

The Monday Morning Container Briefing

24 January 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	47.22	▲ 1.39
1,740/1,300TEU (G) 20.5 k	47.50	▲ 2.50
1,714/1,250TEU (G) 19k Bkk Max	25.00	▲ 1.04
2,500/1,900TEU (G) 22 k	68.75	▲ 1.44
2,500ECO/2,100TEU (G) 18.5 k	23.53	▲ 1.47
2,800/2,000TEU (GL) 22 k	51.94	▲ 3.06
3,500/2,500TEU (GL) 23 k	38.00	▲ 2.00
4,250/2,800TEU (GL) 24 k	92.00	▲ 4.00
6,500/4,900TEU (GL) 24 k	53.33	▶ 0.00
8,500/6,600 (GL) 25 k	56.00	▶ 0.00
9,000WB/7,100TEU (GL) 25 k	32.50	▶ 0.00
10,000/8,000 (GL) 25 k	32.50	▶ 0.00
BOX Total *	568.28	▲ 16.90
52 Week High	669.79	
52 Week Low	131.18	

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

Chartering

This week showed an astonishing development which was driven by a single operator when other operators were hoping for rates to stabilise. Then Pasha Hawaii backed by Costco secured multiple vessels from the market and outbid any other operator and established new historical heights.

The 4,000 TEU plus size did not see any new fixtures again due to the extreme tight supply situation and owners often not willing to put a number on a vessel. In addition, a widely known rumour about an upcoming sale in the Panamax segment is circulating, which is causing an adjustment on the charter market and will accelerate the interest on forward positions. It is now likely we will see more forward fixtures for 2023 positions.

In the 2,000 - 4,000 TEU size, Pasha Hawaii secured several vessels and will leave other operators having potential difficulties in securing replacement tonnage. Although the MLOs should not be underestimated in their ability to source internal replacements, where some smaller operators may have no choice than to skip some sailings.

For the sub 2,000 TEU size, we only noticed two fixtures for this week but this is also related to the scarcity on the supply side. The scrubber fitted **GREEN OCEAN** (1,809TEU, gearless, built 2019 Hyundai Mipo) secured a strong six month extension with RIF Line at \$110,000/day. The SDARI 1900 **KANWAY FORTUNE** (1,900-TEU, built 2022 Guangzhou Huangpu) was fixed for 3 years with ZIM at an attractive rate for the charterers given the current momentum in the market.

The current market dynamic is expected to last well into 2022 and possibly the full year. It will be interesting if other operators are able to match the latest deals by Pasha Hawaii or whether the periods will increase for the smaller segments as we have witnessed in the larger segments in the past few months when rates were moving at a hectic pace.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
NORDSPRING	3,586	2,501	500	2007	STX 3500		NE Asia	Mar-22	35-37m	Pasha Hawaii	\$61,200
NAVIOS SPRING	3,500	2,340	550	2007	HHI 3500		MED	Mar-22	35-37m	Pasha Hawaii	\$61,200
LORRAINE	2,741	2,115	400	2006	Aker CS2700		NE Asia	Apr-22	60-80d	Pasha Hawaii	\$RNR
AS CARLOTTA	2,742	2,115	400	2006	Aker CS2700	3x45	NE Asia	Sep-22	35-37m	Pasha Hawaii	\$47,500
PROTOSTAR N	2,742	2,116	400	2007	Aker CS2700		NE Asia	Jul-22	35-37m	Pasha Hawaii	\$47,500
CAPE ALTIUS	2,708	2,262	600	2020	MARIC 2700	3x45	SE Asia	Feb-22	42-44m	Pasha Hawaii	\$61,000
EM ASTORIA	2,610	2,090	400	2004	Gdynia 2800	3x45	PGI	Feb-22	36-38m	Maersk Line A/S	\$45,000
QUEEN ESTHER	2,190	1,570	490	2016	SDARI 2100	3x45	NE Asia	Oct-22	35-37m	Pasha Hawaii	\$42,500
KANWAY FORTUNE	1,900	1,570	220	2022	SDARI 1900		NE Asia	Jul-22	35-37m	Zim Integrated Shipping	\$35,000
GREEN OCEAN	1,809	1,215	300	2019	HMD 1800 BKM		NE Asia	Mar-22	6m	RIF Group	\$110,000
SINAR BANGKA	1,078	770	104	2000	Hakata 1000	2x40	NE Asia	Mar-22	24-26m	Zim Integrated Shipping	\$27,500

S&P

Many readers will be old enough to remember that the early-90s pop song "Things can only better" that became a theme tune for the January container markets in the past, as owners and operators waited in depressed markets for the post lunar new year rescue. As January 2022's market has taken off, it seems to be singing new tunes from the band Queen; "Don't stop me now" and "We will rock you," both come to mind....

In the larger sizes, we cannot report anything yet new records are being set with a Panamax likely to be sold at 30% over last done. And in the smaller sizes, competition has reached fierce new levels.

The **KANWAY GALAXY** (1,613-TEU, gearless, built 1997 Shin Kurushima) with survey due has been sold at \$19m (same ship was sold at \$6m in 2021).

Two Wenchong 1700s have been sold to unnamed buyers, the **CAPE NEMO** at \$31m basis charter free, delivery March-April 2022 and **CAPE NABIL** at high-\$20m basis charter free May-June 2022 (1,740-TEU, built 2010 Guangzhou Wenchong)

The **CAPE MANILA** (2,747-TEU, geared, built 2011 Guangzhou Wenchong) has been sold at \$47m. The main difference this year to last year, is that "prompt" is now up to six months away in regards to what buyers are willing to pay.

Overall, rates are up and prices are skyrocketing. On the newbuilding and modern tonnage, focus seems very much on resale tonnage with some October 2022 1,900 TEU ships reportedly seeing mid \$40s.

Right now, it seems a long way off when we will have to delve back into the Queen song list and play "Under pressure" since the only pressure right now is not to miss out!

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	635	610	460	▲
Bangladesh	640	640	475	▶
Pakistan	610	610	450	▶
Turkey	410	400	275	▲