Campbell Johnston Clark
CJC EXCHANGE

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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

GIBSON SHIPBROKERS

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 – Summer Snooze

The heady days of Q1/Q2 this year now feel long-gone, with sales lists drying up as they are wont to do over the summer months and as various market stakeholders turn their attention to more pressing matters such as planning for their summer holidays.

Having said that, the current relative quiet belies underlying firm interest in larger DPP segments over 10 years of age. We continue to note a large number of enquiries in these segments, especially from Chinese buyers looking to rejuvenate their fleets upon renewed pressure from domestic regulators to do so. Given that freight rates in the larger crude segments have maintained their buoyancy in the face of persistent OPEC production cuts and that aforementioned Chinese fleet renewal program seems set to continue, one should expect to see some minimum level of activity to be maintained over the coming weeks.

The picture looks more mixed for CPP in the short-term; OPEC cuts appear to have hit product trades especially hard and spot rates have been broadly flat. Whilst we are seeing some (hitherto rare) liquidity in the market for MRs younger than 15 years, likely on the back of owners taking their profits while they feel they still can, the overall mood is quite muted and we would expect the next reported sales in the clean segments to be at lower-than-last-done levels. This state of affairs is unlikely to change any time before September/October, by when most prospective buyers will have dusted the sand off their feet and hopefully will feel inspired to some greater sense of purpose by firming spot rates.

Dry Cargo – Dreary Seascape

The dry freight markets have recently experienced a decline, although the severity of the drop has been somewhat softened by market participants' expectations of reaching a nadir soon. This anticipation has led to a slower fall in the markets compared to the rapid declines witnessed in previous weeks. Perhaps, the burgeoning optimism in the global economic landscape tempers the speed of this fall. Yet, one must not dismiss the substantial hurdles confronting the dry freight market. A sombre spectre looms large - a slower-than-anticipated economic growth in China is casting a shadow of uncertainty over the industry, especially on bigger routes like Post Panamaxes, Capes and Newcastlemaxes.

Amidst this tempestuous backdrop, the latest week bore witness to meagre activity on the Sale & Purchase front. Capes, Panamaxes, and Ultramaxes prevailed as the dominant actors in these tepid waters. The market's vitality is being sustained mainly by a consistent supply of Japanese-controlled tonnage. For instance, the recent sale of the Japanese-owned **"DELPHINUS"** (76,922 dwt/built 2007 Namura, Japan) at US$13.25m and the **"NORD HYDRA"** (77,134 dwt/built 2014 Imabari Shipbuilding, Japan) at a sum exceeding US$23m demonstrate the ongoing involvement of Japanese owners in the market. A remarkable revelation comes to light when considering the broader panorama of Japanese involvement. This month alone, the Japanese have invited offers on a staggering five ships, a torrent of disposals that demands our attention. The catalyst behind this surge in ship shedding is likely rooted in the new monetary policies implemented this year by the Bank of Japan. As these monetary winds alter the seascape, Japanese owners find themselves navigating uncharted waters, making strategic decisions that have global implications.

Another noteworthy transaction involved the modern Japanese Ultramax, **"NORD ARIPUANA"** (64,499 dwt/built 2020 Oshima Zosen, Japan), which was sold to the Saudi Arabian giant Bahri's Dry bulk arm for an undisclosed amount. It appears that this sale might have been concluded earlier, given that the ship's name has already been changed.

Overall, the sentiment in the dry market seems skittish, with sellers holding out for better prices in the future and buyers cautiously waiting for a further downturn in prices. The uncertainty surrounding the global economic growth adds to the caution and reluctance in the market.

Recycling – Scraps out for Summer

Sales this week are again the usual scattering of varying types of predominantly 90's built tonnage and for now it seems that prices are holding firm. The Summer vacation season is now well and truly upon us and this will surely mean a distinct slowing down of activity from the selling side, although the market will still be drip fed with specifically very old units that have no other place to go other than the Sub-Cont scrap yards. How this could affect prices over the next couple of months is still not entirely clear but we're in the midst of Monsoon season so this could yet still have negative repercussions on the recycling market.

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S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
AQUAPROUD	178,055	2009	SWS (CHN)	Undisclosed	20	SS/DD due 06/24.
RESTINGA	82,551	2006	Tsuneishi (JPN)	Greek buyers	13.8	DD due 2/25.
NORD HYDRA	77,134	2014	Imabari Hiroshima (JPN)	Undisclosed	23	SS/DD due 10/24.
DELPHINUS	76,922	2007	Namura (JPN)	Greek buyers	13.25	DD due 6/25. BWTS Ice 1C .

TOMINI ZONDA	37,976	2016	Zhejiang Ouhua (CHN)	Undisclosed	19.36	DD due 8/24. BWTS.
BEN RINNES	35,000	2015	Jiangdong (CHN)	Greek buyers	16.5	DD/SS 09/25 - bss 2 yr tcb index linked.
TANKERS						
ASTRO CHLOE	318,440	2009	Hyundai Ulsan (KRS)	Kunlun	xs62	SS/DD due 01/24. BWTS+Scrubber.
NEW JUPITER	53,143	2008	Guangzhou (CHN)	Chinese	21.5	SS/DD due 8/23. BWTS. Ice Class 1A Super.
STI VILLE	49,990	2013	Hyundai Mipo (KRS)	Clients of Pertamina	32.5	SS/DD due 9/23. BWTS.
EMIN REIS	6,624	2010	Umo (TRK)	Undisclosed	10	SS/DD due 06/25 Marineline coated.
CONTAINERS / RO-RO / REEFER / PCC						
LONDON BRIDGE DUBAI BRIDGE	8,699	2024	Hyundai Heavy Industries	MSC	100	SS due 3/24. Scrubber.
VIKING CONSTANZA	5,496	2010	Kyokuyo (JPN)	Undisclosed	43.5	DD due 11/23. ICE Class 1C.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
TANKERS						
Dynacom	VLCC	320,000 dwt x 4	New Times, China	2026-2027	115	Scrubber Fitted
MOL	VLCC	309,000 dwt x 2	Dalian COSCO KHI Ship Engineering (Dacks)	2026	130	LNG dual fuel
Atlas Maritime	Suezmax	158,000 dwt x 2+2	DH Shipbuilding , South Korea	2025-2026	84	Scrubber Fitted
Yasa Shipping	MR	50,000 dwt x 2	Yangzijiang, China	2026	41	
BULKERS						
Huaxia Financial Leasing	Kamsarmax	82,600 dwt x 2	Chengxi, China	2025	35	IMO NOx TIER III
Sea Traders	Kamsarmax	82,000 dwt x 10	Hengli HI Dalian, China	2025-2027	35	Scrubber Fitted
Greeks	Kamsarmax	80,000 dwt x 2	Chengxi, China	2025	36.5	Scrubber Fitted
Fujian Guohang Group	Panamax	76,000 dwt x 2	Jiangsu Haitong, China	2025	32	
GAS (LNG / LPG / LAG / CO2)						
NYK Line	VLGC	86,700 cbm	Kawasaki, Japan	2026	-	EEDI Phase 3, SOx Compliant, can carry LPG and liquefied ammonia gas

Sahara Group	MGC	40,000 cbm x 2	Hyundai Mipo, S. Korea	2025-2026	71

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	600/640	550/575	530/550	350/360
Bulkers / Tween / General Cargo	580/610	530/550	520/530	330/340

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	126	99	75	47.8	56.9%
Suezmax	85	72	57	34.0	67.6%
Aframax	69	64	52.5	26.3	99.6%
MR	46.5	41.5	33.5	19.0	76.3%
Bulkers					
Capesize	63^	48 (eco)	29.5	24.3	21.4%
Kamsarmax	35^	31	21	16.4	28.0%
Ultramax / Supramax	33^	29	19.5	14.4	35.4%
Handysize	30^	25	17.5	11.8	48.3%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)				*~ = Basis standard contemporaneous DWT/spec for each type.*	

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.

Ukraine reacts to Russian threats

Following Russia's warning that it will treat all vessels headed towards Ukrainian ports as military threats, following its decision to withdraw from the grain agreement, Ukraine has issued a counter-blockade on Russian ships carrying grain in the Black Sea.

On Wednesday, the Russian defence ministry stated "All vessels heading to Ukrainian ports in Black Sea waters will be regarded as potentially carrying military cargo. The countries whose flags such vessels are carrying will be regarded as ones involved in the Ukrainian conflict on the side of Kyiv."

In response, Ukraine has responded saying "The Ministry of Defence of Ukraine warns that from 00.00 on July 21, 2023, all vessels heading in the waters of the Black Sea in the direction of seaports of the Russian Federation and Ukrainian seaports located on the territory of Ukraine temporarily occupied by Russia may be considered by Ukraine as … carrying military cargo with all the associated risks."
This follows on from Russia's decision to withdraw from the UN-brokered deal to export Ukrainian grain across the Black Sea and that it would only resume its participation "as soon as the relevant agreements are fulfilled."

UN Secretary-General, Antonio Guterres, said "[the] decision by the Russian Federation will strike a blow to people in need everywhere."

Transnet announces partner in development project of the port of Durban

Transnet, the state owned company responsible for operational management of the port of Durban, South Africa, has announced International Container Terminal Services Inc. ('ICTSI') as equity partner in the development project of Durban Container Terminal Pier 2 ('DCT 2').

The partnership began after a tendering process during which 18 contenders answered Transnet's initial call for interest. ICTSI emerged the victor from the six shortlisted respondents at the final stage.
The project will see Pier 2's current capacity of 2 million TEUs increase to 2.8 million TEUs, as a step in a broader government plan to expand the port's capacity to 11.4 million TEUs in the future. DCT 2 is already one of South Africa's largest container ports, handling 46% of the country's port traffic.

The partnership will establish a new company to manage operations at DCT 2 with Transnet as majority owner, with 50% plus one share. The project is due to be completed in 25 years, with an option to extend an additional 5 years if the berth deepening process is delayed.
Portia Derby, Chief Executive of Transnet Group, said "the partnership in Pier 2 is a major step forward for our programme to bring in global expertise to improve efficiencies at our terminals, and bodes well for our ongoing plans to crowd in the private sector in areas identified for growth".

ICTSI is the world's largest independent terminal operator, with ventures in 20 countries across 6 continents. ICTSI is headquartered in Manila, Philippines, and has 11,000 employees.

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