

CJC Exchange is a weekly newsletter from **Campbell Johnston Clark**, incorporating with kind permission from **Gibson Shipbrokers** the most recent issue of the Gibson Sale & Purchase Market Report. A blend of market intelligence and relevant industry news, CJC Exchange is distributed free of charge to parties on the CJC mailing list who have given permissions to receive S&P updates from CJC. CJC Exchange is available to new subscribers [here](#).

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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 – BDI Blip?

Despite the slight downward adjustment in the BDI, dry cargo tonnage continues to be snapped up. This blip has had no bearing on prices, which continue to firm as illustrated by the recent sale of the **"RANGER"** (82,172 dwt/blt 2012 Tsuneishi Zoushan, China) for US\$24m with no BWTS, the most topical comparable sale was that of the **"CECILIA B"** (82,154 dwt/blt 2012 Tsuneishi, Japan) for US\$24m in June but this vessel benefited from having a scrubber and a BWTS system fitted, which would mean considerable additional expense. The reported sale of the Greek controlled supramax **"ANTOINE"** (55,498 dwt/blt 2009 Mitsui, Japan) at US\$19.5m shows there is no end to the escalation in dry vessel prices, the sister ship **"NORD TRUST"**, which invited offers on the 1st September was reportedly sold in July for US\$16m but the sale failed to materialise. Similarly the handy bulker **"PHOEBE STAR"** (32,581 dwt/blt 2010 Jiangsu Zhenjiang, China) has reportedly achieved a stupendous price of US\$14.1m to Greek buyers, which again underlines the current enthusiasm for this size and type.

NEWBUILDING – Outside Forces

Remaining early delivery slots in Korean yards are being taken by LPG, LNG and dual fuel tanker projects (backed by charter). Further opportunities remain still for tankers but this recent activity shows that competition still remains from other sectors. This combined with the relentless pressure on shipbuilding costs (Japanese steel mills recently increased their price again for example) makes it tough unfortunately to determine tanker newbuilding pricing exclusively from the tanker market fundamentals which alone would demand a reduction in pricing today. Much rests on a tanker market rally to make sense of current price levels and the potential for tanker newbuilding enquiry to increase in the manner we have recently seen in the bulker market. It is not unexpected either that newbuilding tanker demand could be increased from owners placing profits from the bulker and container markets into tankers, if a rally starts, and therefore again we see outside forces affecting the tanker newbuilding situation.

TANKERS – Times Up?

August drew to a close as quietly as it began, with little activity to report in these last days of the traditionally quiet S&P summer season, and with that activity being mainly focused on older tonnage being sold for dedicated projects rather than as a countercyclical investment. One potentially interesting development is the announcement of the auction sale of two modern MRs in Rotterdam on September 24th - that is, of the "**MARVIN STAR**" and "**MARVIN INDEPENDENCE**" (both 49,989 dwt/blt 2018 Hyundai Mipo) (*Note: there have been unverified reports of the sale of a third sister, the "**MARVIN CONFIDENCE**", under arrest in Greece*). The ships are likely to attract much interest from different buyers, considering the amount of capital and variety of buyers available for modern product tankers, and will set a welcome benchmark for values in this segment (even allowing for the usual discounts expected for auction vessels).

It will also be interesting to see if this sale ends up being a one-off, or the start of a series of arrests and liquidation sales to come later. Given the protracted nature of the current downturn in freight rates, and little prospect of change in the short term, the latter case would hardly be surprising. Pure-play tanker owners, especially those with smaller fleets, are likely to be dealing with steadily wilting balance sheets, and their creditors running short of patience, leaving the stage set for many uncomfortable discussions ahead between the various parties in the coming months.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
STELLA HOPE + STELLA NAOMI + STELLA NORA	180,000	all 2016	Dalian / SWS / SWS (CHN)	Undisclosed buyer	44 each	
SDTR IRENE	84,800	2021	Dalian No. 2 (CHN)	Undisclosed buyer	36	Dely 7/22.
RANGER	82,172	2012	Tsuneishi Zhoushan (CHN)	Undisclosed buyer	24	SS due 7/22. No BWTS
OKEANOS BLISS	76,636	2008	Imabari (JPN)	Castor Maritime	18.75	DD due 10/21.
OCEAN SUCCESS	56,815	2011	Tianjin Xingang (CHN)	Undisclosed buyer	high 15	Tier II. Dely + SS due 11/21.
CRESSIDA	55,614	2006	NACKS (CHN)	Chinese buyer	16	SS psd 7/20. No BWTS.
ANTOINE	55,498	2009	Mitsui (JPN)	Undisclosed buyer	19.5	BWTS fitted. Inc BSI (97%) linked TC to 10/21-2/22.
SIBULK TRADITION	53,206	2008	Iwagi (JPN)	Chinese buyer	16	SS due 7/22.
S'HAIL AL RUWAIS	52,817	2001	Onomichi (JPN)	Chinese buyer	9.2	SS due 9/21.
TEIZAN	50,448	2011	Oshima Zosen (JPN)	Undisclosed buyer	21.1	Oppen hatch. SS psd 11/20. BWTS fitted.
NICOLINE BULKER	38,191	2012	Naikai Innoshima (JPN)	Pacific Basin	20.2	Prompt dely. SS due 1/22.
HOUSTON PEARL	35,914	2011	Hyundai Mipo (KRS)	Undisclosed buyer	18.4	Open hatch. SS psd 1/21. BWTS fitted.

PHOEBE STAR	32,581	2010	Jiangsu Zhenjiang (CHN)	Greek buyer	14.1	SS psd 12/20.
ATHOS	30,618	2007	Cochin (IND)	Undisclosed buyer	11.1	SS psd 7/21.
TANKERS						
STARLIGHT VENTURE	318,825	2004	Hyundai Ulsan (KRS)	Nigerian buyer	30	SS psd 1/20.
OCEAN VENUS	49,911	2006	SLS (KRS)	Undisclosed buyer	6.95 (A)	Xihe Group forced sale. Pumphoom. SS due 11/21.
GENERAL CARGO / MULTI PURPOSE						
BF TIMARU + BF CALOOSA	11,000	2006+2007	Daehan (KRS)	Undisclosed buyer	22 en bloc	697 TEU. Geared.
CHENG LU 28 + CHENG LU 29	8,000	2011+2012	Zhejiang Richland (CHN)	Chinese buyer	RMB 21.03+24.22	Gearless.
CONTAINERS / RO-RO / REEFER / PCC						
XIN FENG YANG PU	68,383	2006	Hanjin Hi (KRS)	Undisclosed buyer	30	5089 TEU. Gearless. SS due 5/22.
XIN FENG YANG ZIJIANG	51,059	2002	Samsung (KRS)	MSC	30	3739 TEU. Geared.
BUSAN TRADER	34,567	2009	STX Jinhae (KRS)	Undisclosed buyer	35	2602 TEU. Geared.
SAN ANTONIO	28,197	2008	Hyundai Mipo (KRS)	Seabord Marine	32.5	2602 TEU. Geared.
VEGA SIGMA	13,668	2007	Qingshan (CHN)	MSC	15.5	1118 TEU. Geared. SS due 11/22.
XIANG SHUN	13,109	1997	Ysselwerf (NTH)	Sinokor Merchant Marine	5.8	1050 TEU. Gearless. Ice 1A. SS due 5/22.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Jadroplov	Ultramax	63,000 dwt x 2+1	??? (CHN)	2023		
Fednav	Handysize	34,500 dwt x 10	Oshima Zosen (JPN)	2023-2024		Lakes fitted. Bio-fuel capable.
CONTAINERS / RO-RO / REEFER / PCC						
OOCL	Containership	16,000 TEU x 5	NACKS (CHN)	2024-2025		
OOCL	Containership	16,000 TEU x 5	DACKS (CHN)	2024-2025		
Asiatic/Atlantic Lloyd	Containership	7,100 TEU +2	Dalian (CHN)	2023		*Declared options. Ammonia ready. EEDI Phase 3. Tier III.
Capital Product Partners	Containership	1,800 TEU x 6	Hyundai Mipo (KRS)	2023	32	LNG dual fuel + AMP ready. Tier III. EEDI 3.
GAS						
Celsius Shipping	LNG	186,000 cbm +2	Samsung HI (KRS)	2024	196.2*	* Declared options. ME-GA engine.
K-Line	LPG	86,700 cbm x 1	Kawasaki (JPN)	2023		Dual fuel.

Hyundai Glovis	LPG	86,000 cbm x 2	Hyundai Samho (KRS)	2024	Against T/C to Trafigura. LPG + Conventional fuel.
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Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	103	72	48
SUEZMAX	72	49	33
AFRAMAX	58	40	26
MR	39	28	19
Bulkers			
CAPE SIZE	60^	39	33.5
KAMSARMAX / PANAMAX	35^	32k	23k/21.5p
ULTRAMAX / SUPRAMAX	33.5^	30u	21s
HANDYSIZE	28.5^	25	18.5

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

Indices

	C.O.B Friday
BDI	3944
\$/Yen	109.84
VLCC	
AG/East	35
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.

Strikes at HMM pose further threat for supply chains



The Seoul-based shipping company HMM (one of Asia’s biggest shipping giants), are set to disrupt global supply chains after the company’s labour union voted in favour of a strike. Workers are demanding pay rises after a considerable increase in company profits. Record operating profits of Won2.4tn (\$2.1bn) in the first half of this year were recorded, comparing with Won136.7bn the year prior.

With the union rejecting an 8% increase and a bonus of six months’ salary, an HMM spokesperson stated workers were demanding the company normalise their pay. The company wants to gradually increase the pay level, despite no wage increase in the past eight years.

A strike would damage the global tech and auto supply chains; already struggling due to material and parts shortages coincided with bottlenecks at ports related to pandemic restrictions and staffing shortfalls. Closures at Chinese ports in the past year, which is set to rattle international trade into next year, echoes the severity of such disruption.

As observed by Uhm Kyung-ah, an analyst at Shinyoung Securities, "If they actually go on strike, it will create knock-on effects on international shipping,". For HMM and its shipping alliances, they have estimated a three-week strike would result in operating losses of \$580m.

HMM are hopeful strikes will be avoided by further talks with the union "to avoid turmoil in ocean shipping".

The IUMI Conference starts on the 2th of September 2021!



One of the biggest meet-up events of the marine insurance industry, the International Union of Marine Insurance Conference or ... just the IUMI Conference will take place between 02 and 15 September 2021 in Seoul, South Korea. The Conference will be 'Seoul-less' in the sense that it will be in virtual format due to the continuing uncertainty surrounding the globally-imposed travel and social restrictions. This is the second time after Stockholm

that the IUMI committee decided to follow the virtual format. The 2021 Conference will offer 10 workshops over 2 weeks, with each workshop repeated morning and afternoon for the convenience of those living in difference time zones. The IUMI conference offers great insights into key topics for the delegates and a wide range of digital networking opportunities. The IUMI committee may consider switching to hybrid format where future IUMI conferences might be held both physically and virtually in the future.

The reason why Seoul was chosen for 2021 was mainly due to the history and strategic position of Korea in the maritime industry. Korea is world's biggest shipbuilder in terms of order volume and the ninth-largest player in terms of trade as of 2019, and it is steadily expanding its investment to further the advancement of the maritime industry. In addition, Korea's marine insurance market ranks the fourteenth in total premiums and holds significant growth potential for the global marine insurance industry.

Singapore offers Covid-19 vaccines to non-resident foreign seafarers



Senior Minister of State for Transport, Mr Chee Hong Tat, announced in his speech at the International Safety@Sea Week that eligible non-resident foreign sea crew in Singapore will be offered Covid-19 vaccinations.

Those eligible for the programme, called Sea Crew Vaccination Initiative or "SEAVAX", covers non-resident foreign seafarers who are working in the Singapore Port for a prolonged duration, reported to be more than 30 days, who work on board homeported cruise ships, ships undergoing repairs at Singapore shipyards and yachts at marines used for events, cruises and private charter. Additionally, sea crew working on board fishing vessels, ship supply vessels and regional ferries which enter and leave Singapore waters at least once a month will also qualify.

The Minister stated that such crew will interact with the local community as part of their work and so protecting them through vaccinations will be part of the national effort for Singapore to be a Covid-19 resilient nation.

In a Joint Media Release including the Maritime and Port Authority of Singapore (MPA), the local authorities stated that eligible crew will be offered either the Moderna or Pfizer-BioNTech/Comirnaty vaccination, subject to availability. The release also stated that the eligible crew can receive their vaccinations at designated sites which will be set up close to them. Further, it is reported that companies or individuals should be prepared to pay for the vaccination services. The media release further mentions that the relevant local authorities will be reaching out to companies involved to schedule the vaccinations.

The Minister further informs that efforts are being facilitated to allow ocean-going sign-on foreign seafarers to receive their vaccinations as part of Singapore's established crew sign-on process. He states that this will commence once the arrangements are ready and the required approvals have been obtained. Ending off on this part, the Minister said, "With this initiative, Singapore will join the network of ports around the world that are offering such vaccinations to international seafarers, including in Europe and the USA."

To date, more than 90% of Singapore's maritime workers and seafarers have been fully vaccinated. Specifically, the media release informs that 89% of the 7,500 resident seafarers working in Singapore's port waters have received at least one dose of the vaccine and 82% of them have been fully vaccinated.

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