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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 – Catching the Breeze

Values certainly have the wind at their back as buyers fight over tonnage, especially in the aframax and MR sector. Only a few weeks back Teekay allowed approaches on their ice classed aframax, **"MATTERHORN SPIRIT"** (114,834 dwt/blt 2005 DSME), hinting they may sell if US\$25m was achieved; we understand that that one buyer is in close discussions at numbers near these ideas. Supportingly, we hear another ice 1A aframax, the **"KRONVIKEN"** (114,523 dwt/blt 2006 Samsung) has gone at US\$25m. Older Suezmaxes values on the other hand look like they are, or about to be, overtaken by their smaller brothers, only last week we heard that Viken had sold their **"STORVIKEN"** (152,013 dwt/blt 2006 Samsung) had sold at US\$23.5m; you have to wonder if these older suezmaxes will catch the breeze as the aframax values sail past!

On the products side we hear that the handy **"ALICUDI M"** (40,081 dwt/blt 2004 Shina) has been sold for an amazing US\$14m. The fact that she can give delivery in the Med in August obviously a key attributing factor. Going back six months or so similar ships were struggling to find half that!

Newbuilding – Up and Down...

Newbuilding tanker pricing is coming into focus as the sell-off of commodities/ global recession fears continues and the resulting potential for the costs of industrial production to come down. However, so far costs remain very firm at the yards and there is a time lag for any reductions to be passed onto yards particularly the steel mills. A major remaining challenge will be the increasing labour costs and persistent general inflation. Many yards also have good forward cover and lost substantially in 2020/21 due to sudden steel plate price rises. They are therefore under no pressure to reduce pricing even if they had the potential to do so. A "wait and see" strategy on newbuildings / pricing may therefore not yield much reward. Modern second-hand tanker pricing continue to rise also and in some cases favouring newbuildings as we have seen for LR2s (which effectively endorses the current

newbuilding price). If good rates and confidence continue in the tanker markets demand at yards may increase further close the door on the chances for price reductions.

The bulker market has been wobbling this week with the Baltic indices down and bad news from the commodity markets. However, rates remain historically very good. Summer holidays are fast approaching, and we may see some quiet period here at the yards for bulkers.

Dry Cargo – Facing the Music

It is now apparent that sellers of dry cargo units must decide whether they are ready to dance to buyers' tunes or not. There is an eerie silence surrounding the sale of the two kamsarmaxes namely the **"BTG RAINER"** & **"BTG MATTERHORN"** (81,070 dwt/blt 2015 JMU, Japan) following the passing of the offer deadline and this would suggest owners did not see levels high enough to attract their interest. Similarly offers are due today on the Korean controlled kamsarmaxes namely the **"DL CARNATION"** (81,805 dwt/blt 2014 Jiangsu Eastern, China) & **"DL IVY"** (81,805 dwt/blt 2012 Jiangsu Eastern, China). The same owners also were due for offers today on their two handies the **"DL LAVENDER"** (35,194 dwt/blt 2014 SPP, South Korea) & **"DL OLIVE"** (35,194 dwt/blt 2013 SPP, South Korea) so next week may provide some indications on where levels are going for these sizes.

Supramax bulkers continue to attract strong interest with a host of sales being reported this week albeit including an enbloc deal within China. Nevertheless, the levels being reported would suggest that prices remain stable in this sector. The sale of the D'Amico controlled **"MAMBA POINT"** (55,614 dwt/blt 2009 Mitsui, Japan) at US\$20.3m is well in line with the sale of the year newer sister vessel **"STILIANOS K"** back in May.

Recycling – Frustrating Times

All markets remain extremely quiet as activity almost grinds to a halt. No sales of any significance are being reported leaving cash buyers and breakers with very little to do. There is some demand and a willingness to buy tonnage, but with asset values relatively firm, freight rates still attractive for owners, and with demo rates having crashed and now in the US\$550/600 range across the board for all types of tonnage, there are precious few realistic demo candidates on offer. Those vessels that do come for sale that are possible scrap ships, often then become trading possibilities as Owners (usually succeeding...) look to find further trading buyers. Overall, it's becoming quite frustrating for those involved in the industry as it seems there is currently no end in sight.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price (\$/m)	Notes
BULKERS						
LEDRA	83,987	2013	Hyundai Samho (KRS)	Five Stars Shipping	28.5	SS due 2/23. No BTWS. Already renamed.
THESTELIA K	82,108	2009	Tsuneishi Zhoushan (CHN)	Greek buyer	23.2	DD due 5/23. BWTS fitted.
VAN CONTINENT	74,476	2007	Hudong Zhonghua (CHN)	HNA Technology	18.5	SS psd 3/22.
RUI FU TAI	73,870	2002	Namura (JPN)	Chinese buyer	low 14	SS psd 2/21. Prompt dely China.
CHRISTINA IV	72,493	2000	Sasebo (JPN)	GLTA (UAE)	13	DD due 2/23.



WESTERN SANTOS	63,518	2014	Jiangsu Hantong (CHN)	Jinhui Shipping	26.4	DD psd 1/22. BWTS fitted.
VAN GENERAL VAN	57,346	2011	STX Dalian (CHN)	HNA Technology	19.2	SS psd 3/22.
AUSPICIOUS VAN	53,630	2006	Yangzhou Dayang (CHN)		16	SS psd 1/22. BWTS fitted
ETERNITY VAN	53,411	2007	Chengxi (CHN)		16.7	SS due 9/22.
VAN BONITA	53,383	2008	Chengxi (CHN)		18.6	SS due 10/23. BWTS fitted.
VAN DUFFY	52,385	2006	Tsuneishi Cebu (PHIL)		17	SS psd 11/21. BWTS fitted.
MAMBA POINT	55,614	2009	Mitsui (JPN)	Undisclosed buyer	20.3	DD due 9/23. BWTS fitted.
MEDI BANGKOK	53,466	2006	Imabari (JPN)	Undisclosed buyer	17.5	DD due 11/23. BWTS fitted. Dely 10/22.
ELIM CHALLENGE	50,206	2002	Mitsui (JPN)	Undisclosed buyer	12.5	SS+BWTS due 7/22.
SEA ROSE	45,700	1995	Hashihama (JPN)	Chinese buyer	low 6	DD due 12/22. BWTS due 8/22.
INTERLINK ETERNITY	39,094	2019	Zhejiang Zengzhou (CHN)	Undisclosed buyer	29.6	Ice 1C. DD due 9/22. BWTS fitted.
MILAU BULKER	38,173	2012	Naikai Innoshima (JPN)	Newport Shipping	23	SS psd 1/22. BWTS fitted.
DORTHE OLDENDORFF	37,873	2019	Shandong Huahai (CHN)	Undisclosed buyer	25	Open hatch. DD psd 6/22. Dely 4q22.
GOLDEN BONNIE	32,280	2009	Kanda (JPN)	Undisclosed buyer	17.2	Open hatch. DD due 7/22.
LORD WELLINGTON	31,921	2005	Hakodate (JPN)	Chinese buyer	14.3	DD due 2/23. Logs+BWTS fitted.
VANTAGE RIDER	29,083	2011	Nantong Nikka (CHN)	Vietnamese buyer	15	SS psd 12/21.
ZHE HAI 355	26,750	2010	Zhejiang Jiuzhou (CHN)	Chinese buyer	7.8* (RMB 52)	*Auction sale. Gearless. Chinese flag.
TANKERS						
A SYMPHONY	150,500	2001	Sasebo (JPN)	Chinese buyer	12.8*	*Auction sale. DD due 7/22. Casualty history.
TORILL KNUITSEN	123,166	2013	Hyundai Ulsan (KRS)	Doun Kisen	112	Shuttle tanker. Twin M/E. Basis 10 yrs charter back. End term P/Obl.
MATTERHORN SPIRIT	114,834	2005	Daewoo (KRS)	Undisclosed buyer	24	Ice 1A. DD due 10/23.
KRONVIKEN	114,523	2006	Samsung (KRS)	Stealth Maritime	25	Ice 1A. SS psd 10/21. BWTS fitted. Cap 1.
SUPER SAPPHIRE	99,867	2009	Hyundai Ulsan (KRS)	Chinese buyer	reg 26 (on subs)	SS psd 1/21. BWTS fitted.
EXPLORER II	47,326	2005	Onomichi (JPN)	Undisclosed buyer	12.1	Pumproom. DD due 10/23. BWTS due 8/22.
ALICUDI M	40,081	2004	Shina (KRS)	Undisclosed buyer	14	DD psd 2/22. Methanol suitable. Cap 1.
EBONY RAY	19,998	2008	Usuki (JPN)	Samudera Shipping	14	Stainless steel. SS due 7/23. Inc. 3 yrs TC @ \$13,750 pd to GSB.
CONTAINERS / RO-RO / REEFER / PCC						
NORTHERN JASPER + NORTHERN JUPITER	108,750	2009+2010	Daewoo (KRS)	Maersk	130 each	8411 TEU. Gearless.
XIN FENG SHANG HAI	67,529	2005	Hanjin HI (KRS)	MSC	60	4992 TEU. Gearless.
GUENTHER SCHULTE	42,046	2008	Shanghai Shipyard (CHN)	Middle Eastern buyer	reg 55	3534 TEU. Gearless. SS due 5/23. BWTS fitted.
CRYSTAL ARROW	12,310	2017	Tsuneishi Zhoushan (CHN)	Undisclosed buyer	27	1020 TEU. Gearless.
GAS (LNG / LPG / LAG / CO2)						

BW SINGAPORE	87,234	2015	Samsung (KRS)	Snam	reg 400	FSRU. 166,808 cbm. 4 x DFDE M/E. Inc. TC to 11/23 to Egas.
SONOMA SPIRIT	9,352	2003	Hudong Zhonghua (CHN)	Undisclosed buyer		8,469 cbm. Semi-ref. SS due 1/23.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price (\$m)	Notes
GENERAL CARGO / MULTI-PURPOSE						
Indonesian buyer	General Cargo	7,000 dwt x 1	WUT Ezhou (CHN)	2024		
TANKERS						
Haxin Shipping	Prod/Chems	14,000 dwt x 1	Zhejiang Mingfei (CHN)	2024	14.8	
CONTAINERS / RO-RO / REEFER / PLC						
MPC Container Ships	Container ship	1,300 TEU x 2	Taizhou Sanfu (CHN)	2024	39	Methanol dual fuel. Against 15 yrs TC to NCL.
GAS (LNG / LPG / LAG / CO2)						
Pasco Gas	LPG	40,000 cbm x 1	Hyundai Mipo (KRS)	2025	63/63.5	LPG dual fuel.
Ocean Yield	LPG/LEG	36,000 cbm x 2	YAMIC (CHN)	2024-2025		

Recycling Activity

Vessel Name	BUILT	DWT	LWT	Delivery	Price (\$/LWT)	Notes
VLCC						
HIKARI	2003 / Japan	300,667	38,673	Bangladesh	606	
KYOTO	2000 / Japan	281,050	42,099	Bangladesh	606	

Recycling Prices (US\$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	590/600	580/590	570/580	270/280
Dry Cargo/Bulk/Tween/Gen Cargo	580/590	570/580	560/570	260/270

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	80.5	56	45.0	24.4%
SUEZMAX	82	55.5	41	32.1	27.8%
AFRAMAX	65	50	37	23.7	55.9%

MR	42.5	34	25.5	17.4	46.2%
Bulkers					
CAPE SIZE	64.5 [^]	52.5 eco	37	23.2	59.3%
KAMSARMAX	37.5 [^]	37.5	28	15.8	77.3%
ULTRAMAX / SUPRAMAX	35 [^]	34	23.5	14.3	63.9%
HANDYSIZE	31 [^]	28.75	23	11.0	108.7%
[^] = Chinese price (otherwise based upon Japanese / Korean country of build) [~] = Basis standard contemporaneous DWT/spec for each type.			[~] = 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.

North Sea Containership Congestions Threatens EU Trade



Despite the recent positive trends in global trade, unusually long congestion in the North Sea could dampen the mood. According to ifW Kiel Institute for the World Economy, problems may arise from significant congestion, high transportation costs and the resulting supply chain issues.

IfW Kiel understand, over 2% of global cargo capacity is at a standstill in the North Sea and have warned that ships cannot be loaded and unloaded as a result of congestion. The affected

North Sea ports are those of Germany, Holland and Belgium. In Germany's Bight region, there are around a dozen large containerships with a capacity of 150,000 standard containers waiting to call elsewhere.

"An end to congestion in container shipping is currently not in sight," said Vincent Stamer, head of Kiel Trade Indicator. "While long queues have also been observed off Shanghai in the past, for example, this is very unusual for the North Sea. For Germany and the EU, this primarily affects overseas trade, especially with Asia, from where, for example, consumer electronics, furniture, or textiles are delivered." A decline in the volume of imports from Asia to Europe has been highlighted, with more than 20% fewer containerships in transit than would ordinarily be expected. This represents the biggest hole in the market since the outbreak of Covid-19 back in 2020. According to the latest data update of the Kiel Trade Indicator, global trade declined in May when compared to the previous month, with a slight drop of 1 percent.

Elsewhere, Russian container ports that are involved with Asian trade have begun to recover, in contrast to the Baltic Sea port of St. Petersburg, where freight volumes continue to remain low.

Iranian oil tanker moves to recover seized cargo

Following its release last month, the aframax tanker Lana has been towed from Karystos (where it was first arrested) to Piraeus, bringing it closer to the tanker Ice Energy, which removed 68,000 tonnes of oil from the Lana on behalf of the United States.

At the time of seizure, the Lana was trading as Pegas and flying under the Russian flag, when became immobilised in Greek waters because of engine failure. The entirety of the oil cargo on board is the property of the Iranian Revolutionary Guard Corps and their Quds Force, both of which were designated as terrorist organisations by the US.

In retaliation to the seizure – which the Iranian government called “international robbery” and “a clear act of piracy” – Iran seized two Greek tankers off the Iranian coast, taking the combined crew of 49 captive. However, as the owner of the ship changed before the US arrest warrant had been sent, a Greek court has now ordered the release of the cargo.

With the prospects of tensions easing, Polembros Shipping, who own one of the Greek ships seized by Iran, stated that they were hopeful that their vessel and crew would soon be released, saying they were “innocent victims caught in the midst of political confrontations”.

Skuld to open new office in Tokyo



On 30/06/2022 Skuld announced that it has obtained an official licence to open a Japanese branch in Tokyo. The Japanese branch of Skuld will offer Japanese shipowners, offshore operators and charterers and traders H&M and P&I insurance, as well as ancillary

covers. Skuld is a highly diversified marine insurer with various products which could enhance Japanese shipping companies’ global competitiveness.

The Japanese branch of Skuld will be headed by Jinsung, who has a bachelor’s degree in law from Waseda University, Tokyo, and prior to joining Skuld in 2020, he spent 15 years at the Japan P&I Club, as deputy general manager and team leader. Son said: “Skuld is recognised in the Japanese marine insurance market for its financial robustness, professionalism, and high-quality service. I look forward to establishing a strong Skuld presence in Japan to further strengthen our close relationships with the Japanese shipping community and provide excellent service and support to the Japanese shipping community for many years to come.”

Ståle Hansen, Skuld president and CEO said: “Skuld has a firm commitment to a strategy of diversification and growth where results from commercial business contribute to mutuality. Further growth is underpinned by a strong underwriting discipline and a focus on quality tonnage, which makes Skuld a perfect fit for the Japanese shipping community. Skuld has over many years enjoyed strong relationships with Japanese shipowners as well as the local insurance market, and having a physical presence in Japan, close to members and clients, will further strengthen our service offering. We are very pleased to welcome Skuld Japan to our global team, and we wish Son the very best of success in the years to come.”

Russia: the top supplier of oil to the EU in the first half of 2022



Following the European Union's attempts to cut trade ties with Russia, latest statistics reveal that Russia was the EU's biggest supplier of crude oil in the first six months of 2022. It has been estimated that between January and June 2022, the EU has imported 223m tonnes of seaborne crude oil, an increase of approximately 15.3% year-on-year.

Even though EU leaders agreed to ban seaborne import of Russian crude in June, such decision will only become effective on 5 December 2022. Analysts have predicted that with no legal repercussions to purchases until then, and with limited alternatives, seaborne imports have already seen an increase of 5.5% compared to last year. EU has now overtaken China as the world's largest seaborne importer.

Unsurprisingly, shipments from West Africa, North Sea, the Arabian Gulf, and the US have rebounded, with increases ranging between 13 to 33%. Other suppliers however, such as Nigeria and Libya, cannot meet supply demands.

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