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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 – May You Live in Interesting Times

Tanker freight rates are sending very contrasting signals at the moment, as market stakeholders try to come to grips with the complexities of accounting for premia for Russian cargoes while facing the prospect long-established trades routes being wildly reconfigured in real time. With that said, prospective buyers of second-hand tanker tonnage seem to be pondering this same picture and coming to the conclusion that this would be an excellent time to proceed with any investment plans they may have. VLCCs seem to have become a particular darling of investors, with Sinokor said to have bought four 2011/2012-blt VLCCs from Euronav on undisclosed terms. MRs have similarly seen a raft of fixtures reported across the age spectrum, though prices still seem to be holding at or close to "last done levels". Aframaxes should be the next segment to watch if rumours surrounding ongoing negotiations are to be given any credence, but either way it's clear that one could make a safe bet on the coming months being anything but boring.

DRY CARGO – Aggressive Auction

Despite the freight markets levelling off after recent appreciation it was interesting to note the sale of the supramax "**SEACON SINGAPORE**" (56,501 dwt / blt 2013 Taizhou Sanfu, China) at auction at the firm price of US\$19.45 m. Most participants at auctions are usually there in anticipation of securing a bargain, but in this case the level exceeds the recent price achieved on a straight sale basis of the similar "**NATHAN BRANDON**" (56,479 dwt/blt 2013 Huatai Heavy, China), which was reported at region US\$19m.

Contrastingly there generally does appear to be an air of evaluation from the buying side on the back recent firming values with many protagonists wondering whether to dip their toe in the market.

NEWBUILDING – Future Fortunes

Medium sized bulker newbuilding discussions are ongoing as the charter markets remain robust and second-hand pricing continues to rise.

On tankers, markets remain rattled by the continuing evolving Russian / Ukrainian situation and now margin calls on the big traders from the wild swings in commodity prices. Uncertainty and further low rates may well continue for tankers in the short term. However, as we have seen historically newbuildings are often placed at counter cyclical times. There also remains no change in the coming favourable fleet supply situation that is the fixed orderbook. Deliveries are now 2025 onwards for afra / suez / VLCC at the main yards (a few 2024 slots) with most of capacity for 2023/2024 gone to other shiptypes. The afra / suez / VLCC orderbooks at the end of 2022 will be approximately 5%/1.8%/2.7% of the existing fleets respectively. There are no VLCCs on order beyond 2023. If / when there is a rebound in rates (lifting of sanctions?) then these low orderbook figures may well tempt many to move for newbuildings and furthermore so given the current high modern second-hand pricing (resales on par with newbuilding price currently) that would move north promptly under any market rally.

RECYCLING – Sweet Smell of 700

As reported for some time now there is no secret to the ongoing lack of scrap tonnage which has been a driving factor to the firming of demo prices, and will most likely continue in the short term and as such we expect ship recycling prices to remain very strong. This week we saw the US\$ 700 barrier breached with a sale of the LR1 "ALABAMA STAR" being reported committed for a healthy US\$ 720 per LWT to breakers in Bangladesh, although she had some 350 tons of bunkers ROB which is a valuable commodity these days and went some way in explaining the good price that was achieved.

Meanwhile, there is however the 'unknown' factor of what could happen next and because of this volatile nature there is an element of caution meaning things and prices could change at the drop of a hat. The war in Ukraine has really only just begun so we have no idea for how long it will continue for and where things are headed, but if freight rates perform well and the scarcity of tonnage continues then the ship recycling markets will no doubt benefit and should remain firm, unless there is a crash of commodity or steel prices, which would be unlikely, but no doubt things will be extremely volatile going forwards. Prices are still in the very high US\$600's/region US\$700 for most good quality large units (except for especially attractive units that can now achieve in excess of US\$ 700) and historically these are extremely firm levels, but there are still only a handful of sales each week as Owners of vintage tonnage play the waiting and watching game as things unfold in the hope of making healthy profits, before they decide to commit their tonnage to the scrap yards.

Gibson Sale & Purchase Market Report

S&P SALES

| Vessel Name | DWT | Built | Yard | Buyers | Price (\$/m) | Notes |
|----------------|---------|-------|-------------------------|-------------------|--------------|---------------------------------|
| BULKERS | | | | | | |
| STELLA ANITA | 180,355 | 2012 | Dalian No. 2 (CHN) | Greek buyer | reg 29.5 | SS psd 12/21. BWTS fitted. |
| AGRI GRANDE | 81,800 | 2017 | Jiangsu Newyangzi (CHN) | Chinese buyer | reg 30 | SS psd 1/22. BWTS fitted. |
| ALAM KUKUH | 81,750 | 2019 | Oshima Zosen (JPN) | Far Eastern buyer | 38.75 | BWTS fitted. |
| AQUAKNIGHT | 75,396 | 2007 | Universal Maizuru (JPN) | Undisclosed buyer | 17 | SS due 3/22. Inc BWTS on order. |



| | | | | | | |
|------------------|--------|------|--------------------------|-------------------|--------|---|
| ULTRA INITIATOR | 61,900 | 2019 | Oshima Zosen (JPN) | Undisclosed buyer | 36.5 | BWTS fitted. Dely 5-6/22. |
| FRIENDLY SEAS | 58,779 | 2008 | Tsuneishi Zhoushan (CHN) | Chinese buyer | 18.75 | SS due 2/23. |
| SEACON SINGAPORE | 56,501 | 2013 | Taizhou Sanfu (CHN) | Undisclosed buyer | 19.45* | Auction sale. SS due 1/23. BWTS fitted. |
| PRABHU GOPAL | 56,025 | 2003 | Mitsui (JPN) | Undisclosed buyer | 14 | SS+BWTS due 3/23. |
| HAPPY HIRO | 32,610 | 2006 | Kanda (JPN) | Undisclosed buyer | 12.4 | SS psd 3/21. BTWS + logs fitted. |
| KIWI TRADER | 31,879 | 2000 | Hakodate (JPN) | Undisclosed buyer | xs 10 | DD due 7/22. BWTS + Logs fitted. |
| CAPE FLATTERY | 28,433 | 2004 | Imabari (JPN) | Undisclosed buyer | 9.75 | DD due 4/22. Logs fitted. |

TANKERS

| | | | | | | |
|--------------------------------|------------------|--------------|-----------------------------------|--------------------|------------|---|
| ENEOS TOKYO | 300,976 | 2004 | IHI (JPN) | Chinese buyer | 30.5 | DD due 7/22. On subs. |
| NORDIC GRACE | 149,921 | 2002 | Hyundai Samho (KRS) | Undisclosed buyer | 15 | SS due 3/22. |
| STENA ARCTICA | 117,099 | 2005 | Hyundai Ulsan (KRS) | Nigerian buyer | 14.8 | Ice 1A Super. DD due 10/23. |
| SRI ASIH | 109,637 | 2005 | Dalian New (CHN) | Undisclosed buyer | 14.6 | Coated. DD due 10/23. |
| SUPER EMERALD | 50,346 | 2005 | Shina (KRS) | Undisclosed buyer | 10 | Pump-room. SS psd 11/21. BWTS fitted. |
| CLEAN NIRVANA CLEAN JUSTICE | 50,319 44,998 | 2008 2011 | SLS (KRS) Shin Kurushima (JPN) | Imperial Petroleum | 31 en bloc | Pump-room. SS due 1/23. Internal deal. Pump-room. SS psd 3/21. BWTS fitted. Internal deal. |
| HIGH PRIORITY | 46,847 | 2005 | Naikai Setoda (JPN) | Undisclosed buyer | xs 9 | Pump-room. DD due 4/23. |
| PARAGON 11 | 40,208 | 2007 | SLS (KRS) | Undisclosed buyer | low 9 | SS due 7/22. |

GENERAL CARGO / MULTI-PURPOSE

| | | | | | | |
|-----------------|--------|------|-------------|-------------------|---|--------------------------------------|
| MERCURY TRIUMPH | 13,060 | 2006 | Honda (JPN) | Undisclosed buyer | 9 | Cr 2x75t. SS psd 10/21. SS due 6/22. |
|-----------------|--------|------|-------------|-------------------|---|--------------------------------------|

CONTAINERS / RO-RO / REEFER / PCC

| | | | | | | |
|--|------------------|--------------|-------------------------|---------------|--------------|--|
| YORK + SEALAND ILLINOIS + SEALAND MICHIGAN | 81,500 | all 2000 | Hyundai Ulsan (KRS) | Costamare | 61 each | 6648 TEU. Gearless. Inc low TC to end '22/beg '23. |
| SEALAND WASHINGTON MAERSK KALAMATA | 81,500 81,050 | 2000 2003 | Hyundai Ulsan (KRS) | Costamare | 72.3 77.7 | 6648 TEU. Gearless. Inc low TC to end '22/beg '23. 6644 TEU. Gearless. Inc low TC to end '22/beg '23. |
| ALLEGORIA | 68,228 | 2006 | C S B C Kaohsiung (TWN) | Wan Hai Lines | 109.5 | 5527 TEU. Gearless. |

NEWBUILDING ORDERS

| Ordering Client | Vessel Type | Size / No. of units | Shipyard (Country) | Delivery | Price (\$m) | Notes |
|---------------------|-------------|---------------------|------------------------|-----------|-------------|------------------|
| BULKERS | | | | | | |
| Reederei H Vogemann | Bulker | 40,000 dwt x 4 | Jiangsu Dajin HI (CHN) | 2023-2024 | reg 29 | Tier 3. EEDI 3. |
| TANKERS | | | | | | |
| Wuzhou Tongzhou | Chemicals | 9,400 dwt x 1 | Taizhou Wuzhou (CHN) | 2024 | | Stainless Steel. |

| CONTAINERS / RO-RO / REEFER / PCC | | | | | | |
|-----------------------------------|---------------|-----------------|-------------------------------|-----------|--------|---------------------------------|
| CMA CGM | Containership | 23,00 TEU x 9 | Jiangnan (CHN) | 2024-2025 | xs 230 | LOI. LNG dual fuel. |
| CMA CGM | Containership | 7,400 TEU x 4+3 | Samsung (KRS) | 2024 | 123.3 | LNG dual fuel. |
| Asiatic Lloyd | Containership | 7,100 TEU x 2+2 | Dalian Shipbuilding (CHN) | 2024 | 82.5 | Ammonia ready. Tier 3. EEDI 3. |
| Danaos | Containership | 7,100 TEU x 2+2 | Dalian Shipbuilding (CHN) | 2024 | 80 | Methanol ready. Tier 3. EEDI 3. |
| Eastern Pacific | Containership | 2,900 TEU x 6+4 | Fujian Mawei (CHN) | 2024 | xs 42 | Tier 3. EEDI 3. |
| Capital | Containership | 2,800 TEU x 2 | Hyundai Mipo (KRS) | 2024 | 47 | |
| MTT | Containership | 1,800 TEU x 2 | Penglai Zhongbai Jinglu (CHN) | 2024 | 27 | Bangkokmax. |
| GAS (LNG/LPG/LAG/CO2) | | | | | | |
| Kyoei Tanker | LPG | 22,000 cbm x 1 | Hyundai Mipo (KRS) | 2024 | | |

Recycling Activity

| Vessel Name | BUILT | DWT | LWT | Delivery | Price (\$/lwt) | Notes |
|--------------------|--------------|---------|--------|---------------|----------------|------------------------------|
| CAPESIZE | | | | | | |
| CAPE SUN | 1999 / Korea | 171,746 | 22,396 | as-is Vietnam | 660 | last weeks sale |
| LR1 / PANAMAX TANK | | | | | | |
| ALABAMA STAR | 2004 / Korea | 72,514 | 13,638 | Bangladesh | 720 | incl 350 tons of bunkers ROB |

Recycling Prices (US\$/LWT)

| | Bangladesh | India | Pakistan | Turkey |
|-----------------------------------|------------|---------|----------|---------|
| Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry | 675/710 | 660/670 | 660/670 | 460/470 |
| Cargo/Bulk/Tween/Gen Cargo | 660/675 | 645/660 | 645/660 | 450/460 |

Newbuild and Second Hand Values (\$ million)

| Vessel Type | New Building | 5 Year Old Vessel (Built 2017) | 10 Year Old Vessel (Built 2012) |
|-------------|--------------|--------------------------------|---------------------------------|
| Tankers | | | |
| VLCC | 115 | 72 | 49.5 |
| SUEZMAX | 77 | 48.5 | 32.5 |
| AFRAMAX | 60 | 45 | 28 |
| MR | 41 | 30 | 20 |
| Bulkers | | | |
| CAPESIZE | FS | 47 eco | 32 |
| KAMSARMAX | 35^ | 35 | 25.5 |

| | | | |
|---------------------|-----------------|------|------|
| ULTRAMAX / SUPRAMAX | 33 [^] | 32.5 | 23 |
| HANDYSIZE | 30 [^] | 28 | 18.5 |

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

First Bio-VLSFO Bunker Delivery in Singapore for TotalEnergies Marine Fuels



TotalEnergies

TotalEnergies Marine Fuels has carried out the company’s first marine bio-Very Low Sulfur Fuel Oil (VLSFO) bunker delivery in Singapore. As reported in the press release by TotalEnergies Marine Fuels, the operations were part of a biofuel trial recently completed by NYK Line and Anglo American.

The receiving vessel, the MT Friendship, a bulk carrier which is owned by Seenergy Maritime Holdings Corp. and was chartered by NYK Line to transport cargo by Anglo American, was supplied with a B10 biofuel blend composing of VLSFO blended with 10% second-generation, waste-based and International Sustainability & Carbon Certification (ISCC) certified Used Cooking Oil Methyl Ester (UCOME).

It is further reported that from a well-to-wake analysis, the UCOME bio-component (sourced from the circular economy) in the fuel can achieve more than 80% reduction of Greenhouse Gas (GHG) emissions as compared to heavy fuel oil. As a result, the supplied B10 biofuel blend is thought to provide a reduction of up to 10% in GHG emissions.

The company reports that the trial evidence that biofuel can be used in applicable marine scenarios without modifications. Allied with the smooth operational performance of the vessel throughout the trial, the company says that this also demonstrates the potential of biofuel applications which would assist shipowners to meet the IMO’s carbon emissions reduction targets.

In addition, the company states that the successful delivery underlines its *pioneering* efforts in setting up a biofuel supply chain for this trial which included land storage, blending and the final bunkering operation. It also forms part of the company’s ambition to develop a range of fuel solutions to assist shipping’s move towards decarbonisation.

The company further acknowledges the support of the Maritime and Port Authority of Singapore as well as local partners including V-Bunkers and Vopak Terminals Singapore.

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

Evergreen shipping vessel runs aground



Almost a year after the Ever Given got stuck in the Suez Canal another Evergreen containership – the Ever Forward – has been grounded near Baltimore since Sunday.

The 1,095-foot Ever Forward left the Port of Baltimore Sunday evening for Norfolk, Virginia, and became lodged in the bay just outside one of the shipping lanes. There is no official word yet on exactly why or how the vessel—which was constructed in 2020—became stuck, but some have suggested the ship might have missed a critical turn. Fortunately, it does not appear to be damaged or leaking, and there are no reports of injuries as this time, the Associated Press reports. No injuries or pollution have resulted from the incident.

Both Ever Forward and Ever Given are owned by the same Taiwanese company.

An update from marine and transit claims consultancy WK Webster on March 16 noted that professional salvors have been appointed by shipowners on commercial terms to assist the refloating operation.

Nautilus Labs wins Microsoft investment



Microsoft has pledged a USD 34 million investment into the vessel-efficiency startup Nautilus Labs. The latest round of funding sees Nautilus increase the amount of capital raised since the company's inception to USD 48 million. According to Nautilus, recently raised capital will be used primarily for the development of new efficiency boosting technology, but will also fund a drive to recruit new tech talent and open new offices in shipping hubs across the globe.

Nautilus has emerged as part of the recent blue-tech boom, offering software solutions which optimize fuel efficiency and reduce carbon emissions. The company's decision support software is also designed to reduce daily vessel operating expenses and maximize time charter equivalent (TCE) profits for each vessel by factoring in restrictions in the charter as well as future charter opportunities.

Product effectiveness was demonstrated in an early trial run by Nautilus. Partnering with Eastern Pacific Shipping, the trial saw fuel savings of USD \$43,000 and improved TCE by 4 percent. Tools to predict required maintenance and spot vessel performance drop offs are also available from Nautilus.

CEO Matt Heider said "The potential for Voyage Optimization is huge: our clients have seen 10-12 percent savings per journey, with overall savings potential reaching up to 30 percent."

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