

The Monday Morning Container Briefing

4 April 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	62.50	▶ 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
BOXi Total *	646.57	▶ 0.00
52 Week High	669.79	
52 Week Low	181.79	

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

Chartering

It has been another slow week with little to report as most operators continue to monitor the market developments as reported in our previous report.

However the supply side across all sizes remains limited for the remaining year so we do not expect major changes for the charter market with most operators still having some open slots in their schedules.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
6 x HHI nbs	5,500	-	-	2023	Hanjin 5500		NE Asia	23/24	84 m	Zim Integrated Shipping	\$39,000
KOTA LUKIS	4,250	2,800	400	2010	CS 4250		NE Asia	Nov 22	47-49 m	SM Container Lines	\$51,000

S&P

The second hand sale and purchase market was relatively quiet.

There are a number of factors contributing to the breather we have experienced in the last few weeks. However, enquiry did pick up with the main driver of lack of activity being a stand off on pricing between buyers and sellers.

With sentiment not quite what it was in the opening months of the year, sellers have been loathed to relinquish price ideas of beating the last done and buyers certainly have aimed to pick up ships more in tune with a market that is no longer rising on a steep trajectory.

Selling price flexibility is creeping in however and whilst it may no longer be possible to beat last done in many segments it is certainly possible to still sell ships at historic highs and go home happy. So with a number of fresh enquiries out there and a decent number of sales candidates, we are not anticipating the quieter markets to continue. On this note we understand the **JAN** (1,577-TEU, geared, BWTS-fitted built 2010 Imabari) has been committed at mid/high \$30s.

In the new building market business continues to move forward. Bangladeshi buyers are close to firming up contracts for 4 x 3,000TEU ships at Sumec Dayang for 2024 delivery. Whilst in the larger sizes and number of liner operators continue to keep the yards busy with enquiry.

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As already hinted in our last weeks edition, this week it was now officially announced that Germany-based owners fixed 6 x 5,500 TEU newbuildings for account Zim Integrated Shipping for a seven year period at an average rate of around \$39,000/day with the majority of the vessels delivering from the second half of 2023.

This latest deal will increase the total number of newbuilding to close to 50 vessels to be delivered until early 2025 and nearly double the carriers current carrying TEU capacity and verifies the carriers impressive expansion we have witnessed during the past 18 months.

Otherwise in the traditional-Panamax segment, it was reported that the CS 4250 type '**KOTA LUKIS**' (4,250-TEU, built 2010 Dalian Shipbuilding) fixed a four year period with SM Lines at a rate region \$51,000/day basis a prompt delivery in May, which is a firm rate considering the period commitment.

Further rumours are circulating about a pair of modern 5,000TEU Widebeam types have been fixed but no further details have been disclosed at the point of writing.

In the smaller 2,000 - 4,000 TEU segment there were not any fixtures disclosed this week but there are some ongoing discussions taking place and fixtures are expected to be finalized in the coming weeks.

In size below 1,700 TEU, there is equally nothing to report from this week and considering that this particular segment is facing the highest supply from all others sizes albeit not much, most operators appear to want to wait hoping for some correction

Newbuilds

There is little caution when it comes to container ship newbuilding orders.

In 2021, global container ship players ordered over 600 ships with a total capacity of 4.7m TEUs.

The momentum has not stopped and 2022 carries on with the aggressive newbuilding investment strategy we are now beginning to get used to.

During Q1 2022, we estimate a further 160 ships and 1.2m TEU have been contracted.

As of 31 March 2022, the order book consists of 885 ships, 7.2m TEU on order. The highest tally since the global financial crisis in 2008/09. We estimate that the capacity on order compared to the current trading fleet has reached 29%.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	695	695	485	▶
Bangladesh	690	690	500	▶
Pakistan	670	670	475	▶
Turkey	490	490	250	▶

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