

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 – Scrubbers Burn Rubber

The vintage aframax market seems to be a hotbed of sale activity of late, with the elephant in the room being the Russian trade angle behind much of the fervour. Whether intended for such trade or not, those seeking tonnage are having to stump for up ever-firmer prices with the **"TARTAN" & "FORTIES"** (113,782 dwt/blt 2005 Samsung) achieving US\$22.5m each from undisclosed interests, albeit noting a scrubber fitted premium over last week's **"ANGELICA SCHULTE"** (106,433 dwt/blt 2005 JMU Ariake) for US\$19.5m. Scrubber fitted tonnage is being hotly sought out with Minerva Marine also associated with a swift off-market purchase of the **"MAGNUS"** (114,809 dwt/blt 2005 Samsung) on undisclosed terms following on from last week's **"CARLTON"** (115,630 dwt/blt 2004 Samsung) snapped up by a Chinese buyer at US\$22m. Tsakos Energy Navigation is also named this week as having quietly picked up (and already renamed) a scrubber fitted VLCC to be renamed ZEUS, believed to be the **"ELANDRA EVEREST"** (299,999 dwt/blt 2020 Hyundai), although no price has been disclosed at this stage.

Newbuilding – Product Preference

Tanker newbuilding activity continues with the focus exclusively on products with further LR2 and MR orders placed. This sentiment mirrors the continuing strong spot markets for these sectors, very strong modern second-hand pricing and lack of candidates for sale. Much is made of the coming economic challenges ahead, demand destruction etc, but tankers often fair well during times of economic recession. As mentioned recently, summer is also fast approaching and owners may wait to see if the charter markets continue to support the current run before investing in very modern tonnage or newbuildings.

Further bulker orders continue to emerge still focused on the medium sizes. Very little still on the larger sizes of cape/newcastlemax and likely would need a sustained run on rates to support an NCM price of region US\$67m, for instance.

Dry Cargo – Cashing In

Despite recent softening in BDI, earnings remain good for the major types of dry cargo tonnage. With lucrative potential opportunities to lock in revenue for a least twelve months, it's interesting to observe that recently some notable owners are now electing to market for sale their middle age tonnage. It's difficult to gauge their strategy and it wasn't long ago that the medium-term view meant there was little interest in selling tonnage. In some cases, a one-year time charter could generate half the vessel's value over that period. However, given the high replacement cost in newbuilding and modern second-hand tonnage, some of this activity could be attributed to changing of sectors of interest or the disposal of assets that possibly might not produce the same amount of attention in a less firm market.

With quite a few ships with offer-deadlines past or approaching, it will be fascinating to see what direction values take. For instance, the Chinese controlled kamsarmax **"VALIANT SPRING"** (81,290 dwt/blt 2015 Tsuneishi Zhoushan, China) invited offers this week but failed to attract levels in line with previous sales and has subsequently been withdrawn. It will be interesting to see, amongst others, if the **"BTG RAINIER" & "MATTERHORN"** (81,070 dwt built 2015 JMU, Japan), which are inviting offers next week, realise their owner's expectations.

Recycling –Cause for Concern

The present market situation is not the best at the moment, with sentiments extremely negative and cash buyers struggling to sell their inventory. Bangladesh end buyers this week have suddenly dropped their buying ideas considerably (due to weakening currency and steel plate prices) and are now offering less than US\$525/LT causing havoc amongst cash buyers. End buyers believe that only at this rate can a purchase make sense basis current local steel scrap prices. It's therefore hard to imagine many owners will be falling over themselves to sell at these prices, especially with the summer holidays now upon us. Meanwhile, buyers in Alang are still offering levels in the US\$550's, but there is a constant threat of end buyers eventually not having to perform at those levels. Surprisingly, Pakistani breakers improved their numbers this week in view of a slight improvement in local steel prices and there are rumours are that breakers could perhaps even offer levels of region US\$ 580-590/LT. However, with no deals having been done at those numbers it is difficult to gauge what the real price levels are. All in all, it appears we are now well below the US\$600/LT mark for recycling and with the way that sentiments are currently looking and feeling; markets could very likely weaken in the coming months.

Gibson Sale & Purchase Market Report SNP Report

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
HANS OLDENDORFF	209,190	2017	Taizhou CATIC (CHN)	Undisclosed buyer	53	Scrubber fitted. Basis TC back. SS due 8/22.
SDTR JULIA (SHANHAIGUAN B85K-10)	85,000	2022	Shanhaiguan (CHN)	Undisclosed buyer	35.18*	*Auction.
BONNEVILLE + THUNDERBIRD	79,500	2010+2011	Jiangsu Eastern (CHN)	Undisclosed buyer	37 enbloc	No BWTS.
THEODOR OLDENDORFF	77,177	2008	Oshima Zosen (JPN)	Zihni	19.5	SS due 7/23. BWTS fitted. Inc. 1 yr TC back @ \$20k pd.

IDC FALCON	55,803	2006	Kawasaki (JPN)	Middle Eastern buyer	mid 18	SS psd 5/21. BWTS fitted.
EVA BULKER	38,140	2012	Naikai Innoshima (JPN)	Newport	23	SS due 8/22. Logs + BWTS fitted.
IONIAN SPIRE	32,269	2008	Kanda (JPN)	Kopuzlar Shipping	17	Open hatch. SS psd 6/21. BWTS fitted.
MEGA MAGGIE	31,922	2009	Hakodate (JPN)	Undisclosed buyer	17.5	DD psd 5/22. Logs fitted.
PAGONA	27,797	1999	Naikai Setoda (JPN)	Undisclosed buyer	10.5	Open hatch. 779 TEU. Logs + BWTS fitted. SS psd 1/22.
SUNROAD YATSIKA	24,000	2005	Kurinoura (JPN)	Undisclosed buyer	11	DD due 12/22. BWTS onboard for installation 7/22.
TANKERS						
ELANDRA EVEREST (tbr ZEUS)	299,999	2020	??? (KRS)	Tsakos	P&C	BWTS + Scrubber fitted. Dely 9/22.
NAVION GOTHENBURG	150,980	2006	Samsung (KRS)	Undisclosed buyer	25	Shuttle tanker. SS psd 10/21. BWTS fitted.
MAGNUS	114,809	2005	Samsung (KRS)	Minerva Marine	P&C	Already renamed. DD due 12/22. BWTS + Scrubber fitted.
TARTAN + FORTIES	113,782	both 2005	Samsung (KRS)	Undisclosed buyer	22.5 each	Ice 1A. SS due 9+12/23. BWTS + Scrubber fitted.
ENERGY CENTURION	74,998	2008	Sungdong (KRS)	Greek buyer	reg 18	Deepwell. SS due 8/23.
DAISY M	50,352	2008	Guangzhou (CHN)	Aerio	15	Deepwell. SS+BWTS due 9/23.
ENERGY PANTHER	46,609	2008	Sungdong (KRS)	Aims Shipping	15.8	Deepwell. SS due 11/23.
BALTIC FAVOUR	37,105	2006	Hyundai Mipo (KRS)	Undisclosed buyer	12.1	Deepwell. SS psd 7/21. BWTS fitted. Ice 1A.
MAERSK BORNEO	29,014	2007	Guangzhou (CHN)	Undisclosed buyer	11.8	Deepwell. SS psd 4/22. Ice 1C. BWTS fitted.
CELSIUS MESSINA	20,896	2007	Shin Kurushima (JPN)	Chinese buyer	13	St. Steel. SS due 7/22.
FSL LONDON	19,966	2006	Usuki (JPN)	Chinese buyer	12	St. Steel. SS psd 5/22.
CONTAINERS / RO-RO / REEFER / PCC						
EASTAWAY MALMSEY	46,919	2011	Rongcheng Shenfei (CHN)	Safeen Feeders	65	3405 TEU. Gearless. SS psd 2/22.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
NYK	Capesize	180,000 dwt x 1	SWS (CHN)	2025	est. 82-85	LOI. LNG dual fuel. C-LNG tanks.
CDB Leasing	Ultramax	63,000 dwt x 4	New Dayang (CHN)	2024-2025	33	
TANKERS						
NYK	Capesize	180,000 dwt x 1	SWS (CHN)	2025	est. 82-85	LOI. LNG dual fuel. C-LNG tanks.
CDB Leasing	Ultramax	63,000 dwt x 4	New Dayang (CHN)	2024-2025	33	
CONTAINERS / RO-RO / REEFER / PLC						
PIL	Containership	8,000 TEU x 4	Yangzijiang (CHN)	2025	120	LOI. LNG dual fuel. Mk III mebrane.
Turkon Line	Containership	4,000 TEU x 2	Sedef (TRK)	2024		
CA Shipping	Containership	1,600 TEU x 4+4	Huangpu Wenchong (CHN)	2025	est. 30	EEDI 3.
GAS (LNG / LPG / LAG / CO2)						
JP Morgan	LNG	174,000 cbm x 12	Samsung (KRS)	2024-2026	231	For Qatar LNG Project.

Recycling Prices (US\$/LWT)

	Pakistan	India	Bangladesh	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	580/590	555/565	530/540	250/260
Cargo/Bulk/Tween/Gen Cargo	570/580	545/555	520/530	240/250

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	118	77	52	45.0	15.5%
SUEZMAX	80	54	38	32.1	18.4%
AFRAMAX	62	50	35	23.7	47.5%
MR	42.5	34	25	17.4	43.3%
Bulkers					
CAPE SIZE	63.5^	53 eco	37	23.2	59.3%
KAMSARMAX	37^	38	29	15.8	83.7%
ULTRAMAX / SUPRAMAX	34^	34.5	23.5	14.3	63.9%
HANDYSIZE	31^	28.75	22	11.0	99.6%

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

~ = Basis standard contemporaneous DWT/spec for each type.

~ = 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.

Shipping Industry Set to Miss IMO 2050 Target



According to a new study released by the think tank Nordic West Office, the maritime industry is not currently on track to meet the IMO's ambition for a 50% reduction in greenhouse gas emissions by 2050. Whilst this target could eventually be achieved based on the industry's current trends, it is likely to take several more decades than initially hoped.

Drawing on input from industry renowned participants, such as Hapag-Lloyd, the study used three global decarbonisation scenarios developed by Shell to detail how the maritime

sector may be expected to transition to green fuels over time.

During a panel discussion at the UN Ocean Conference, head of Nordic West Office, Dr. Risto Penttila said "the main conclusion of our project was rather sad and it was that even in the best possible scenario, we will not reach the ambitions of the IMO . . . to cut greenhouse gas emissions by half by 2050. There's hope we can still meet . . . both Paris [Agreement] and IMO 2018, but it needs a lot of work."

The study identified the current factor slowing the rate of transition down is the need to build a supply chain for fuels, which requires massive investment. The shipping industry, however, cannot do this in isolation and much of the progress made will be determined by the pace of global decarbonisation. The reliance on external factors will, in some ways, dictate the pace at which the industry can transition to green fuels. The study states that where "the current geopolitical trend that puts focus on food and security concerns does not favour decarbonisation... [it] will not bring shipping anywhere close to its ambitions."

The study's primary suggestion to tackle decarbonisation is for all stakeholders in the industry, including regulators, shipowners and fuel suppliers to work collaboratively to ensure the industry is able to make progress on its green fuel transition.

EU agrees ETS scheme for shipping



The European Council have agreed to include maritime shipping emissions within the scope of the EU emissions trading system (ETS), part of the Fit for 55 initiative to reduce greenhouse gas emissions by at least 55% by 2030.

The council agreed to phase in shipping until 2026, accepting the European Commission proposal on the gradual introduction of obligations for shipping companies to surrender allowances for all emissions on trips within the EU and 50% on voyages between EU and non-EU ports for vessels with a gross tonnage of over 5,000 tonnes.

The agreement also included redistributing 3.5% of the ceiling of the auctioned allowances to member states heavily dependent on shipping and proposed transitional measures for small islands, outermost regions, Cyprus, Malta and ice-class vessels.

The next step is for the parliament, the council and the commission to conclude a final deal on the shipping ETS that is acceptable to all parties.

Toxic Chlorine Leak in Aqaba Port Leaves 13 Dead



Thirteen people have died and 251 have been injured following a toxic gas leak from a storage tank at Aqaba port in Jordan. The city's health authorities have called on residents to shut their windows and stay in their homes.

The leak came after a cable lifting a tank filled with 25 tonnes of chlorine snapped. The tank was sent crashing down into the deck of a ship, releasing plumes of toxic yellow gas. Dock workers were pictured fleeing the area on foot.

Chlorine is widely used in household products and in drinking water and pool water to kill harmful bacteria. However, when inhaled or swallowed, it reacts with water to produce hydrochloric acids that damage cells in the body and can lead to internal burning and drowning through a reactionary release of water in the lungs.

After the leak, Jordan's Aqaba grain silos stopped work to allow time for the inspection of its grains and for any signs of contamination, but maritime traffic at the port continues. There were no vessels unloading any grains cargo at the time of the incident.

Aqaba port at the north end of the Red Sea, near the border with Israel, has long been a major transit route for Iraqi imports and exports. It is Jordan's only seaport.

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