

Weekly Container Briefing

28 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	4.48	▼ 0.10
2,500/1,900TEU (G) 22 k	9.38	▼ 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	► 0.00
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	88.30	▼ 0.34
52 Week High	88.89	
52 Week Low	65.51	

Market comment

Activity remained fairly high even in the final week before the extended Lunar New Year holidays. The HYUNDAI CONFIDENCE (5,700-TEU, built 2003, Hyundai H.I.) has been sold to London-based Buyers on private terms.

Unsurprisingly, the Seoul-based SM Line fleet consisting of 1 x 8,500, 2 x 6,500, 2 x 5,500TEUs has seen strong interest from a number of Buyers. With two of the vessels workable on a relatively prompt basis and two with forward deliveries, it will be interesting to see what effect the said delivery schedules have on the individual prices.

The Feeder sector remains subdued with relatively little buying interest although we expect activity to pick up post new year holidays. The GISELE A (2,764-TEU, geared, built 2004 Gdynia Shipyard) has been reported as sold to UAE-based operators, again on private terms.

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
13,500 TEU (6 Vessel)	8,500 TEU (5 Vessels)	20,500 TEU (14 Vessels)	195,500 TEU (100 Vessels)	24,500 TEU (13 Vessels)

Vessel Deliveries Wk04/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Changsha	2,381	Guangzhou Wenchong	China Navigation Co	TBA	
Douche France	2,200	Jiangsu Yangzijiang	CMA CGM	Trip to Europe	2/3 600 reefer plugs
Ever Calm	1,984	Imabari Shipyard	Shoei Kisen Kaisha	Intra-Asia	2/10 Evergreen Tiawan- Vietnam (Bangkokmax)
Incres	1,774	Jiangsu Yangzijiang	Kotoku Kaiun	TBA	2/3 TBA (Bangkokmax)
Total TEU	8,339				

Macroeconomics

Worries over the continued spread of the coronavirus have hit the financial markets, with London's FTSE 100 share index dropping more than 2%. Airlines and companies with significant sales in China saw some of the biggest share price falls. The price of oil also fell, with Brent crude dropping 3% to \$58.65 a barrel. Companies in China have advised staff to work from home in an attempt to slow the spread of the deadly coronavirus. Businesses are also offering workers longer holidays, as well as telling employees returning from the most affected areas to stay away from work. It comes after the Chinese government extended the Lunar New Year holiday by three days to Sunday.

Flash PMI data for January indicated that the eurozone economy failed to pick up growth momentum at the start of 2020. Manufacturing production remained in contraction, but the rate of decline eased to the softest in five months. There were signs of manufacturing new orders nearing stabilisation at the start of the year, with the rate of decline in new work easing to the softest since November 2018. This was also the case with regards to manufacturing new export business.

Japan's exports fell for a 13th straight month in December, hurt by U.S.-bound shipments of cars, construction and mining machinery. Japan's exports fell 6.3% y-o-y in December 2019, following a decline of 7.9% in the previous month. Japanese shipments to the United States, the country's No. 2 trading partner, fell 14.9% y-o-y in December - a fifth straight month of falls.

Liner and Trade

The shipping industry should be readying itself for restrictions as countries bid to halt the spread of the potentially deadly coronavirus, law firm Hill Dickinson is advising. Preparation for potential escalation is needed, said Hill Dickinson, these include infection of crew members, quarantine measures, closure of ports, and possible repercussions on charter contract obligations. (Source : Tradewinds)

Thomas Miller-managed mutual insurers UK P&I Club and TT Club have joined forces to promote the latest version of the International Maritime Dangerous Goods Code, in an effort to reduce the incidence of fires on containerships. The two clubs have published a guide outlining the responsibilities of stakeholders in the supply chain under the latest version of the IMDG Code, which came into force on January 1, saying the incorrect declaration, packing, handling and stowage of dangerous goods was seen as a primary cause of many containership fires. (Source : Lloyd's List)

The International Chamber of Commerce (ICC) has agreed a 'historic deal' with the Singapore Government and other industry stakeholders, including PSA International, to accelerate the digitization of global trade and commerce. It will involve a number of major stakeholders involved in the processing of goods and documents, including Mastercard, Standard Chartered Bank and DBS Bank. (Source : Port Technology International)

Indicators	27-Jan-20	Last week	12 months ago
Shanghai Containerised Freight Index	981 ▼	997	945
FTSE 100 Index	7,425 ▼	7,651	6,809
US\$ LIBOR 12 month	1.89% ▼	1.92%	3.03%
Brent Crude Oil Price \$/bbl	59.3 ▼	65.2	61.6
Singapore Bunker 0.5% VLSFO \$/t	627 ▼	663	-