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 – Mexican Stand-off

The absence of any large deadweight crude or product tanker sales this week speaks to the uncertainty beset upon the market presently with the annually anticipated winter seasonal boost taking its time to show itself set against a backdrop of asset values looking to have peaked and gravity now tugging at the tails of older fleet ranks. Some sectors, such as vintage MR tankers, seem now to present a 'buyers' market' but this picture is far from universal and limited sales candidates in other segments leave sellers still in the driving seat, not least for modern eco tonnage. However, with the US election result now clear and the world strapping itself in for the second Trump administration, many sellers and buyers seem resolved to wait and see how new policies, both domestic (such as energy production) and foreign, play out to be able to navigate how fundamentals may be reforged in 2025.

Meanwhile, on the Newbuilding side, Dalian Shipbuilding has thrown a cat among the pigeons, as the reported US$ 132 m VLCC unit price of a quartet ordered by CSET's Hainan Energy has upped the price ante, in contrast to brokers' benchmarks around US$ 129 m and Iino Lines' recent singular methanol dual-fuelled VLCC order at Nihon Shipyard in Japan at a reported US$ 130 m. A singular VLCC delivery this year has made the VLCC sector enticing from a fleet fundamental perspective, but with roughly 60-75 firm/options placed this year it will be challenging for this new price to move the needle considerably, least not when details of fuelling (and/or extras) of the Hainan Energy order remain undisclosed and the question of how a Chinese newbuilding can trump Korean/Japanese prices is without a clear answer.

Dry Cargo – Biting the Bullet

This week saw renewed activity in the dry bulk sector due undoubtedly to the fact that some sellers have elected to "bite the bullet" and have accepted this lower price environment in order to get the deal done, consequently values are at lower levels than what were seen last month. The Kamsarmax "**ENERGY SUNRISE**" (81,793 dwt / built 2014 Tadotsu, Japan) was sold for $23.4 m, however just last month "**NORD VIRGO**" (81,001 dwt / built 2014 JMU, Japan) was sold for $26.5 m. Also one very good illustration of the fall is the sale of "**TOMINI NOBILITY**" (81,093 dwt / built 2002 Taizhou Koan, China) at US$ 28.5 m, this vessel was previously reported sold in September at excess US$ 30 m. The general fall in the asset values across the board can be attested to an unusually weak seasonal freight market.

For majority of the dry bulk segment with Kamsarmaxes and Ultramaxes in particular, over 10 pct of the fleet is on order. The anticipation of a rising number of young ships entering the fleet could give rise to the perception that there could be room for further softening. However, it must be noted that most of the segments of the dry fleet have considerable amount of older candidates as well, which for a variety of factors will be going for recycling in the not too distant future. With Capes now seeing an uptick on the BCI, this could well filter down to the smaller segments. Hence, the potential rebound coupled with a significant proportion of the older, and notably non-eco, dry fleet up for recycling, still gives cause for optimism, especially at the modern eco end of the scale.

Recycling – Giving it Gas!

Perhaps the most notable event of this week was the Tradewinds Ship Recycling Conference, where there was a palpable sense of optimistic anticipation amongst participants for increased recycling activity in the year ahead. This feeling is largely backed up by an ageing dry bulk and tanker fleet at the end of their trading years and new ships entering the waters in increasing numbers next year onwards.

While recycling sales remained quiet this week, news is emerging that SK Shipping has sold a quartet of LNG carriers approaching 25 years of age for 'as-is' delivery Singapore at US$ 469 per LDT, noting the trading environment for these older specification ships has deteriorated significantly this year, leading then perhaps to greater hope of more such vessels to come in the coming months.

Newbuilding – Stick in the Mud

Bahri Week has now come to an end with a range of market views exchanged. For newbuildings many of course wish to see historically high pricing come down. However, fresh newbuilding deals continue to emerge albeit in a much reduced volume from a few months ago. Further LR1s and MRs have been ordered and we understand discussions continue on Suezmaxes. Against such activity it remains hard to persuade the yards to significantly reduce pricing other than in a marginal capacity to get the deal done. Tanker market sentiment is clearly down but this does not cancel out the presence of a significantly ageing fleet (1 in 5 tankers in 2025 will be over 20 years old) including under the ownership of the mainstream owners. Incoming environment regulations also limit how far owners can credibly renew their fleet with older vessel acquisitions (even though pricing is expect to fall). Many are in agreement that modern second hand pricing is unlikely to fall with owners/ sellers cash rich and therefore we maintain our view that newbuilding enquiry will continue.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel Name	DWT	Built	Yard	Buyers	Price ($/m)	Notes
BULKERS						
VERDURE WAVE	88,269	2005	Imabari (Japan)	Undisclosed	high 11	SS due 6/25. BWTS.

ENERGY SUNRISE	81,793	2014	Tadotsu (Japan)	Greek buyer	23.4	SS psd 4/24. BWTS. Non-eco.
CL TIANJING	81,315	2016	Jinling (China)	Undisclosed	est. 22.95 (A)	Auction. SS due 3/26. BWTS.
CL SINGAPORE	81,323	2016	Jinling (China)	Undisclosed	est. 22.95 (A)	Auction. SS due 1/26. BWTS.
CL RIZHAO	81,296	2015	Jinling (China)	Undisclosed	est. 21.6 (A)	Auction. SS due 5/25. BWTS.
TOMINI NOBILITY	81,093	2020	Taizhou Kouan (China)	Greek buyer	28.5	SS due 9/25. BWTS.
HONG BO 6	56,880	2011	Yangfan (China)	Chinese buyer	14.0	DD due 11/24. BWTS. Shore power.
MIMITSU	38,477	2012	Naikai Setoda (Japan)	Greek buyer	–	OHBC. SS due 5/26. Already renamed.
ARCTIC OCEAN	36,009	2010	Samin (China)	Middle Eastern buyer	11.6	SS due 8/25. BWTS. Logs.
FOUR AIDA + FOUR OTELLO	34,350	2009 + 2010	SPP (Korea)	Greek buyer	11 + 11.8	SS psd 10/24 + due 6/25. BWTS.
MILTIADES II	30,536	2006	Shanhaiguan (China)	AK Shipping	7.8	DD due 11/24. Already renamed.
TANKERS						
GOLDEN YOSA	19,701	2008	Fukuoka (Japan)	Undisclosed	21.2	Stainless Steel. DD due 6/26.
G STAR	13,102	2006	21C Shipbuilding (Korea)	Indonesian buyer	9.9	Marineline. 14 grades. SS due 7/26. BWTS.
JM SUTERA 6	11,134	2010	Yangzhou Kejin (China)	Undisclosed	reg 7	Epoxy. 5 grades. SS+BWTS due 12/24.
CONTAINERS / RO-RO / REEFER / PCC						
EVER UNITED	63,309	1996	Mitsubishi (Japan)	MSC	30	5,364 TEU. Gearless. DD due 1/25. BWTS.
STRAIT MAS	37,114	2002	Kanasashi (Japan)	Chinese buyer	18.4	2,607 TEU. Gearless. DD due 4/26.
LUDWIG SCHULTE	23,175	2008	Guangzhou Wenchong (China)	MSC	14.5	1,740 TEU. Geared. DD due 10/26. BWTS. Ice 1B.
QUEZON BRIDGE	21,920	2009	Imabari (Japan)	Indonesian buyer	15.5	1,700 TEU. Gearless. SS due 5/26.
VICTORY VOYAGER	15,232	1998	Hakata (Japan)	Russian buyer	–	1,060 TEU. Gearless. DD due 2/26. Already renamed.
CONTSHIP FUN + CONTSHIP SUN	11,830	2006 + 2007	Zhejiang Yangfan (China)	Greek buyer	8.2 each	957 TEU. Geared. Ice 1B. Inc. TC.
JRS CARINA	8,203	2007	Mawei (China)	Russian buyer	–	698 TEU. Gearless. Ice 1A. SS due

						12/27. Already renamed.
GAS (LNG / LPG / LAG / CO2)						
SPREAD EAGLE	54,557	2016	Hyundai Ulsan (Korea)	Indian buyer	–	82,415 cbm. SS due 1/26. BWTS.
EPIC ST. AGNES + EPIC ST. IVAN	5,170	both 2015	Kitanihom (Japan)	Erasmus	–	4,919 cbm. Pressurised. SS due 2+3/25. Inc. TC.
EPIC ST. MARTIN	5,024	2008	Kanrei (Japan)	Erasmus	–	4,918 cbm. Pressurised. DD due 5/26. Inc. TC.

NEWBUILDING ORDERS

Ordering Client	Vessel Type	Size / No. of units	Shipyard (Country)	Delivery	Price ($m)	Notes
TANKERS						
CSET Hainan	VLCC	307,000 dwt x 4	Dalian (China)	TBA	132.0	Conventional M/E.
Dynacom	LR1	75,000 dwt x 4	Yangzijiang (China)	2027-2028	55.0	Conventional M/E.
Monte Nero Management	MR	50,000 dwt x 2+2	COSCO Guangdong (China)	2027-2028	43-44	–
Hercules Tankers	Product / Chemicals	7,700 dwt x 6+4	Jiangmen Hantong (China)	2026-2027	–	Diesel elec. Battery ready.
GAS (LNG / LPG / LAG / CO2)						
Maran Gas Maritime	LNG	174,000 cbm x 2+2	Hanwha Ocean (Korea)	2027	255.2	Reliquefaction. Air lube. shaft gen.
Sinogas Maritime	LPG	41,000 cbm x 4	Huangpu Wenchong Longxue (China)	2027	–	
Eastern Pacific Shipping <JV> MPC	LNG BV	18,000 cbm x 4	HD Hyundai Mipo (Korea)	2028	92.6	LNG DF.
BULKERS						
Belships (via Japanese leasing)	Ultramax	64,000 dwt + 1	Shin Kasado (Japan)	2028	–	Declared option.
CONTAINERS / RO-RO / REEFER / PCC						
KMTC	Containers	9,000 TEU x 2	HD Hyundai Samho (Korea)	2027	reg 115	KMTC

Recycling Prices (US$/LWT)

	Bangladesh	Pakistan	India	Turkey
Tank/Cont/Ro-Ro/Capes/LPG/PCC	475 – 500	480 – 490	475 – 485	340 – 350
Dry Cargo/Bulk/Tween/Gen Cargo	465 – 480	460 – 470	455 – 465	330 – 340

Newbuild and Second Hand Benchmark Values
($ million)

Historical Average Values
($ million)

Vessel Type	New Building	5 Year Old Vessel	10 Year Old Vessel	10 Year Old Vessel~	% Difference Present

		(Built 2017)	(Built 2012)	(10 Years Average)	Vs Historical
Tankers					
VLCC	130.0	115.0	85.0	53.3	59.5%
Suezmax	90.0	80.0	64.0	38.8	64.9%
Aframax	75.0	70.0	57.0	31.2	82.7%
MR	52.0	47.0	37.0	21.6	71.3%
Bulkers					
Capesize	76^	63.5	44.0	25.3	73.9%
Kamsarmax	37^	35.0	25.5	17.6	44.9%
Ultramax / Supramax	34.5^	34.5	24.8	14.8	67.2%
Handysize	30^	26.5	19.5	12.2	59.8%
^ = 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.

Advancing Training for Seafarers on LNG-Fuelled Ships

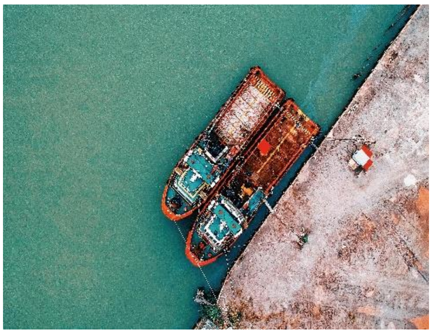
The IMO Secretariat, Member states and international organisations, such as the Nippon Foundation, are collaborating to advance training to seafarers operating LNG-fuelled and alternative-fuelled ships, supporting the industry's need for skilled and qualified personnel.

Indonesian, Filipino and Vietnamese seafarer trainers have been stretched during their advanced simulator and practical training at workshops in Ashiya and Yokosuka, Japan for LNG-fuelled ships. The workshops are part of IMO's efforts to ensure seafarers are well-prepared to operate liquified natural gas (LNG)-fuelled ships safely and effectively. The specific workshop involved LNG bunker simulator trainings at the Marine Technical College in Ashiya City of Japan, and (advanced emergency responses exercises at the Maritime Disaster Preventions Centra (MDPC) in Yokosuka City of Japan.

The training's approach focused on gaining hands-on experience by using LNG bunkering simulators and learning the emergency measures for LNG leakages, as well as fire control. The nine trainers, now more knowledgeable and experienced, were able to boost their programmes and enhance their training capacity on LNG and other alternative-fuelled vessels at their own institutions.

The workshop's foundations were based on the Standards of Training, Certification, and Watchkeeping for Seafarers (STCW) Convention and Code, considering model courses 7.13 and 7.14 on the Basic and Advanced training for masters, officers, ratings and other personnel on ships subject to the IGF Code. Following regulation V/3 of the STCW Convention, to receive a certificate in advanced training for service on ships subject to the IGF Code, a candidate must have completed at least one month of approved seagoing service, including three bunkering operations on board ships subject to the IGF Code..

Waste Dumping at Sea: New Project to Help Prevent Marine Pollution



The central focus of the new 7.8 million USD project, SMART-C LC/LP, is to promote the implementation of the London Protocol (LP), which bans sea dumping, through education and collaborative research. Funded by the Republic of Korea, it will centre on building capacity to implement the LP in Mongolia, the Caribbean region and other Contracting and non-Contracting Parties to the LP and will run from 2024 to 2029.

As developing countries, especially LDCs and SIDS, face limitations in scientific, technical, and administrative capacity to implement the Protocol, and government officials have few opportunities to become leading experts in this field, the project seeks to overcome these challenges by offering training focused on the same areas. This, in turn, will enhance the participating countries' ability to employ the provisions of the LP treaty, therefore leading to the strengthening of the protection of the marine environment.

On 11 November, the project agreement was signed on the sidelines of the UN climate conference in Baku Azerbaijan, by IMO Secretary-Geneal Arsenio Dominguez and H. E. Mr. Sung-bum King, Deputy Minister, Marine Policy Office, Ministry of Oceans & Fisheries of the Republic of Korea.

The SMART-C LC/LP project will join other projects under the Sustainable Maritime Transport Cooperation (SMART-C) Programme, working to innovate sustainable maritime transport systems thereby safeguarding the marine environment.

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