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

*With over 125 years of expertise Gibson Shipbrokers is a leading provider of Sale & Purchase, Newbuildings, Recycling and Ship Valuation services. +44(0) 20 7667 1000 - sap@eagibson.co.uk - www.gibsons.co.uk*

## Tankers – Full Speed Ahead (On Cruise Control)

A sense of stability seems to be creeping into the tanker S&P markets, with good liquidity being maintained across the various segments and charter levels generally holding at attractive levels. While we are not currently seeing buyers falling over themselves (and each other) to bid prices up substantially over last done comparables, there appears to be sufficient marginal buyers and sellers willing to transact at today's prices to keep the market humming along in today's context. Although the last few weeks and months have doubtlessly had their excitement, a sense of a "new normal" being established for values will likely be met with some relief by various S&P market stakeholders exhausted by having to aggressively update their market valuations on an almost daily basis.

With that said, any "new normal" seems to rarely last for very long in shipping cycles, and given the generally volatile geopolitical framework the market finds itself in, the sense remains that the next big surprise is likely never far away.

## Dry Cargo – The Awakening?

Spring is here and as China emerges from its winter hibernation, it seems that the Chinese economy looks to be getting back on track. The Baltic Dry Index is on the rise for the second consecutive week in
a row reaching 1211 points today and the charter market shows signs of a bullish run, which is now being reflected in the second-hand market.

The Supramax sector, saw Globus Maritime reportedly sell their oldest vessel in their fleet, namely the **"SUN GLOBE"** (58,790/built 2007 Tsuneishi Cebu, Philippines), with BWTS fitted and dry-docking due in 2025, to a Chinese buyer at US$14.1m. By comparison the **"ULTRA LANIGAN"** (57,950/built 2012 Tsuneishi Cebu, Philippines), with special survey due in August, even though part of an en bloc deal of six Supramaxes to Pacific Basin, was sold in January at the price of US$17.5m, a marked increase even when taking in to account the five-year age difference.

Handies recorded the most transactions this week with the modern TIER II compliant **"INTERLINK PRIORITY"** (38,709 dwt/built 2015 Taizhou Kouan, China), BWTS fitted, and dry-docking due in November, reported to Tufton Oceanic at US$19.9m. Having sold the sister vessel **"INTERLINK SAGACITY"** (38,743 dwt/built 2015 Taizhou Kouan, China) in December last year at US$20m, Interlink Maritime's latest sale shows how quickly handysize values have rebounded (and bucked any annual depreciation).

The question on everyone's lips is whether this bull run is set to continue for the foreseeable future. If so many dry investors will be disappointed not to have taken advantage of the recent drop in values.

## Recycling – Steely Determination

Little has changed in the past week in the recycling market as local steel plate markets across the Sub-Cont remain stable. Although we have not seen as much activity there is healthy appetite for tonnage, particularly from Indian ship-breakers as prices continue to edge higher. Similar is the situation in Bangladesh with breakers hunting for available tonnage, albeit the L/C issues now restrict buyers to only be able to purchase tonnage with a maximum LWT of about of 12,000 Tons. With tankers still earning healthy returns and dry freight markets making a slight rebound it is likely that buyers will continue to starve for tonnage in the coming months, which in turn will most likely keep the scrap markets firm across the board. Meanwhile, Pakistan is in the midst of continuing turmoil and hence there are no real active buyers today in Gadani.

## Newbuilding – Newbuilding Show goes on…

Further enquiry is emerging for suezmaxes at the yards in Korea with a number of Greek owners reportedly in discussions. As we have commented before the suezmax fleet supply situation is quite attractive with expected negative fleet growth. There is also no sign of modern second-hand pricing cooling offer any time soon (partly for this reason) and some owners are realising investment into the suezmax sector makes sense via newbuildings even at the current elevated price levels. VLCCs also have an attractive fleet supply story moving forward but there are very few slots available in 2025 (further supporting the market) so we may see owners take a look here later in the year as the two year forward delivery window approaches. LR2 enquiry also continues at the yards and whilst the fleet supply situation is less attractive, many expect products to outlast crude, so in the longer term may be a better investment today.

Bullish spirits continue in the bulker market with many expecting a rally this year. At the yards we are seeing steady enquiry for the more established/reputable facilities and pricing is firm and already rising. Lesser known yards still have first half 2025 capacity and priced at a discount, so we would expect an increase of enquiry as the market moves and modern second-hand pricing increases.

## Gibson Sale & Purchase Market Report

### S&P SALES

| Vessel Name | DWT | Built | Yard | Buyers | Price ($/m) | Notes |
|---|---|---|---|---|---|---|
| BULKERS | | | | | | |
| FORTUNE GENIUS | 74,363 | 2002 | Daewoo (KRS) | Chinese buyer | 7.58 | DD due 12/24. BWTS fitted. |

| | | | | | | |
|---|---|---|---|---|---|---|
| SUN GLOBE | 58,790 | 2007 | Tsuneishi Cebu (PHI) | Chinese buyer | 14.1 | DD due 11/25. BWTS fitted. |
| SUPRA ONIKI | 57,022 | 2010 | Qingshan (CHN) | Undisclosed | 13 | DD due 8/23. BWTS fitted. |
| JAEGER | 52,483 | 2004 | Tsuneishi Cebu (PHI) | Undisclosed | xs 9 | DD due 4/23. BWTS fitted. |
| INTERLINK PRIORITY | 38,709 | 2015 | Taizhou Kouan (CHN) | Tufton Oceanic | 19.9 | Ice 1C.DD due 11/23. BWTS fitted. |
| OCT BREEZE ISLAND | 38,278 | 2011 | Shimanami (JPN) | Undisclosed | low-mid 15 | DD due 8/24. BWTS fitted. Dely 4-5/23. |
| LANCASTER STRAIT | 37,405 | 2013 | Hyundai Mipo (KRS) | German buyer | low 16 | SS due 4/23. Inc TC to early/mid '24 @ $18k pd. |
| MAESTRO PEARL | 37,115 | 2015 | Saiki (JPN) | Undisclosed | 20.5 | Open hatch. DD due 7/23. BWTS fitted. |
| IVS SENTOSA | 32,701 | 2010 | Jiangmen Nanyang (CHN) | Greeks | 11 | DD due 7/23. BWTS + logs fitted. |
| PATRONUS | 30,587 | 2007 | Cochin (IND) | Turkish buyer | xs 7.5 | DD due 3/24. BWTS fitted. |
| MORNING SWAN NO. 1 | 24,290 | 1996 | Hakodate (JPN) | Sama Marine | 4.5 | DD due 8/25. BWTS+logs fitted. Already renamed. |
| **TANKERS** | | | | | | |
| BEKS INDIANA | 105,547 | 2007 | Sumitomo (JPN) | Undisclosed | 37 | Coated. SS psd 6/22. BWTS fitted. |
| SAND SHINER | 73,582 | 2006 | New Times (CHN) | Undisclosed | 23.25 | Pump-room. DD due 11/23. Scrubber fitted. |
| CHEMTRANS OCEANIC | 69,990 | 2005 | New Century (CHN) | Undisclosed | 21 | Pump-room. DD due 4/23. |
| NORD SKATE | 51,332 | 2009 | K Shipbuilding (Formerly STX Jinhae) (KRS) | Undisclosed | 24.5 | Deepwell. SS due 1/24. BWTS+Scrubber fitted. |
| MARLIN AMETHYST | 49,999 | 2015 | GSI/COMEC (CHN) | Union Maritime | 33.8 | Deepwell. DD due 10/23. BWTS fitted. |
| SEAMUSE | 48,673 | 2007 | Iwagi (JPN) | Undisclosed | reg 21 | Pump-room. DD due 9/23. Prompt dely Med. Already renamed. |
| NORDIC HUMBOLDT | 37,602 | 2008 | Hyundai Mipo (KRS) | Undisclosed | 15 | Deepwell. Dirty trading.SS due 9/23. |
| PEARL MAJESTIC | 7,999 | 2019 | Bohai (CHN) | Peninsula Petroleum | 14 | Bunkering. Twin M/E. SS due 9/24. |
| TRADEWIND PASSION | 7,739 | 2008 | Ningbo Xinle (CHN) | Undisclosed | 5.6 | Epoxy. SS+BWTS due 4/23. |
| **CONTAINERS / RO-RO / REEFER / PCC** | | | | | | |
| HAMMONIA LIPSIA | 41,792 | 2004 | Szczecinska (POL) | MSC | 14.5 | 3091 TEU. Geared. DD due 12/24. |

| | | | | | | |
|---|---|---|---|---|---|---|
| WINDERMERE | 35,376 | 2010 | Yangfan (CHN) | Shreyas | 17 | 2872 TEU. Gearless. DD due 4/23. BWTS fitted. |
| JULIUS | 16,908 | 2009 | Shandong New (CHN) | Lohmann Hermann | 9 | Ice 1A. 1304 TEU. Geared. SS due 11/24. BWTS fitted. |
| A FUKU + A KOU | 12,775 | both 2007 | Dae Sun (KRS) | Undisclosed | 10 + 11 | 1043 TEU. Gearless. |
| **GAS (LNG / LPG / LAG / CO2)** | | | | | | |
| GASLOG ATHENS | 78,947 | 2006 | Samsung (KRS) | Undisclosed | 55 | 145,000 cbm. SS due 1/25. BWTS fitted. |
| GASCHEM BREMEN + ECO EVOLUZIONE | 26,645 | 2010 | Hyundai Mipo (KRS) | Manta Gas | 39 each | 34,862 cbm. DD due 10+12/23. |

**NEWBUILDING ORDERS**

| Ordering Client | Vessel Type | Size / No. of units | Shipyard (Country) | Delivery | Price ($m) | Notes |
|---|---|---|---|---|---|---|
| **TANKERS** | | | | | | |
| Shoei Kisen Kaisha | MR | 50,000 dwt x 4 | Minami Nippon (JPN) | 2025 | | |
| **GAS (LNG / LPG / LAG / CO2)** | | | | | | |
| ABGC DMCC | LPG | 88,000 cbm x 2 | Hyundai Samho (KRS) | 2025-2026 | 98.5 | |
| ABGC DMCC | LPG | 86,700 cbm x 1 | Kawasaki (JPN) | 2026 | | |

**Recycling Prices (US$/LWT)**

| | Bangladesh | Pakistan | India | Turkey |
|---|---|---|---|---|
| Tank/Cont/Ro-Ro/Capes/LPG/PCC | 590/610 | 575/600 | 540/550 | 315/330 |
| Dry Cargo/Bulk/Tween/Gen Cargo | 580/590 | 565/575 | 530/540 | 300/315 |

**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 | 121 | 100 | 76 | 47.1 | 61.5% |
| Suezmax | 81 | 68 | 54 | 33.4 | 61.5% |
| Aframax | 64 | 62.5 | 50.5 | 26.7 | 89.5% |
| MR | 44.5 | 42 | 33 | 18.6 | 77.3% |
| **Bulkers** | | | | | |
| Capesize | 61^ | 44.5 (eco) | 30 | 24.1 | 24.5% |
| Kamsarmax | 33.5^ | 30.5 | 23 | 16.5 | 39.6% |
| Ultramax / Supramax | 31.5^ | 29 | 19.5 | 14.2 | 37.6% |

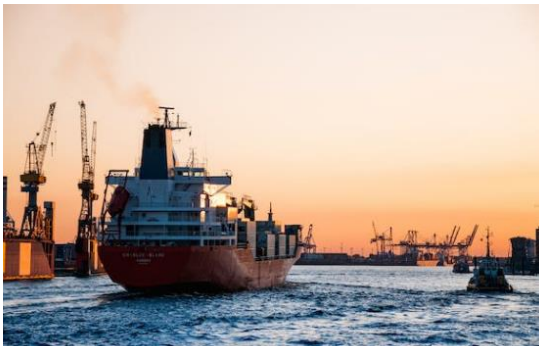
| | | | | | |
|---|---|---|---|---|---|
| Handysize | 29^ | 24.5 | 16.5 | 11.6 | 42.2% |
| ^ = Chinese price (otherwise based upon Japanese / Korean country of build) | | | | ~ = Basis standard contemporaneous DWT/spec for each type. | |



# 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.*

## India imposes new regulations, banning the use of older vessels



The Indian government has introduced new legislation banning the use of older vessels in most ship classes. The new rules were dated 24 February 2023 but came into full force on the 27 February 2023, and will apply to vessels owned or chartered by Indian shipping companies and foreign flagged ships operating in India's EEZ.

Though restrictions differ from class to class, generally, shipowners are now banned from buying or chartering ships more than 20 years old. Where previous rules did not require technical clearance for vessels younger than 25 years, the new rules require additional clearance for vessels between 15 to 20 years. For oil tankers, bunker barges, bulk carriers and general cargo ships, any vessel over the age of 25 years must now be withdrawn from service. Container vessels, gas carriers, and tugs have until 30 years to be withdrawn, while dredgers may remain in service until 40 years of age. Exempt from the new age limits are passenger ships and certain vessels engaged in the energy trade (FSRUs, FPSOs, and drilling and production platforms).

Motivation for the new changes comes from a desire to modernise the Indian fleet. According to the Directorate General of Shipping, "the world fleet's average age is on a declining trend, while the Indian tonnage's average age has been on a rising trend over the years. This is a need to modernize the Indian fleet, which requires extensive review of the requirements of the registration and operation of ships, to ensure quality tonnage under the Indian flag".

## Lawyers and Insurers Join Forces over War Damage Claims

Lawyers and marine insurers have joined forces with the Ukrainian and foreign governments in an attempt to make Russian state-controlled entities foot the bill for ever-growing war damage claims.

"This will give shipowners, P&I clubs and other interested parties the possibility of having all their losses reimbursed by the state of Russia," said Evgeniy Sukachev, a maritime lawyer based in Odesa.

The new collaborative initiative comes as shipowners are faced with mounting challenges to secure insurance cover in the affected region. At the end of last year, reinsurers applied pressure on P&I clubs to limit the cover offered under fixed-premium war risk schemes and early this year, a number of reinsurers pulled back from war risk in Russia and Ukraine altogether.

"Russia did not care which vessels and assets they attacked," said Sukachev. "In the first weeks of the war, they tried to destroy everything they could see."

Ukraine responded by recently approving a $500m fund aimed at covering damages to ships, and the country's foreign and justice ministries are now collaborating with foreign governments on a package of further measures expected to be announced imminently.

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