

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 – Fortune Favours the Brave

Despite yesterday's 17 pct and today's 31.5 pct appreciation in the Baltic Capesize Index values are still under pressure as illustrated by the reported sale of the "**SOUTH TRADER**" (181,343 dwt / built 2014 Koyo, Japan) at US\$33.8m, which represents a significant drop to last done. Apparently, owners' initial ideas were region US\$36m, but given the recent decline in dry freights there were no takers at this level. It is interesting to note that there has been some T/C coverage being taken by operators for kamsarmax tonnage in this recent dip suggesting that they are of the opinion good times will be coming back!

Certainly, this faith in the market is underlined with the number of sales we are reporting this week including the US\$280m en bloc sale of twelve handysize bulkers to Oskar Wehr. It is clear many sellers are holding firm on their pricing, and this has resulted in some buyers biting the bullet in order to secure their preferred tonnage. Others with less attractive units will resultantly have to be more flexible in their ideas if they are going to get the deal done.

RECYCLING – I See No Ships...

As the scarcity of tonnage persists and steel markets continue to firm, ship scrap price levels seemingly go from strength to strength. This of course means there is a lack of sales to report but there is talk of VLCC tonnage potentially being negotiated and with such a shortage of tonnage, let alone big LWT tonnage, it's anyone's guess where price levels could head if indeed she was marketed. If such a sale was concluded somewhere in the low/mid US\$600's for example which would be considered a very firm and attractive price, then this would no doubt spark the interest of other Tanker owners and hopefully draw out other tonnage as they look to take advantage of a supply/demand imbalance. Also, bearing in mind there are fewer breakers / less competition who can handle VLCC tonnage, means whatever price is achieved, then the belief is there would likely be another US\$ 30/40 more that breakers would pay for an Aframax or Suezmax, indicating levels close to US\$ 700 could soon be on the horizon if the situation continues.

TANKERS – The Clean Dozen

The guess work is over as Hafnia has formerly announced it is paying US\$413.8m en bloc for the Scorpio modern 12 x LR1 fleet acquisition, equating to close to US\$34.5m per vessel, all but one of which built in 2016. Pundits talk of price firming in the LR1 sector, and the unit price clearly exceeds brokers' benchmarks in the low 30s for year younger LR1s, but the ships certainly owe a premium to recently passed Special Surveys, eco-rating and being Scrubber fitted, as well there being a value itself of such a rare sector block-purchase opportunity. Sliding down the age scale, the fifteen year old **"POLAR COD"** (73,919 dwt/blt 2007 Onomichi) has sold to Coral Shipping for US\$11.7m offering a more mainstream Japanese market sale vis-à-vis last week's reported Croatian built **"STENA PERROS"** (65,086 dwt/blt 2007 Split) for US\$11.2m to Crowley Marine, not least as also having twin engines. Rumours also suggest the sale of **"RED EAGLE"** (74,597 dwt/blt 2011 Sungdong) this week to a Greek buyer, but no price has yet emerged.

Returning to Scorpio, the company has also divested itself of a couple of MR tankers with the modern scrubber fitted **"STI MAJESTIC"** (49,999 dwt/blt 2019 Hyundai Vietnam) achieving US\$34.9m from Italian buyer Pillarstone and the **"STI FONTVIELLE"** (49,990 dwt/blt 2013 Hyundai Mipo) securing a solid US\$23.5m from undisclosed interests, offering a marker for the market. Meanwhile, breaking a recent hiatus for MR newbuildings, Asiatic Lloyd is reported to have penned a two firm option two order at Hyundai Vietnam for conventionally fuelled 50,000 dwt units for US\$38.9m apiece.

NEWBUILDING – Joining the Dots...

Chinese, Korean and Japanese yards have now closed for the annual new year holidays. It is unlikely this will affect tanker newbuilding sentiment which remains low currently reflecting the ongoing challenging market conditions. That said there is interest in MR tonnage and Asiatic Lloyd's 2 firm order in Hyundai Vietnam at region USD38.5m is a notable benchmark. It is also notable as this is a mainly container focused owner and, as we have highlighted previously, we expect more container owners to invest in the tanker market (the only main shipping sector not to have gone through a positive cycle yet). They are cash rich and have access to very cheap debt and, also if they do not invest their profits somewhere, they will need to be paid out as dividend. We do not expect a take-over of the tanker market by container owners! but the risk for the established tanker players is that container owners may move quick and secure the best newbuilding opportunities whilst tanker owners remain restrained in the face of tough rates on their existing tanker fleets. There are not many attractive 2024 slots for tankers but we see some attractive, tail heavy payment terms on offer that would allow for minimal investment now (recognising current tough market) whilst allowing a buyer to secure a forward position against a likely rebounding tanker market (at some point) and the obvious upwards pressure on pricing of assets. We continue to note also the very high buying appetite for 2nd hand tankers (demonstrating many owners' clear belief the market will rebound) and historically this has spilled over into newbuildings in due course so for the best newbuildings it will be best to "join the dots" sooner rather than later.

Gibson Sale & Purchase Market Report

S&P SALES

S&P SALES

Vessel Name	DWT	Built	Yard
BULKERS			
BAOSTEEL ELEVATION	206,312	2007	Imabari Saijo (JPN)

SOUTH TRADER	181,343	2014	Koyo (JPN)
BOTTIGLIERI FRANCO VELA	93,366	2010	Jiangsu Newyangzi (CHN)
BOTTIGLIERI GIULIO BORRIELLO	93,262	2011	Jiangsu Newyangzi (CHN)
JIN HANG	93,069	2012	Jiangsu Jinling (CHN)
G TAISHAN	58,780	2008	Tsuneishi Zhoushan (CHN)
SITC TAISHAN	58,107	2010	Tsuneishi Zhoushan (CHN)
JIN HAO	56,730	2012	Qingshan (CHN)
MOLYVOS LUCK	57,924	2014	Tsuneishi Zhoushan (CHN)
INTERLINK AFFINITY + INTERLINK AUDACITY	39,000	both 2016	Zhejiang Zengzhou (CHN)
INTERLINK QUALITY + INTERLINK UTILITY	38,000	both 2016	Huatai Heavy (CHN)
INTERLINK ABILITY + INTERLINK PROBITY	38,000	both 2015	Huatai Heavy (CHN)
INTERLINK EQUILITY + 'TENACITY + 'VERACITY	38,800	all 2016	Taizhou Kouan (CHN)
INTERLINK FIDELITY + 'MOBILITY + 'PRIORITY	38,800	all 2015	Taizhou Kouan (CHN)
ULTRA TOLHUACA	37,429	2015	Oshima (JPN)
HUI XIN 18	35,045	2012	Zhejiang Jiuzhou (CHN)
TANKERS			
STI PRECISION + 'PRESITGE + 'PRIDE + 'PROVIDENCE STI EXCEED + 'EXCELLENCE + 'EXCELSIOR + 'EXECUTIVE STI EXPEDITE + 'EXPERIENCE + 'EXPRESS STI EXCEL	74,997	all 2016 all 2016 all 2016 2015	SPP Sacheon (KRS)
POLAR COD	73,919	2007	Onomichi (JPN)
STI MAJESTIC	49,999	2019	Hyundai - Vietnam (VNM)
STI FONTVIEILLE	49,990	2013	Hyundai Mipo (KRS)
BALTIC SOUL + KEREL	37,270	2001+2002	Hyundai Mipo (KRS)
FURE FERDER + FURE FLADEN	18,326	both 2003	Vulcano (SPN)
LS ANNE + LS JAMIE	5,776	2008+2009	Soli (TRK)
NEWOCEAN 6	4,679	2014	Chongqing Chuandong (CHN)
CONTAINERS / RO-RO / REEFER / PCC			
RHODOS	80,228	2013	Hyundai Samho (KRS)
CATHERINE C + LEO C	78,000	2001+2002	Samsung (KRS)
AS PATRICIA	34,393	2006	SSW (GER)
KANWAY GALAXY	24,386	1997	Shin Kurushima (JPN)
JIANGSU YANGZI XINFU-YZJ2015-2075 + 2076	21,000	both 2022	Jiangsu Yangzi Xinfu (CHN)
EXCELLENT	6,293	1995	Trogir (CRT)
GAS			
EXCALIBUR	77,822	2002	Daewoo (KRS)
VENTURE GAS	49,701	1990	Kawasaki (JPN)

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)
BULKERS			
Fuyo Kaiun	Kamsarmax	82,300 dwt x 2	YAMIC (CHN)
KC Maritime	Ultramax	63,600 dwt x 2	Cosco Zhoushan (CHN)
PZM	Handysize	37,000 dwt x 4	Shanhaiguan (CHN)
TANKERS			
Sinokor Merchant Marine	Aframax	115,000 dwt +2	K Shipbuilding (KRS)
Asiatic Lloyd	MR	50,000 dwt x 2+2	Hyundai Vietnam (VIET)
CONTAINERS / RO-RO / REEFER / PCC			
MSC	Containership	16,000 TEU x 6	Tianjin Xingang (CHN)
PIL	Containership	13,000 TEU x 2+2	Jiangnan (CHN)
X-Press Feeders	Containership	7,000 TEU x 4	SWS (CHN)
Sea Consortium	Containership	7,000 TEU x 2	SWS (CHN)
GAS			
NYK Line	LNG	175,000 cbm x 1	Hyundai Samho (KRS)

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India
Tank/Cont/Ro-Ro/Capes/LPG/PCC	625/650	610/630	595/615
Dry Cargo/Bulk/Tween/Gen Cargo	600/625	590/610	585/595

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	114	72.5	49
SUEZMAX	76	48.5	32
AFRAMAX	60	43.25	28.5
MR	40	31	21
Bulkers			
CAPE SIZE	60.5^	41	32
KAMSARMAX / PANAMAX	35^	34k	24.5k / 22p
ULTRAMAX / SUPRAMAX	33^	30.5u	21s
HANDYSIZE	29.5^	26	18

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

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.

Maersk Launches New Company to Tackle Air Pollution



Maersk has launched a new company, to be known as Stillstrom, in a bid to tackle pollution by installing hundreds of offshore charging stations around the world. The charging stations, which look akin to an ordinary ocean buoy, will allow vessels to power themselves with electricity rather than fossil fuels whilst idle.

The group aims to install between three to ten buoys at up to 100 ports by 2028. The first operating buoy which will be operating at a commercial scale will be installed later this year at an offshore wind farm operated by Ørsted. Tests will be carried out for between six to nine months.

Currently, coaster vessels consume three to five tonnes of fuel whilst idle, with larger, commercial vessels consuming up to ten tonnes, according to Maersk. With this new initiative, Maersk is looking to cut air pollution from an estimated 3,500 idle vessels each day that are consuming fuel to generate power.

The companies acting together on this stated *"offshore charging for idle vessels is critical to facilitating the decarbonization of the maritime industry since it allows vessel owners to replace fossil fuels with electricity while being safely moored to the charging buoy."*

The news comes at a time where congestion at major ports around the world has increased the number of idle vessels, resulting in more toxic fumes for nearby urban areas. Stillstrom manager Sebastian Klasterer Toft has said *"we know that air pollution is a big problem at ports near urban areas, and these buoys will allow ships to turn off their engines"* whilst going on to add *"our ambition is that ships should use green power instead of fossil fuels while laying idle at ports."*

Hijacking Incident off Ivory Coast



The B Ocean was taken over by pirates late on Monday in what is reportedly the first hijacking incident in the region for almost a year. The vessel, operated by South Korean company SK Shipping, was located about 53 miles south-west of Abidjan at the time of the attack. All crew have since been reported safe, while the attackers made off with the fuel cargo onboard.

According to news sources, the 5,700-dwt vessel was not reported as hijacked until Tuesday, 25 January. Sea conditions at the time are believed to be have seen average

wave height of 1.6 meters. Contact with the vessel was lost around 23:30 UTC on 24 January. The ship also ceased transmission of AIS data at this time. AIS signal reappeared around 19:46 UTC on 25 January. Latest AIS data shows the vessel at anchor off the port of Abidjan.

The pirates are believed to be from outside the local area and are thought to be operating from a bigger 'mothership'. Of the perpetrators, security firm Dryad Global released a statement saying, "*details remain unclear and it is understood that coastal law enforcement agencies have been tasked with tracking the vessel*".

Experts worry that although piracy numbers were down significantly in 2021, the latest seizure could be an indication of a wider area of operation for armed attackers and pirates off West Africa. A Dryad spokesperson said, "*within the downturn of incidents, a further trend indicated a broadening of the piracy footprint to areas well beyond Nigerian waters, an area which had historically served as the heartland for such activity*".

Major Investment Planned for the Ports of California



In a recent announcement California Governor, Galvin Newsom, emphasised the imperative need for the State of California to increase investments in the local ports so that supply chain disruption brought by the Covid-19 pandemic can be remedied and unveiled a new spending plan to tackle the issue. The proposal, which is known as "The California Blueprint", aims to enhance operations at the Port of Los Angeles and the Port of Long Beach.

The suggested budget contemplates a total investment of \$2.3 bn. \$1.2 bn is set for port-related projects to increase the goods movement capacity on rail, roadways and port terminals. The proposal also aims to promote efforts to decarbonise the freight system, with \$875m being allocated for decarbonisation and zero-emission port-equipment. A further \$110m is set for related training and \$30m will be used for operational and process improvements.

Port of Los Angeles Executive Director, Gene Seroka, stated, "*These funds, together with our own dollars, private investment and new federal port investment in the Infrastructure Investment and Jobs Act, will prove to be a powerful combination that accelerates delivery of critically needed projects like a first-of-its-kind goods movement workforce training campus, cargo support facilities, digitalisation enhancements, and zero-emission equipment and charging infrastructure.*"

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