

The Monday Morning Container Briefing

13 June 2022

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 | ▶ 0.00 |
| 1,714/1,250TEU (G) 19k Bkk Max | 25.83 | ▶ 0.00 |
| 2,500/1,900TEU (G) 22 k | 76.92 | ▶ 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 | 54.40 | ▶ 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 * | 599.21 | ▶ 0.00 |
| 52 Week High | 669.79 | |
| 52 Week Low | 258.28 | |

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

Chartering

A busy week for the container Industry as the events surrounding the Posidonia in 2022 attracted once again visitors from around the globe after a four-year absence.

Representative Fixtures

| Vessel | TEU | 14t | Reefer | YOB | Design | Gear | Delivery | Laycan | Period | Charterer | Rate/day |
|---------------------|-------|-------|--------|------|---------------|-------|----------|--------|---------|--------------------------|----------|
| GREEN ACE | 1,740 | 1,295 | 345 | 2005 | Wenchong 1700 | 2x45t | NE Asia | Aug-22 | 22-24 m | Allseas Global Logistics | RNR |
| AS SERAFINA | 1,713 | 1,274 | 300 | 2010 | CSBC 1700 | 2x40t | NE Asia | Jul-22 | 2-3 m | CMA CGM | \$62,000 |
| ANBIEN BAY | 1,708 | 1,234 | 172 | 2008 | Imabari 1700 | | NE Asia | Jun-22 | 60-70 d | Wan Hai Lines | RNR |
| BRIGHT LAEM CHABANG | 1,150 | 920 | 148 | 2007 | Imabari 1000 | | NE Asia | Jun-22 | 23-25 m | COSCO | \$31,000 |
| WEGA | 749 | 453 | 102 | 1996 | - | | MED | Jun-22 | 3-8 m | Hapag-Lloyd | €17,700 |

S&P

Given the number of players in the container market travelling for Posidonia last week, one might have expected a quieter time in terms of activity but across newbuild and second-hand market momentum continued to drive forward.

New records were set in the ultra-large newbuild sector with Imabari Shipyard announcing the most expensive container vessels ever ordered - a brace of 23,000TEU vessels contracted at some \$265m for Japan-based Owners but ultimately destined for the ever-hungry MSC.

With options in the recently popular midsize 7-8,000 sector drying up the lines are once again shifting towards the larger designs. CMA CGM, having concluded their 7,900 series at HHI are now in discussions for a further ten newbuildings in the larger sectors most notably a series of 15,000TEU methanol dual-fuel ships.

In the second-hand market, enquiry remains high with several vessels negotiating for both operators and tramp owners alike. CMA are reported to have taken the IRENES RAINBOW (2,826-TEU, gearless, built 2006 Hyundai Mipo) from Tsakos at a rumoured price of \$45m basis delivery in August 2022.

Freight Rates

Spot freight rates for the main east-west head-haul routes continue to report a downward correction. The Freightos Baltic Index (FBX) continues to show signs of weakening. The FBX main index has fallen for 15 weeks of the 23 reported weeks in 2022 YTD.

And after an extraordinary market development for the container industry during the past two years, the overall mood and joy of travelling and socialising was cheerful.

Rumours were circulating during the week that one 6,800 TEU vessel has been extended for about three years, but no further details were disclosed and there are talks that additional vessels of similar size on a forward basis may be included in the deal.

Post-Panamax fixing activity year to date is down 60% compared to the corresponding period in 2021, which is not a surprise. Muted bigger ship chartering activity will continue as very limited tonnage availability will be experienced throughout 2022 and into 2023.

Again, nothing new to report in the Panamax segment although some talks were going on, so it does appear certain operators are coming back to the drawing board to test the market and owners' willingness.

The smaller feeder segment below 2,000 TEU saw again the highest activity this week with two 1,700 TEU vessels fixing again shorter periods between two to three months only at decent rates but not the high premium rates we used to see in the market before.

The forwarder Allseas Global Logistics was reported to have secured a standard Wenchong 1700 type for delivery in August for a period of around two years.

Since January 1, 2022, the main index number has dropped by 2,200 points, a fall of about 23% YTD.

This is hardly surprising considering spot rates peaked in mid-September 2021 during last year's peak season. It was widely expected that freight rates would stabilise sometime in 2022. The container boom driven by the pandemic-led increase in spending on manufactured products is likely to dissipate as vaccines in many economies have led to a switchback towards pre-pandemic spending behaviour. Consumers now have more opportunities to spend on travel and services.

As port congestion eases and logistic supply chains begin to ease up, further freight market corrections are likely as markets adjust to operating conditions returning to some sort of normality.

We have reviewed dwell times for a basket of larger gateway ports in northern Europe, the United States, and China. Although dwell times are still above pre-pandemic levels, at about 50%-60%, we have noticed that the situation is slowly improving and the ports we have reviewed are demonstrating improved productivity as the year proceeds.

Container Ship Demolition Prices US\$/LDT

| | This week | Last Week | 12 months ago | Momentum |
|------------|-----------|-----------|---------------|----------|
| India | 580 | 595 | 550 | ▼ |
| Bangladesh | 620 | 645 | 570 | ▲ |
| Pakistan | 600 | 600 | 550 | ▶ |
| Turkey | 370 | 370 | 310 | ▶ |

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

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