19.6% on-year to 188,000 tonnes.

MSC ships to skip Oakland calls

Geneva line follows 2M partner Maersk in dropping mid-California port

MEDITERRANEAN Shipping Co has dropped Oakland calls and stopped taking bookings because of severe congestion and delays, *writes Janet Porter*.

The line has taken the same decision as its 2M partner Maersk, which last week told customers that Oakland cargo would be discharged in Los Angeles and Long Beach.

The world's two largest lines, along with all other global carriers, are caught up in the deadlock between employers and longshore workers that brought ports along the US west coast to a standstill over the weekend.

The Pacific Maritime Association decided to suspend vessel operations for two days rather than pay overtime when ILWU members are, it says, on a go-slow.

Carriers are caught up in the deadlock between employers and the ILWU that has brought west coast ports to a standstill. *Sheila Fitzgerald/Shutterstock.com*

That brought the number of ships in anchorages outside Los Angeles and Long Beach, the two largest ports in the US, to 31 by Sunday. Most of those are containerships.

Maersk appears to have suffered relatively few such delays, probably because it calls at Pier 400, operated by sister company APM Terminals and the largest facility in the complex, with easy access.

MSC has three ships in the anchorage at the moment, the 8,000 teu MSC Charleston, 8,400 teu MSC Heidi and 5,000 teu MSC Ela.

Within the 2M alliance, the MSC Renee and MSC Flavia are being re-routed, following the decision to omit Oakland calls.

Moody's sees persistent overcapacity in China's ports

China's transforming economy suggests dry bulk terminals will suffer worse than container ports

PORTS in China will continue to face overcapacity issues due to the country's transforming economy and planning capacity additions, according to Moody's Investors Service, with dry bulk terminals faring worse than their container counterparts, *writes Max Tingyao Lin*.

With slowing economic expansion in China, total cargo throughput growth already decelerated to 4.9% in January-November 2014 from the 2013 level of 9.2% and will face further downwards pressure in the next two years, according to a Moody's report.

"In particular, a number of ports in north and northeast China that mainly handle commodity bulk cargo are being threatened by an ongoing downturn in iron ore and coal, as well as intensive competition from neighboring ports," Moody's vice-president and senior analyst Michelle Zhang said in the report.

"Along with rising labour costs, these factors will pressure the profitability of Chinese port operators in the next two years."

As Beijing has initiated economic rebalancing to transform the country growth model, progressively shifting the the contribution of low value-added manufacturing to domestic consumption and higher value-added industries, the loss of dry bulk terminals could result in gains for the container ports.

Unloading iron ore at Qingdao: the loss of dry bulk terminals could result in gains for the container ports. *Dietmar Hasenpusch*

"Going forward, we expect the economic transformation and upgrade of Chinese industries will cause the cargo mix to shift from low-end manufacturing to high value-added containerised products," the report said.

"Furthermore, domestic trade will become an increasingly important driving force for [container] throughput growth," according to Moody's, which expected moderate recovery in container volume growth over the next two to three years.

Ms Zhang pointed out that the range of Chinese port operators' credit quality is to widen, as well-located ports — such as those in the Pearl River Delta, the Yangtze River Delta and the Bohai Rim — are better positioned to deal with requirements from the transforming economy.

Moreover, despite overcapacity issues dampening needs for new capacity, Ms Zhang expected port firms to need more capital investments to improve facilities.

"The growth in ship size and the structural change in the cargo mix handled by Chinese ports will drive port operators to improve their infrastructure in order to remain competitive," the report said.

"In addition to basic loading and unloading and warehousing functions, ports need to provide more sophisticated facilities and services such as delicate cargo handling, refrigerated storage and even peripheral services to support the more advanced supply chain."

"As such, we expect that port operators will incur relatively high capital expenditures, making deleveraging unlikely over the next two years."

Moody's suggested the Chinese government remains central to port development and overall credit quality of terminals operators in the country, both from the planning and financing perspectives.

The Ministry of Transport, based on its directive, will "facilitate concerted effort among [local] governments and co-operation among adjacent ports to optimise port capacity use through the development of regional logistic and transhipment hubs and networks", the report said.

"Most Chinese ports are owned by regional and local governments… local governments have strong incentives to provide extraordinary support to the ports, given their strategic importance as pivotal infrastructure for and gateways to trade.

"In addition, government policies regarding free-trade zones provide long-term growth opportunities for relevant ports, in particular container hub ports," it added.

KfW provides $56.6m to finance DFDS scrubbers

Move will help ferry operator meet EU sulphur rules

KFW IPEX-Bank is to provide €50m ($56.6m) to finance Danish shipping company DFDS's installation of sulphur exhaust gas cleaning systems on 20 of its ferries, in line with EU environmental requirements, *write David Osler and Craig Eason*.

The move comes after DFDS closed its service between Esbjerg and Harwich last September, putting some of the blame for the decision on the impending sulphur controls.

The EU emissions directive on sulphur in the fuel of ships sailing on the North Sea and Baltic Sea, as well as in the Channel, came into effect in January.

Sulphur emissions in sulphur emission control areas must be reduced from 1.0% to 0.1%.

At the time it made the announcement, DFDS stated

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the directive would increase costs on the route by around £2m ($3m) per year.

Adoption of sulphur scrubbers will enable DFDS to reduce sulphur emission levels to around 0.05%, significantly below the limit set by the EU. Exhaust particles will also be reduced by 80%.

There were some earlier smallscale attempts at financing scrubber installations, under which the financing company puts money up front to pay for fuel-saving technology and the shipowner pays back the loan through resulting fuel savings.

The European Investment Bank has loans available for such purposes, subject to certain conditions.

DFDS operates a fleet of 45 vessels, including ro-ros, ro-paxes and small containerships, and is active in 20 countries.

KfW-Ipex recently co-arranged finance for two new well intervention vessels for Siem subsidiary Siem Offshore Rederi, a move heralded by the bank as marking the arrival of an important new customer in a segment with high potential.

DFDS will install sulphur exhaust gas cleaning systems to meet new regulations on the North Sea, Baltic Sea and Channel. *DFDS*

Wan takes second chairmanship of Cosco Group subsidiary

46-year-old seen as rising star in China's largest shipping conglomerate

COSCO Group executive vice-president Wan Min has taken the chairmanship of Cosco Shipping, the state giant's Shanghai-listed specialised vessel unit, confirming the 46-year-old's status as a rising star in China's largest shipping conglomerate, *writes Max Tingyao Lin*.

Mr Wan's appointment was approved unanimously by Cosco Shipping's board, according to an exchange filing issued on Monday, less than one month after he became the chairman of Cosco Pacific — the group's port arm listed in Hong Kong.

No other group executives are chairing more than one listed subsidiary, so the latest appointment raised some eyebrows, even though the chairmanship at Cosco Pacific is non-executive in nature.

Mr Wan is also a vice-president of China Cosco Holdings, the group's flagship unit listed in Shanghai and Hong Kong. He is the managing director of Cosco Container Lines, the group's box shipping unit under direct control of China Cosco.

Mr Wan is also managing director of Cosco Container Lines. *CaptainImages/Shutterstock.com*

With a master's degree in business administration from Shanghai Jiao Tong University, Mr Wan had joined Cosco Group in 1990 and worked his way up.

Before the latest appointments, he had been a senior executive at Cosco Freight (Shanghai), Cosco Container Lines Americas, among others. The group website described him as having "rich experiences in container transportation and corporate management."

More news from Asia

Second K Line executive is sentenced in US price-fixing case

Authorities say investigation to price fixing on ocean shipping services for car and trucks is ongoing

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Breakaway rival to Opec would reshape tanker dynamics

Tanker industry faces another shift in the landscape

A BREAKAWAY group feeling the pain of low oil prices could set up as a rival to the Organisation of the Petroleum Exporting Countries, reshaping tanker market dynamics, *writes Hal Brown*.

Disgruntled Opec members such as Venezuela and Algeria, both suffering from low oil prices, could join forces with non-Opec members in defiance of the stance taken by Opec leader Saudi Arabia.

The Saudis have ensured Opec maintains output at about 30m barrels per day, to keep prices low and squeeze smaller North American and Russian producers.

"It's fair to say that Opec is currently divided," Platts associate editorial director Stuart Elliott said at the Platts London Oil Forum.

A breakaway group throws Opec's very existence into question, with knock-on consequences for the tanker industry, which has been riding high since the fourth quarter of 2014.

A breakaway group throws Opec's very existence into question.
Gil C/Shutterstock.com

Benefiting now, but...

At present, tankers are benefiting from low oil prices because people are buying cheap oil, spurring demand for tankers to carry cargoes.

Both crude and product tankers are benefiting, as cheaper oil produces cheaper products such as gasoline, diesel and naphtha, stirring demand for product tankers.

Freight rates for both crude and product tankers have hit highs since prices started falling in the middle of last year, boosting the earning power of tankers, bolstering tanker owners' bottom lines.

The tanker industry has seen asset values rise as a result, with overall sentiment lifted within the tanker-owning community.

However, tension within the 12-member Opec cartel has the potential to shift tanker dynamics once again — for the worse.

Shifting dynamics

At the latest Opec meeting in Vienna a few weeks ago, Saudi Arabia ensured cartel production was maintained at around 30m barrels per day, despite strong protests from countries needing higher global oil prices to ensure profitability.

Saudi Arabia's roughly $700bn cash fund allows the Kingdom to live with lower oil prices, the government recently saying it could cope for around eight years with the $40-$50 per barrel range.

Others, though, are less fortunate.

"Countries that can't handle this period of low prices are really suffering," said Mr Elliott.

As a result, these struggling Opec members could be forced to garner support to join with non-Opec members, he said.

The breakaway group would, of course, want to rein back production to force global prices to rise.

As crude prices rise, the recent incentive to buy and stock crude would fall, shaving demand for tankers to carry cargoes.

In this scenario, the incentive to store crude on tankers would also diminish, forcing a significant number of very large crude carriers — currently on one-year charters with storage options — back into the spot market, intensifying competition among vessels for cargoes, and therefore to a certain extent deflating today's robust tanker earning power.

At present, some 20-30 VLCCs are on long-term charters with floating storage options, but some experts put the figure even higher at 40-50 VLCCs.

A divided Opec reflects the brave new world of the global crude market in 2015.

Different world

The US is now the swing producer through its shale oil boom, able to influence market dynamics by its decisions on how to supply the market, said Platts global editorial director of pricing Jorge Montepeque.

"It's a very different world from where we were a year ago," he said.

With oil prices at half of last July's level, "all the visions we had of stable markets and happiness are all behind us", he said.

"Be ready to experience volatility and changes," he warned.

Indian demolition rates slide $50 per ldt

Prices left well below $400 per ldt in all key markets in the region

DEMOLITION rates in the Indian subcontinent slid by up to $50 per ldt over the past week, raising concerns as to whether recent deals would withstand the drop, *writes Brian Reyes*.

The slump comes after four consecutive months of softening rates and leaves prices well below $400 per ldt in all key markets in the region. Rates for bulk carriers slipped as low as $350 per ldt in Pakistan, with tankers little better at $380 per ldt.

Steady imports of Chinese steel have driven down demand for domestically recycled ship steel and there are no signs yet of tax measures promised by governments in India and Pakistan to ease pressure on the sector.

Political and labour unrest in Bangladesh have also added to the uncertainty gripping the market.

"Several owners have found that the market was heading in one direction, with sales of conventional ships now below the $400 per ldt mark," said London-based Clarkson Research Services.

"While there are more units being circulated, with

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several sales taking place, it is increasingly difficult for cash intermediaries to take a position, as demand locally is in short supply."

Despite the volatile nature of the market, some owners still appeared keen to sell their vintage tonnage, even at lower rates.

US-based cash buyer GMS noted that around 15 capesize bulkers had been committed for demolition in the year to date, the same number as in the whole of 2014.

It added this was a trend that would continue in the dry sector for much of this year, regardless of poor rates.

"Most end-buyers are still reluctant to commit to any new units, still shocked by the ferocity of this most recent decline, and it may still take some time before the market gets back on its feet," GMS said.

"Owners, however, remain keen to sell at prevailing rates, due to the dire freight market at present, and the number of both private and market sales continues to rack up."

Negative impact

GMS cautioned that the sharp drop in rates was having a negative impact on the beachfront, where some recent deals were being renegotiated on arrival.

This was particularly the case in India, where some breakers were reported to have withdrawn offers and left cash buyers exposed.

"From being the oldest and perhaps most mature ship recycling sector, many Indian buyers have resorted to infantile tactics that seem to have damaged their credibility and reputation among most cash buyers and owners," GMS said.

"Indeed, given the choice between competing markets in Pakistan and Bangladesh, the majority of cash buyers would rather go elsewhere than engage in the type of behaviour that the Indian buyers have been resorting themselves to over the past half a year at least."

In a stark warning, GMS said "frivolous" renegotiations had become commonplace and that the medium-term implications for the Indian market could be significant.

"It may be that those controlling the tonnage need to give India a wide berth until they become more organised and start honouring agreements as they once did with far more integrity than now," the cash buyer added.

A number of sales came to light over the past week, some of them predating the most recent drop in prices.

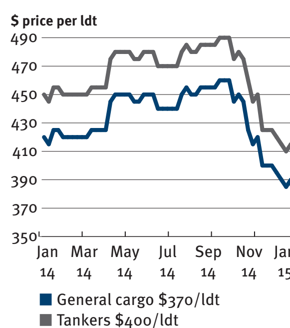
Indicative of current sentiment was the 1995-built, 14,525 ldt bulk carrier *India Coal Maru*, reported sold for delivery to Alang at $380 per ldt, or $5.5m.

Likewise the 1985-built, 7,258 ldt bulk carrier *Tatio*, operated by Ultragas, was reported sold for delivery to Alang at $390 per ldt, or $2.8m.

Three containerships were also reported sold, including Zim Integrated Shipping's 1991-built, 14,465 ldt *Dubai Star*, which was reported sold for delivery to India at $446 per ldt, or nearly $6.5m.

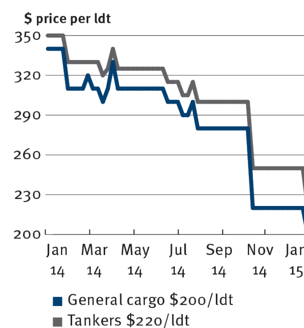
The same rate was paid for Hellastir Shipping's 1990-built, 14,465 ldt boxship *China Star*, bringing in $6.5m.

BANGLADESH DEMOLITION RATES



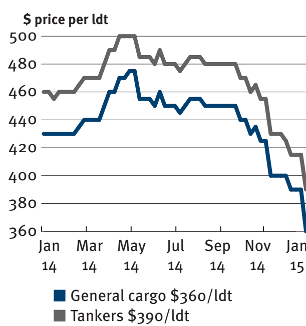
Source: Global Marketing Systems

CHINA DEMOLITION RATES



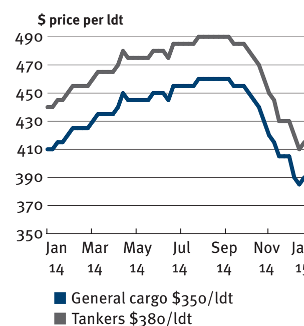
Source: Global Marketing Systems

INDIA DEMOLITION RATES



Source: Global Marketing Systems

PAKISTAN DEMOLITION RATES



Source: Global Marketing Systems

In a last sale to India, the 1995-built, 15,599 ldt containership *MOL Bravery*, operated by Mitsui OSK Lines, was reported sold for delivery to a buyer in India at $416 per ldt, or nearly $6.5m.

Recent sales into Bangladesh included Eastern Pacific Shipping's 1993-built, 19,574 ldt capesize bulker *Cape Eagle*, reported sold at$420 per ldt, or $8.2m.

In a sign of the declining market, the company was also reported to have sold its 1996-built, 16,500 ldt bulk carrier *Fernie* for delivery to a buyer in Chittagong at $407 per ldt, or just over $6.7m.

In another similar sale, the 1992-built, 18,561 ldt capesize bulk carrier *Fu Yuan*, operated by Coshipman, was reported sold for delivery to Bangladesh at $390 per ldt, or $7.2m.

Lastly, the 1993-built, 10,173 ldt bulk carrier *Chios Sunrise*, operated by Rafin Shipmanagement, was reported sold for delivery to Bangladesh at $402 per ldt, or $4.1m.

There were no sales to report from Pakistan, while market rates in the Far East and Turkey remained at around the $200 per ldt mark, ruling out anything other than regionally-placed vessels.

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