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 – Summer Cruising

S&P expectations remain seasonally adjusted to quieter activity although recent weeks have not been devoid of action and more modern units have observably changed hands than normal. Nonetheless, with most modern units sold off-market, and little openly available for purchase, pricing remains relatively protected at firm levels. Accordingly shipyard orders greatly outpace second-hand activity currently from VLCCs all the way down to chemical tankers, the latter showing consistent fleet rebuilding after years of under-investment.

MR tanker sales make their weekly appearance with the '**NAVE ORBIT**' (50,469 dwt / built 2009 SPP, S. Korea) selling for US$ 26 m in line with the recent sister sale of '**NAVE EQUATOR**' at the same price to an Indonesian buyer, both ships with Special Surveys due in the autumn. Meanwhile, the zinc coated '**NCC TABUK**' (45,963 dwt / built 2006 Hyundai Mipo, S. Korea) is reported sold at US$ 22 m, mirroring the May sale of '**GULF ESPRIT**' (46,891 dwt / built 2006 Hyundai Mipo, S. Korea) at the same price.

Dry Cargo – Eastern Promise

With China dominating the Olympic medal table we are seeing a similar ascendency in this week's sales list, with a number of vessels reported sold with China being tagged as their ultimate destination. For instance, the Japanese controlled capesize bulker '**SEA TRIUMPH**' (181,414 dwt / built 2012 Koyo, Japan) is reported sold at US$ 36 m to Chinese buyers, which is in fact firmer than last done. Chinese buyers were also reported to have acquired the '**CAPE MATILDE**' (178,381 dwt / built 2010 Mitsui, Japan) along with three kamsarmax bulkers namely '**THERESA GUANDONG** / **HEBEI** / **JILIN**' (82,000 dwt / built 2012 Jiangsu Eastern / Sainty, China), which are reported sold at US$ 19 m each, which also looks like a firm price considering the similar '**YU QIANG**' (81,608 dwt / built 2012 Fujian Baima, China) was reported sold a couple of weeks ago at an inferior US$ 17.5 m.

It is interesting to note that some of the other sales we are reporting are also labelled to Far Eastern buyers such as Pan Ocean, Vietnamese and Indonesia showing Eastern dominance in the sale and purchase market.

Recycling – Cruel Summer

The current state of recycling in the subcontinent is characterized by uncertainty and stagnation. The prolonged absence of ships available for recycling, coupled with the challenging economic conditions in Bangladesh and a recent unfavourable budget announcement in India, have contributed to this situation.

Steel prices in both India and Bangladesh have experienced a significant decline, leading to dissatisfaction among end buyers. In contrast, Pakistani recyclers have surprisingly advanced their operations and are offering competitive pricing. With monsoon season in full swing, the outlook remains bleak, as workers are returning to their home towns and work is progressing slowly.

Newbuilding – Digging in at Dalian

Some uptick in VLCC activity as Fredriksen has exercised options for VLCCs at Dalian. Separately, two slots for second half 2026 and two slots for first half 2027 have been committed for VLCsC (we believe in the region of US$ 125 m) also in Dalian after Bahri's LOI failed. Furthermore, Dalian has committed two 2027 slots for LR2, we believe at region US$ 73 m. Many owners seem distracted by the summer holidays but pockets of activity clearly remain, especially for tankers.

Gibson Sale & Purchase Market Report

S&P SALES

Vessel	Dwt	Built	Yard	Buyers	Price	Notes
			Bulkers			
FORMENTO TWO	206,960	2017	Daehan (Korea)	Panocean	60.00	DD due 5/25. BWTS. Scrubber. Inc. TC to Oldendorff to 3q25 @ 130% index
SEA TRIUMPH	181,415	2012	Koyo (Japan)	Chinese buyer	36.00	DD due 1/25. BWTS.
CAPE MATHILDE	178,381	2010	Mitsui (Japan)	Chinese buyer	30.50	SS due 11/25. BWTS.
KRISTIAN OLDENDORFF	82,143	2024	Jiangsu New Hantong (China)	Undisclosed	40.85	BWTS. Scrubber.
THERESA GUANGDONG	82,000	2012	Jiangsu Eastern (China)	Chinese buyer	low 19 each	DD due 9/25.
THERESA HEBEI + THERESA JILIN	82,000	2012	Sainty Yangzhou (China)	Undisclosed	low 19 each	DD due 4+7/25.
CENTURY ZHENGZHOU	63,550	2024	Nantong Xiangyu (China)	Spar Shipping	38.30	Tier III.
DOLCE VITA	61,616	2012	Oshima (Japan)	Chinese buyer	23.50	DD due 1/26. BWTS.

H JUNO	57,353	2011	Hengli HI (China)	Vietnamese buyer	14.20	SS due 11/25.
MARINOR	56,784	2009	Jiangsu Hantong (China)	Undisclosed	13.00	SS due 10/24.
CAPTAIN KARAM	56,018	2006	Mitsui (Japan)	Indonesian buyer	14.00	SS psd 5/24. BWTS.
CORELEADER OL	37,118	2012	Saiki (Japan)	Manta Denizcilik	17.40	OHBC. DD due 10/25. BWTS.
DARYA JAMUNA	36,845	2012	Hyundai Mipo (Korea)	Greek buyer	16.30	DD due 7/25. BWTS.
			Tankers			
NAVE ORBIT	50,469	2009	SPP (Korea)	Undisclosed	26.00	Deepwell. SS due 10/24. BWTS. Forward TC free dely.
NCC TABUK	45,963	2006	Hyundai Mipo (Korea)	Undisclosed	reg 22	Deepwell. Zinc. 22 grades. DD due 9/24. BWTS.
KANG YUN	43,407	1992	CSBC (Taiwan)	Chinese buyer	4.75	Deepwell. DD due 5/25.
MTM GIBRALTAR	20,810	2003	Kitanihon (Japan)	Undisclosed	14.50	Stainless steel. DD due 8/26. BWTS.
PEARL MAYA	7,999	2019	Bohai (China)	Undisclosed	16.50	Bunkering. Twin M/E. SS due 8/24. BWTS.
AGARTHA	4,692	2003	Ceksan (Turkey)	Undisclosed	high 4	Epoxy. 11 grades. Ice 1C. DD due 6/26. Already renamed.
			Gas (LNG / LPG / LEG / LAG)			
KEEGAN NO.1 + KEEGAN NO.2	55,075	both 2020	Jiangnan (China)	JP Morgan	92.5 each	82,320 cbm. SS due 10+12/25. BWTS. Scrubber. Tier III.
SC COMMANDER LVII	49,723	1999	Mitsubishi (Japan)	Chinese buyer	43.00	76,929 cbm. DD due 12/25.
YAS	10,077	2014	STX Jinhae (Korea)	Dong A Tankers	28.50	9,198 cbm. Semi-ref/Ethylene. SS psd 2/24. BTWS.

Newbuilding Orders

Client	Type	Size	Shipyard	Delivery	Price (US$ mill)	Notes
			Tankers			
Seatankers Management	VLCC	307,000 dwt + 2	Dalian (China)	2027	reg 120	Scrubber. Declared options.
Cido Shipping	Suezmax	159,000 dwt x 4	HD Hyundai (Korea)	2027	reg 91	Scrubber.
Cido Shipping	LR2	115,000 dwt x 4	HD Hyundai (Vietnam)	2028	reg 70	-
Eastern Pacific Shipping	LR2	113,600 dwt x 4	Xiamen (China)	2028	73-74	LNG dual-fuel.
Cido Shipping	MR2	50,000 dwt x 4 + 4	HD Hyundai (Vietnam)	2027-2028	reg 47	-
Asia Pacific Shipping	Chemicals	25,900 dwt x 2	Wuhu (China)	2027	reg 50	Stainless steel.
Asia Pacific Shipping	Chemicals	25,900 dwt x 2	Wuchang (China)	2027	reg 50	Stainless steel.
Donsotank Rederi	Chemicals	22,500 dwt x 1	Wuhu (China)	2027	-	LNG+LBG dual-fuel. Battery. Shore-power.
Trafigura	Asphalt/ Bitumen	17,500 dwt x 1	Chengxi (China)	2026	-	-

GEFO	Chemicals	7,900 dwt x 2 + 2	Nantong Xiangyu (China)	2026-2027	-	St.Steel. Ice 1A. Methanol dual-fuel + Flettner sail ready.
Containers / Ro-Ro / Reefer / Car-Truck Carriers (PCC/PCTC)						
Cido Shipping	PCTC	7,600 CEU x 12	CMHI Haimen (China)	2027-2029	90	-
NOCC	PCTC	7,000 CEU x 2	Yantai CIMC Raffles (China)	2026-2027	91	LNG dual-fuel.
Gas (LNG / LPG / LEG / LAG)						
Eastern Pacific Shipping	ULEC	150,000 cbm x 6	Jiangnan (China)	2027	reg 200	Ethane dual-fuel. Against TC to Satellite Chemical.
Eastern Pacific Shipping	ULEC	150,000 cbm x 2	HD Hyundai (Korea)	2027	-	Ethane dual-fuel. Against TC to Satellite Chemical.
Ibaizabal Tankers	LNG (Bunkering)	18,600 cbm x 1 + 1	Hudong Zhonghua (China)	2026	xs 90	-

RECYCLING ACTIVITY

Vessel Name	Built (Country)	DWT	Lightweight (LWT)	Delivery	Price (US$ per LWT)	Notes
GENERAL CARGO / TWEEN / MULTI-PURPOSE						
HONG FA SHANG HAI	1997 (Croatia)	22,271	9,346	-	539	-
MERSIN 15	1991 (Egypt)	12,802	5,382	India	-	General cargo (RoRo)
PIONEER	1978 (USA)	-	1,348	Bangladesh	530	Pollution Control Ship
CONTAINERS / RO-RO / REEFER / PCC						
ICE RUNNER	1984 (Japan)	14,519	6,939	India (HKC compliant)	615	Reefer. 289t aluminium.

Recycling Prices ($/Ldt)

	Bangladesh	Pakistan	India	Turkey
Tankers / Cont / Ro-Ro / Capes / PCC / LPG / LNG	550 - 560	540 - 550	520 - 530	370 - 380
Bulkers / Tween / General Cargo	530 - 540	520 - 530	500 - 510	350 - 360

Newbuild and Second Hand Benchmark Values *($ million)*

				Historical Average Values *($ million)*	
Vessel Type	NB	5yo	10yo	10yo ave~	10yo ave % diff
Tankers					
VLCC	129.00	115.00	85.00	52.20	63%
Suezmax	90.00	83.00	68.00	37.80	80%
Aframax	75.00	72.50	60.00	30.10	100%
MR	52.00	47.25	39.25	20.80	88%
Bulkers					

Capesize	76.50^	64.00	45.00	25.00	80%
Kamsarmax	37.50^	38.50	29.50	17.30	70%
Ultramax / Supramax	34.50^	36.75	28.50	14.60	95%
Handysize	30.50^	28.50	21.00	12.10	74%
^ = Chinese price (otherwise based upon Japanese / Korean country of build)					
~ = 10 year old vessel over 10 years (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.

Higher Consumer Spending and Red Sea Turmoil Leads to Record Profit Projections

Japan's Ocean Network Express (ONE) have just increased their yearly net profit projection to $2.75bn from $1bn just three months ago. They credit this 275% hike to increased consumer spending in Europe and North America and, more interestingly, the prolonged rerouting through the Cape of Good Hope.

The company has admitted that recent vessel deliveries had led to an oversupply in tonnage. Concerned about this, ONE was somewhat pessimistic with their outlook. However, instability in the Middle East and the subsequent rerouting has reversed this oversupply and caused freight rates to soar. As this once emergency measure looks more and more like a semi-permanent solution, profits are looking up.

Much of the projected increase in profits comes from the first half of their fiscal year. April to June saw a 52% year-on-year increase while July to September is predicted to increase seven-fold relative to the same period in 2023. After this, they expect profits in the second half of their fiscal year to fall off dramatically.

ONE chief executive Jeremy Nixon has attributed the anticipated slump in profits to the "extremely uncertain" future of disputes in the Middle East and the inevitable international implications of prolonged instability. Despite this uncertainty, ONE is expanding their tonnage with 45 ships on order which will bring their total fleet to 288 ships.

Whilst turmoil in the Middle East looks here to stay, shippers still seem apprehensive to bank on the longevity of the current circumstances. Headlines proclaiming ceasefire hopes and increased military protection indicate potential stability in the region. These have cooled investor sentiment. Indeed, this may be why ONE is unwilling to raise their profit projections for the whole financial year.

Labour Government Bumps up Budget for Clean Energy Projects

This week, Keir Starmer announced a significant budget increase for clean energy, emphasising offshore wind as the "backbone" of the country's strategy. Energy Secretary Ed Miliband stated, "*Last year's auction round was a catastrophe, with zero offshore wind secured, and delaying our move away from expensive fossil fuels to energy independence*." He added, "*Instead, we are backing industry to build in Britain, with this year's auction getting its biggest budget yet*."

Although the UK has been a global leader in offshore wind energy and continues to maintain its position ahead of Europe in this area, it has recently been surpassed by China, with the previous UK conservative government failing to award any new offshore wind contracts in 2023.

The new government aims to reclaim leadership with record-breaking funding, including approximately $385 million added for offshore wind, totalling around $1.4 billion for the next auction. The overall clean energy budget is increased by more than $640 million to nearly $2 billion.

Besides offshore wind, $238 million is allocated for establishing technologies like solar, and nearly $350 million for emerging technologies such as floating offshore wind and tidal energy. Responding to developer pressure, the government raised the strike price after a failed fifth-round auction. The new strike prices are up to $94 per MWh for offshore wind and $226 per MWh for floating wind.

Miliband emphasized the budget for the sixth round is seven times higher than the previous failed round. The auction is set for August, with successful projects to be announced in September 2024.

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