braemar

The Monday Morning Container Briefing

10 OCTOBER 2022

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	19.44	▼ 4.17
1,740/1,300TEU (G) 20.5 k	15.00	▼ 3.00
1,714/1,250TEU (G) 19k Bkk Max	8.13	▼ 1.04
2,500/1,900TEU (G) 22 k	23.56	▼ 0.48
2,500ECO/2,100TEU (G) 18.5 k	8.24	▼ 0.59
2,800/2,000TEU (GL) 22 k	16.50	▼ 1.83
3,500/2,500TEU (GL) 23 k	12.00	▼ 2.00
4,250/2,800TEU (GL) 24 k	28.00	▼ 4.00
6,500/4,900TEU (GL) 24 k	17.78	▶ 0.00
8,500/6,600 (GL) 25 k	19.20	▶ 0.00
9,000WB/7,100TEU (GL) 25 k	10.83	▶ 0.00
10,000/8,000 (GL) 25 k	10.83	▶ 0.00
BOXi Total *	189.51	▼ 17.11
52 Week High	669.79	
52 Week Low	189.51	

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

Chartering

Despite the Golden Week holidays in China, the activity level increased with new demand entering the market. But it does appear that many discussions are not fully firm, and operators are testing owners for possible bargains and their willingness to secure employment.

The supply side is showing a clear oversupply with several spot vessels available, mainly in the Pacific region. Operators are in the driving seat with charter rates heading further south.

For operators, it is about setting a new benchmark with each upcoming fixture. Similar behaviour was seen from owners just a few months ago with tonnage providers pushing for a higher and longer with each fixture and with the beauty of hindsight, now possibly realising that some decisions were not rational.

The pace of how rapidly rates but also periods have fallen in recent weeks is alarming. If operators are unable to stem the deterioration of freight rates, then the downward trend could continue.

Whereof operators have been managing their capacity and reducing it during downtimes to maintain stability during the past two years, we now see some old habits of shifting excess capacity into other services.

In the segment above 4,000 TEU, nothing new was reported this week although there are some ongoing discussions for periods between 6 and 12 months. The last done for an older Panamax type remains $35,000/day for 12 months with owners looking to hold for similar levels.

Within the Sub-Panamax segment between 2,000 – 4,000 TEU, it was reported that CMA CGM took the 2,500 TEU **GARFIELD** (2,478-TEU, geared, built 2004 Aker Ostee) in the Atlantic for a short 3-5 month charter at $25,000/day which is in line with market expectations. However, the Atlantic basin is not offering much tonnage in the larger segment so operators needing to cover requirements may need to plan accordingly.

The steepest drop during the week happened in the Feeder segment below 2,000 TEU with ONE extending the Imabari 1700 type **PENANG BRIDGE** (1,700-TEU, gearless, built Imabari 2009) for a 3-6 month charter at $15,500/day, which is a sharp drop. The last time such levels were concluded was in early 2021 although the periods concluded back then were longer. Tehama Shipping was also linked to having secured the vintage Gydnia 2000 type **LOBIVIA** (2,078-TEU, geared, built 2001 Gdynia Shipyard) for 6 to 8 months at a strong rate of $20,000/day when comparing it with the previously mentioned fixture.

In the Feeder size, we are noticing increasing vessel availability in both the Pacific as well as the Atlantic. The Sietas 162 **RAINER D** (864-TEU, geared, built 1997 Sietas KG Schiffwerft) which was coming open in the Mediterranean is said to have secured a 6 month charter but further terms have not been disclosed at the time of writing this report.

Cyprus-based Blue Ice Lines extended the 700 TEU **PACIFIC DALIAN** (698-TEU, gearless, built 2008 Fujian Mawei Shipbuilding) for some 6 months at a reported rate of $14,000/day trading between Greece and Cyprus.

Representative Fixtures

Vessel	TEU	14t	Reefer	YOB	Design	Gear	Delivery	Laycan	Period	Charterer	Rate/day
GARFIELD	2,478	1,903	400	2004	Baltic CS2500	3x45t	W Med	Oct-22	3-5 months	CMA CGM	$25,000
LOBIVIA	2,078	1,640	432	2001	Gdynia 2000	3x45t	SE Asia	Oct-22	6-8 months	Tehama Shipping	$20,000
PENANG BRIDGE	1,700	1,186	145	2009	Imabari 1700		NE Asia	Oct-22	3-6 months	Ocean Network Express	$15,500
RAINER D	864	557	232	1997	Sietas 162	2x50t	Med	Oct-22	6 months	Private	RNR
PACIFIC DALIAN	698	436	120	2008	Mawei 437		E Med	Oct-22	6-9 months	Blue Ice Lines	$14,000

S&P

Activity continued on charter attached feeders older than 15 years - with another 2,700TEU committed with a balance of approximately two years of her TC still to run. The age is still something of a sweet spot for investors as it is an area of the market where they do not have to dabble in meaningful residu-al risk - which is an impasse for most today.

With the exception of post-Panamax tonnage, it continues to be difficult for buyers to make sense of charter-free tonnage given the ability to cover the same requirement with a charter fixture for only a few months.

Having said that there are instances of activity - with the sale of the 2,700TEU **X-PRESS MAKAULU** (2,714-TEU, geared, built 2008 Gdynia Shipyard) a few weeks ago to MSC now being more widely reported.

Seeing a large liner company transact does help reinforce some confidence that perhaps we are closer to the S&P mar-ket finding its feet, but there remains a significant adjustment on prices still to come if the charter market does not soon find some stability.

London Tel + (0) 203 142 4250—Singapore Tel + 65 65 169588—Athens Tel + 30 698 334 2204
Email : teu.snp@braemar.com