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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 – Underrated

As we look to tick off the first full working week for 2021 one would hope it would be filled with optimism. The good news is that the physical spot trading of the dry bulkers, specifically Panamax and Capesizes, have both made positive gains throughout the week. The interest in second-hand asset trading in these sizes has also started with a new year buzz. Unfortunately, the same cannot be said for recent end of year reported sale values.

The sale of the “**LIN JIE**” (177,313 dwt/blt 2003 Namura, Japan) with her surveys and BWTS due May of this year in the high US\$8m region would appear softer than the last comparable transaction of the “**INA**” (176,423 dwt/blt 2003 Universal), reported back in November last year, at around US\$9.5m with her surveys due this October. This trend in depreciating assets can be further highlighted from the sale of the notably smaller Korean built “**MINERAL ANTWERPEN**” (172,414 dwt/blt 2003 Daewoo, Korea) reported in October of last year for a more robust US\$10m.

The same softer tone has seemingly carried through to the Panamax class and the “**CMB SAKURA**” (75,765 dwt/blt 2006 Sanoyas, Japan), with her surveys due September 2021 at US\$7.85m, reflects a further fall in values compared to the “**CORAL SAPPHIRE**” (76,627 dwt/blt 2006 Sasebo, Japan) with surveys due April 2021 at US\$8m. Both show a marked contrast to the US\$9.9m price achieved by the “**GOLDEN SHEA**” (76,939 dwt/blt 2007 Namura, Japan), reported in early December of last year, that most protagonists would agree was a very good price at the time.

TANKERS – A Cold Start to 2021

There's been little cheer in the crude market as we enter a new year with many uncertainties ahead both politically and from Covid-19 still holding back the global economy. As such, asset values remain relatively flat save for part-consideration of ships aging a year (on paper at least) such as the latest VLCC sale of the "TSURUMI" (300,609 dwt/blt 2003 IHI) at US\$24.6m to Chinese interests viewed against the "SEA LION" (318,778 dwt/blt 2003 Hyundai) sold before Christmas for close to US\$26m to a Middle Eastern buyer, albeit the latter only seeking Dry-Docking this year as opposed to the "TSURUMI" facing her Special Survey. Simultaneously, it's been surprising to hear of two rumoured 2003 built VLCC recycling sales this week, which despite of much improved recycling rates still equate to less than the foregoing trading sale levels. However, with rising recycling rates converging with a weak tanker market perhaps we can but hope to see more tonnage taken out of the market in 2021 to assist fleet fundamentals.

Late 2020 also saw a glut of suezmax sales in-between our reports, focused at predictable price levels in the vintage age bracket. That said, Ridgebury Tankers was reported to have picked up much younger scrubber fitted sisters "AIAS" and "AMOUREUX" (149,993 dwt/blt 2008 Universal) for an attractive US\$22.5m each.

RECYCLING – Scrap Starts the Year off Positively

Despite the ongoing challenges surrounding Covid, 2021 has begun positively for the recycling industry with price levels firming across the board. Bangladesh breakers appear to be making up for lost time as their rates are by far the highest throughout the Sub-Cont in the mid/high US\$ 400's range, and no doubt some spectators will now be asking if it will be possible for the magical US\$ 500 barrier to be crossed. Time will tell but with firming steel prices and a healthy demand we see no reason why this would change any time soon. It is also encouraging to see varying types of tonnage being reported sold ranging from VLCC's and Suezmax's to Capes and Panamax's. A busy start to the year for the market and one which may well continue.

Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
NETADOLA	208,900	both 2017	Jiangsu New Yangzi (CHN)	Maran Dry Management	38.2	BWTS + Scrubber fitted.
XANADU	208,900	both 2017	Jiangsu New Yangzi (CHN)	JP Morgan	38.2	BWTS + Scrubber fitted.
KACHIDOKI + AZUL VICTORIA	206,291	both 2006	Imabari Saijo (JPN)	Chinese buyer	14.25 each	SS+BWTS due 6+12/2021. BBHP deal.
LIN JIE	177,313	2003	Namura (JPN)	Undisclosed buyer	high 8	DD+BWTS due 5/21.
DOUBLE HARMONY	88,270	2010	Imabari (JPN)	Undisclosed buyer	12.7	Coal carrier. DD due 4/21.
CYL	81,212	2017	Jiangsu Jinling (CHN)	Transocean	20.6	BWTS fitted. DD psd 3/20.
SAKIZAYA NOBLE	80,982	2017	JMU Maizuru (JPN)	Chronos Shipping	25.5	BWTS fitted. Inc. 1 yr TC attached.
CMB SAKURA	75,765	2006	Sanoyas (JPN)	Chinese buyer	high 7s	SS+BWTS due 9/21.

CORAL SAPPHIRE	76,627	2006	Sasebo (JPN)	Undisclosed buyer	8	SS+BWTS due 4/21.
OCEANIS	75,247	2001	Samho (KRS)	Chinese buyer	5.75	SS due 5/21. BWTS fitted.
VERY MARIA	73,910	2001	Namura (JPN)	Undisclosed buyer	5.5	SS+BWTS due 9/21. SS due 7/21. BWTS +Scrubber fitted.
SBI PHOEBE	63,275	2016	Chengxi (CHN)	Eagle Bulk	17.65	Swap deal.
TR NIKLAS + TR PRINCE + TR PRINCESS	63,500	2014+2015+2015	Jiangsu Hantong (CHN)	Genco Shipping & Trading	54 en bloc (S)	DD due 7/21. SS psd 2/20.
ULTRA PROSPERITY	61,645	2010	Oshima Zosen (JPN)	Undisclosed buyer	11.95	DD psd 5/20. Auction sale.
AMSTEL OSPREY	61,330	2014	Iwagi (JPN)	Undisclosed buyer	16.3	Tier II. No BWTS.
SAGE SYMPHONY	57,949	2012	Tsuneishi Cebu (PHI)	Greek buyer	12.65	SS+BWTS psd. 11/19. Already renamed.
SAM LION	57,700	2012	STX Jinhae (KRS)	Ningbo Ocean Shipping	10.35 (A)	Tier II. No BWTS.
DENSA COUGAR	57,592	2012	STX Jinhae (KRS)	Eurobulk	10.2	SS+BWTS psd. 11/19. Already renamed.
BALABAN	56,753	2009	COSCO Guangdong (CHN)	Chinese buyer	low 8	Tier II. No BWTS.
PORT CANTON	56,745	2012	COSCO Zhoushan (CHN)	Undisclosed buyer	9.75	DD due 2/21. SS psd 8/19.
GLOVIS MADONNA	56,708	2013	Tianjin Xingang (CHN)	Chinese buyer	mid-high 9	SS psd 6/19. BWTS fitted.
AMSTEL EAGLE	56,108	2014	Oshima Zosen (JPN)	Norden	low 14	SS due 6/21. BWTS fitted.
BALTIC COUGAR	53,432	2009	Yangzhou Dayang (CHN)	Undisclosed buyer	7.6	SS due 6/21. BWTS fitted.
SAKURA OCEAN	38,239	2011	Imabari (JPN)	Undisclosed buyer	10.9	Swap deal.
GENCO AVRA + GENCO MARE + GENCO SPIRIT BALTIC COVE + GENCO OCEAN BALTIC FOX	34,400 34,400 31,883	all 2011 both 2010 2020	SPP Tongyeong (KRS) SPP Tongyeong (KRS) Hakodate (JPN)	Tufton Oceanic	54 en bloc (S)	BWTS fitted.
AFRICAN TEIST	33,343	2014	Shin Kurushima (JPN)	Greek buyer	10.8	SS+BWTS psd 2/20.
UNION ANTON	32,077	2010	Hakodate (JPN)	GS Maritime	8.3	Lebanese buyer
ALERCE N	29,756	2001	Shikoku (JPN)	Lebanese buyer	3.8	
TANKERS						
TSURUMI	300,609	2003	IHI (JPN)	Chinese buyer	24.6	SS+BWTS due 9/21. DD due 1/21. BWTS included but not installed.
TONOS	159,997	2003	Samsung (KRS)	Undisclosed buyer	16	SS+BWTS due 1/21. Scrubber fitted.
RIDGEBURY PALLAS	159,195	2005	Hyundai Ulsan (KRS)	Seven Islands	17.2	DD due 8/21. Xihe judicial sale.
AIAS + AMOUREUX	149,993	both 2008	Universal (JPN)	Ridgebury Tankers	22.5 each	DD due 12/21.
CRIMSON	146,645	1998	Samsung (KRS)	Chinese buyer	11.5	15 yrs BB back..
OCEAN QUEST + OCEAN UNICORN	108,900	2008 + 2009	SWS (CHN)	Union Maritime	15.3+15.7 (A)	
STAVANGER EAGLE	105,355	2009	Sumitomo (JPN)	Undisclosed buyer	18.5	
MATUKU	50,143	2016	SPP Sacheon (KRS)	Japanese buyer	26.8	

FS SINCERITY	48,023	2009	Iwagi (JPN)	Bangladeshi buyer	13.8	Purch/opt from 5/22. Pump-room. Clean trading.
ARDMORE SEAMARINER	45,726	2006	Minami Nippon (JPN)	Undisclosed buyer	10	Pump-room. SS+BWTS due 10/21. CPP
CONTAINERS / RO-RO / REEFERS / PCC						
ADRIAN SCHULTE + ASTRID SCHULTE	90,443	both 2009	Hyundai Ulsan (KRS)	Taiwanese buyer	35 each	7,241 TEU. Gearless.
SILVIA	55,497	2004	Hyundai Ulsan (KRS)	Technomar	12	4132 TEU. Gearless.
SELENITE	37,934	2006	Aker Mtw (GER)	Undisclosed buyer	11.2	2742 TEU. Gearless. SS due 12/21.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Kumiai Navigation	Ultramax	64,000 dwt x 1	Oshima (JPN)	2023		EEDI Phase 3 compliant.
Ningbo Marine	Supramax	49,800 dwt x 3	China Merchants Jinling (CHN)	2022	27.8	For domestic power plant operation.
TANKERS						
Continental Bitumen	Asphalt Carrier	21,500 dwt x 2	Wuhu Shipyard (CHN)	2022-2023		LNG dual fuel + battery.
GAS						
Bocomm Leasing	Container	24,000 TEU x 2	Jiangnan (CHN)	2023		Against MSC charter.
Bocomm Leasing	Container	24,000 TEU x 2	Hudong Zhonghua(CHN)	2023		Against MSC charter.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
EURODESTINY	2003 / Japan	303,896	39,734	Pakistan	440	
GEMINI	1999 / Korea	310,139	42,253	Bangladesh		
CAPE SIZE						
AN LI	2000 / Japan	170,387	24,604	as-is Singapore	415	
PANAMAX BULK / SELF DISCHARGER						
CAROL HK	1990 / Korea	77,549	13,400	Bangladesh	478	
BERNI HK	1991 / Korea	77,449	13,400	Bangladesh	478	
BULK CARRIER						
JIAN HUI	1997 / Japan	44,124	7,586	Bangladesh	470 net	
CROWN VICTORY	1994 / Korea	43,980	8,572	Bangladesh		
GENERAL DRY CARGO						
DALIAN	2004 / China	29,827	12,291	Bangladesh	477	

SUEZMAX				
ATAULFO ALVES	2000 / Korea	152,980	22,110	as-is Indonesia
LNG				
SENSHU MARU	1984 / Japan	69,594	30,296	India 523 HKC Green Recycling

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	460/475	440/450	415/430	275/285
Dry Cargo/Bulk/Tween/Gen Cargo	445/460	420/430	400/410	270/280

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	85	65.5	45
SUEZMAX	56	45	30.5
AFRAMAX	45	34	21
MR	34	27	17.25
Bulkers			
CAPE SIZE	46.5^	27	18
KAMSARMAX / PANAMAX	25^	21	14.5k / 13p
ULTRAMAX / SUPRAMAX	23.5u^	18.5u/15.5s	11.5s
HANDYSIZE	22.5^	15	9.25

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

Indices

	C.O.B Friday
BDI	1606
\$/Yen	103.80
VLCC AG/East TD3 (WS)	30 (basis 2020 rates)

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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 Change Restrictions Tighten in Wake of New COVID-19 Variant



The first week of 2021 has seen a tightening of crew change restrictions around the world, as a new variant of COVID-19 has continued to emerge, particularly in the UK and South Africa.

Japan have been refusing entry to visitors of any nationality from abroad since 28th December 2020 and the country is also expected to shortly end bilateral business travel agreements with China, South Korea, Vietnam, the Philippines, Taiwan, Thailand, Australia and Singapore.

Singapore recently banned entry to seafarers who have sailed to the UK or South Africa within the last 14 days, and those on direct or connecting flights from the two countries.

Indonesia has advised that foreigners will be prohibited from entering the country and the disembarkation of foreign crew in the Batam area has been suspended until 14th January.

Mauritius is prohibiting crew on board ships calling at Port Louis, who have travelled to or from the UK and South Africa within the last 15 days, from entering or transiting.

The Philippines have gone as far as implementing an absolute ban on seafarers from 21 nations. Seafarers will be restricted from entering the Philippines for the first two weeks of 2021 from countries including Denmark, France, Germany, Hong Kong, Japan, Singapore, South Korea, the UK and US.

The COVID-19 pandemic has created a huge challenge for the shipping industry and related crew changes in major ports worldwide. As this new variant emerges, global crew movement is only likely to get more difficult as countries impose further restrictions and international flights are cancelled.

Ireland Increases Direct Freight Shipments to European Mainland Post Brexit



Many companies ship items between Ireland and continental Europe by way of Britain, with about 150,000 lorries passing via what is called the UK "land bridge" annually. Doing so by way of swift sea crossings between Dublin and Holyhead after which Dover to Calais offers the quickest path to marketplace for merchants.

But the end of the UK transition period on December 31 means truckers now face new checks as they leave EU territory to enter Britain from Ireland or France and then return to the bloc after passing through the UK. This has prompted nervousness about paperwork at ports and potential chaos on the busy Dover-Calais route.

Such risks were highlighted shortly before Christmas when France closed the Dover-Calais crossing due to concerns about a highly transmissible new coronavirus strain, leading to huge tailbacks in which hundreds of Irish truckers were left stranded in Britain.

Although sailing times are longer on direct sea crossings to the continent, worries about Brexit had already spurred many Irish exporters and importers to make use of increased capacity on such routes. The Irish Maritime Development Office has advised exporters and importers to examine alternatives to the land bridge since 2019. Several new direct freight services have been introduced since 2018 — linking Ireland with ports in France, the Netherlands, Spain and Portugal — despite the availability of swifter roll-on roll-off capacity on the land bridge.

Zim Eyes New York IPO

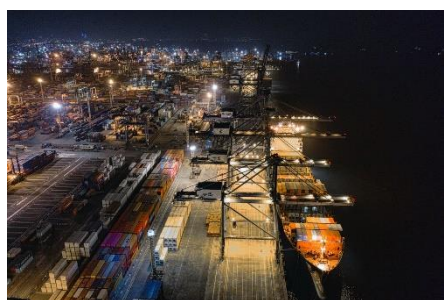


Zim Integrated Shipping Services, the world's 10th largest container shipping company, is currently weighing up the possibility of an initial public offering in New York. The Israeli-headquartered company may look to capitalise on various market conditions which include a strong containership market, their chartering rather than ownership business model, and their market value of around \$1.5bn.

Zim is ideally positioned for an IPO given how attractive liner rates currently are. Even if they experience some deflation going forwards, rates would likely remain at attractive levels to investors. Additionally, as highlighted in the deal prospectus, Zim operates an "asset light model". This reflects the ratio of vessels owned to chartered in, which stands at around 1:69. This in turn leads to a less volatile business model, where charter-in market rates are hedged against hire rates. Both rates will either rise or fall, minimising any volatility that would otherwise be caused by such fluctuations.

There is therefore a strong possibility that this IPO will go ahead. If so, it would be the first offering for any mainstream shipowner in the last five years, since the Gener8 Maritime IPO of 2015.

Orders for Larger Container Vessels Flood in



Ocean Network Express has reportedly signed a letter of intent for a 15-year charter of six brand new ultra large container ships (ULCS). The letters were signed with Shoei Kisen Kaisha Ltd, the shipowning division of Imabari Shipbuilding, a Japanese yard. If finalised, the vessels will be built by Japanese shipbuilders Imabari Shipbuilding and Japan Marine United Corporation.

The capacity of the vessels are expected to be greater than 24,000 TEUs each and will be expected for delivery sometime in 2023 or 2024. ONE, which is owned by NYK, MOL and K-Line, states that the vessels are in line with their strategy of operating bigger vessels which are modern and efficient. Intriguingly, ONE states that these vessels will have a unique hull design which would allow for more cargo and at the same time, decrease fuel consumption. They expect this to boost competitiveness in the market.

This news comes as a Chinese yard was awarded a construction contract for two 24,000 TEU ULCSs. Hudong Zhonghua Shipbuilding (Group) Co Ltd, which is a subsidiary company of China State Shipbuilding Corporation, stated that the vessels with their current expected specification, will be the world's largest vessels possessing the largest TEU capacity (expected to be 24,100 TEUs specifically) and largest deadweight tonnage. In September 2020, Hudong-Zhonghua delivered the world's largest LNG-powered vessel to CMA CGM. The vessel, the CMA CGM "JACQUES SADE", has a capacity of 23,000 TEU.

Bigger containerships are expected to be in demand by shipowners because of the attractiveness of reduced cost per unit and better efficiency operational wise.

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