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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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DRY CARGO – To Infinity and Beyond

With the dry market freight going from strength to strength and the Baltic Dry Index now bursting through the 4000 mark, which has not been seen since over 10 years ago, it is interesting to note that handysize bulkers are, and have been, earning levels similar to that of panamax and supramax bulkers. Therefore, given the disparity in acquisition costs it is not surprising that sales of handies continue to outweigh their larger cousins with buyers looking to take advantage of this inequality. Well-known names and experienced operators in this sector such as Pacific Basin and Taylor Maritime continue to supplement their fleet with the acquisition of these smaller toys

TANKERS – Dog Days Are NOT Over

It's been a remarkably quiet week for second hand tanker S&P, even by the dull standards of mid-August. The highlight of the week has been the reported sale of the **"KATSURAGISAN"** (311,354 dwt/blt 2005 Kawasaki), which has reportedly been committed at levels just over US\$30m to unnamed buyers after receiving a total of five offers.

Interest in the stainless steel sector has picked up again, with the **"FSL NEW YORK"** (19,970 dwt/blt 2006 Usuki) having been committed to South Korean buyer at US\$10m and the **"BOCHEM ANTWERP"** (19,906 dwt/blt 2011 Kitanihon having gone to Vietnamese buyers for US\$15.6m.

It's unclear at present when the current malaise afflicting the market could be lifted, or where relief might come from. While we do expect sales activity to pick up in the coming weeks and months as principals return to their offices, values will (as ever) only pick up when cargo volumes start picking up and freight rates show some credible signs of life.

RECYCLING – Scrap Prices Plummet

The gradual softening of demo rates accelerated this week as confidence has seemingly fallen away, resulting in a significant drop in price levels. Steel plate prices are falling and so too has the price of copper, which is having a knock-on effect to ship scrap prices. Recent sales that were reported in excess of US\$600 for Bangladesh/Pakistan will now be under increasing pressure as cash buyers will no doubt get cold feet to continue the deal and look for ways out, or a price reduction, and already we are hearing reports of some sales not reaching a conclusion and failing. Prices are still correcting everywhere throughout the industry and, with a lack of confidence in the market, some buyers are unwilling to offer until some stability returns. From an Owner's perspective however, what cannot be ignored are the still very high price levels obtainable, which currently are now somewhere in the mid/high US\$500's for most tonnage which historically speaking is still considered way above average market levels. But sometimes it is hard for an Owner to accept much less than last done so we may see some sellers temporise until the dust settles.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
CAPE UNITED	203,137	2007	Universal (JPN)	Greek buyer	22	
PRISCILLA VENTURE	77,283	2008	Oshima Zosen (JPN)	Chinese buyer	18.4	
ADS GALTESUND	75,395	2007	Universal (JPN)	Chinese buyer	15.9	dely 01/2022
ASIA RUBY II	62,996	2014	Jinling (CHN)	Undisclosed buyer	24.5	dely 10/21
ASIA RUBY IV	62,450	2014	Jinling (CHN)	Undisclosed buyer	24	dely 11/21
NORD PEAK	61,649	2011	Oshima Zosen (JPN)	Hong Kong buyer	22.5	SS psd 2/22. BWTS+Scrubber fitted.
BELCARGO	58,729	2008	Tsuneishi Cebu (PHI)	Undisclosed buyer	reg 16.5	No BWTS
MELATI LAUT	56,643	2011	Qingshan (CHN)	Undisclosed buyer	15.2	
ATLANTIC ENSENADA	55,814	2006	Kawasaki (JPN)	Bangladeshi buyer	high 15's	
SPAR DRACO	53,163	2006	Chengxi (CHN)	Undisclosed buyer	13.45	SS/DD/BWTS due 2021
WAN AN	42,717	1998	IHI (JPN)	Chinese buyer	7	
NEREUS ISLAND	37,920	2014	Imabari (JPN)	Pacific Basin	21	
OCEAN MERCURY	37,196	2012	Hyundai (KRS)	Greek buyer	reg 14	incl tc @ 9k till 05/22
GLORIOUS SAIKI	37,154	2012	Saiki (JPN)	Taylor Maritime	17	
PRASLIN	36,309	2011	Hyundai Vinashin (VIET)	Taylor Maritime	17	
PACIFIC BULKER	36,309	2015	Shikoku (JPN)	Hong Kong buyer	reg 21	
HAMBURG PEARL	35,921	both 2011	Hyundai Mipo (KRS)	Undisclosed buyer	17.3	Open hatch. SS psd 1+2/21. BWTS fitted.
FOUR EMERALD	34,053	2013	Pha Rung (VIET)	Dev Bulk	15.2	BWTS fitted
FOUR DIAMOND	34,053	2011	Pha Rung (VIET)	Greek buyer	12.8	SS/DD due / No BWTS

ALBATROSS	25,028	2011	Yanamishi Corp (JPN)	Turkish buyer	12	
TANKERS						
KATSURAGISAN	311,354	2005	Kawasaki (JPN)	Undisclosed buyer	xs 30	
FSL NEW YORK	19,970	2006	Usuki (JPN)	South Korean buyer	10	SS tanks
BOCHEM ANTWERP	19,906	2011	Kitanihon (JPN)	Vietnamese buyer	15.6	SS tanks
GENERAL CARGO / MULTI PURPOSE						
OSLO WAVE		2000		Undisclosed buyer	12	1000 TEU
CONTAINERS/RO-RO/REEFER/PCC						
JETT	17,005	2007	Shandong Weihai, China	Israeli buyer	19.25	1,304 TEU

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
SEA CORAL	1996 / Korea	298,306	42,802	as-is Malaysia	587	old sale
TANKERS						
SPLENDOUR	1996 / Japan	42,217	10,045	Pakistan	621	last weeks sale
CHIRON	1996 / Germany	32,250	9,041	Pakistan	608	last weeks sale
GENERAL DRY CARGO / CONT						
DOLE CALIFORNIA	1988 / Italy	11,800	16,675	India	620	last weeks sale
DOLE ECUADOR	1989 / Italy	11,613	16,675	India	620	last weeks sale

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	575/590	575/590	570/580	280/290
Dry Cargo/Bulk/Tween/Gen Cargo	560/575	560/575	560/570	270/280

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	102	72	48
SUEZMAX	72	49	33
AFRAMAX	58	41	26.5
MR	38.5	28	19
Bulkers			
CAPE SIZE	60^	37.5	31
KAMSARMAX / PANAMAX	35^	31k	22.5k/20.5p
ULTRAMAX / SUPRAMAX	33.5^	28u	19.5s
HANDYSIZE	28^	22.5	15.25

^=Chinese price (otherwise based upon Japanese / Korean country of build)

Indices

	C.O.B Friday
BDI	4092
\$/Yen	109.64
VLCC	
AG/East	31
TD3 (WS)	

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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.

Seafarers Covid Relief Fund Smashes US\$1 Million Target



The Seafarers International Relief Fund (SIRF) has achieved its objective of raising US\$1 million to assist in providing relief for seafarers and their families affected by the Covid-19 pandemic. The total raised by SIRF as of 18 August 2021 was US\$1.17 million. Notwithstanding the target being met, the fund states that any further donations are still welcomed as it would allow SIRF to broaden its crisis welfare response.

It is reported that the target was reached after a substantial donation from NYK Line, in addition to many other personal and corporate donors including, most recently, the TK Foundation. The fund stated that all proceeds will go towards helping seafarers and their families from the Covid threat. Recently, grants by SIRF included funding for Stella Maris, a charity supporting seafarers worldwide, to provide parcels of food to more than 1,000 seafaring families in Kerala in addition to funding for support workers to give post-COVID medical care, counselling and therapy.

Catherine Spencer, CEO of The Seafarers' Charity, the organization that oversees and administers the SIRF Fund, stated on behalf of SIRF that, *"to have reached this goal in less than three months is a wonderful testament to shipping's global community"* and that the support received has, *"helped to deliver urgent, life-saving support to those most in need."*

The SIRF appeal was launched in May 2021 when the latest wave of the Covid-19 virus became clear in India. Leading welfare charities including The Seafarers' Charity (formerly Seafarers UK), ISWAN, Sailors' Society and Stella Maris and other shipping industry interests came together to search for ways to provide urgent assistance to seafarers and their families. This resulted in the formation of SIRF which sought to raise funds and deliver rapid assistance in India at first, and with potential to expand to other nations.

COVID-19 Delta Variant Causes Fresh Disruptions in Chinese Ports



Since bringing the initial COVID-19 outbreak in Wuhan under control, China has taken a zero-tolerance approach to the coronavirus. However, the delta variant is currently being identified in several Chinese cities and port authorities are further tightening policies to stem rising infection rates.

The Ministry of Transportation in China has ordered all ports to have special teams to deal with foreign vessels and are requiring crew to have health certificates or negative test results before allowing them to load and discharge cargos. These new policies have caused major congestion at several shipping ports.

Zhoushan port in Ningbo, the largest cargo port and the third busiest container port in the world, remained partially closed this week after one employee tested positive last week at the Meishan terminal. As a result, many vessels originally planning to call at Ningbo have been diverted and re-routed to nearby ports amid uncertainty over how long restrictions in the city will last. Both Shanghai port and Xiamen port – 700km south of Ningbo – have seen a sharp increase in the number of vessels waiting at anchorage to discharge cargo.

These latest closures at Ningbo echo the recent COVID-19 outbreak that hit Yantian Port in eastern Shenzhen in late May, during which the port was partially closed for around four weeks, creating massive disruptions.

With shipowners' schedules disrupted, higher premiums are now expected. These events have also injected fresh uncertainty over shipping logistics in Asia and place further strain on global supply chains already stretched by a resurgence of consumer spending and shortage of container ships.

Maersk Reveals Partner on its First Vessel to Operate on Carbon-Neutral Fuel



Maersk has named renewable energy company European Energy and its subsidiary REintegrate as the partners it will work with to produce the green methanol to fuel its first carbon-neutral boxship.

The Danish shipping company said REintegrate and European Energy will set up a new facility in Denmark to produce around 10,000 tonnes of carbon-neutral e-methanol, which the feedership will consume annually. The methanol facility will use renewable energy provided by a solar farm in Kasso and biogenic

CO₂ to produce the e-methanol.

Maersk detailed that while the renewable energy will be produced in Southern Jutland it is yet to be decided where in Denmark the power-to-methanol facility will be located. The fuel production is expected to start in 2023, which dovetails with the planned delivery of the first methanol-fuelled feedership newbuilding ordered by Maersk.

This 2,100-teu vessel, which delivers in mid-2023, is under construction at South Korea's Hyundai Mipo Dockyard, where the company is understood to hold a number of optional berths.

Maersk has indicated that it will sail in the network of its subsidiary, Sealand Europe, on the Baltic shipping route between northern Europe and the Bay of Bothnia. The Danish shipowner has said it will work closely with REIntegrate and European Energy on the development of the facility.

To date, REIntegrate has produced green e-methanol in its test laboratory in Aalborg. Maersk is also constructing an e-methanol facility in Skive with start-up set for 2022.

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