Weekly Container Briefing

29 June 2021

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	26.39	▲ 1.39
1,740/1,300TEU (G) 20.5 k	30.00	▲ 3.00
1,714/1,250TEU (G) 19k Bkk Max	13.96	▲ 1.25
2,500/1,900TEU (G) 22 k	36.54	▲ 2.88
2,500ECO/2,100TEU (G) 18.5 k	11.76	▲ 0.88
2,800/2,000TEU (GL) 22 k	25.67	▲ 2.44
3,500/2,500TEU (GL) 23 k	18.80	▲ 2.00
4,250/2,800TEU (GL) 24 k	54.40	▲ 2.40
6,500/4,900TEU (GL) 24 k	24.89	▲ 2.49
8,500/6,600 (GL) 25 k	24.00	▲ 2.56
9,000WB/7,100TEU (GL) 25 k	13.33	▲ 0.83
10,000/8,000 (GL) 25 k	13.33	▲ 0.83
BOXi Total *	293.07	▲ 22.95
52 Week High	293.07	
52 Week Low	57.18	

* Benchmark TC rates assesed on the basis of a 12-month time charter period

Market comment

Operators continue to be the most aggressive Buyers in the container S&P market and MSC were front and centre this week.

Amongst their purchases were **Balthasar Schulte** (4,249-TEU, built 2012 Jiangsu Yangzijiang), **Schubert** (4,300-TEU, built 2010 Hyundai Samho), **Seoul Trader** (2,664-TEU, geared, built 2009 STX), **Nasia** (2,824-TEU, gearless, Built 2005 HMD), **Bomar Resolve** (2,474-TEU, geared, built 2005 Volkswerft) and **Harmony N** (2,824-TEU, gearless, built 2006, HMD). The most eye catching being the **Mexico** (4,992-TEU, built 2002, Hyundai H.I.) which was sold on the basis a forward delivery in April 2022 with Sellers passing SS/DD just prior. It is difficult to reach any other conclusion other than this being testament to MSC's belief that the market will continue to run well into 2022.

We also continue to see tonnage coming out of the Chinese domestic market to court interest from international buyers at many multiples of what the current Owners paid for them.

There are also a number of new buildings to report with Evergreen contracting a further two 24K TEU vessels at Hudong Zhonghua for delivery 23/24 at $167.50m each. Hapag Lloyd exercised their options for a further six dual fuel 23K TEU units at DSME at $165.5m for delivery 2024. On feeders, Briese returned to the Chinese yards, this time at Huanghai SB for 4+2 1,800TEU units at a reported price of low $25m with deliveries from mid 2023.

Braemar ACM's Demometer - Container Ship Deliveries

Demolition Sales Last 30 days	Total ACTUAL Demolished 2021	Total in Same Period 2020	Total Demolished 2020	Total NBs Delivered 2021
1,500 TEU (3 Vessel)	11,000 TEU (13 Vessels)	80,000 TEU (37 Vessels)	199,000 TEU (89 Vessels)	526,000 TEU (74 Vessels)

Vessel Deliveries Wk25/21	TEU	Shipyard	Owner	Deployment	Series No + Comment
HMM Daon	16,010	Hyundai H.I.	HMM	Asia-EUR-Asia	7/8 THE A, FE3
HMM Hanul	16,010	Hyundai H.I.	HMM	TBA	8/8.
Ever Fine	11,888	Imabari Shipbuilding	Shoei Kisen	TBA	6/21 Evergreen TBA
Nordborg Maersk	2,286	Jiangnan Shipyard	AP Moller-Maersk	Intra-Asia	2/5.
Maersk Norddal	2,086	Imabari Shipbuilding	Shoei Kisen	Intra-Asia	4/5 Sealand Asia Intra-Asia
Total TEU	48,280				

Macroeconomics

Cost pressures on UK firms have gone up at a record level, suggesting that the current surge in consumer prices may be more than just a blip. A closely watched survey, produced by IHS Markit/CIPS, showed input costs rose at the fastest rate for 13 years. And inflation of prices charged by firms hit its highest since records began in 1999, as factories struggled to source raw materials.

The IHS Markit Eurozone Manufacturing PMI was unchanged at a record high of 63.1 in June of 2021, the same as in May and above market forecasts of 62.1, preliminary estimates showed. Output increased for the twelfth month with the rate of expansion picking up again, albeit remaining slightly below March's record high.

The au Jibun Bank Japan Manufacturing PMI fell to 51.5 in June 2021 from a final 53.0 a month earlier, preliminary data showed. This was the weakest reading since February, amid renewed curbs in some parts of the country following the latest wave of local COVID-19 infections. Output shrank for the first time since January and at the quickest pace seen since November 2020.

The US Senate has struck an agreement for a $1.2tn (£860bn) infrastructure bill in what could herald a legislative victory for President Joe Biden. The eight-year plan includes funding for roads, bridges, the power grid, public transport and internet. But the deal is far from done as Mr Biden said it depended on the passage of another, bigger spending bill.

Liner and Trade

Seaspan Corporation a wholly owned subsidiary of Atlas Corp. announced that it has forward fixed contracts, extending current lease terms for 17 containerships with COSCO SHIPPING Lines. The vessels, representing approximately 117,700 TEU, in aggregate, were previously scheduled to conclude current charters with COSCO for two vessels in 2021, 13 vessels in 2022, and two vessels in 2023, which have now all been extended for a three-year term beginning at the end of their current charter period. (Source : Atlas Corp)

Mediterranean Shipping Co (MSC) chief executive Søren Toft has defended the box sector's performance during the pandemic and called for greater infrastructure investment to help prevent similar logistics logjams in the future. Mr Toft said it was true that the supply chain had come under "amazing pressure" in the past six to nine months, but that a number of different factors had contributed to the issues. (Source : Tradewinds)

Indicators	28-Jun-21	Last week	12 months ago
Shanghai Containerised Freight Index	3,785 ▲	3,748	989
FTSE 100 Index	7,105 ▲	7,062	6,147
US$ LIBOR 12 month	0.25% ►	0.25%	0.57%
Brent Crude Oil Price $/bbl	76.0 ▲	75.0	41.0
Singapore Bunker 0.5% VLSFO $/t	546 ▲	530	325

Braemar ACM Shipbroking - London - Singapore - Shanghai
Email: teu.snp@braemar.com
London Office: Tel: + (0) 203 142 4250 Singapore Office: Tel: + 65 65 169588