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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.*  
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### DRY CARGO – Far from a Lull!

It's been another big week for the second hand bulk carrier markets, with numerous buyers ensuring firm activity across segments and age brackets. Starting at the top end of the market, JP Morgan paid just over US\$45m Oldendorff's Carriers' newcastlemax "**HARK OLDENDORFF**" (209,325dwt/blt 2016 YZJ). While the sale should set a benchmark for 5 year old capes, we understand the vessel will not be delivering until next year, indubitably factoring into the price considering the firm spot market. Meanwhile, George Economou-led DryShips has tied up two capes from Mssrs. Cara Shipping of Singapore - the "**STELLA LAURA**" and "**STELLA LUCY**" (both 180,000dwt/blt 2015 Qingdao Beihai) for US\$38m and US\$36.5m respectively; the higher price on the former being due to her having a BCI-linked TC until Feb-June next year.

It's interesting to note that the premium for Japanese-built vessels seems to be narrowing somewhat, considering that the "**CALICO JACK**" (61,305 dwt/blt 2015 I-S Shipyard), committed at a reported level of excess US\$27m this week, received a less than a 10% premium compared to last week's reported sale of the "**KOMI**" (63,605dwt/blt 2015 COSCO Zhoushan), which was sold for excess US\$25m. We would have typically estimated that, all else being equal, the differential should be in the order of about 15% as a rule of thumb, but with charterers being less choosy about what ships they take on in the current firm market, this decline in the premium should not come as a great surprise.

Generally speaking, the sense remains that this is very much a sellers' market, and that any buyer needs to be ready to pounce on any private candidates that should become available for an off-market sale, likely at a considerable premium to last done.

### TANKERS – Safety in Numbers

There's a palpable sense of the shipping community taking a siesta this week, as there are few headline deals demanding attention and tanker earnings remain stubbornly subdued. Even the reported sales seem more rooted in previous weeks' activity, with several units already delivered and renamed by the time of making the press.

In this vein, the **"SARPEN"** (105,656 dwt/blt 2002 Daewoo) is noted to have been sold at the end of July to unidentified Chinese interests for US\$12.2m. With recycling rates edging up continuously it is perhaps unsurprising to see a firmer price in excess of US\$12.5m paid for the similar **"ST HELEN"** (105,661 dwt/blt Samho) and yet more at excess of US\$13.5m for the larger deadweight, and more significantly lightweight, **"SEA FALCON"** (112,661 dwt/blt Samho), both to unnamed Chinese interests; these ships proving low risk investments given the purchase prices being broadly around US\$2m over their residual values.

Meanwhile in the products segment, a punchy price in of excess US\$12m each has been reported for pump-room sister ships **"DEE4 BIRCH" + "DEE4 ACACIA"** (53,712 dwt/blt 2006 Shin Kurushima), given that mid-high US\$12m has been paid out for the three year younger **"ANGEL 62"** (47,410 dwt/blt 2009 Onomichi). However, the DEE4 ships have just passed Special Survey with BWTS fitted and five-year anti-fouling paint applied, going at least part of the way to bridge the difference.

## RECYCLING – A Sunny Outlook but the Chance of Cloud

The recycling markets are in full swing, as more and more ships are being sold in excess of US\$600/LT. Particularly the Indian market continues to show strength with sentiments remaining bullish, with this week's highlight being the apparent sale of two containerships, rumoured to be in range of around US\$640-650/LT. However, there has been an increase in tax in Pakistan, due to which all buyers in Gadani have been forced to revise their prices downwards, potentially taking them out of the race to acquire tonnage. Also further rattling cash buyers and ship-breakers has been the arrest of two tankers in Gadani, after beaching, due to owners having some pending dues/claims.

Bangladesh further extended its lock-down until 10 August 2021, albeit whilst ship-breaking continues in full swing. Nonetheless, with Covid-19 definitely on the minds of breakers things seem to be cooling down a little on price levels offered. With India and Pakistan being on slightly lower levels compared to Bangladeshi buyers - will they even out? Furthermore, there is a general sense of a lot of ships have been sold or are under negotiations privately that may be bringing the long dry spell of 'lack of tonnage' to an end and prompting the question of whether a minor correction could be on the horizon.

## Gibson Sale & Purchase Market Report S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
HARK OLDENDORFF	209,325	2016	Jiangsu Newyangzi (CHN)	JP Morgan	45	Dely 1/22, SS psd.
STELLA LAURA STELLA LUCY	180,000 180,000	2015 2015	Qingdao Beihai (CHN) Qingdao Beihai (CHN)	Dryships	36.5 38	Inc. TC to 2-6/22. Inc. BCI linked TC to 11/21-4/22.
HARVEST SKY	95,717	2013	Imabari (JPN)	Greek buyer	23-23.5	DD psd 5/21. BWTS fitted.
OCEAN OPAL	81,177	2012	New Century (CHN)	Undisclosed buyer	19	Geared. Tier II. SS due 8/22.

CABEIRO	74,476	2007	Hudong Zhonghua (CHN)	Undisclosed buyer	13.3	SS due 1/22. No BWTS. Dely 11/21.
CALICO JACK	61,305	2015	I-S Shipyard (JPN)	Greek buyer	27.5	SS psd 11/20. Inc T/C @ 116% BSI to 4-8/22.
PHOENIX RISING	60,417	2015	Mitsui (JPN)	Greek buyer	27.5	SS psd 6/20. Inc T/C @ 110% BSI to 12/21-4/22.
ATLANTIC MERIDA	56,670	2012	Taizhou Kouan (CHN)	Undisclosed buyer	xs 15	SS psd 5/21. BWTS fitted.
DORY	55,705	2010	I H I (JPN)	Undisclosed buyer	17.5	DD psd 3/21. BWTS fitted.
YUNNAN	34,398	2015	Namura (JPN)	Undisclosed buyer	16	SS psd 5/20. BWTS fitted. Inc. TC @ \$9.5k pd to 12/22.
SHENG JIA HE 2	34,365	2013	Linhai Huajie (CHN)	Chinese buyer	11.15 (A)	Auction sale. Logger.
SAKURA KOBE	33,735	2011	Shin Kochi (JPN)	Undisclosed buyer	reg 16	Semi-boxed. BWTS fitted.
GREAT REWARD	31,785	2011	Guangzhou Huangpu (CHN)	Chinese buyer	13.25	SS psd 12/20.
AMIRA ILHAM	28,434	2009	Shimanami (JPN)	Undisclosed buyer	11.5	DD due 8/22.
MONTROSE	27,028	2001	Jingjiang (CHN)	Undisclosed buyer	4.5	SS due 9/21. Renamed.
SEXTA	18,367	2000	INP (KRS)	Undisclosed buyer	3.9 (A)	Auction sale. Logger.
<b>TANKERS</b>						
SEA FALCON	112,661	2002	Samho (KRS)	Chinese buyer	xs 13.5	SS due 2/22.
ST HELEN	105,661	2002	Samho (KRS)	Chinese buyer	xs 12.5	SS due 4/22. Prompt dely.
SARPEN	105,656	2002	Daewoo (KRS)	Chinese buyer	12.2	SS due 7/22. Already renamed.
DESPINA	72,247	2006	Hudong Zhonghua (CHN)	Chemikalien Seetransport	8.5	Coated. SS due 9/21. Already renamed.
DEE4 BIRCH + DEE4 ACACIA	53,712	both 2006	Shin Kurushima (JPN)	Undisclosed buyer	xs 12 each	Pump-room. SS psd 2+3/21. BWTS fitted.
ANGEL 62	47,410	2009	Onomichi (JPN)	Greek buyer	mid-high 12	Pump-room. No BWTS.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
CAPE MAHON + CAAPE MAYOR	37,800	both 2007	Aker Mtw (GER)	TS Lines	38 each	2742TEU. Gearless. SS due 9+10/22.
COSMOS	34,457	2006	STX Jinhae (KRS)	MSC	33	2602 TEU. Geared. SS due 12/21.
JENNIFER SCHEPERS	25,775	2009	Taizhou Kouan (CHN)	MSC	21	1794 TEU. Geared. SS psd 2/20.
ANASSA	23,377	2006	Guangzhou Wenchong (CHN)	CMA CGM	reg 20	1732 TEU. Geared. SS due 10/21.
JJ SKY	13,679	2006	Yangzhou Dayang (CHN)	Undisclosed buyer	15	1080 TEU. Geared.
<b>GAS</b>						
IRIS GLORY	54,707	2008	Daewoo (KRS)	Indian or Middle Eastern buyer		81,995 cbm. DD psd 1/21.

## NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
Nisshin Shipping	Kamsarmax	82,000 dwt x +5	Jiangsu Hantong (CHN)	2023		Declared options. Tier II.
Lepta Shipping	Kamsarmax	82,000 dwt x 2	Yamic (CHN)	2023-2024	34	Scrubber fitted.
Zhejiang Xinyihai	Suprmax	57,000 dwt x 2+1	Jiangsu Hantong (CHN)	2023		
<b>TANKERS</b>						
NS Lemos	LR2	115,000 dwt x 1	SWS (CHN)	2024		Scrubber fitted.
Samos Steamship	Aframax	112,000 dwt x 2	Sumitomo (JPN)	2023		LNG ready.
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
MOL	PCC	7,000 CEU x 2	Shin Kurushima (JPN)	2024		LNG fuel.
MOL	PCC	7,000 CEU x 2	Nihon (JPN)	2024		LNG fuel.
<b>GAS</b>						
Celsius Shipping	LNG	180,000 cbm +1	Samsung HI (KRS)	2024	195.1*	* Declared option. ME-GA engine.
Knutsen	LNG	174,000 cbm x 2	Hyundai HI (KRS)	2024		Declared options. Against TC to PGNiG.
Hyundai LNG Shipping	LNG	174,000 cbm +1	DSME (KRS)	2024	198.4*	*Declared option. Against TC to Repsol.
Phoenix Tankers (c/o MOL)	LPG/AMM	87,000 cbm x 1+1	Namura Imari (JPN)	2023-2024		LPG dual fuel (Ammonia conversion ready)

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

	Newbuild	5 Year Old	10 Year Old
<b>Tankers</b>			
VLCC	102	72	48
SUEZMAX	72	49	33
AFRAMAX	58	41	26.5
MR	38.5	28	19
<b>Bulkers</b>			
CAPE SIZE	60^	37.5	31
KAMSARMAX / PANAMAX	35^	31k	22.5k/20.5p
ULTRAMAX / SUPRAMAX	33.5^	28u	19.5s
HANDYSIZE	28^	22.5	15.25

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

### Indices

	C.O.B Friday
<b>BDI</b>	3371
<b>\$/Yen</b>	109.79
<b>VLCC</b>	
AG/East	31
TD3 (WS)	

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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.*

### Crew of Asphalt Princess Thwart Attempted Hijacking



The crew of a Panama-flagged asphalt tanker off the coast of Oman reportedly managed to thwart an attempt by Iranian gunmen to take control of their ship and divert it to the Islamic Republic.

Five or six Iranian operatives stormed the Asphalt Princess on Tuesday, but the crew onboard quickly sprung to action and sabotaged the ship's engines so that it could not move any further. The gunmen fled the ship once US and Omani warships arrived at the scene. None of the crew

were injured in the hijacking attempt.

The Asphalt Princess sporadically broadcast its automatic identification system (AIS) signal on Tuesday, including at about midnight Oman time when it was still roughly halfway between Fujairah and Iran.

The Royal Navy's UK Maritime Trade Operations (MTO), which monitors shipping traffic in the Gulf, had first reported a "potential hijack" on Tuesday but have now confirmed that the incident was "complete".

Iran's Revolutionary Guards, which have previously been blamed for attacks on ships in the Gulf, denied that it or its allies were involved in Tuesday's incident. It argued that the allegations were designed to justify "hostile action" against the country.

The shipping incidents come at a sensitive time for Iran and the region, as President Ebrahim Raisi takes office and world powers seek to revive the nuclear deal Donald Trump abandoned in 2018. After last week's attack on the MV "Mercer Street", the US and UK condemned Iran and said they were working on a co-ordinated response. The UK has written to the UN Security Council president, with Romania and Liberia, to "highlight Iran's callous attack on the MV Mercer Street". The letter said the attack "disrupted and posed a risk to the safety and security of international shipping and was a clear violation of international law". It added that the UK was "deeply concerned by such attacks that risk regional and international peace and security and believe this act must be condemned by the international community".

Israel, which vehemently opposes the US rejoining the 2015 nuclear accord, has also stepped up its rhetoric against Tehran. Iran and Israel remain locked in a shadow war, with both trading accusations that they have launched attacks against each other's merchant vessels and other interests.

## K Line Installs First Carbon Capture Device Aboard Bulker



K Line (Kawasaki Kisen Kaisha Ltd), in conjunction with Mitsubishi Shipbuilding and Class NK has installed a CO<sub>2</sub> capture plant on the bulk carrier, *Corona Utility*. The installation is part of a larger project, supported by the Maritime Bureau of Japan's Ministry of Land, Infrastructure, Transport and Tourism in a bid to reduce vessel CO<sub>2</sub> emissions.

The project has the added benefit that the captured CO<sub>2</sub> can be recycled and used as a raw material in synthetic fuel.

The *Corona Utility* will conduct a series of tests to assess the viability of the capture plant. In particular, K Line will be looking to establish the effectiveness of the plant in capturing and storing CO<sub>2</sub> from the vessel's gas emissions in addition to the operability and safety of CO<sub>2</sub> capture facilities at sea.

Continued review is scheduled for the capture plant until the end of March 2022, by which time it is hoped to be commercially viable. Currently, further efficiencies are required in the plant's portability and efficiency before this is likely to be the case.

This project comes in direct response to the IMO's 2030 and 2050 greenhouse gas strategies, and the move of shipping as an industry towards carbon neutrality.

## Allianz Shipping and Safety Review 2021



On 3 August 2021, Allianz published their Shipping and Safety Review 2021. The report, from Allianz Global Corporate & Specialty (AGCS), is a yearly review of developments and trends in shipping losses, risk challenges and safety.

In 2020, it is reported that there were 49 total losses (for ships over 100GT) that occurred. This is one more than the previous year. Interestingly however, this also means that the annual shipping total losses have halved over the course of the decade - as in 2011 there were 98 total losses. Allianz further reports that the 2020 loss year indicates a vast improvement on the rolling ten year loss average which stands at 88. They state that this reflects the, "*positive effect of an increased focus on safety measures over time*" which includes regulation, improved ship design and technology and advances in risk management.

The report further states that the areas in South China, Indochina, Indonesia and Philippines represents the global loss hotspot. These areas accounted for a third of all losses in 2020. Concerningly, South East Asian waters are also reported as the major loss location in the past decade, accounting for 224 incidents. To put this in perspective, there were 876 total losses in this area from 2011-2020. Allianz

states that this is likely due to a number of factors including high levels of local/international trade, port congestion, busy shipping lanes, older fleets and adverse weather exposure. In addition, the report also mentions that the East Mediterranean and Black Sea and Arabian Gulf saw increases in loss activity with 7 and 4 total losses reported in 2020. These areas take up second and third places respectively in 2020.

The Allianz report also found that foundering (i.e. sink/submerging) was the primary cause of total losses during the year, accounting for half of the total losses. Additionally, contributing factors included adverse weather, poor visibility that led to contact, flooding and water ingress and breakdown of machinery. Fires and/or explosions also increased year-on-year to 10. Over the last decade, it is reported that foundered vessels, wrecked/stranded vessels and fires/explosions were the top three causes of all total losses representing 85% of the same.

Shipping casualties or incidents were down 4% in 2020 as compared to the previous year. In 2020, there were 2,703 such incidents. As reported, the top cause of shipping incidents were machinery damage and/or failure. These accounted for 40% of all reported casualties or incidents in 2020.

The full report and a summary of the same can be viewed and downloaded on the Allianz website (<https://www.agcs.allianz.com/news-and-insights/reports/shipping-safety.html>).

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