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In this issue:

Gibson Sale & Purchase Market Report

Tankers – Trimmed Tally | Dry Cargo – For Whom the Bells Toll | Recycling – Monsoon Melancholy | Sale & Purchase Market Report

CJC Market News

PSA International Signs Agreements to Acquire Stake of Duisburg Gateway Terminal | MPA Singapore and Lloyd's Register Sign "Silk Alliance" MoU

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 – Trimmed Tally

This week seems to suggest a bit of a summer siesta with a noticeably smaller haul of sales and newbuildings, save for a trickle of smaller tanker orders. We note concluded sales only in the MR sector with the **"BEACON HILL"** (47,278 dwt / built 2005 Onomichi, Japan) achieving a firm price of US\$ 19 mill as a pump-room type unit, which would normally confer a discount versus the recent sale of the year younger ice 1A deepwell type **"RIDGEBURY GALILEO"** (47,872 dwt / built 2006 Hyundai Mipo, S.Korea) sold at the same price, although some might argue Onomichi holding a pedigree value over other Japanese built pump-room units. This might be put to the test with the pump-room **"PHOENIX HILL"** (47,994 dwt / built 2003 Koyo, Japan) also sold (from same sellers), albeit dirty trading, although no pricing has been reported yet.

Dry Cargo – For Whom the Bells Toll

The lacklustre freight markets have taken their toll on sale and purchase activity and prices, subsequently we now hearing of vessels being withdrawn due to offers being received not close to sellers' thoughts and also we understand some recent sales may have failed. For instance, the South Korean controlled panamax bulker **"BOYANG GARNET"** (75,674 dwt / built 2007 Sanoyas, Japan) invited offers this week but due to very limited interest owners have elected to withdraw the vessel from the market. Similarly, the handy bulker **"HAPPINESS FRONTIER"** (28,218 dwt / built 2011 Shimanami, Japan) has also been withdrawn by its Japanese owners. They obviously decided offers around the US\$10.5m mark were not enough to attract their interest. It is interesting to note that invariably Japanese sellers, due to financial/operational factors tend to sell their vessels at best but there are always anomalies, as in this case. Contrastingly, Japanese owners of the capesize bulker **"OCEAN COBALT"** (180,200 dwt / built 2008 Imabari, Japan) decided to take the toll and it has been reportedly committed around low/mid US\$19m, which looks low in comparison to recent sales. In the same vein, it is not only Japanese owners who are able to sell at best, as illustrated by the sale of the Taiwanese controlled **"TAI HONESTY"** (55,418 dwt / built 2007 Oshima Zosen, Japan), which achieved US\$12.3m and can be considered a marked fall in price.



Recycling – Monsoon Melancholy

After enduring several arduous weeks, there are finally green shoots of growth at Alang's port. Presently, one vessel finds solace in its anchorage, while the anticipation of three more imminent arrivals instils a renewed sense of promise in India's long-starved recycling sector. MSC has injected fresh vitality into the sector with its third sale in a month. The **"MSC FEDERICA"** has now changed hands for US\$510/ ldt basis Alang delivery to strict NK Class / HKC Green Recycling standards. This latest transaction follows the **"MSC NICOLE"**, which fetched US\$521/ ldt. The discernible discrepancy in prices showcases the hesitancy among shipbreakers to acquire newer vessels during the Monsoon season, a cautious response possibly fueled by apprehensions regarding the stability of recycling prices. With the conclusion of the Eid holidays and the gradual resolution of fiscal challenges, an impending resurgence of Bangladeshi recyclers appears to be on the horizon, setting the stage for an intensified competition with their Indian counterparts.

On a fundamental level, in a cautionary tale reverberating through the Indian steel industry, the surge of Chinese imports in finished steel has soared to a remarkable six-year high, surpassing previous records set earlier this year. This relentless influx of foreign steel has cast a shadow over Indian steel mills, especially those of smaller-to-medium size, as they grapple with the daunting task of finding buyers for their comparatively higher-priced local products. Notably, Tier 1 steel mills have also marked down their rebar list prices for a third consecutive month, illustrating the adverse effects of the flood of Chinese steel on the local industry. While the recent bailout extended by the IMF has bestowed some respite upon Pakistan, economic uncertainties still plague the scrapping industry and cast lingering doubts on its future prospects. In a bitter-sweet revelation, the resilient economy of Bangladesh has recorded a remarkable 25% increase in LC openings, defying the constraints imposed by a shortage of dollars. This notable upswing in economic activity offers hope, yet the recycling industry has suffered a disheartening decline of 31% in LC openings, as disclosed by data from the Bangladesh Central Bank. Meanwhile, Turkey's embrace of conventional monetary policy has engendered a new-found confidence in its economy, epitomized by an impressive surge in dollar reserves to the tune of US\$9.19 billion. Such policy shift augurs well for the recycling industry in Turkey.

Hence, it is with a measured outlook that we anticipate a looming downward trend in recycling prices over the short-to-medium term. The concerns surrounding the health of the steel industry in the subcontinent are compounded by the onset of Monsoon season, which in view of the challenges faced by the yards because of the volatile weather conditions, historically this time of year sees a limited influx of tonnage into scrapyards, and hence activity slows down considerably, fortifying our expectations.

Gibson Sale & Purchase Market Report

S&P SALES

| Vessel Name | DWT | Built | Yard | Buyers | Price (\$/m) | Notes |
|----------------|---------|-------|--------------------------|--------------------|--------------|----------------------------------|
| BULKERS | | | | | | |
| BENITAMOU | 206,291 | 2008 | Imabari Saijo (JPN) | Chinese buyer | high 22 | Basis 1 yr BB back. DD due 7/25. |
| AQUAMARINE | 182,060 | 2009 | Odense (DEN) | Polemis | 18.7 | SS due 7/24. |
| OCEAN COBALT | 180,200 | 2008 | Imabari Saijo (JPN) | Asian buyer | low-mid 19 | SS due 7/23. |
| AQUARANGE | 179,842 | 2011 | Hanjin HI, Philips (PHI) | Costamare Shipping | 23.5 | DD due 7/23. BWTS. |



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|--|--------|------|---------------------------|------------------------|------------|--|
| DOUBLE PRESTIGE | 95,709 | 2011 | Imabari (JPN) | Atlantic Coal & Bulk | 22 | DD due 7/24. Already renamed. |
| KK PROGRESSION | 64,012 | 2018 | Tsuneishi Cebu (PHI) | Greek buyer | reg 28 | SS due 9/23. BWTS. |
| KAMBOS | 63,696 | 2015 | COSCO Zhoushan (CHN) | Undisclosed | 24.5 | SS due 6/25. BWTS. |
| CHRIS | 56,838 | 2010 | COSCO Guangdong (CHN) | Undisclosed | 12.5 | DD due 5/24. BWTS. |
| TAI HONESTY | 55,418 | 2007 | Oshima Zosen (JPN) | Chinese buyer | 12.3 | DD due 7/25. BWTS. |
| MARYLISA V | 52,428 | 2003 | Tsuneishi (JPN) | Chinese buyer | 7.5 | SS due 9/23. |
| COUGA | 50,806 | 2010 | Oshima Zosen (JPN) | Undisclosed | reg 16 | Box hold. SS due 5/25. BWTS. |
| TOMINI BORA | 37,985 | 2016 | Zhejiang Ouhua (CHN) | Greek buyer | 19.65 | DD due 1/24. BWTS. |
| TANKERS | | | | | | |
| BEACON HILL | 47,278 | 2005 | Onomichi (JPN) | Undisclosed | low 19 | Pumproom. SS due 1/25. BWTS. Cap 1, Zinc coated. |
| YONGSHENG OCEAN | 44,970 | 1997 | Halla Samho (KRS) | Undisclosed | low 7.2 | DD due 7/25. BWTS. |
| CONTAINERS / RO-RO / REEFER / PCC | | | | | | |
| NYK DELPHINUS | 65,950 | 2007 | Hyundai Ulsan (KRS) | Cosmoship Management | 23 | 4888 TEU. Gearless. DD due 3/24. BWTS. |
| MAERSK PENANG | 37,842 | 1998 | Kvaerner Warnow (GER) | Rethymnis & Kulukundis | 8 | 2890 TEU. Gearless. SS due 6/23. Ice 1D. |
| SSL GANGA | 20,170 | 2003 | Guangzhou Wenchong (CHN) | MSC | 6 | 1581 TEU. Geared. SS due 9/23. Already renamed. |
| SC PARMA | 16,824 | 2003 | Jiangsu Yangzijiang (CHN) | Marsa Ocean | 9-9.5 | 1180 TEU. Geared. DD due 10/25. BWTS. |
| TACOMA TRADER | 13,750 | 2015 | Jiangsu Newyangzi (CHN) | German buyer | low-mid 18 | 1102 TEU. Geared. DD due 11/23. BWTS. |
| GAS (LNG / LPG / LAG / CO2) | | | | | | |
| IRIS GLORY | 54,707 | 2008 | Daewoo (KRS) | Chinese buyer | 60 | 81,995 cbm. Dely 9/23-1/24 on TC expiry. |
| KENT | 26,438 | 2007 | Hyundai Ulsan (KRS) | Chinese buyer | 33.5 | 34,501 cbm. Fully ref. DD due 9/25. BWTS. |

NEWBUILDING ORDERS

| Ordering Client | Vessel Type | Size / No. of units | Shipyard (Country) | Delivery | Price (\$m) | Notes |
|-----------------|-------------|---------------------|--------------------|----------|-------------|-------|
| TANKERS | | | | | | |



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|--|---------------|-----------------|--------------------------|------|-------|---|
| EGPN | Chemicals | 18,500 dwt x 2 | Wuhu (CHN) | 2025 | 34 | Declared options. |
| Nakagawa Bussan | Prod/Chems | 6,600 dwt x 2 | K Shipbuilding (KRS) | 2025 | 21 | |
| Ningbo Ganglong | Chemicals | 3,490 dwt x 1 | Zhoushan Ningshing (CHN) | 2025 | | Stainless steel. |
| GAS (LNG / LPG / LAG / CO2) | | | | | | |
| NYK Line | LNG | 174,000 cbm x 2 | Hyundai Samho (KRS) | 2027 | 262 | |
| CONTAINERS / RO-RO / REEFER / PCC | | | | | | |
| Danaos | Containership | 8,000 TEU x 2 | Yangzijiang (CHN) | 2026 | 93-95 | Methanol ready. Scrubber. Ordered 6/23. |

Recycling Prices (US\$/LWT)

| | Bangladesh | Pakistan | India | Turkey |
|--|------------|----------|---------|---------|
| Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG | 600/640 | 550/575 | 530/550 | 350/360 |
| Bulkers / Tween / General Cargo | 580/610 | 530/550 | 520/530 | 330/340 |

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 | 126 | 100 | 75.5 | 47.8 | 57.9% |
| Suezmax | 85 | 73 | 57 | 34.0 | 67.6% |
| Aframax | 69 | 65 | 52.5 | 26.3 | 99.6% |
| MR | 46.5 | 41.5 | 33.5 | 19.0 | 76.3% |
| Bulkers | | | | | |
| Capesize | 63^ | 48.5 (eco) | 30 | 24.3 | 23.5% |
| Kamsarmax | 35^ | 31.5 | 21 | 16.4 | 28.0% |
| Ultramax / Supramax | 33^ | 29 | 19.5 | 14.4 | 35.4% |
| Handysize | 30^ | 25 | 17.5 | 11.8 | 48.3% |
| | | | | ~ = Basis standard contemporaneous DWT/spec for each type. | |
| ^ = Chinese price (otherwise based upon Japanese / Korean country of build) | | | | | |

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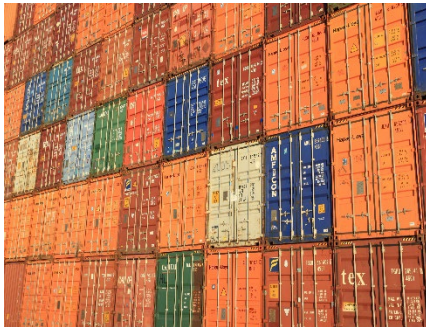


CJC Market News



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.

PSA International Signs Agreements to Acquire Stake of Duisburg Gateway Terminal



PSA International Pte Ltd ('PSA'), a global port operator headquartered in Singapore, has signed agreements to acquire a 22 percent stake in Duisburg Gateway Terminal GmbH ('DGT'). The move will see PSA join Hupac, HTS and Duisport as shareholders of DGT.

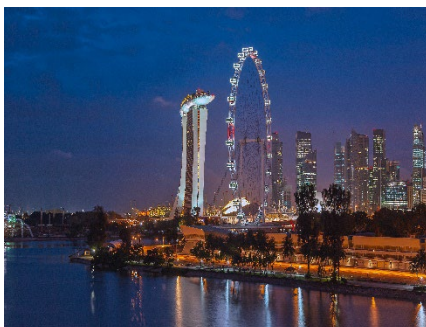
As reported, DGT is located in the Port of Duisburg and it will be the first 100% climate-neutral inland container terminal located in the European hinterlands once completed.

Markus Bangen, the CEO of DGT, welcomed PSA as a strategic partner to the project, saying PSA "will contribute significantly to the success of the Duisburg Gateway Terminal with its various business segments in Europe, Asia and worldwide. This network expansion strengthens both the competitive diversity and the further diversification of the Port of Duisburg".

Tan Chong Meng, Group CEO of PSA, was equally optimistic on the positive impact the new partnership would bring. He said, "Leveraging PSA's global ports and supply chain network as well as its strong presence in continental Europe, PSA aims to strengthen the DGT partnership and support Germany's green energy transition in line with our strategic focus towards enabling smoother, more resilient and sustainable trade".

The transaction is subject to the approval of Germany's competition and supervisory authorities.

MPA Singapore and Lloyd's Register Sign "Silk Alliance" MoU



On 5 July 2023, the Maritime and Port Authority of Singapore and Lloyd's Register signed the "Silk Alliance" Memorandum of Understanding aimed at collaborating on a fleet-specific decarbonisation strategy and implementation plan for "The Silk Alliance" initiative to facilitate zero-emission shipping across the Indian and Pacific Oceans.

The parties aim to pull together expertise, along with other Silk Alliance organisations, in co-creating the green corridor which will enable trials of decarbonisation strategies for container ships primarily operating in Asia.



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As reported, MPA's membership into "The Silk Alliance" initiative will be a notable step forward towards stronger public-private sector collaboration, focusing on steps to unlock key investments across the Indian and Pacific Oceans region as the green corridor cluster moves into the execution phase. One collaboration, as stated, includes investments into scalable fuel supply infrastructure to meet the demand aggregation signal of members of The Silk Alliance and the possible wider regional bunkering demands for alternative fuels.

Teo Eng Dih, Chief Executive of MPA stated that, "MPA is pleased to be part of The Silk Alliance to accelerate the decarbonisation of container trade. The Silk Alliance will enable key stakeholders in Singapore to chart the transition towards low- and zero-carbon options." The Chief Executive added that Singapore will continue to take steps to support the decarbonisation of the container trade in line with the IMO's Revised Strategy to reduce emissions from shipping.

The Silk Alliance was launched in May 2022 with 12 leading cross-supply chain stakeholders. The initial focus of the organization was a baseline fleet that, for the most part, bunkers in Singapore and sails across Asia, East Africa, the Middle East, Australia and the Pacific Islands. As the organization proceeds into the implementation phase, the demand of the baseline fleet is expected to expand into other regional hubs and deep-sea routes.

The full press release can be read [here](#).

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