

The Monday Morning Container Briefing

7 February 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	48.61	▶ 0.00
1,740/1,300TEU (G) 20.5 k	55.00	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	30.21	▶ 0.00
2,500/1,900TEU (G) 22 k	76.92	▶ 0.00
2,500ECO/2,100TEU (G) 18.5 k	25.74	▶ 0.00
2,800/2,000TEU (GL) 22 k	55.00	▶ 0.00
3,500/2,500TEU (GL) 23 k	40.00	▶ 0.00
4,250/2,800TEU (GL) 24 k	96.00	▶ 0.00
6,500/4,900TEU (GL) 24 k	55.11	▶ 0.00
8,500/6,600 (GL) 25 k	57.60	▶ 0.00
9,000WB/7,100TEU (GL) 25 k	34.17	▶ 0.00
10,000/8,000 (GL) 25 k	34.17	▶ 0.00
BOX Total *	608.52	▶ 0.00
52 Week High	669.79	
52 Week Low	139.81	

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

Chartering

Despite the Asia-based market participants being away for most of the week, activity did not slow with demand still outpacing the tight supply-side and every upcoming vessel is seeing multiple interests.

The few owners controlling the next positions remain remarkably confident and anticipate further gains post Lunar New Year with new additional demand coming from Asia. Although it should be stressed that

several of larger liner operators currently appear to be more reluctant to follow the levels and the periods which were established lately.

The much-talked-about Panamax 'IONIKOS' (4,308 TEU, built 2009 Hanjin Subic) was finally reported to have fixed a short two to three month charter with Pasha Hawaii at a juicy rate of \$225,000/day being operated as an extra-sailer in the trans-Pacific. There are some ongoing discussions taking place in the Panamax and post-Panamax segment often including en-bloc deals and forward positions but considering the capital commitment, these deals do require some time if successful.

Sub 4,000 TEU there was again Pasha Hawaii setting a new benchmark securing the modern Maric 2700 'X-PRESS MEKONG' (2,743-TEU, geared, built 2021 Changhong Shipyard) for a single trans-Pacific round at \$175,000/day. An exceptional rate for this size and likely one for the history books. A restricted demand in the coming weeks for this size between 2,000 - 4,000 TEU will not offer a wide variety for operators to choose from shall they need to secure or replace any tonnage.

In the Feeder size below 2,000 TEU, there have not been new benchmarks in the market but it appears owners are about to increase their rate ideas again after having already set new records in the previous weeks.

The Wenchong 1700 'JT GLORY' (1,740 TEU, geared, built 2007) was this week reported to have extended for three years at \$35,000/day with COSCO and the rate likely indicates that the deal was done in the previous weeks. Still remarkable as the vessel was only sold about a year ago at \$8m from Germany-based owners and will now earn close to \$38m in time charter revenue in the next three years.

COSCO is also linked to having fixed the WUJIAZHUI 1100 type 'NORDIC ISTRIA' (1,082 TEU, gearless, built 2011) for three years at \$23,000/day which reaffirms our previous weeks' comment that the 1100 TEU Feeders are now also relishing the three year market.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
IONIKOS	4,308	2,760	326	2009	Hanjin 4300		NE ASIA	Mar-22	2-3 m	Pasha Hawaii	\$225,000
X-PRESS MEKONG	2,743	2,300	600	2021	MARIC 2700	3x45t	NE ASIA	Feb 22	45-55 d	Pasha Hawaii	\$175,000
JT GLORY	1,740	1,295	300	2007	Wenchong 1700	2x40t	SE Asia	Feb-22	35-37 m	COSCO	\$35,000
NORDIC ISTRIA	1,082	730	250	2011	Wujiazhui 1100		E Med	Mar-22	36 m	COSCO	\$23,000
SINAR BANDA	1,060	770	102	2005	Hakata 1000		SE Asia	Mar-22	24 m	Zim Integrated Shipping	\$27,500

S&P

It is hard to differentiate between fact and fiction in the current market.

Although no reportable sales have been concluded this week the prices being mentioned continue to jump as the charter market increases it's gains.

Sellers with ships open in the opening half of the year have seen some truly staggering numbers however a number of the bigger market players are not playing ball with chasing the market upwards.

Smaller operators who are struggling to secure tonnage on a TC basis are being forced to put these huge numbers on ships, in a number of cases far beyond what the charter market supports.

We expect several of vessels to hit the market shortly after the Lunar New Year period and will be interesting to see whether these can obtain the levels being mentioned

Demolition

Container ship demolition prices ticked upwards. Prices based on delivered to Chattogram Bangladesh hit \$660/LDT, the highest level recorded since 2008, pre-global financial crisis.

Recycling facilities are hungry for new tonnage. We monitor vessels sold for demolition and awaiting recycling. As of February 1, 2022, we estimated that just 1.9m Dwt is currently 'sold for demolition' (SFD). In 2021, the running average deadweight SFD was 2.8m Dwt. Recyclers are quickly eroding their stock of ships and prices are likely to remain high in the short term.

For India, local melting prices have increased 10% since the beginning of 2022 to INR40,200 per tonne, again highlighting the buoyant demo market at this time. Despite sky-high pricing, we are not expecting container ship demolition to resume anytime soon.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	645	640	450	?
Bangladesh	660	650	440	?
Pakistan	630	620	430	?
Turkey	410	410	250	?