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Gibson Sale & Purchase Market Report



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Dry Cargo – Greek Gumption

While geopolitical tensions have begun to weigh on the S&P markets, leading to a slowdown across most segments, Greek buyers are defying the trend. Despite the turbulent climate, Greek interests dominated the buying side of this week's reported transactions, with a clear focus on relatively modern tonnage.

The sale of the **CCS ORCHID** (81,996 dwt/ built 2017 in Jiangsu Newyangzi, China) is a prime example; the vessel attracted a remarkable 19 offers before being committed to Greek buyers for US\$ 27.8m. This represents a notable step up from the US\$ 27.5m paid for the **DUKE SANTOS** (81,982 dwt / built 2019 in Jiangsu Newyangzi) in Q3 of last year, signalling rising asset values and strong confidence among shipping's most seasoned investors. Beyond the Kamsarmax sector, the 38k dwt Handysize segment also saw significant Greek-led activity. However, with the charter market sliding this week and geopolitical uncertainty clouding investment assumptions, the sustainability of these high asset prices remains to be seen.

Tankers – Dire Straits

With the ongoing situation in the Middle East and an extremely difficult-to-interpret geopolitical environment, activity has stalled compared to the busy weeks at the beginning of the year. Owners are sitting comfortably on their tonnage controlled in an absolutely booming freight market, and asking for significant price premiums, leading to huge deltas in ongoing pricing discussions. A few sales did materialize this week, as expected, at very strong levels.

The LR2 **GREEN ATTITUDE** (112,532 dwt / built 2018, Cosco Zhoushan, China) has now been sold to a Greek interest at US\$ 70m, following earlier sales rumours for the vessel at around US\$ 55m just a few weeks prior to the Iran attack. Pricing, especially for larger tankers of the Aframax/LR2 and bigger sizes, remains highly affected by the super-hot spot market and daily sentiment. Hence, one of the few deals we expect to see in the near future in this size segment, where Buyers and Sellers actually find a price level that makes sense for both parties.



Two zinc-coated MR tankers, the **FINNANGER + FJELLANGER** (46,270 dwt / built 2009+2010, Hyundai Mipo, Korea), are reportedly sold at a very healthy US\$ 48m en bloc to undisclosed interest. The MR Tanker **S FONTVIEILLE** (49,990 dwt / built 2013, Hyundai Mipo, Korea) was sold to Velos in Greece for US\$ 32.5m, with her DD due in 9/26. Earlier in the year, we reported the sale of the 2013 blt Hyundai Mipo blt MR tanker, the **Doric Pioneer**, at US\$ 29.5m, and new pricing obviously reflecting the new earning potentials in these markets.

Newbuilding – War Footing

Substantial tanker newbuilding activity has remained ongoing and notable since the beginning of the Iranian war. Hengli has an LOI with Greek interests for Suezmaxes at a region US\$ 86m for 2028 delivery, and Dynacom has also taken further VLCC slots at Hengli for Q4/2028-Q1/2029 delivery at a region US\$ 124m. Optional contacts on MRs at Yangzijiang and on Suezmax at DH Shipbuilding have been exercised, underscoring further confidence in forward investment. Suezmax enquiry remains robust in South Korea at the main yards with unsolicited offers in the region of US\$ 90m being passed to the yards. However, the big yards are prioritizing slots for containers, VLAC, and LNG. As a general comment, we see disruptions in the marine equipment supply chain, at some point in the future, likely impacting newbuilding pricing and general inflation, also as a result of the war.

Recycling – Troubling Times

The recent Geopolitical tensions and the closure of the Strait of Hormuz have recyclers waiting in anticipation of a flurry of ships for Recycling. However, there don't appear to be any signs of this happening any time soon, as Charter rates remain firm across all segments! Local steel markets in India and Bangladesh have improved, as supply remains extremely tight. The current market scenario has given 'new life' to older LNG Carriers, as some units that were destined for recycling have stalled in the hope that owners will find employment. Meanwhile, there has been significant news in Gadani as Pakistan has established its first Class NK-approved Green Recycling yard. There are a few other yards working towards the same goal, and we expect them to complete their certifications by the end of the year.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
ALIADO	177,022	2005	Namura (Japan)	Chinese buyer	-	SS psd 9/25. BWTS.
SPIRIT OF HO-PING	82,152	2011	Tsuneishi (Japan)	Greek buyer	19.35	DD due 12/26.
CCS ORCHID	81,966	2017	Jiangsu Newyangzi (China)	Bright Navigation	27.8 (A)	Online auction. DD due 9/26. BWTS.
GEMMA + CASDA	64,000	2017 + 2018	Tsuneishi Zhoushan (China) + Tsuneishi Cebu (Philippines)	Greek buyer	61.4 (en bloc)	SS due 11/27. BWTS + DD due 9/26. BWTS.
SINOP	63,200	2013	Yangzhou Dayang (China)	Greek buyer	22.50	SS due 1/28. BWTS.
CLOVER	61,377	2013	Iwagi (Japan)	Undisclosed	21.00	SS due 11/26. BWTS. Scrubber.



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KOUSHUN	60,297	2018	Saiki (Japan)	Undisclosed	-	DD due 3/26. BWTS.
SOMNATH	55,707	2005	Oshima Zosen (Japan)	Chinese buyer	8.60	DD due 11/26. BWTS.
VALIANT	55,561	2009	Hyundai Vinashin (Vietnam)	Undisclosed	13.40	DD due 12/27. BWTS.
NORD SANTIAGO	39,475	2018	Jiangmen Nanyang (China)	Undisclosed	22.00	OHBC. DD due 8/26. BWTS.
WECO JOSEFINE	38,592	2018	Tsuneishi Cebu (Philippines)	Polforce Shipping	-	DD psd 10/25. BWTS. Renamed.
PACIFIC HARMONY	38,139	2013	Imabari (Japan)	Greek buyer	18.20	DD due 5/26. BWTS.
DL LAVENDER	35,194	2014	SPP (Korea)	Greek buyer	15.80	DD due 1/27. BWTS.

TANKERS

SEASILK	317,826	2006	Hyundai Samho (Korea)	Sinokor	-	SS due 11/26. BWTS. Scrubber.
KONDOR	296,714	2012	Jiangnan Changxing (China)	Sinokor	-	DD due 4/26. Scrubber.
SEAWAYS PECOS	158,465	2012	Samsung (Korea)	Tankers International	-	SS due 4/27.
GREN ATTITUDE	112,532	2018	COSCO Zhoushan (China)	Greek buyer	70.00	DD due 10/26. BWTS. Scrubber.
STI OSCEOLA + STI SENECA	49,990	both 2015	Hyundai Mipo (Korea)	Undisclosed	35 each (en bloc)	Deepwell. SS psd 4+6/25. BWTS. Scrubber.
S FONTVIEILLE	49,990	2013	Hyundai Mipo (Korea)	Velos	32.50	Deepwell. DD due 9/26. BWTS.
FINNANGER + FJELLANGER	46,270	2009+2010	Hyundai Mipo (Korea)	Undisclosed	48 (en bloc)	Deepwell. Zinc. SS psd 1+3/25. BWTS. Scrubber.

CONTAINERS / RO-RO / REEFER / PCC / PCTC

LUCIE SCHULTE + MARGARETE SCHULTE	34,457	2006	STX Jinhae (Korea)	European buyer	50 (en bloc)	2,602 TEU. Geared. SS due 8+11/26. BWTS.
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NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Danaos	Newcastlemax	211,000 dwt x 2	Dajin Offshore (China)	2028	74.00	Options declared.
Pan Ocean	Newcastlemax	210,000 dwt x 2	Undisclosed	2031	-	Options declared. LNG DF.
Uni Asia	Handysize	40,000 dwt x 1	Imabari (Japan)	2028	-	
Changhang Freight, China Merchants	Handysize	20,000 dwt x 2	New Jiangzhou (China)	2027	-	LNG DF.
MPP / GENERAL CARGO						
Amisco	MPP	5,900 dwt x 2	Jiangsu Dajin (China)	2027	-	



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TANKERS						
Dynacom	VLCC	306,000 dwt x 4	Hengli (China)	2028-2029	124.00	
Venergy	Suezmax	158,000 dwt x 2+2	CSSC SWS (China)	2029-2030	82.00	Scrubber.
Capital	Suezmax	157,000 dwt x 4	Hyundai Samho (Korea)	2028	89.50	Conversion from 8.8k TEU neopanamax. Options declared.
D'Amico	MR2	50,000 dwt x 2+2	New Yangzi (China)	2029	45.40	Options declared.
Simonsen	Tanker	3,500 dwt x 2	Ada Shipyard (Turkey)	-	-	Diesel-Electric.
CONTAINERS / RO-RO / REEFER / PCC / PCTC						
Yang Ming	Containership	13,000 TEU x 6	TBN	-	-	LNG DF.
Wan Hai Lines	Containership	9,200 TEU x 2	CSSC SWS (China)	2030	102-112	
Wan Hai Lines	Containership	6,000 TEU x 6	CSSC Huangpu Wenchong (China)	2030	75.2-82	LNG DF.
Namsung	Containership	4,300 TEU x 2	CSSC Huangpu Wenchong (China)	2028	-	
Dongyoung	Containership	1,900 TEU x 2	CSSC Huangpu Wenchong (China)	2028	-	
GAS (LNG / LPG / LEG / LAG)						
Emarat	VLAC resales	93,000 cbm x 2	Hengli (China)	2027	105.00	LPG DF.
Transpetrol	VLGC	88,000 cbm x 2	Hyundai Samho (Korea)	2028	115.40	
Tianjin Southwest	Handysize	25,000 cbm x 1	CSSC Huangpu Wenchong (China)	-	-	Ammonia DF.

Recycling Prices (US\$/LWT)

	India	Pakistan	Bangladesh	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	450 - 460	445 - 455	440 - 450	280 - 290
Bulkers / Tween / General Cargo	430 - 440	425 - 435	420 - 430	260 - 270

Newbuild and Second Hand Benchmark Values (\$ million)

Historical Average Values (\$ million)

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	128 (Scr)	139 (Scr)	110.00	57.70	90.60%
Suezmax	87 (Scr)	90.00	75.00	41.60	80.10%
Aframax	76 (Scr)	75.00	62.50	34.00	83.60%
MR	50.00	47.00	37.00	23.40	58.40%
Bulkers					
Capesize	75^	68.50	52.50	28.90	82.00%
Kamsarmax	36.5^	36.50	28.50	19.30	48.00%
Ultramax	33.5^	35.00	27.00	16.30	65.60%



Handysize	29.5 [^]	28.00	21.00	13.60	55.00%
[^] = Chinese price (otherwise based upon Japanese / Korean country of build)				~ = Basis standard contemporaneous DWT/spec for each type.	

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CJC Market News



Campbell Johnston Clark (CJC) is a medium-sized international law firm advising on all aspects of the shipping sector, from ship finance to dry shipping and comprehensive casualty handling, and all that happens in between. Today, we have offices in London, Newcastle, Singapore, Genoa, and Miami.

Should Seafarers "Show Guts" and Transit the Strait of Hormuz?



US President Donald Trump has reportedly urged shipowners to "show some guts" and transit the Strait of Hormuz, following the first loaded Suezmax departure from the Gulf since hostilities began. Iran, meanwhile, has threatened to "set ablaze" any vessel that attempts the transit.

Seafarers find themselves caught squarely in the middle. According to the Secretary General of the IMO, there are approximately 20,000 seafarers onboard cargo vessels in the

affected areas.

Under the Maritime Labour Convention 2006, seafarers have an unqualified right to repatriation when a vessel is bound for a war zone to which they do not consent. This right applies when an area has been designated as Warlike or High Risk. The Persian Gulf, Straits of Hormuz and the Gulf of Oman were formally designated a high risk area by the International Workers Federation and the UK Warlike Operations Area Committee (WOAC) on 7th March.

Critically, these provisions cannot be suspended on grounds of commercial pressure or operational necessity. Where the vessel is already within such an area, a seafarer may withdraw consent to continue the voyage, at which point the shipowner bears a positive obligation to repatriate. Where repatriation is not immediately possible, as has been the case in the Middle East due to airspace restrictions and airport closures, the shipowner must keep the seafarer safe, accommodated and paid until safe passage becomes available.

The risk to life is tangible. Reports of Indian seafarers trapped in a burning accommodation block following a missile strike are a stark reminder of what the consequences of a transit through the Straits now means in reality.

In this context, the commercial dynamics are significant. With VLCCs commanding extraordinary freight rates and owners under intense pressure to perform on contractual obligations, the conditions are ripe



for seafarers to be coerced, whether overtly or by implication, into continuing voyages they have a right to decline.

It is reasonable to assume that a significant number of seafarers remain unaware of the protections afforded to them under the MLC, making the role of informed shipowners, managers and unions even more important to protect vulnerable seafarers in a time where the urge to meet pressing commercial imperatives may potentially put lives in danger. Commercial imperatives should not override legal rights.

Iran Conflict and the Strait of Hormuz: The Unsafe Port Warranty



The conflict in Iran and Iran's retaliatory attacks across the Persian Gulf have highlighted the strategic importance of the Strait of Hormuz and the commercial consequences of the conflict on maritime traffic, particularly in the oil and gas trade. Market participants have been confronted not only by war risks issues but also related concerns as to the safety of Gulf ports and its effects on the parties' contractual obligations.

In a time charter context, the charterer ordinarily and primarily warrants that it will nominate only 'safe ports' to which the owner's vessel may proceed. That means that, if a port subsequently becomes unsafe after nomination, the owner is entitled to avoid proceeding to that port and the charterer must, as a secondary obligation, give fresh orders to proceed to alternative safe ports. Danger has been held to extend to political risks: see, for example, *The Evia (No 2)* (1982). Ironically, much of the case law on unsafe ports, such as the *Evia (No. 2)*, was forged on the anvil of the last Iranian war in the strait of Hormuz.

As is now well known, the Strait of Hormuz is effectively closed to ships. Iranian attacks on vessels in the Strait also appear to be happening indiscriminately; at the time of writing, the Thai-flagged *Mayuree Naree* is currently on fire having been struck by two projectiles fired by the IRGC and is the thirteenth vessel to have been attacked thus far. This is likely to further unsettle the Southeast Asian market given that Thailand is not militarily involved in the conflict. This may mean that all Gulf ports are arguably unsafe because the danger of a missile attack on a given ship cannot be avoided by good navigation and seamanship, given the narrow geography of the Strait. What this means for chartering instructions that bypass or transit the region still remains unclear.

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