

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 – Seasonal Shake Up?

There seems to be more activity in the dry sector this week, although there seems to be more activity in the dry sector this week, although the number of concluded deals is few. The excitement this week has surrounded the kamsarmax **"ENERGY TRITON"** (82,122 dwt/blt 2012 Tsuneishi) which is reported to have gone to a Chinese buyer at close to US\$25m. This is perhaps US\$2-3m more than the last similarly aged kamsarmax sale. The Baltic continues to fall and therefore a few buyers have been left with jaws agape.

There are a number of Buyers pursuing handysize tonnage. The **"ULTRA TOLHUACA"** (37,429 dwt/blt 2015 Oshima) had around fourteen parties viewing the inspection report and numerous offers received, including three of them in excess of US\$24m; so she may be finalised closer to US\$25m. This competition is pushing prices to numbers leaving the under bidders wondering if there is something they don't know, especially with the BDI still going south.

RECYCLING – Heating Up

The lack of tonnage continues as recycling markets across the board remain firm and hungry for tonnage as they have done since the start of 2022. Having had a fairly quiet period for a few months now we are finally seeing Alang improving their prices as local steel demand rises. Buyers in India however are not yet competing with their counter parts on market tonnage and their focus remains mainly on specialized tonnage & green recycling which is where their expertise lies.

Markets in Bangladesh are continuing to firm and are now edging closer to the US\$650 per LWT mark which are the kind of levels we were seeing back in parts of Q3 and Q4 of 2021. Even markets in Gadani are getting stronger and giving owners an alternative destination for scrapping of tonnage positioned in the west. Tankers continue to dominate the type of ships being circulated and sold for recycling, however a few older dry cargo vessels are also flirting with the idea of scraping due to the recent slump in dry freight markets.

TANKERS – Out with the Old, in with the New

Currently VLCC earnings make for dismal reading, with an excess of present tonnage vying for cargo, yet ship values tell a different picture. Given the last 2004 built sale was the **"ASIAN PROGRESS III"** (299,989 dwt/blt 2004 Mitsubishi) at US\$27.2m in December and prior to that the **"GILOS"** (319,247 dwt/blt 2004 Hyundai) at US\$29m in October, the latest sale of the **"SEA LYNX"** (318,306 dwt/blt 2004 Hyundai) to Singaporean interests this week at US\$32m marks a surprisingly firm figure, not least being notionally a year older on paper in 2022. Simultaneously, having sold the aforementioned **"GILOS"**, Aeolos Management is named as the buyer of the five year younger Chinese built **"NEW TALISMAN"** (296,81 dwt/blt 2009 Bohai) at US\$36m, hot on the heels of their December purchase of the **"NEW CORAL"** (297,224 dwt/blt 2010 Jiangnan Changxing) at US\$38m.

January has also proven a busy month for product tanker transactions with this week being dominated by Hafnia Tankers. Having sold their fifteen year old **"HAFNIA HOPE"** (40,009 dwt/blt 2007 Saiki) to clients of Sea Hawk Maritime in December for US\$9.25-9.5m and this week's sale of same aged sister ship **"HAFNIA KARAVA"** to same named interests in xs of US\$9m, the proceeds look soon to be reinvested in the pending en bloc purchase of a dozen of Scorpio's LR1 tanker fleet, all built in 2016 (except one in 2015) and all Scrubber fitted. The deal has certainly raised eyebrows and pricing per unit is expected to be within the low to mid US\$30s mill for likely conclusion in the coming days.

NEWBUILDING – Waiting in the Departure Lounge?

Little change in activity or sentiment in the tanker newbuilding market since the beginning of the year and Chinese New Year holidays are fast approaching (also in Korea) which traditionally sees marketing grind to a halt. Second-hand tanker buying sentiment remains very, very bullish albeit focused on the ten year old tonnage but more modern vessels are equally in demand held back only by lack of candidates for sale.

Traditionally we have seen strong second-hand buying sentiment eventually move into newbuildings and we expect the same this year if/ once there is tangible earnings relief in the spot markets.

As we have pointed out previously, the tanker orderbook is approaching only 5% of the existing fleet by June this year and there is no chance for fresh orders to negatively affect the 2022/2023 trading market as slots are all gone to other ship types. If we see a tanker market rebound from the mid of this year onwards (coincidentally around the time of Posidonia!) we believe this low orderbook statistic may well be the prime driver for newbuilding demand as second-hand pricing will have substantially increased. There also remains an absence of the "holy trinity" with regards to transitioning to alternative propulsion newbuildings in that 1) no clarity yet on many future regulations/ best alternative fuel 2) No sign of banks rushing on large scale to refinance such alternative propulsion designs 3) no wide-spread T/C to underscore such acquisitions or assurance T/C will be available extensively in the future for the new designs. It is very easy to stay with the status quo in terms of conventional designs but there remains continued and genuine uncertainty here. Furthermore, as we have seen across other parts of the spectrum of the oil industry, there is a prevalence of the status quo now (oil production continuing etc and won't be lower than 100m bpd for decades to come) as the sheer scale and lack of clarity of "going green" presents insurmountable practical challenges realistically for many years to come.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
ENERGY TRITON	82,122	2012	Tsuneishi (JPN)	Chinese buyer	high 24	DD due 4/23. BWTS fitted.
WEST WIND	56,557	2008	IHI (JPN)	Undisclosed buyer	16.85	SS due 8/23. BWTS fitted.
HTC DELTA	56,523	2014	Taizhou Sanfu (CHN)	Undisclosed buyer	17.9	DD due 6/22.
CRIMSON PRINCESS	38,395	2012	Naikai Innoshima (JPN)	Undisclosed buyer	reg 19	Open hatch. SS due 6/22.
LOCH MAREE	33,671	2013	Shin Kurushima (JPN)	Undisclosed buyer	18	SS due 5/23. BWTS fitted. Logs fitted.
INTREPID EAGLE	33,500	2013	Samjin (CHN)	Undisclosed buyer	mid 15	SS+BWTS due 4/23. Inc TC to 6-7/22 @ \$24.25k pd.
TANKERS						
SEA LYNX	318,306	2004	Hyundai Samho (KRS)	Singaporean buyer	32	DD due 3/23.
NEW TALISMAN	296,481	2009	Bohai (CHN)	Aeolos Management	36	DD due 9/22.
NORDIC MISTRAL	164,236	2002	Samho (KRS)	Undisclosed buyer	high 15	SS due 10/22.
STENA PERROS	65,086	2007	Split (CRT)	Nigerian buyer	11.2	Twin M/E. Ice 1B. Deepwell. SS due 12/22.
HAFNIA KARAVA	40,020	2007	Saiki (JPN)	Sea Hawk	xs 9	SS due 3/22. Trading dirty.
CHEMWAY GAIA	38,106	2007	Shin Kurushima (JPN)	Undisclosed buyer	7.8	Zinc coated. SS due 3/22.
GULF MOON + GULF MEWS + GULF MIST	37,488	all 2007	Hyundai Mipo (KRS)	Undisclosed buyer	7.75 each	Zinc coated. SS due 6+7+10/22.
CONTAINERS / RO-RO / REEFER / PCC						
BELMONTE EXPRESS	42,141	2006	Shanghai Shipyard (CHN)	MSC	xs 50	3534 TEU. Gearless.
CAPE MANILA	41,535	2011	Guangzhou Wenchong (CHN)	MSC	47	2758 TEU. Gearless. SS psd 9/21.
CARDIFF TRADER	33,673	2003	Kvaerner Warnow (GER)	MSC	reg 30	2524 TEU. Gearless.
MOUNT NICHOLSON	23,504	2017	Zhejiang Ouhua (CHN)	Asian buyer	45	1730 TEU. Geared. SS due 10/22.
RUN HE	16,421	2003	Peene-Werft (GER)	Undisclosed buyer	20	1200 TEU. Gearless.
GAS (LNG/LAG/CO2)						
EPIC ST. GEORGE	5,350	2007	Shitanoe (JPN)	Blue Energy & Maritime	xs 10.5	4,919 cbm. Fully press'd. SS due 5/22.

Recycling Prices (US\$/LWT)

Bangladesh	Pakistan	India	Turkey
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Tank/Cont/Ro-Ro/Capes/LPG/PCC	620/640	602/620	590/600	340/355
Dry Cargo/Bulk/Tween/Gen Cargo	600/620	590/605	580/590	330/340

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	113	73	49
SUEZMAX	76	49	32
AFRAMAX	60	43.25	28.8
MR	41.5	31	20
Bulkers			
CAPE SIZE	60.5^	41.5	33.5
KAMSARMAX / PANAMAX	35^	34k	24.5k / 22p
ULTRAMAX / SUPRAMAX	33^	30.5u	21s
HANDYSIZE	29.5^	26	18.5

^=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.

USD \$4.4 Billion Worth of Mid-Sized Container Ship Newbuilds Set to Hit the Market



Brokers and shipbuilders report a new wave of orders for 7,000 teu and 8,000 teu container ships, which are set to hit the market over the next few months. Nearly 30 new vessels will be commissioned. These orders are expected to be valued around USD \$4.4 billion, which join the nearly USD \$6 billion worth of shipbuilding contracts for vessels of a similar size already underway in yards across China and South Korea.

HMM, previously Hyundai Merchant Marine, is understood to have begun negotiations with South Korean shipyards

as it seeks to commission 12 new vessels. Also in talks with South Korean yards is Sinokor Merchant Marine, which is reportedly in the market for six new ships.

Seaspan Corp, which already has 25 of the neo-panamax boxships currently under construction in yards across China, is reportedly in the process of ordering more vessels of a similar size. Though details of the order have not yet been released, sources understand it involves the development of 12 new vessels, with owners working on the project under code name Project Knight (said to be worth USD \$1.44 billion).

Demand for mid-sized container ships (around 7,000 teu) is booming. ZIM has said it requires 40 to 50 more vessels this size, despite having already chartered the fifteen 7,000 teu boxships currently being built for Seaspan Corp at Yangzijiang Shipbuilding, as well as the three being built at Hyundai Samho Heavy Industries.

Experts point to neo-panamax boxships being the replacement to the 4,000 teu - 5,000 teu vessels, as the size is flexible enough to run trade routes from Far East Asia to the Middle East, as well as north-south routes.

Tonga's Tsunami Catalyst for Major Oil Spill in Peru



La Pampilla Refinery, part of the Spanish company Repsol, announced that there had been a "limited spill" of oil off the coast of Callao and Ventanilla districts near Lima, Peru on Saturday. The accident was due to the violent waves produced by the eruption on the other side of the Pacific Ocean, which caused Italian-flagged tanker Mare Doricum to spill its cargo into the ocean as it was loading the oil into La Pampilla.

The volcanic eruption in Tonga, which took place almost 10,000 kilometers (6,213 miles) away, forced Peru's environmental authority to close at least two beaches and a national natural reserve. It is unclear how many gallons of oil the Mare Doricum spilled into the ocean, but the vessel was carrying almost 1 million barrels of Brazilian crude.

Peru's environmental assessment and enforcement agency estimates 18,000 square metres of beach on Peru's Pacific coast have been affected by the spill, which has been described as the worst ecological disaster to hit the South American country in recent history. It is an area rich in marine biodiversity. On Cavero beach, northwest of the facility, the waves coated the sand with oil and dead crustaceans.

Christel Scheske, conservation specialist from the Peruvian Society for Environmental Law, has stated, *"Heavy metals from the crude oil will remain in the ecosystem for many years, rendering fish, molluscs and other marine species dangerous for human consumption, and affecting the entire marine food web"*. Concerns about the effect the spill will have on the local fishing industry have led to protests led by fishermen outside La Pampilla refinery.

The government of Peru has launched an investigation into Repsol's protocols and response to the spill, and on Monday the Peruvian environmental ministry stated that the refinery could face a fine of up to \$34.5 million.

Singapore Remains World's Busiest Transshipment and Bunkering Port



As reported in a news release by the Maritime and Port Authority of Singapore, Singapore recorded a container throughput of 37.5 million twenty-foot equivalent units (TEUs) in 2021. Furthermore, bunker sales in the island nation crossed 50 million tonnes, which has only occurred twice, the last in 2017. Singapore also remained as the top ship registry, with total tonnage standing at 92.3 million gross tonnage as of December 2021.

The news was announced by Mr S Iswaran, Minister for Transport, at the Singapore Maritime Foundation New Year Conversations event on 13 January 2022. At the event, Minister Iswaran highlighted four themes that will guide Singapore's efforts in advancing the maritime sector and consultations with industry and unions on the refreshed Sea Transport Industry Transformation Map; resilience, digitalization, decarbonization and talent. He said that, "*Maritime Singapore has shown itself to be resilient despite the challenges of the pandemic over the past two years.*" The Minister also added that he is confident that the strong tripartite partnership between the Government, industry and unions will assist through the recovery phase and allow Maritime Singapore to come out even stronger.

As a result of the record high handling of 37.5 million TEUs of container throughput in 2021, Singapore remained the world's busiest container transshipment port. In totality, Singapore handled 599 million tonnes of cargo in 2021, an increase of about 1.4% from 2020. It also kept the position as a top bunkering port with the 50 million tonnes of bunker sales in 2021. Out of this figure, 49.99 million tonnes were with respect to conventional bunker sales and the remaining 0.05 million tonnes in LNG bunker sales. In relation to the latter, Singapore is continuing to diversify fuel offerings in line with the country's push for maritime decarbonization.

Outside of the port sector, the MPA also highlighted Singapore's strong performance as an international maritime centre in shipping services and maritime technology. To this end, a recent study by DNV and Menon Economics AS ranked Singapore as the top leading maritime city of the world for a fifth consecutive time.

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