Campbell Johnston Clark
CJC EXCHANGE

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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

GIBSON SHIPBROKERS

With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services. +44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk

Dry Cargo – Supra-Charged

The turmoil in the world resulting from the Ukrainian crisis seems to have invigorated dry cargo buyers this week with a raft of sales being reported. Typically ultra/supramax bulkers continue to dominate this list and certainly it looks like prices have started to kick on from their previous highs. For instance in June 2021 the "VIALLI" (63,493 dwt/blt 2015 Chengxi, China) was reported sold for US$22.7m, which was before the 2021 freight market appreciation, then in the Autumn freight high similar vessels escalated to US$25m+ and now this week we are reporting the sale of sister "DROGBA" (63,488 dwt/blt 2015 Chengxi, China) at US$28.74m and when you equate for the age at sale the differential is even greater. Similarly, the supra "ANTERO" (56,892 dwt/blt 2011 Jiangsu Hantong, China) underscores this change with a reported sale price of US$17.6m; some million dollars more than was achieved by the Mandarin sisters a month ago.

Tankers – Vintage Divestments

With diminishing trading opportunities west of Suez in the present geopolitical climate and mindful of upcoming survey costs, not least BWTS, we are seeing a flow of early 2000s tonnage heading to Far Eastern buyers, with prices close to residual levels. However, a firm price has been reported on the aframax "BLUE POWER" (106,360 dwt/blt 2003 Tsuneishi, Japan) at US$13.5m to Vietnamese interests, particularly versus the larger and year younger "AXEL SPIRIT" (115,391 dwt/blt 2004 Samsung) at US$13.2m to undisclosed interests sold in recent weeks, and moreover US$ low 12s mill paid for the 2004 built sister ships "BUNGA KELANA 9" + "10" (105,250 dwt/blt 2004 Samsung) this week by Indonesian and Singaporean interests. Timing of the transactions, and reporting thereof, may explain some of the disparities on show, but the "BLUE POWER" has some 18 months until her Special Survey, which may hold some premium vis-a-vis 2004 built tonnage facing prompter dry-docking costs this year.

Newbuilding – Back to the Future

There has been a notable increase in enquiry in medium sized bulkers at the shipyards with the focus on ultramax. With rates staying strong and second-hand pricing high it is no surprise that owners are considering newbuildings as an alternative investment from a price point of view but also from an environmental compliance point of view. Prices are firm at the yards and starting to move reflecting this increase in enquiry. We may also see a knock effect on pricing from the commodity crisis engulfing the world from the Russian fallout. Securing main engines for orders also is harder which impacts pricing and delivery times.

No change in tanker newbuilding sentiment as the market continues to assess the wider implications of the Russian situation and continuing poor rates. Container enquiry remains buoyant and the few yards with 2024 slots for tankers have instead taken container orders for a number of first half 2024 deliveries. Tanker newbuilding pricing remains trapped at the yards between high profit margins for containers and robust material pricing. However, everything is relative and as has just been demonstrated again in the bulker market if rates improve and second-hand pricing accordingly then owners may take newbuilding pricing as it is today. Furthermore, the coming favourable fleet supply situation for tankers (low orderbook, few prompt slots and scrapping drivers) gives a fundamental cause to newbuildings so if there is a tanker market rally then ordering newbuildings would not just be a cheaper alternative to 2nd hand but a more logical investment against these coming market fundamentals.

Recycling – Sky High Scrap

All recycling markets continue to remain extremely firm with price levels edging ever closer to all time historic highs. In addition to a demo market already scarce of tonnage, the crisis in Ukraine and sanctions on Russia are only adding fuel to the fire and helping scrap markets everywhere firm in their rates. In India the price levels for steel scrap and non-ferrous metals jumped up by almost 10-15% during the past couple of weeks. Those ship-breakers with inventory are enjoying current market conditions without any pressure to buy or even offer on tonnage being made available.

Meanwhile, markets in Bangladesh and Pakistan have continued to remain strong as well, however local steel prices haven't yet seen a sharp rise as like we have witnessed in India. To make things even more interesting there appears to be zero sales being reported this week despite markets being so strong, leaving cash buyers disoriented on what would now be actual benchmark levels. Local market levels should be in region of US$700/LT, however with so few deals being done and ship-breakers shying away from offering it remains a mystery at what price we could see the next deal (and those thereafter...) perhaps in excess of $700/LT?

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
JIN JIA	93,077	2012	Jiangsu Jinling (CHN)	Chinese buyer	14.5*	*Online auction. SS due 5/22.
ALAM KUKUH	81,750	2019	Oshima Zosen (JPN)	Undisclosed buyer	38.75	
GALAXY	81,699	2012	Qingdao Beihai (CHN)	Undisclosed buyer	19.5	SS due 11/22.

DARYA KIRTHI	80,505	2012	STX Jinhae (KRS)	Greek buyer	24.5	Basis SS psd dely 4-5/22. BWTS fitted.
GOLDEN EMPRESS + GOLDEN ENDEAVOUR GOLDEN ENTERPRISE	79,450	both 2010 2011	Jinhai (CHN)	Lomar Shipping	52 en bloc	DD due 12/23. BWTS fitted + DD due 11/23 SS+DD psd 10/21.
CORAL RUBY	76,596	2008	Imabari (JPN)	Greek buyer	18	SS due 6/23. BWTS fitted.
SEA MELODY I	75,957	2002	Tsuneishi (JPN)	Chinese buyer	13.4	DD due 7/23. BWTS fitted.
HANTON TRADER II	64,000	2014	Jiangsu Hantong (CHN)	Jinhui	25.5	DD due 6/22. BWTS fitted.
DROGBA	63,488	2015	Chengxi (CHN)	Undisclosed buyer	28.74	DD due 7/23. BWTS fitted.
KARIMU	57,254	2011	STX Jinhae (KRS)	Undisclosed buyer	19	DD due 12/23. BWTS fitted. Old sale. Dely 7/22. Conversion.
MANDARIN FORTUNE	57,000	2008	Jiangsu Hantong (CHN)	Undisclosed buyer	14	TC free dely 8-9/22. SS due 11/23. BWTS fitted.
MANDARIN SKY	56,929	2009	Jiangsu Hantong (CHN)	Undisclosed buyer	14.5	Inc. TC to 5-8/22 +6-9 mths @ 96% BSI, BWTS fitted.
ANTERO	56,892	2011	Jiangsu Hantong (CHN)	Bangladeshi buyer	17.6	SS psd 10/21. BWTS fitted.
ATLANTIC MEXICO	56,697	2011	Taizhou Kouan (CHN)	Undisclosed buyer	16.5	SS due 10/23.
NATHAN BRANDON	56,479	2013	Huatai Heavy (CHN)	Undisclosed buyer	19	SS due 8/23. BWTS fitted.
HAI LONG	56,083	2007	Mitsui (JPN)	Undisclosed buyer	16	DD due 6/23.
JIN CHENG	52,961	2003	Oshima Zosen (JPN)	Hong Kong buyer	13.9	
INTERLINK MOBILITY	38,792	2015	Taizhou Kouan (CHN)	Undisclosed buyer	25.25	DD due 4/23. BWTS fitted.
ES MERCURY	32,248	2008	Kanda (JPN)	Chinese buyer	15.3	SS due 8/23. BWTS fitted.
ANEMOS	28,399	2006	Shimanami (JPN)	Greek buyer	11.5	SS psd 7/21.
ATLANTIC VERACRUZ	28,339	2009	Shimanami (JPN)	Vietnamese buyer	13.5	SS+BWTS due 7/22.
ZAPOLYARYE	23,645	2008	Chengxi (CHN)	UK buyer	13.25	Russian flag + class.
TANKERS						
OLYMPIC LOYALTY II	299,984	2005	Samsung (KRS)	Undisclosed buyer	mid 30s	SS psd 9/20. BWTS fitted.
DENSA ORCA	158,322	2012	Hyundai Gunsan (KRS)	Greek buyer	33	SS due 4/22.
BLUE POWER	106,360	2003	Tsuneishi (JPN)	Vietnamese buyer	13.5	SS due 9/23.
BUNGA KELANA 10	105,274	2004	Samsung (KRS)	Singaporean buyer	low 12	DD due 10/22.
BUNGA KELANA 9	105,200	2004	Samsung (KRS)	Indonesian buyer	low 12	DD due 8/22.
NORD SWAN	38,326	2009	Guangzhou (CHN)	Greek buyer	9.5	DD psd 7/21.
TORM TEVERE	37,383	2005	Hyundai Mipo (KRS)	Nigerian buyer	8.3	Ice 1A. DD due 10/23.

ADEBOMI 3	36,962	2002	3 Maj, Brod (CRT)	Greek buyer	6.2	SS due 8/22. Sold 1/22.
GENERAL CARGO / MULTI-PURPOSE						
GREEN FRONTIER	14,387	2007	Higaki (JPN)	Chinese buyer	8.8	Geared. SS psd 8/21. BWTS fitted.
CONTAINERS / RO-RO / REFFER / PCC						
HAMBURG BAY	72,982	2009	Koyo (JPN)	Hapag Lloyd	69	6350 TEU. Gearless.
WINDSWEPT	35,446	2010	Yangfan (CHN)	Transfar	52	2872 TEU. Gearless.
VIVALDI	34,264	2010	Jiangsu Yangzijiang (CHN)	Greek buyer	18	2546 TEU. Geared.
DIANA K	9,821	1996	Dae Sun (KRS)	Undisclosed buyer	low 4	642 TEU. Geared.
CONTAINERS / RO-RO / REFFER / PCC						
MP THE MCGINEST	51,532	2010	Hyundai Samho (KRS)	German buyer	mid-high 40	4400 TEU. Gearless. Inc. 1.5-3.5 yrs Index TC, Scrubber save share.
MARINA JADE	35,976	2001	Thyssen Nordsee (GER)	OM Maritime	reg 40	3091 TEU. Geared.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
BULKERS						
MX Bulk Shipping	Ultramax	63,000 dwt x 2	Tsuneishi Zhoushan (CHN)	2023		
CONTAINERS / RO-RO / REEFER / PCC						
PIL	Containership	14,000 TEU x 4	Jiangnan (CHN)	2024-2025		LNG dual fuel. NH3 ready.
Sinokor Merchant Marine	Containership	8,000 TEU x 6	Hyundai HI (KRS)	2023-2024	est. 98	
Delphis	Containership	5,940 TEU x 4	Qinqdao Yangfan (CHN)	2026		
Celsius Shipping	Containership	3,000 TEU x 2	Penglai Jinglu (CHN)	2023		NHC ready.
Sinokor Merchant Marine	Containership	2,800 TEU x 4	Hyundai Mipo (KRS)	2023	est. 43	
Asean Lines	Containership	1,800 TEU x 3	Huanghai (CHN)	2023	32.6	
Sinokor Merchant Marine	Containership	1,000 TEU x 2	Hyundai Mipo (KRS)	2023	est. 25	
StarOcean Marine	Containership	2,500 TEU x 2	Zhoushan Changhong (CHN)	2024	est. 38	Gearless.
GAS (LNG/LPG/LAG/CO2)						
Dynagas	LNG	200,000 cbm x 3	Hyundai HI (KRS)	2025	235	
ADNOC	LNG	175,000 cbm x 2+2	Jiangnan (CHN)	2025	reg 200	

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price ($/lwt)	Notes
CAPESIZE						
BELL	1996 / Korea	148,668	17,737	Bangladesh		old sale
AFRAMAX						
STAR I	2001 / Korea	105,816	17,586	Pakistan	650	old sale
CHEMICAL TANKER						
SAPPER	1997 / Italy	14,002	5,503	India		last weeks sale
TANKER						
DISTYA PUSHTI	1998, Russia	33,540	10,547	Bangladesh		old sale
PSV						
GREATSHIP ROHINI	2010 / India	3,656	2,456	as-s Mumbai	649	

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	670/685	660/670	660/670	410/420
Dry Cargo/Bulk/Tween/Gen Cargo	650/665	645/660	645/660	400/410

Newbuild and Second Hand Values *($ million)*

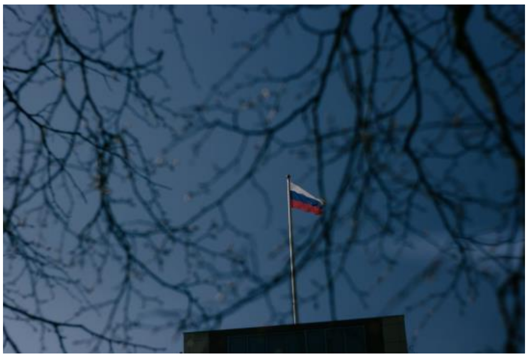
	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	115	71	48.5
SUEZMAX	77	48	32
AFRAMAX	60	45	28
MR	41	30	20
Bulkers			
CAPESIZE	61^	47 eco	32
KAMSARMAX / PANAMAX	35^	34.5	25.5
ULTRAMAX / SUPRAMAX	33^	32.5	23
HANDYSIZE	30^	27.5	18.5

^=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.

Supply Chains Disrupted as Western Countries Shun Russia



Following A ship carrying Russian oil which was due to dock in South Wales will no longer call in Milford Haven. The vessel, known as The Archelaos, was travelling to Milford Haven having been filled with diesel at Primorsk in Russia. Marine Traffic suggests the ship is now bound for Antwerp, and its location as of 7am appeared to be just off the Cornish coast.

Diesel terminal Puma Energy was scheduled to offload the cargo on Tuesday (March 8) but said the tanker would no longer call in Pembrokeshire, and it was looking into other diesel providers for the UK. It is the second Russian Ship turned away after the Welsh port refused to allow the Louie to dock last Friday. That vessel was also set to arrive at Milford Haven from Primorsk, Russia. Shipping data from Vessel Finder showed the Louie has since been diverted to Antwerp, Belgium. Puma Energy said it condemned the ongoing violence the Ukrainians are being subjected to by Russia.

Workers at a North West dock declined to unload cargo from a German-flagged ship on Sunday, as it had been carrying Russian oil, event though it being German flagged meant it does not technically fall under the UK's ban on Russian shipping.

An increasing number of European terminals are also refusing to accept shipments from, or destined to, Russia as a response to the Ukraine crisis. Most large ocean carriers have already suspended normal services to Russia in the preceding weeks, however Maersk was still planning to accept food and medication cargo to Russia but has been forced to partially suspend those services as well.

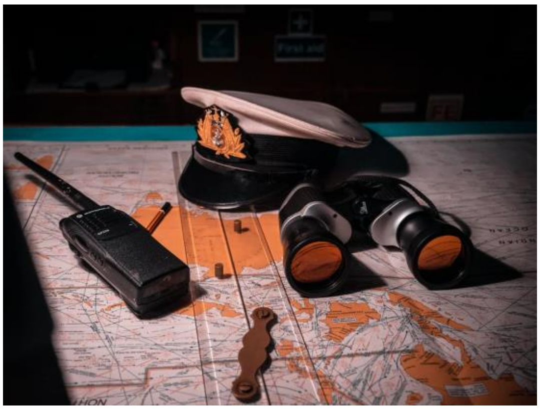
In a statement, Maersk stated: "*An increasing number of our terminal service providers in Europe are advising us that they will no longer be able to handle any additional cargo originating from or destined for Russia, including transshipments. As the stability of our operations and our customers' cargo is critical, we are now also temporarily stopping acceptance of all new Maersk bookings to/from St. Petersburg, Kaliningrad and Novorossiysk, regardless if the cargo is food, medical or humanitarian.*"

Following the suspension of these services, Maersk has offered customers a free change-of-destination service for Ukrainian and Russian bookings.

The long-term impacts are yet unknown, however CEO of leasing firm Container xChange, Christian Roeleffs, stated: "*maritime trade with Russia and Russian businesses could be very difficult in the months and even years to come. We expect this awful war to add to the stretched nature of global container supply chains, bringing yet more inflation, disruption and delays.*"

Maersk have already outlined the effects the war is having on global supply chains and costs, in light of the surge in fuel prices and "war risk surcharges". As customs authorities in the EU now inspect all units to and from Russia to identify potentially sanctioned and restricted shipments, hubs are becoming congested which is impacting on supply chains. Maersk has warned that the impact will not be limited to trade with Russia, but will have a knock-on global effect on supply chains.

Crewing Issues to be Considered During Russia-Ukraine War



The Russian invasion of Ukraine, followed by the sanctions and measures taken against Russia by nearly the entire western world has also caused a number of problems for shipowners which man their vessels with Ukrainian or Russian, or even mixed Russian and Ukrainian crew members.

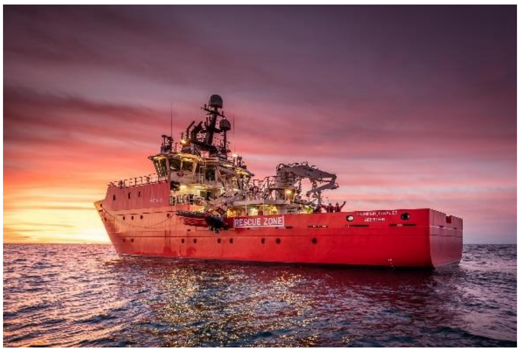
Shipowners will need to consider the increased need for "communication" between those Ukrainian seafarers on board vessels around the globe with their families in their home country which is under attack. It has been reported that some companies have established helplines and facilitation procedures for communication of their crews with their families. Shipping companies will also need to take steps to ensure that the safe operation of their vessels is not compromised as a result of increased anxiety, emotional reactions and potential hostile attitudes of crew members against one another (particularly on vessels with mixed Russian and Ukrainian crews).

Another major issue is that of payment remittances to crew members and their families. This is relevant, not only to seafarers from Ukraine, where cities are being shelled and large parts of the population are being evacuated, but also to those seafarers from Russia due to the weight of the sanctions which have been imposed. In both cases, the point to consider is where to send the money and how the family can benefit of that money, with closed banks or destroyed infrastructure in Ukraine and sanctioned banks and payment systems in Russia. A number of companies have, reportedly, decided to temporarily withhold such payments and keep the money on trust in favour of the concerned crew and, where possible, increased payments in cash on board, pending a resolution to the crisis.

There are also additional repatriation difficulties with Ukrainian crew who are either at the end of their employment contracts or who wish, due to the war, to terminate the contracts early and return home to Ukraine. Operational problems have been experienced in this respect, all of which result in increased costs. Ukrainians at the end of their contract may not have a country to be repatriated to. All these are day-to-day operational issues that beg for practical solutions. In this respect, the International Group (IG) Personal Injury Committee has drafted a Contract Addendum to assist shipowners and crew members who would like to amend their contracts of employment.

According to the International Chamber of Shipping, Ukrainian and Russian seafarers make up around 14.5% of global shipping workforce. In the circumstances of this war, disruption of supply of seafarers from agencies and maritime academies located in Ukraine and Russia appear unavoidable, which could result in a global shortage of crew.

North Star Wins More Than £100m in New Contracts



The Scottish shipowner North Star has signed contracts worth over £100 million for provision of its Emergency Response and Rescue Vessel (EERV) fleet. The deals were made with new and existing clients in the oil and gas sector which operate across the UK continental shelf.

Mathew Gordon, North Star's chief executive, said the company's EERV services would continue to "*provide a safe place in case of an incident for the thousands of people working out at sea on oil and gas assets every hour of every day, solidly across the year".*

Of the new deals, Mr Gordon noted that this is North Star's "*most sizeable*" EERV fixture in recent years.

Aberdeen-based North Star currently runs the biggest EERV fleet in the North Sea, with nearly 50 offshore infrastructure support vessels which cover 50 offshore oil and gas installations. The company employs more than 1400 staff and has bases in Aberdeen, Newcastle and Lowestoft.

North Star was bought by Swiss investment company Partners Group in January of this year. The firm has big plans for the shipowners, with its sights set on creating "*a leading pan-European next generation offshore wind infrastructure services business*".

Despite the goals of expanding into Europe, Gordon ensured clients the company would not lose sight of its operations in the North Sea. "*We remain focused on ensuring we deliver the same high standard of services and support our North Sea operator clients are accustomed to*," he stated.

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