

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 – Record Breaker

As the BDI bursts through levels not seen for over 10 years, bulk prices remain firm and Chinese buyers continue to take centre stage with their inexhaustible thirst for tonnage. With the historically low order book and potential pent-up post Covid-19 demand this continued acquisition of tonnage looks like a shrewd play. Furthermore, the uncertainty surrounding future regulations and technology could keep new building ordering activity low which will mean the status quo will remain much the same. Hence this will mean freight rates will continue to remain firm and asset values likely to strengthen further.

It is evident that volume of sales has fallen which could attributed to the fact that some owners may have decided to hang on to their tonnage in order to reap the rewards of the current freight market with a view to selling at a later date at similar or even better levels. Similarly, some buyers may feel that this escalation in prices has been too fast and hard for their continued consideration. Some notable sales this week include the sale of the **"VIALLI"** (63,493 dwt/blt 2015 Chengzi, China) at US\$21m, it was only back in December that Scorpio Bulkers (now known as Eneti) sold a sister for around US\$16 m. Also older panamax bulkers continue to show good gains with the sale of **"CEMTEX VENTURE"** (73,664 dwt/blt 2006 Jiangnan at high 12's, whilst back in October 2020 the sister was committed for US\$7.75 m.

TANKERS – Price Pressure

The spot markets remain weak and positive earnings forecasts are being pushed down the road, but activity remains strong with Buyers' appetite for tonnage across the board.

There are number of negotiations in the newbuilding arena and confirmed this week are 2+1 VLCC orders at Hyundai Samho by Euronav, boasting scrubber fitted and ammonia ready at price of around

US\$93m; and following on from their suezmax order placed last week. Sonangol have placed an order for 2 x suezmaxes at Hyundai Samho at US\$68.5m.

Ridgebury have stepped back into the VLCC sector, picking up 4 VLCCs from Wafrah Captial, the **"NUCLEUS, NEPTUN"**, **"NAVARIN"** and **"NAUTILUS"** (307,284 dwt/blt 07/07/07/06 Dalian) for around US\$30m each and with less than a year to run on a bareboat to Euronav at US\$22,500 per day. The buying price looks attractive and when the ships redeliver we would expect the spot market to be in a much better place than today.

There is an abundance of enquiry for aframaxes and LR2s and with very little to choose from and the values are firming. The LR2, **"CHAMPION PROSPERITY"** (115,098 dwt/blt 2009 Sasebo) has gone to Chartworld for around US\$19.7/19.8m and she is uncoiled and has one boiler. The one year younger **"STAVANGER BLISS"** (105,400 dwt/blt 2008 Sumitomo) has gone for US\$19.4m to a UAE buyer; this price is over US\$3m more than Teekay sold their same aged **"NAVIGATOR"** and **"EXPLORER SPIRIT"** (105,773 dwt/blt 2008 Tsuneishi) for back in February!

NEWBUILDING – Opportunity Knocks

Newbuilding activity remains buoyant across all ship types. Most reputable yards are well booked to the 2 year forward window and beyond, however there remains pockets of opportunity (early delivery) as result of options not declared and squeezed slots in the production schedule of the larger yards. Pricing is notably up since lows last year (all-time lows on tankers) and we see further pressure on pricing as the demand for steel in China (outside of shipbuilding) continues to remain high. Orderbooks remain relatively low (with little on order after 2023) in both tankers and bulkers and with no threat of fresh heavy newbuilding ordering possible for 2021/2022 delivery there should be a period of good earnings as limited vessel supply combines with robust demand (coming on tankers). As a result of this we expect modern/ resale 2nd hand pricing to continue to rise as owners enjoy the market and therefore, we would expect further newbuilding enquiry here as not all owners chose to pay high prices for 2nd hand. For this reason we believe in placing bulker/ tanker orders today before newbuilding pricing rises (independently of shipping markets) once again.

RECYCLING – Positive Yet Cautious

With Ramadan well under way which slows certain parts of the industry down and the unfortunate news of rampant Covid cases ever increasing in India and the Sub Cont which is again impacting crew changes and also as-is deliveries, which is cause for concern, we are otherwise pleased to report a healthy and stable market with sales taking place and price levels holding firm in the face of various pressures. Sentiments are positive for the recycling market and steel prices are strong, but it is primarily the shortage of vessels that is keeping prices and demand firm. Bangladesh breakers are still paying the best rates so you would expect most decent size tonnage to end up in Chattogram, but that does not rule out Pakistan who would be aggressive to take certain other tonnage that is geographically located. India meanwhile remains steady with prices firm but being unable to compete for most units they will be hoping to see more Owners investigating HKC Green Recycling possibilities which is where their expertise lies.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
MG COURAGE	206,254	2007	Imabari Saijo (JPN)	Golden Union	14.65	SS due 6/22. Already renamed.
ARUN + ASHOK + ISHWARI + KISHORE + SHRAVAN KAMLESH	106,500 106,500	all 2012 2011	STX Dalian (CHN) STX Dalian (CHN)	Arcelor Mittal	81 en bloc	43m beam.
BOTTIGLIERI CHALLENGER	93,353	2010	Jiangsu Newyangzi (CHN)	Undisclosed buyer	15.2	SS psd 1/20. BWTS fitted.
RANHIL	81,048	2015	Jiangsu Jinling (CHN)	Castor Maritime	23.5	SS psd 3/20. BWTS fitted. Inc 17-21 mths TC (index linked).
WANISA	79,401	2012	Jiangsu Eastern (CHN)	Chinese buyer	15.5	SS+BWTS due 11/21.
CEMTEX VENTURE	73,664	2006	Jiangnan (CHN)	Chinese buyer	high 12s	SS due 8/21. BWTS fitted.
VIALLI	63,493	2015	Chengxi (CHN)	Chinese buyer	21	BWTS fitted.
SERENA R	63,473	2016	Yangfan (CHN)	Genco Shipping & Trading	20.4	BWTS fitted.
GUO QIANG 8	63,388	2018	Guangzhou Huangpu (CHN)	Hong Kong buyer	23	Tier II.
SAGE AMAZON	63,301	2012	Yangfan (CHN)	Undisclosed buyer	17.4	Tier II. SS due 2/22.
ORIENTAL ANGEL	59,941	2012	Hyundai Mipo (KRS)	Undisclosed buyer	14.5/high 14	SS due 1/22. Forward delivery 12/21 - 1/22.
K SPINEL	59,905	2011	Hyundai Mipo (KRS)	Undisclosed buyer	14.5/14.9	SS due 8/21. BWTS fitted.
MARIA	58,407	2011	SPP Sacheon (KRS)	Chinese buyer	15.3	Tier II. SS psd. BWTS fitted. Dely Far East.
KOHINOOR	32,309	2010	Kanda (JPN)	Undisclosed buyer	10.85	SS psd 6/20.
SEDNA OCEAN	31,777	2011	Hakodate (JPN)	Undisclosed buyer	11/11.5	SS+BWTS due 6/22.
TANKERS						
NUCLEUS + NEPTUN + NAVARIN + NAUTILUS	307,284	3*2007 + 2006	Dalian No. 2 (CHN)	Ridgebury Tankers	120 en bloc	Inc. BB balance to 1Q22..
NEW TRUST	157,327	1999	Daewoo (KRS)	Middle Eastern buyer	13	SS due 3/22.
CHAMPION PROSPERITY	115,098	2009	Sasebo (JPN)	Chartworld	19.7/19.8	Coated. Clean trading. SS due 3/22. Uncoiled. 1 boiler.
GLIFA	109,229	2005	Hudong Zhonghua (CHN)	Undisclosed buyer		SS psd 10/20.
DAVIS SEA	106,062	2005	Hyundai Ulsan (KRS)	Castor Maritime	14.8	SS psd 5/20. BWTS fitted.
STAVANGER BLISS	105,400	2008	Sumitomo (JPN)	UAE buyer	19.4	DD due 7/21.



CAPRICORN VOYAGER	104,610	2007	Samsung (KRS)	Greek buyer	16.5	SS due 2/22.
CHRISOPIGI LADY	71,818	2005	STX Jinhae (KRS)	Undisclosed buyer	11.65	Clean trading. SS psd 4/20.
UACC AL MEDINA + UACC SOUND	45,987	2003	Shin Kurushima (JPN)	Middle Eastern buyer	14.5 enbloc	Pump-room. Cap 1 rated.
OCEAN EAGLE	9,519	2011	Nanjing Tianshun (CHN)	Undisclosed buyer	3.95	Products.

GENERAL CARGO / MULTI PURPOSE

THOR THUNDER	13,990	2007	Higaki (JPN)	Undisclosed buyer	5.2	Tween. SS due 4/22.
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CONTAINERS / RO-RO / REEFER / PCC

ADONIS + CMA CGM MAGDALENA	115,145	2015+2016	Daewoo Mangalia (RUM)	MSC	195 en bloc	9162 TEU. Gearless.
MATTINA	53,425	2007	Hyundai Mipo (KRS)	MSC	23	2824 TEU. Gearless.
TEJAS	50,134	2011	Jiangsu Newyangzi (CHN)	MSC	18	4250 TEU. Gearless.
GH BRICKFIELDER	41,235	2010	Guangzhou Wenchong (CHN)	Undisclosed buyer		2758 TEU. Geared.
ODYSSEUS	39,420	2006	Hyundai Mipo (KRS)	Korean buyer	19/19.1	2824 TEU. Gearless. 2+1 yr TC attached.
SEABOXER III	23,695	2010	Guangzhou Wenchong (CHN)	CMA CGM	15	1740 TEU. Geared.
HANSA NEUBURG	23,296	2010	Guangzhou Wenchong (CHN)	Briese	11.75	1740 TEU. Geared.
HOBART	17,195	2008	Jiangsu Yangzijiang (CHN)	Undisclosed buyer		1338 TEU. Geared.

GAS

BW EMPRESS	49,999	2005	Mitsubishi (JPN)	Bashundhara	40	77330 cbm. SS psd 7/20. BWTS fitted.
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NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
EPGN Bulk Carrier	Kamsarmax	82,000 dwt x 1	Changxi (CHN)	2023		Tier III.
Nisshin Shipping	Kamsarmax	82,000 dwt x 10	Jiangsu Hantong (CHN)	2022-2023		
TANKERS						
Euronav	VLCC	318,000 dwt x 2+1	Hyundai Samho (KRS)	2022-2023	93	USD 4.2m spec upgrade. Scrubber fitted + Ammonia ready.
Sonangol	VLCC	158,000 dwt x 2	Hyundai Samho (KRS)	2023	68.5	
Enesel	LR2	114,000 dwt x 2+1	SWS (CHN)	2023	reg 49.5	EEDI Phase 3, Tier III. Scrubber fitted.



GENERAL CARGO / MULTI PURPOSE						
Asia Pulp & Paper	Woodchip Carrier	70,000 dwt x 2+2	Chengxi (CHN)	2023	35	
Hagland Shipping	General Cargo	5,000 dwt x 2+2	Royal Bodewes (NETH)	2023		Battery/Hybrid
CONTAINERS / RO-RO / REEFERS / PCC						
AP Moller	Containership	2,500 TEU x 2	Hyundai HI (KRS)	2023		Methanol fueled.
Sinotrans Lines	Containership	2,400 TEU x 2	Yangzijiang (CHN)	2023	reg 30	
Sinokor	Containership	1,800 TEU x 10	Hyundai HI (KRS)	2023		Bangkokmax.
Sinotrans Lines	Containership	1,100 TEU x 2	Yangzijiang (CHN)	2023	reg 15	
GAS						
Avance Gas	LPG	91,000 cbm x 2	Daewoo (KRS)	2023		Dual fuel. Ammonia ready.
MOL	LPG	89,000 cbm x 2	Hyundai HI (KRS)	2023	80	
Geogas Maritime	LPG	40,000 cbm x 2	Hyundai Mipo (KRS)	2023	53.7	

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLOC						
BERGE STAHL	1986 / Korea	364,767	41,568	as-is Malaysia	496	
BULK CARRIER						
AMAZON	1998 / China	26,096	6,723	as-is China		
TANKERS						
FAIR DREAM	1982 / Japan	37,888	9,624	as-is UAE	465	
DAI NAM	2000 / Japan	47,102	9,372	as-is Vietnam	448	
ONTARI	1993 / Japan	18,520	4,828	Bangladesh	525	
LPG CARRIER						
BP JACKY	1992 / Holland	6,332	2,937	Bangladesh	530	60 tons of St-St
VEHICLE / PASSENGER						
SINCERITY ACE	2009 / Japan	13,200	15,442	as-is S.Korea	338	
REEFER						
ICE ROSE	1985 / Korea	14,567	6,937	India	495	
CHINA FROST	1985 / Japan	5,409	3,376	Sub Cont options	502	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	500/520	485/500	480/490	260/270
Dry Cargo/Bulk/Tween/Gen Cargo	480/500	475/485	470/480	250/260

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old

Indices

C.O.B Friday

Tankers			
VLCC	92	69	46.5
SUEZMAX	63	46	30.5
AFRAMAX	51	40	23.5
MR	36.5	27.5	18
Bulkers			
CAPE SIZE	52 [^]	35	28
KAMSARMAX / PANAMAX	30k [^]	27.5k	20k / 18.5p
ULTRAMAX / SUPRAMAX	27u [^]	23u	15s
HANDYSIZE	25 [^]	19	14

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

BDI	2788
\$/Yen	107.84
VLCC	
AG/East	34.5
TD3 (WS)	

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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.

Evergreen Considers the Transfer of Ever Given Cargo



Evergreen Marine Corp, the Taiwanese operator of the containership at the centre of the Suez Canal blockage, is looking to the possibility of transferring the cargo on board the Ever Given to another ship whilst compensation claims are disputed and litigated.

The vessel presently remains anchored at Great Bitter Lake along the canal and was formally arrested there by the Suez Canal Authority ("SCA") on April 13 over claims amounting to \$916m for loss of reputation and salvage services.

On April 15, the operator announced that it was "investigating the scope of [the] court order and studying the possibility of the vessel and the cargo on board being treated separately". If successfully argued, this could result in the release of millions of dollars' worth of goods still currently aboard the vessel and destined for Europe. However, maritime lawyers and insurance executives have indicated that such segregation, between a cargo and its ship, or even the crew, would not be a simple matter. Insurers would typically prefer all three elements to be treated as a single entity.

Protection and indemnity experts had also added that the proposed discharge and reloading would usually only happen where a stranded ship has been damaged. In this case, the Ever Given has been approved to move onward to Port Said where it is to be inspected again.

Industry insiders have also indicated that even if the SCA agrees to release the cargo against a security deposit or bank guarantee, the Ever Given's owner would still have to agree to any arrangement.

"The cargo is onboard the ship, and it can only be discharged with the owner's permission", they add. Another major concern for segregation of ship, cargo and crew, is the fate of the latter. If security amounts were deposited to secure the release of the cargo and/or the ship, it will be the crew that is held back until full and final settlement – and there have been past instances of crew being held back at ports for years as a result of such disputes.

Evergreen's delivery of goods is delayed indefinitely and the company is presently urging all parties concerned to facilitate a settlement agreement in order to lift the arrest as soon as possible.

The UK Includes International Shipping in Carbon Emission Targets



The UK has this week become the first country to include its share of international shipping in its national carbon budget under new domestic climate laws. Historically, the government's efforts to reduce emissions only accounted for emissions on a territorial basis and therefore did not include those that fell outside of UK borders.

These new legislative measures are part of a pledge by the UK government to achieve a 78% reduction in carbon emissions by 2035 (compared to 1990 levels) and net-zero carbon emissions by 2050. The move to include international shipping follows advice from the Climate Change Committee in the Sixth Carbon Budget, which was published in December 2020.

It's interesting to note that the targets released by the UK this week are more ambitious than those of the International Maritime Organization (IMO), which plans to cut shipping carbon emissions by 40% by 2030 and total emissions by 50% by 2050 (compared to 2008 levels).

This news comes during the same week as the US Climate Summit, during which President Joe Biden will host 40 leaders at a virtual summit in the White House to raise ambition on tackling climate change.

Maritime Industry Advocates Taxing for CO2 Emissions



The International Chamber of Shipping as well as other groups such as the World Shipping Council, who represent over ninety percent of maritime trade, have presented a joint submission to the International Maritime Organization (IMO) ahead of the Leaders' Summit on Climate, to implement a global carbon tax with the aim of eliminating around two per cent of carbon dioxide emissions that the maritime sector currently emits.

The submission was one that is seen by market watchers to be ground-breaking as it is the first time

that groups representing such a large stake in the maritime industry have advocated to put a price on carbon dioxide emissions. In the joint submission, the various industry groups requested discussions on how mandatory market-based pricing measures can be utilised by leaders to encourage a move away from marine fuels heavy in carbon.

While the IMO has implemented targets to reduce the carbon footprint of the shipping industry, with its ultimate aim to cut its greenhouse gas emissions in half by 2050 and to achieve zero emissions within this century, the various industry groups stated that the use of zero-carbon ships which are also commercially viable remain unachievable due to the absence of pricing signals. They have called for, amongst other things, a US\$5 billion fund to supply the research and development required to reduce the pricing gap between zero-carbon fuels and carbon-heavy fuels which would make zero-carbon technologies commercially feasible. To this end, the groups, through their joint submission, encouraged the largest economies of the world to support this research and development proposal at the IMO.

In a statement to the BBC, Guy Platten, the secretary-general of the International Chamber of Shipping stated that, "A global solution is the only one that's going to work." However, he also mentioned that the complexity of such a solution is the reason why discussions must start immediately. Thus, the industry bodies also requested that the IMO commence discussions on market-based measures as soon as possible and before 2023, with a view to taking some decisions.

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