

**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 – Capeslide

With dry cargo freight's continuing slide with capesize bulkers leading the way at a depreciation of some 20 pct yesterday, sales appear to be thin on the ground. Many buyers may well wait for some succour from the Indices before making any moves and we may have to wait till at least September before any kind of direction can be found. It will be interesting to see how this depreciation in cape rates will reflect on the sale of the "**STELLA ADA**" (180,157 dwt/blt 2011 Dalian No.2, China), which is inviting offers next week. Interestingly, the same owners sold the year newer "**STELLA FLORA**" (176,292 dwt/blt 2012 Jiangnan Changxing, China) for US\$31.75m at the end of May when the capsize timecharter average was sitting at US\$23,373pd, whereas currently it is at US\$7,188pd.

Nevertheless, despite the smaller depreciation in the other sizes earnings are still respectable, but obviously some protagonists will be worried that the fall in capes may contaminate other sectors going forward. Certainly, there is little sales activity to report, but given the current situation it is clear pressure is beginning to bear on older sales candidates, where sellers are going to have accept lower levels if they have chance of getting the sale over the line. Owners of more modern vessels are still making respectable revenue and will have time to see what the Autumn brings.

### Tankers – Party Time

They have taken their time, but VLCCs have finally stepped up and joined the tanker party with the older non-scrubbed units now earning more than USD 40k per day on the spot market. Enquiry for tanker tonnage across the board is rife, but with values moving upwards and differentials between buyers and sellers is making it difficult to transact.

Ciner Shipping has freed up some capital selling their quartet of modern suexmaxes (2 x 2015 and 2 x 2020 built) for an en bloc price of US\$222.5m to SFL with 6 year TCs attached to Koch at circa US\$28,500 per day.

Aframaxes and LR2s are in strong demand as demonstrated by the sales this week of the **"ALPINE AMALIA"** (105,304 dwt/blt 2010 Hyundai Ulsan) at US\$36m and the year younger **"BARONESS"** (105,335 dwt/blt 2011 Sumitomo) for around US\$35m; the lower value on the younger can be attributed to her as not having a scrubber and less advantageous dry-docking position to the just passed **A' AMALIA**. The slightly older **"OBERON"** (106,004 dwt/blt 2006 Hyundai Ulsan) has gone for US\$25.25m, which is an excellent asset play for owners who picked her up in auction in 2017 for US\$13.23m!

Big numbers are being paid for MR2s as we hear the **"DEE4 CEDAR"** (45,994 dwt/blt 2010 Shin K) and the **"DEE4 DOGWOOD"** (47,339 dwt/blt 2008 Onomichi) have sold for US\$44m enbloc, this works out as a combined US\$12-13m profit on what they picked the vessels up for in 2019.

### Newbuilding – Wait and See... but not for too long

Flat tanker newbuilding activity continues as summer holidays are ongoing. Further reports in the shipping media about the potential for newbuilding price reductions and the end of newbuilding bull run on containers are also providing food for thought for owners. As we highlighted last week, there is only one price input to the newbuilding price offering relief, which is the steel plate price, and most yards have now priced this in. The major tanker building yards are under no pressure to drop pricing, as they are largely full with container and LNG orders through 2025. The wider tanker market, especially now VLCC, continues to perform well and sentiment on crude is now up with US liftings and further positive noises out of Iran. There continues to be few modern second-hand tankers for sale, so it remains to be seen how long owners can sit back from the current lucrative market without investing/reinvesting. Comparatively cheaper newbuildings may eventually offer better value than facing the market on high second-hand asking prices, as we have seen many times before in the past.

Bulker newbuilding enquiry remains very flat as charter markets have come off dramatically and forward curves down also. Chinese bulker yards have reduced their pricing already by around 5-7% on medium sized bulkers reflecting steel plate price reductions, but to no effect yet on buying sentiment.

### Recycling – Testing the Mettle

Local steel markets in India are rising steadily over the past couple of weeks. This has given encouragement for end buyers to now perhaps start buying tonnage at levels higher than US\$600 per LT. The ongoing lack of tonnage continues to remain a huge factor keeping the ship scrap markets strong and stable. Markets in Pakistan are also showing signs of firming with not many ships available, although their currency continues to weaken. Bangladesh continues to struggle due to the on-going LC issues as the central government of Bangladesh has restricted letter of credits of value higher than US\$3m virtually keeping most end-breakers out of business for the time being. The fall in the dry bulk market has given a little encouragement to cash buyers & ship-breakers that some Owners may now start beginning to consider scrapping their ships in Q4 2022; failing which we may see the year draw out with very little recycling activities as it has been in the past 2-3 months.

### Gibson Sale & Purchase Market Report

#### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						

ZHONG LIANG DONG NAN	52,551	2001	Shin Kurushima (JPN)	Chinese buyer	11.6*	*Auction sale. SS due 2/23.
DEM FIVE	31,842	2002	Hakodate (JPN)	Undisclosed buyer	11	SS due 9/22.
BISCAYNE LIGHT	24,341	1997	Saiki (JPN)	Turkish buyer	7.2	SS psd 11/21. Logs fitted.

#### TANKERS

ATINA + ISTANBUL AYSE C + ZEYNEP	159,500 158,060	both 2015 both 2020	Bohai (CHN) Hyundai Ulsan (KRS)	SFL Corporation Ltd	222.5 en bloc	BWTS+Scrubber fitted. DD due 4+5/23. Inc TC to Koch. BWTS+Scrubber fitted. DD due 8+23. Inc TC to Koch.
BARONESS	105,335	2011	Sumitomo (JPN)	Undisclosed buyer	35	DD due 10/23. BWTS fitted. Pump-room.
INCA	68,439	2003	Koyo (JPN)	Undisclosed buyer	12.5-13	Dirty trading. SS+BWTS due 3/23.
DEE4 DOGWOOD DEE4 CEDAR	47,399 45,994	2008 2010	Onomichi (JPN) Shin Kurushima (JPN)	Undisclosed buyer	44 en bloc	Pumproom. SS due 11/23. BWTS fitted. Pumproom. DD due 8/23. BWTS fitted.

#### CONTAINERS / RO-RO / REEFER / PCC

NORTHERN PRELUDE	59,404	2009	Daewoo (KRS)	MSC	mid 60s	4616 TEU. Gearless.
CSBC KAOHSIUNG 1185 + 1186 + 1187 + 1188	36,835	all 2023	CSBC (TWN)	Wan Hai Lines	53-55	3000 TEU. Gearless.
MARINE TARABA	21,464	2008	Imabari (JPN)	Undisclosed buyer	28	1700 TEU. Geared.
ASIATIC REUNION	12,821	2008	DaeSun (KRS)	Far Eastern buyer	18.5	1049 TEU. Gearless.

#### GAS (LNG / LPG / LAG / CO2)

HELLAS GLORY	54,985	2008	Hyundai Ulsan (KRS)	Undisclosed buyer	working	80,738 cbm. SS due 5/23.
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#### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
<b>BULKERS</b>						
MOL Dry Bulk	Supramax	55,000 dwt x 1	Oshima (JPN)	2024		Hard sail propulsion.
Navibulgar	Handysize	32,000 dwt x 4	New Yangzijiang (CHN)	2024		
<b>TANKERS</b>						
SC Shipping	Chemicals	11,300 dwt x 2	Chongqing Chuandong (CHN)	2024		
<b>CONTAINERS / RO-RO / REEFER / PCC</b>						
Trawind Shipping	Containership	4,600 TEU x 2	Yangzijiang (CHN)	2025		
Namsung Shipping	Containership	2,500 TEU x 2	Hyundai Mipo (KRS)	2024	42.5	

Weihai Gangsheng	Containership	550 TEU x 1	Lianyungang Wuzhou (CHN)	2024	RMB 66.98	
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**Recycling Prices (US\$/LWT)**

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	565/575	555/565	550/560	250/260
Cargo/Bulk/Tween/Gen Cargo	550/560	545/555	540/550	240/250

**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
<b>Tankers</b>					
VLCC	119.5	84	58	45.2	28.2%
SUEZMAX	80	58.5	42.5	32.3	31.7%
AFRAMAX	65	53.5	38.5	24.0	60.6%
MR	43.5	37	26.5	17.6	50.7%
<b>Bulkers</b>					
CAPE SIZE	64.5^	51 eco	34	23.4	45.1%
KAMSARMAX	37.5^	36	26.5	16.0	65.4%
ULTRAMAX / SUPRAMAX	35^	33	23.5	13.9	69.1%
HANDY SIZE	30.5^	28.5	21	11.2	87.0%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)				~ = 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.*

## Felixstowe Strike Threatens Huge Losses



A proposed strike at the Port of Felixstowe appears highly likely to proceed on Sunday with more than 1,900 workers currently set to refuse to show up to work. It has been forecast that this could result in more than US\$800m in trade being disrupted. Other ports in the UK and Europe are also rumoured to be considering similar action.

In response to the likely strike, port operators at Felixstowe, Hutchinson, released an announcement: *"Customers are advised that in the event of industrial action, the port has in place a contingency plan designed to maximize our operational activity. The level of service we will be able to offer is subject to staff attendance on each shift. We apologize for any inconvenience potential Unite-led action will cause."*

With supply chains already squeezed, the knock-on effects of this strike spells further uncertainty for businesses and consumers. The effects will be far reaching, with risk management consultants Russell Group predicting that European ports such as Rotterdam and Hamburg, which receive a significant amount of UK exports, will be affected.

Trade will likely be diverted away from Felixstowe and diverted to smaller UK ports, but also to alternate international ports, reducing trade passing through the UK. The strikes are only likely to increase the backlog being experienced, with Suki Basi of Russell Group saying *"Ports across the globe are facing congestion due to a large backlog caused by the pandemic. These strikes could increase the backlog and in doing so, create even more delays, and the effects of this will only be registered in the coming weeks and months"*.

It is unknown when the trade dispute with the hourly dockworkers will be settled, as no further progress has been made during talks. The strikes may continue until the dispute is settled.

## Endangered African Penguins Driven Away by Bunkering Noise



A new scientific study has revealed that the endangered African penguin is being driven away from Algoa Bay on the east coast of South Africa. The study was led by the Coastal and Marine Research Institute at Nelson Mandela University, and it is the first to explore the impact of maritime traffic noise pollution on a seabird.

St Croix island in Algoa Bay was once one of the world's largest breeding grounds for the African penguin, however numbers have dropped dramatically since ships began bunkering in the area six years ago. The penguins are being scared off by the excessive noise levels associated with bunkering, which affect the animals' ability to find prey, communicate, and navigate properly.

Lorien Pichegru, acting Director of the Coastal and Marine Research Institute said, "*This year we are at 1,200 breeding pairs at St Croix from 8,500 pairs in 2016, an almost 85% decrease since bunkering started in South Africa.*"

In 2016, South Africa's Maritime Safety Authority awarded the country's first offshore bunkering operator's license to Aegean Marine, and then awarded two subsequent licenses to SA Marine Fuels and Heron Marine in 2018 and 2019 respectively.

In 2019 oiled penguins were found in Algoa Bay after an oil spill from ship-to-ship bunkering and conservationists have called for bunkering to be banned in the bay.

## Marshall Islands Flagged Vessel Detained by Equatorial Guinea



The navy of Equatorial Guinea has chased down and detained a VLCC suspected of oil theft. The arrest of the Heroic Idun, registered in the Marshall Islands, follows a dispute with Nigerian authorities concerning suspicious activity displayed by the vessel, which is still under investigation. Authorities of Equatorial Guinea have reportedly arrested the vessel on independent charges, stating it had illegally entered its waters without permission as it sought to evade Nigerian forces.

The Heroic Idun was first spotted on 7 August near the AKPO Oil Field off the Nigerian coast. The Nigerian Navy's Maritime Domain Awareness facility reported the vessel as suspicious, stating it did not have permits from the Nigerian National Petroleum Corporation (NNPC), nor other valid documents to be at the offshore field. Despite this, the vessel appeared to be loading oil. When a Nigerian navy vessel attempted to question the Heroic Idun, the tanker resisted all communication and issued a warning of an attempted boarding which was recorded by the International Maritime Bureau, a move media sources say was a false alarm. The vessel was then ordered to proceed to Bonny Fairway for further investigation. However, instead of complying with the navy's demand, it increased speed and changed direction toward Sao Tome and Principe. This led to the Nigerian navy requesting assistance from Equatorial Guinea's authorities, who stopped and detained the vessel on 12 August.

Vice President Teodoro Nguema of Equatorial Guinea announced on his Twitter account that the authorities had detained the Heroic Idun. He wrote, "*Equatorial Guinea is still investigating the tanker detained last week in Annobon following a tip-off from Nigeria. So far, the tanker has incurred two serious offenses; first, entering our waters without prior authorization and second, navigating without an identifying flag.*"

AIS currently shows the vessel is anchored off of Luba, Equatorial Guinea. The vessel and 26 crew continue to be held while investigations proceed.

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