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Gibson Sale & Purchase Market Report



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Dry Cargo – Wisdom of Youth

As we enter the final quarter of 2024, the dry bulk market, though not as active as it was at the start of the previous quarter, continues to deliver some surprises.

The Capesize vessel "**CAPE AZALEA**" (208,025 dwt, built 2012 / NACKS, China), with drydocking due in August 2025 and fitted with BWTS, was reportedly sold for US\$ 38.50 m to a Chinese buyer. This price aligns with the benchmark for 10-year-old Capesize vessels, considering factors like age and the comparison between Japanese/Korean and Chinese shipyards. The 79% price increase over the historical average value for a 10-year-old Capesize reflects the current strong market values.

In the Ultramax sector, the modern eco-vessel "**AMIS MIRACLE**" (62,601 dwt, built 2018 / Oshima, Japan), with drydocking due in January 2026 and equipped with BWTS, was sold for US\$ 34.35 m to undisclosed buyers. This marks the second sale of the year for Wisdom Marine Lines, following a similar sale for the "**JAL KAMAL**" (63,319 dwt, built 2020 / Imabari, Japan), which was reported last week.

Tankers – Sellers Still In The Driving Seat

The tanker market seems to be in a bit of a transitional phase currently. The mix of firm pricing despite a weaker charter market and a slowdown in transactions indicates a market in flux. An up-tick in activity from Scorpio, particularly with their recent transactions, suggests that certain segments or players are still very active and some buyers are willing to pay strong prices for the right assets. The sale of two 10-year-old MR sister "**STI TEXAS CITY**" and "**STI SAN ANTONIO**" (49,990 dwt / built 2014 SPP, S.Korea) at \$42 m each is a significant indicator of the high value placed on these scrubber fitted vessels, despite a general market slowdown. Scorpio has also taken advantage of chartering out



their **"STI JARDINS"** (49,990 dwt/built 2018 Hyundai Mipo, S.Korea) at \$29,000 p/d to Petrobras for 3 years, giving an irresistible cover for a market with a few uncertainties in direction.

On the crude side, rumours surrounding sales of two 2024-built Suezmax tankers at \$97 m apiece each highlights the ongoing interest in newer, high-quality assets, even if the broader market is somewhat subdued. However, we hear that this en bloc deal may now have failed. Overall, while there is some buyer reluctance to face the market and hope for a correction, current transactions suggest that high-quality assets and strategic players are still driving significant activity.

Newbuilding – COSCO's Orders

We continue seeing further slots taken in China for the construction of major orders of bulk carriers for Cosco Shipping along with a series of container orders for Eastern Pacific Shipping. Notable is the latter order's alternative fuel choice continuing to support LNG as a dual fuel to comply with the future regulations.

Recycling – Seized Steel

The recycling market is currently facing a complex set of challenges across the sub-Continent:

In India, the reduction in local steel demand due to stalled infrastructure projects and a decrease in steel prices exacerbated by the influx of cheaper Chinese steel is causing ship-recyclers to be more cautious. This cautious approach is likely due to the uncertainty and potentially lower margins in the market. Torrential rains and resulting floods in Bangladesh have severely impacted recycling activities. Coupled with ongoing economic and political instability, this has further weakened steel demand. Prices for recycling are dropping, now approaching US\$475/LT, indicating a tough market for recyclers. In Pakistan, the ongoing US dollar liquidity crunch is creating additional hurdles for recycling activities. Scarcity of recycling operations suggests that financial constraints and economic instability are significantly affecting the market. Overall, these factors—economic instability, currency issues, and weather-related disruptions—are contributing to a challenging environment for the steel recycling industry.

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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.

Cargo Ship loaded with Ammonium Nitrate ordered to relocate out of Tromso by Norwegians



A "port emergency" arose at 1st September 2024 when the Norwegian authorities became aware that the Cargo ship Ruby approaching the Tromso port was carrying ammonium nitrate. Ammonium nitrate is the same chemical compound that caused the massive explosion in Beirut and which has been used by terrorists with devastating effects.

According to reports. The Ruby, 183 metres in length, is registered in Malta and is managed from the UAE. The Ruby departed the northern Russian port of Kandalaksha on August 22 loaded with the cargo bound for the Canary Islands. While en route the vessel grounded suffering damage to its hull, propeller and rudder.

The vessel is reported to have entered the Norwegian economic zone on August 25 sailing in and out of the 12-mile territorial border in the area around Hammerfest and seeking shelter from a storm. On August 26, the ship headed toward Tromso and anchored outside requesting a port of refuge. The Norwegian Maritime Directorate as well as several other government agencies became involved in the situation. They conducted a Port State control on the bulker and ordered it detained after discovering hull damage. However, concern was also raised because of the 20,000 tons of ammonium nitrate which under certain circumstances becomes unstable and explosive.

The ship's damage was discovered only after it had anchored, as reported by the regional traffic manager. Although, the Norwegian authorities have boarded the ship for an inspection and reviewed its papers, it is still unclear when the Norwegian authorities determined the vessel's cargo.

The Directorate for Social Security and Emergency Preparedness confirmed the cargo and working with the Norwegian Coastal Agency wants the vessel moved out of the city center. According to the police the intent is to tow the cargo ship to a "reasonable anchorage". The authorities are currently considering several locations. As of late Tuesday, September 3 going into September 4, the vessel remains at a downtown dock.

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