

**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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### Tankers – Punchy Prices

In the heated tanker market we are seeing prices being pushed to new highs. However, trying to get to the bottom of the actual sales levels is proving tricky. We are hearing an 2002 VLCC is being negotiated at around US\$37m, which is a long way from the low US\$30s being paid a few weeks back. We are surprised to hear the **"TEMA"** (311,620 dwt/blt 2005 Kawasaki) has gone for as little as US\$34m, but suspect the deal may have been done a while ago, as other similarly aged units are now looking for low-mid US\$40s.

Aframaxes are still stealing the show with the **"BEKS ATLANTICA"** (114,895 dwt/blt 2006 Samsung) reported sold at US\$32.5m, may we remind you that current owners bought the vessel for US\$15.5m in September last year! The huge price being supported by the sales of the **"PIPER"** (114,809 dwt/blt 2005 Samsung) and the **"ALBA"** (113,782 dwt/blt 2005 Samsung) for US\$30m and US\$31.5m respectively; both scrubbed and the latter having 1A ice class notation.

### Dry Cargo – Dryslide

Following up on last week's report we can confirm the best offer seen by the **"HAMPTON BAY"** (81,508 dwt/blt 2009 Universal, Japan) was around US\$20m. Unfortunately it appears this was too far away from owners fixing levels and we expect vessel to be withdrawn. Elsewhere, the two Chinese market auction vessels that we mentioned, namely the **"AGRI QUEEN"** and **"AGRI KINSALE"** (77,171 dwt/blt 2009 Oshima, Japan) had no buyers register interest by way of lodging a bidding deposit. This is maybe understandable given their reserve price at US\$17.5m, in our estimation, is above the equivalent price equated against this week sale of the **"NAVIOS CAMELIA"** (75,162 dwt/blt 2009 Hudong, China) at US\$15m. The reported sale of the Japanese controlled **"CORAL EMERALD"** (75,632 dwt/blt 2007 Sasabo, Japan) at excess US\$14m represents a new low for this size and type, and brokers

will obviously have to adjust their benchmark values for a fifteen year old panamax in downward direction to reflect this.

### Newbuilding – Ordering Wave Coming???

Tanker newbuilding activity continues to gain momentum, particularly focused at Daehan with further suezmax and aframaxes under discussion. There is a notable pivot of the bigger yards back to tankers also, with their remaining 2025 slots particularly for aframaxes. Second-hand pricing is back in the spotlight again this week with some eye-watering prices being offered/ asked on resale tonnage e.g. a resale suezmax asking US\$95m. Whilst no confirmed sales at these levels have been done, it does however give insight into sentiment in the market driven partly by bullish VLCC spot rates. We also continue to see more confirmed deals on the vintage tankers (aframax and suezmax) at record price levels. Owners looking to reinvest earnings do not seem ready to pay the pricing needed on modern second-hand (of which there remains few modern candidates) and this may further support the newbuilding investment case as we move forward. Furthermore, record low orderbooks (no VLCCs on order after 2023) and ageing fleets also support a more medium to long term investment in shipping, which newbuildings can offer.

Bulker newbuilding activity remains subdued as owners continue to assess what's next for the market with recent falls in rates, albeit with some returning stability now.

### Recycling – Going Round in Circles

Following on from last week's report, and although the story is the same, and has been for some time now, there does appear to be firming in demand as we begin to settle in for the last quarter of 2022. However, the supply of tonnage, still remains an ongoing and serious problem for the breakers and cash buyers alike as precious few units are recycling candidates. Despite the terrible problems Pakistan is currently facing through flooding, prices appear buoyant as evidenced by the strong sale price of the suezmax tanker "**CHEVAL BLEU**" for a level reported to be region US\$615 per LWT. Bangladesh meanwhile is struggling to cope with the restrictions being imposed on their US\$'s and therefore purchasing big tonnages (which has always been the mainstay of their staple diet) is very problematic. Indian breakers remain quiet as they wait patiently for specific HKC Green Recycling candidates to come their way.

### Gibson Sale & Purchase Market Report

#### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
CORAL EMERALD	75,632	2007	Sanoyas (JPN)	Undisclosed buyer	xs 14	DD due 10/23.
NAVIOS CAMELIA	75,162	2009	Hudong Zhonghua (CHN)	Undisclosed buyer	15	DD psd 7/22.
ASL GRACE	60,259	2015	Onomichi (JPN)	Undisclosed buyer	27	DD due 9/23. BWTS fitted.
MARVEL	48,893	2001	I H I (JPN)	Undisclosed buyer	10.5	SS psd 7/21. BWTS fitted.
AMBER L	47,282	2000	Oshima Zosen (JPN)	Undisclosed buyer	9.5-10	DD due 9/23. BWTS fitted.
AQUARIUS 77	35,737	2016	Tsuneishi Cebu (PHI)	Greek buyer	reg 21	SS psd 3/21. BWTS fitted.



TANKERS						
TEMA	311,620	2005	Kawasaki (JPN)	Undisclosed buyer	reg 34	SS due 9/22. BWTS fitted.
BEKS ATLANTICA	114,895	2006	Samsung (KRS)	Undisclosed buyer	32.5-33	Ice 1A. SS psd 12/21. BWTS fitted.
PIPER	114,809	2005	Samsung (KRS)	Undisclosed buyer	reg 30	DD due 5/23. BWTS+Scrubber fitted.
ALBA	113,782	2005	Samsung (KRS)	Undisclosed buyer	31.5-32	Ice 1A. DD due 12/22. BWTS+Scrubber fitted.
STENA PERFORMANCE + 'PRIMORSK + 'PROVENCE	65,100	all 2006	Split (CRT)	Undisclosed buyer	xs 20 each	Ice 1B. Twin engine. Deepwell. SS psd '21. BWTS fitted.
ASTREA	40,158	2006	Shina (KRS)	Chinese buyer	15.6	Ice 1B. Deepwell. DD due 10/23. BWTS fitted.
ORIENTAL FREESIA	14,383	2006	Asakawa (JPN)	Sunwoo	11.5	Stainless Steel. DD due 2/23.
SG BAHARI	9,224	2009	Dongfang (CHN)	Turkish buyer	4.5	Epoxy. IMO II.
GUNGA + GAZELA	6,480	2009+2010	Desan (TRK)	Undisclosed buyer	14 en bloc	Ice 1C. Marineline. IMO II.
CONTAINERS / RO-R40 / REEFER / PCC						
OSAKA	50,554	2008	Samsung (KRS)	Undisclosed buyer	60	4253 TEU. Gearless. SS due 9/23.
GAS (LNG / LPG / LAG / CO2)						
BW PRINCE	54,368	2007	Hyundai Ulsan (KRS)	Undisclosed buyer	mid-high 40s	LPG (80,735 cbm). Gearless. SS due 11/22.

**NEWBUILDING ORDERS**

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
TANKERS						
Singaporean buyer	MR	47,000 dwt x 2	Hyundai Vietnam (VIET)	2025	42	
CONTAINERS / RO-RO / REEFER / PCC						
Middle Eastern buyer	PCTC	7,500 CEU x 2	Hyundai Samho (KRS)	2025	119.5	LNG dual fuel.
CONTAINERS / RO-RO / REEFER / PCC						
H-LINE <> Panocean <> SK Shipping	LNG	174,000 cbm x 7	Daewoo (KRS)	2025-2026	214.4	For Qatar LNG Project.
H-LINE <> Panocean <> SK Shipping	LNG	174,000 cbm x 2	Samsung (KRS)	2025	214.9	For Qatar LNG Project.
JP Morgan	LNG	174,000 cbm x 2	Samsung (KRS)	2025	214.6	For Qatar LNG Project.

**Recycling Activity**

Vessel Name	Built	DWT	LWT	Delivery	Price (\$/lwt)	Notes
SUEZMAX						

CHEVAL BLEU	1995 / Japan	149,745	21,675	Pakistan	615
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**Recycling Prices (US\$/LWT)**

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	590/610	580/590	570/580	260/270
Dry Cargo/Bulk/Tween/Gen Cargo	580/590	570/580	560/570	250/260

**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	120	87	62	45.4	36.6%
SUEZMAX	80	60	43.5	32.4	34.4%
AFRAMAX	65	55	40.5	24.1	67.8%
MR	44	40	29	17.7	63.8%
<b>Bulkers</b>					
CAPE SIZE	64.5^	48.5 eco	31	23.5	31.7%
KAMSARMAX	37.5^	32	23.5	16.1	45.9%
ULTRAMAX / SUPRAMAX	34.5^	29.5	21	14.0	50.5%
HANDY SIZE	30.5^	27	18.5	11.3	63.7%

~ = Basis standard contemporaneous DWT/spec for each type.

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

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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 Workers Set to Strike for a Second Time



Workers at the UK's largest container port, Felixstowe, are set to strike for a second time. This strike will also be for 8 days and is over pay. Workers rejected the most recent pay deal and the Unite union has announced that the strike will begin at 07:00 on 27 September and continue until 06:59 on 5 October.

Fresh disruption to supply chains will inevitably follow as retailers begin to stock up before Christmas. This adds to the strikes already planned at the Port of Liverpool where more than 560 dockworkers are set to strike from 19 September until 3 October.

With about 48% of all containers brought into the UK transported through Felixstowe port, the disruption caused will likely have knock-on effects down the line. The port had offered workers a 7% pay rise and a £500 bonus, however Unite state that given the rate of inflation, this represents a real terms pay cut. Workers subsequently "overwhelmingly rejected" the deal.

*"Further strike action will inevitably lead to delays and disruption to the UK's supply chain but this is entirely of the company's own making."* Unite national officer for docks Bobby Morton said, referring to port operator CK Hutchison.

Felixstowe Dock and Railway Company has stated: *"We are very disappointed that Unite has announced this further strike action at this time. The collective bargaining process has been exhausted and there is no prospect of agreement being reached with the union."*

The recent strike at Felixstowe brought the port to a standstill. The new strikes will likely have the same effect.

## The Nuclear Option on the Road to Zero-Carbon Shipping



Whilst estimated to still be at least a decade in the future, stakeholders are once again considering the use of nuclear power as a fuel-option on the road to zero-carbon shipping.

Core Power, a UK-based start-up, is working to bring molten salt reactors (MSRs) into commercial shipping and has the backing of a growing number of shipowners including New York-listed gas carrier Dorian LPG and Singapore-based container line X-Press Feeders.

MSRs emit no greenhouse gasses and proponents argue that fears about nuclear are exaggerated and generally based on older technology. MSRs, unlike solid fuel reactors, are considered safe from meltdowns because their fuel is already a liquid, does not contain water and is not pressurised, reducing the risk of explosion or release of toxins. Additionally, the amount of spent radioactive fuel from an MSRs is relatively small compared to its solid fuel equivalents.

Critics, including Lucy Gilliam, senior shipping policy officer at Seas at Risk, argue that the focus on nuclear is a distraction from the task of halving GHG emissions in shipping by 2030 and raises concerns about what she argues are *"significant risks to crew, society and environment with nuclear"*. Gilliam urges stakeholders to focus their efforts on existing technology and to change the management of shipping operations and trade instead.

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