

Weekly Container Briefing

15 September 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.33	► 0.00
1,740/1,300TEU (G) 20.5 k	8.25	▲ 0.70
1,714/1,250TEU (G) 19k Bkk Max	3.96	▲ 0.21
2,500/1,900TEU (G) 22 k	9.62	► 0.00
2,500ECO/2,100TEU (G) 18.5 k	3.53	▲ 0.29
2,800/2,000TEU (GL) 22 k	6.42	► 0.00
3,500/2,500TEU (GL) 23 k	5.20	► 0.00
4,250/2,800TEU (GL) 24 k	12.20	► 0.00
6,500/4,900TEU (GL) 24 k	7.11	▲ 0.18
8,500/6,600 (GL) 25 k	7.36	▲ 0.32
9,000WB/7,100TEU (GL) 25 k	5.17	▲ 0.17
10,000/8,000 (GL) 25 k	5.17	▲ 0.17
BOXi Total	82.31	▲ 2.04
52 Week High	88.89	
52 Week Low	56.12	

Market comment

The second hand market continued to be active with a number of older ships on the receiving end of buying interest from liner companies as the charter market marches on. One of which was the SM TACOMA (5,456TEU, built 2000 Kvaerner Warnow-Werft) which was resold by GMS to MSC at \$10.5m after being purchased from her former Korean Owners earlier this year ostensibly for demolition.

Likewise the more buoyant market is also bringing further sales candidates back into the market so we expect activity to continue in a brisk manner for some time.

Evergreen committed the EVER DECENT (4,211TEU, built 1997 Mitsubishi) for Hong Kong convention compliant demolition in Alang at a reported \$345 net per LDT basis as-is delivery in Kaohsiung.

Demolition sales have slowed in response to charter rates increasing. During June and July 2020, a combined total of 34 container ships were sold for demo. For August the number dropped to seven sales and in September just three demo sales have been concluded so far.

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)	167,500 TEU (67 Vessels)	160,500 TEU (81 Vessels)	195,500 TEU (100 Vessels)	565,000 TEU (81 Vessels)

Vessel Deliveries Wk37/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
HMM St Petersburg	23,964	DSME	HMM	Asia-EUR-Asia	5/5 THE-A-FE3
Yangtze Shanghai	5,295	Zhejiang Ouhua	Yard	Asia-WAF-Asia	1/2 Maersk Line FEW3
YM Centennial	2,940	CSBC Taiwan	Yang Ming Marine Transport	Intra-Asia	4/10 Taiwan-Philippines TPE
Interasia Pursuit	1,756	Zhejiang Ouhua	Interasia Lines	Intra-Asia	1/2 China-SE Asia IA-98
Total TEU	33,955				

Macroeconomics

The UK has struck its first major post-Brexit trade pact after signing a deal with Japan that aims to boost trade between the countries by about £15bn. Major Japanese investors in the UK such as Nissan and Hitachi would benefit from reduced tariffs on parts coming from Japan and streamlined regulatory procedures.

Eurozone industrial production continues its recovery and increased by 4.1% m-o-m in July (-7.4% y-o-y). Almost all eurozone countries saw production growth in July, with especially strong rebound effects seen in Spain and Italy at 9.4 and 7.4%. Germany and France experienced a slower month after a strong June with just 2.4 and 3.8% growth.

Japan's machinery orders rebounded 6.3% in July from a sharp fall in the previous month. On a year on year basis, machinery orders were down -16.2% y-o-y in July compared to a contraction of -22.5% y-o-y in the previous month. Overseas orders rose for the first time in five months, gaining 13.8% in July from the previous month to highlight a pickup in external demand.

Turkey's retail trade climbed 11.9% y-o-y in July of 2020, following an upwardly revised 0.4% increase in the previous month, amid signs of recovery in domestic demand. On a monthly basis, retail sales rose 9.5% m-o-m, the third consecutive gain and after an 18% m-o-m jump in June.

Liner and Trade

Taiwan's TS Lines has returned to China's state-owned CSSC Huangpu Wenchong Shipbuilding for more containership newbuildings. The liner company has ordered up to four 1,900-TEU Feederships. The deal is for two firm vessels plus two options, according to market sources. (Source : Tradewinds)

PSA Halifax welcomed the largest containership ever to call at a Canadian port when the 15,072 TEU CMA CGM Brazil arrived. In a statement the terminal operator said it the vessel berthed at the Port on September 9 2020 while on the weekly Columbus JAX service, from South Asia to the East Coast. Via Suez. (Source : Port Technology International)

Extensive quarantine measure is the only way to continue crew changes during the pandemic in a statement on the Torvald Klaveness website. From August, Norway-based Torvald Klaveness have introduced more extensive quarantine practice for all on-signers and new routines have been implemented. All on-signers are obliged to ten days isolation and testing in special hotel facilities arranged by Klaveness Ship Management (KSM) before departing their home country and, where required in the country of embarkation before boarding the vessel. (Source : Torvald Klaveness)

Indicators	14-Sep-20	Last week	12 months ago
Shanghai Containerised Freight Index	1355 ▲	1,321	766
FTSE 100 Index	6,026 ►	5,937	7,367
US\$ LIBOR 12 month	0.41% ►	0.42%	2.00%
Brent Crude Oil Price \$/bbl	39.8 ▼	42.0	60.2
Singapore Bunker 0.5% VLSFO \$/t	311 ▼	324	530