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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 – Is the Price Right?

With freight markets still on a run, buyers and sellers are both clearly motivated to be ambitious in their respective aims of securing promptly deliverable ships and ever higher prices. The current manic market context presents both parties with unique (yet intimately connected) challenges in the pursuit of these aims: Sellers are beset by a persistent (yet understandable) worry that they might be leaving money on the table by selling today, which then leaves buyers casting about in search of vessels they can actually buy today.

Above dynamics notwithstanding, it's clear the market overall remains very liquid and we continue to see a steady stream of fixtures available to report. Older vessels continue to dominate the sales list, with MRs/LR1s and aframaxes claiming the lion's share of transaction volumes. Prices are continuing their steady climb, with ice-classed units in particular seeing ever high premia paid.

Dry Cargo – The Bulk Cup

The World Cup has started this week and the world has already witnessed some surprises when it comes to the winners and losers. The bulk segment seems to have done the same with the capesize market finding a little support this week with other sizes not fairsing so well.

A good amount of sales this week, with reports that the cape **"AQUATAINE"** (181,725 dwt/built 2010 Imabari Saijo, Japan) DD due 11/23, BWTS fitted) was bought by Stealth Maritime for US\$26.5m. This would be their third acquisition in this sector in the last few weeks, including last week's purchase of the **"HL SHINBORYEONG"** (179,294 dwt/built 2010 Hyundai Samho, Korea) for US\$24.80m. Also for comparison, at the beginning of the month they purchased from the same owners the smaller but more modern **"AQUAFORTUNE"** (174,725 dwt/built 2011 Namura, Japan) for the firmer price of US\$27m, which underlines the continued pressure on values.

Supramax and panamax vessels continue to dominate the sales list with a preference age around ten years old and younger. The **"NORD VIRGO"** (81,001 dwt/built 2014 JMU, Japan), DD due 1/23, BWTS/Scrubber Fitted fetched xs USD 27 mill. In the Handysize segment there's been an interesting sale with the UK controlled **"SEASTAR HARRIER"** (39,804 dwt/built 2022 Hakodate, Japan), Tier III, BWTS Fitted) sold to a Japanese Buyer for US\$30.9mill along with the **"NORD QUEBEC"** (36,570 dwt/built 2013 Onomichi, Japan), Ice 1C, SS due 5/23, inc. BWTS on order, gone to Turkish Buyers for US\$17.25m.

Newbuilding – Tanker Warfare

Tanker newbuilding enquiry continues to ramp up focusing on products as rates and outlook remain buoyant. Crude rates (VLCC and Suezmax) remain at mouth-watering levels and we await to see if bullish spirits will also spill over into crude tanker newbuilding demand. With low order-books and lack of modern second-hand tonnage for sale and/or few candidates, newbuildings are a clear alternative avenue for investment. We are noticing increased interest from investors/private equity in shipping who are picking up on the current state of the cycles and likely coming negative fleet growth. With orders under way on MRs and LR2s (benchmarking current yard asking prices) and general pricing pressures that yards continue to face it seems unlikely we will see significant falls in tanker newbuilding pricing any time soon. At the major yards, container newbuilding demand continues basis DF methanol, which is as we know offers more attractive margins than tankers.

Bulker newbuilding demand is hard to gauge but we are seeing a number of medium sized bulkcarrier contracts emerge so activity is ongoing.

Recycling – Blood Bath!

Recycling markets have been merciless during the past couple of weeks as steel markets in the Sub-Cont continue to weaken every day. During late last week India announced that it will revoke the export duty on steel scrap and finished products, which gave the market a breather for a couple days, but soon it was on its way back down again clearly indicating super weak demand. The Letter of Credit issues continue to remain in Bangladesh to add more misery to the cash buyers as most of them have been keeping their ships waiting at the outer anchorage for more than 3-4 weeks now in the hope that the L/C problem would be solved, but to no avail. Markets in Pakistan are virtually non-existent due to low demand and negative sentiments. Ship-breakers from Gadani have been extremely quiet for almost the whole of 2022. Price levels now appear to be region / a shade below the US\$ 500 per LWT for dry cargo vessel and this could very well be down even further come this time next week if things persist. There is hope that the L/C issues in Bangladesh could get sorted by January 2023, which will breath some life to the scrap markets, but we could also witness some older ships finally coming for demolition in Q1 of next year, which once again would lead to pressure on prices.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
AQUATAINE	181,725	2010	Imabari Saijo (JPN)	Stealth Maritime	26.5	DD due 11/23. BWTS fitted.
STAR ENERGY	180,310	2004	Koyo (JPN)	Undisclosed	14	SS due 12/22.



MYNIKA	84,109	2013	Hyundai Samho (KRS)	Five Stars Shipping	24.5	SS due 1/23.
NORD VIRGO	81,001	2014	JMU Tsu (JPN)	Undisclosed	xs 27	DD due 1/23. BWTS+Scrubber fitted.
ITALIAN BULKER	63,482	2017	Shin Kasado (JPN)	Dao Shipping	24	SS psd 4/22. BWTS fitted.
ACHILLEAS	63,301	2012	Yangzhou Dayang (CHN)	Far Eastern buyer	22.3	SS psd 3/22. BWTS fitted.
ULTRA BELLAMBI	61,494	2012	Shin Kasado (JPN)	Far Eastern buyer	21.9	SS psd 7/22. BWTS fitted. Dely 3-5/23.
ASL GRACE	60,259	2015	Onomichi (JPN)	Undisclosed	25.5	DD due 9/23. BWTS fitted.
SEASTAR HARRIER	39,804	2022	Hakodate (JPN)	Japanese buyer	30.9	Tier III. BWTS fitted.
INTERLINK ACTIVITY	38,710	2015	Taizhou Kouan (CHN)	Scandinavian buyer	21	Ice 1C. DD due 7/23. BWTS fitted.
NORD QUEBEC	36,570	2013	Onomichi (JPN)	Turkish buyer	17.5	Ice 1C. SS due 5/23. Inc BWTS on order.
PENELOPE T	33,795	2011	Samho (KRS)	Undisclosed	14.3	DD due 4/24. BWTS fitted. Inc. TC to 2-4/22 @ \$17k pd.
TANKERS						
MARIA GRACE	160,288	2002	Samsung (KRS)	Turkish buyer	22.5	Dely basis SS+BWTS psd 11/22.
ALTHEA	115,194	2022	Daehan (KRS)	Navig8	72.5	Coated. Tier III. BWTS+Scrubber fitted.
NORDNEPTUN	74,999	2004	Hyundai Ulsan (KRS)	Undisclosed buyer	15.5	Deepwell. DD psd 6/22. Deck heaters.
CAPE TAMPA	73,719	2009	New Times (CHN)	Undisclosed buyer	20.25	Pump-room. Trading dirty. SS due 3/24. BWTS fitted.
PGC IKAROS	72,829	2004	Hudong Zhonghua (CHN)	Turkish buyer	12.7	Pump-room. Trading dirty. BWTS fitted. Dely 2/23 DD pending.
PYXIS MALOU	50,667	2009	SPP Tongyeong (KRS)	Nigerian buyer	24.5	Deepwell. SS due 2/24. BWTS fitted.
CLEAN IMPERIAL	50,338	2007	SLS (KRS)	Undisclosed buyer	reg 20	Pump-room. Trading dirty. SS due 3/24. BWTS fitted.
ATHLOS	50,034	2016	Samsung Ningbo (CHN)	Undisclosed buyer	41	Deepwell. DD due 4/24. BWTS fitted.
ATLANTICA BRIDGE	49,990	2005	STX Jinhae (KRS)	Undisclosed buyer	20	Ice 1A. Deepwell. DD due 3/24. BWTS fitted.
VALLERMOSA	40,218	2003	Hyundai Mipo (KRS)	Chinese buyer	12	Deepwell. IMO II/III.



						SS+BWTS due 1-4/23.
NORDIC TATIANA	38,396	2007	Guangzhou (CHN)	Undisclosed buyer	16	Deepwell. SS psd 10/22. BWTS fitted.
CAPE GUINEA	37,554	2008	Hyundai Mipo (KRS)	Greek buyer	16.4	Deepwell. SS+BWTS due 11/23.
CONTAINERS / RO-RO / REEFER / PCC						
HOEGH TRAPPER	20,766	2016	Xiamen (CHN)	Hoegh Autoliners	53.5*	*Purchase option. 8500 CEU.
ATLANTIC BRIDGE	8,692	2007	Cassens-Werft (GER)	Undisclosed buyer	19.8	724 TEU. Geared. SS psd 7/22. BWTS fitted.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Kasuga Kaiun	Ultramax	64,000 dwt x 1	NACKS (CHN)	2024		
Anosis Maritime	Ultramax	64,000 dwt x 1	NACKS (CHN)	2024		
Hengli Group	Handysize	20,000 dwt x 4	Hengli Heavy / ex-STX Dalian (CHN)	TBC		Hengli aquired yard + assets in 7/22.
TANKERS						
Tsakos Energy Navigation	Shuttle	160,000 dwt x 2	Samsung (KRS)	2025	127.5	LNG dual fuel option. Against TC to TotalEnergies.
Knutsen NYK Offshore Tankers	Shuttle	154,000 dwt x 1	Cosco Zhoushan (CHN)	2025		Against 15 y rs TC to Petrobras
CONTAINERS / RO-RO / REEFER / PCC						
Seapeak	LNG	174,000 cbm x 5	Sanmsung (KRS)	2027	220	Me-Ga. Against TC to ExxonMobil.
Minerva	LNG	174,000 cbm x 2	Sanmsung (KRS)	2026	215.5	Against TC to ExxonMobil.

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC Dry	520/535	515/530	515/535	250/260
Cargo/Bulk/Tween/Gen Cargo	510/520	505/515	500/515	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	120	90	67	45.8	46.2%
SUEZMAX	80	62.5	46	32.6	41.1%
AFRAMAX	65	28	43	24.6	75.2%
MR	44	39	28.5	18.0	58.8%
Bulkers					
CAPE SIZE	62.5^	44 eco	28	23.8	19.9%
KAMSARMAX	35.5^	31	23	16.2	38.5%
ULTRAMAX / SUPRAMAX	32.5^	29	20	14.0	39.0%
HANDY SIZE	29^	24.5	16.75	11.4	46.8%
^ = 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.

Lithium Ion and Fires at Sea



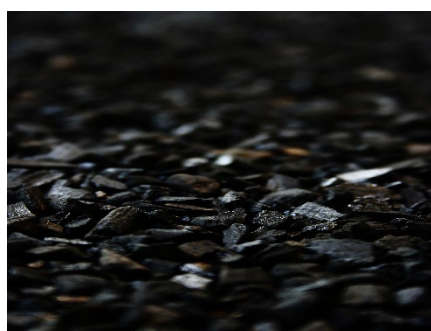
Allianz Global Corporate & Specialty (AGCS) has warned that the number of fires on board large vessels has increased substantially over the past couple of years. Although overall shipping losses have decreased, fires remain the biggest safety issue in the maritime industry.

AGCS has repeatedly raised concerns regarding the dangers of lithium-ion batteries on vessels. Whilst lithium batteries may not contribute to the initial causes of fire; when exposed to high temperatures it is spontaneously flammable in air, which could cause it to aggravate fires. The Felicity Ace incident earlier this year appropriately outlines the dangers of lithium-ion batteries on vessels, and the importance of such batteries being preserved, stored and transported correctly as lithium-ion fires burn at higher temperatures than normal fires.

Unlike other cargo ships, the internal spaces in car carriers are often not divided into separate sections, the lack of internal bulkheads can therefore have an adverse impact on fire safety and a small fire on one vehicle can often spread far more vigorously than usual.

AGCS has recommended that the appropriate solution in dealing with such violent fires would be to provide lithium-ion battery firefighting training to crew members. The aim of this is to primarily focus on loss prevention. Yet, for this solution to be successful it is required that all parties in the supply chain understand the relevant hazards that accompany the carriage of lithium-ion batteries.

Analysing BIMCO's Carbon Intensity Indicator



As the industry prepares for the IMO's Carbon Intensity Indicator (CII), which is used to assess vessel efficiency and will come into force next year, BIMCO has recently introduced a new CII clause for time charters.

The new clause is designed to assist owners and charterers with implementing the IMO's new carbon intensity regulations which is due to come into force on 1 January 2023.

In its simplest form, the CII will assess the efficiency of a vessel based on numerous factors which includes fuel consumption, distance travelled and cargo capacity. The CII is designed to enable the industry of reducing carbon intensity by 70%, in comparison to 2008, by 2050.

Under the new BIMCO clause, there exists a good faith duty to cooperate and share data which will assist in monitoring compliance with the IMO's CII regulations. In order to comply with CII regulations, it is widely expected that vessels will have to reduce speed. This may, in theory, give rise to claims over speed and consumption warranties. However, charterers will now be under an obligation to adjust employment orders to comply with the new clause.

"The CII clause is the latest addition to BIMCO's suite of carbon clauses for time charter parties. The subcommittee will now continue its work to develop further clauses such as a CII clause for voyage charter parties to assist charterers and owners responding to new regulatory requirements, regardless of whether they come from the IMO, EU, or elsewhere," said Stinne Taiger Ivø, director, contracts and support at BIMCO.

Campaign to Raise Awareness for Removal of Single-Use Plastics from Ships



BIMCO launches initiative to promote a campaign which will raise awareness against the use of single-use plastics on board vessels. It has been calculated that about 1.75 billion of plastic bottles are used on ships per year. It is the view of BIMCO that the removal of the use of such will be the industry's best choice to extinguish a source that may end up reaching the ocean. As a preliminary step, BIMCO has partnered with Ocean Bottle, which is a company that provides reusable bottles, to tackle this issue. Reusable bottles are a sustainable alternative to single-use plastics for water consumption on board the ships.

Dr Bev Mackenzie, Head of Intergovernmental Engagement at BIMCO, says: "We've learnt from members who have successfully implemented initiatives to remove single-use plastics bottles from their

ships that providing crew with a reusable bottle, alongside other actions, can make a big difference. Over half of the companies that recently completed a BIMCO survey are already providing such bottles.”

BIMCO schedules to distribute the Ocean Bottle branded bottles over the next months to key stakeholders, leaders, and volunteers in order to start spreading the campaign message.

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