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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 – All Change

The dry cargo freight market took a role reversal this week, with capesize freights sliding and smaller sizes firming thereby keeping the BDI on a relatively even keel. The small volume sales clearly illustrates that we are into the Summer recess with many divestment/investment decisions being put on hold. Nevertheless, another offer deadline passes today for the two kamsarmax bulkers namely the "**DARYA MOTI**" & "**DARYA JOTI**" (80,545 dwt/blt 2010 K Shipbuilding, South Korea) whether they go the same way as the BTG and DL kamsarmax's, in that they did not see the numbers to attract owners interest, remains to be seen.

Another positive development for kamsarmaxes and below is the potential agreement for the export of the Ukrainian grain with some protagonist saying this amounts to some 18 to 20m tonnes. Certainly, if correct, this kind of quantity is going to have an appreciative effect on the freight market but history would suggest this is unlikely to happen quickly.

Tankers – Rush for Gold

The theme remains much the same this week, with prospective buyers of 15-20 year-old aframax and MRs continuing to display a nigh on insatiable appetite for tonnage. Prices in both segments are reaching heights not seen since the heady days of the mid noughties and, given the prevailing mood in the freight markets, there would appear to be little that could derail this particular boom short of a fundamental collapse in cargo demand. The reported sale of the "**GRAND**" (50,129 dwt/blt 2008 SPP) to Vietnamese buyers is of particular note, coming in at a firm US\$ 19.3m, and coming in just days after the "**SUNNY BAY**" (50,661 dwt/blt 2008 SPP) was said to have been committed for US\$17.5m. It's worth noting that the former had just passed SS/DD and a freshly installed BWTS, whilst the latter had both due.

The lone reported sale of a younger MR this week - that of the "**LARGO SUN**" (50,000 dwt/blt 2016 SPP) at US\$35m - was well in line with expectations meantime, though still a far cry from the US\$30m the vessel had been rumoured to have been tied up at as recently as April this year.

Newbuilding – It's All Relative

Not surprisingly, no significant developments with regards to newbuilding tanker activity. Summer months are here, and owners are relaxed as are earning well on their existing vessels. However, most are also not there to indulge the asking prices on modern second-hand. Spot markets are doing well, particularly aframax, this week, so sentiment remains strong. If the latter continues it is hard not to see how second-hand pricing (or asking pricing) will not continue to rise and there will be an inflection point where owners move for acquisitions to take advantage of the good markets, fleet renewal or to reinvest earnings from other sectors. Historically in strong markets, newbuildings are the beneficiaries of high second-hand pricing and that inflection point and we therefore may see more enquiries soon/ after the summer if sentiment on spot remains. The historically powerful statistic of the orderbook is also there with afra/suez/VLCC at around only 4%/1%/4% of the existing fleets respectively at the end of this year.....

Recycling – Aframax Attracts Top Price

The lack of tonnage and sudden rise in local steel prices in the Sub-Continent has given the cash buyers some optimism at last and no doubt a sigh of relief as they have an opportune moment to sell their inventory while the markets have regained momentum. We are hearing reports from local markets that an Aframax has been sold into Chittagong at US\$ 640/lt, which if true, is undoubtedly a very firm number, and is an example of an end user willing to pay up for a good quality vessel. Steel prices in India and Bangladesh have risen by an equivalent value of about US\$50-60/lt in the past 10 days, however it remains to be seen whether these levels can be sustained. On the contrary, non-ferrous and iron ore prices have been softening which has some cash buyers perplexed as to how things will pan out going forwards, but it is clear only prompt ships are attracting such firm levels of interest. Should these prices continue to remain firm we may see owners start considering recycling for their older ships, perhaps even a few dry ships?

Gibson Sale & Purchase Market Report SNP Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
DAYANG CONFIDENCE	63,127	2017	Yangzhou Dayang (CHN)	Undisclosed buyer	30	BWTS
SOHO MANDATE	61,436	2016	Dalian COSCO KHI (CHN)	Undisclosed buyer	31	
SHUN XIN	56,933	2010	COSCO Zhoushan (CHN)	Undisclosed buyer	high 16	
OREO	55,450	2008	Kawasaki (JPN)	Blue Fleet Group	19.35	

VENTURE OCEAN / TEAM	38,947	2015	Jiangmen Nanyang (CHN)	Undisclosed buyer	25 ea	BWTS
CRETE TRADER	53,429	2009	Zhejiang (CHN)	Middle East	16.2	
NORD MONTREAL	36,570	2012	Onomichi (JPN)	Undisclosed buyer	22	dely Oct
JUN DE	34,420	2011	SPP Goseong (KRS)	Chinese buyer	17	BWTS
TANKERS						
DOLVIKEN	159,058	2012	Samsung (KRS)	Turkish buyer	42.5	
ASTRO PHOENIX + POLARIS	159,055	2004	Hyundai Ulsan (KRS)	Chinese buyer	43 enbloc	
NICHOLAS	115,577	2007	Sasebo (JPN)	Undisclosed buyer	27.75	DD freshly passed
BLUE PRIDE	115,048	2004	Daewoo (KRS)	Chinese buyer	23	
SONGA CORAL	107,081	2005	Koyo (JPN)	Chinese buyer	25	scrubber/BWTS fitted
SUNNY BAY	50,661	2008	SPP Goseong (KRS)	Undisclosed buyer	17.5	
GRAND	50,129	2008	SPP Goseong (KRS)	Vietnamese	19.3	DD freshly passed / BWTS
LARGO SUN	49,990	2016	SPP Goseong (KRS)	Undisclosed buyer	35	BWTS
HARBOUR EXPRESS	20,529	2011	Turker Gemi Yapim (TRK)	Undisclosed buyer	10	
GAS (LNG / LPG / LAG / CO2)						
G SYMPHONY	54,887	2011	Mitsubishi HI, Japan	UAE buyer	56	BWTS/Scrubber fitted
GLOBAL CAPRICORN	53,208	2005	DSME, South Korea	Undisclosed buyer	43.5 (44)	BWTS/Scrubber fitted

**Recycling Prices
(US\$/LWT)**

	Bangladesh	India	Pakistan	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	595/615	585/600	580/590	270/280
Dry Cargo/Bulk/Tween/Gen Cargo	580/595	575/585	570/580	260/270

Newbuild and Second Hand Benchmark Values (\$ million)				Historical Average Values (\$ million)	
Vessel Type	New Building	5 Year Old Vessel (Built 2017)	10 Year Old Vessel (Built 2012)	10 Year Old Vessel~ (10 Years Average)	% Difference Present Vs Historical
Tankers					
VLCC	120	82	57	45.0	24.4%
SUEZMAX	82	56	42	32.1	27.8%
AFRAMAX	65	51	37	23.7	55.9%
MR	42.5	34	25.5	17.4	46.2%
Bulkers					
CAPE SIZE	64.5^	52.5 eco	37	23.2	59.3%
KAMSARMAX	37.5^	37.5	28	15.8	77.3%
ULTRAMAX / SUPRAMAX	35^	34	24	14.3	63.9%
HANDYSIZE	31^	29	23	11.0	108.7%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)				~ = Basis standard contemporaneous DWT/spec for each type.	
~ = Basis standard contemporaneous DWT/spec for each type.					

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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.

Indian Court Detains Russian Ship Carrying Military Cargo



The Russian-flagged cargo ship MV MAIA-1 (built 2006) has been arrested in the Indian port of Cochin over an unpaid debt. Justice Sathish Ninan of the Kerala High Court issued the arrest warrant on 18th July, ordering that the vessel remain arrested until it settles a debt of 1.9 million rupees (approximately US\$23,500). The debt is owed to an Estonian bunkering and lubricant company based in Tallinn.

A statement has been released by the Russian Embassy, explaining that the munitions onboard were destined for the Indian Navy in Kochi. Although the MV MAIA-1 remains arrested, the Kerala High Court has permitted the vessel to dock and unload its military cargo.

The MV MAIA-1 is reported to have left the Russian port of Novorossiysk on 25th June and stopped in Turkey and Egypt before transiting the Suez Canal. The vessel then crossed the Indian Ocean and arrived at Cochin on 18th July. The vessel is believed to be operated by Russia's Transmorflot Shipping Company, which the U.S. included on its list of designated companies in May 2022.

Tanker Captain Jailed for illegal anchoring



Indonesian officials have confirmed reports that the captain of the Nord Joy, a 49,874 dwt tanker registered in Panama, has been sentenced to serve 15 days in prison and pay a fine of \$13,350 by a Batam District Court.

The offense is alleged to have occurred in late May of this year, when the tanker anchored outside the shipping lane to the east of the Singapore Strait. The captain and his shipping company maintain that they were in international waters at the time. Four

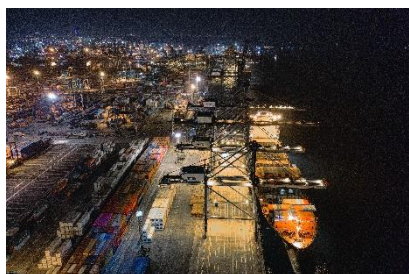
days later, the vessel was boarded by the Indonesian Navy and asked to move to an anchorage closer to the Batam naval base for further investigation. The captain was questioned beginning 31 May, and a follow up investigation was conducted on 4 June. The vessel has since been released and is currently moored in Singapore.

This case gained international attention when allegations surfaced that the navy officers who boarded the Nord Joy asked for an unofficial payment of \$375,000 to release the vessel. According to a report released by Reuters on 9 June, this was not an isolated incident. Reportedly, Indonesian Navy officers have regularly sought payments for the release of vessels with the threat of detention failing the same. Reuters reported a dozen similar incidents took place in 2021 with tankers being held by the Indonesian Navy.

Senior officers of the Indonesian Navy have called the reports, "completely unfounded" and say that there is no evidence to support the allegations of bribery. Officials maintain that the Navy's actions against the Nord Joy, and other vessels to which the allegations pertain, were for the sake of "carrying out law enforcement and also maintaining the safety of shipping navigation from security hazards, the threat of marine pollution, and other criminal acts that are detrimental to the state".

48-Hour Strike on Germany's North Sea Ports

On Thursday 18 July, thousands of dockworkers on Germany's biggest and busiest North Sea ports stopped operations once again. Trade Union Ver.di called for a 48-hour strike across German ports after negotiations with the Central Association of German Seaport Companies (ZDS) failed to reach a conclusion. This is their third strike in three weeks and the longest in over 40 years.



Ver.di represents approximately 12,000 workers across ports in Emden, Bremerhaven, Bremen, Brake, Wilhelmshaven and Hamburg. Amid soaring inflation, worsened by Russia's invasion of Ukraine, Ver.di is demanding wage increases to sufficiently compensate for price rises. Ver.di negotiator Maya Schwiegershausen-Güth stated the importance of creating "actual compensation for inflation for the employees".

On the other side, ZDS negotiator Ulrike Riedel criticised the strike as "irresponsible" due to the detrimental impact on consumers and businesses resulting from disrupted supply chains. Riedel said that the strike "endangers the existence of many companies".

This strike will aggravate congestion by halting the loading and unloading of ships. While carriers may overland German cargo at ports in Gdansk, Zeebrugge or Felixstowe where congestion has eased, Rotterdam and Antwerp are already crowded and likely to refuse discharge of German ships.

North Sea ports already face a congestion crisis: the Kiel Institute for the World Economy estimated on July 6 that over two percent of global cargo capacity is stuck there. The Covid pandemic has resulted in months of congestion, disruptions, and delays in ports across Europe which is likely to be exacerbated as a result of this strike.

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