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Gibson Sale & Purchase Market Report



With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services.
+44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk

Tankers – Steady Eddie

Keen followers of second-hand tanker markets could be forgiven for feeling a little underwhelmed by the current state of affairs. An unusually active August had appeared to presage an aggressive end to Q3 and start to Q4, with multiple buyers lining up to compete on some vessels, particularly on the clean side. While recent weeks have indeed seen a steady string of fixtures reported, the feeling is now rather one of steady trading rather than frantic competition, as the pool of actual buyers is beginning to look more like a pond than a lake.

So much for the demand side; on the supply side of things, the reality is that the inventory of vessels actively or potentially for sale is simply too ample for anything but the most seismic of freight rate shocks to really push prices up any higher. While such shocks could yet happen given the volatile global economic and political landscape, for the time being liquidity and prices seem set to continue at their current pace.

Dry Cargo – Golden Weak

With the advent of Golden Week holidays in China we have already seen the repercussions in the dry freight market with yesterday's indices showing the first falls in all sizes for some time. History has shown us that this decline can generally last for about a month with different degrees of pain and it remains to be seen what this year will bring, but on the flip side the post drop inevitable recovery is also variable on whether it's a quick and strong improvement or otherwise.

Interest in dry cargo vessels remains buoyant with reported sales across all sectors. Prices seem to remain relatively static although there does appear to be a few anomalies. For instance, the sale of the Greek-controlled kamsarmax "**MAGIC ARGO**" (82,238 dwt / built 2009 Oshima, Japan) at US\$15.75m looks like an attractive price for buyers, given the last similar sale in was back in May with the "**THALASSIC**" (81,426 dwt / built 2009 Universal, Japan) at a very strong US\$21m. Similarly, Swires



are reported to have sold three handy bulkers built 2015 for US\$19.5m each, it was only back in March they committed three one-year older sisters to the same buyers for a price in low 20's. On the ultramax side we understand the Japanese controlled "**SANTA VICTORIA**" (61,434 dwt / built 2012 Iwagi, Japan), which invited offers this week, has seen US\$19.5m and given the year newer "**LOWLANDS BREEZE**" was sold in early September for US\$20.8m we anticipate this vessel will likely be committed soon. Offers were invited today for kamsarmax "**AOM GEORGINA**" (82,146 dwt / built 2014 Tsuneishi Cebu, Philippines) and given that the vessel is scrubber-fitted owners will be looking to conclude at levels substantially above those achieved by the year older, unscrubbed "**NAVIOS SOUTHERN STAR**", which was concluded in August for region US\$21.8m.

Recycling – Positivity

A fairly lacklustre week in the world of ship recycling with just a few sales to report (most of those sales being reported this week are in fact old ones that have come to light). There appears to be a speculative offers / acceptances on some ships being negotiated, which would indicate the on sale price from the breakers themselves may not necessarily be in line with what the cash buyers have paid, although there is no denying prices are pretty firm. This could be positive sentiments that prices will hold firm, but in part this could also be because of the stiff competition on what appears to be just a relatively small amount of sales candidates on offer. The Indian market is still paying top dollar and you would expect most tonnage currently being sold should find its way to the beaches of Alang, and whilst Pakistan is a close second, and Bangladesh a distant third, the fact that India is the only destination where there are no L/C problems (both Pakistan and Bangladesh continue to grapple with Letters of Credit issues) this gives them an added edge when offering and getting tonnage delivered.

Newbuilding – Tanker Temperament

Further suezmax orders are emerging in Japanese yards confirming earlier reported activity. The Japanese have been able to be competitive at low US 80s mill with the slide in the Yen, but increased interest has now pushed pricing back up toward mid USD 80s mill level. Interest continues in MRs as owners note the lack of investment, or likely investment, in the MR1 and LR1 sectors. This should benefit MRs as those respective ships have a significant proportion of vessels 15yrs+ of age. Bulker activity continues on the medium sizes and in some of the second-tier Chinese yards these are taking tanker suitable slots creating more uncertainty for tanker owners looking to order but with the 'when' question holding them back.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
BLUE HORIZON + CLEAR HORIZON	207,900	both 2012	NACKS (China)	Neu Seeschiffahrt	30.5 each	DD due 5+8/25. BWTS.
NAVIOS BEAUFIKS	180,310	2004	Koyo (Japan)	Undisclosed	reg 13	DD due 10/24.
SUIGO	174,802	2011	Namura (Japan)	Greek buyer	23.5	DD due 8/24. BWTS.
MAGIC ARGO	82,338	2009	Oshima (Japan)	Greek buyer	15.75	DD due 6/24. BWTS.
XING HONG DA 8	57,790	2012	Yangzhou Dayang (China)	Chinese buyer	12.7	DD due 1/25.



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SUPRA THESSAL	57,017	2010	Qingshan (China)	Indonesian buyer	11.5	SS due 1/25. BWTS.
HEILAN SONG	56,851	2011	Tianjin Xingang (China)	Undisclosed	13.1	DD due 12/24. BWTS.
KOUROUPI	56,047	2008	Mitsui (Japan)	Indonesian buyer	14.2	DD due 3/25. BWTS.
JAG ROHAN	52,450	2006	Tsuneishi Cebu (Philippines)	Undisclosed	9.15	DD due 1/24. BWTS.
FENGNING + FOOCHOW + FUNING	39,800	all 2015	Chengxi (China)	JP Morgan	19.5 each	SS due 1+8+10/25. BWTS. Logs. BBHP deal.
GOLD OAK	37,732	2017	Shimanami (Japan)	Undisclosed	24	DD due 12/25. BWTS. Logs.
COPACABANA	37,202	2011	Saiki (Japan)	Chinese buyer	15.35	OHBC. SS due 9/25. BWTS.
PURPLE SEA	35,214	2011	Nantong Changqingsha (China)	Undisclosed	high 10	DD due 6/24. BWTS. Logs.
21 LUCKY	29,756	2001	Shikoku (Japan)	Undisclosed	5.5	DD due 9/24. BWTS. Logs.
UNI AUC ONE	28,709	2007	Shin Kochi (Japan)	Undisclosed	7.8	DD due 10/25. BWTS. Logs.
GLORIOUS JUPITER	26,091	2013	Shin Kurushima (Japan)	Undisclosed	13.7	SS psd 8/23. BWTS.
TANKERS						
PYXIS EPSILON	50,124	2015	SPP (Korea)	TBN (for Military Sealift tender)	40.75	Deepwell. SS due 1/25. BWTS.
SHANDONG ZIHE	40,059	2004	Shina (Korea)	Undisclosed	14.45 *	Auction sale. SS due 3/24.
CONTAINERS / RO-RO / REEFER / PCC						
HAMBURG TRADER	13,710	2005	Jiangsu Jinling (China)	Undisclosed	reg 6	Ice 1A Super. 1,118 TEU. Geared. DD due 4/24.
GENERAL CARGO / TWEEN / MULTI-PURPOSE						
SEACON YOKOHAMA	13,500	2023	Murakami Hide (Japan)	Bank of Beijing FL	21.25	10 yrs BB back.. P/opt at yr5, p/obl end term.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Diana Shipping	Kamsarmax	81,200 dwt x 2	Tsuneishi Zhoushan (China)	2027-2028	46	LOI. Methanol dual-fuel.
Shoei Kisen	Ultramax	64,000 dwt x 4	JMU (Japan)	2026		Against TC to Ultrabulk.
AVIC Leasing	Ultramax	64,000 dwt x 4	New Dayang (China)	2026	32	Heavy down-payment.
CONTAINERS / RO-RO / REEFER / PCC						
CMA CGM	Containership	9,200 TEU x 8	SWS (China)	2026-2027		
CK Line	Containership	2,700 TEU x 2	Huangpu Wenchong (China)	2025-2026	reg 37	



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GENERAL CARGO / TWEEN / MULTI-PURPOSE				
Weihai Weitong	General Cargo	14,000 dwt x 1	Weihai Donghai (China)	2025

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	575 - 605	560 - 585	515 - 525	320 - 330
Bulkers / Tween / General Cargo	560 - 575	550 - 560	500 - 510	310 - 320

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	127.5	98.5	74	49.3	50.1%
Suezmax	85	73	58	35.1	65.2%
Aframax	69	63.5	51	27.4	86.1%
MR	47	40.5	32	19.5	64.1%
Bulkers					
Capesize	64.5^	47.5 (eco)	29.5	24.5	20.4%
Kamsarmax	35^	32	23	16.8	36.9%
Ultramax / Supramax	33^	28.5	19	14.4	35.4%
Handysize	30^	24.25	16.5	11.8	39.8%
				~ = Basis standard contemporaneous DWT/spec for each type.	
^ = Chinese price (otherwise based upon Japanese / Korean country of build)					

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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 and Miami.

Panama Canal Drought Causing Big Impact



Traffic has recently been limited in the Panama Canal due to drought. Problems began to develop in August when the average wait time increased from less than a week to a week and a half and a bottleneck of 162 ships built up.

As a result, the Canal Authority has placed restrictions on the number of vessels permitted to transit through the Panamax locks, with that number now standing at 14, down from 23. A draft restriction of 44 feet, down from 50 feet, has also been implemented and is expected to remain in place for the foreseeable future.

A further consequence of the issue is that many vessels have been required to lighten cargo before transiting, with freight rates rising in anticipation of Christmas.

The decision to cut the number of transits was made over introducing further draft restrictions to limit the effect on shippers.

Port of Valencia Warns of Cargo Diversion



The Port Authority of Valencia (PAV) has warned that there could be a diversion of cargo from European ports to other close-by non-European ports with the implementation of the European Emissions Trading System (ETS), which comes into effect on 1st January 2024.

The Emissions Trading System, also known as 'cap and trade', sets a cap on the amount of greenhouse gas emissions which shipping operators, operating vessels of over 5,000 gross tonnage, are allowed to emit. Where the ships emit more than the permits which they hold, they may choose to purchase more permits from the government or from other shipping operators. Conversely, shipping operators which have not exhausted their limits may trade their remainder. This incentivises the operators to reduce their carbon emissions. The ETS was extended to the shipping industry in May 2023 and is dependent on routes ships take.

With the implementation of the ETS, there is the possibility that there will be a reduction of the transshipment business with ships of Asian and American flag choosing to dock at other non-European ports such as Tanger Med in Morocco, East Port Said in Egypt, and Tekirdag Asyaport in Turkey. Accordingly, PAV has requested the EU to add these ports into the list of ports to be monitored to avoid what it calls 'carbon leakage' and states that environmental taxes should be applied to vessels stopping there.



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For more information, please contact:

James Clayton
Tel: +44 (0) 207 855 9669
Email: jamesc@CJCLaw.com
www.cjclaw.com



Gibson Shipbrokers
Tel: +44(0) 20 7667 1000
Email: sap@eagibson.co.uk
www.gibsons.co.uk

