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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 – Summer Split

This week feels like an intermission for 2023 with sale activity notably slowed. That said the LR1 segment continues to show a steady pulse. Following last week's sale of the Ice 1B **"PRESIDENT I"** (64,999 dwt / built 2007 Split, Croatia) to an Italian buyer at a reported US\$28.6m (although some reported at US\$ high 26 mill) this week sees Ice 1B sisters **"MANDALA" + "DONNA"** (65,125 dwt / built 2006 Split, Croatia) sold for a US\$21m apiece, which even accounting for the year age difference appears weaker. However, the deal has not been widely reported and buyer remains undisclosed. Also, with much of the shipping community taking time out for summer vacations a reduced pool of buyers can easily dampen sale value potential when competition is reduced. Meanwhile, mystery surrounds ongoing rumours of yet more Split built younger Ice classed units **"STENA PROGRESS" + "STENA POLARIS" + "STENA PREMIUM"** (65,000 dwt / built 2009 + 2010 + 2011 Split, Croatia) rumoured tied up on subjects, but without pricing or a named buyer as yet.

The LR1 theme continues into newbuildings with leasing buyer Ocean Yield behind a quartet order at GSI, China, against a 15 year bare boat charters to Braskem at rates linked to Carbon Intensity Indicator ratings with the ships having a methanol dual fuel option. The products newbuilding sector has also seen fresh orders for a quartet of MRs at Chengxi for Schoeller Holdings for around US\$42m apiece and Transpetrol penning a conventionally fuelled 2+2 x LR2 order at Hyundai Vietnam for high US\$60s mill.

Dry Cargo – A Game For Two

As August arrives, the world continues to experience rising temperatures around the globe, but the dry market seems to have moved into the shade with limited activity in second-hand transactions this week.



Cape sales seem to have cooled off compared to last week with only one sale of "**CAPE AGAMEMNON**" (179,221 dwt / built 2010 Sungdong, S.Korea) for an undisclosed price. Elsewhere, Danish owner, Norden has disposed of the modern "**NORD EVEREST**" (60,436 dwt / built 2016 Oshima, Japan) for US\$24m. When compared to the sale of "**VICTORIA T**" (61,266 dwt / built 2017 Shin Kurushima, Japan) last month at around USD low-mid US\$29m this suggests a softening in pricing, adjusted for the one-year age difference. Tomini is reported to have sold the handysize "**TOMINI NORTE**" (37,983 dwt / built 2016 AVIC Weihai, China) at a region of US\$17.5m. In contrast, last month it was reported another vessel from the same owner, the "**TOMINI ZONDA**" (37,976 dwt / built 2016, Zhejiang Ouhua, China) fetched region US\$19.3m.

Both sellers and buyers are currently playing 'patience', holding their positions, and it remains to be seen which side will make the first move after the end of summer. With a more optimistic dry market forecast, it is only a matter of time before action resumes.

Recycling – Subcontinent Slump

Monsoon-induced gloominess has adversely impacted the recycling industry in the subcontinent, resulting in a slowdown in recycling sales this week. The once bustling port line-up in Alang, where ships would typically queue eagerly for their turn at recycling, now stands desolate and forlorn due to the full force of the ravaging monsoon season, which seems to have engulfed green ships and container vessels that once called it home. Even Bangladesh, in recent weeks buoyed by its closer proximity to China, has fallen under the spell of an unexpected lull in recycling activity. Meanwhile, the economic situation in Pakistan and difficulties in opening LCs have hindered ship breakers in Gadani from importing ships for recycling. However, amidst these challenges, there is a glimmer of hope in Turkey. This week saw some activity, with the sale of a small Self-Discharging Bulk Carrier "**EOS**" and an old small tanker "**ASTERDEA**" to Turkish buyers. These transactions, though at undisclosed amounts, are expected to rekindle the spirit of the Turkish recycling industry, despite the economic problems they are facing. The overarching issue for recyclers continues to be a dire shortage of tonnage, although the economic conditions may not necessarily support it.

The heavy rains in the Indian subcontinent, especially in India, have significantly affected the ability of recyclers to import ships for scrapping. As a result, Indian recyclers are offering the lowest prices for ships on the subcontinent. Nevertheless, there's a positive outlook for demand in the ship steel industry, with the Indian Stainless Steel Development Association reporting a remarkable 10% growth in demand in the previous financial year. The recalcitrant issue of letters of credit continues to plague Bangladesh, thwarting a more robust revival of the recycling industry. Similarly, economic conditions in Turkey have caused a hiatus, exacerbated by the ongoing declining Lira, making it challenging to compete with their subcontinental counterparts, except for smaller ships.

Considering the current situation, we anticipate that prices will likely continue their downward trend as long as the monsoon persists. However, with the positive growth in steel demand, there may be a silver lining in the long run for the recycling industry in the subcontinent.

Newbuilding – The Earlier Berth Catches The Worm

The week long summer holiday has been begun at the shipyards this week so there's been some lull in activity and of course European holiday season is also well under way. Looking ahead, post holidays we expect tanker newbuilding demand to continue driven largely by the relatively high price (and lack of availability) of modern second-hand tonnage. There has been and remains quite a price gap between Korea and China on tankers, notably on MR, LR2 and VLCC. However, the suezmax pricing gap seems to be closing. Of high significance also is that payment terms in China are far more front heavy and deliveries (for suezmax) at the main yards are all into 2027. This contrasts with the relative availability



of 2026 slots in Korea and the prevalence of 3 x10/70% payment terms. We would therefore expect more focus on Korea in the months ahead.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
DESPINA D	77,633	2004	Imabari (JPN)	Undisclosed	xs 10.5	SS due 10/24. BWTS.
NORD EVEREST	60,436	2016	Oshima Zosen (JPN)	UK buyer	24	DD due 6/24.
TOMINI NORTE	37,983	2016	AVIC Weihai (CHN)	Undisclosed	17.5	DD due 12/24. BWTS.
CIELO DI PALERMO	37,059	2013	Saiki (JPN)	Undisclosed	17	Open hatch. DD due 8/25. BWTS.
VOGE JULIE	35,853	2011	Qidong Daoda (CHN)	Undisclosed	12.5	Ice 1C. DD due 1/25. BWTS.
CECILIA	33,395	2010	Orient Shipyard (KRS)	Undisclosed	low-mid 13	DD due 5/24. BWTS.
TANKERS						
MANDALA + DONNA	65,125	2006	Split (CRT)	Undisclosed	21 each	Ice 1B. Twin M/E. DD due 4+9/24. BWTS.
ATHENIA	8,827	2008	Yangzhou Kejin (CHN)	Undisclosed	4.5	Epoxy. 3 grades. DD due 11/25.
CONTAINERS / RO-RO / REEFER / PCC						
YM WELLBEING + YM WELLSRING + YM WARRANTY	146,749	2018/19/19	Imabari (JPN)	Yang Ming Marime Transport	ave 102 each	14,000 TEU. Gearless. BWTS.
MH HAMBURG	77,665	2009	Koyo (JPN)	Foroohar Reederei	32	6,494 TEU. Gearless. SS due 3/24. BWTS+Scrubber
ZIM SHEKOU + ZIM VANCOUVER + ZIM YOKOHAMA + ZIM QINGDAO	50,500	2006+2007 both 2007	Dalian (CHN)	MSC	80 en bloc	4,250 TEU. Gearless.
A XINXIA	12,597	2007	Kyokuyo (JPN)	Vietnamese buyer	8	907 TEU. Gearless. SS due 6/24.
GAS (LNG / LPG / LAG / CO2)						
GAZ LIBERTY	49,996	1997	Kawasaki (JPN)		32.5-33	79,526 cbm. SS psd 8/22.
GENERAL CARGO / TWEEN / MULTI-PURPOSE						
VANDON OAK	7,385	1997	Nishi (JPN)	Net Ship Chartering & Agency	2.05	Derricks. Logs. DD due 7/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
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TANKERS						
Advantage Tankers	Suezmax	157,000 dwt x 2	Nihon (JPN)	2025	85	LNG ready. Scrubber.
Transpetrol	LR2	115,000 dwt x 2+2	Hyundai Vietnam (VIET)	2026	68.6	Conventional fuel.
Ocean Yield (for Braskem)	LR1	75,000 dwt x 4	GSI (CHN)	2026-2027		Against 15 yrs BB to Braskem. Methanol DF option.
Schoeller Holdings	MR	50,000 dwt x 4	Chengxi (CHN)	2026	est 42	
GAS (LNG / LPG / LAG / CO2)						
Wah Kwong MT <> CSSC Shipping	LNG	175,000 cbm x 2+2	Dalian (CHN)	2027		Against 20 yrs TC to China Gas.
United Liquefied Gas	LNG	174,000 cbm x 2	Hudong Zhonghua (CHN)	2025-2026	245	
MOL	LNG	174,000 cbm + 1	Hanwha Ocean (KRS)	2027	reg 252	Declared option. ME-GA.
BULKERS						
Sea Trader	Kamsarmax	85,000 dwt x 8	Huangpu Wenchong (CHN)	2025-2026	37	
GENERAL CARGO / TWEEN / MULTI-PURPOSE						
Wah Kwong MT <> CSSC Shipping	LNG	175,000 cbm x 2+2	Dalian (CHN)	2027		Against 20 yrs TC to China Gas.
United Liquefied Gas	LNG	174,000 cbm x 2	Hudong Zhonghua (CHN)	2025-2026	245	
MOL	LNG	174,000 cbm + 1	Hanwha Ocean (KRS)	2027	reg 252	Declared option. ME-GA.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	580/610	550/565	530/545	330/340
Bulkers / Tween / General Cargo	550/570	530/545	510/525	310/320

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	74	48.7	52.0%
Suezmax	85	72	58	34.6	67.6%
Aframax	69	63.5	51.5	26.9	91.4%
MR	47	40.5	32	19.3	65.8%
Bulkers					
Capesize	63.5^	47.5 (eco)	29.5	24.4	20.9%



Kamsarmax	35 [^]	31	21	16.7	25.7%
Ultramax / Supramax	33 [^]	29.5	19	14.7	29.3%
Handysize	30 [^]	24.5	17	11.8	44.1%
				~ = Basis standard contemporaneous DWT/spec for each type.	
[^] = 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.

Norden Announces Minority Stake in Biofuel Scale-up



Danish shipping company NORDEN has announced that it has acquired a minority stake in the Danish-Indian biofuel scale-up MASH Makes.

MASH Makes researches, develops and produces renewable fuels from biomass waste.

As part of the strategic partnership, NORDEN has secured access to renewable fuels at favourable pricing, whilst placing NORDEN at the forefront of research and development of future renewables.

“We cannot rely solely on traditional offtake agreements with fuel suppliers to achieve decarbonisation at the necessary speed that climate change requires,” says NORDEN CEO, Jan Rindbo. “We need to be a greater part of the supply chain, to both ensure significant volumes and attractive prices that can make NORDEN competitive in offering low emission freight solutions to our customers.”

NORDEN’s aims to assist its customers in decarbonising their supply chains and, in 2018, was one of the first shipping companies to successfully trial 100% biofuel on an ocean-going vessel. The production of MASH Makes’ first biofuel product is in a late development stage and trials onboard NORDEN vessels are expected in early 2024.

NORDEN’s announcement can be read [here](#).



OCI Global and X-Press Feeders Sign Green Methanol Offtake Agreement



OCI Global and X-Press Feeders have recently signed a green methanol offtake agreement. Under this agreement, OCI Global, the world's largest green methanol producer, will supply X-Press Feeders with OCI HyFuels Green Methanol for their upcoming methanol dual-fuel common feeder vessels, starting from 2024 in the port of Rotterdam.

This is OCI Hyfuels' second green methanol supply agreement in less than a month, showcasing the increasing interest and acceptance of green methanol as a viable marine fuel alternative.

Additionally, they plan to extend the use of green methanol to multiple other ports worldwide, further promoting sustainable shipping practices.

The collaboration between OCI Global and X-Press Feeders is not just a symbolic gesture; it represents a substantial commercial-scale green methanol deal that reaffirms the fuel's status as a leading low-carbon and renewable marine fuel available at scale today. Both companies view this partnership as a concrete step in their respective decarbonisation journeys, aligning with global efforts to reduce emissions across the shipping industry.

Bashir Lebada, CEO of OCI Methanol / OCI HyFuels, expressed excitement in pioneering emission reduction measures throughout the supply chain.

Similarly, Shmuel Yoskovitz, CEO of X-Press Feeders, emphasised the company's commitment to fostering a more sustainable shipping industry and their willingness to explore further opportunities and partnerships for accelerating decarbonisation efforts in the feeder business.

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

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