

Weekly Container Briefing

14 January 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.68	► 0.00
1,740/1,300TEU (G) 20.5 k	8.50	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	4.58	► 0.00
2,500/1,900TEU (G) 22 k	9.86	▲ 0.24
2,500ECO/2,100TEU (G) 18.5 k	3.90	► 0.00
2,800/2,000TEU (GL) 22 k	6.42	► 0.00
3,500/2,500TEU (GL) 23 k	4.30	▼ 0.10
4,250/2,800TEU (GL) 24 k	11.00	► 0.00
6,500/4,900TEU (GL) 24 k	8.89	► 0.00
8,500/6,600 (GL) 25 k	9.60	► 0.00
9,000WB/7,100TEU (GL) 25 k	6.50	► 0.00
10,000/8,000 (GL) 25 k	6.67	► 0.00
BOXi Total	88.89	▲ 0.14
52 Week High	88.89	
52 Week Low	65.32	

Market comment

Little to report in the way of second hand transactions although activity has certainly stepped up since players returned to their desks this week. It must be noted that a sizeable gap remains between most Sellers and Buyers fixing levels but with chartering starting to hot up again and the demo market increasing ever further we expect some vessels to change hands in the near future.

In the demo sector, the EVER DEVELOP & EVER DYNAMIC (4,211-TEU, built 1998 Mitsubishi H.I.) have now been concluded for recycling at HKC compliant yards Alang only. The levels equate to an excess of \$440/Ldt on a delivered basis (DYNAMIC was as is Singapore) an exceptionally firm price and it remains to be seen how long Cash Buyers remain at these levels.

Braemar ACM's Demometer - Container Ship Deliveries

Demolition Sales Last 30 days	Total ACTUAL Demolished 2020	Total in Same Period 2019	Total Demolished 2019	Total NBs Delivered 2020
11,000 TEU (4 Vessel)	7,500 TEU (4 Vessels)	5,000 TEU (5 Vessels)	195,500 TEU (100 Vessels)	9,000 TEU (5 Vessels)

Vessel Deliveries Wk02/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
POS Hochiminh	1,809	Hyundai Mipo Dockyard	Pan Ocean Shipping	Intra-Asia	1/2 HPX service NE Asia- Vietnam (Bangkokmax)
Ever Cast	1,809	Hyundai Mipo Dockyard	Nissen Kaiun	Intra-Asia	8/11Evergreen KHP (Bangkokmax)
FSL Singapore	1,528	Guangzhou Wenchong	Cosmoship	TBA	1/4 FarShipping
Total TEU	5,146				

Macroeconomics

Global economic growth is likely to be only slightly faster this year than the weak performance seen in 2019, according to a World Bank forecast. The world economy is likely to expand by 2.5% in 2020, up from 2.4% last year, the Bank's economists estimate. That reflects an expected recovery in some emerging and developing countries that had a difficult 2019. But it will be offset by slower growth in the United States and some other developing nations. Growth in 2019 was the slowest since the financial crisis. And the moderate forecast for this year is beset with uncertainty.

The US economy added 145,000 jobs last month, capping a year of solid but slowing growth, official figures show. Hiring at retail and health care firms drove the gains, which pushed the US labour market to a tenth year of expansion. While the country's 3.5% unemployment rate remained at historic lows, earnings growth slowed from November.

The UK's economy grew by just 0.1% in the three months to November, according to the Office for National Statistics (ONS). Growth was slightly stronger in September and October than previously thought, but fell 0.3% in November, dragging down the three-month figure. The ONS said growth in the economy year-on-year was at its lowest since the spring of 2012. Growth in construction was offset by a weakening service sector, while manufacturing was "lacklustre".

The US is planning to announce a new forum for economic dialogue with China, in a throwback to the strategy of engagement with Beijing pursued by previous administrations in Washington. According to people familiar with the matter, the effort would likely be led by Steven Mnuchin, the US Treasury secretary, and Liu He, Chinese vice-premier — and would be separate from the more specific trade negotiations between the two countries.

Liner and Trade

Cosco Shipping will begin to transfer its intra-European feeder operations to a newly founded German subsidiary from this week. The Chinese shipping giant will hand its European feeder business to Hamburg-based Diamond Line on 15 January. The new company will take intra-European shipments which were previously handled by Cosco Shipping Lines (Europe). (Source : Tradewinds)

Dubai-based Global Feeder Shipping (GFS) will expand its regional service network with the launch of a new weekly service connecting its Jebel Ali hub with the Red Sea ports of Jeddah (Saudi Arabia) and Ain Sokhna (Egypt). The 'JJS' service will be a stand-alone service turning in three weeks using three vessels of 1,400-1,700-TEU. (Source : Alphaliner)

The Suez Canal Authority (SCA) has frozen transit tolls at 2019 prices for the 2020 calendar year for all but two classes of vessels as it faces "unfavourable conditions" in the global economy and international trade. In a notice published by the SCA, rates would remain at their 2019 levels for all vessels types other than LPG carriers and dry bulk vessels, which would see rates rise by 5%. (Source : Lloyd's List)

Indicators	13-Jan-20	Last week	12 months ago
Shanghai Containerised Freight Index	1,002 ▼	1,023	941
FTSE 100 Index	7,618 ▲	7,575	6,918
US\$ LIBOR 12 month	1.96% ►	1.96%	3.02%
Brent Crude Oil Price \$/bbl	64.9 ▼	68.9	60.5
Singapore Bunker 0.5% VLSFO \$/t	703 ▼	741	-