

Small ships win hearts, earn cash: Handysize bulk carriers steal S&P limelight

Owners such as Tomini Shipping, Load Line Marine and Alma Shipmanagement bulk up on secondhand tonnage

Relative earnings stability at elevated levels has kept handysizes firmly on buyers' radar screens this year, even at times in which interest for larger, volatile bulkers vanished.

It is not therefore surprising that handysizes accounted for about half of all bulkers that have changed hands so far this year. Deal-making activity even accelerated in recent days as freight markets recovered after the Chinese New Year holiday.

“Buying appetite is growing [as] ... interested parties previously on hold screen the market for available ... candidates,” analysts at Athens-based Intermodal wrote in a report on 15 February.

Such interest is underpinned by expectations that demand for grains and minor bulk cargoes, which are typically carried on handysizes, will see further growth in 2022, according to another report this week by Seaborne Shipbrokers.

“Focus seems to be on mid-aged and older vessels, which are ... more modestly-priced than their younger counterparts — albeit at comparatively higher levels than one-and-a-half years ago,” Doric Shipbrokers said.

The latest handysize deals cited by brokers and ship-management sources broadly fall into that pattern. It is characteristic that much of the buying comes from companies that were already in expansion mode last year and have now resumed acquisitions.

The biggest handysize deal featured in broker reports this week involves the acquisition of the 37,900-dwt pair Sea Angel and Sea Breeze (both built 2016) by Tomini Shipping for \$23m each.

Managers at Tomini declined to comment on the reports, citing standard company policy. Presumed sellers Inci Denizcilik of Turkey did not respond to a request for comment.

Tomini last bought a 38,000-dwt handysize pair in December from Taylor Maritime Investment.

Market sources say there is a scarcity of available sale candidates in that particular handysize category. That is probably why Greece's Brave Maritime is biding its time before deciding to part with the 38,300-dwt Glorieuse (built 2012).

Several brokers reported the vessel as sold this week, but ship-management sources told TradeWinds that no deal has been concluded to sell it. The Glorieuse, which is due for special survey in September, attracted four bids but its owner is pushing for a higher price.

Load Line getting bigger

Another Greek company on a steady expansion course in the handysize sector is Load Line Marine, which is said to be spending about \$15.5m on the 34,400-dwt Majesty (built 2011).

The Majesty was sold by Greek peer Cosmoship Management, a canny asset player that has been using profits from handysize bulker and feeder container ships last year to expand in bigger types of bulkers, as TradeWinds has previously reported.

Managers at both Load Line and Cosmoship declined to comment.

The Majesty would be Load Line's second acquisition since late October when the George Souravlas-led outfit acquired the 36,000-dwt Renate (built 2013, renamed Stellar Trader), reportedly for about \$18m.

Another likely handysize buyer from Greece is Alma Shipmanagement & Trading, which brokers linked earlier this month to a purchase of the 28,400-dwt Royal Innovation (built 2011) from Japanese owners for between \$12.5m and \$13m.

Managers at Alma declined to comment on the information.

However, the low-profile company is known to be in expansion mode, having acquired two similar ships in the middle of last year — the 28,300-dwt Loveland Island (renamed Lady Dimine, built 2010) and 28,200-dwt Crystal Island (renamed Lady Miraf, built 2011) — for a total of about \$18m.

By Harry Papachristou in Athens, Tradewinds. Published in 18 February 2022 10:20 GMT