

Weekly Container Briefing

10 March 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.33	► 0.00
1,740/1,300TEU (G) 20.5 k	7.00	▼ 0.50
1,714/1,250TEU (G) 19k Bkk Max	4.06	▼ 0.31
2,500/1,900TEU (G) 22 k	8.89	▼ 0.24
2,500ECO/2,100TEU (G) 18.5 k	3.90	► 0.00
2,800/2,000TEU (GL) 22 k	5.65	► 0.00
3,500/2,500TEU (GL) 23 k	4.00	► 0.00
4,250/2,800TEU (GL) 24 k	9.80	▼ 0.40
6,500/4,900TEU (GL) 24 k	8.71	► 0.00
8,500/6,600 (GL) 25 k	8.64	▼ 0.64
9,000WB/7,100TEU (GL) 25 k	6.50	► 0.00
10,000/8,000 (GL) 25 k	6.67	► 0.00
BOXI Total	82.16	▼ 2.09
52 Week High	88.89	
52 Week Low	70.95	

Market comment

Whilst second hand enquiry has been muted, Buyers are seeing real opportunities to secure newbuilding contracts at attractive pricing.

Gerry Wang lead Greathorse Shipmanagement has signed at Yangzijiang for 2+2+2 dual fuel 14,000TEU vessels at \$110mn whilst Capital have also signed with Yangzijiang for conventional fuelled 13,000TEU vessels at a price sub \$90mn.

We will likely see more opportunistic ordering in the coming months, especially at Chinese yards under pressure to fill berths.

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
30,000 TEU (10 Vessels)	24,000 TEU (12 Vessels)	50,000 TEU (29 Vessels)	195,500 TEU (100 Vessels)	84,500 TEU (22 Vessels)

Vessel Deliveries	Wk10/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Ever Faith		12,118	Samsung H.I.	Evergreen Marine Corp	Asia- USEC- Asia	1/8 Evergreen OCEAN-A, AWE2 via Panama
Green Earth		1,809	Hyundai Mipo Dockyard	XT Shipping Ltd	Intra- Asia	5/8 GSL China- SE Asia (Bangkokmax)
Total TEU		13,927				

Macroeconomics

Oil prices crashed by more than a fifth after Saudi Arabia launched an aggressive price war, sending rattled stock markets plunging and spurring a rush into government bonds as investors sought havens. Oil prices fell as much as 30% but later Brent trimmed losses slightly to be down 20% at \$36/bbl.

China's exports and imports both plunged over the first two months of the year, as the coronavirus tore through the world's second-largest economy. Exports fell by 17.2% in January and February combined compared to the same period a year earlier, according to data released on Saturday by the General Administration of Customs. This was down from 7.9% growth in December. Imports dropped 4% from a year earlier, down from 16.5% growth in December.

Up to 16 million people have been placed under quarantine in northern Italy, in a bid by the government to stop the march of coronavirus across Europe's hardest-hit region. The north is Italy's economic powerhouse, with Lombardy alone responsible for 40% of industrial production. The move effectively shuts down a significant part of the Italian economy in a bid to halt the fast-moving virus. Italy's industrial production fell -4.3% y-o-y in January.

Japan's household spending declined 3.9% from a year earlier in January 2020, following a 4.8% fall in the previous month. It is the fourth consecutive decline in household spending in Japan.

Global stocks tumbled in chaotic trading and investors sought refuge in US government bonds after a crash in the price of oil rocked financial markets already reeling from the impact of coronavirus.

Liner and Trade

CMA CGM has heralded an upturn in business in China that could signal a return to normality in coronavirus-hit liner trades. Chairman Rodolphe Saade conceded that the beginning of 2020 has been impacted by the coronavirus epidemic which had affected global trade and forced CMA CGM to "adapt" its shipping services. But production capacity of Chinese manufacturing plants had shown signs of improvement since the end of February. (Source : Tradewinds)

Spot freight rates from China to Northern European hub ports marginally increased last week from \$804/TEU to \$830/TEU according to data supplied by the Shanghai Containerised Freight Index. Since January 1, China to Northern Europe spot freight rates have declined approximately 25%. Trans-Pacific rates fell slightly last week. For China to the US west coast, rates dipped \$33/FEU to \$1,361/FEU. Since January 1, China to US west coast spot rates have fallen approximately 15%. (Data source Shanghai Shipping Exchange)

Philippines-based Port operator International Container Terminal Services, Inc (ICTSI) has seen an impact on Asian volumes from the coronavirus outbreak and is closely reviewing developments across the regions in which it operates. ICTSI chairman said "the outbreak of Covid-19 has had an impact on volumes particularly in Asia". (Source : Lloyd's List)

Indicators	10-Mar-20	Last week	12 months ago
Shanghai Containerised Freight Index	871 ▼	876	767
FTSE 100 Index	5,966 ▼	6,655	7,104
US\$ LIBOR 12 month	0.84% ▼	1.38%	2.87%
Brent Crude Oil Price \$/bbl	36.2 ▼	50.9	65.7
Singapore Bunker 0.5% VLSFO \$/t	415 ▼	441	-