

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	48.61	► 0.00
1,740/1,300TEU (G) 20.5 k	55.00	▼ 4.00
1,714/1,250TEU (G) 19k Bkk Max	25.83	▼ 1.25
2,500/1,900TEU (G) 22 k	76.92	▼ 4.81
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	54.40	▼ 3.20
9,000WB/7,100TEU (GL) 25 k	34.17	► 0.00
10,000/8,000 (GL) 25 k	34.17	► 0.00
BOX Total *	599.21	▼ 13.26
52 Week High	669.79	
52 Week Low	243.81	

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

Chartering

In terms of reported fixtures, we noticed a drop compared to the previous week. It is worth highlighting that several tonnage requirements remain uncovered with the main obstacle often being the length of the charter periods.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
NORTHERN JASPER	8,814	6,923	700	2009	Daewoo 8000		NE Asia	Jun-22	70-80 d	Zim Integrated Shipping	\$175,000
STRAIT MAS	2,600	2,100	300	2002	PIL G Class		NE Asia	Jun-22	2-3 m	Wan Hai Lines	\$85,000
SENTOSA TRADER	1,078	858	200	2002	SembCorp 1078	2x40t	SE Asia	May-22	12-14 m	Sealead Shipping	\$35,350
PADIAN 4	1,032	900	156	2002	Iwagi 1100		NE Asia	Jun-22	11-13 m	SITC	\$40,000

S&P

In terms of reportable sales, the week was more subdued than the previous week.

The market remains divided between those worried about the economic "big picture" and those who see the limited availability of tonnage, strong freight rates, and a potential looming Chinese export tsunami as positive signs of things to come.

Numerous vessels are under negotiation showing that the bulls are not being perturbed. Or perhaps a cash-rich market can hedge bets that may not have been possible without the boom we have seen in recent times? No one can be certain but both buyers and sellers are starting to plan for transactions, which can only mean a more busy sale and purchase market coming up.

Fleet Update

Fleet growth below 1% in the first four months of 2022 perhaps a lull before the storm

In the first four months of 2022, just 38 container vessels have been delivered, in terms of capacity, the total so far is 220,000 TEU. That works out to just 0.9% net fleet growth since the beginning of 2022.

For H1 2022, we are expecting 60 ships to be delivered, but things start to speed up in H2 2022, with 106 ships scheduled.

Opinions currently differ widely about the full impact of the easing of lockdown restrictions in parts of China in the coming weeks.

Studies however show a substantial capacity increase on Transpacific as well as moderate adjustments for the Far East - Europe trade for the coming weeks and an early upcoming peak season considering much longer transit duration on the main East/West trades.

In the larger segment, the only fixture which was this week reported was a short extension of the Daewoo 8000 type '**NORTHERN JASPER**' (8,814-TEU, built 2009 Daewoo Shipbuilding) which is doing another Far East / US East Coast round voyage with ZIM at a reported rate of USD 175,000.

In the smaller regional Feeder segment, Wan Hai Lines extended the Japanese built '**STRAIT MAS**' (2,600-TEU, gearless, built 2002 Toyohashi Shipbuilding) for a short period of two to three months at \$85,000/day and it is now more than one month ago since the last recent period fixture was done within that size.

Below 2,000TEU, two 1,100TEU vessels were this week reported fixed in Asia for periods of one year at rates in line with what similar vessels have recently obtained.

The general supply-side for all sizes remains tight, although a few prompt positions are on the horizon. Several charterers continue with their 'Wait & See' approach but those charterers may eventually be forced to execute or will owners instead buckle?

Perhaps Q1 2022, will be the lull before the storm, a storm that is likely to create some turbulence in 2023 and 2024.

For 2023, the order book schedule indicates 340 container ships with a total capacity of 2.5mTEU due for delivery and the influx of modern efficient tonnage steps up a gear in 2024. For 2024, the delivery schedule increases to 350 ships, and more than 3.0m TEU is expected to be delivered.

Net fleet growth for 2022 is projected at a tepid 4%, shooting up to 10% in 2023 and close to 11% fleet growth is anticipated in 2024.

The numbers do appear alarming at first glance, though as we have mentioned in previous reports, the container ship fleet is aging and there are plenty of older, inefficient container ships coming up for retirement. As of 1 May 2022, the box ship fleet portfolio included 1,200 vessels that are aged 20 years or more. Historically, the average age of demolition for container ships is about 23 years.

Container Ship Demolition Prices US\$/LDT

	This week	Last Week	12 months ago	Momentum
India	575	650	560	▼
Bangladesh	630	630	550	►
Pakistan	610	630	550	▼
Turkey	350	350	300	▼