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Gibson Sale & Purchase Market Report



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Tankers – Tanker Try On

Whilst strong buying interest persists in the tanker market, there's been a significant sale of the MR2 tanker "**NAVE EQUATOR**" (50,242 dwt / built 2009 SPP, S. Korea) at US\$ 26 m, indicating a potential downturn in asset values compared to recent sale of the "**GUNMETAL JACK**" (50,102 dwt / blt 2009 SPP, S. Korea) being sold at US\$ 27.5 m. Charter rates for MR tankers have also seasonally softened and maybe that, combined with a large number of 15-year-old MR2s being offered for sale, has attributed to the slight softening of values? Roll on the next sale to see if just an anomaly!

Conversely, the Aframax market remains robust, exemplified by the recent sales of "**PACIFIC JEWELS**" and "**PACIFIC TREASURE**" (115,063 dwt / built 2016 DH, S. Korea) both fetching in the high US\$ 60 m's, which look strong when compared to the two years younger "**PUSAKA JAVA**" (108,524 dwt / built 2018 Tsuneishi, Japan) which sold for US\$ 67.75 m recently but then failed.

Dry Cargo – Dry Time?

As we move into the depths of the summer season, we can now appreciate that this is reflected in sales activity which is pretty thin on the ground. Although we are seeing some activity from Far Eastern controlled tonnage with some of them inviting offer deadlines during the historical period. For instance, the South Korean controlled capesize bulker "**HL BALTIMORE**" (178,381 dwt / built 2006 Mitsui, Japan) reported achieving a price of excess US\$ 22 m from a Greek buyer which is relatively in line with the last done. The panamax bulker "**STAR IRIS**" (76,623 dwt / built 2004 Tsuneishi, Japan) is reported sold on an off-market basis, and prima facie, the price looks good and strong, but once the allowance is made for the vessel being scrubber fitted, the price is slightly softer than last done. Lastly, it appears that Devbulk has made a nice piece of asset play with the sale of the scrubber fitted handy "**SSI DARING**" (36,228 dwt / built 2017 Shikoku, Japan) at US\$ 26.7 m to HMM having reported purchased the vessel in March from Lauritzen for US\$ 24 m.



Recycling – Scrapings in the Shade

There is that current summer slowdown feeling about markets, and no more so than that of the scrapping world. Now is a good time as any, to escape what can only be described as a dead recycling market. Very few owners will be spending their summer breaks concerning themselves too much about the thought of scrapping their old ladies, but we do hope as we approach Q4 this may be more of a conversation point for some. We have only really been seeing random small-ish units being sold of late which is not nearly enough to satisfy shipbreakers, and for the summer months, this pattern will only continue. Although the local Sub-Cont markets are stable, demand is stagnant and price levels themselves seem to be going nowhere fast. It is time to contemplate things for a while longer in the sunshine as it seems.

Newbuilding – Summer Breeze

In what is becoming a weekly fixture, further MR orders have been placed in relatively new tanker yards in China notably Changhong and Huanghai. Pricing remains significantly cheaper in the region of US\$ 45 m compared to established facilities. Elsewhere there have been plenty of bulker (Ultramax) orders reported this week and also further container and LPG ongoing negotiations. As well as taking tanker capacity, such activity unpins newbuilding demand generally and yards' abilities to maintain or even increase pricing. Summertime is well upon us also and whilst holidays may provide owners some time for reflection, many remain occupied with looking for reinvestment opportunities from strong earnings and may well look further at yard opportunities.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel	Dwt	Built	Yard	Buyers	Price	Notes
Bulkers						
HL BALTIMORE	177,489	2006	Mitsui (Japan)	Greek Buyer	xs 22	SS 9/26
GLORY TRADER	77,684	2004	CSBC Kaohsiung	Chinese buyer	11.60	DD 08/25. BWTS
STAR IRIS	76,284	2004	Tsuneishi (Japan)	Undisclosed	13.10	Scrubber fitted
ALIYAH PERTIWI	73,461	2001	Tsuneishi (Japan)	Undisclosed	8.00	DD due 02/25. Geared .C 4x30T
SEACON YANTAI	56,944	2010	COSCO Zhoushan (China)	Indonesians	13.80	DD due 08/25
MAESTRO EMERALD	39,830	2020	Saiki (Japan)	Devbulk	reg 30	OHBS. SS/DD 06/25.Basis delivery in September in Atlantic
WESTERN LIMA + W' DURBAN + W' MIAMI + W' PARIS	39,000	all 2015	Jiangmen Nanyang (China)	Far Eastern buyer	19.5 each	SS due 4+6+7+11/25. BWTS.
LAGO DI COMO + LAGO DI CANCANO	37,650	2014	Qingshan (China)	Undisclosed	19.00	DD due 11/26. BWTS
SSI DARING	36,228	2017	Shikoku (Japan)	HMM	26.70	DD due 05/25. BWTS+Scrubber
Container						
KMARIN AZUR + KMARIN ATLANTIC	4,532	2013	Hyundai Samho (Korea)	MSC	53 en bloc	DD due 07/26



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PALERMO	2,890	1998	Kvaerner Warnow (Germany)	Chinese buyer	11.90	DD due 11/26
HS BUSAN	962	2006	Dae Sun (Korea)	Undisclosed	7.00	DD due 11/24
Tankers						
PACIFIC JEWELS + PACIFIC TREASURES	115,063	2016	DH Shipbuilding (Korean)	PetroVietnam	high 60s	SS 03/26. BWTS+Scrubber
PGC COMPANION	69,999	2005	Hudong Zhonghua (China)	Undisclosed	18.00	Pump-room. Trading dirty. DD due 10/26. BWTS.
NAVE EQUATOR	50,542	2009	SPP (Korea)	Undisclosed	26.00	SS/DD Due 09/24
TRF MOBILE + TRF MEMPHIS	37,295	both 2016	Hyundai Mipo (Korea)	Norwegian buyer	34.5 each	DD due 7+8/24. BWTS. Scrubber.

Newbuilding Orders

Client	Type	Size	Shipyard	Delivery	Price (US\$ mill)	Notes
Bulkers						
Sea Traders	Ultramax	63,500 dwt x 6	Sainty Shipbuilding (China)	2026-2027	32.00	
Monte Nero Management	Ultramax	63,500 dwt x 3	Nantong Xiangyu (China)	2025	-	
DryDel Shipping	Ultramax	66,000 dwt x 1	Tsuneishi Zhoushan (Japan)	2028	-	
Tankers						
Monte Nero Management	MR2	50,000 dwt x 4	Huanghai (China)	-	-	
Gas (LNG / LPG / LEG / LAG)						
BGN	VLAC	88,000 cbm x 2	Hyundai (Korea)	2027	123-124	

RECYCLING ACTIVITY

Recycling Prices (\$/Ldt)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	550 - 560	540 - 550	520 - 530	370 - 380
Bulkers / Tween / General Cargo	530 - 540	520 - 530	500 - 510	350 - 360

Newbuild and Second Hand Benchmark Values (\$ million)

Historical Average Values (\$ million)

Vessel Type	NB	5 yo	10 yo	10 yo ave~	10 yo ave % diff
TANKERS					
VLCC	130.00	115.00	85.00	51.80	64%
Suezmax	90.00	83.00	68.00	37.50	81%
Aframax	75.00	72.50	60.00	29.80	101%
MR	52.00	47.25	39.25	20.70	90%
BULKERS					



Capesize	76.50^	64.00	45.00	24.90	81%
Kamsarmax	37.50^	38.50	29.50	17.30	71%
Ultramax / Supramax	34.50^	36.75	28.50	14.60	95%
Handysize	30.50^	28.50	21.00	12.00	75%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)					
~ = 10 year old vessel over 10 years (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 and Miami.

Suez Canal Revenue Takes Hit from Houthi Rebels



The Suez Canal Authority (SCA) reported a revenue decrease of approximately \$2 billion this year as a result of the impact of Houthi attacks in the Red Sea. In the fiscal year (FY) 2023/24, the SCA's revenue dropped to \$7.2 billion from \$9.4 billion the previous year, marking a 23 percent decline. This year the total tonnage passing through the canal fell by a third and there was a reduction of almost 22 percent in the number of transits.

The Suez Canal is a vital revenue source for the Egyptian government and one of the country's top foreign currency earners.

While the canal's reduced revenue is problematic for Egypt, it has been beneficial for ocean carriers. The lengthy diversion around Africa has absorbed excess market tonnage, pushing spot rates back into profitable territory. The knock on effects of the route changes made to avoid the canal has resulted in congestion at key transshipment ports, with the domino effect of port congestion felt as far away as Singapore.

Maersk CEO, Vincent Clerc, addressed customers, explaining that all available ships, including previously underutilized ones, have been redeployed to manage the situation. Despite these efforts, significant challenges remain, including mismatched vessel sizes on certain routes and reduced capacity to meet demand.

This scenario presents a substantial revenue opportunity for carriers. According to Goldman Sachs, freight rates between China and the U.S. have surged by 500 percent this year, reaching levels reminiscent of the highly profitable late pandemic years.



UK Announces Designation of 11 Tankers in Further Crackdown on Russian Shadow Fleet



Less than two weeks into his tenure, UK Prime Minister Sir Keir Starmer is taking swift action against Russian tankers and the so-called "shadow fleet." – targeting a number of tankers which are considered to have violated the G7 price cap.

In an official statement, Starmer declared, *"Alongside our European partners, we have sent a clear message to those enabling Putin's attempts to evade sanctions: we will not allow Russia's shadow fleet, and the dirty money it generates, to flow freely through European waters and put our security at risk."*

At the European Political Community summit, he urged the 44 European countries and the European Union to combat the use of illegitimate vessels, which he cited as posing serious security and environmental risks to European waterways. The UK reiterated claims that some of these ships are functioning as "Russian listening stations" and others are suspected of transporting weapons.

The UK's latest sanctions include 11 additional tankers, eight of which are owned by the Russian state-run Sovcomflot. The EU has also ramped up its targeting of tankers which are suspected of forming part of the "dark fleet" and imposed strict sanctions on 27 different vessels last month as part of its 14th package of sanctions against Russia.

Starmer is expected to tell President Zelenskyy that the UK will intensify its efforts in the coming months to further restrict Russia's wartime activities.

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