

**CJC Exchange** is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

**In this issue:**

**Gibson Sale & Purchase Market Report**

Dry Cargo – Cape Slide | Tankers – Joyless June? | Newbuilding – Fortune Favours the Bold  
| Recycling – India Leads the Way | Sale & Purchase Market Report |

**CJC Market News**

X-Press Pearl Sinks Off Sri Lankan Coast with Environmental Implications | Shipping Industry Stakeholders Launch Gulf of Guinea Declaration on Suppression of Piracy | IMO Working Group Agrees Guidelines Supporting New Carbon Cutting Measures |

## 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](mailto:sap@eagibson.co.uk) - [www.gibsons.co.uk](http://www.gibsons.co.uk)*

### DRY CARGO – Cape Slide

The current slide in capesize freight rates has consequently dragged down the BDI despite the smaller sizes still showing positive gains. This may reflect the fall in volume of sales we are reporting, nevertheless values remain firm with strong prices reported across the board. For instance, the Japanese controlled "**RICH FUTURE**" (82,197 dwt/blt 2013 Tsuneishi Zhoushan, China) achieved a very respectable US\$22.7m. Although this sale is eclipsed by the sale of the "**ECLIPSE**" (79,471 dwt/blt 2010 Jinhai, China) for the stellar level of US\$16.8m, which shows a marked increase over the sale of the two year newer "**WANISA**" (79,401 dwt/blt 2012), which was sold in April at US\$15.5m. There is still plenty of activity for supra and handysize bulkers and prices continue to escalate.

### TANKERS – Joyless June?

The spot markets bob along at the bottom with no joy being given to tanker owners. There is increased enquiry for tonnage to purchase, but, without wanting to sound like a broken record, very little to show buyers. Newbuilding slots are being snapped up, which will most likely lead to some resale plays/flips as we near delivery time.

SKS have played the waiting game well and sold a third suezmax, the "**SKS SATILLA**" (158,843 dwt/blt 2006 Hyundai Samho) has gone for around US\$23m to a Vietnamese buyer. Even with recycling levels at strong levels the vintage aframax "**ORO SINGA**" (113,333 dwt/blt 1999 Samsung) has gone to Chinese buyers for US\$9.9m. The LR2 "**CHAMPION PLEASURE**" (105,852 dwt/blt 2008 Namura) was shown by NYK to the top three buyers of their same aged sister vessel, "**CHAMPION PROSPERITY**", a month ago. Union were the champion bidders and have picked her up at low US\$18m.

## NEWBUILDING – Fortune Favours the Bold

Further conventional design tanker newbuilding activity continues to emerge as reputable yards sell out their remaining prompt delivery slots. EURONAV with suezmaxes at Hyundai and Altomare also at Hyundai (Vinashin) for LR2s continues to highlight the split in the market between owners taking a position now versus a rigid "wait and see" strategy. There is a case to make that this is perhaps the last chance to order a reasonably priced (in historical pricing terms) conventional vessel with some alternative fuel preparation before pricing increases further at the yards (steel plate price and coming newbuilding demand from a returning tanker market). Further forward owners may expect pricing to reset in the next cycle but there may only be alternative propulsion designs available at dramatically higher cost and even if there are conventional designs available then these will deliver during much tighter environmental regulations than we see now and for the current delivery windows.

On the other hand, oil majors are expected to move more aggressively on emission cutting policies which may drive a further move into dual fuel LNG. Also, as an owner it is not feasible to operate a long term "wait and see" strategy as pressure for green credentials will emerge and keeping an existing fleet with no plans to make this more environmentally friendly will arguably start to affect financing and chartering opportunities. It is therefore understandable that some owners move to order today and blend these strategies with an alternative fuel "ready" set up in conventional designs (for retrofitting of best alternative fuel system when clear) and also to lock in what is historically reasonable pricing/delivery times today.

## RECYCLING – India Leads the Way

There was a sudden rise in local steel prices this week in Alang with India giving an incentive to Indian recyclers to match prices in line with their counterparts. Consequently, should markets continue to remain firm it won't be long before we see end buyer's from Alang also offering in range of US\$560-570/LT. Markets in Pakistan and Bangladesh continue to remain stable apart from a bit of softening seen in Bangladesh earlier in the week. Fundamentally markets are healthy and could continue to be so throughout 2021, although recently many sales particularly offshore and specialized vessels have been concluded on a private basis. We are yet to witness large volumes of ships getting scrapped each week and obviously should this state of affairs change then it is bound to be reflected in lower prices.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
RICH FUTURE	82,197	2013	Tsuneishi Zhoushan (CHN)	Blumenthal	22.7	DD due 8/21. BWTS fitted.
ECLIPSE	79,471	2010	Jinhai (CHN)	Sterling Shipping	16.8	SS psd 3/20.
ASL VENUS	75,928	2001	Kanasashi (JPN)	Chinese buyer	8.8	SS psd 7/20. No BWTS. Dely 12/21.
STAR ERACLE	58,018	2012	Yangzhou Dayang (CHN)	Undisclosed buyer	xs 15	SS+BWTS due 9/22.
OLYMPIC PEGASUS	56,726	2011	COSCO Guangdong (CHN)	Greek buyer	15	SS psd 4/21. No BWTS.
PRABHU GOPAL	56,025	2003	Mitsui (JPN)	Undisclosed buyer	10.5	

OLYMPIC PRIDE OLYMPIC PEACE	55,705 55,709	2006 2006	Mitsui (JPN) Oshima Zosen (JPN)	Greek buyer	12.75 each	SS psd 1/21 + BWTS fitted. SS psd 3/21 + BWTS fitted.
HOUYU	55,500	2010	Kawasaki (JPN)	Undisclosed buyer	15.5	SS psd 11/20. BWTS fitted.
ORANGE ISLAND	50,806	2010	Oshima Zosen (JPN)	Chinese buyer	13.5	Dely 12/21. Box- hold. Dely 10- 11/21.
INTERLINK COMITY	37,302	2010	Huatai Heavy (CHN)	Undisclosed buyer	high 12's	
SIDER SYROS	36,844	2016	Minami Nippon (JPN)	Orient Shipping	20.7	SS due 11/21. BWTS fitted. Tier II.
ASIA PEARL I + ASIA PEARL II ASIA PEARL VII + ASIA PEARL VIII	35,250	2010 + 2009 both 2009	Nantong Changqingsha (CHN) Nantong Changqingsha (CHN)	Turkish buyer / Chinese buyer	41 en bloc	
VIET THUAN 35 01	35,196	2011	Nanjing Dongzhe (CHN)	Undisclosed buyer	10.6	SS psd 3/21. BWTS fitted.
NEW GENERAL	35,009	2011	Shikoku (JPN)	Undisclosed buyer	13.5	SS due 8/21.
GRACE OCEAN	33,296	2013	Shin Kurushima (JPN)	Undisclosed buyer	15	
AKSON SARA	32,648	2010	Jiangsu Zhenjiang (CHN)	Undisclosed buyer	9.75	SS psd 12/20. BWTS fitted.
ES NEPTUNE	29,037	2012	Nantong Nikka (CHN)	Undisclosed buyer	8.2	SS due 2/22. No BWTS. Semi- boxed. Logs.
CHERRY ISLAND	28,050	2014	I-S Shipyard (JPN)	Undisclosed buyer	11	SS due 10/21. BWTS novated at separate cost.
BL COSMOS	18,976	2004	Yamanishi (JPN)	Undisclosed buyer	4.5	DD due 3/22.
LALINDE	18,500	2006	Yamanishi (JPN)	Undisclosed buyer		SS due 5/21.
<b>TANKERS</b>						
SKS SATILLA	158,843	2006	Hyundai Samho (KRS)	Undisclosed buyer	23	Coated, but trading dirty. SS psd 12/20.
ORO SINGA	113,333	1999	Samsung (KRS)	Chinese buyer	9.9	
CHAMPION PLEASURE	105,852	2008	Namura (JPN)	Union	low 18	Coated. SS psd12/20.
NORD LAVENDER	74,260	2017	Sungdong (KRS)	Trafigura	xs 31	SS due 7/22. Uncoiled.
LEON M	12,959	2008	STX Busan (KRS)	Viet Sing Shipping	5.5	Epoxy. IMO II. DD due 10/21.
LIPARI M	3,434	2002	Morini (ITL)	Russian buyer	3	Stainless steel. SS due 8/22.
<b>GENERAL CARGO / MULTI PURPOSE</b>						
PUFFY	12,222	2009	Lianyungang Wuzhou (CHN)	Navalmar	2.5 (A)	Auction sale.
ARIKUN	8,763	2007	Ben Kien (VNM)	Vietnamese buyer	2.8	Derricks. SS due 6/22.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
BLANDINE	65,700	2009	Zhejiang Ouhua (CHN)	Maersk	38	5301 TEU. Gearless.
NORDSUMMER + NORDAUTUMN	46,315	2007+2008	STX Jinhae (KRS)	CMA CGM	xs 66 en bloc	3,586 TEU. Gearless.

SONGA HAYDN CITY OF HONGKONG	41,989 34,295	2010 2009	Shanghai Shipyard (CHN) Xiamen (CHN)	Undisclosed buyer	58 en bloc	3534 TEU. Gearless. 2578 TEU. Geared.
SCIO SKY	38,309	2002	Gdanska (POL)	MSC	16.5	5301 TEU. Gearless.
X-PRESS KHYBER	38,096	2007	Nordseewerke (GER)	European buyer	24.5	2702 TEU. Gearless.
CONSHIP HUB + CONTSHIP GEM	12,895	2002+2003	Constantza (RUM)	MSC		1102 TEU. Geared. Already on TC to MSC.
VEGA OMIKRON	11,789	2005	Zhejiang Yangfan (CHN)	Contships		966 TEU. Geared.
ELKE	11,023	2005	Qingshan (CHN)	European buyer	xs 6	956 TEU. Gearless.

#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
Oldendorff Carriers	Capesize	182,000 dwt x 1	Namura (JPN)	2022		Tier III. Eco (EGRBP). New hull form.
Euronav	Suezmax	157,000 dwt x 3	Hyundai HI (KRS)	2023/24	199	enbloc
Evalend Shipping	Kamsarmax	82,300 dwt +2	Yamic (CHN)	2022-2023	27*	*Declared options.
<b>TANKERS</b>						
STX Marine Services	MR	50,000 dwt x 2	STX (KRS)	2023	35	Against long-term T/C to Pan Ocean.
<b>CONTAINERS / RO-RO / REEFERS / PCC</b>						
Wan Hai Lines	Containership	13,100 TEU x 4	Samsung (KRS)	2023	120	
Eastern Pacific Shipping	Containership	7,000 TEU x 4+2	New Times (CHN)	2023-2024	70 (^11)	Against 5-7 yrs TC to X-Press Feeders. (^Dual fuel option).
SITC	Containership	1,023 TEU x 8+2	Dae Sun (KRS)	2023	19.2	
<b>GAS</b>						
Dyangas	LNG	200,000 cbm +2	Hyundai HI (KRS)	2023		*Declared options. ME-GA dual fuel engine. Mk III Flex. Against 10 yr TC to Repsol.
Hyundai LNG Shipping	LNG	174,000 cbm x 1	Daewoo (KRS)	2023	196	
Maran Gas	LNG	174,000 cbm +2	Samsung (KRS)	2023	187*	*Declared options.
Evalend Shipping	VLGC	91,000 cbm +1	Hyundai Samho (KRS)	2023	80*	*Declared option. Dual fuel.

#### Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	95	71	48
SUEZMAX	64	48	33
AFRAMAX	53	41	26.5
MR	36.5	27.5	18

#### Indices

	C.O.B Friday
<b>BDI</b>	2438
<b>\$/Yen</b>	110.09

Bulkers				VLCC	
CAPE SIZE	56^	36.5	29.5	AG/East	32.5
KAMSARMAX / PANAMAX	31.5^	28k	20k / 18.5p	TD3 (WS)	
ULTRAMAX / SUPRAMAX	29.5^	23.5u	16.5		
HANDYSIZE	26^	20.5	14		

^=Chinese price (otherwise based upon Japanese / Korean country of build)

## 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.

### X-Press Pearl Sinks Off Sri Lankan Coast with Environmental Implications



The 2,743-teu Singapore-flagged X-Press Pearl (built 2021) which caught fire off the coast of Sri Lanka two weeks ago has now sunk it has been reported. The ship was only delivered in February of this year and had been carrying 1,486 containers, including 25 tonnes of nitric acid and 325 tonnes of bunkers.

The incident has resulted in 30 containers going overboard and “tonnes of plastic pellets” and chemicals being released into Sri Lankan waters, causing the navy to suspend fishing along an 80km of coastline.

Salvors had initially boarded the vessel with the intention of towing it to deeper waters. However this operation was halted after the vessel hit the sea bed.

The vessel was initially to call at Colombo on 19 May, however no berth was available and the vessel remained anchored in harbour waters. The vessel notified port authorities that smoke was coming from inside the vessel on 20 May after the ship’s agent had requested permission to unload and reassemble a box containing leaking nitric acid. It was reported that owners of the vessel, X-Press Feeders, had also made applications to offload the affected cargo at the ports of Hazira (India) and Hamad (Qatar).

Sri Lankan officials reported on 31 May that the plastic pellets and other hazardous waste have already started washing up on beaches, although there has been no oil spillage or leak from the vessel as yet.

The Maritime and Port Authority of Singapore is said to be investigating the cause of the incident, separately from the investigation being carried out by the Sri Lankan Authorities and owners of the vessel.

## Shipping Industry Stakeholders Launch Gulf of Guinea Declaration on Suppression of Piracy



Stakeholders in the shipping industry have increased efforts to end attacks on merchant ships in the Gulf of Guinea by launching the Gulf of Guinea Declaration on Suppression of Piracy. A grand total of 99 companies, organisations and flag states have so far signed the Declaration, including BIMCO. The aim of the Declaration is to highlight the extent of the piracy problem in the Gulf of Guinea and to encourage all stakeholders involved to address the problem with effective solutions.

The Gulf of Guinea remains the world's most active hotspot for maritime piracy and armed robbery. IMB's Piracy Reporting Centre reported that in 2020, 135 crewmembers were kidnapped from their ships. Of those 135 kidnapped, the Gulf of Guinea accounted for over 95% of those numbers. Nigerian pirates often launch their attacks from the Niger Delta and have a habit of holding seafarers' hostage.

The 99 signatories of the Declaration believe that piracy can be prevented through active anti-piracy operations and hope to reduce the number of pirate attacks by at least 80% by 2023. BIMCO have highlighted that the suppression of piracy can be achieved with as little as two frigates with helicopters and one maritime patrol aircraft. Non-regional countries must therefore provide the necessary assets on a rotation basis, whilst states in the area must support the effort with logistics and the prosecution of arrested pirates.

## IMO Working Group Agrees Guidelines Supporting New Carbon Cutting Measures



The International Maritime Organization's Intersessional Working Group on Reduction of GHG Emissions from Ships (the "Working Group") has agreed a set of draft guidelines to assist mandatory measures to slash carbon intensity from ships.

The guidelines will support the proposed measures which the IMO's Marine Environment Protection Committee ("MEPC") approved in their November 2020 meeting. The industry expects these measures to be adopted at the MEPC's next meeting in the middle of this month.

The proposed measures require vessels to adopt and combine a technical and operation approach to reduce carbon intensity. This would assist in the IMO's GHG Strategy of which the goal is to reduce carbon intensity from international shipping by 40% by 2030 when compared to 2008. The technical approach will be based on the new Energy Efficiency Existing Ship Index or EEXI while the operational approach is based on the operation carbon intensity indicator ("CII"). These will affect how the ship is equipped or retrofitted as well as how the ship operates.

The guidelines agreed by the Working Group which will be further considered by the MEPC will address the following draft guidelines:

- Guidelines on method of calculation of the EEXI;
- Guidelines on survey and the certification of the EEXI;
- Guidelines on the engine or shaft power limitation system to comply with EEXI requirements utilisation of a power reserve;
- Guidelines on the CII and methods of calculation of the same;
- Guidelines on reference lines for use with CII
- Guidelines on the CII reduction factors relative to the reference lines; and
- Guidelines on the CII rating of vessels.

The IMO states that the proposed amendments to MARPOL Annex VI and the guidelines will be essential for states and the industry to enforce and implement the new requirements, as well as providing a stepping stone for future energy efficiency measures.

Additionally, the Working Group also agreed the establishment of a Correspondence Group on Carbon Intensity Reduction. This group will finalise, amongst other things, the guidelines for a Ship Energy Efficiency Management Plan ("SEEMP") as well specific guidance on the verification and audit process of SEEMP.

IMO States that the draft amendments to MARPOL will require the organization to review the effectiveness and implementation of the CII and EEXI requirements by 1 January 2026 at the very latest and develop and/or adopt further amend the same. The IMO also states that the Initial GHG Strategy is to be revised by 2023.

The full IMO article on the agreement of the draft guidelines can be read [here](#).

For more information, please contact:

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



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

