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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 – The Costa Christmas!

There is no stopping the shopping for Costamare, their stockings are definitely full this Christmas. They have announced the purchase of seven bulkers this week (in addition to two container newbuilds) to add to their incredible 37 acquisitions earlier in the year. They have bought the kamsarmax sisters **"EGYPTAIN MIKE"** (81,601 dwt/blt 2011 Guangzhou Longxue) and **"GEORGE P"** (2012 blt) for US\$19m and US\$20m respectively. The latter being bought by Kassian for US\$18m in April 2018. Their purchases include the ultramaxs **"SOHO TRADER"** and **"SOHO MERCHANT"** (63,800 dwt/blt 2015 Chengxi) and **"STAR DAMON"** (63,227 dwt/blt 2012 Yangzhou Dayang) which we reported in mid-November and the sisters **"BELSTAR"** + **"BELNOR"** (58,000 dwt/blt 2009+2010 Yangzhou Dayang) for US\$17.2m/17.8m; the 2009 with BWTS already installed.

It is good to see an abundance of sales this week and both buyers and sellers willing to trade. We would expect the usual slowdown with the holidays fast approaching but feel there is good cheer in the dry market.

RECYCLING – Scraps Slim Pickings

As we draw closer to the end of 2021 it seems unlikely there will be much to report with activity unfortunately still very sluggish. In the final weeks of the year the flow of market tonnage, which has been an ongoing issue throughout most of this year with a noticeable general lack of candidates, will no doubt continue to disappoint. Despite there being a recent gradual correction in prices which have softened, the demand/supply scenario is holding up prices which are still considered to be attractive levels for any Owners who are considering disposing of their old ladies for scrap. There is an element of cash buyers being cautious in their approach what with prices coming off of late and of course the new strain of Covid which could still yet cause huge problems for the industry. It seems likely that only until early next year will we be able to judge the market a little easier and hopefully some stability will return, and more ships! In terms of sales, they're been fairly thin on the ground this week with just the odd sale here and there being reported. We can however report another Suezmax

being committed, this time to Bangladesh breakers, and we understand some Aframax tonnage is also quietly being discussed.

TANKERS – December Bounce

Fresh benchmarks are being set in a variety of tanker segments as we enter the very final stretch of the year. SOCAR have managed to secure a healthy price of US\$24m a piece for their aframax **"SILVER"** and **"GOLD"** (107,000 dwt/blt 2010 Tsuneishi), from Greek buyers. For context, this same time last year, the **"STAVANGER EAGLE"** (106,000dwt/blt 2009 Sumitomo) was committed to Greek buyers at a reported price of US\$17.75m; this improvement in values is all the more notable considering the abysmal performance of the charter market over the last twelve months. In the meantime, J-19s also booked a new prime age second-hand reference sale, with undisclosed buyers reportedly paying US\$15m and US\$16m respectively for the **"BUNGA LAUREL"** (19,992 dwt/blt 2010 Fukuoka) and **"SHAMROCK MERCURY"** (19,998 dwt/blt 2010 Usuki), with the latter including a TC attached well over US\$13,000 per day.

One can only conclude that prospective investors in the tanker markets are feeling a definite fear of missing out on the much hoped for better markets ahead and are positioning themselves accordingly. With the emergence of the Omicron variant putting a speedy recovery of oil demand in doubt, it remains to be seen if this optimism about the future will hold steady as we enter the new year.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
CAPE TREASURE	180,201	2007	Koyo (JPN)	H-Line	22	BWTS fitted
EGYPTAIN MIKE	81,601	2011	Guangzhou Longxue (CHN)	Costamare	20	
GEORGE P	81,569	2012	Guangzhou Longxue (CHN)	Costamare	19	
BELSTAR + BELNOR	58,000	2009+2010	Yangzhou Dayang (CHN)	Costamare	17.2/17.8	BWTS + non-BWTS fitted.
SHANDONG HAI DA	56,734	2013	Jinling (CHN)	Undisclosed	18.05	Auction
UNIVERSAL BANGKOK	56,726	2012	Qingshan (CHN)	Undisclosed	17.25	
UNIVERSAL BREMEN	56,734	2010	Qingshan (CHN)	Undisclosed	15.75	
UNION ERWIN	55,733	2011	IHI (JPN)	Undisclosed	21	SS/DD passed
N/B RESALE HULL 183	40,200	2022	Jiangmen Nanyang (CHN)	German buyer	28.5	
SINLAU BULKER	34,485	2018	Hakodate (JPN)	Greek buyer	25	BWTS fitted. DD psd 12/20. Logger.
SAN SEBASTIAN	32,285	2007	Kanda (JPN)	Turkish buyer	10.8	

AEC DILIGENCE	32,258	2002	Saiki (JPN)	Chinese	9.5	SS due 4/22 / open hatch
TARGA	32,285	2009	Kanda (JPN)	Europeans	14.1	
BAO DA	28,107	2001	Bohai (CHN)	Greek buyer	6.5	
TANKERS						
ASTRO PERSEUS	159,116	2004	Hyundai Mipo (KRS)	Middle East	18.5	
ARGENTA PALLAS	115,341	2006Q	Samsung (KRS)	Castor	18.15	incl t/c@15k for 3mos SS/DD passed BWTS fitted
SILVER / GOLD	107,507	2010	Tsuneishi (JPN)	Thenamaris	24 each	
KANPUR / BAREILLY	106,094	2005	Hyundai Samho (KRS)	Stalwart	14.5 each	
CELSIUS PALERMO	49,998	2010	Shin Kurushima (JPN)	Undisclosed	16.7/16.8	
HIGH VALOR	45,975	2005	K Shipbuilding (KRS)	Undisclosed	10.3	
HAFNIA HOPE	40,009	2007	Saiki (JPN)	Turkish buyers	9.25	trading dirty
SHAMROCK MERCURY	19,998	2010	Usuki (JPN)	Undisclosed	16	st. steel / incl t/c high 13k
BUNGA LAUREL	19,992	2010	Fukuoka (JPN)	Undisclosed	15	st. steel
GAS (LNG / LPG / LAG / CO2)						
BW NIIGATA	49,999	2010	Mitsubishi, Japan	GMS	52	

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
SUEZMAX						
OCEAN RUBY	1997 / Korea	153,152	22,029	Bangladesh	599	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	600/620	600/610	575/585	350/360
Dry Cargo/Bulk/Tween/Gen Cargo	590/600	590/600	565/575	330/340

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	109	70	46
SUEZMAX	75.5	47	31
AFRAMAX	60	40.5	26.5
MR	41	28.5	18
Bulkers			

CAPE SIZE	60.5^	41.5	34
KAMSARMAX / PANAMAX	35^	33k/30p	23k/20.5p
ULTRAMAX / SUPRAMAX	33^	29u	19s
HANDYSIZE	29.5^	25.5	18

^=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.

Walmart’s Supply Chain Strategy Helps Ease US Terminal Bottlenecks



Walmart CEO Doug McMillon reported an increase in container throughput of around 26% nationally over the past four weeks. According to the transcript of a recent White House meeting, this figure jumps to a 51% increase when looking at ports in Southern California in particular. McMillon said the retailer’s enhanced ability to clear goods through port terminals is down to the company’s recent initiatives to clear bottlenecks, undertaken in conjunction with the Biden administration. Walmart has chartered smaller vessels enabling them to reroute to less busy ports. They have also extended lead times and has, most

recently, rented space for pop-up container yards near major ports.

These pop-up yards have enabled marine terminals to clear dock space more quickly by operating a ‘peel-and-go’ strategy. Boxes containing Walmart goods are placed in a separate area from the communal pile when offloaded from incoming vessels. This prevents them from being buried under other containers which would then require dock workers to locate a specific Walmart container and ‘dig it out’ from the pile when a truck arrives to move the boxes on. With ‘peel-and-go’, truckers can take the box from the top of the Walmart pile to the pop-up yard where the containers can be arranged more carefully before being sent along the supply line.

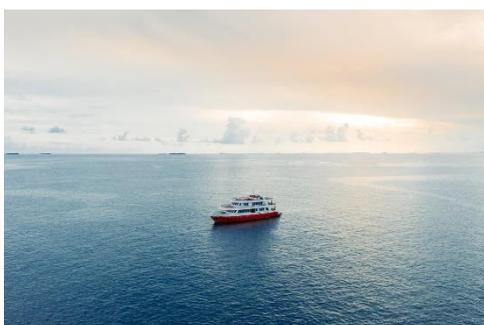
This frees up much needed space at port terminals, which are crowded by the overflow of shipping boxes this year. The lack of room at port terminals slows the importation process down significantly, as trucks and cargo handling equipment have very little room to manoeuvre.

'Peel-and-go' is not a new strategy in itself, however it is one typically employed by ocean carriers or large logistics companies. A retailer such as Walmart operating a pop-up yard to enable 'peel-and-go' is somewhat rare and is a recent innovation in response to the supply chain bottleneck.

Walmart is reportedly running pop-up yards near all ports it operates out of in the U.S. Speaking of a lot recently leased near Los Angeles and Long Beach harbour, Joe Metzger, executive vice president of supply chain operations for Walmart U.S., said more than 500 containers a day are processed in that lot alone. *"This pop-up operation has dramatically improved our flow of containers not only out of the port but back into our port terminals with empty containers"*.

The success of Walmart's recent logistical innovations means store shelves will be full for the Christmas season. In third-quarterly earnings, Doug McMillion reported that inventory levels are more than 10% higher this year when compared to the last. *"We'll keep working to make sure that we're in a good in-stock position as we go all the way through the season"* he added.

Green Corridors to be Introduced by 2025



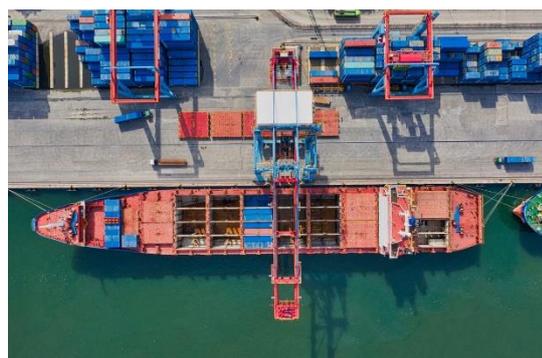
122 countries, including the UK and USA, have become signatories to a Mission Statement which commits to introducing green corridors into the maritime sector.

Green corridors (i.e. routes along which ships can travel burning zero-emissions fuels) will help the shipping industry play its part in the international effort to reduce global warming. The routes will operate internationally, it is thought, but those countries who have signed up are further committed to decarbonisation domestically.

As part of the Clydebank Declaration, which was signed at COP26, this initiative will also investigate actions that can be taken to address any barriers, such as regulations and infrastructure, that could hinder the formation of the corridors.

Currently, the maritime industry emits around 940 million tonnes of CO2 per year, amounting to 2.5% of global emissions. The ports which will be involved in such routes must also have green infrastructure. It is hoped that by 2025 there could be as many as six corridors, with a vast amount more to be operational by the end of the decade. With carbon emissions expected to surge without urgent action, the Mission Statement has set in stone the foundations for a move towards future sustainability in the maritime industry, allowing shipping to play its part in the global fight against climate change.

CMA CGM Agrees \$3bn Acquisition from Ingram Micro



After a period of financial difficulties, French shipping group CMA CGM has extended its foray into global logistics with a \$3bn deal to buy warehouses in the US and Europe and a cloud-based digital platform from US technology group Ingram Micro.

The Marseille-based container company made the swoop after benefiting from the sharp rise in freight rates during the pandemic and the economic recovery following on from the first lockdowns.

The new purchase of most of Ingram Micro includes a cloud-based logistics technology platform, and 59 warehouses worldwide. The strategy is set to help CMA CGM make the most of the rapid global growth of e-commerce and compete more effectively against rivals such as DHL and Kuehne+Nagel. The operations of Ingram Micro have also been bought out by CMA CGM. Ingram Micro currently have an estimated annual turnover of \$1.7bn and employ 11,500 people, raising the headcount of CMA CGM's logistics businesses to 90,000.

In November, CMA CGM also agreed to buy Fenix Marine Services, a container terminal operator at the Port of Los Angeles, in a deal worth \$2.3bn.

Similar to CMA CGM, Maersk has also used its pandemic profits to strengthen its position in non-ocean logistics and e-commerce. Retailers have been increasingly outsourcing warehouse management and logistics services to specialist contractors because of the complexity of online shopping supply chains such as handling return items and repairs.

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