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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.*  
+44(0) 20 7667 1000 - [sap@eagibson.co.uk](mailto:sap@eagibson.co.uk) - [www.gibsons.co.uk](http://www.gibsons.co.uk)

## Newbuilding – Tanker Torrent

There has been a substantial and notable increase in tanker newbuilding activity focused still on LR2 but also suezmax. Very high modern/resale second-hand pricing, a lack of candidates for sale and historically low orderbooks are some of the main drivers here. These have, together with a continuing bullish market outlook, persuaded owners to take current newbuilding price levels (which are unlikely to fall any time soon) as they are. We expect further orders to come as the modern second-hand price continues to firm and those with fleet renewal needs or cash to reinvest will, on balance, go down the newbuilding route. However, we note some owners concerned about current newbuilding price levels and also focused on the next generation of alternative fuel. We therefore do not expect a full blown ordering boom on tankers. Those looking for bargain newbuilding pricing in the near future may be disappointed though as alternative fuel tankers become more mainstream (significant extra cost) and such price levels may well be supported by the owners moving in to order that are currently sitting on the fence for this round. When will we realistically see "cheap" newbuilding pricing again?

There was a significant volume of medium sized bulker contracting in December 2022 and further discussions are ongoing. Prices remain firm at the yards and there remain discussions ongoing for further orders. There are a number of yards with 1st half 2025 deliveries also still.

## Dry Cargo – Future Proofing

While the Chinese New Year holiday has been and gone, the much anticipated rebound in the charter markets has yet to materialise with rates continuing to stagnate. However, forecasts mainly preach to an upturn as an inevitability, changing the question from 'if?' to 'when?' and the larger volume of sales this week would suggest buyers now taking up position while asset values remain flat. United Maritime in particular is noted to be beefing up its dry fleet with kamsarmax additions, picking up the **"LIBERTY K"** (82,217 dwt/built 2010 Tsuneishi Zhoushan, China) and the **"HAMPTON BAY"**

(81,508 dwt/built 2009 Universal, Japan) at similar prices in the US\$ mid 19m range, both offering useful price markers given the slow flow of teenage kamsarmaxes since November's flurry of sales, albeit with kamsarmax values broadly having weathered fairly well.

Casting an eye to the handysize segment it's interesting to draw comparisons to last October when the **"OCEAN SATOKO"** (37,215 dwt/built 2011 Hyundai Mipo Korea) achieved high US\$16s m, versus the **"SHANGHAI PEARL"** (36,260 dwt/built 2011 Hyundai Mipo, Korea) now sold for US\$14m. Furthermore, the **"BELLE OCEAN"** (28,354 dwt/built 2014 I-S Shipyard, Japan) sold in October for US\$ 15m, whereas this week's sister ship **"BELLE ETOILE"** (28,050 dwt/built 2011 I-S Shipyard, Japan) has gone for US\$ low-mid 12m; both comparisons (albeit arguably adjusted for 2023 annual depreciation) still represent upside value potential once the market starts to see the keenly awaited upturn.

## Recycling – Positive Vibes

Demand appears to be firming throughout the Sub-Cont and with it there seems to be a few more sales to report, although some have been from the previous week but still demonstrate the positive sentiments out there. The majority of scrap sales are in the Dry sector, which is not surprising given what has happened with freight rates and values of late. Ship scrap prices are holding steady and there is a feeling that gradually we should see these rates firming as we go through Q1. Much will depend on the flow of tonnage coming into the market and to some extent what types of tonnage becomes available, although with such a scarcity of units workable for sale demand and competition amongst cash buyers will no doubt be aggressive whatever is on the market.

## Tankers – Rumble in the Renaissance

The freight markets seem to have been well and truly cured of their January jitters, with rates rebounding in a convincing fashion. The entry into force of the EU ban on Russian clean products on 5 February indubitably has a role to play in this, along with other more localised factors such as a surge in cargoes

coming out of the US Gulf or the Diesel shortage in Nigeria. In any event, this renaissance in rates appears to have filled buyers with a renewed sense of purpose, with reported sales lists expanding and sales candidates once more becoming targets of avid competition.

Sales activity and buying interest continue to be broadly spread across segments, but we continue to note a lack of meaningful activity in the market for younger vessels. A considerable portion of prospective buyers for younger vessels seems to be reaching the conclusion that it makes more sense to target newbuildings, since potential sellers' ideas are now well out of line with values suggested by straight line depreciation tables.

## Gibson Sale & Purchase Market Report

### S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
<b>BULKERS</b>						
THALASSINI ASTRID	179,816	2014	Tianjin Xingang (CHN)	Tomini Shipping	low-mid 30s	DD due 11/23. BWTS fitted.



LIBERTY K	82,217	2010	Tsuneishi Zhoushan (CHN)	United Maritime	19.5	SS due 1/25. BWTS fitted. Already renamed.
HAMPTON BAY	81,508	2009	Universal Maizuru (JPN)	United Maritime	19.6	SS due 3/24. BWTS fitted.
SPRINGFIELD	63,670	2020	COSCO Yangzhou (CHN)	Eagle Bulk	30.75	DD due 3/23. BWTS+Scrubber fitted.
SERENITAS N	56,811	2011	Yangzhou Guoyu (CHN)	Greek buyer	12.5	DD due 7/24.
BBC NEPTUNE	37,503	2010	Tianjin Xingang (CHN)	Akson	12	Ice 1C. DD due 8/23. Already delivered.
SHANGHAI PEARL	36,260	2011	Hyundai Mipo (KRS)	Undisclosed	14	Open hatch. DD due 2/24. BWTS fitted.
LAVIEEN ROSE	33,398	2014	Shin Kurushima (JPN)	Undisclosed	17.5	Open hatch. DD due 10/24. BWTS fitted.
BELLE ETOILE	28,050	2014	I-S Shipyard (JPN)	Undisclosed	low-mid 12	SS due 10/24. BWTS fitted.
<b>TANKERS</b>						
ARZOYI	299,152	2002	Hitachi (JPN)	Chinese buyer	26.7*	*Auction sale. Laid up, out of class.
NAVE PHOTON	297,345	2008	Jiangnan Changxing (CHN)	Undisclosed	58	SS due 10/23. BWTS fitted.
HAFNIA COLUMBIA HAFNIA KRONBORG	74,999 73,708	2007 2007	Dalian No. 2 (CHN) New Century (CHN)	Gard	22.7 each	Pump-room. DD due 3/25. BWTS fitted. Pump-room. DD due 3/25. BWTS fitted.
LORELEI	73,673	2007	STX Jinhae (KRS)	Undisclosed	33.5	Ice 1A. BWTS+Scrubber fitted. DD due 8/24.
JUNIOR G	70,426	2005	Universal Maizuru (JPN)	Middle Eastern buyer	21	Pump-room. SS due 7/24. Uncoiled. Already renamed.
SUPER EMERALD	50,346	2005	Shina (KRS)	Turkish buyer	18.3	Pump-room. DD due 11/24.
UOG ANDROS	49,872	2009	SPP Sacheon (KRS)	Undisclosed	reg 22.5 (on subs)	Deepwell. SS due 3/24.
PINK CORAL	49,474	2003	STX Jinhae (KRS)	UAE buyer	reg 13	Deepwell. SS due 4/23. Trading dirty.
EGEIRO CYAN	13,241	2008	Jinse (KRS)	BTS (Charterers)	7	Epoxy. SS due 7/23.
DL EMERALD	13,034	2009	21C Shipbuilding (KRS)	Undisclosed	9.7	Epoxy. SS due 2/24.
NORMANNA	10,022	1996	Poli (ITL)	Turkish buyer	5.75	Ice 1C. Avesta Duplex 2205. DD due 12/24. BWTS fitted. Cap 1.





CONTAINERS / RO-RO / REEFER / PCC						
NORTHERN VOLITION + NORTHERN VIVACITY	37,870	both 2005	Aker Mtw (GER)	Undisclosed	26 en bloc	2742 TEU. Geared. DD due 56+10/23.
TS MOJI TS SHANGHAI + TS YOKOHAMA	13,002 11,650	2006 both 2019	DaeSun (KRS) Kyokuyo (JPN)	European buyer	40 en bloc	962 TEU. Gearless. 1096 TEU. Gearless.
NORTHERN VOLITION + NORTHERN VIVACITY	37,870	both 2005	Aker Mtw (GER)	Undisclosed	26 en bloc	2742 TEU. Geared. DD due 56+10/23.
GAS (LNG / LPG / LAG / CO2)						
RUBRA	56,745	2001	Gdynia (POL)	Far Eastern buyer	reg 33-34	78,647 cbm. DD due 5/24. BWTS fitted.

### NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Mitsui - Cargill	Kamsarmax	82,000 dwt x 2	Tsuneishi (JPN)	2026		Methanol dual fuel.
TANKERS						
Nissen Kaiun	MR	50,000 dwt x 4	Hyundai Mipo (KRS)	2025	45.26	Scrubber fitted.
Al Seer Marine	MR	50,000 dwt x 2	K Shipbuilding (KRS)	2024-2025	44	LNG and scrubber ready.
CONTAINERS / RO-RO / REEFER / PCC						
HMM	Containership	7,000 TEU x 5	Hyundai Samho (KRS)	2025		LOI stage.
HMM	Containership	7,000 TEU x 2	HJ Shipbuilding (KRS)	2025		LOI stage.

### Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	560/570	555/565	540/550	315/330
Cargo/Bulk/Tween/Gen Cargo	550/560	545/555	530/540	300/315

### 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	121	100	76	46.7	62.9%
Suezmax	81	68	54	33.1	62.9%
Aframax	64	62.5	50.5	25.3	99.7%
MR	44	42	33.5	18.4	81.9%

Bulkers					
Capesize	60.5 <sup>^</sup>	44 (eco)	29	24.0	20.8%
Kamsarmax	33.5 <sup>^</sup>	30	22.5	16.4	37.1%
Ultramax / Supramax	31 <sup>^</sup>	28	18.5	14.1	30.8%
Handysize	28.5 <sup>^</sup>	24	16	11.5	39.0%
<sup>^</sup> = Chinese price (otherwise based upon Japanese / Korean country of build)				<sup>~</sup> = Basis standard contemporaneous DWT/spec for each type.	

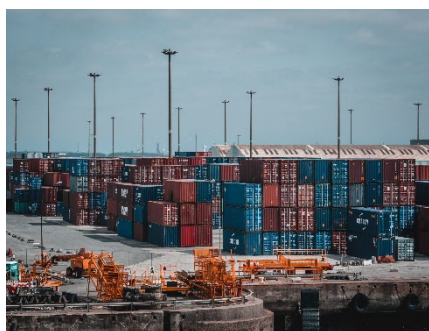
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## CJC Market News



*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.*

### Special Efforts to Free Ships Stuck in Ukrainian Ports



Speaking at the Capital Link Conference in Athens, the Secretary General of the International Maritime Organization (IMO) has reaffirmed his commitment to assist vessels that have been stuck in Ukraine as a result of the war.

It is estimated that more than 60 vessels have been unable to leave multiple Ukrainian ports since the Russian invasion in February 2022.

Ports such as Kherson and Mykolaiv were not included in the UN safe corridor used to resume the export of Ukrainian grain. Both ports are located near the frontline of the battle between Ukrainian and Russian forces, which has prevented vessels from leaving. It is reported, however, that many of the crew members have long been evacuated.

With the anniversary of the invasion just around the corner, the many hulls still left stranded are set to be at the heart of war risk insurance pay-outs amounting to, reportedly, millions of US dollars.

### Production of UKHO paper charts to continue until 2030





The UK Hydrographic Office (UKHO) has announced that it will delay the phasing out of its production of paper charts. In July 2022, the UKHO stated its intention to cease production of paper Admiralty charts entirely by the year 2026. However, the new announcement will see continued production of paper charts until at least 2030.

The UKHO has made the decision for delay as it became clear that more time is required to address the needs of those specific users who do not yet have viable alternatives to paper chart products.

Peter Sparkes, Chief Executive of UKHO said "As we further develop digital navigation solutions, our long-term intention to withdraw from paper chart production remains unchanged and we will continue to withdraw elements of our chart portfolio over the coming period, on a case-by-case basis. Having listened to the feedback we have received and in light of the consequential impact of the international technical and regulatory steps required to develop digital alternatives, we will be extending the overall timetable for this process."

A mainstay of the maritime industry, the UKHO's admiralty charts are the most widely used physical charts throughout the world. The decision to abandon the venture comes amidst the rapid growth and reliance on technology and the increased use of electronic charts. The SOLAS mandate for the move to Electronic Chart Display and Information Systems greatly aided this progression.

The UKHO is already a producer of electronic charts and aims to remain on the forefront of the growing industry. Ceasing production of paper charts will allow the office to focus on its 18,000 plus electronic charts and other digital products.

The UKHO is not alone in its move away from traditional means of navigation. NOAA (National Oceanic and Atmospheric Administration), the American counterpart of the Hydrographic Office, announced in 2019 its plans to phase out paper charts, with a complete halt to production by 2025.

For more information, please contact:

James Clayton  
Tel: +44 (0) 207 855 9669  
Email: [jamesc@CJCLaw.com](mailto:jamesc@CJCLaw.com)  
[www.cjclaw.com](http://www.cjclaw.com)



Gibson Shipbrokers  
Tel: +44(0) 20 7667 1000  
Email: [sap@eagibson.co.uk](mailto:sap@eagibson.co.uk)  
[www.gibsons.co.uk](http://www.gibsons.co.uk)

