

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



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DRY CARGO – Baltic Bonanza

This week the BDI clocked up levels not seen since the heady days of 2007 and 2008, and with the Autumn S&P dealmaking season in full swing, the market carries more than a whiff of feeding frenzy about it. We registered over 20 concluded deals for the week, across all sizes and ages, with buyers mainly located, as expected, in Greece and China. Prices are continuing to sustain their recent upward trajectory, and there appears to be little there to derail their momentum at present short of a sharp correction in the spot market. As it stands, shipowners and their investors are flush with capital and most sellers will be in the money on vessels added to their fleets within the last 5 years; at the same time newbuilding capacity for deliveries in 2023 and 2024 remains scarce, leaving market players little alternative to investing in existing second hand. All the requisite ingredients for a busy Q4 are clearly there, so we should expect the proverbial party to continue for some time yet. Who will be left with a hangover only time will tell?

RECYCLING – Slow Burn

Yet another slow week in the Recycling market as local steel prices remain subdued. Steel markets in Bangladesh have been suppressed all week as end buyers are now reluctant to pay levels above the US\$ 580-585 per LWT. It appears some units that were sold with a forward delivery are now facing the fate of potential renegotiations as the markets continue to soften. Markets in Pakistan are also in a similar situation as breakers remain nervous to acquire tonnage for their yards when there is a sense of apprehension about the markets at present. Surprisingly steel markets are better in Alang compared to its counter-parts, but Indian ship breakers are also unsure of what the future holds. However, most breakers however continue to concentrate more towards Green Recycling, which is where their expertise lie. In terms of price levels, rates in excess of US\$ 600 seem to be no longer justifiable as markets continue to correct. Moreover, the seemingly world wide energy crisis may soon impact the Sub-Cont creating turmoil in the steel/recycling industry as some steel manufacturing plants might be forced to shut down. With tanker freight markets remaining soft we are now starting to see a few more 2000s built Suezmaxes being discussed for potential recycling; a case in point

being the **"VLADIMIR VELIKIY"**, which is being reported sold region US\$585 basis delivery as-is Singapore.

TANKERS – MR Spectrum

Seemingly not a week goes by now without a Xihe Group/Ocean Tankers forced sale reported and this week sees another VLCC divestment with the **"E MEI SAN"** (317,952 dwt/blt 2010 SWS) heading to suspected Greek interests for US\$36.75m and the dirty trading LR2 **"OCEAN VELA"** (108,929 dwt/blt 2009 SWS) being snapped up by Vietnamese interests for US\$18.5m, although free market crude sales are notably eclipsed this week by a stronger tally of product tanker transactions.

MR tankers predominate starting with resale representation as a former-STX resale hull, namely **"K SHIPBUILDING 1926"** (49,700 dwt/blt 2022 K-Shipbuilding) has been sold on to Greek interests, having been purchased as one of a pair of resold options to SteelShips in July. The same July reported price of US\$37m has been muted again for the LNG+Scrubber vessel, which if so represents a very attractive price, especially against newbuilding berths now in the low US\$40m range. Sliding down the age scale Spring Marine is understood to have picked up the deepwell type **"IVY EXPRESS"** (51,442 dwt/blt 2009 STX Jinhae) for a market level US\$15m basis DD psd 6/21 and the year younger **"GRAZIA"** (50,307 dwt/blt 2010 Guangzhou) offering a Chinese built comparison at US\$14.25m for the BWTS fitted and SS 3/2021 passed deepwell unit to an undisclosed buyer.

NEWBUILDING – Going, Going, Gone - well almost

2024 seems to be rapidly vanishing as an available delivery position for major tanker ship types as containers continue to Hoover up remaining slots at the major Korean yards. Major Chinese yards have already sold out 2024 for container projects earlier in the year. That said we see the medium sized Korean yards holding capacity for 1st half 2024 up to Aframax size, so we may see some interest here once a tanker market rebound gets underway. Again, we point out that modern second-hand pricing remains very firm versus the current low tanker chartering market and the rationale behind this relatively high pricing is a belief in the forward market. Such a belief should therefore work to support current newbuilding pricing (as a forward delivery), as the logic is the same although we feel further progress needs to be made in the current tanker charter markets for owners to fully focus on newbuildings as an alternative investment avenue. Wait too long though and newbuilding price may well go up against increased tanker demand!

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
ROSCO MAPLE	181,453	2010	Sasebo (JPN)	Seaenergy	33.75	SS psd 6/20. BWTS fitted.
AQUA HONOR	175,428	2012	Jinhai (CHN)	Undisclosed buyer	xs 28	SS+BWTS due 5/22.
XIN HUA	82,269	2012	Dalian No. 2 (CHN)	Undisclosed buyer	xs 22	SS+BWTS due 7/22. Tier II. Dely 12/21-1/22.
VORANA MANX	82,000	2021	Tsuneishi Zhoushan (CHN)	Undisclosed buyer	40	Dely 12/21.
ZEPHYRUS	81,981	2019	Jiangsu Newyangzi (CHN)	Undisclosed buyer	36.5	DD due 3/22.

OCEAN GINGER	75,735	2002	Sanoyas (JPN)	Undisclosed buyer	11.5	Inc. TC @ \$10.15k pd less 3.75% to 5/22.
STOVE FRIEND + STOVE TIDE	57,679	both 2016	Tsuneishi Cebu (PHI)	Belships	29 each	SS freshly passed. BWTS fitted.
SEACON 6	57,000	2012	Ningbo Beilun Lantian (CHN)	Undisclosed buyer	15.3	Online auction. SS+BWTS due 6/22.
HTC CHARLIE	56,451	2013	Taizhou Sanfu (CHN)	Middle Eastern buyer	20.45	DD due 1/22.
SPRING HAWK	55,688	2010	Mitsui (JPN)	Asian buyer	22	SS psd 7/20.
TESORO	53,350	2007	Shanghai Shipyard (CHN)	Jinhui Shipping & Trading	15.75	SS due 3/22.
SPRING SUNSHINE	46,947	2013	Jiangsu Changbo (CHN)	Chinese buyer	17.9	BWTS fitted. DD psd 2/21.
NEW FACE + NEW DAYS	38,000	both 2017	Shin Kochi (JPN)	Greek buyer	26 each	SS due 1+3/22.
CIELO DI GASPESE	36,638	2012	Hyundai Mipo (KRS)	Undisclosed buyer	low 19	Open hatch. SS+BWTS due 7/22.
NEW HISTORY + NEW INSPIRATION	36,333	both 2013	Shikoku (JPN)	Tufton Oceanic	20.6 each	Inc. 1 yr TC. SS due 2022. Tier II.
TEO	35,829	2011	Qidong Daoda (CHN)	Undisclosed buyer	16.5	SS psd 6/22. BWTS fitted.
YANGTZE BRILLIANCE	32,613	2011	Jiangmen Nanyang (CHN)	Chinese buyer	15.5	SS+BWTS due 10/21. Tier II.
MEL PRIDE	32,260	1999	Kanda (JPN)	Undisclosed buyer	low-mid 8	Open hatch. SS due 1/22.
GAIL	29,966	2011	New Century (CHN)	Chinese buyer	13	SS due 10/21.
AMIRA ILHAM	28,434	2009	Shimanami (JPN)	Undisclosed buyer	13.5	DD+BWTS due 8/22.
NEW LIFE	28,050	2013	I-S Shipyard (JPN)	Greek buyer	15.5	Dely 2/22.
AMIRA MARIAM	24,159	1997	Kanda (JPN)	Undisclosed buyer	6.9	Open hatch. SS+BWTS due 12/22.
TANKERS						
E MEI SAN	317,952	2010	SWS (CHN)	Greek buyer	36.75*	*Xihe forced sale. SS psd 3/20. BWTS fitted.
OCEAN VELA	108,929	2009	SWS (CHN)	Vietnamese buyer	18.5*	*Xihe forced sale. Dirty trade.
JUSTICE VICTORIA	74,902	2010	Minami Nippon (JPN)	Stealth Maritime	17	No heating.
IVY EXPRESS	51,442	2009	STX Jinhae (KRS)	Spring Marine	15	Deepwell. DD psd 6/21.
GRAZIA	50,307	2010	Guangzhou (CHN)	Undisclosed buyer	14.25	Deepwell. SS psd 3/21. BWTS fitted.
K SHIPBUILDING 1926	49,700	2022	K Shipbuilding (KRS)	Greek buyer	37	LNG + Scrubber ready.
STENA CONQUEROR	47,323	2003	Uljanik (CRT)	Chinese buyer	6.9	DD due 10/21.
CRANE ARGO	12,163	2010	Niigata (JPN)	EGPN	7.2	IMO II. Marineline.
GENERAL CARGO / MULTI PURPOSE						
MANISA BIANCA	8,961	2000	Damen (NTH)	Undisclosed buyer	7.5	564 TEU. Geared. SS psd 12/20. BWTS fitted.
CONTAINERS/RO-RO/REEFER/PCC						
RDO CONCERT	85,622	2009	Hyundai Ulsan (KRS)	OM Maritime	xs 110	6966 TEU. Gearless.
ALDI WAVE	39,337	2008	Hyundai Mipo (KRS)	MSC	40	2824 TEU. Gearless. SS psd 11/20.

MILAN TRADER	34,019	2002	Thyssen Nordsee (GER)	Undisclosed buyer	33	2452 TEU. Geared. SS due 8/22.
ATLANTIC FLOSTA	33,739	2002	P+S Werften (GER)	MSC	25	2474 TEU. Gearless. SS due 2/22. Dely 3/22.
AS RICCARDA	21,800	2012	Zhejiang Ouhua (CHN)	MSC	24	1496 TEU. Gearless. SS due 2/22.
GAS						
HELLAS FOS	54,995	2008	Hyundai Ulsan (KRS)	Indonesian buyer	48.5	80,705 cbm.
KENTMERE	9,197	2007	Asakawa (JPN)	Transgas	reg 11	8,554cbm. Semi-ref. SS due 10/22.
EPIC BARBADOS	6,618	2001	Murakami Hide (JPN)	Bashundhara LP Gas	7.5	7,200 cbm. Fully press. SS due 12/21.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Compagnie Maritime Belge (CMB)	Newcastlemax	210,000 dwt +2	Beihai (CHN)	2023		Declared options. Conventional fuel.
GENERAL CARGO / MULTI PURPOSE						
AAL Shipping (Schoeller Holdings)	MPP	32,000 dwt x 2+2	Guangzhou Wenchong (CHN)	2024-2025		LOI. 2,000 TEU. 3 x 350t Cranes.
CONTAINERS / RO-RO / REEFER / PCC						
Eastern Pacific Shipping	Containership	7,000 TEU +3	New Times (CHN)	2024-2025	reg 80	Declared options +upgrades. 1600 reefer. Scrubbers.
MPC Capital	Containership	5,500 TEU x 4	Hanjin HI&C (KRS)	2023-2024	65.35	
GAS						
Qatar Petroleum	LNG	174,000 cbm x 4	Hudong-Zhonghua (CHN)	2023	192.25	
Sovcomflot - NYK (JV)	LNG	174,000 cbm x 4	Samsung HI (KRS)	2024	202.9	Ice 1A. Against long TC to Novatek.
Sinogas Management	LPG	93,000 cbm x 2+3	Jiangnan (CHN)	2023	76	Panda 93P design. LPG fuel.
Eneos Ocean Corporation	LPG/LAG	86,700 cbm x 1	Kawasaki (JPN)	2023		LPG fuel. Separate cargo tanks for LPG/Ammonia.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
SUEZMAX						
CAPE BALDER	2000 / Korea	159,998	22,657	Pakistan	610	last weeks sale
VLADIMIR VELIKIY	2002 / Korea	159,900	24,277	as-is Singapore	585	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	590/605	590/600	580/590	290/300
Dry Cargo/Bulk/Tween/Gen Cargo	580/590	580/590	570/580	280/290

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			

VLCC	107	70	46
SUEZMAX	74	48	32
AFRAMAX	59	40	26
MR	40	28	17.5
Bulkers			
CAPE SIZE	60.5 [^]	40	33.5
KAMSARMAX / PANAMAX	35 [^]	33	25k/23.5p
ULTRAMAX / SUPRAMAX	33.5 [^]	31u	21.5s
HANDYSIZE	28.5 [^]	25	17

[^]=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.

SEAVAX established for International Seafarers in Singapore

In a media release by the Singapore Shipping Association (“**SSA**”), the SSA reports that an initiative led by them has established a seafarers’ vaccination centre in the Port of Singapore. Termed SEAVAX, the initiative is a collaboration between the SSA, PSA and the Fullerton Health Group.

The initiative is a pilot programme designed at offering vaccination to international seafarers who go through crew change at the Port of Singapore. When operational, the programme will initially be aimed at signing-on crew arriving in Singapore who will join their ships on the same day. Participation in the programme is on a voluntary basis. To participate, companies and seafarers will need to submit applications seven days before arrival of the crew in Singapore. As stated, this is to confirm that prevailing crew change protocols and vaccine arrangements are met.

Mr. Michael Poon, Executive Director of SSA stated that the SSA is pleased to be leading the initiative which would assist seafarers in receiving the protection they require from Covid-19. As seafarers are the backbone of international shipping, he added that the SSA hopes that the pilot vaccination programme will, “*facilitate the scale-up of vaccinations for the wider seafaring community.*”

SEAVAX is further supported by the Maritime and Port Authority of Singapore (“**MPA**”) with funding from the Singapore Shipping Tripartite Resilience Fund, also known as SG-STAR. SG-STAR was established by the MPA, SSA and the local seafarers’ unions to uphold crew welfare and safety during the pandemic. In late 2020, it is reported that the International Transport Workers’ Federation (ITF)

and the International Maritime Employers' Council (IMEC) joined the effort by contributing together US\$500,00 which enabled the SG-STAR fund to grow to US\$1.2 million.

The SEAVAX centre is stated to be operation from 30 September 2021.

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

Californian Oil Spill



Oil from an offshore spill continued to leak on the Southern Californian shore this week. Officials are currently investigating whether a ship anchor striking a pipeline could have triggered the leak.

The pipeline leaked tens of thousands of gallons oil into the water on Monday after it was split open and apparently dragged along the ocean floor. The coastguard captain said this week that divers had determined about 4,000ft (1,219 meters) of the pipeline had been "laterally displaced" by about 105ft.

The pipeline connects to an offshore oil production platform named Elly, which is connected by a walkway to a drilling platform named Ellen. The platforms and another nearby platform are in federal waters and owned by the Houston-based company Amplify Energy Corp. Some 23 oil and gas production facilities operate in federal waters off the Californian coast, according to the U.S. Bureau of Ocean Energy Management.

Huntington Beach, about 40 miles (65 km) south of Los Angeles, had 13 square miles and of ocean and portions of its coastline covered in oil. The town, which advertises itself as Surf City USA, is one of the rare places in California where oil platforms are visible from the beach.

It is too early to fully assess the full ecological impact of the disaster but scientists with the California department of fish and wildlife are taking samples of the sea and sand. The area is expected to see an influx of migratory birds in the coming weeks, which could increase the toll.

Bulk carriers – the way forward?



In the face of rising freight prices and increased port congestion as the worldwide recovery from Covid-19 takes hold, Coca-Cola has chartered three bulk carriers to transport containers to enable production lines to progress uninterrupted.

Questions have since been asked around issues which have been raised in response, namely focussing on whether such vessels are suitable to transport containers. Securing arrangements must be satisfactory, and crew must be well-trained in the

transportation of containers.

Charterers would likely not have anticipated when entering into long-term time charterparties that containers would be on board the vessel, raising the question as to whether the vessel can be said to be seaworthy. The NYPE charterparty requires a vessel to be "fitted for the service", with most bulk

carriers being ill-equipped to carry containers, as well as crew being less familiar with the carriage of containers. Questions will likely continue to be raised surrounding this issue in the near future.

Hatch covers on bulk carriers are, on the whole, not designed to carry containers. Owners must ensure in depth tests are carried out to safeguard against potential claims, having in mind the structural strength of the vessel. Members would be well-minded to contact their Club to ensure all necessary insurance precautions have been put in place.

This said, should the current trend in the freight market continue, with appropriate crew training and risk evaluation to combat questions over seaworthiness, the transportation of containers on bulker carriers could be a key advantage moving forward.

COVID-19 in Southeast Asia and the global supply chains

The factory activity in Southeast Asia has been greatly affected by the recent coronavirus outbreaks, which threaten the region's recovery from the pandemic. Vietnam, Malaysia and Thailand, the three main major manufacturing hubs of the region, have been negatively impacted by the recent restrictions imposed.

VIETNAM

Strict restrictions have been imposed since April to Vietnam's biggest cities forcing lots of manufacturers to reduce production. Although, the restrictions have been eased recently, the outbreak had a massive impact on main industrial areas, where major suppliers, such as Apple and Samsung are based. Also, the Vietnam Textile and Apparel Association said that several international fashion brands have shifted their orders away from Vietnam.

MALAYSIA

Malaysia, which imposed a lockdown in June as a result of high infection rates, has gradually eased restrictions since July. Malaysia, which is home to major carmakers including Toyota Motor Corp and Ford Motor Co, has been greatly affected by the disruption in the distribution chains. STMicroelectronics said in July it temporarily closed its assembly plant in Malaysia for 11 days due to the coronavirus.

THAILAND

Thailand imposed strict restrictions in July and August. As a result, a shortage of parts and migrant workers had a negative impact in the production operations in various factories, including Toyota. Strict border controls, infections and quarantines have temporarily suspended production on several factories in the food and rubber industry.

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