

The Monday Morning Container Briefing

14 March 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	69.44	▶ 0.00
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	▶ 0.00
52 Week High	669.79	
52 Week Low	164.29	

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

Chartering

We noticed some mixed signals this week in the container market.

Whereof the larger vessel segments appear to be unaffected from the worsening situation in Ukraine and all the consequences that follow, then we noted that some negotiations in the Feeder market were put on hold and deals were failed.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
SEASMILE	5,023	2,580	770	2013	Hyundai 5000w		NE Asia	Feb-23	36 m	Zim Integrated Shipping	\$61,500
ZHONG GU JIANG SU	4,892	3,163	560	2010	DSME 4500		NE Asia	Mar-22	3-4 m	BAL Container Line	\$240,000
VELA	4,258	2,804	550	2009	Zhejiang 4250		NE Asia	Apr-23	60-64m	Zim Integrated Shipping	\$43,250
VULPECULA	4,258	2,804	550	2010	Zhejiang 4250		NE Asia	May-23	60-64 m	Zim Integrated Shipping	\$43,250
ZHONG GU LIAO NING	3,429	2,411	175	1997	HDW		NE Asia	May-22	5-7 m	BAL Container Line	\$200,000
HONG CHANG SHENG	2,135	1,600	164	1999	Imabari 1900	2x40t	NE Asia	Jun-22	37-42 m	China United Lines	\$40,000

S&P

Second hand activity remains relatively low, mostly due to the lack of prompt tonnage existing in the market.

Owners are looking to try to sell on a forward basis at levels that, for the moment few are willing to accept.

Only one sale was reported last week, the **ALLEGORIA** (5,527-TEU, built 2006 China Shipbuilding)) has been sold to Wan Hai Lines for an extremely firm \$109.5m with delivery Q4 of 2022.

The ongoing situation in Ukraine, whilst having little direct affect on the market, a number of Buyers are adopting a 'wait and see' mentality to see how the world evolves.

The newbuilding sector on the other hand continues to see a large number of enquiries and LOIs being signed.

This week CMA are rumoured to have ordered a series of 7,300TEU vessels at Samsung. Dual fuel with deliveries from 2H 2024 and a price of

Operators are likely require some more time to have a better perspective on their tonnage needs and how specific trades will be affected.

Several deals were finally reported in the larger vessel segment above 4,000 TEU and an earnings release from a major US-listed owner was likely the highlight of the week.

Noteworthy to mention are three 1996 built post-Panamax types which were fixed forward with a delivery in Q4 2023 for three years at \$41,500/day, - which will extend these Danish built vessels lifeline to their 30th anniversary!

The same owner also secured a five-year charter for 2 x 4,250 TEU Panamax types from Q2 2023 at an average rate of \$43,250/day. We had hinted during the past few weeks that several forward discussions on 2023 Panamax and post-Panamax were taking place and with the first officially reported transactions, this may accelerate others to follow and if rumours are correct, then we will soon see more of these deals disclosed.

BAL was also active again having secured two Chinese controlled vessels for short periods up to six months for their USWC service which reaffirms that the demand remains firm although spot freight rates have lately decreased.

In the smaller segment below 2,000 TEU, we only noticed the fixture of the Imabari 1900 type '**HONG CHANG SHENG**' (2,135-TEU, geared, built 1999) which CU Lines took for 37-42 months at USD 40.000.

Some deals were indeed failed on subjects in the 1,700 TEU size but with the market still only offering very few vessels, then it is not likely that owners will compromise. And with the very high bunker prices, operators may shift their focus on more modern fuel efficient tonnage in the coming months.

\$124.5m per vessel.

In the Feeder sector Singapore-based Buyers are reported to have signed for a minimum of 6 x 2,900TEU at Fujian Mawei. The price is around \$42m with deliveries from end 2023 and throughout 2024.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	695	690	465	▲
Bangladesh	700	685	470	▲
Pakistan	670	660	470	▲
Turkey	410	410	240	▶