

# Weekly Container Briefing

4 February 2020

## Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	9.03	▲ 0.35
1,740/1,300TEU (G) 20.5 k	8.50	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	4.48	► 0.00
2,500/1,900TEU (G) 22 k	9.38	► 0.00
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	9.28	▼ 0.32
9,000WB/7,100TEU (GL) 25 k	6.50	► 0.00
10,000/8,000 (GL) 25 k	6.67	► 0.00
<b>BOXI Total</b>	<b>88.33</b>	<b>▲ 0.03</b>
<b>52 Week High</b>	<b>88.89</b>	
<b>52 Week Low</b>	<b>65.51</b>	

## Market comment

The developing situation of the Coronavirus and the extended Chinese New Year holidays logically will further hamper the return of tonnage back into the market after scrubber retrofit programmes and delay upcoming newbuilding deliveries in a similar fashion.

It is of no surprise therefore that while the majority of the market waits to take a view on the direction of 2020, Buyers and Sellers of post-Panamax tonnage continue to find themselves busy.

Notable transactions were Hyundai Confidence (5,700-TEU, built 2003 Hyundai H.I.) which was sold to clients of Embiricos at a reported \$11.25m and the private sale of 'SM Vancouver' (5,468-TEU, built 2000 Aker MTW) and 'SM Tacoma' (5,456-TEU, built 2000 Kvaerner Warnow-Werft) to GMS on a lumpsum basis at \$10m each. The remaining vessels put on the sales block by SM Lines continue to be under discussion.

In the Panamax sector, Greece-based Thenamaris emerged as having committed 'San Francisco II' (4,860-TEU, built 2009 DSME) at a reported \$10.65m.

Demo prices are now showing signs of retreating slightly with a notable queue of large LDT dry bulk tonnage making the prospect of a continued rally somewhat unrealistic.

## 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
14,000 TEU (6 Vessel)	14,000 TEU (7 Vessels)	28,500 TEU (18 Vessels)	195,500 TEU (100 Vessels)	63,000 TEU (15 Vessels)

Vessel Deliveries	Wk05/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
MSC Ambra		23,756	Samsung H.I.	Doun Kisen	Asia-EUR-Asia	2/2 MSC 2M-AE-10, 2,024 reefer plugs
MSC Orion		15,000	Hyundai H.I.	Zodiac Maritime	Asia-WAF-Asua	1/8 MSC Africa Express
Total TEU		38,756				

## Macroeconomics

Fears over the coronavirus triggered a sharp fall in Chinese shares when the market reopened after the Lunar New Year holiday. The Shanghai Composite index closed nearly 8% lower, its biggest daily drop for more than four years. Manufacturing, materials, and consumer goods companies were among the hardest hit, while healthcare shares soared.

The eurozone economy of 19 European Union countries barely grew at all in the final quarter of last year. A first official estimate puts economic growth in the region at 0.1% q-o-q during the three months to the end of December 2019. Two of the eurozone's largest economies shrank in the period: France by 0.1% and Italy by 0.3%. Eurozone GDP growth was 1% in Q4 on a year on year basis.

Markit/Caixin says China's manufacturing PMI came in at 51.1 for the month of January. That's the slowest in five months. Slow demand dragged on China's manufacturing activity, with total new orders weakening to a level not seen since September 2019. China's National Bureau of Statistics said the country's official manufacturing PMI came in at 50.0 for the month of January — an indication of stalled activity.

The U.S. economy grew 2.1% q-o-q in the fourth quarter, closing out a year in which gross domestic product decelerated to its slowest pace in three years amid a continuing drag in business investment. On an annualised basis, the US economy grew 2.3% y-o-y in Q4.

China is to pump a net 150 billion yuan (\$22bn) into its economy on Monday to help protect it from the impact of the coronavirus outbreak. China's central bank said the move would ensure there was enough liquidity in the banking system and help provide a stable currency market.

## Liner and Trade

Blanked sailings on the Asia-Europe trade are expected to more than double in number over the course of the first quarter of 2020 against last year, as carriers scramble to scale back on capacity in the slow post-Chinese New Year period. In a report published by Jacksonville-based Blue Water Reporting, as many as 58 voyages are due to be blanked over the January-March period this year, up from 25 in the first quarter of 2019, a rise of 123% on-year. (Source : Lloyd's List)

Shipowners who delay fuelling decisions as they await a silver bullet solution to meet the IMO 2050 CO2 reduction targets risk the industry missing those goals — when LNG could start that decarbonisation process today. That was the message from Mark Bell, general manager of the Society for Gas as a Marine Fuel, at the IQPC Global LNG Bunkering Summit 2020 in Amsterdam. (Source : Tradewinds)

China has offered force majeure certificates to businesses after the coronavirus outbreak caused delays and congestion at its ports. According to reports citing the China Council for the Promotion of International Trade, businesses will have to provide documentation including proof of delays or cancellations for sea, air or land transport and related customs declarations to apply for force majeure. (Source : Port Technology International)

Direct container traffic between Taiwan and China totalled 2.49mTEU in 2019, down 2.86% y-o-y, according to statistics compiled by Taiwan's Ministry of Transportation and Communications (MOTC). (Source : Container-News.com)

Indicators	03-Feb-20	Last week	12 months ago
Shanghai Containerised Freight Index	981 ►	981	934
FTSE 100 Index	7,345 ▼	7,412	7,020
US\$ LIBOR 12 month	1.82% ▼	1.88%	2.98%
Brent Crude Oil Price \$/bbl	55.0 ▼	58.2	62.7
Singapore Bunker 0.5% VLSFO \$/t	571 ▼	627	-