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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 – Profit Taking

Inevitably, given this year's astronomical appreciation in dry asset values we are beginning to see signs of 'flipping'. For some owners, despite the firm freight market, it will be hard to resist the notional gains to their recent acquisitions, for instance we understand the post panamax bulker "**CK AUGUSTA**" (93,251 dwt/blt 2011 Jiangsu Newyangzi, China), which was sold as the "**LDN FORTUNA**" in July this year for excess US\$16m, has been reportedly resold basis delivery January 2022 for US\$19.7m giving the owners a respectable return on a relatively short investment. Buyers of fifteen year old panamax tonnage at the beginning of the year will be cheered at the potential profit as illustrated by this week's sale of the "**BELLAMYS**" (76,773, dwt/blt 2007 Tsuneishi, Japan) at excess US\$17m, when a similar purchase would have been around US\$10m.

RECYCLING – Scrap Still Holding Up

With a number of VLCC's recently sold, both market and private tonnage, it's apparent there is now quite a significant amount of LWT tonnage in circulation for purchase by the end users. Furthermore, there are also some Suezmax units doing the rounds which are expected to be sold soon, including the New Shipping controlled 22,000 LWT "**CAPE BALDER**" which is under close negotiations. These facts have obviously not gone unnoticed with the realisation these will soon have to be digested by the Bangladesh and/or Pakistan recyclers, and has understandably put pressure on prices which are gradually softening. However, because of the general lack of candidates and firm demand that still exists from the cash buyers, prices are holding up despite continued negative reports that prices are falling. Certainly, when looking at prices being reported there has been a correction, but perhaps not to the extent some would like to believe.

TANKERS – Suezmax Inflection Point

There are numerous VLCC negotiations ongoing this week, but nothing firm reported as yet, although softer price levels are being generally anticipated. Similarly, albeit more visibly, 2000 built Suezmaxes are very much in focus and flirting with the threshold of trading purchase interest at demo related levels. There have been some market reports of the **"SONANGOL GIRASSOL" + "SONANGOL LUANDA"** (159,100 dwt/blt 2000 Daewoo) sold for US\$14.1m a piece basis Special Surveys passed within the last year, however as of today we understand that they remain unsold with one unit closing in on a further trading sale to a UAE buyer and the other for recycling, just as the **"CAPE BALDER"** (159,998 dwt/blt 2000 Hyundai) is reported to be heading for the beach (ahead of DD due in November), just as the **"SEA GLAMOUR"** (147,093 dwt/blt 2000 Samsung) sold to Bangladeshi breakers earlier this month with her DD overdue.

Following recent sales of the **"MINERVA NIKE" + "MINERVA ZOE"** (105,400 dwt/blt 2004 Hyundai) at around US\$14m each, this week's sale of **"BUNGA KELANA 7" + "BUNGA KELANA 8"** (105,200 dwt/blt 2004 Samsung) this week at US\$13.3m to undisclosed buyers may also be seen to show some erosion of vintage values, perhaps to be expected as we move towards the final quarter of 2021 with assets soon to age a year on paper. Meanwhile however, MR sales continue to populate the sales sheet with the pump-room type **"JUSTICE EXPRESS"** (45,998 dwt/blt 2011 Shin Kurushima) securing a robust figure of US\$17m from Stealth Maritime, supported by her Special Survey passed in January this year, eclipsing the last same aged pump-room type **"MAERSK MIYAJIMA"** (44,997 dwt/blt 2011 Iwagi) in May at excess US\$16m. While by no means comparable to the deep-well **"MARVIN INDEPENDENCE"** (49,988 dwt/blt 2018 Hyundai Mipo) which also sold earlier this month for US\$17.1m, as an arrested ship at e-auction, any further bargain hunters will be disappointed to learn that the sister ships **"MARVIN FAITH" + "MARVIN CONFIDENCE"** arrest claims have now been settled and Rotterdam judicial sales cancelled.

NEWBUILDING – Expensive Today or Not?

Newbuilding activity remains buoyant with a number of medium sized bulkers and LNG orders reported the last week and eyes are also on Qatar's coming confirmation of their large LNG order. Conversely, tanker activity remains heavily subdued as owners wait for a general market recovery / rebound.

Much is made of current tanker newbuilding pricing which has been determined exclusively by factors outside of the tanker market. However, taking a look at current levels these are not wildly out of sync with historical averages or anywhere near the highest price levels seen in the past. On an Aframax for example, pricing today is US\$58/59m and average pricing 5/10/15/20 years ago was US\$48/50/54/52m respectively. These figures are not adjusted for inflation or for the US\$ value content of environmental / technological advancements in designs. Lowest Aframax pricing was US\$34m back in 2002 and highest back in 2007 at US\$83m so we are today at the mid point between these two polar values or 30% lower than this highest price. Given that, frankly, everything is expensive in the world right now! It is a notable point that tanker newbuilding pricing remains a long way from historically high levels. Once a tanker rebound/ rally gets underway (when exactly and scope still a matter of debate) we therefore expect some rebound in newbuilding enquiry helped also by the likely rising pricing of modern 2nd hand.

Gibson Sale & Purchase Market Report

S&P SALES



Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
AQUABELLA	177,216	2005	Namura (JPN)	Chinese buyer	high 19	SS psd 8/20.
CHS MAGNIFICENCE	173,623	2006	Bohai (CHN)	Navitas Compania Maritima / Chinese buyer	19.15	SS due 12/21.
CK AUGUSTA	93,251	2011	Jiangsu Newyangzi (CHN)	Chinese buyer	19.7	SS due 11/21 dely 01/22
LOWLANDS NELLO	82,014	2015	Sanoyas (JPN)	Neda Maritime	32.2	SS psd 6/20.
TSUNEISHI CEBU SC389 + SC390	82,000	both 2022	Tsuneishi Cebu (PHI)	Japanese buyer	36.5 each	
PEDHOULAS FIGHTER	81,541	2012	Zhejiang Ouhua (CHN)	Chinese buyer	23.7	SS due 8/22. Scrubber fitted.
SEA VISION	77,154	2015	Imabari Hiroshima (JPN)	Undisclosed buyer	30	DD due 4/22.
GREAT TALENT	76,773	2005	Sasebo (JPN)	Chinese buyer	17	SS psd 2/20. BWTS fitted.
BELLAMYS	76,286	2005	Tsuneishi (JPN)	Chinese buyer	xs 17	SS psd 1/20. BWTS fitted.
PALAIS	75,434	2014	Rongsheng H.I. (CHN)	Chinese buyer	23.3	DD due 1/22. BWTS fitted.
BANASOL	72,562	2001	Oshima Zosen (JPN)	Chinese buyer	13.7	Bulker/Caustic Soda Carrier. SS psd 1/21.
TRANS OCEANIC	58,168	2012	Tsuneishi (JPN)	Meghna Marine	xs 23	SS psd 5/21.
GREAT AMITY	56,060	2004	Mitsui (JPN)	Chinese buyer	reg 15	DD due 9/22. Dely 12/21 Jpn-Spore range.
INGENIOUS	55,783	2011	Hyundai - Vietnam (VNM)	Undisclosed buyer	17.8	SS psd 5/21. BWTS fitted.
GUTIAN LOYAL	52,686	2004	Oshima Zosen (JPN)	Undisclosed buyer	13.8	DD due 8/22.
OCEAN OPAL	37,187	2012	Hyundai Mipo (KRS)	Undisclosed buyer	18.5	SS due 7/22.
OCEAN RIDER	34,250	2009	Shin An (KRS)	Undisclosed buyer	xs 14	SS psd 1/20.
MARITIME FAITH	33,166	2011	Kanda (JPN)	Taylor Maritime	16.75	Open hatch. SS psd 2/21. BWTS fitted.
CACTUS K	31,893	2011	Hakodate (JPN)	Greek buyer	16.3	SS psd 6/21. Logs fitted.
SERENITY C	31,754	2011	Mawei (CHN)	Vega Bulk	13.5	SS underway 9/21.
GOLDEN DAISY	28,050	2014	I-S Shipyard (JPN)	Singaporean buyer	16.5	DD due 4/22.
GLORIOUS EARTH	26,102	2013	Shin Kurushima (JPN)	Undisclosed buyer	14.5	DD psd 4/21.
NAREW	16,573	2012	Taizhou Sanfu (CHN)	Undisclosed buyer	9.3	SS due 3/22.
TANKERS						
OCEAN VELA	108,929	2009	SWS (CHN)	Undisclosed buyer	17.7	Xihe forced sale. Dirty trade.
BUNGA KELANA 7 + BUNGA KELANA 8	105,200	both 2004	Samsung (KRS)	Undisclosed buyer	13.3 each	DD due 1+3/22.
STENA IMPERIAL	49,750	2015	CSSC Offshore Marine (CHN)	Undisclosed buyer	29	Deepwell. SS psd 10/20.



						BWTS+Scrubber fitted. 5 yrs BB back.
JUSTICE EXPRESS	45,998	2011	Shin Kurushima (JPN)	Stealth Maritime	17	Pump-room. SS psd 1/21.
INTREPID SEAHAWK	25,589	2011	Nantong Mingde (CHN)	China Merchants Bank		IMO II. Marineline. SS due 12/21. Basis 7 years BB.
HANKUK CHEMI	17,424	2000	Fukuoka (JPN)	Chinese buyer	5.5	Stainless Steel. SS psd 10/20.
HANYU GLORY	8,414	2001	Miyoshi (JPN)	Undisclosed buyer		Stainless Steel. SS due 1/22.
CONTAINERS / RO-RO / REEFER / PCC						
CONTI EVEREST	101,662	2004	Hyundai Ulsan (KRS)	MSC	78	8238 TEU. Gearless.
CAPE CHRONOS	79,294	2015	Hanjin HI, Philpns (PHI)	OM Maritime	135	6865 TEU. Gearless. SS psd 8/20.
MP THE BROWN + MP THE LAW	52,316	both 2009	Hanjin HI, Philpns (PHI)	MSC	64 each	4330 TEU. Gearless. BWTS+Scrubber fitted.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
BULKERS						
Atlantska Plovidba	Kamsarmax	82,000 dwt x 2+2	Jiangsu Hantong (CHN)	2023	34.25	
Wah Kwong Maritime	Ultramax	63,000 dwt x 4	New Dayang (CHN)	2023-2024	30	EEDI phase 3.
Uthalden	Ultramax	63,000 dwt x 2	New Dayang (CHN)	2023		LOI stage.
Quangzhou Ansheng	Bulker	22,500 dwt x 2	New Dayang (CHN)	2023		
TANKERS						
V-Bunkers	Bunkering Tanker	7,999 dwt x 2	TBA (CHN)	2022-2023		Battery-hybrid.
CONTAINERS / RO-RO / REEFER / PCC						
CMA CGM	Containership	7,600 TEU x 6	Samsung (KRS)	2024-2025	120	LNG dual fuel.
Seaspan Corporation	Containership	7,000 TEU x 10	SWS (CHN)	2024-2025	86	Conventional fuel. Against TC to Ocean Network Express.
Eastern Pacific Shipping	PCC	7,000 CEU +1	Jinling (CHN)	2023	est 87	LNG dual fuel.
GAS						
Sinogas	LPG		Jiangnan (CHN)	2023		Panda 93P design.

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/lwt)	Notes
VLCC						
HAPON	1996 / Japan	300,361	48,100	Bangladesh	595	last weeks sale
PENNY H	1996 / Japan	300,361	48,100	Bangladesh		last weeks sale
PERON	1996 / Japan	300,361	48,100	Bangladesh		last weeks sale
SUEZMAX						
LOCH RANNOCH	1998 / Korea	130,031	26,220	Turkey		HKC Green Recycling / old sale

CHEMICAL TANKER					
AFRAMAX RIVER	2002, Japan	107,132	16,740	Bangladesh	old sale
ESCAPADE	1998 / Japan	107,181	16,696	Pakistan	613 last weeks sale
TANKER					
LINDOIA BR	1996 / Brazil	44,582	9,420	as-is Brazil	437 last weeks sale
CHEMICAL TANKER					
EVER EXUBERANT	1994 / Germany	17,084	6,000	Bangladesh	605
BULK CARRIER					
NEW HARMONY	1995 / Singapore	8,248	2,945	Bangladesh	598
GENERAL DRY CARGO					
GOLDEN SAILING	1992 / Korea	4,050	1,508	Pakistan	580 last weeks sale

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	595/610	590/600	580/590	290/300
Dry Cargo/Bulk/Tween/Gen Cargo	580/595	580/590	570/580	280/290

Newbuild and Second Hand Values (\$ million)

	Newbuild	5 Year Old	10 Year Old
Tankers			
VLCC	106	70	46
SUEZMAX	73	48	32
AFRAMAX	59	40	26
MR	40	28	17.5
Bulkers			
CAPE SIZE	60^	41	33.5
KAMSARMAX / PANAMAX	35^	33	25k/23.5p
ULTRAMAX / SUPRAMAX	33.5^	31s	21.5s
HANDYSIZE	28.5^	25	17

^=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.

Grand Port of Al Faw in Iraq to Become the Largest in Middle East



Originally announced in 2010, the Grand Port of Al Faw is an extensive project in Iraq that should turn the country into a major transshipment hub. The port is located along the Kawr Abdallah Channel, near the mouth of the Shatt Al Arab waterway that runs between Iraq and Iran.

This week, the country announced the last phase of the project, which will involve the construction of an additional 100 berths to serve the port. This additional capacity will surpass that of Dubai's Jebel Ali, which is currently the

largest port in the Middle East with a total of 67 berths.

The first stage of the port is now complete with five main piers having been constructed. Work has also started on one of the world's largest subsea tunnels which will connect the Grand Port to the shallower, more northern port of Umm Qasr, as well as other areas. Inmar Al-Safi, information director at the state-owned General Company for Ports, announced this week that the tunnel should be completed within four years. New roads are also planned to improve the logistical framework in the region and communications with Basra.

It is estimated that by 2028, the Grand Port of Al Faw will be moving approximately 36 million tonnes of containerised freight and approximately 22 million tonnes of dry bulk. From an economic perspective, there are hopes that the Grand Port of Al Faw will provide a foundation for the growth in the rest of the country's economy.

Shell Singapore to Utilize Fully-Electric Ferry Service



Shell has announced that it has awarded a contract to Penguin International Limited for the design, build and operation of three fully-electric ferries in Singapore. When the ferries are operational, they will be the first fully-electric ferry service in Singapore, as well as a first for Shell globally.

According to the press release Shell issued on its website, the new ferries are anticipated to be operational in the first half of 2023. The ferries will be single-deck but able to accommodate

200 seats. The ferries will be utilised for transportation of passengers between mainland Singapore and Shell's Energy and Chemicals Park which is situated on Pulau Bukom (island of Bukom). The ferries currently used to provide this trip are diesel powered.

These fully-electric ferries will be powered by a lithium-ion battery system with a capacity of 1.2MWh. They will be able to run at speeds over 20 knots with naught emissions and noise. The berth at Pulau

Bukom will host a combination of fast charging and slow charging stations. During peak hours, the ferries will utilize the fast charging stations and the slow charging stations will be used during off-peak hours and overnight.

Nick Potter, General Manager of Shell Shipping and Maritime Asia Pacific & Middle East, stated that the future of shipping will involve different segments of the sector using differing fuels and that electrification is a solution for decarbonizing short voyages. He said, *"Switching to zero-emission, fully electric ferries is part of Shell's ambition to help accelerate progress towards net-zero emissions in the shipping sector."*

The Maritime and Port Authority of Singapore also commented on this move. Quah Ley Hoon, Chief Executive of the MPA mentioned that *"Shell's bold move to commission new fully-electric ferries will take us a step closer to making a low-carbon future a reality for our maritime sector."*

Maritime Cyprus 2021 Postponed Till 2022



The famous biennial October shipping conference, Maritime Cyprus, has been postponed and will now take place from 9th – 12th October 2022. The organizing committee of the Maritime Cyprus Conference 2021 has taken the difficult decision to reschedule the conference so that it preserves its character and values.

The Maritime Cyprus conference is organised every two years by the Shipping Deputy Ministry in cooperation with the Cyprus Shipping Chamber and the Cyprus Union of Shipowners. It was first established in 1989 and since then, has grown into one of the world's most significant and well attended shipping conferences. Its status now gives it a prominent position in the calendar of many shipping executives, including owners and managers as well as those in charge of organisations with shipping related activities. The Maritime Cyprus conference attracts to Cyprus approximately 800 shipping executives from around the globe.

Shipping Deputy Minister to the President of the Republic of Cyprus, Vassilios Demetriades, commented:

"We have taken the difficult decision to postpone Maritime Cyprus until 2022. The event has global shipping at its core and attracts influential speakers and attendees from around the world, which is why we believe that is essential for us to preserve the quality and philosophy of the conference by waiting a year. Cyprus remains committed to leading positive progress for shipping and, this October, we announce our new long term national shipping strategy, crafted in collaboration with the global industry over the last six months. We look forward to sharing the details of this strategy and how it will help forge the future of shipping both in Cyprus and beyond."

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