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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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Tankers – Block-Building

Spot earnings have continued to take a hit, though seemingly not enough to dent values or purchasing enthusiasm, as we see a solid slew of sales this week with vintage VLCCs making a predictable appearance. A lessor known Hsejar Maritime is said to be the buyer of the **"ASIA DAWN"** (281,396 dwt/built 2005 IHI, Japan) reported sold for region US\$50m; a respectable price given her smaller size and lack of BWTS or Scrubber, contrasting with the US\$51.5m achieved in November for the larger and full spec **"SEA KING"** (318,669 dwt/built 2005 Hyundai, Korea).

The New Year started out with talk of the **"GEORG JACOB" + "KONSTANTIN JACOB" + "CORDULA JACOB" + "TILL JACOB"** (75,600 dwt/built 2011-2012 Dalian, China) sold en bloc to Danish interests for US\$125m, although the deal failed to reach conclusion and said interests are now understood to have committed a Korean built quartet, namely **"ALPINE PEMBROKE" + "ALPINE PACIFICA" + "ALPINE PEARL" + "ALPINE PLYMOUTH"** (74,600 dwt/built 2010-2011 Hyundai Mipo, Korea) for US\$130m en bloc. The products arena has also seen more en bloc activity with a firm ice 1A premium price of US\$21m per vessel reportedly agreed for the **"AFRODITE" + "AJAX" + "APOLLON" + "ARIADNE" + "ARIS" + "ARTEMIS"** (53,100 dwt/all built 2005 Hyundai Mipo, Korea), broadly showing some continuity with the sale of ice 1A **"ATLANTICA BRIDGE"** (49,990 dwt/built 2005 STX Jinhae, Korea) in November for region US\$20m, with the 'Mipo built ships offering best in class cubic capacity. At the same time, the ice 1A LR1 pair **"AURORA N" + "LUMEN N"** (63,500 dwt/both built 2008 STX Jinhae, Korea) have achieved US\$22.5-23m each, albeit with Special Surveys due this year and the below average cubic capacity weighing down on achieved pricing.

Dry Cargo – January Blues

As tradition has it, January is considered to be the least inspiring month for many people, with a blue mood usually prevailing and this year it seems to have translated in to the dry cargo sector. The Baltic

Dry Index continues its decline from the beginning of the year, when the BDI stood at 1,635 points to 946 points some two weeks into 2023.

Nonetheless there has still been fluid second-hand activity with Uniseas Shipping's en-bloc sale of two capesize vessels, the **"AQUANAVIGATOR"** and **"AQUASALWADOR"** (180,000 dwt/built 2011 + 2012 Daehan, Korea) at US\$25m and US\$27m respectively to compatriot Greek buyers. In the Supramax sector, we see a plethora of transactions with the **"SEA KSANTI"** (59,941 dwt/built 2012 Hyundai Mipo, Korea) fetching US\$18.8m, which should be considered to be a firm price against similar recent transactions. The Handysize sector saw a few sales, most notably the ice 1C **"BAL TIC PEARL"** (37,227 dwt/built 2014 Zhejiang Ouhua, China), which obtained a respectable US\$19m and also noteworthy is the sale of the **"MYKONOS BAY"** (32,411 dwt/built 2009 Jinse, Korea), reported sold at US\$11.8m. As the Chinese New Year approaches on 22 January 2023 the outlook for recovery on the dry market seems to be further away than many were hoping for.

Newbuilding – Cheaper in China

More activity is emerging now that all are fully back to work with suezmax contracts reported in Korea and also further LR2 orders in China. We feel there is a window now for Chinese yards as the rising labour cost in Korea has pushed up pricing and we see reputable Chinese yards up to 12-13% cheaper than main Korean yards for large tankers. Chinese New Year holidays are earlier this year and rapidly approaching though. Sometimes we see last minute deals struck to close out the year and often after the holiday season has ended yards push up their pricing so it is hard to gauge where Chinese pricing will be beyond March. Tanker sentiment remains high though, there is no relief on modern second-hand and shipyard pricing does not seem set to fall dramatically any time soon.

Some further medium sized bulk carrier orders are reported from Japanese and UK based buyers. This may set some benchmarks and after the Chinese holidays may see some owners further tempted.

Recycling – Waiting For The Rebound

2023 has started off relatively slowly with just a handful of sales to report. Price levels remain stable with rates from the Sub-Cont ranging in the low to mid US\$ 500's per LWT. Despite the sluggish start to the year, there is some optimism that we will start to see some more scrap tonnage enter the market going forwards, but as yet there seems to be little sign of this happening. The Indian market is showing some encouragement with its price levels probably the most competitive and its breakers will be keen to try and secure tonnage, especially in the form HKC Green Recycling units. Meanwhile, there continues to be some issues to plaguing the market such as L/C problems in Bangladesh, which continues to hamper breakers' ability to compete, despite there being firm demand from the end users.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
CAPE MAPLE	206,204	2005	Imabari Saijo (JPN)	Chinese buyer	15.5*	*Poor condition cited. DD due 9/23. Scrubber fitted.
AQUANAVIGATOR + AQUASALWADOR	180,000	2011+2012	Daehan (KRS)	Greek buyer	25+27	DD due 3+5/25.



SEA KSANTI	59,941	2012	Hyundai Mipo (KRS)	Turkish buyer	18.8	BWTS fitted. DD due 3/25. BWTS fitted.
ASTRA PERSEUS	58,158	2012	Yantai Haotong (CHN)	Undisclosed	16.55	SS psd 10/22. BWTS fitted.
CN JOURNEY	57,005	2010	COSCO Zhoushan (CHN)	Indonesian buyer	high 12	DD just passed. BWTS fitted (not USCG approved). DD due 4/23. BWTS fitted.
SUNRISE RAINBOW	56,416	2012	Jiangsu Hantong (CHN)	Undisclosed	15.5	SS psd 6/22. BWTS fitted.
KITAKAMI	55,668	2009	Mitsui (JPN)	Undisclosed	15.25	Ice 1C. SS due 1/24. BWTS fitted.
BALTIC PEARL	37,227	2014	Zhejiang Ouhua (CHN)	Undisclosed	19	DD due 8/23. Logs fitted.
MIREILLE SELMER	33,716	2010	Samjin (CHN)	Undisclosed	12.5	SS due 1/24.
MYKONOS BAY	32,411	2009	Jinse (KRS)	Undisclosed	11.8	DD due 12/23. Logs fitted.
LOVELY LEAH	28,383	2012	Imabari (JPN)	Lebanese buyer	11.4	
TANKERS						
COSGREAT LAKE	298,833	2002	NACKS (CHN)	GMS	high 30s	SS psd 11/22. Newly coiled. BWTS due 2/23. Sold end 12/22.
FPMC C HONOR	298,078	2008	Universal Ariake (JPN)	Undisclosed	55	SS due 9/23. BWTS + Scrubber fitted.
ASIA DAWN	281,396	2005	I H I (JPN)	Hsejar Maritime	reg 50	DD due 8/24.
SYRA	105,309	2010	Sumitomo (JPN)	Middle Eastern buyer	39.5	DD due 7/23. BWTS fitted.
ALPINE PEMBROKE + 'PACIFICA + 'PEARL + 'PLYMOUTH	74,600	2010, all 2011	Hyundai Mipo (KRS)	Danish buyer	130 en bloc	Deepwell. BWTS fitted.
PETALI LADY	71,863	2004	STX Jinhae (KRS)	Undisclosed	18.75	Ice 1C. Pump-room. SS due 3/24.
AURORA N + LUMEN N	63,500	both 2008	STX Jinhae (KRS)	Undisclosed	22.5-23 each	Ice 1A. Deepwell. SS due 5+8/23. BWTS fitted.
AFRODITE + AJAX + APOLLON + ARIADNE + ARIS + ARTEMIS	53,100	all 2005	Hyundai Mipo (KRS)	Undisclosed	21 each	Ice 1A. Deepwell. BWTS fitted.

DELPHI	38,877	2006	Guangzhou (CHN)	Undisclosed	14	Deepwell. DD due 4/24.
CHEMTRANS MARS	37,651	2007	Hyundai Mipo (KRS)	Undisclosed	20.1	Ice 1A. Deepwell. SS psd 3/22. BWTS fitted.
BALTIC SKY I	37,272	2001	Hyundai Mipo (KRS)	Undisclosed	10.35	Ice 1B. Deepwell. DD due 10/24. Prompt dely Rotterdam.
OLYMPIC VISION	34,663	2006	Dalian No. 1 (CHN)	Undisclosed	low-mid 15	Deepwell. DD due 10/24. BWTS fitted.
T PROCYON + T RIGEL	20,000	both 2021	Rushan (CHN)	Undisclosed	28.5 each	Stainless steel. BWTS fitted.
BUNGA LAVENDER	19,997	2010	Fukuoka (JPN)	Undisclosed	20	Stainless steel. DD due 4/24.
DREGGEN	19,994	2008	Fukuoka (JPN)	Dinheng Shipping	19.5	Stainless steel. DD due 5/24.
GIANCARLO D + NQ ALPINIA	19,801	both 2016	Ningbo Xinle (CHN)	Chinese buyer	28 each	Stainless steel. BWTS fitted.
COSGREAT LAKE	298,833	2002	NACKS (CHN)	GMS	high 30s	SS psd 11/22. Newly coiled. BWTS due 2/23. Sold end 12/22.
CONTAINERS / RO-RO / REEFER / PCC						
SEALAND GUAYAQUIL	34,221	2009	Jiangsu Yangzijiang (CHN)	Undisclosed	13	2546 TEU. Geared. SS due 1/24. Shore power.
BUXCONTACT	33,807	2002	Aker Mtw (GER)	European buyer	9.75	2478 TEU. Geared.
G. ACE	33,662	2007	Naikai Innoshima (JPN)	Chinese buyer	13.75	2483 TEU. Gearless. SS psd 4/22. BWTS fitted.
GAS (LNG / LPG / LAG / CO2)						
TELENDOS	26,634	2010	Hyundai Mipo (KRS)	Manta Gas	33	34,513 cbm. Fully ref. DD due 8/22.
INGE KOSAN + TRACEY KOSAN	3,790	both 2011	Yangzhou Kejin (CHN)	Pertamina	mid-high 9s each	3,661 cbm. Press'd. DD due 6+11/24.
GAS SPIRIT	3,409	2001	Higaki (JPN)	Ukranian buyer	5.7	4,112 cbm. Press'd. DD due 6/24.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Eastern Pacific	Newcastlemax	211,500 dwt x 2	JMU (JPN)	2025	reg 75	Scrubber fitted.
Cargill <> Mitsui & Co	Kamsarmax	82,000 dwt x 2	Tsuneishi (JPN)	2026		Methanol fuelled.
Doun Kisen	Ultramax	63,500 dwt x 4	Nantong Xiangyu (CHN)	2025	31	
Ocean Agencies	Ultramax	63,000 dwt x 2	SUMEC Dayang (CHN)	2025	31-32	EEDI 3.
Marine Capital	Ultramax	63,000 dwt x 2	SUMEC Dayang (CHN)	2025	31-32	EEDI 3.
TANKERS						
Tsakos	Suezmax	158,000 dwt x 1+1	Hyundai HI (KRS)	2025	est 85	Switched from 2 x 2,800 TEU order.
Nissen Kaiun	MR	50,000 dwt x 2	Hyundai Mipo (KRS)	2024		
CONTAINERS / RO-RO / REEFER / PCC						
Lepta Shipping	Containership	8,000 TEU x 2+2	New Yangzijiang (CHN)	2025		
Eastern Pacific	Containership	5,920 TEU x 4	Imabari (JPN)	2024	reg 75	Convention fuel.
GAS (LNG / LPG / LAG / CO2)						
Celsius Shipping	LNG	180,000 cbm x 4+4	CMHI Jianguo (CHN)	2026	234	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	540/560	540/550	525/535	280/290
Cargo/Bulk/Tween/Gen Cargo	520/535	515/530	505/515	270/280

Newbuild and Second Hand Benchmark Values (\$ million)

Historical Average Values (\$ million)

Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	120	100	75	46.3	61.9%
Suezmax	80	68	51.5	32.9	56.4%
Aframax	66	62.5	48	25.0	91.9%
MR	44	41.5	33	18.3	80.8%
Bulkers					
Capesize	60.5^	44 (eco)	30	24.0	25.2%
Kamsarmax	33.5^	30.5	22.5	16.4	37.5%

Ultramax / Supramax	31 [^]	28.5	18.5	14.1	31.2%
Handysize	28.5 [^]	24	15.75	11.5	36.8%
				<i>~ = Basis standard contemporaneous DWT/spec for each type.</i>	
<i>[^] = Chinese price (otherwise based upon Japanese / Korean country of build)</i>					

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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.

Ship Owner Pleads Guilty to Iranian Oil US Sanctions Violation



Behrouz Mokhtari, a naturalized U.S. citizen from Iran, pled guilty to conspiring with his co-defendants and others to evade US sanctions on Iranian oil.

The U.S. Department of Justice (DOJ) brought charges against Mokhtari for dealings which took place between 2013 and 2020 during which Mokhtari purchased two LNG tankers and traded with sanctioned entities in Iranian petrochemicals without the necessary licenses.

In his guilty plea, Mokhtari admitted to knowing that it was prohibited for a US citizen to engage in business with or provide services to Iranian entities without first obtaining a license from the US Treasury Department. Further, he knew that it was illegal to engage in transactions intended to evade Iranian sanctions or to engage in transactions related to goods and services of Iranian origin or export.

The DOJ reports that Mokhtari and his co-defendants purchased two LNG tankers in 2013 through a Panama based company he set up called East and West Shipping. They then used these tankers to trade in illicit Iranian petrochemicals between 2013 and 2017, while hiding ownership of the vessels through the use of multiple foreign shell companies; one of which was named Greenline Shipholding. These companies also used the US financial system to carry out transactions related to this illegal trade.

In May 2017 Mokhtari sold the tankers for scrap, receiving USD 2.9 million in profit for the deal. The DOJ contend that Mokhtari then used USD 1.5 million from the proceeds to purchase a house in Campbell, California in 2018.

The DOJ report that Mokhtari continued to trade in illicit Iranian petrochemicals between 2018 and 2020 through companies he either owned or had managing control of located in Iran and the United Arab Emirates, all without applying for the appropriate licenses from the U.S. government.

Upon entering his guilty plea, Mokhtari forfeited money and assets considered to be proceeds of crime. This included the home in Campbell, California, along with \$2,862,598.12, which a money judgement handed down by the court determined to be the proceeds from the sale of the two LNG tankers.

Mokhtari is scheduled for sentencing on 3 April 2023. He faces a maximum sentence of five years in federal prison for each of the two conspiracy counts.

Further Squeeze on Russian Fossil Fuel Exports



It is estimated that the sanctions on Russian seaborne crude imports are currently costing the Russian economy around \$170m per day and that there has been a 32% reduction in crude oil revenues as a combined result of the G7 price cap and ban on imports by certain countries.

The price cap measures introduced by the EU on 5 December 2022 mean that EU-based insurers are able to continue covering tankers carrying Russian-origin crude oil to non-EU destinations, provided that the price is below \$60 per barrel.

Similar measures are planned for Russian refined oil products starting from 5 February 2023, and these measures are estimated to create a further \$129m per day decline in revenue for Moscow. Russia is still making \$688m per day from their fossil fuel exports, and countries such as Poland have argued that a further, more significant, squeeze should be put on Russia by reducing the crude oil price cap to \$25-35.

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