The Monday Morning Container Briefing

15 AUGUST 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	47.00	▶ 0.00
1,714/1,250TEU (G) 19k Bkk Max	22.92	▲ 1.25
2,500/1,900TEU (G) 22 k	72.12	▶ 0.00
2,500ECO/2,100TEU (G) 18.5 k	25.00	▶ 0.00
2,800/2,000TEU (GL) 22 k	53.47	▶ 0.00
3,500/2,500TEU (GL) 23 k	37.00	▶ 0.00
4,250/2,800TEU (GL) 24 k	88.00	▼ 4.00
6,500/4,900TEU (GL) 24 k	53.33	▼ 1.78
8,500/6,600 (GL) 25 k	52.80	▼ 1.60
9,000WB/7,100TEU (GL) 25 k	30.83	▼ 3.33
10,000/8,000 (GL) 25 k	30.83	▼ 3.33
BOXi Total *	557.75	▼ 12.79
52 Week High	669.79	
52 Week Low	551.38	

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

Chartering

Since the beginning of June, global containerised freight indices have continued a decreasing trend after we saw a slight uptick during the month of May. Year to date various freight indices have fallen by as much as 30% compared to the peak seen in January 2022. Though this is perhaps concerning, then it must be highlighted that the latest levels are at historical heights and above levels reported a year ago.

The chartering activity this week was again quiet with only a few reported fixtures. The main obstacle in any discussion remains the period as most operators remain guarded about covering their tonnage requirement for long periods considering the current decline of freight rates and possible uncertainty. We do however still see firm demand from several operators and with the periods becoming shorter, we do expect to see more discussions within the coming weeks.

Within the larger size, rumours are that several post-Panamax types have been fixed on a forward basis for periods up to eight years, but exact details were not disclosed at the time of writing.

In the smaller Panamax size, two vessels are now in spot positions in Asia which is a scenario that has not been seen for some time.

In the sub-Panamax segment, BAL is linked to have secured the vintage **ZE GUANG** (3,433-TEU, gearless, built 1997 Howaldtwerke) for a 12-months period coming ex drydock at private terms and the VW 2500 type **TIGER** (2,524-TEU, geared, built 2005 Volkswerft) is reported to have opted to go for a short 7–9-month charter with Rong Chang Logistics at $70,000/day. The rate is in line with what was done previously but for a 12-month period. Market gossip is in addition hinting that a German-controlled Aker 2700 is committed on subjects for two years period.

The Feeder sector only recorded two fixtures this week with the high reefer **SAN AMERIGO** (1,841-TEU, geared, built 2008 Hyundai Mipo) reported to have fixed Agriex Line for about 18-20 months at private terms - an operator who does require high reefer intake for their operation and there would have not been many other candidates within this year covering that need. In addition, the German-built CAPE FLORES (1,200-TEU, gearless, built 2005 Peene-werft) was this week linked to have fixed a 12-month charter with Vasi Shipping at a rate in the region of $35,000/day.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
ZE GUANG	3,834	2,411	175	1997	Zim Asia type		NE Asia	Aug-22	11-13 months	BAL Container Line	RNR
TIGER	2,524	1,854	550	2005	VW 2500	3x45t	NE Asia	Aug-22	7-9 months	Rong Shang Logistics	$70,000
SAN AMERIGO	1,841	1,293	462	2008	Hyundai 1800	3x45t	Caribs	Oct-22	18-20 months	Agriex Line	RNR
CAPE FLORES	1,200	870	150	2005	PW 1200		NE Asia	Sep-22	11-13 months	Vasi Shipping	$35,000

S&P

The Container sale and purchase market has largely followed the Charter market in recent weeks with lower levels of liquidity than earlier in the year.

The main contributing factor being the lower number of charter free vessels, however the fall in periods available, particularly in the feeder segments, has now begun to show in the slowly increasing bid/offer spread. That being said enquiry levels are healthy and the number of vessels quietly being mentioned as 'possible sales candidates' is starting to increase.

Transactions may well become more frequent in the coming weeks with tight supply remaining in the charter market and end users requiring tonnage.

Some Sellers are demonstrating a willingness to match Buyers levels within what is beginning to look like a market in a transitionary phase and an increase in activity is looking likely as we head into the end of the European Summer holiday season.

In the Panamax segment it is rumoured that a 2009 built 4500TEU vessel is close to being tied up in the 'mid 60s' basis October delivery. If confirmed this would be a slight decrease on last done but with the forward delivery still a healthy number and still a very firm price historically speaking.

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