

Time Charter Rates

| Vessel (TEU/HOM) | Index | +/- |
|--------------------------------|--------------|---------------|
| 1,100/715TEU (G) 19 k | 8.33 | ▲ 0.69 |
| 1,740/1,300TEU (G) 20.5 k | 7.25 | ▶ 0.00 |
| 1,714/1,250TEU (G) 19k Bkk Max | 3.54 | ▶ 0.00 |
| 2,500/1,900TEU (G) 22 k | 9.62 | ▶ 0.00 |
| 2,500ECO/2,100TEU (G) 18.5 k | 3.24 | ▶ 0.00 |
| 2,800/2,000TEU (GL) 22 k | 6.42 | ▲ 0.31 |
| 3,500/2,500TEU (GL) 23 k | 5.20 | ▲ 0.60 |
| 4,250/2,800TEU (GL) 24 k | 12.40 | ▲ 0.40 |
| 6,500/4,900TEU (GL) 24 k | 6.93 | ▲ 0.53 |
| 8,500/6,600 (GL) 25 k | 7.04 | ▲ 0.32 |
| 9,000WB/7,100TEU (GL) 25 k | 5.00 | ▲ 0.17 |
| 10,000/8,000 (GL) 25 k | 5.00 | ▲ 0.17 |
| BOXI Total | 79.97 | ▲ 3.19 |
| 52 Week High | 88.89 | |
| 52 Week Low | 56.12 | |

Market comment

The ITAL MELODIA & ITAL MASSIMA (4,363-TEU, built 2007 Hyundai Mipo Dockyard) have been committed to Asiatic Lloyd for a reported price of \$8.6m each, slightly lower than expected given the firming of recent charter rates but the price reflects the condition of the vessels.

Otherwise the YM UBERTY (8,236-TEU, built 2008 CSBC Taiwan), the first of her size and vintage to come to the market for some time, invited offers and MSC managed to stave off some heated competition to secure the vessel at slightly in excess of \$27m.

In the feeder segment, the MOEN ISLAND (2,826-TEU, gearless, built 2005 Hyundai Mipo Dockyard) is rumoured as sold to SITC at \$6.3m, a notable increase against last done.

With freight rates and charter rates continuing an upward trajectory we expect pricing to firm across most segments. The MPA in Singapore also provided welcome news that the port is again ready for crew changes for S&P transactions. We expect this to spur demolition activity from a number Owners whom prefer to conclude on an 'as-is' basis.

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 |
|-------------------------------|------------------------------|---------------------------|---------------------------|--------------------------|
| 8,000 TEU (5 Vessels) | 165,000 TEU (64 Vessels) | 159,000 TEU (80 Vessels) | 195,500 TEU (100 Vessels) | 531,000 TEU (77 Vessels) |

| Vessel Deliveries Wk35/20 | TEU | Shipyard | Owner | Deployment | Series No + Comment |
|---------------------------|--------|-----------------------|---------------------------------|---------------|------------------------|
| HMM Le Havre | 23,964 | DSME | HMM | Asia-EUR-Asia | 7/7 THE-A- FE3 |
| Lae Chief | 2,780 | Guangzhou Wenchong | China Navigation Co | Asia-Oceania | 1/4 North Asia Express |
| KMTC Seoul | 2,556 | Hyundai Mipo Dockyard | Korea Marine Transport Co Ltd | Intra-Asia | 1/5 Korea-SEAsia ANX |
| Pancon Harmony | 1,011 | Dae Sun Shipyard | Pan Continental Shipping Co Ltd | Intra-Asia | 1/1Korea-Japan |
| Total TEU | 30,311 | | | | |

Macroeconomics

The latest PMI data shows that Japan's manufacturing sector moved closer to stabilisation in August, as firms signalled weaker drops in output and orders. The au Jibun Bank Japan Manufacturing Purchasing Managers' Index (PMI) picked up from 45.2 in July to 47.2 in August. Japan's latest PMI figure was the highest since February. The index has now risen for the past three months, with the latest reading much higher than May's 11-year low of 38.4, to signal that conditions had continued to move closer to stabilisation.

Euro zone manufacturing activity remained on a recovery path last month. IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) dipped to 51.7 from July's 51.8. Despite optimism, factories reduced headcount and ordered fewer raw materials. The employment index sagged well below the break-even mark at 44.2, albeit closer to it than July's 42.9.

The Federal Reserve has signalled a major shift in its approach to managing inflation, as it tries to do more to aid the US economy's recovery. The central bank will now target an "average" of 2% inflation, rather than making 2% a fixed goal, giving it more flexibility. It will allow the US central bank to keep interest rates lower for longer, stimulating growth to help tackle unemployment.

The number of mortgages approved for house purchase in the United Kingdom jumped to 66.3 thousand in July 2020, recovering further from May's all-time low of 9.3 thousand and easily beating market expectations of 54.8 thousand. Still, approvals remained below February's pre-Covid level of 73.7 thousand.

Liner and Trade

SITC International Holdings has confirmed orders for up to 12 1,800-TEU feeder container ships. The Hong Kong-listed intra-Asia specialist has ordered six firm vessels at Yangzijiang Shipbuilding, China's largest privately owned shipbuilder. The deal, which was confirmed in a regulatory filing to the Hong Kong Stock Exchange, also includes options for a further six 1,800-TEU sister vessels. (Source : Tradewinds)

A.P. Moller - Maersk introduces strategic changes. The Safmarine brand will be integrated into Maersk. In addition, the Damco brand's Air and LCL (Less than Container Load) offering will be combined with Maersk's logistics and services products to complement its end-to-end offering. (Source : AP Moller-Maersk)

The California Air Resources Board (Carb) has approved new regulations aimed at decreasing air pollution from trucks and ocean-going vessels. The approvals came despite an earlier request from leading members of the state's maritime community, which had sought a delay in the implementation of the new regulations due to the adverse impacts of the coronavirus pandemic. The new ruling for ships requires that every vessel coming into a regulated California port either use shore power or Carb-approved control technology to reduce emissions. (Source : Lloyd's List)

| Indicators | 31-Aug-20 | Last week | 12 months ago |
|--------------------------------------|-----------|-----------|---------------|
| Shanghai Containerised Freight Index | 1,263 ▲ | 1,184 | 820 |
| FTSE 100 Index | 5,964 ▼ | 6,105 | 7,587 |
| US\$ LIBOR 12 month | 0.44% ▶ | 0.44% | 2.19% |
| Brent Crude Oil Price \$/bbl | 45.0 ▶ | 45.0 | 65.0 |
| Singapore Bunker 0.5% VLSFO \$/t | 345 ▶ | 346 | 573 |