

# Weekly Container Briefing

28 April 2020

Time Charter Rates		
Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.13	▶ 0.00
1,740/1,300TEU (G) 20.5 k	7.00	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	3.75	▶ 0.00
2,500/1,900TEU (G) 22 k	7.93	▼ 0.48
2,500ECO/2,100TEU (G) 18.5 k	3.53	▼ 0.15
2,800/2,000TEU (GL) 22 k	5.19	▼ 0.15
3,500/2,500TEU (GL) 23 k	3.50	▼ 0.10
4,250/2,800TEU (GL) 24 k	8.00	▼ 0.20
6,500/4,900TEU (GL) 24 k	7.11	▶ 0.00
8,500/6,600 (GL) 25 k	7.04	▶ 0.00
9,000WB/7,100TEU (GL) 25 k	5.83	▶ 0.00
10,000/8,000 (GL) 25 k	6.00	▶ 0.00
<b>BOXI Total</b>	<b>73.02</b>	<b>▼ 1.08</b>
<b>52 Week High</b>	<b>88.89</b>	
<b>52 Week Low</b>	<b>73.02</b>	

## Market comment

The second hand market continued in much the same vein and offering relatively little to report in concluded sales. Whilst we continue to see a number of Buyers going firm on tonnage, pricing is substantially below last done and has so far been rebuffed by the Sellers.

Whether the beginnings of world economies planning to re-open is sufficient to provide a boost to optimism remains to be seen. At least in the very short-term it is difficult to foresee this being sufficient to cause a dramatic rebound in the container market. So we expect that a number of ships under discussion will soon be transacted at significant discounts to their values only a few months ago.

The Indian subcontinent has now restarted some steel cutting activity and we expect Indian crewed ships waiting outside of Alang to be allowed to beach over the coming tides. However, we are still seemingly some way away from a full re-opening of the demolition markets and with early indications on pricing in the region of \$100 per LDT down on pre-lockdown levels.

## Braemar ACM's Demometer - Container Ship Deliveries

Demolition Sales Last 30 days	Total ACTUAL Demolished 2020	Total in Same Period 2019	Total Demolished 2019	Total NBs Delivered 2020
2,500 TEU (2 Vessels)	25,000 TEU (13 Vessels)	99,000 TEU (49 Vessels)	195,500 TEU (100 Vessels)	137,000 TEU (30 Vessels)

Vessel Deliveries Wk17/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
HMM Algeciras	23,964	DSME	HMM	Asia-EUR-Asia	1/7 THE-A, FE-4
Ever Chant	1,809	Hyundai Mipo Dockyard	Nissen Kaiun	Intra-Asia	9/11 Evergreen NE Asia-Vietnam BangkokMax
Total TEU	25,773				

## Macroeconomics

UK retail sales fell a record 5.8% y-o-y in March as many stores were closed. Food and online shopping rose. The UK's inflation rate fell to 1.5% in March from 1.7% in February.

Profits earned by China's industrial firms slipped by 36.7% y-o-y to CNY 781.45bn in January-March 2020, as the country continued to face severe impact of the COVID-19 outbreak even after the government has eased lockdown restrictions and more businesses have resumed their production. The latest reading followed a 38.3% slump in January-February, which was the steepest fall since at least 2010.

The IHS Markit US Manufacturing PMI fell to 36.9 in April of 2020 from 48.5 in March, below market expectations of 38. The reading pointed to the sharpest contraction in factory activity in 11 years amid the cancellation or postponement of both domestic and foreign orders.

The IHS Markit Eurozone Services PMI plunged to 11.7 in April 2020 from 26.4 in the previous month and well below market consensus of 23.8, a preliminary estimate showed. The latest reading pointed to the steepest pace of contraction in the service sector for over two decades. The flash manufacturing PMI for the Eurozone fell to 33.6 in April, down from 44.5 in March. Figures pointed to the biggest drop in factory activity since February of 2009. The consumer confidence indicator in the Euro Area tumbled 11.1 points from a month earlier to -22.7 in April 2020, the lowest since March 2009.

The South Korean economy advanced 1.3% y-o-y in the first quarter of 2020, following a 2.3% expansion in the previous period and surpassing estimates of a 0.6% increase.

## Liner and Trade

South Korea will provide \$1bn in aid to shipping from the Korea Development Bank and Korea Ocean Business Corp. Seoul aims to help cash-strapped firms affected by the coronavirus crisis. The companies are expected to see further pressure in the second quarter of the year and the aid is a pre-emptive move to provide liquidity in advance. (Source : Lloyd's List)

DP World handled 17.2m TEU across its global portfolio of container terminals in the first quarter of 2020, with gross container volumes decreasing by 1.7% y-o-y on a reported basis and up 0.3% on a like-for-like basis. Jebel Ali, UAE, handled 3.4m TEU in Q1 2020, down 3.4% y-o-y. (Source : Port Technology International)

Liner operators already seeing need to adjust to a reshaped world. French liner boss Rodolph Saade is convinced the coronavirus pandemic will lead to a complete overhaul of supply chains. His argument in a CMA CGM website video included a belief that working habits and consumer patterns would change. He said there would be a reordering of international trade following the pandemic, with companies diversifying their sourcing of goods and materials. (Source : Tradewinds)

Indicators	27-Apr-20	Last week	12 months ago
Shanghai Containerised Freight Index	819 ▼	829	778
FTSE 100 Index	5,829 ▶	5,813	7,428
US\$ LIBOR 12 month	0.96% ▼	0.98%	2.72%
Brent Crude Oil Price \$/bbl	19.7 ▼	25.6	72.1
Singapore Bunker 0.5% VLSFO \$/t	232 ▼	262	-