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

GIBSON SHIPBROKERS

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Tankers – Trading Up

While recent weeks have provided increased VLCC and Suezmax sales volume, this week sees a reversion to habitual type with active aframax and MR tanker purchasing.

The reported sale of "**SIFIS**" (105,827 dwt/built 2007 Tsuneishi, Japan) at US$32m, to an unidentified buyer, on face value falls short of the late October sale of "**P FOS**" (115,577 dwt/built 2007 Sasebo, Japan) sold at US$34m, but for consideration of the dwt differential and more critically pending Special Survey (now deferred to January) versus the P FOS passed in March this year already. Following that sale, Performance Shipping has traded up for the more youthful coated "**FOS HAMILTON**" (105,408 dwt/built 2013 Hyundai, Korea) at US$43.75m for swift delivery by mid-December, which while trading dirty will be cleaned up for products trade as part of their stated products trading strategy. The sale is also useful in reassessing 5 year old benchmark values, given the vacuum between vintage and resale deals in recent months.

After last week's LR1 run of sales, MR tankers are trending again with the "**HIGH MARS**" (51,543 dwt/built 2008 STX, Korea), having failed at US$20.5m in October, now understood to have secured a similar price again to undisclosed interests with her Special Survey due next April. Meanwhile, although unpriced, in an intra-Turkish deal, Besiktas Shipping has quietly acquired the same aged "**BISMARK BERNAS**" (50,554 dwt/built 2008 SPP, Korea) with SS recently passed, in any case likely to represent a near doubling of value when considering Negmar acquired her in January for around a paltry US$11m!

Dry Cargo – Bulk Buying

Despite the continuing depreciation in the Baltic Indices we are see a marked increase in capesize bulker sales. Stealth has underlined their faith with the purchase of the Korean controlled cape "**HL SHINBORYEONG**" (179,294 dwt/built 2010 Hyundai, Korea) at US$24.8m following their recent purchase of the "**AQUAFORTUNE**". The price is certainly discounted from last done and in the height of the market similar units were achieving region US$30m. It will be interesting to see how values fair going forward with little encouragement from the freight market.

Prices for panamax bulkers continue to be driven down as illustrated by the sale of the Japanese owned "**NAVIOS ALDEBARAN**" (76,529 dwt/built 2008 Imabari, Japan), which is being reported sold at US$ 14m. This was after a second round inviting offers and sellers ultimately decided to bite the bullet. As above, this represents some US$5m drop on previous levels concluded for similar ships this year and hence one can understand the growing enthusiasm for investing but as always with shipping, it will be a question of timing and hindsight is a beautiful thing.

Newbuilding – Product Party Continues

Details of MR orders in Korea continue to emerge with 4 x MRs taken at Mipo reportedly by Panocean for end 2024/early 2025 at region US$44m conventional, standard spec basis, as well as a similar deal at K Shipbuilding for 4 x MR reportedly by Al Seer at region US$44m with some provision for DF LNG ready. A further order for a firm quartet of MRs by an Indian owner in Japan has also been reported. Elsewhere, we are aware of LR2 negotiations going on with a Chinese builder and a number of other owners enaging yards. It is notable that all interest is basis conventional design, perhaps as some tire (or accept the reality) that today there is no proven/viable alternative fuel available other than DF LNG. We are also close to 2023, meaning 2025 deliveries are psychologically in the typical two year forward window.

Bulker activity has also picked up with a notable increase in enquiries for medium sized bulkers as activity has long since returned in the second- hand market underscoring sentiment. Further NCM orders have been taken by Qingdao Beihei from Bocimar also. All orders are conventional basis.

Recycling – Demo Doom and Gloom

We are witnessing a falling market with price levels softening from all breaking nations. Steel plate prices are down and sentiments seem to be going from bad to worse, and whilst all this is going on we can't even report of many sales happening nor genuine activity. That said, there are reports of some units under close negotiations that should hopefully come to light next week, and which would give us some much needed benchmark figures (if indeed any vessels are sold, as some have been temporised in view of falling rates), although if/when market levels are reported on tonnage committed, other owners considering to sell for scrap will surely not be too enthusiastic once they realise prices have fallen quite significantly during the past few weeks. It may be a case of let's wait until next year and see where prices are.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
CHINA STEEL TEAM + CHINA STEEL ENTREPRENEUR	203,512	2006+2007	CSBC (TWN)	Alberta Ship Management	17.75 each	DD due 8+10/24. BWTS fitted.
NAVIOS OBELIKS	181,415	2012	Koyo (JPN)	Synergy Maritime	29.5	DD due 9/23. BWTS+Scrubber fitted.

HL SHINBORYEONG	179,294	2010	Hyundai Samho (KRS)	Stealth Maritime	24.8	DD due 6/23. BWTS+Scrubber fitted.
CHS SPLENDOR	170,094	2006	I H I (JPN)	Chinese buyer	15.5	DD due 2/24. BWTS fitted.
DARYA LOK	81,874	2012	Daewoo (KRS)	Undisclosed buyer	21.5	SS psd 6/22. BWTS fitted.
ULTRA PANACHE	78,450	2011	Sanoyas (JPN)	Undisclosed buyer	17	DD due 1/24. BWTS fitted.
NAVIOS ALDEBARAN	76,529	2008	Imabari (JPN)	Undisclosed buyer	14	DD due 8/23. BWTS fitted.
LT OCEAN STAR	75,395	2005	Universal Maizuru (JPN)	Undisclosed buyer	14	DD due 11/23.
OCEAN ECHO	37,084	2013	Saiki (JPN)	Undisclosed buyer	17.5	Open hatch.DD due 10/23. BWTS fitted.
SUPER CAROLINE	33,427	2007	Shin Kochi (JPN)	Undisclosed buyer	13.7	Open hatch. DD due 7/23.
BLUE BAIE	31,734	2006	Saiki (JPN)	Turkish buyer	13	Open hatch.DD due 2/24. BWTS+logs fitted. Sold 10/22. Dely 2/23.
			TANKERS			
SIFIS	105,827	2007	Tsuneishi (JPN)	Undisclosed buyer	32	SS postponed 1/23.
FOS HAMILTON	105,408	2013	Hyundai Gunsan (KRS)	Performance Shipping	43.75	Coated. Trading dirty. SS due 9/23. BWTS fitted. Dely mid 12/22.
AUGUSTA	72,344	2003	Hudong Zhonghua (CHN)	Chinese buyer	12	Pump-room. Trading dirty. SS due 2/23.
HIGH MARS	51,543	2008	STX Jinhae (KRS)	Undisclosed buyer	20.3	Deepwell. SS+BWTS due 4/23.
BISMARK BERNAS	50,554	2008	SPP Sacheon (KRS)	Besiktas Shipping	P+C	Deepwell. SS psd 10/22. BWTS fitted. Already renamed.
GOLDEN CAMELLIA	34,783	2021	Fujian Mawei (CHN)	Undisclosed buyer	reg/xs 34.5	Twin engine. DD due 10/24. BWTS fitted.
GS FORWARD + GS FUTURE	17,530	2008+2009	Samho (KRS)	Undisclosed buyer	reg 24 en bloc	Marineline. SS due 1+2/24. Dely 2023.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
			BULKERS			
Compagnie Maritime Belge	Newcastlemax	210,000 dwt x 10	Qingdao Beihai (CHN)	2025-2026	64	LNG dual fuel. Ammonia ready.
Ciner Denizcilik	Handysize	41,000 dwt x 4	Jiangmen Nanyang (CHN)	2024	29.8	
			TANKERS			
Panocean	MR	50,000 dwt x 4	Hyundai Mipo (KRS)	2024-2025	44	Conventional propulsion.
Al Seer Marine	MR	50,000 dwt x 4	K Shipbuilding (KRS)	2024	43.75	LNG (option ammonia/methanol) ready.

CONTAINERS / RO-RO / REEFER / PCC						
BYD	PCTC	7,000 CEU x 2	GSI (CHN)	2025	low 90	LNG dual fuel.
GAS (LNG / LPG / LAG / CO2)						
Minerva Gas	LNG	174,000 cbm x 2	Samsung (KRS)	2026	221	Against TC to QatarEnergy.
Evalend Shipping	LPG	88,000 cbm x 2	Hyundai Ulsan (KRS)	2025	96.6	LPG dual fuel.

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	540/560	540/550	540/550	250/260
Dry Cargo/Bulk/Tween/Gen Cargo	530/540	530/540	530/540	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	89	66	45.4	45.4%
SUEZMAX	80	63	45	32.4	36.0%
AFRAMAX	65	57	42	24.1	74.0%
MR	44	39	28.5	17.7	61.0%
Bulkers					
CAPESIZE	63.5^	47 eco	30	23.5	27.4%
KAMSARMAX	36^	30.5	22.5	16.1	39.7%
ULTRAMAX / SUPRAMAX	33^	29.5	21	14.0	50.5%
HANDYSIZE	29.5^	26	17	11.3	50.4%

^ = 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.

BIMCO – The New GENCON 2022

BIMCO has recently published the latest version of the well-known voyage charter party standard form, the GENCON 1994, which is used in dry bulk trade. The purpose behind its recent update is to allow all the recent developments, whether commercial and/or legal, in the shipping industry to be incorporated into the new version, the GENCON 2022.

The intention of the BIMCO's drafting committee was to strike the right balance for the GENCON 2022 between the changes which may favour the shipowners or the charterers. In this respect, Søren Larsen, BIMCO Deputy Secretary General, said: "When we sit down and start the process of drafting standard contracts and clauses for the maritime industry, our focus is on striking the right balance between the parties involved. This is regardless of which contract or clause is on the drawing table. The drafting of GENCON 2022 reflects this".

Additionally, the intention of the BIMCO's drafting committee was to produce a clearly worded contract for GENCON 2022 which reduces the potential grounds for disputes on matters of interpretation. John Weale, Chairman of the drafting sub-committee, said "I have been active in dry bulk shipping all my working life and have seen how important it can be to get the wording just right. There is no perfect charter party, but I do believe that GENCON 2022 will go a long way towards meeting the needs of today's industry and avoiding disputes."

In summary, the GENCON 2022 is said to be an improved version of the GENCON 1994 and marks 100 years since the introduction of the GENCON 1922, the first GENCON contract that BIMCO launched.

Missing Cargo Vessel located after Search and Rescue Operation

The *Mutia Ladjoni 7* has been found drifting in the Arafura Sea off Western New Guinea after being missing for about four days. The 3,861 dwt cargo ship was located on Monday morning with all 16 crew members aboard. Early reports indicate that the captain and engineer had fallen ill while the vessel was adrift, and were immediately evacuated to hospital by authorities.

A full-scale search and rescue operation was launched on Friday, 11 November, after shipowners reported to Indonesian authorities that all radio contact with the vessel had been lost.

Although the vessel had not sent distress signals at any time prior, owners feared the worst as technical problems had been reported on board.

The SAR operation involved vessels from multiple local districts, as well as Indonesian police and navy vessels. The head of the Basarnas Ambon district, which was leading the search, reported that the vessel was found completely blacked out, possibly having run out of fuel. Reports also stated that fuel lines had become clogged with mud.

The *Mutia Ladjoni 7* was built in 1983 and is registered in Indonesia. The vessel is used for inter-island cargo services and had unloaded its cargo immediately prior to going missing. The cargo ship departed the port of Timika in Indonesia on Western New Guinea on Wednesday, 9 November, and was due to proceed to the port of Bontang on the island of Borneo. SAR operators believe the *Mutia Ladjoni 7* had changed course to make a refueling stop in Dobo before losing power and spending several days adrift.

The Mouse Reaches for the Stars

Following the collapse of Genting Hong Kong at the start of the year which left the future of their unfinished 208,000-gt cruise ship Global Dream in tandem, Disney Cruise Line has now announced that it has completed the acquisition of the incomplete vessel with a view to adding it to its fleet in 2025.

Disney, who this year launched the *Disney Wish,* their first new-build in over a decade, will see their fleet more than double over the next few years as they launch the *Disney Treasure* in 2024, closely followed by a yet to be named third sistership in 2025. The addition of the former *Global Dream*, which Disney have indicated will be based outside of the US, will therefore not only significantly increase its capacity but also, it appears, geographical reach.

In a statement, Disney said that the vessel had been acquired at a favourable price and that the Line will work together with the German shipbuilder Meyer Werft to complete the vessel whilst adding the characteristic Disney-touch. Further details of the ships new name, design and future operations will be announced at a later date.

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