

The Monday Morning Container Briefing

9 May 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	44.44	▶ 0.00
1,740/1,300TEU (G) 20.5 k	60.00	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	29.17	▶ 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	92.00	▶ 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 *	611.38	▶ 0.00
52 Week High	669.79	
52 Week Low	228.42	

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

Chartering

The number of fixtures was reduced this week compared to the previous week but there is still sufficient demand with increasing enquiries. Although operators continue their conservative 'Wait & See' approach and delay their decision making.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
CAP CAPRICORN	3,765	3,070	500	2013		NE Asia	Jun-22	6 m		Wan Hai Lines	\$125,000
WARNOW CHIEF	1,496	1,100	276	2009	Neptun 1500	SE Asia	May-22	90-100 d		Milaha	\$49,500
SC MEMPHIS	1,221	870	150	2005		NE Asia	Jul-22	11-13 m		Sealead Shipping	\$39,500

S&P

For another week MSC was the driver of second hand activity in the container market. Taking the Chinese owned XIN FENG YANG PU (5,089-TEU, built 2006 Hanjin H.I.) at \$70m basis delivery SS/DD passed and BWTS fitted in June. This represents a softening on what was likely achievable if the Seller had moved in March – when reportedly, MSC offered at or just in excess of \$80m waiving inspection.

In general the wider market is still waiting for clearer direction amongst the uncertainty – and is now digesting the interest hike by the Fed which is highly likely to be repeated in the coming few months. Having said that there is notably more activity in the background which we expect to soon result in further transactions where the Buyer is not a liner company based in Geneva.

It should be noted that the port calls at Shanghai, Ningbo-Zhoushan have nearly halved in recent weeks and that these ports account for about 35% of all export cargo out of China. As a result, operators wait for more clarity on easing lockdown measurements in China before we will likely start to see more activity again although. It could be questioned whether operators should move earlier to avoid possible competition and to secure some of the few vessels' available vessels as the overall supply side remains limited.

In the larger segment, it was this week confirmed that Wan Hai Lines secured the 3800 TEU Widebeam **CAP CAPRICORN** (3,765-TEU, gearless, built 2013 Zhejiang Shipbuilding) for six months only at a premium of \$125,000 for trans-Pacific trade which is double the rate what Hapag Lloyd paid the previous week for a sister which was open in Europe as a relet. A firm rate although it is below the peak for similar vessels at the end of January and early February when these sized vessels were fixed over \$200,000/day.

No new fixtures in the 2-4,000 TEU segment for this week but there are also no prompt vessels coming available and the next vessels are only available from July onwards.

In addition, there are only some 50 vessels left for this year and unless any dramatic market turns, then the demand will outpace the supply.

In the feeder segment below 2,000 TEU, we have this week seen the CV Neptun 1500 type **WARNOW CHIEF** (1,496-TEU, gearless, built 2009 Zhejiang Ouhua Shipyard) fixing a short three month charter with Milaha at \$49,500/day.

A prompt Topaz 1700 is raising some questions and speculation in the market although the owners could as a backup fix a short lucrative charter to bridge a gap until it may be easier again to obtain the period business they are looking for.

Fleet

As of 1 May 2022, capacity on order as a percentage of the fleet has breached 30%, with 7.5m TEU of capacity now on order.

The TEU capacity on order is the highest ever recorded. The last time that capacity on order represented 30% of the trading fleet was back in late 2011.

We now estimate that 4.7m TEU was ordered in 2021 and so far in 2022, the ordering tally has reached 1.6m TEU.

Net fleet growth, in terms of TEU capacity for 2022 is estimated to be in the region of 4%. For the years 2023 and 2024, the annual average net fleet growth is currently showing 10%/year.

For 2023, we now estimate a scheduled 2.5m TEU of newbuilding deliveries are expected and the surge of deliveries accelerates in 2024.

In 2024 more than 3m TEU of fresh capacity is expected to be delivered, the largest annual volume of newbuilding deliveries ever recorded.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	715	715	520	▶
Bangladesh	705	710	520	▼
Pakistan	705	705	510	▶
Turkey	440	450	260	▼

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