

The Monday Morning Container Briefing

28 February 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	62.50	▲ 10.42
1,740/1,300TEU (G) 20.5 k	70.00	▲ 7.50
1,714/1,250TEU (G) 19k Bkk Max	32.29	► 0.00
2,500/1,900TEU (G) 22 k	81.73	► 0.00
2,500ECO/2,100TEU (G) 18.5 k	26.47	► 0.00
2,800/2,000TEU (GL) 22 k	56.53	► 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
BOXI Total *	646.57	▲ 17.92
52 Week High	669.79	
52 Week Low	154.09	

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

Chartering

As envisaged during the last week, activity increased. Driven by fixtures in the Feeder segment below 2,000 TEU with the sole reason being the unavailability of larger vessels.

The devastating events in Ukraine at the end of the week is creating uncertainty in the market with oil prices further increasing and carriers forced to adjust services linked to Russia and Ukraine.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
NORTHERN PRELUDE	4,600	2,930	470	2009	Daewoo 4600		NE Asia	Apr-22	2-3 m	Transfar Logistics	\$200,000
AS PATRIA	2,526	1,856	440	2006	STX 2600	2x45t	NE Asia	Jun-22	44-46 m	KMTC	\$44,000
ELA	1,740	1,295	345	2012	Wenchong 1700	2x40t	NE Asia	Mar-22	4-5 m	CIMC	\$81,000
HE JIN	1,608	1,086	200	1997	CC 1600	3x45t	NE Asia	Apr-22	24-26 m	Jin Jiang Shipping	\$36,000
CAPE FLINT	1,440	1,050	174	2006	Hegemann 1400		NE Asia	Mar-22	11-13 m	Wan Hai Lines	\$70,000
AEGEAN EXPRESS	1,439	1,131	84	1997	CSBC 1100		SE Asia	Apr-22	36-38 m	Continental Shipping	\$41,000
PADIAN 3	1,032	900	100	1998	Imabari 1000		NE Asia	Apr-22	12 m	Wan Hai Lines	\$51,000
ANINA	1,008	720	234	2005	Sietas 168		UK Cont	Mar-22	35-37 m	OOCL	\$25,000

S&P

Although the actions of Russia in Ukraine have caused some slight hesitation amongst a few Buyers, those that remain have been very active indeed.

CMA CGM are reported to have taken six resale 6,000TEU vessels from Delphis currently under construction at Qingdao Yangfan along with a further three 1,800TEU resales from a different owner at Hyundai Mipo. The total purchase price is reported to be some \$594m.

Elsewhere, Mediterranean Shipping Company MSC have signed for a total of 16 x 7,000TEU vessels, 8 at GSI, 8 at Beihai Shipyard - all of them dual fuel LNG.

In the second hand market, the **MARINA JADE** (2,452-TEU, geared, built 2001 Thyssen Nordseewerke) has been sold from Indonesian Buyers to clients of OM Maritime for a rumoured \$42m, the vessel was bought by current Owners in April 2019 for \$6.2m. In the 1700TEU sector, Mount Street have taken the **HANSA MAGDEBURG** (1,740-TEU, geared, built 2003 Guangzhou Wenchong) on private terms and subsequently fixed a 3 year Maersk Line time charter.

The overall impact on the container market in terms of container volumes are expected to be minimal. Although the global economy will face increased headwinds with the severe economic sanctions imposed on Russia.

The owner of the **NORTHERN PRELUDE** (4,600-TEU, built 2009 DSME) opted to go short and high while fixing to the Transfar Group for a 2 to 3 months period at \$200,000/day securing a very profitable charter before possibly securing a long-term charter afterwards. A lucrative strategy we have seen before and given the very tight supply of Panamax tonnage, the market is expected to remain strong.

In the smaller sizes between 2,000 - 4,000 TEU, there was only one fixture reported with the **AS PATRIA** (2,526-TEU, geared, built 2006 STX) fixed for a 44 months minimum period at a reported rate of \$44,000/day for the account of KMTC. This deal reflects an elevation on the rate and period and the vessel is relocating to Asia from a South American service after being employed in the Caribbean market for several years.

As already stipulated, the main action was in the segment below 2,000 TEU with several reported deals.

The owners of the **ELA** (1,740-TEU, geared, built 2012 Guangzhou Wenchong) followed their consistent strategy of fixing short term at high premium rates and this time it was CIMC who took her for 4 to 5 months at \$81,000/day. A special deal was also reported for a vintage CSBC 1100 type extended by Continental Shipping for 3 year period at \$41,000/day trading on a shuttle service between Singapore and Yangon. Wan Hai Lines was reported to have fixed the **CAPE FLINT** (1,440-TEU, gearless, built 2006 Peene-Werft) as a sublet for 12 months at \$70,000/day.

Within the 1,100 TEU size, OOCL finally extended the ice class Sietas 168 type **ANINA** (868-TEU, gearless, built 2006 Sietas KG) for 3 years at \$25,000/day, which reflects an increase of around 9% compared to a similar vessel at the beginning of the month. Wan Hai Lines paid up for a short 12 month period when taking the **PADIAN 3** (1,032-TEU, gearless, built 1998 Imabari) for 12 months at \$51,000/day.

Vessel Supply

As box ship orders keep flowing, 2024 is now a very big year for deliveries. In the January-February period of 2022, we estimated a further 91 container ships have been ordered, adding another 712,000TEU to the global order book. The box ship backlog now stands at 820 vessels with a total capacity of 6.7m TEU, the highest level of capacity on order ever recorded, surpassing the 6.6m TEU on order recorded in 2008, just before the global financial crisis.

As of 1 Feb 2022, the percentage of the capacity on order compared to the trading fleet capacity reached 27%. Scheduled deliveries for full-year 2022 appear to be manageable, with just over 1.0m TEU of capacity. For 2023, the delivery schedule notches up a gear with 2.4m TEU expected, followed by a massive 2.7m TEU of deliveries for 2024.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	665	660	460	▲
Bangladesh	675	670	450	▲
Pakistan	650	650	440	►
Turkey	400	400	250	►