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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 – InderTERMINATE

The recent improvement in the dry cargo freight market relates well to the 1980s action movie 'Terminator' with Arnold Schwarzenegger's famous line "I'll be back" and certainly that appears to be the case with increasing charter rates being witnessed. Whether this momentum will be maintained and a return to the glory levels of last year or terminated remains to be seen, but most market commentators are giving a positive forecast for future earnings. Certainly with this potential uplift some buyers are moving very adroitly as illustrated by this week's sale of the kamsarmax "**NAVIOS PROSPERITY**" (82,500 dwt/blt 2007 Tsuneishi, Japan) at US\$16.4m, which again shows further reduction in prices. It should be noted that this sale was conducted in the same format as last week's sale of the panamax "**NORD FORTUNE**" i.e. with no inspection or report being made available and this could be a new trend being developed by Japanese sellers.

RECYCLING – Heel to the Steel

All markets continue to firm in the face of the continued lack of demo candidates. Sure there is the odd vessel being sold and at present it seems to consist mainly of large tankers, but still there is not enough tonnage going around to satisfy the hungry ship breakers who have empty yards and so desperately need fresh inventory on their plots. As expected, we finally saw New Shipping dispose of their 40k LWT VLCC "**NEW INSPIRATION**", which we understand has been sold for region US\$665 per LWT basis delivery Pakistan/Bangladesh range (although with that price she seems destined for Bangladesh). A very big price indeed when considering VL's can achieve some US\$30 (+/-) less than standard Tanker tonnage. Elsewhere there is talk of other potential deals under negotiation, which mainly appear to be Aframax and other Tankers, but there is also talk of some Capes being negotiated with price levels for all these being in the mid US\$600's still (but in excess of US\$660). Many owners are now wanting to see rates climb towards US\$700 before they pull the trigger, although we will most likely start seeing some sales in the US\$670/680 range soon if this trend continues, and these kind of levels must surely start sparking some more interest from owners to fix their old ladies for scrap.

TANKERS – Converting Cash

Sinokor has pounced on a VLCC having made some serious cash from the sales of a quartet of their container vessels. These units were previously acquired for a total of US\$49.1m and they have now sold them for an incredible US\$350m enbloc. Asset plays do not get much better than that, although one must not forget that the container owners have endured some testing trading markets in recent years. Sinokor has added the **"ATHENIAN SUCCESS"** (298,995 dwt/blt 2010 Hyundai Ulsan) to their tanker fleet for US\$42.5m and although the price is in line with last done it remains to be seen whether their timing will be miraculous again.

Buying interest remains strong in the Aframax/LR2 sector, whilst finding a Seller willing to accept Buyers' levels proves tricky. Westport Capital has done just that and picked up the **"TAURUS SUN"** (115,577 dwt/blt 2007 Sasebo) for an attractive looking US\$17.3m, but they will have the SS expenditure, which is due 5/22. Indonesian buyers have purchased Union Maritime's **"GLIFA"** (109,229 dwt/blt 2005 Hudong Zhonghua) for around US\$14.5m which looks strong considering its difficult to find buyers for these 15 year plus Chinese built units. Union picked her up for US\$14.5m in 2019, showing how static these values have been since then.

NEWBUILDING – Go Dry?

Enquiry remains flat on tanker newbuildings as owners await tangible improvements in current tanker rates. A number of very modern second-hand sales have taken place also, particularly on VLCC, which may set the scene for new, lower pricing benchmarks. If modern second-hand pricing falls significantly then this will make current newbuilding price levels (which are likely to remain rigid for a while yet) less attractive. However, any recovery in rates (that is widely expected at some point) would support or increase asset pricing and often incentivizes owners not to sell (removing candidates for sale) in order to trade the improving charter market. So again any tangible recovery in tanker market rates (rather obviously!) is key for newbuilding sentiment we feel. It is worth pointing out also that bulker markets are improving (we expand below) and also container, LPG and LNG markets are still performing well. Many owners with tankers are also in these sectors and thus occupied where the activity is. That said, tankers are the only mainstream shipping sector not to have seen a rally the last few years, so any improvement could see quite some influx of investment as owners position themselves away from these other shipping sectors (perhaps in mature stages of their respective rallies) into tankers.

The bulker market is showing strong signs of improvement now the Chinese holidays are over. The Baltic indices are all up with handy/ultra/ kamsarmax now north of USD 20k p/d (ultramax almost US\$24k p/d) and already we are picking up a large volume of buying interest on modern second-hand units. As we have said previously, we feel there is further scope for newbuilding orders as the orderbook has remained relatively under control, second-hand pricing is firm now (likely rise with a return of buying interest) and therefore owners may opt for reasonable delivery newbuildings instead of paying a premium for a short term gain and older designs (EEDI phase 2/ TIER II).

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
HEMINGWAY	207,672	2017	SWS (CHN)	JP Morgan	50.5	SS due 4/22.

NAVIOS PROSPERITY	82,500	2007	Tsuneishi (JPN)	Undisclosed buyer	16.4	SS psd 5/21. No BWTS
EVERGLORY + GALAXY + RENAISSANCE	82,500	all 2012	Qingdao Beihai (CHN)	Undisclosed buyer	19.9 each	SS due 8+11+12/22.
SPETSES SPIRIT	80,328	2011	STX Jinhae (KRS)	Hong Kong buyer	low 20s	SS psd 4/21. BWTS fitted.
DORIC + IONIC	58,923	both 2013	SPP Sacheon (KRS)	Greek buyer	21 each	SS due 7+9/23.
MAGDA	58,018	2010	Yangzhou Dayang (CHN)	Costamar e	16.7	SS psd 7/20. BWTS fitted.
UNIVERSE 1	53,075	2003	Oshima Zosen (JPN)	Chinese buyer	10.1	SS due 11/23.
MARINE PRINCESS	35,101	2012	COSCO Guangdong (CHN)	GMS	16.4*	*Auction, New Orleans. SS due 11/22.
INA	16,622	2012	Taizhou Sanfu (CHN)	Undisclosed buyer	10	SS due 6/22. Ice 1C.
TANKERS						
ATHENIAN SUCCESS	298,995	2010	Hyundai Ulsan (KRS)	Sinokor Merchant Marine	42.5	SS psd 1/20. BWTS due 4/22.
TAURUS SUN	115,577	2007	Sasebo (JPN)	Westport Capital	17.3	SS due 5/22.
GLIFA	109,229	2005	Hudong Zhonghua (CHN)	Soechi	14.5	DD due 10/23.
HYUNDAI VIETNAM S501 + S502	50,000	both 2022	Hyundai Vietnam (VIET)	Norden	36.8 each	BWTS fitted. Scrubber ready.
UACC HARMONY	45,913	2005	Shin Kurushima (JPN)	Middle Eastern buyer	reg 9	Pump-room.
TEAM HAWK + TEAM FALCON + TEAM OSPREY	25,400	2008+2009+2009	Dae Sun (KRS)	Undisclosed buyer	9 each	Epoxy. IMO II.
EASTERN LIBERTY	8,857	2002	Usuki (JPN)	Indonesia n buyer	3.6	Stainless Steel. SS due 6/22.
CONTAINERS / RO-RO / REEFER / PCC						
BALTIC BRIDGE NORTH BRIDGE BALTIC SOUTH SINGAPORE BRIDGE	93,571 53,627 52,184 50,953	2005 2006 2010 2002	Hyundai Ulsan (KRS) Hyundai Ulsan (KRS) Hyundai Ulsan (KRS) Hyundai Ulsan (KRS) Samsung (KRS)	MSC	350 en bloc	4500 TEU. Gearless. 4253 TEU. Gearless. 4500 TEU. Gearless. 4253 TEU. Gearless.
SAG GOOD TIMING	13,702	2009	Taizhou Kouan (CHN)	Undisclosed buyer	22	1118 TEU. Gearless.

GAS (LNG/LAG/CO2)						
STRAITS STAR	6,825	2018	Kyokuyo (JPN)	Unta Carriers Pte		7,500 cbm. Fully press'd. SS due 5/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
CONTAINERS / RO-RO / REEFER / PCC						
H-Line	PCTC	7,000 CEU x 2	GSI (CHN)	2025		LNG dual fuel. Against TC to Hyundai Glovis.
Tsakos	Containers hip	2,800 TEU x 4	Hyundai Mipo (KRS)	2024	42.7	Now 6 on order.
GAS (LNG/LAG/CO2)						
Wanhua Chemical Group i	VLEC	99,000 cbm x 2+2	Jiangnan (CHN)	2025	128	Dual fuel.
Peninsula Shipping / Scale Gas (JV)	LNGBV	12,500 dwt +1	Hyundai Mipo (KRS)	2023	60.6*	Declared option. Bunkering.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
CAPE SIZE						
ALAM CETUS	2003 / Japan	171,009			seeing high USD 600's...	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	640/665	630/650	610/630	345/355
Dry Cargo/Bulk/Tween/Gen Cargo	630/640	620/630	600/610	335/345

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	114	72	49
SUEZMAX	76	48.5	32
AFRAMAX	60	44	28.5
MR	40	31	21
Bulkers			
CAPE SIZE	60.5^	47eco	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.

Record Set for Longest and Furthest Autonomous Navigation



The *Sunflower Shiretoko* has sailed into the record books, as this week it accomplished the longest and farthest autonomous navigation the world has seen. The 11,400 gross ton passenger ferry travelled approximately 466 miles over a period of 18 hours on 6 and 7 February 2022. The vessel followed the normal commercial route of the ferry, which operates between the northern Japanese Tomakomai Port of Hokkaido and the Oarai Port in central Japan.

As head of the consortium responsible for the latest venture, Mitsui O.S.K. Lines Ltd. announced the successful voyage on its website on Monday morning, stating: *"The significance about this test is the confirmation of the development elements "the Autonomous Berthing and Unberthing Technology", "The Autonomous Collision Avoidance Routing System", and "the Target Visual Image Processing and Ranging Technology" which functioned normally even during such a long voyage."*

The successful autonomous navigation was the most recent in a series of tests being carried out as part of a broader, Japanese government-sponsored project, known as MEGURI 2040. Spearheaded by the Nippon Foundation, MEGURI 2040 has as its goal the *"development and verification of fully autonomous ship navigation"*. Research and development of fully autonomous ship navigation is intended to address maritime issues including crew shortages and accident prevention. There are also hopes for autonomous ship navigation to become an industry for Japan to demonstrate its advanced technologies in areas including information and communications technology, artificial intelligence, and image analysis technology on the world stage.

Maiden Voyage Underway for World's First LNG-Fuelled Bulker



The MV Mount Tourmaline, the world's first LNG-fuelled Newcastlemax bulk carrier, has been delivered to Australian mining company BHP.

The 209,000 dwt vessel is, according to BHP, the cleanest and most efficient vessel in BHP's dry bulk fleet and is IMO 2030 compliant. BHP expects LNG-fuelled vessels to reduce greenhouse gas emissions by more than 30 percent per voyage when compared to a conventionally fuelled vessel.

Undertaking her maiden voyage, the vessel arrived in Singapore for LNG bunkering operations which were handled by Singapore's first LNG bunkering vessel, the FueLNG Bellina. FueLNG constitutes a joint venture between Shell Eastern Petroleum and Keppel Offshore & Marine. Chairman of FueLNG and CEO of Keppel Offshore & Marine, Mr Chris Ong, said "*LNG plays an important part in the clean energy transition. FueLNG is well positioned to support the decarbonisation efforts of industry leaders such as BHP and EPS.*" Following bunkering, the vessel will depart for Australia.

The LNG-fuelled carrier, chartered from Eastern Pacific Shipping (EPS), for five years constitutes part of BHP's plans to reach carbon neutrality by 2050. BHP's Vandita Pant stated "*this vessel delivers significant improvements to energy efficiency and emissions intensity, as well as reduced GHG emissions in our value chain*".

BHP has chartered a further four LNG-fuelled vessels which are to arrive in Singapore for bunkering in due course.

Global Centre for Maritime Decarbonisation and Global Maritime Forum Partner to Accelerate Shipping Decarbonisation



The Global Centre for Maritime Decarbonisation ("**GCMD**") and Global Maritime Forum have inked a partnership agreement which will support and accelerate the transition of the maritime industry to its low-carbon goal.

The partnership between the two entities will see them collaborate on low or net-zero emission projects and programmes. This will involve the sharing of knowledge and data analytics between the two organisations. In addition, they will also collaborate in support of the expansion of green corridors and will work closely to back the development of industry-led projects dealing in low or net-zero emission shipping demonstrations and pilots.

GCMD was formed on 1 August 2021 with the backing of the Maritime & Port Authority of Singapore and six founding members: BHP, BW, DNV Foundation, Eastern Pacific Shipping, Ocean Network Express and Sembcorp Marine. The goal of the GCMD is to assist the maritime industry to reduce carbon emissions as quickly as possible by shaping standards, deploying solutions, financing projects and fostering collaboration across sectors.

The Global Maritime Forum is an international non-profit organisation dedicated to shaping the future of seaborne trade to increase sustainable long-term economic development and human wellbeing. The organisation believes that new solutions to existing challenges can be made when stakeholders discuss the same together. It is led by a visionary group of leading industry partners that share the Forum's ambition of creating a common platform to drive change.

Chief Executive Officer for the GCMD, Professor Lynn Loo stated that decarbonising the maritime industry is a grand challenge which will require strong collaboration across the entire chain. The CEO envisions that the partnership will allow the two entities to leverage on each other's strengths which will move the industry towards the IMO goals.

She added that, "*We hope to bring GCMD's domain and technical expertise together with the Global Maritime Forum's broad-based community and platform to encourage and drive global industry dialogue as well as spur action towards developing and deploying solutions for decarbonisation*".

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