Shipping's Technological Lag: A Blessing in Disguise for Freight Markets

Innovation, Geopolitical Friction and the Economic Value of Inefficiency

August 2026

The 2025 Nobel Prize in Economics, awarded to Joel Mokyr, Philippe Aghion and Peter Howitt, provides a useful framework for understanding the global shipping market. Their work explains how sustained economic growth arises from innovation: new technologies, better processes and competitive pressure gradually replace outdated systems and improve productivity.

For most industries, this should be explicitly positive. Better technology lowers costs, increases output and improves the efficiency with which capital is used. In shipping, however, the immediate investment implication is more complex. The industry is adopting new technologies, but it remains behind many other global sectors in digitalization, automation and integrated operational planning. More importantly, the efficiency gains delivered by technology are currently being muted by the much larger inefficiencies created by geopolitical conflict, sanctions, strategic chokepoints, drought and fragmented supply chains.

This is the central bullish argument for shipping: inefficiency is a blessing in disguise.

The world does not need to trade materially more cargo for demand for ships to increase. It only needs cargoes to travel further, wait longer, take alternative routes, require more transhipment, or be sourced from more distant suppliers. In shipping, distance creates ton-miles; ton-miles create vessel utilisation; and vessel utilisation supports freight rates.

Innovation Is Advancing, but Shipping Remains Behind

Shipping is certainly modernising. Artificial intelligence is being used for voyage planning, weather routing and predictive maintenance. Digital freight platforms are improving visibility between cargo owners and carriers. Electronic bills of lading, automated terminals, fuel-efficiency technology and improved vessel tracking are gradually reducing friction across the industry.

Yet adoption remains uneven. Shipping is not one integrated system; it is a fragmented global network of shipowners, charterers, brokers, traders, insurers, ports, terminal operators, customs authorities, classification societies, flag states and governments. Each participant operates under different incentives, legal systems, technology standards and regulatory requirements.

A vessel may have advanced onboard systems, but it still depends on berth availability, pilotage, bunker supply, cargo documentation, customs clearance, port infrastructure and the decisions of numerous counterparties. A technologically efficient vessel operating in an inefficient network cannot fully capture the productivity benefits of its own technology.

The sector is therefore still constrained by manual processes, inconsistent data, ageing infrastructure, uneven port productivity and uncertainty over future fuels. Shipowners also face difficult capital-allocation decisions: whether to invest in conventional fuel, LNG, methanol, ammonia-ready designs or other technologies. This uncertainty slows fleet renewal and discourages a fully coordinated move towards the most efficient future operating model.

The key point is that shipping technology is improving incrementally, while the global trading environment is becoming more complex at a much faster pace.

Geopolitical Inefficiency Is Larger Than Technological Efficiency

A ship can optimise its speed, fuel use and weather route. But these benefits are limited when it must avoid the Red Sea, divert around the Cape of Good Hope, wait outside a congested port, conduct ship-to-ship transfers, alter a trading pattern because of sanctions, or operate around a restricted chokepoint.

Technology can optimise a voyage. It cannot eliminate a geopolitical detour.

The Strait of Hormuz is the clearest example. Disruption to this key energy corridor affects crude oil, refined products, LNG and LPG flows. When traffic through Hormuz falls, cargo interests seek alternative suppliers, routes and loading arrangements. This may involve storage, pipeline alternatives, ship-to-ship transfers or replacement crude from the Atlantic Basin.

For tanker markets, the effect can be substantial. A refinery replacing Middle Eastern crude with cargo from West Africa, the United States, Brazil or the North Sea may import similar volumes, but the cargoes travel much further. A Middle East–Asia voyage requires far fewer vessel-days than an Atlantic Basin–Asia voyage. The volume of trade may be unchanged, but the demand for tanker capacity rises.

This explains why shipping markets are driven not merely by tonnes moved, but by tonne-miles. Trade geography can be as important as trade growth.

The same dynamics are visible around the Red Sea and Bab el-Mandab. Security risk has made the Suez route less reliable for many operators. Vessels that divert around the Cape of Good Hope spend additional weeks at sea, consume more fuel and reduce effective fleet availability. Container lines require more ships to maintain schedule frequency, while tanker and dry-bulk markets experience fewer vessels available for prompt cargoes.

The simultaneous disruption of Hormuz and Bab el-Mandab represents the most serious risk to global shipping. One affects Gulf energy exports; the other affects the principal maritime link between Asia and Europe. Together, they increase insurance costs, freight rates, transit times and the need for alternative supply chains.

War and Climate Change Are Pricing Scarcity

Recent freight-rate data show that the market is facing several capacity constraints at once. Conflict in the Middle East and the Black Sea is occurring alongside drought-related restrictions in Europe and Latin America. The result is not one isolated disruption, but a system-wide reduction in transport efficiency.

According to Argus data reported by the Financial Times, the cost of shipping oil from the Gulf to Asia reached $15.22 per barrel on 10 August. This was the highest level recorded by the agency since it began assessing the route in 2005. The immediate cause was the threat to Saudi Arabia-linked tankers attempting to transit Bab el-Mandab.

This is important because it shows how a relatively narrow waterway can have an outsized effect on tanker economics. When risk rises, the availability of secure and commercially acceptable vessels falls. Charterers pay higher rates to secure tonnage, while owners demand compensation for additional risk, longer voyages and greater operating uncertainty.

Black Sea tanker rates into the Mediterranean have also reached their highest level since at least 2005. The region is strategically important for agricultural cargoes, energy, fertilisers and industrial commodities. When exports from the Black Sea become delayed or uncertain, buyers must seek alternative origins. This can increase voyage distances and support both tanker and dry-bulk demand.

Dry bulk is especially exposed to this dynamic. If Black Sea wheat is replaced by cargoes from Australia, Argentina, Brazil, Canada or North America, global grain consumption may barely change. However, the transport requirement rises because replacement cargoes travel further. Similarly, a tonne of iron ore shipped from Brazil to China creates substantially more vessel employment than the same tonne shipped from Australia to China.

Climate disruption is adding a second source of inefficiency. Falling water levels in the Panama Canal, associated with El Niño conditions and heavy traffic, have pushed transit-slot prices to record levels. In early August, costs for passage through the Canal's two lock systems reached approximately $1.1 million and $2.5 million.

These prices are scarcity rents: the economic value assigned to access when alternatives are limited. A vessel delayed at the Panama Canal, forced to reduce cargo load, or required to take a longer route is less productive. From a market perspective, this is equivalent to a temporary reduction in fleet supply.

The impact reaches container shipping, LNG, LPG, grains and dry bulk. Panama is not merely a shortcut; it is a central link between Atlantic and Pacific trade. When it becomes constrained, vessels and cargoes are redistributed across the wider network, placing pressure on other routes and ports.

Europe faces a related problem through low water levels on the Rhine. Drought has limited barge loading on a river that is critical to Germany's industrial economy. Freight rates for barge movements to Cologne, Duisburg, Frankfurt and Karlsruhe have reached their highest levels since 2012. This raises the cost of moving industrial inputs and finished goods between seaports, factories and consumers.

Shipping Is a Network Industry

These events demonstrate an important economic principle: shipping is a network industry with non-linear outcomes. A disruption in one location does not remain local. It affects vessel allocation, cargo sourcing, port congestion, fuel consumption, inventories, freight rates and the availability of alternative routes across the global system.

A constraint in Hormuz can redirect energy demand to other producers. A diversion around the Cape can delay the return of container equipment to Asia. A drought in Panama can force cargoes into alternative trade lanes. A disruption in the Black Sea can change global grain flows. Each event creates knock-on effects, and their combined impact is greater than the sum of their individual effects.

The short-run supply of ships is highly inelastic. New vessels take years to order, finance, build and deliver. Therefore, when demand for vessel-days rises suddenly, the fleet cannot quickly expand. Freight rates can rise sharply once effective capacity becomes tight.

This creates rate convexity. In a loose market, an additional cargo or delay may have little effect because surplus tonnage is available. In a tight market, a small increase in voyage duration or congestion can produce a disproportionate rise in rates. The record freight and canal-slot prices seen today are evidence of this relationship between scarcity and price.

Container shipping shows the same effect. Average spot rates from the Far East to the US East Coast have risen 234 per cent year on year to $10,249 per forty-foot container. Freight costs are an input cost for traded goods, so they ultimately pass through the supply chain. Manufacturers may face higher input costs, while consumers may pay more for lower-margin imported products.

Sanctions, Resilience and "Just in Case"

Sanctions are another major source of friction. Restrictions on Russian, Iranian and Venezuelan energy trade do not necessarily eliminate all cargo movements. Instead, they often make those movements longer, less transparent and more operationally complex.

Changing ownership structures, opaque flagging, ageing vessels, ship-to-ship transfers, restricted insurance, longer ballast legs and limited port access all consume vessel time. A tanker involved in these activities is less available to serve conventional trade. The global fleet count may be unchanged, but the supply of flexible, compliant and commercially acceptable tonnage becomes tighter.

At the same time, companies and governments are moving from a "just-in-time" to a "just-in-case" model. The old model prioritised low inventories, concentrated sourcing, predictable routes and maximum efficiency. The new model values resilience, redundancy, energy security and diversified supply.

In economic terms, this resembles a real-options strategy. Cargo owners accept higher ongoing costs in exchange for the ability to respond when disruption occurs. They hold more inventory, retain multiple suppliers, use alternative routes and accept less efficient logistics to reduce dependence on a single region or waterway.

For shipping, this is supportive. More suppliers, more routes, more inventories and more redundancy all require additional transportation capacity.

Innovation Is a Long-Term Opportunity, Not a Near-Term Bear Case

The work recognised by the 2025 Nobel Prize remains highly relevant. Over the long term, shipping must innovate. A more digital, transparent, fuel-efficient and automated industry will be more resilient and productive. Owners with modern fleets and strong operational capabilities should be better positioned to meet environmental regulation, lower operating costs and provide more reliable services.

But innovation is not yet reducing shipping demand in a meaningful way. In the short and medium term, it is helping the sector manage disruption rather than eliminating disruption's consequences.

This is why the technological lag is a blessing in disguise. It leaves considerable room for future productivity gains and long-term value creation. Yet, today, the benefits of incremental technology are outweighed by the scale of geopolitical and climate-driven inefficiency.

Global trade is becoming longer, slower, more fragmented and more complex. That reality creates more waiting, more rerouting, more inventory needs and fewer available vessel-days.

Outlook

The shipping sector strength is supported by structural inefficiency more than by trade-volume growth. Geopolitical conflict, sanctions, strategic chokepoints, drought and changing commodity sourcing are all increasing tonne-mile demand and reducing effective fleet supply.

The main risk remains fleet growth. Strong earnings and asset values encourage newbuilding orders, while geopolitical premiums may prove temporary. However, shipyard constraints, high newbuilding costs, fuel uncertainty, regulation and an ageing existing fleet limit the speed with which supply can respond.

The 2025 Nobel Prize in Economics teaches that innovation is the foundation of long-term progress. Shipping will eventually benefit from this transformation. For now, however, the sector's most powerful driver remains the inefficiency of the global trading system.

In shipping, inefficiency creates distance. Distance creates ton-miles. And ton-miles create demand for ships.

For investors going long on this trend are betting in the 'anti-fragility' of shipping.. coined by Taleb to denote the gains afforded to some from chaos and disorder.

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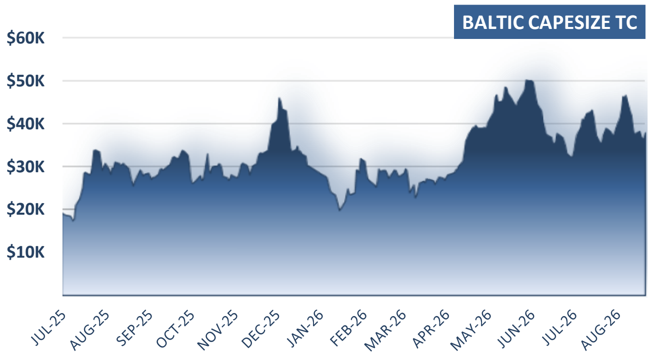
Capesize

The Capesize market was volatile but broadly stable over the week. After a positive Monday, the BCI 5TC fell from $41,625 to $39,684 by Wednesday, mainly due to Pacific weakness, before recovering modestly to $40,170 on Thursday. Despite Atlantic activity remaining subdued throughout the week, the Capesize index ended at $41,288 daily or 0.3 percent higher week-on-week.



Pacific

In the Pacific, China's iron-ore imports fell 4 percent month-on-month to 108.09 million tons in July, mainly because shrinking steel margins and mill maintenance reduced demand. Lower global shipments after June's quarter-end surge also contributed. Despite the monthly decline, imports were 3.3 per cent higher year-on-year and reached 736.84 million tons in January-July, up 5.9 percent. Steel-sector profitability also weakened, with only about one-third of mills profitable by the end of July. Meanwhile, steel exports fell 1.9 percent from June to 10.12 million tons, although they were 3 percent higher year-on-year. Cumulative steel exports for January-July declined 4.4 percent to around 65 million tons. Imported iron-ore inventories at China's major ports declined for a second consecutive week, falling by 609,000 tonnes, or 0.3 percent, to 173.61 million tonnes as of August 20. Despite the slight weekly decrease, stockpiles remained 20.2% higher than a year earlier. In the spot arena, the Pacific market was mixed. The C5 index rose to $14.235 on Monday, softened to $13.285 by Wednesday, and recovered to $13.815 on Thursday. Both miners and operators supported activity, while a tightening tonnage list helped sentiment stabilize despite continued resistance from charterers. The C5 route concluded 3.3 percent higher week-on-week at $14.585 daily, and on time charter the C10 Pacific round voyage route ended 2.3 percent higher at $41,723 daily. For this run, the 'Bulk Joyance' (175,858 dwt, 2012) was fixed via Port Hedland 5-7 September to Qingdao at $13.55 per metric tone with Cargill, and Rio Tinto covered basis 'TBN' their 170,000/10 stem ex Dampier 4-6 September to Qingdao at $13.50 per metric ton.

Atlantic

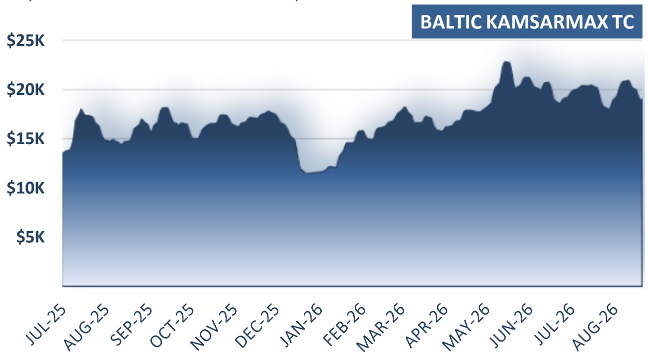
In the Atlantic, Following the previous week's decline, total iron ore shipments from major ports and mining companies in Australia and Brazil recovered by 995,000 tonnes, or 4 percent week on week, to 26.1 million tonnes during August 10-16, with volumes increasing from both countries. Brazilian shipments from nine ports rose more sharply, climbing by 845,000 tonnes, or 11 percent, to 8.5 million tonnes. Of this total, Vale shipped 6.1 million tonnes, up 270,000 tonnes, or 4.6 percent, from the previous week. The Atlantic spot market remained steady but subdued, with limited bidding and fixture activity throughout the week. The C3 index declined slightly from $35.980 on Monday to $35.605 on Thursday, while offers held near $36.00 to finally conclude at $35,782 or a touch lower than last week's closing. Fronthaul activity provided support, but overall sentiment softened marginally. In the North Atlantic, the C8 index eased 0.5 percent week-on-week to $40,188 per day, while the C9 route gained 3.5 percent to $74,250 per day. Rio Tinto was linked with 'TBN' to load via Seven Islands 11-20 September to Qingdao at $43 per metric tone, and the 'Cape Diversity'(182,236 dwt, 2023) was fixed via Port Cartier 25 Aug-5 Sept to Kakogawa ar $49.25 per metric tone with Arcelor Mittal.

No period deals emerged this week.

Representative Capesize Fixtures						
Vessel Name	**Loading Port**	**Laydays**	**Discharge Port**	**Freight/Hire**	**Charterers**	**Comment**
Bulk Joyance	Port Hedland	5-7 Sept	Qingdao	$13.55	Cargill	160,000/10
TBN	Dampier	4-6 Sept	Qingdao	$13.50	Rio Tinto	170,000/10
TBN	Seven Islands	11-20 Sept	Qingdao	$43.00	Rio Tinto	170000/10
Cape Diversity	Port Cartier	25 Aug - 5 Sept	Kakogawa	$49.25	Arcelor Mittal	150,000/10

Panamax

The P82 TCA closed the week at $18,928, down 5.6% w-o-w, as softness across both the Pacific and Atlantic basins mid-week gave way to a firmer tone into Friday on both sides.



Pacific

On the Pacific commodities news, Chinese coal supply pressures deepened this week, with Shanxi's raw coal output down a sharp 35.8% y-o-y in July as mine-safety inspections continued to slow restarts and curb output at operating mines, as per Mysteel/NBS data published 19-20 August; nationally, China's top ten mining groups produced 1.33 billion tonnes in Jan-July, down 4.99% y-o-y. Against that tighter domestic backdrop, China's seaborne thermal coal market turned cautious this week — high overseas offers, limited availability and Indonesian supply uncertainty are lending price support, but weaker downstream demand and a narrowing import-price advantage are curbing buyer appetite, with sentiment at northern China ports softening on 19 August amid sluggish port outflows, as per Mysteel. On the supply side, Australia saw the United Wambo open-cut mine in New South Wales remain suspended following a fatal accident on 3 August, reducing cargo availability at that origin, while Indonesia's longer-term export capacity came under scrutiny this week per a Global Energy Monitor analysis showing operating permits covering some 760 million tonnes per annum of capacity — roughly two-thirds of the global total set to expire by 2035 — are due to lapse, even as top Indonesian producer Bumi Resources reported strong H1 2026 results on higher sales volumes and improved efficiency. Taken together, the picture this week is one of a coal trade being squeezed from both directions — tighter supply at multiple origins, but a cooling, price-sensitive Chinese import appetite — leaving the near-term direction for Pacific coal-cargo rather lukewarm. On the spot arena, the Pacific market started the week directionless with wide bid/offer spreads and thin volumes, softening through midweek as Nopac and Aussie last-dones slipped toward mid/high-$16,000s P3 and Indo fell sharply to mid/high-$14,000s bki on a persistently overtonnaged south. In this vein the 'Agri Bright' (76,432 dwt, 2013) fixed an Indonesia/South China round out of Kohsichang on 18 August at $16,000 to GML as the P5 (South China/Indo RV) slid 8.7% w-o-w to $15,189. Come Friday the market showed hints of fresh Nopac cargo flow whilst the firming P6 brought a sense of optimism for next week. The better than BKI spec, Darya Ruchi (82,557 dwt, 2022), fixed with delivery Rizhao 24-29 August for a Nopac round voyage at $18,000 to Bunge, broadly in line with the P3A (HK-SKorea RV) itself which eased 5.3% w-o-w to $16,928. The 'Sasebo Eco' (77,888 dwt, 2014) meanwhile took an EC Australia/South China trip from Toyama at $18,000 to Cargill.

Atlantic

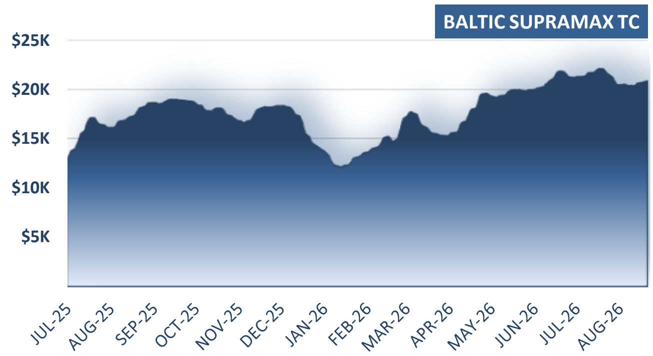
On the Atlantic commodities news, both ANEC and USDA data pointed to continued strength in the South American/US grain trade this week. ANEC's Tuesday estimate put Brazil's August corn exports at 5.63 MMT, up 0.46 MMT from the prior week's 5.17 MMT on an accelerating shipment pace, though still below the 7.34 MMT shipped in August 2025; soybeans were revised the other way, trimmed to 10.56 MMT from 10.88 MMT the week before, though still well above the 8.11 MMT shipped a year earlier. On the US side, USDA's weekly export sales report (week ended 13 August, released 20 August) showed combined current/next-crop soybean sales of 1.81 MMT and corn sales of 1.05 MMT, with China again the standout buyer — confirming a fresh 136,000 tonnes soybean purchase on 18 August and a further 150,000 tonnes to unknown destinations on 20 August, following a stronger 1.76 MMT sales week the prior period. The firmer Brazilian corn shipments and sustained Chinese soybean buying (both US and Brazilian origin) should sustain South American and USG fronthaul/transatlantic cargo flows into September. With the new 2026/27 US marketing year approaching (corn/soybeans begin 1 September), the balance of Chinese demand between US and Brazilian origin should be an interesting variable to watch for Atlantic tonnage in the weeks ahead. The Atlantic spot market softened through the first half of the week before finding a floor into Thursday: the North Atlantic eased steadily, with grains T/A hovering in the $18,000 to $19,000 level, before paper turned firmly positive on Thursday, and as the tonnage list tightened we saw better fixtures. The P1A (Skaw-Gib T/A RV) and P2A (Skaw-Gib trip to Taiwan-Japan) both mirrored that pattern, easing 13.2% and 5.0% w-o-w to $18,518 and $28,745 respectively, though both closed the week in positive territory day-on-day as Thursday's recovery took hold. The 'Ever Shining' (81,842 dwt, 2021), fixed a USEC/SE Asia fronthaul at $30,750 to LDC..ECSA held up notably better throughout, with fair value holding around $20,000 P6-equivalent.The 'Argeus' (82,226 dwt, 2013), fixed via ECSA to Singapore-Japan at $20,250 to Koch. The P6 (Singapore RV via Atlantic) concluded essentially flat on the week at just -0.2% to $20,136.

Period activity held comparatively firm through the week, supported by backhaul and fertiliser-first-leg demand and firming FFAs, with the 'Asia Confidence' (81,129 dwt, 2017) fixing from Bahodopi 19/20 August for 8/10 months worldwide redelivery at $19,000 to Swissmarine

Representative Panamax Fixtures								
Vessel Name	Deadweight	Year Built	Delivery/Open	Laycan/Period	Redelivery	Rate	Charterers	Comment
Agri Bright	76.432	2013	Kohsichang	18 Aug	South China	$16.000	GML	Trip via Indonesia
Darya Ruchi	82.557	2022	Rizhao	24/29 Aug	-	$18.000	Bunge	NoPac RV
Sasebo Eco	77.888	2014	Toyama	22 Aug	South China	$18.000	Cargill	Trip via EC Australia
Ever Shining	81.842	2021	Flushing	19 Aug	SE Asia	$30.750	LDC	Trip via US East Coast (FH)
Argeus	82.226	2013	Pipavav	20/24 Aug	Singapore-Japan	$20.250	Koch	Trip via ECSA
Asia Confidence	81.129	2017	Bahodopi	19/20 Aug	Worldwide	$19.000	Swissmarine	Period - 8/10 months

Supramax

The Supramax market edged higher in Week 34, although performance remained uneven between regions. The 11TC closed at $20,728, up $220 w-o-w from $20,508 (+1.1%). The South Atlantic and parts of Asia provided most of the support, while the US Gulf softened slightly and both the Continent and Mediterranean remained under pressure. Pacific sentiment improved during the week, particularly in Southeast Asia, where Indonesian coal activity strengthened, although gains remained gradual rather than pronounced.



Pacific

In the Pacific, conditions improved modestly after the recent weakness, with NoPac grains, steel backhauls and increased Indonesian coal enquiry supporting rates. North China remained relatively balanced, while Southeast Asia showed the clearest improvement, with the South China–Indonesia round-voyage benchmark rising 5.5% w-o-w and South China–Indonesia–EC India gaining 3.4%. Macro fundamentals remained generally supportive for coal demand, with Asian thermal demand resilient and metallurgical coal shipments particularly strong into China and Japan, while Indian coking-coal import requirements are expected to remain elevated. In the Far East, the 'Equinox Dawn II' (60,456 dwt, 2015), open Nansha prompt, was fixed via North Vietnam for a trip with bagged cement at $18,000 and redelivery WC South America. For a nickel ore run, the 'EM Ruby' (54,768 dwt, 2009), open Yangjiang prompt, was fixed via the Philippines with redelivery China at $19,000 daily. Out of Japan, the 'Unity Melody' (55,705 dwt, 2012), opening Soma prompt, secured a trip to Taiwan at $17,000. The 'Med Liguria' (51,156 dwt, 2012) fixed a trip with steels and general cargo to Brazil at $14,750 for the first 70 days and $18,500 thereafter, basis delivery CJK. In SE Asia, the 'Mission Revival' (57,763 dwt, 2017), open Kaohsiung prompt, was heard fixed for a trip to the Singapore–Japan range, via NoPac, at $16,500, whilst the 'Astro Sirius' (63,562 dwt, 2019), open Kendari 21-22 August, secured a coal cargo from Australia to Japan at $21,000 per day. The 'Indigo Breeze' (60,430 dwt, 2017), Koh Sichang 19 August, fixed a clinker trip to Chittagong at $25,000. Elsewhere, the 'Josco Shunzhou' (63,565 dwt, 2025), open in Chittagong, was reportedly fixed at $21,000, passing Singapore via Indonesia and redelivery WC India. Further west, the Indian Ocean remained mixed: the 'Tomini Harmony' (63,590 dwt, 2015), open Mundra, fixed a salt cargo via India to China at $14,000, while the 'Dominator' (63,652 dwt, 2021), Kandla 20/23 August, fixed a salt trip to South Korea at $17,000 per day. Additional coverage included the 'Harilaos Junior' (64,785 dwt, 2025), open EC India, fixing a backhaul to West Africa with bagged rice at $18,000 with escalation after 65 days. South African trades were also active, including the 'Evangelia D' (61,517 dwt, 2014), which secured employment basis delivery Richards Bay 28 August for a trip to Sri Lanka at $23,500 + $235,000 ballast bonus, while the scrubber-fitted 'Norse Evolution' (66,305 dwt, 2023) was clean fixed basis delivery Port Elizabeth, loading out of Saldanha Bay and redelivery China at $25,000 + $250,000 ballast bonus.

Atlantic

In the Atlantic basin, the South Atlantic was the principal source of strength, with the West Africa–ECSA transatlantic route rising 5.1% w-o-w and fronthaul earnings also improving. North America remained broadly balanced but eased slightly towards the end of the week, while the Continent weakened on limited scrap enquiry and Mediterranean sentiment remained soft amid excess tonnage. On the fixtures front, in North America, an Ultramax fixed basis delivery US Gulf end August for a grain trip to the East Mediterranean at $32,000 with ADM, while the 'DSI Altair' (60,309 dwt, 2016), US East Coast 20/25 August, fixed a grain trip to North Spain at $28,000 daily. In the South Atlantic, an Ultramax was heard fixed via North Brazil to Southeast Asia with grains at $19,500 + $950,000 gross ballast bonus. From West Africa, the 'Eighwaz' (63,105 dwt, 2015), open Dakar, fixed via Guinea to Ireland with bauxite at a daily hire of $22,000. Furthermore, the 'Van Hui' (63,876 dwt, 2023), opening Tema 15-17 August, fixed a manganese ore cargo via Owendo with redelivery India at $27,000. Fixture activity from the Continent–Baltic was scarce. Black Sea grain trading remained heavily disrupted by escalating attacks on shipping and export infrastructure, with global grain shipments reportedly falling 8% year-on-year over recent weeks and Black Sea volumes down sharply. In the Mediterranean & Black Sea, the 'Maro Maro' (61,134 dwt, 2022), open Israel, fixed via the Marmara Sea to the US East Coast with bulk cement at $16,000. Having sailed Piraeus, the 'Asian Progress' (64,684 dwt, 2025) fetched $24,000 basis delivery passing Gibraltar for a trip via North Brazil and redelivery back to the Mediterranean.

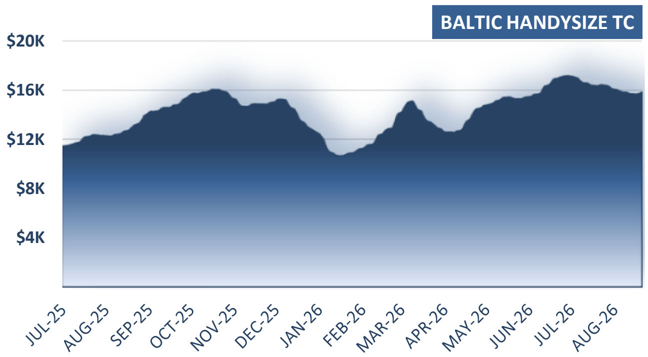
Period activity remained firm for the Supramaxes despite the still-moderate spot market. The 'Tai Strength' (64,458 dwt, 2021), Quanzhou, fixed for a period of 6 to 8 months at $21,000 with scrubber benefit for charterers' account. From South China, the 'Yuan Hai Han' (63,776 dwt, 2025) was fixed on period for 8 to 10 months with worldwide redelivery at $20,750. Out of the Atlantic, the 'Newseas Crystal' (63,547 dwt, 2013), open Douala, secured employment for about 9 to 11 months at $21,250 with worldwide redelivery.

Representative Supramax Fixtures

Vessel Name	Deadweight	Year Built	Delivery	Laycan	Redelivery	Rate	Charterers	Comment
Equinox Dawn II	60.456	2015	Nansha	prompt	WCSA	$18,000	cnr	via North Vietnam / bagged cement
EM Ruby	54.768	2009	Yangjiang	prompt	China	$19,000	cnr	via Philippines / nickel ore
Astro Sirius	63.562	2019	Kendari	21/22 Aug	Japan	$21,000	cnr	via Australia / coal
Indigo Breeze	60.430	2017	Koh Sichang	19 Aug	Chittagong	$25,000	Teambulk	clinker
Evangelia D	61.517	2014	Richards Bay	28 Aug	Sri Lanka	$23,500 + $235,000 BB	Oldendorff	
Norse Evolution	66.305	2023	Port Elizabeth	prompt	China	$25,000 + $250,000 BB	Cosco	via Saldanha Bay / scrubber for Owners
DSI Altair	60.309	2016	US East Coast	20/25 Aug	North Spain	$28,000	Navimerchants	grains
Eighwaz	63.105	2015	Dakar, Senegal	prompt	Ireland	$22,000	cnr	via Guinea / bauxite
Van Hui	63.876	2023	Tema	15/17 Aug	India	$27,000	Opulence	via Owendo / manganese ore
Maro Maro	61.134	2022	Israel	prompt	USEC	$16,000	cnr	via Marmara Sea / bulk cement
Asian Progress	64.684	2025	passing Gibraltar	prompt	Mediterranean	$24,000	Cargill	sailed Piraeus / via North Brazil
Tai Strength	64.458	2021	Quanzhou	19/10 Aug	N/A	$21,000	Cargill	period / 6-8 months / scrubber for chars
Yuan Hai Han	63.776	2025	South China	prompt	Worldwide	$20,750	cnr	period / 8-10 months
Newseas Crystal	63.547	2013	Douala, Cameroon	prompt	Worldwide	$21,250	cnr	period / about 9-11 months

Handysize

The Handysize market edged higher this week, although the overall picture remained mixed across the two basins. The 7TC Average rose from $15,579 to $15,729, reflecting a +1.0% week-on-week increase. The Pacific was the main driver of the improvement, with the three routes gaining +1.7% week-on-week, while the Atlantic moved in the opposite direction, declining by -1.2%. Overall, the market remained largely positional, with limited fresh enquiry across several regions, although tighter prompt tonnage and pockets of fresh demand provided support in parts of Asia.



Pacific

In the Pacific, sentiment remained comparatively constructive, supported by tighter prompt tonnage and a steady flow of cargoes in several loading areas. Although fixing activity remained relatively limited early in the week, the balance between available tonnage and cargo demand helped maintain rates, with some areas showing a modest improvement in tone. The 'Pas Blue Wave' (31,889 DWT, 2010), open Colombo, fixed to Vietnam with steels at $8,750. The 'Tai Horizon' (39,839 DWT, 2026) was also reported fixed on delivery Singapore for multiple legs at $19,000. Further South, the 'Iron Maiden' (36,371 DWT, 2014), open Cebu, was fixed for multiple legs in the high $17,000s, while the 'Pan Amber' (38,220 DWT, 2012), open Phu My, was fixed for multiple legs at $17,500, with the first leg involving cement to the US West Coast. Also, the 'Devbulk Saliha' (31,018 DWT, 2011), open Mombasa, was fixed via Richards Bay to the Continent in the mid-to-low teens. Overall, the Pacific retained a firmer undertone, with prompt tonnage availability providing support despite only modest cargo growth.

Atlantic

Across the Atlantic, the market was more subdued. On the Continent and in the Mediterranean, insufficient cargo availability and limited fresh enquiry continued to weigh on activity, with rates generally holding around or slightly below previous levels. The 'C Tiger' (35,693 DWT, 2011) in Iskenderun fixed for a trip to North Coast South America/US Gulf at $9,850. However, the US Gulf continued to face pressure as demand remained insufficient to absorb the growing tonnage list, resulting in a softer tone. Despite the mixed conditions, the Atlantic produced a number of fixtures, with a large Handysize fixed from SW Pass to the Continent with wood pellets at around $19,000, while the 'China Spirit' (35,097 DWT, 2013) was fixed from St Lawrence to Morocco at around $19,500. A 36,000 DWT in Mexico Gulf fixed for a trip with grains/agricultural products via US Gulf to East Mediterranean at $17,000 APS with her scrubber benefiting charterers. In the South Atlantic, fundamentals remained broadly balanced early in the week, with some improvement in cargo flows and a shortage of prompt tonnage providing support. The 'Mallika Naree' (30,195 DWT, 2008) fixed basis APS Recalada for a trip to West Africa at $16,750, whereas the 'Friederieke Schulte' (40,058 DWT, 2015) was heard fixed for loading via Pecem to US Gulf with steels at $18,500. Also, a 36,000 DWT in West Africa fixed for 2 Laden Legs with redelivery in Asia at $13,000 basis APS Durban. The overall Atlantic picture nevertheless remained less convincing than the Pacific, with limited demand in several loading areas restricting upward momentum.

The period market also remained active, although reported activity was limited to a handful of fixtures. The 'Darya Mahi' (39,760 DWT, 2024), open Jakarta, was reported fixed for a short period at $19,500, while the 'Asahi Bulker' was fixed for two to three laden legs with delivery in September. These fixtures reflected continued interest in short-term employment despite the generally positional nature of the market.

Representative Handysize Fixtures								
Vessel Name	Deadweight	Year Built	Delivery	Laycan	Redelivery	Rate	Charterers	Comment
C Tiger	35.693	2011	Iskenderun	prompt	NCSA/USG	$9,850	cnr	
Mallika Naree	30.195	2008	Recalada	prompt	West Africa	$16,750	cnr	
Darya Mahi	39.760	2024	Jakarta	16-20 Aug	WW	$19,500	cnr	short period
China Spirit	35.097	2013	St Lawrence	prompt	Morocco	$19,500	Cam Negoce	
Iron Maiden	36.371	2014	Cebu	prompt	WW	$17,000s	Norden	laden legs

Sale & Purchase

Almost counter intuitively, the peak summer period has provided us with a number of transactions, many of which concern younger, larger vessels (although there are rumors of a few mid-aged geared ships dotting the horizon). Another trend rising from the sluggish summer season is that there are also quite a few enquiries for vintage Handysize and Handymax, as well as turn of the century Supramax bulkers out of the F.E. With prices remaining firm – in some case, still firming, and at the very least, well above levels seen 6 months ago – we are now seeing demand for vessels on opposite sides of the age spectrum, i.e. enquiries for modern tonnage as well as for vintage vessels. The battle for young ships continues as 'heavy hitters' look to renew or modernize their fleets. And as prices stay buoyed, it seems buyers interested in investing on a more frugal budget are 'forced' to look at older tonnage to make ends meet (with the caveat that they are able to operate older ships in areas and trades with less stringent regulations). There are even requirements for late 90s built ships floating around. While the freight market is rolling on and subsequently strengthening the secondhand arena, ships of most ages are garnering interest. As a result, we are seeing supply answer this appetite with the injection of older ships into the market.

Starting with Capes, values here are in step with the overall trend of stable and/or firm prices. The 'Orange Tiger' (181K, 2011, Imabari) was sold to Greeks for about $36.5 mio with very favorable SS/DD positions. Her sister was sold less than 6 months ago at similar levels. The 'Cape Condor' (180K, 2010, Koyo) found suitors for a firm $39 million. Her sister was reported sold in January for about $35 mio. Kamsarmaxes had a busy last couple of weeks. A trio of 2015-built ships made news, 2 of which are pure Japanese pedigree, while the third was built at the Japan-affiliated Zhoushan facility. Namely the scrubber-fitted 'Medi Positano' (81K, 2015, Tsunieshi, the 'Royal Hope' (81K, 2015, JMU), and the 'Presinge' (81K, 2015, Tsuneishi Zhoushan) all fetched region $31 mio. To illustrate the strengthening to this segment's values, in March a one year younger Japanese K'max sold for about $28.5 mio. Piggy-backing off the above trio's firm numbers, the 'Mont Fort' (82K, 2012, Tsunieshi Tadotsu) was reported sold this week for a comparatively softer $22 mio, well below a number reflecting the normal depreciation for a ship three years old than the aforementioned trio. However, when pegged against other non-eco ships similar in age, this deal looks to be market level, thus showing firm numbers for the younger, eco units of the segment. The Ultramax 'Gramos' (61K, 2019, NACKS) was scooped up by Greeks for about $34.5 mio, reaching levels similar to those achieved by a 2020, Japan built Ultra six months ago. And in today's market, this NACKS sale keeps pace with 2020 Japan built Ultras.

Reported Recent S&P Activity

Vessel Name	DWT	Built	Yard/Country	Price $Mil.	Buyer	Comments
Princess Eternity	182.263	2022	Jmu/Japan	78	Undisclosed buyers	3 years bbhp
Lady Deena	182.588	2020	Jmu/Japan	region 70	Chinese buyers	Scrubber fitted
Aashna	179.253	2012	Hhic/Philippines	37.5	Chinese buyers	
Cape Condor	180.253	2010	Koyo/Japan	39	Undisclosed buyers	Scrubber fitted
Pont Rouge	99.992	2021	Tsuneishi Zhoushan/China	37	Undisclosed buyers	
Scion Mathilda	82.144	2024	Jiangsu New Hantong/China	41.9	Castor	Already delivered
C.S. Olive	82.175	2009	Tsuneishi/Japan	region 17	Undisclosed buyers	
Bbg Wuzhou	81.895	2016	Tsuneishi Zhoushan/China	29	Undisclosed buyers	Online auction
Medi Positano	81.661	2015	Tsuneishi/Japan	high 31	Undisclosed buyers	
Mont Fort	82.113	2012	Tsuneishi/Japan	22	Greek buyers	Scrubber fitted
Yarra	78.184	2015	Sasebo/Japan	28.5	Chinese buyers	Eco m/e
Marvel I	79.200	2011	Cosco Dalian/China	low 13	Undisclosed buyers	
Exelixsea	76.361	2011	Oshima/Japan	17.2	Undisclosed buyers	
G.B. Corrado	77.061	2008	Oshima/Japan	15	Undisclosed buyers	
Benjamin Oldendorff	62.623	2020	Oshima/Japan	xs 37	Undisclosed buyers	
Britta Oldendorff	62.623	2020	Oshima/Japan	xs 37		
Gramos	61.171	2019	Nacks/China	34.5	Greek buyers	
Blue Akihabara	61.630	2014	Nacks/China	25.5	Undisclosed buyers	Eco m/e
Amis Wisdom VI	61.456	2011	Shin Kasado/Japan	22	Undisclosed buyers	
Ivs Crimson Creek	57.945	2014	Shin Kurushima/Japan	mid 23	Undisclosed buyers	Eco m/e
Lila Frostburg	56.425	2013	Jiangsu Hantong/China	high 16	Undisclosed buyers	
Global Oriole	58.716	2012	Nacks/China	mid 19	Undisclosed buyers	
St Paul	57.982	2010	Tsuneishi Cebu/Philippines	mid 16	Vietnamese buyers	
Lila Mundra	57.269	2009	Stx Dalian/China	12.5	Undisclosed buyers	
Ocean Hiryu	52.982	2003	Oshima/Japan	7.9	Chinese buyers	
Atlantic Star	37.065	2018	Oshima/Japan	26	Undisclosed buyers	Delivery December 2026
African Harrier	37.707	2014	Imabari/Japan	20.2	Undisclosed buyers	Eco m/e
Ikan Landuk	37.115	2013	Onomichi/Japan	very high 16	Undisclosed buyers	Ohbs
New Journey	36.371	2015	Shikoku/Japan	19.8	Undisclosed buyers	
Sakura Dream	38.213	2013	Imabari/Japan	18.5	Undisclosed buyers	
Amira Diana	36.009	2010	Samjin/Chin	11.5	Undisclosed buyers	
Asahi Ocean	32.085	2013	Hakodate/Japan	low 15	Undisclosed buyers	Semi-boxed
Blue Union Alpha	28.386	2011	Imabari/Japan	9.65	Undisclosed buyers	

The reported fixtures and S&P deals are obtained from market sources.