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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 – Prolific Products

While recent weeks have seen a large volume of MR sales, this week has a greater sense of a flurry both in terms of concluded deals and vessels becoming available for sale. Spot rates may have wobbled recently, but remain robust and with abundant purchasing interest, albeit mostly from undisclosed interests, vintage prices are broadly pushing up around 10% on 4Q 2022 levels. Modern tonnage sales still remain rare, although the **"NAVIGARE PARS"** (51,034 dwt/built STX Jinhae, Korea) is understood to have achieved around US\$32m, helping to shine a light on 10 year benchmark pricing. However, teenage tonnage remains the purchasing sweet-spot and presents a good window of opportunity for conventional owners to divest older tonnage and reinvest in newbuildings, albeit most European owners tend to be upsizing to LR2 orders, although MR newbuilding remains well supported by Japanese owners and notably Al Seer Marine returning to K-Shipbuilding for more orders.

The crude market has been thrown a bone with VLCCs now chasing down US\$100k p/d spot earnings and also dominating the sales this week, with further vintage deals in advanced negotiations with predominantly Chinese interests. In other (albeit still VLCC related) news, intrigue surrounds which Euronav owned VLCC (or ULCC) has been purchased for US\$55m and assigned to the UN Development Programme's urgent salvage invention of the stricken FSO **"SAFER"** (400,219 dwt/built 1976 Hitachi, Japan), currently threatening environmental catastrophe off the Yemen coastline.

Dry Cargo – Sellers Stall

With the freight market now showing consistent improvement we are seeing some hesitancy from the selling side. With the market having a long way to go to reach to highs of last year it is understandable that some sellers may prefer to keep their powder dry. Subsequently the volume of dry sale this week does appear reduced. In contrast, some owners have elected to bite the bullet, as illustrated by the sale of the panamax **"MAGIC RAINBOW"** (73,593 dwt/built 2007 Jiangnan, China), which is being reported sold at US\$12.7m. The vessel had been on the market for some time with aggressive price ideas. It will be interesting to see if the owners of the **"ES SAKURA"** (76,596 dwt/built 2007 Imabari,

Japan) follow suit, as today is the offer deadline and they have seen previous deadlines come and go without a sale.

For handysizes, D'Amico Dry has achieved a respectable price for their open hatch boxed hold bulker, namely the "**CIELO DI ANGARA**" (39,202 dwt / built 2015 Yangfan, China) in an off market transaction at region US\$20m. Similarly, Japanese owners of the supramax "**IGNAZIO**" (58,126 dwt/built 2010 Tsuneishi Cebu, Philippines) having originally marketed the ship last year (and furthermore reportedly committing her in June 2022 at excess US\$19m) have now sold the vessel at US\$15.5m.

Recycling – Dry Demo

Recent weeks had been showing some encouraging signs with ship scrap price levels firming across the board (with the exception of Pakistan) and some interesting sales being reported with numerous Containerships committed and some dry tonnage with Capes and Panamaxs, as well as various Gas tonnage also being scrapped, but this week it appears sales have dried up somewhat and we have seen very little activity in the recycling market. Prices thankfully remain firm and stable and there is definite appetite amongst ship breakers and cash buyers to acquire inventory for their yards, and this should encourage some owners to take advantage of the good rates on offer and part with their tonnage, but whilst freight markets continue to perform well and the second-hand market remains buoyant, there will be slim pickings for the breakers. This is unfortunately a pattern that is likely to continue for some time.

Newbuilding – Newbuilding Show goes on...

Further LR2 orders have emerged in the Chinese yards as the major Greeks move in even with 2026 deliveries such as those placed at Yangzijiang (with no track record of building LR2s). Prices in Korea are substantially higher (around 15%) and very few 2025 slots available as an explanation for this. Further suezmax orders are also under way in Korea taking up remaining 2025 deliveries. Record earnings in tankers and a continued bullish outlook are reasons why we are seeing investment flow into tankers. Newbuilding pricing is unlikely to fall any time soon either as cost pressures continue from increased pricing of makers, likely steel plate increase from the restart of the Chinese economy and labour salary demands. Not much is said either about the potential for Russia to 'weaponise' the export key metals (aluminium etc.) that they currently continue to trade freely. If relations continue to sour over the Ukraine situation then this scenario may well become real (as many commodity players expect) and shipbuilding costs will not escape this impact on the commodity market.

Bulker newbuilding enquiry continues to follow our projections last week as medium sized (ultramax) orders continue to emerge from a mix of Japanese and European owners. We expect more to come after the Chinese government's announcement of "business as usual" for the economy last week.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
ELIZABETH II	180,184	2007	Imabari Saijo (JPN)	Undisclosed	17.5	DD due 8/23.
XIN HONG	82,226	2013	Dalian No. 2 (CHN)	Capital	19.5	DD due 11/24. BWTS fitted.
MAGIC RAINBOW	73,593	2007	Jiangnan (CHN)	Undisclosed	12.6	DD due 6/24. BWTS fitted.

IGNAZIO	58,126	2010	Tsuneishi Cebu (PHI)	Turkish buyer	15.5	DD due 5/23. BWTS fitted. Inspection not possible.
WORLDERA-1	51,024	2001	Oshima Zosen (JPN)	Undisclosed	reg 8	Basis DD psd 2/23. BWTS fitted.
CIELO DI ANGRA	39,202	2015	Yangfan (CHN)	MACS Maritime Carrier	20	DD due 9/23. BWTS fitted.
GALLEON	28,050	2014	Imabari (JPN)	Greek buyer	14	SS due 6/24. BWTS fitted.
TANKERS						
YUFUSAN	311,389	2005	Mitsui (JPN)	Chinese buyer	52 (on subs)	DD due 12/23. BWTS-fitted.
LIMNIA	309,960	2009	Imabari Saijo (JPN)	Undisclosed	61.5 (on subs)	SS due 10/24.
EMERALND SHINER + RIVER SHINER	73,750	2005	STX Jinhae (KRS)	Gatik	23.25 each	Ice 1A. Deepwell. DD due 9+10/23. Scrubber fitted. Renamed.
LILA RHINE	51,271	2007	STX Jinhae (KRS)	Turkish buyer	22.5	Deepwell. SS psd 9/22. BWTS fitted.
NAVIGARE PARS	51,034	2012	STX Jinhae (KRS)	Undisclosed	reg 32	Deepwell. DD due 5/25. BWTS fitted.
NEUTRON RAY	50,386	2005	Shina (KRS)	Undisclosed	18.1	Pump-room. SS due 3/25. BWTS fitted. Prompt dely UAE.
EVIAN	48,676	2006	Iwagi (JPN)	Middle Eastern buyer	18	Pump-rrrom. Trading dirty. DD due 4/25. BWTS fitted.
VIVIANA	47,221	1999	Onomichi (JPN)	Undisclosed	8	Pump-room. DD due 8/23.
MAERSK MICHIGAN	47,047	2003	Onomichi (JPN)	Undisclosed	mid/high 14 (on subs)	Pump-room. SS due 7/23. BWTS fitted. Cap 1.
RIDGEBURY MERCURY	46,934	2008	Hyundai Mipo (KRS)	Undisclosed	21	Deepwell. SS+BWTS due 6/23.
MTM MANILA + MTM MUMBAI + MTM YANGON	46,818	all 2003	Hyundai Mipo (KRS)	Undisclosed	14.8 each	Deepwell. SS due 3-6/23. BWTS fitted.
ATLANTICA BAY	46,763	2007	Sungdong (KRS)	Undisclosed	reg 22	Pump-room. SS psd 11/22. BWTS fitted.
CELSIUS ROME	45,996	2009	Shin Kurushima (JPN)	Undisclosed	23.9	Pump-room. SS psd 4/22. BWTS fitted.
UTVIKEN + INVIKEN	37,872	both 2009	Hyundai Mipo (KRS)	Undisclosed	xs 20 each	Deepwell. SS due 3+4/24. BWTS fitted.
BALTIC WAVE + BALTIC WIND	37,295	both 2003	Hyundai Mipo (KRS)	Turkish buyer	13 each	Ice 1B. Deepwell. SS due 5+11/23.
CHEM POLARIS	19,859	2008	Fukuoka (JPN)	Tolani Group	mid/high 19	Stainless steel. SS+BWTS due 3/23.
CONTAINERS / RO-RO / REEFER / PCC						
DL AMBER	12,898	2010	Higaki (JPN)	Undisclosed	9.5	SUS 304. SS due 8/25. BWTS fitted.



NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
Union Maritime	LR2	115,000 dwt x 2	Yangzijiang (CHN)	2025	59.5	
Pantheon Tankers	LR2	115,000 dwt x 2	Yangzijiang (CHN)	2026	59.7	
Performance Shipping	LR2	114,000 dwt x 1	SWS (CHN)	2025	62.6	LNG ready. Scrubber fitted.
Nissen Kaiun	MR	50,000 dwt x 3	Hyundai Mipo (KRS)	2025	45.6	
Al Seer Marine	MR	50,000 dwt x 2	Shipbuilding (KRS)	2025	42.5	LNG/alt fuels ready.
CONTAINERS / RO-RO / REEFER / PCC						
Wan Hai Lines	Containership	3,055 TEU x 3	JMU (JPN)	2025	49	Wan Hai Lines
GAS (LNG / LPG / LAG / CO2)						
NYK	LNG	174,000 cbm x 3	Hyundai Samho (KRS)	2027	255	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	600/625	590/605	540/550	350/360
Dry Cargo/Bulk/Tween/Gen Cargo	590/600	575/590	530/540	330/340

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	121	101	77	47.1	63.6%
Suezmax	81	68	54	33.4	61.5%
Aframax	64	62.5	50.5	26.7	89.5%
MR	45	42.5	33.5	18.6	80.0%
Bulkers					
Capesize	61.25^	45 (eco)	29.5	24.1	22.5%
Kamsarmax	33.75^	31	23.5	16.5	42.7%
Ultramax / Supramax	31.75^	29.5	20	14.2	41.1%
Handysize	29.25^	25	17	11.6	46.6%

~ = Basis standard contemporaneous DWT/spec for each type.

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

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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.

Safeguarding the High Seas



On the 4th of March 2023, delegates from more than 100 member states have agreed to the finalised text of a United Nations treaty to safeguard the high seas. The UN High Seas Treaty aims to protect and restore marine life by designating 30% of international waters as protected areas by 2030, limiting fishing activity, shipping lane routes, and exploration activities such as deep-sea mining. Previously, disagreements over funding and fishing rights had delayed negotiations.

The last international agreement of such magnitude was signed 40 years ago in 1982: the UN Convention on the Laws of the Sea. This agreement established the High Seas as an area where all countries have the right to fish, ship, and research, but with only 1.2% protected for marine life. Without these designated conservation zones, marine life is left vulnerable to various threats, such as the impacts of climate change, excessive fishing, and the movement of ships. Nearly 10% of global marine species are at risk of extinction, according to the International Union for Conservation of Nature (IUCN).

The new treaty will be important to help countries achieve the 30 by 30 pledge, which aims to preserve a third of the sea and land by 2030, made at the UN COP15 Biodiversity Conference. Countries must come together once again to ratify the treaty and take action to enforce it. Despite this requirement, the treaty represents a significant advance in the protection of marine life and biodiversity.

Singapore Announces that Harbour Crafts must use Clean Fuels



Singapore's port authority has announced that, from 2030, all new harbour craft must be fully electric or be capable of using biofuel (B100), or be compatible with net-zero fuels such as hydrogen. The aim is for all harbour craft to operate with net-zero emissions by 2050.

Currently, about 1,600 harbour craft operate within Singaporean waters, many of them servicing larger vessels moored in the city state's numerous anchorages. A first charging station will be deployed by Shell at the Shell Energy and Chemicals Park Singapore on Pulau Bukom by June this year to support full-electric ferries owned and operated by Penguin International. The Singapore Maritime and Port Authority (MPA) will roll out a larger infrastructure and implementation plan by 2025.

The directive was recently announced by the Singapore minister for transport S Iswaran at the Ministry of Transport Committee of Supply debate 2023.

The MPA said it encourages the industry to consult with MPA on the owners' various harbour craft designs early to aid adherence to the 2030 deadline.

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