

The Monday Morning Container Briefing

7 March 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	69.44	▲ 6.94
1,740/1,300TEU (G) 20.5 k	70.00	► 0.00
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
BOX Total *	653.51	▲ 6.94
52 Week High	669.79	
52 Week Low	160.44	

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

Chartering

In a week where the disastrous news out of Ukraine is dominating the global headlines, it feels insubstantial to report about the development in the container market and refer to new market heights etc.

There is no immediate impact on the chartering market, although several operators have quickly announced a stop to any bookings to/from Russia after several sanctions were put in place and it is likely that

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
CAPE MONTEREY	2,202	1,570	490	2015	SDARI 2100	3x45t	SE Asia	Mar-22	3-4 m	SM Container Lines	\$140,000
PELICAN	1,805	1,200	350	2013	CSBC 1800W		NE Asia	May-22	36-38 m	Ocean Network Express	\$45,000
HANSA STEINBURG	1,740	1,295	296	2010	Wenchong 1700		NE Asia	Apr-22	2 m	Rif Group	\$90,000
ATLANTIC WEST	1,355	925	449	2008	MRC 1100	2x45t	W Med	Mar-22	12-14 m	CMA CGM	\$62,000
MTT SAMALAJU	1,162	933	260	2021	Eco 16		SE Asia	Mar-22	24 m	Bengal Tiger Line	\$30,000
ASIATIC REUNION	1,049	671	180	2008	Daesun 1000		NE Asia	Mar-22	60-80 d	Wan Hai Lines	\$53,000
A KOU	1,043	680	180	2007	Daesun 1000		NE Asia	Apr-22	5-6 m	Yang Ming	\$50,000
LENA	966	604	252	2006	Zhejiang 650	2x54t	CARIBS	Mar-22	35-37 m	Seaboard Marine	\$23,500
FORTUNE NAVIGATOR	580	396	100	1998	-	2x36t	NE Asia	Apr-22	12 m	SITC Container Lines	\$18,000

S&P

Second hand buying interest remains firm despite the relative slow down in transactions, which is more about the lack of available ships rather than anything more deep rooted.

Positive sentiment remains and this has been best illustrated by a flurry of new building activity in the past week. MSC led the way with LOIs for up to 20 vessels for 7,000TEU DF. With the potential order split between GSI, Beihai and New Times.

Tramp owners have also got into the act last week with Greece-based interests also reportedly signing a deal for 4 x 1Q 2025 delivery Conventional fuelled 7,000TEU at New times and another Unnamed European party linked to an order for similar ships at DSIC.

The Feeder sizes have also garnered attention with up to 12 new Chittagongmaxes signed with HMD (between three separate owners). Going forward there is considerable uncertainty in the global picture in general but so far the sector seems largely unaffected.

several feeder trades will have to be adjusted. However this will not change the tight tonnage supply side, which will be facing operators during the course of this year.

Potential excess vessels can be absorbed in other trades if needed but we should stress the substantial increase in bunker prices where the average global bunker prices increased by around 17%.

Nothing new to report in the larger segment of 4,000 TEU and above although rumours are intensifying that some initial discussions are taking place now for forward positions as from 2023 and we will likely see the first forward fixtures in the coming weeks.

The main activity once again came from the 'Feeder' market below 3,000 TEU where several deals were finalized.

The SDARI 2100 **CAPE MONTEREY** (2,202-TEU, geared, built 2015 Guangzhou Wenchong) opted to fix a short period with SM Lines for two trans-Pacific round voyages at a firm rate of \$140,000/day.

The smaller Wenchong 1700 type **HANSA STEINBURG** (1,740-TEU, geared, built 2010 Guangzhou Wenchong) also opted to go short with fixing two months with RIFLine at \$90,000/day for a single Far East/Med round. Astonishing rates for these short periods and a very lucrative fallback option for owners when they can not get the terms agreed for longer periods.

In the size around 1,100 TEU, we have noted the majority of fixtures negotiated with a variety of periods with short and longer terms.

A strong fixture was done on the **ATLANTIC WEST** (1,355-TEU, geared, built 2008 Jiangsu Yangzijiang) which is reported to have extended for 12 to 14 months with CMA CGM at \$62,000/day for trading in the West Mediterranean to West Africa. US-based Seaboard Marine extended the Zhejiang 950 design **LENA** (966-TEU, geared, built 2006 Yangfan Zhoushan) for three years at \$23,500/day in the Caribs market.

Freight Rates

The Shanghai Containerised Freight Index (SCFI) is showing signs of cooling off, last week the index dropped 127 points, the biggest weekly drop ever recorded.

The biggest drop was on China to east coast South America with a near \$300/TEU fall. Having said that, the SCFI index is 2,000 points higher than it was 12 months ago. We do expect freight rates to gradually downwardly correct from all-time highs as we go through 2022, as consumers increase spending on services away from manufactured goods.

Asia – N Europe rates dropped \$113/TEU to \$7,519/TEU, while trans-Pacific USWC rates dropped at a slower pace at \$111/FEU to \$8,006/FEU.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	690	665	460	▲
Bangladesh	685	675	450	▲
Pakistan	660	650	440	▲
Turkey	410	400	250	▲