

The Monday Morning Container Briefing

16 May 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	48.61	▲ 4.17
1,740/1,300TEU (G) 20.5 k	59.00	▼ 1.00
1,714/1,250TEU (G) 19k Bkk Max	27.08	▼ 2.08
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
BOX Total *	612.47	▲ 1.09
52 Week High	669.79	
52 Week Low	233.75	

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

Chartering

A week with modest activity with several reported fixtures whereof the Feeder vessels below 1,500 TEU remains the dominating segment.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
ZHONG GU LIAO NING	3,429	2,411	175	1997	Zim Asia		NE Asia	Sep-22	11-13 m	BAL Container Line	RNR
LOA PEACE	2,470	1,913	320	1999	MTW 2500	3x45t	NE Asia	Aug-22	11-13 m	BAL Container Line	RNR
WARNOW BELUGA	1,296	957	390	2008	CV Neptun 1200		Caribs	Jun-22	35-37 m	King Ocean	\$28,500
ALANA	1,050	720	150	2004	Sietas 168-L		UK Cont	May-22	23-25 m	MSC	\$23,500
ATLANTIC SOUTH	704	413	116	2007	Peters 650		SE Asia	May-22	3-4 m	SITC	\$25,000

S&P

Having been relatively quiet in the previous weeks, with the naysayers talking up the impact of inflation, poor economic data, and general negativity, a more positive mood permeated the markets this week.

Many interrupt that the falls in the freight rates represent little more than a curling of a spring ready for the great cargo rush as China seeks to find its way into 'dynamic zero' and potentially open up more.

This is now the expectation and whilst everyone can agree that lockdowns cannot last forever (can they?) it is the timing and nature of the release that should perhaps create havoc yet again and lift freight rates, charter rates, and the general mood.

Having spent six weeks not seeing any interest on forward delivery vessels.

Enquiry is now coming back to the market and perhaps this is a time to consider that if the second half of 2022 does see a lift, then with asset prices that dropped a few percentage points recently, it could be a time to buy; at least some buyers are taking this view with negotiations ongoing and a small release of enquiry in the market.

In terms of transactions, MSC continued to be active, this week taking the **EASLINE QINGDAO** (1,550-TEU, gearless, built 2001, CSSC; Guangzhou Wenchong Shipyard) at a rumoured price of \$19m, with delivery in June.

A couple of additional units are currently on subjects or under close discussions which will further impact the short supply situation for the coming weeks within the Feeder segment.

It has been another quiet week for the 4,000 TEU plus size. Although one modern Widebeam was fixed as a sublet and on a prompt basis for about one month charter until the vessel will be delivered for a long-term charterer thereafter. As we have stated before, the supply side for this particular segment remains extremely tight for the coming months and despite that the current demand has cooled off, the requirement for charter tonnage in the coming weeks is expected to exceed the supply side.

BAL Container Line (BAL) was linked to the charter extension of two vessels in the 2,000 - 4,000 TEU segment on private terms for a 12-months period. It is interesting to note that BAL remains consistent fixing short period charters up to a maximum 12-months. BAL has preferred this strategy since they commenced their expansion on major East - West trades and refusing to take longer period commitments.

In the Feeder segment, the fixture of the Neptun 1200 type **WARNOW BELUGA** (1,296-TEU, gearless, built 2008 Zhejiang Ouhua Shipyard) for three years period at \$28,500/day was most noteworthy considering the length of the charter as well as the firm rate. The strong rate and lengthy period was required to secure the charter, as the vessel could have been sold alternatively to an end user.

Mediterranean Shipping Company (MSC) is continuously active on all fronts in the Feeder size and was linked to have secured the Sietas 168L **ALANA** (1,050-TEU, gearless, built 2005 Sietas KG Schiffwerft) for two years at \$23,500/day. With that fixture MSC has secured more than ten Feeder vessels in recent weeks via charter and purchase.

A few eco feeders are under negotiation at levels fairly similar to the peak of the market in February, which is encouraging to those who are holding fire on any sell decisions until the market picks up once again.

In the newbuilding sector, we understand that Greece-based Owners have signed at Hyundai Heavy Industries (HHI) for a series of 2,800TEU vessels with delivery from Q4 2024. The reported price is mid \$45m levels.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	700	715	530	▼
Bangladesh	650	705	540	▼
Pakistan	660	705	540	▼
Turkey	440	440	260	►

Braemar ACM Shipbroking - London - Singapore - Shanghai
Email: teu.snp@braemar.com

London Office: Tel: + (0) 203 142 4250 Singapore Office: Tel: + 65 65 169588 Athens Office Tel: + 30 698 334 2204

Every effort has been made to ensure the information contained within this report is accurate, Braemar ACM Shipbroking cannot accept responsibility for error, omission or consequence therefrom