BRAEMAR

BRAEMAR ACM
SHIPBROKING

Weekly Container Briefing

14 July 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	7.64	► 0.00
1,740/1,300TEU (G) 20.5 k	6.00	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	3.33	▲ 0.10
2,500/1,900TEU (G) 22 k	6.97	▲ 0.24
2,500ECO/2,100TEU (G) 18.5 k	2.79	▲ 0.15
2,800/2,000TEU (GL) 22 k	4.58	► 0.00
3,500/2,500TEU (GL) 23 k	3.00	► 0.00
4,250/2,800TEU (GL) 24 k	6.40	▲ 0.20
6,500/4,900TEU (GL) 24 k	4.27	► 0.00
8,500/6,600 (GL) 25 k	4.80	► 0.00
9,000WB/7,100TEU (GL) 25 k	4.17	► 0.00
10,000/8,000 (GL) 25 k	4.17	► 0.00
BOXi Total	58.12	▲ 0.69
52 Week High	88.89	
52 Week Low	56.12	

Market comment

Second hand activity continues to tick over but the primary source of tonnage remains German Banks and Japanese Owners, whom are willing to take today's levels. With the charter market showing signs of firming on Panamax and above we expect that a number of sales candidates will see little downside in fixing into 2021 and re-evaluating the market next year.

Feederships are still seeing the highest levels of activity. SITC have reportedly committed on subjects the first two of four bank driven Daesun sisters MARCARRIER (1,043-TEU, gearless, built 2007 Daesun) and MARCLOUD (1,043-TEU, gearless, built 2007 Daesun) at levels rumoured to be in the low $5mills.

Pakistan continues to establish itself as the most competitive South Asian market by a significant margin as Gadani breakers starved of tonnage have competed feverishly for any 'non-green' candidates with the 6K LDT KUO HSIUNG (1,169-TEU, geared, built 1993 Imabari) being the latest representative sale at $342-343. Levels in Alang are stabilising, now the immediate rush for Hong Kong convention compliant Green demolition has slowed.

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
49,000 TEU (14 Vessels)	108,500 TEU (43 Vessels)	146,500 TEU (74 Vessels)	195,500 TEU (100 Vessels)	360,000 TEU (57 Vessels)

Vessel Deliveries Wk28/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
HMM Hamburg	23,792	DSME	HMM	Asia-EUR-Asia	5/7 THE-A FE3
Ever Cheer	1,809	Hyundai Mipo Dockyard	Nissen Kaiun Co Ltd	Intra-Asia	11/11 Evegreen NSA service - Bangkokmax
Total TEU	25,601				

Macroeconomics

The world's leading oil producers are expected to announce an increase in output this week amid signs that demand is rising. Oil cartel Opec is due to hold a meeting on Tuesday and Wednesday to discuss its next move. Analysts predict major producers will agree to ease supply cuts that were imposed in April to prop up prices. Opec and its allies, known as Opec+, cut daily oil output by 9.7m barrels as the pandemic saw demand collapse.

Retail sales in Indonesia plunged 20.6% y-o-y in May 2020, after a 16.9% fall a month earlier. This marked the sixth straight month of drop in retail trade and the steepest since October 2008, amid deteriorating consumption.

Core machinery orders in Japan, which exclude those for ships and from electric power companies, rebounded 1.7% m-o-m in May 2020 after declining 12% in the previous month, beating market expectations of a 5.4% drop. On a year-on-year basis, Japan's machinery orders were down 16.3% in May compared to a decline of 17.7% y-o-y in the previous month.

Italy's industrial production jumped 42.1% m-o-m in May of 2020, rebounding from an upwardly revised 20.5% fall in April. On a work-day adjusted year-on-year basis, output declined 20.3% in May, following an upwardly revised 43.4% slump in the previous month.

The Trump administration imposed 25% tariffs on $1.3 billion (€1.1 billion) worth of French goods. The tariffs are being issued over France's tax on large tech companies that the US says unfairly targets American companies The French law, named "Gafa" for Google, Amazon, Facebook, and Apple, imposes a 3% tax on companies' digital turnover in France and concerns companies that make at least €750 million globally and €25 million in France.

Liner and Trade

The Port of Singapore has handled 17.68m TEU during the first six months of 2020, representing a marginal decline of 1.1% y-o-y. During the first half of 2019, Singapore's H1 growth rate was 3.1% y-o-y. Source : PSA)

Hackett Associates says US imports are performing like a 'yo-yo' — going up one month and down the next due to the uncertain demand created by the pandemic. Throughput at North America's major import container facilities is slowly improving but is expected to remain "significantly below" last year's levels into this autumn due to continuing impacts of the coronavirus, retail experts say. The National Retail Federation said the recession brought on by the coronavirus situation "may be easing" but retailers are being careful with their imports this year. (Source : Lloyd's List)

Antwerp's container traffic increased in the first quarter of the year, but felt the effects of cancelled sailings from April onwards. Nevertheless, for the period January-June 2020, container traffic recorded a slight increase of +0.4% y-o-y in TEUs throughput. The number of calls made by vessels decreased, but this was compensated by a higher average volume per vessel. (Source : Port of Antwerp)

Indicators	13-Jul-20	Last week	12 months ago
Shanghai Containerised Freight Index	1,034 ▼	1,055	817
FTSE 100 Index	6,172 ▼	6,286	7,506
US$ LIBOR 12 month	0.48% ▼	0.51%	2.19%
Brent Crude Oil Price $/bbl	43.1 ►	43.1	66.7
Singapore Bunker 0.5% VLSFO $/t	331 ▼	339	570

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