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

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Dry Cargo – Summer Stall

As we alluded to last week the sale and purchase market has taken a respite, with buyers and sellers alike hoping September will give some signals as to the direction of the freight market. With negative reports from China regarding the overall health of its economy, many buyers will want to keep their powder dry and see how things develop going forward. Certainly this is reflected in some of the recent sale and purchase activity, for instance the kamsarmax **"BBG QINZHOU"** (81,608 dwt / built 2019 Tianjin Xingang, China) invited offers this week but received very little interest and owners have elected to withdraw the vessel. Similarly, ultramax sisters **"CP SHANGHAI"** + **"CP GUANGZHOU"** (63,500 dwt / built 2015 Cengxi, China) invited offers earlier in the month but owners were reluctant to engage with the offers received and the vessels are still being pushed for sale.

One off-market sale that has been concluded is that of the kamsarmax bulker **"BELO HORIZONTE"** (81,680 dwt / built 2012 Taizhou Catic, China), which is being reported at region US$17.5m; the price is relatively soft, illustrating the lengths some sellers have to go to, to get the deal across the line. One anomalous sale this week is that of the Greek controlled **"PYTHAGORAS"** (56,085 dwt / built 2012 Mitsui, Japan) at a firm US$18-18.5m, which may reflect that this vessel was also concluded privately.

Tankers – Seeing Stars

This week saw the Perseids meteor shower provide a burst of small to large shooting stars light up the night sky, much like this week's tanker sales sheet with a reasonable flurry of deals of all different sizes. Perhaps the trail blazer is a VLCC novation deal, albeit of an unnamed Beihai hull due for far off 3Q 2026 delivery, flipped by Bocimar to Euronav for US$112.2m, with an option offered on a second available hull. Meanwhile, Landbridge has declared a purchase option ahead of a 2027 call for the SFL Corp owned scrubber-fitted **"LANDBRIDGE WISDOM"** (307,894 dwt / built Dalian No.2, China) for an undisclosed sum. However, despite both deals being for modern tonnage little can be gleaned in terms of conventional sale activity at the modern end of the market and deals remain stubbornly stuck in the teenage age range, with owners otherwise having to look to newbuildings, just as the Greek diaspora demonstrates this week with traditional names placing singular or brace orders for earliest availability.

Of the older MR activity it's interesting to note a few bright sparks in the methanol market with a sporadic stream of zinc coated sales, this week reporting the "**SCARLET IBIS**" (46,719 dwt / built 2004 Iwagi, Japan) changing hands at US$15m to Chinese interests, following the recent zinc coated sisters **"GULF ESPRIT" + "GULF ELAN"** (46,890 dwt / build 2006 + 2007 Hyundai Mipo, S.Korea) still unpriced to unidentified buyers and **"YONG XIN"** (44,954 dwt / built 2000 Hanjin HI, S.Korea) sold and already delivered on undisclosed terms.

Newbuilding – Taking the Middle Road

There's been a significant uptake in suezmax newbuilding activity this week as Kyklades' deal at JMU was widely reported and at very low US$80s mill, which represents a very competitive price in the current climate. However, we understand they were provided with a special deal as a major historical customer and such levels are not available for further slots, two of which we understand are under discussion with a separate buyer. SWS also has an LOI for early 2027 with a buyer at region US$78.5 m. VLCC/suezmaxes have not seen anywhere near the same level of activity at the shipyards as MR and LR2 but nevertheless much of the same rules apply with little to buy on the modern second-hand market and, initially with MR and LR2, the orderbook remains low. Some may feel a VLCC play is too much of a bet (although there are some solid supporting arguments with the long term growth of Eastern oil demand) and are covering their crude bases by going down the suezmax route.

Some cracks are appearing in Chinese newbuilding pricing with general deflation gripping the country (although some major marine equipment remains strongly priced due to demand) and with the collapse of the property/construction market more labour for shipyards. We would expect the smaller/medium-sized yards potentially softening their pricing later in the year for these reasons but the major yards have full order-books stretching very far forward and would likely resist any credible downward price pressure for some time yet. Furthermore, the modern second-hand market also continues to price itself very strongly in both wet and dry and therefore newbuildings are likely to remain on the menu of main owners in the region of today's price levels.

Recycling – Wake me up when September ends

Although not everywhere has enjoyed a particularly hot summer so far this year, the scrap market has certainly been anything but hot for a quite a considerable amount of time now. This particular time of the year is nearly always subdued and lacks any real momentum or activity whilst the holiday season takes precedence. Since the start of summer we've witnessed a gradual softening of prices but roughly about the same number of vessels appear to have been scrapped each week, along with a good sprinkling of some containerships going for HKC Green Recycling. With this correction of prices having taken place there is presently not a great deal of difference in pricing between all three Sub-Cont breaking nations. Each of them still encountering various issues whether it be accessing Letters of Credit or fluctuating steel prices and currencies, that said, each of them are still more than able to pick up tonnage here and there. Container tonnage still appears to be the much favoured type to be disposed of with a number of units being reported each week. Hot on the heels of MSC and Maersk committing containerships for scrap recently, Sinokor too has been busy again by selling a second in as many weeks. This week we've also seen Wan Hai Lines market another two of their containers (having sold quite a number of units for HKC Green Recycling earlier this year). Whether we will we see activity and demand pick up once the summer ends, we will have to wait and see...

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
BLUE HORIZON + CLEAR HORIZON	207,900	both 2012	NAKCS (China)	Greek buyer	67 en bloc	DD due 5+8/25.
MOUNT APO	175,232	2012	Rongsheng (China)	Peter Doehle	24.75	DD due 9/25. Scrubber.
MBA GIOVANNI + MBA ROSARIA	93,352	2010+2011	Jiangsu Newyangzi (China)	Samudera	33.5 en bloc	SS due 4+7/25. BWTS.
BELO HORIZONTE	81,680	2012	Taizhou CATIC (China)	W Marine	reg 17.5	DD due 9/25.
PYTHAGORAS	56,085	2012	Mitsui (Japan)	Undisclosed	18-18.5	DD due 7/25. BWTS.
TOMINI GHIBLI	37,896	2016	AVIC Weihai (China)	Greek buyer	reg 17.5	DD due 5/24. BWTS.
TANKERS						
LANDBRIDGE WISDOM	307,894	2020	Dalian No. 2 (China)	Landbridge	p+c	Declared purchase option. SS due 5/25. BWTS. Scrubber.
BEIHAI RESALE	300,000	2026	Beihai (China)	Euronav	112.2	Dely 3Q'26. Dual fuel option. Option on sister ship.
SEA SENOR	109,647	2006	Dalian No. 2 (China)	Undisclosed	35-36	Coated. DD due 10/25. BWTS. Cap 1.
SCARLET IBIS	46,719	2004	Iwagi (Japan)	Chinese buyer	15	Zinc. 22 grades. SS due 1/24. BWTS.
CELSIUS BIRDIE + CELSIUS EAGLE	25,400	2009+2010	Fukuoka (Japan)	Undisclosed	50 en bloc	Stainless Steel. 22 grades. SS due 9/24 + 6/25. BWTS.
ECE NUR K	19,964	2009	Torgem (Turkey)	Undisclosed	reg 14	Epoxy.7 grades. SS due 10/23. Already renamed.
AT HONOR	10,813	2005	Nokbong (Korea)	Undisclosed	7.3	Epoxy. 11 grades. SS due 12/25.
GOLDEN BELLE HANA	5,695	2005	Nokbong (Korea)	Greek buyer	mid-high 5	Marineline. 6 grades. SS due 1/25. BWTS. Already renamed.
CONTAINERS / RO-RO / REEFER / PCC						
X-PRESS IRAZU	23,716	2007	Guangzhou Wenchong (China)	Undisclosed	11	1,740 TEU. Geared. DD due 3/25. Ice 1D.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
BULKERS						
Cido Shipping	Kamsarmax	82,000 dwt x 4	Jiangsu New Hantong (China)	2025-2026	reg 35	Tier III.
Cido Shipping	Ultramax	64,000 dwt x 4	Jiangsu New Hantong (China)	2025-2026	reg 33	Tier III.
Cido Shipping	Ultramax	64,000 dwt x 4	New Dayang (China)	2026	reg 33	Tier III.

GENERAL CARGO / TWEEN / MULTI-PURPOSE						
HMM	MPCV	38,000 dwt x 4	Huangpu Wenchong (China)	2025-2026		2,000 TEU. Cr 2*400T + 1*200T. Scrubber.
Vega Reederei	Gen Cargo	3,800 dwt x 10	Simomach Group (China)	2024-2025		
TANKERS						
Kyklades Maritime	Suezmax	158,000 dwt x 2	JMU Ariake (Japan)	2025-2026	81-82	
Laskaridis Maritime	LR2	115,000 dwt x 1	Yangzijiang (China)	2026	est. xs 60	Conventional fuel.
Evalend Shipping	LR1	75,000 dwt x 2	Yangzijiang (China)	2025-2026	est. xs 50	Conventional fuel.
CONTAINERS / RO-RO / REEFER / PCC						
Wallenius Wilhelmsen	PCTC	9,350 CEU x 4+8	Jinling (China)	2026-2027		LOI. Methanol+ammonia ready

Recycling Prices (US$/LWT)

	Pakistan	Bangladesh	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	530/560	520/550	515/540	330/340
Bulkers / Tween / General Cargo	510/525	500/515	495/510	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 (eco)	28	24.4	14.8%
Kamsarmax	35^	31	21.5	16.7	28.7%
Ultramax / Supramax	33^	28.5	18.5	14.7	25.9%
Handysize	30^	24	17	11.8	44.1%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)				*~ = Basis standard contemporaneous DWT/spec for each type.*	

This report has been produced for general information and is not a replacement for specific advice. While the market information is believed to be reasonably accurate, it is by its nature subject to limited audits and validations. No

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.

China Edges Greece to become World's Largest Fleet Owner

China has edged ahead of Greece as the world's largest fleet owner in terms of gross tonnage, as reported by Clarksons Research last week.

The Chinese-owned fleet now accounts for 15.9% of the market share, or 249.2 million gross tonnage. Clarkson's analyst Stephen Gordon said "China has been more active in the new build market (it is now almost double the Greek-owned order book). An increasingly active and professional finance sector has been helpful, with Chinese leasing playing a key role."
By comparison, the total gross tonnage of the Greek fleet stands at 249 million, with Japan in third at 181 million.

China has rapidly expanded its fleet since 2015, largely owing to its expansion of imports of dry bulk cargo. Greece had held the number one spot since 2013 when it overtook Japan.

The value of China's fleet is estimated at US$180 billion, with the Greek fleet valued at US$163 billion.

Fuel Contamination Spreads from Houston to Singapore

An alarming fuel contamination incident, which initially emerged within a sole bunker supplier in Houston, Texas, has rapidly escalated and extended to Singapore, a major player in the global bunker market. Industry stakeholders have been put on alert by fuel testing service VPS, who stress the importance of sustained vigilance as the issue can provoke equipment malfunctions, particularly fuel pump and injector failures, due to elevated fuel stickiness and viscosity levels. Despite its current confinement to a limited number of vessels, experts consider this occurrence as a possible precursor to a more widespread problem.

The issue first surfaced in early July, when VPS disclosed that 11 vessels had encountered difficulties – such as power loss and propulsion issues – during voyages. The problems were attributed to fuel leakage within Injection Control Unit (ICU) components and fuel pumps failing to reach required pressures.

The contamination source stems from a single bunker supplier in Houston, involving the high presence of contaminants very low sulphur fuel oil (VLSFO) bunker fuel deliveries. VPS identified unsaturated chemical compounds that, under specific circumstances, undergo polymerisation and oxidation, leading to the fuel's thickening and hampering crucial components.

Recent estimates from VPS indicate that the contamination incident has affected 32 vessels, collectively receiving about 61,494 metric tonnes of compromised fuel. Four bunker suppliers are now implicated, with twelve affected vessels refuelling in Houston, while two others encountered issues after bunkering fuel in Singapore.

Of the affected vessels, fourteen suffered damage to auxiliary engines and fuel delivery systems. Additionally, eighteen vessels that received the contaminated fuel from thirteen distinct suppliers either faced no adverse effects or did not report incurred damages.

In response to VPS's advisory, three vessels swiftly unloaded the contaminated fuel before use. Conversely, three others only acted after their engines suffered initial damage from using the tainted fuel.

Though smaller in scale compared to previous fuel contamination incidents, like the one involving two suppliers in Singapore impacting 200 vessels last year, this occurrence raises considerable worry among industry stakeholders.

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