

Weekly Container Briefing

18 February 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.68	▼ 0.35
1,740/1,300TEU (G) 20.5 k	8.00	► 0.00
1,714/1,250TEU (G) 19k Bkk Max	4.48	► 0.00
2,500/1,900TEU (G) 22 k	9.13	▼ 0.24
2,500ECO/2,100TEU (G) 18.5 k	3.97	► 0.00
2,800/2,000TEU (GL) 22 k	5.81	▼ 0.61
3,500/2,500TEU (GL) 23 k	4.10	▼ 0.20
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	9.12	▼ 0.16
9,000WB/7,100TEU (GL) 25 k	6.50	► 0.00
10,000/8,000 (GL) 25 k	6.67	► 0.00
BOXI Total	86.35	▼ 1.56
52 Week High	88.89	
52 Week Low	69.17	

Market comment

Although various news reports coming from China are suggesting that the rate of spread of the Coronavirus is abating, a number of market players are now sitting firmly on the fence monitoring the situation before moving on vessels.

In the feeder sector, it has been reported that MPC have sold the AS LAURETTA (987-TEU, gearless, built 2008 Daesun Shipbuilding) & AS LEONA (1,049-TEU, gearless, built 2008 Daesun Shipbuilding) on private terms.

Although the demo numbers continue to soften, in part due to larger dry bulk vessels heading to the Indian subcontinent. We are seeing feeders trickle onto the market as employment opportunities are currently few and far between. Although one can say this has been caused by the earlier lunar new year coupled with the arrival of the coronavirus, we do expect the charter market to pick up again in the next few months

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
26,500 TEU (7 Vessels)	14,000 TEU (7 Vessels)	34,500 TEU (22 Vessels)	195,500 TEU (100 Vessels)	65,000 TEU (16 Vessels)

Vessel Deliveries Wk07/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Ever Cope	1,984	Imabari Shipyard	Shoei Kisen	Intra-Asia	2/9 Taiwan-SE Asia
Total TEU	1,984				

Macroeconomics

Some Chinese factories are firing up again, but with many workers quarantined and parts in short supply, production is limited. China's efforts to contain the virus are clashing with its push to get the country back to work, requiring the country's leaders to strike a balance between keeping people safe and getting vital industries back on track. With the exception of factories producing medical protective equipment, which the Chinese government has asked to run around the clock, few businesses seem to be returning yet to their previous pace.

Japan's economy shrank at the fastest rate in five years at the end of 2019 as it was hit by a sales tax rise, a major typhoon and weak global demand. Annualised gross domestic product (GDP) fell by a much steeper than expected 6.3% in October-December. There are also concerns the coronavirus outbreak will mean the slump continues this quarter. That has raised fears that the world's third-biggest economy may fall into recession

The German economy had another very weak three months at the end of last year, according to official figures. GDP was almost unchanged from the previous quarter. Germany is very exposed to the tensions in international trade, and the weak new figures partly reflect a fall in overseas exports. Compared with the same period in 2018, GDP was higher by just 0.4%.

U.S. industrial production fell 0.3% in January as unseasonably warm weather held down the output of utilities and Boeing slowed production of civilian aircraft, the Federal Reserve said on Friday. The Fed said manufacturing production fell 0.1% in January, matching forecasts, but December's manufacturing output was revised lower to a 0.1% gain from a previously reported 0.2% gain.

Liner and Trade

India has granted approval for a new deep water container port at Container shipping carriers are being hit by weakened spot rates, despite the efforts made to pare back capacity amid the effects on world trade of the coronavirus. The Shanghai Containerised Freight Index on the Shanghai Shipping Exchange, which resumed operation on February 14, showed Asia-Europe rates dropped more than 12% from the pre-holiday level on January 23. Meanwhile, transpacific rates slid 6-8%. (Source : Lloyd's List)

An ultra-large boxship has left China nearly empty due to the impact of coronavirus Covid-19. The unnamed 23,000-TEU vessel departed Shanghai last week carrying only 2,000 boxes, according to one shipping source. Sector players told TradeWinds they were not surprised that this has happened, saying requirements for vessels have been cancelled. (Source : Tradewinds)

Some liners are to impose reefer surcharges into some Chinese ports. It has previously been reported that a shortage of truck drivers had caused difficulties in handling reefer containers (plug-ins). Port congestion at some Chinese ports is problematic for temperature controlled units as reefers require constant connection to plug-in points on the quayside. (Source : Lloyd's List)

Indicators	17-Feb-20	Last week	12 months ago
Shanghai Containerised Freight Index	911 ▼	981	941
FTSE 100 Index	7,434 ▼	7,447	7,237
US\$ LIBOR 12 month	1.79% ▼	1.84%	2.92%
Brent Crude Oil Price \$/bbl	57.3 ▼	53.3	66.3
Singapore Bunker 0.5% VLSFO \$/t	514 ▼	524	-