

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 – New Year, New Gear?

As expected there was a softening of the spot market over the Christmas holidays and with Chinese New Year upon us we imagine this will continue until the end of the month. However, the fundamentals have not changed and earnings are still good and we expect them to firm once the celebrations are out of the way.

Some buyers seem to be hesitant with values reaching record levels, but with earnings writing ships down quickly others still see tankers as good opportunities. Chandris has been tempted by approaches on its VLCC, **"ELLINIS"** (306,432 dwt/built 2007 Daewoo, Korea), and reportedly sold for US\$57m, which shows values holding from the sale of the **"SEAKING"** (318,669 dwt/built 2005 Hyundai, Korea), which sold in late November for US\$51.5m. If you compare back to January 2022 you would have had to pay only US\$36.4m for the **"TSUSHIMA"** (310,391 dwt/built 2008 Mitsui, Japan).

Ice class is commanding a massive premium as evidenced by the sale of the **"ICE TRANSPORTER"** (146,270 dwt/built 2006 Universal, Japan), which has reported been sold for US\$47.5m, but some others saying as high as US\$50m! There had been reports of the same aged sister, **"MIKE R"**, being sold in November '22 at an already big price of US\$45m, but the sale failed to finalise. Meanwhile, the non ice class **"CRESCENT MOON"** (150,581 dwt/built 2004 Universal, Japan) and **"KRITI BREEZE"** (151,735 dwt/built 2003 Hyundai, Korea) are rumoured to have been sold for US\$33.5m and US\$30.5m respectively.

Dry Cargo – Serious Sellers Only

Many protagonists will be wondering how the dry cargo charter market will develop in 2023. At the moment we are witnessing a steady decline in freight rates, which has been prevalent since around mid-December 2022 and the question is when this tide will turn. This freight fall is slowly eroding values with

new sales continuing to show levels lower than last done. Certainly in the current climate any sellers of dry ships will have to moderate their expectations in order to get a deal done.

The light at the end of the tunnel can be attributed to a few factors; China emerging from their Covid malaise with a sustained and increased demand for raw materials, although this looks unlikely to happen in the short term. Also the implementation of the new emission regulations will result in the reduction in the speed of some vessels, which will provide more cargo prospects. Furthermore, the looming grain market in the spring has generally always been a fillip for the freight market. So in all in all there are reasons to believe that acquisition opportunities could fall in to a limited time frame, because as soon the freight market turns values will follow.

New Building – Slow Return...

Not surprisingly there are few fresh, confirmed orders to report after the festive, and for some ongoing, break. That said we understand a number of owners are "sparring" with Korean yards for large tankers, notably suezmaxes, as the outlook remains bullish and there is little to reinvest into via modern second-hand (deemed either too expensive or there being few candidates for sale). There are reports of further efforts of owners with container orders to convert to tankers, but so far this has not materialised into a wave of conversions. It is not easy for the yards to do, technically, either and they will look to transfer the profit margins over also.

Chinese New Year and Korean Lunar holidays are early this year (beginning in two weeks) and many owners are yet to return from Christmas holidays so it may be a quiet few weeks ahead.

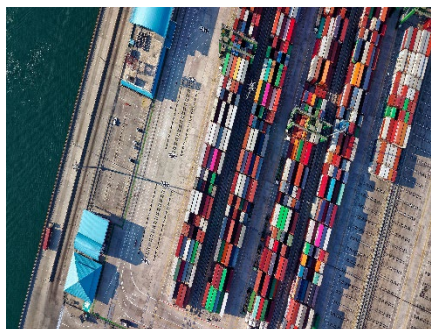
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CJC Market News



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.

CSA Joins the International Chamber of Shipping



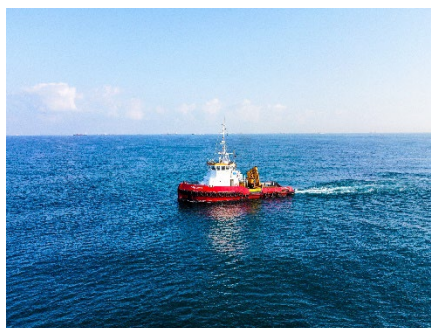
China Shipowners' Association (CSA), one of the world's largest shipowner associations, recently joined the International Chamber of Shipping (ICS), some 3 decades after it was formed.

The CSA was initially set up as a voluntary trade organisation and has since grown its membership to encompass over 200 owners, operators and managers of commercial vessels registered in China. In total they now account for approximated 70 million deadweight tonnes and represent more than three-fourths of the total merchant of China.

Moving forward, and in a move to forge closer links with its newest member, the ICS are planning to open a new office in Shanghai and the CSA is due to be offered a place on the Board of the Chamber. "As a hub for global shipping China plays a major role in maritime transport(...). This membership will strengthen our ability to work together(...) to tackle the most pressing issues facing shipping such as decarbonisation," said a spokesman for the ICS.

With the ICS a strong advocate for tougher decarbonisation targets and supporters of an international technology fund, market observers are interested to see how the CSA will align itself with these policies in the coming years.

ATB Tug Partially Sinks at Port of Milwaukee



On 2 January 2023, an ATB tug partially sank at the Port of Milwaukee at around 11:30am, prompting a pollution-control response.

The tugboat Michigan began to take on water Monday morning, according to the U.S. Coast Guard.

The 112-foot towing vessel was sitting in 26 feet of water, at its mooring, when it partially sank. The Michigan has the capacity for approximately 40,000 gallons of oil and fuel, and the Coast Guard has deployed 100 feet of absorbent booms around the vessel in the event she begins to leak fuel or oil. Reportedly, the tug had approximately 100 to 120 gallons of diesel on board at the time of the incident. The owners of the vessel, U.S. Venture, Inc., have contracted a maritime salvage crew.

At present, no pollution has been observed and the cause of the sinking remains undetermined. USCG pollution responders along with partners from the Wisconsin Department of Natural Resources, Milwaukee Harbour Patrol, the Port of Milwaukee and representatives of the vessel continue to be on the scene.

The incident comes almost two-years after the tugboat Harbor Seagull sank at a dock in the inner harbour.

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