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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 – Bulker Boomerang

This week the reported volume of sales for the larger bulk carriers has eased a little allowing us some time to reflect on the stronger prices that we have experienced so far this year. This rebound in values can be seen in the recent sale of the **"CAPE MARS"** (175,775 dwt / blt 2003 CSBC Kaohsiung, Taiwan) at a healthier US\$10.1m with surveys due this July, which is a marked improvement on the preceding sale of the **"LIN JIE"** (177,313 dwt/blt 2003 Namura, Japan) with a similar survey position in the high US\$8m region. The same upward trend in values can also be depicted when we focus on the Panamax class, and more specifically the recent sale of the **"OCEAN TRADER I"** (76,596 dwt/blt 2006 Imabari, Japan) at a stronger US\$8.7m with surveys due promptly compared with the now relatively weaker US\$7.85m on the **"CMB SAKURA"** (75,765 dwt/blt 2006 Sanoyas, Japan) with her surveys due September 2021.

This resurgence in values is reflecting an increase in the demand for bulkers with owners looking to expand their dry presence in what has been a relatively robust start to the year on the physical market with a more positive outlook going forward.

TANKERS – Tanker Tribulation

Now well into January the level of transactions this and last week has been encouraged with some familiar names returning to the market for increasingly more modern age range vessels. In particular DHT has made a decisive purchase of a pair of five-year-old VLCCs namely **"ECO FUTURE"** and **"ECO QUEEN"** (299,999 dwt/blt 2016 Daewoo) at US\$68m each, with scrubbers fitted explaining the differential between market perceived benchmark pricing in the US\$ mid 60s mill range.

Indonesia's Buana Lintas Lautan (Bull) has also kicked 2021 off to a charging start with a cash and shares deal to purchase a series of chemical tankers from the A.P. Moller stables, as well as the LR2 mt **"MAERSK PELICAN"** (109,647 dwt/blt 2008 Dalian No.2) off-market for an undisclosed sum. However, the sale of aframax **"ESTEEM BRILLIANCE"** (110,802 dwt/blt 2006 Mitsui) brings a bit of downward reassessment to fifteen year old values at US\$13.2m, albeit noting that she will have to fit a BWTS at her third Special Survey in November.

On the newbuilding front 2021 has brought a milestone already with the first ammonia ready suezmax newbuilding placed by Avin International at Daewoo. The design allows capacity for a simple retrofit to allow the main engine to run on ammonia, should the fuel become further established in the near future, but also retaining the flexibility to retrofit to LNG instead.

RECYCLING – Prices Reverse

The dizzy heights of the high US\$400's seen just only a couple of weeks ago are nowhere to be seen with all markets this week correcting as rates come off from Turkey to the Sub-Cont, and quite significantly from Bangladesh, as local steel prices and demand softens. A correction in rates was on the horizon on the back of last week's negative sentiments emanating from Bangladesh where we are witnessing noticeably less activity. With some relatively high priced sales committed of late both as-is and delivered it will be interesting to see in the coming weeks if all of these go through and what resale numbers will now be on offer from the breakers and perhaps what destination (Bangladesh or Pakistan) will be bidding the highest especially on the big LWT units. Overall it has been a quieter week with just a handful of sales as Owners and Buyers take stock whilst prices are on a downward trend.

Gibson Sale & Purchase Market Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
CAPE MARS	175,775	2003	C S B C Kaohsiung (TWN)	Chinese buyer	10.1	DD due 7/21.
HARM + PIET	93,183	both 2011	Jiangsu Newyangzi (CHN)	Undisclosed buyer	reg 11 each	SS due 2+3/21. No BWTS.
OCEAN TRADER I	76,596	2006	Imabari (JPN)	Undisclosed buyer	8.7	SS due 3/21. BWTS order to be novated.
AURILIA	74,483	2007	Hudong Zhonghua (CHN)	Chinese buyer	7.9	
ASIA RUBY I	62,985	2014	Jinling Shipyard (CHN)	Undisclosed buyer	15.4	BWTS fitted.
SBI LEO + SBI LYRA	61,600	both 2015	DACKS (CHN)	Reederei Nord	17.5 each	BWTS fitted.
IRON LADY V	57,324	2011	STX Dalian (CHN)	Chinese buyer	8.125	SS due 1/21.

NORDIC TIANJIN	56,811	2012	Yangzhou Guoyu (CHN)	Undisclosed buyer	high 9	Tier II. No BWTS.
EM JADE	55,091	2010	NACKS (CHN)	Undisclosed buyer	mid-high 9s	SS psd 2/20.
RODINA	37,852	2009	Jiangsu Eastern (CHN)	Clipper	reg 8	SS psd 10/19.
MARINA R	37,785	2010	Jiangsu Eastern (CHN)	Chinese buyer	7.25	SS psd 6/20.
FURNESS PORTLAND	37,045	2014	Saiki (JPN)	Silo Management	13.25	Kuraray BWTS fitted.
MICHEL SELMER	33,694	2010	Samjin (CHN)	Greek buyer	6.4	SS due 2/21. BWTS in storage, offered for purchase.
CAPE NELSON	28,438	2001	Kanda (JPN)	Hong Kong buyer	3.5	SS+BWTS due 3/21. Already renamed.
ATLANTIC RAINBOW	28,368	2013	Imabari (JPN)	European buyer	8	BWTS fitted. DD due 12/21. Already renamed.
TANKERS						
SINO MACRO	311,168	1999	Hyundai Ulsan (KRS)	Chinese buyer	20.5	CAP 2 rated. DD due 12/20.
ECO FUTURE + ECO QUEEN	299,999	both 2016	Daewoo (KRS)	DHT	68 each	SS due 8+9/21. Scrubber fitted.
TOVE KNUTSEN	152,251	2020	Hyundai Ulsan (KRS)	Undisclosed buyer	117.8	Shuttle tanker.
ESTEEM BRILLIANCE	110,802	2006	Mitsui (JPN)	European buyer	13.2	SS+BWTS due 11/21.
ARGENT BLOOM + LIBERTY	33,609	both 2009	Kitanihon (JPN)	EGD Chimcal	19.2 each	Stainless Steel. 18 grades.
CHEMROUTE SUN	25,615	2008	Shin Kurushima (JPN)	Tufton Oceanic	15.2	Stainless Steel. 18 grades. DD psd 6/20.
OCEAN HAWK	9,010	2007	Yangzhou Kejin (CHN)	Far Eastern buyer	3.1	IMO II. Epoxy. Bank driven sale.
CONTAINERS / RO-RO / REEFERS / PCC						

ANGOL + ANGELES	35,400	both 2010	Yangfan (CHN)	Lomar Shipping	20 en bloc	2872 TEU. Gearless. 746 reefer. SS psd 3+4/20.
KOTA NELAYAN	25,985	2010	Dalian (CHN)	Briese Schifffahrts	7.8	1810 TEU. Geared. SS psd 4/20. Already renamed.
CONTAINERS / RO-RO / REEFERS / PCC						
LNG PIONEER	76,500	2005	Daewoo (KRS)	Chinese buyer	37	13,8121 cbm. SS psd 12/20..
ORIENTAL QUEEN	53,194	2004	Universal Tsu (JPN)	UAE buyer	37.5	80,874 cbm.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Shandong Shipping	Kamsarmax	85,000 dwt +2	Dalian (CHN)	2023	29	Declared options. Wide beam. Phase 2 EEDI.
Guangdong Shipping	Kamsarmax	82,000 dwt x 2	Chengxi (CHN)	2022	32	RMB sale.
Carras Hellas	Kamsarmax	82,000 dwt x 1	Oshima Zosen (JPN)	2023		
Sealestial Navigation	Ultramax	61,000 dwt x 1	DACKS (CHN)	2022		Tier II.
Santoku Senpaku	Ultramax	61,000 dwt x 1	DACKS (CHN)	2022		Tier II.
TANKERS						
Latsco	VLCC	300,000 dwt x 2	Hyundai HI (KRS)	2022	90.2	
Avin International	Suezmax	156,000 dwt x 1	New Times (CHN)	2022		LNG+Ammonia retrofit ready.
Dingheng Shipping	Chemicals	9,000 dwt x 1 6,600 dwt x 6	Wuhu (CHN)	2022		Stainless Steel. Electric propulsion.
CONTAINERS / RO-RO / REEFERS / PCC						
Taicang Container Lines	Container	1,091 TEU x 3	Tsuneishi Zhoushan (CHN)	2022	20	
GAS						



Sovcomflot	LNG	174,000 cbm x 1+2	Hyundai Samho (KRS)	2023	182.5	Against TC to Total.
Oriental Energy	LPG	93,000 cbm x 2+2	Jiangnan (CHN)	2023	76	LPG fueled.
Avance Gas	LPG	91,000 cbm x 2	Daewoo (KRS)	2022-2023		Dual fuel.
Union Maritime	LPG	40,000 cbm x 1+1	Hyundai Mipo (KRS)	2023	48	Option for dual-fuel.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
BULK CARRIER						
ANDA RAYA	1996, Japan	49,016	7,925	Bangladesh	445	last weeks sale
SEAPOL ENDEAVOUR	1996, Japan	45,758	8,100	Bangladesh	433	
CONTAINER						
SALAM MEWAH	1996, Japan	17,630	5,300	Bangladesh	450	
FPSO						
PETROJARL BANFF	1997, Korea	20,800	11,487	Denmark		EU Green Recycling
CHEMICAL TANKER						
GOLDEN TULIP	1998, Spain	19,152	6,528	India	832	signifcant quantity of St- St in her tanks
TANKER						
RENNES	1994, Holland	5,278	1,710	India / Pakistan	430	

Recycling Prices (US\$/LWT)

	Banglades h	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	440/445	440/450	420/430	265/275
Dry Cargo/Bulk/Tween/Gen Cargo	430/440	430/440	410/420	255/265

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

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	86	65.5	45
SUEZMAX	57	45	30

Indices

	C.O.B Friday
BDI	1810

AFRAMAX	47	34	22
MR	34	27	17.5
Bulkers			
CAPE SIZE	47 [^]	28	20
KAMSARMAX / PANAMAX	26 [^]	21	15k / 13.5p
ULTRAMAX / SUPRAMAX	24 [^]	18.5u/15.5s	11.5s
HANDYSIZE	23 [^]	15	9.25
[^] =Chinese price (otherwise based upon Japanese / Korean country of build)			

\$/Yen	103.84
VLCC	
AG/East	27
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.

US Sanctions Oil Traders and Tankers for Violation of Venezuela Sanctions



The new sanctions from the US' Office of Foreign Assets Control hit three individuals, 14 entities and six vessels for their ties to a Mexican network that is allegedly evading US sanctions on Venezuela's oil trade.

Those targeted include Swissoil Trading and Malta-based Elemento Ltd., alongside Swissoil owner Philipp Paul Vartan Apikian, Spanish-Venezuelan citizen Francisco Javier D'Agostino Casado, and Italian citizen Alessandro Bazzoni. It is alleged that Bazzoni connected the two oil trading firms with Venezuelan and state-owned oil company, PDVSA, for the sale of heavy crude oil.

Among the vessels blacklisted are the tankers, Sierra and Marksim Gorky, which are both Russian flagged; Balita, Domani and Freedom, which are Cameroon flagged; and the Liberian flagged Baliar.

All of the vessels' last recorded deliveries of Venezuelan crude were to Asian countries, including China, Indonesia and Malaysia.

Despite the continued hardening stance on Venezuela's oil sector, the US continues to protect the control of PDVSA's most valuable foreign asset, Citgo Petroleum, which is under the influence of self-described Venezuelan Interim President Juan Guaido. The outgoing Trump administration has recently extended a ban on seizing Citgo shares as repayment for PDVSA's outstanding debts until July 21,

despite numerous US federal court rulings that PDVSA's creditors could seize Citgo shares to recoup what they are owed.

Lack of Containers Leads to Quadrupling Shipping Costs



Since November 2020, the costs of shipping goods in a 40-foot container from China to Europe has risen from about \$2,000, to over \$9,000. This increase can be put down to a shortage of containers and the sharp recovery in European consumer demand. This is in stark contrast to the period from January to November 2020, during which time rates remained steady, sitting below the \$3,000 mark.

The industry is currently experiencing a bottleneck problem, as a considerable surplus of empty containers built up in Europe during the first half of 2020. This came as a direct impact of the COVID-19 pandemic, and the resulting dramatic decrease in global trade. As this picked up, during the final months of 2020, the stiff competition to secure the few containers available in China, has led to these sharp rate increases.

Some respite may lie ahead however, with Chinese New Year only three weeks away. The decrease in production that usually accompanies this period could allow for some of the backlog to clear. It is, however, likely that these container shortages will continue well into 2021, even with increased orders by carriers for additional TEUs. European importers may therefore, when looking for a solution to the prospect of increased rates over an extended period, be forced to think quite literally outside the box.

Japanese MOL Launches a \$39m VC Fund



Japan's largest shipowner by fleet size - Mitsui OSK Lines (MOL) - has this week announced the launch of a wholly owned \$39 million venture capital fund to invest in promising shipping technology start-ups.

MOL PLUS will be based in Tokyo and will predominantly invest in start-ups that are using technology to reform traditional business models, with a focus on solutions for ocean transport and logistics.

The initiative aims to generate synergetic effects by combining innovative ideas and technologies with the groups resources to create new and highly valuable start-up businesses. MOL PLUS will also aim to boost development and innovation in adjacent sectors - including offshore, environment, ferries and cruise ships.

Shipowners are increasingly looking to support and fund innovative start-ups to stay competitive, improve operational efficiencies and embrace the digitalisation of the global shipping industry. Eastern Pacific, Maersk and CMA CGM are just a few others who are actively and strategically investing in and supporting start-ups.

Asia Piracy Incidents Hit 5-Year High in 2020



Sea robbery and piracy related incidents across Asia have increased 17% year on year to just under 100 in 2020, amid consistent threat of possible attacks by the Abu Sayyaf Group, prompting warnings for enhanced vigilance.

Overall, such incidents in Asia, excluding the attempted ones, were up 32% from 2019 to a five-year high in 2020 according to the Regional Cooperation Agreement on Combating Piracy and Armed Robbery against Ships in Asia (ReCAAP).

ReCAAP's annual data release comes close on the heels of attack on tankers in the Middle East. At present, maritime security in Asia is under sharp focus, particularly in the aftermath of the attack on tankers near the Persian Gulf late last year. The Strait of Hormuz, which leads to the Persian Gulf, is a critical chokepoint through which 30% of the world's seaborne oil passes through.

According to ReCAAP, the trend of increase in piracy and sea robbery was seen across Asia including areas such as Bangladesh, India, the Philippines, Vietnam, Singapore Straits and South China Sea. Most of the incidents in the Singapore Straits involved bigger ships such as bulk carriers and tankers and took place in the eastbound lane of the Traffic Separation Scheme.

Singapore is located along one of the world's busiest waterways, with close to 1,000 ships anchored there at any given time. A ship calls at Singapore port every two to three minutes, bringing the total to around 130,000 ships a year and making it critical for maritime passage in the region to be piracy-free.

From industrial raw materials such as coal to essential food items like rice, commodities worth billions of dollars move on commercial ships near the Sulu Sea and the Celebes Sea, industry estimates showed.

The abduction of crew in the Sulu-Celebes Seas and waters off Eastern Sabah remains a concern. In the last five years, of the 86 abducted crew in the Sulu-Celebes Seas, 71 were released while 11 either died or were killed, according to the ReCAAP estimates.

Established in 2006, ReCAAP is the first regional government-to-government agreement to promote and enhance cooperation against piracy and armed robbery against ships in Asia. It has 20 member countries, including all members of ASEAN except Malaysia and Indonesia, with France and Germany expected to join in future.

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