

# Weekly Container Briefing

24 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	7.50	▲ 0.25
1,714/1,250TEU (G) 19k Bkk Max	3.96	► 0.00
2,500/1,900TEU (G) 22 k	8.65	► 0.00
2,500ECO/2,100TEU (G) 18.5 k	3.90	► 0.00
2,800/2,000TEU (GL) 22 k	5.50	▼ 0.15
3,500/2,500TEU (GL) 23 k	3.80	▼ 0.20
4,250/2,800TEU (GL) 24 k	9.40	▼ 0.20
6,500/4,900TEU (GL) 24 k	8.18	▼ 0.36
8,500/6,600 (GL) 25 k	8.00	▼ 0.32
9,000WB/7,100TEU (GL) 25 k	6.33	▼ 0.17
10,000/8,000 (GL) 25 k	6.50	▼ 0.17
<b>BOXI Total</b>	<b>80.05</b>	<b>▼ 1.32</b>
<b>52 Week High</b>	<b>88.89</b>	
<b>52 Week Low</b>	<b>73.09</b>	

## Market comment

China is beginning to emerge which is evident from a liquid container chartering market but the measures in the Western world to slow the spread of Covid-19 increasingly shapes daily life and takes a large economic toll on the world.

There continues to be activity on the second hand market but the mechanics of physically delivering a ship from a Seller to a Buyer are ever complicated with crew changes now prohibited in most jurisdictions.

With the Indian, Pakistani and Bangladeshi demolition markets now effectively closed and Turkey seemingly following close behind. We do not expect further activity on demolition for the foreseeable future whilst Owners focus on contingency plans for vessels already inbound.

## 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
7,500 TEU (5 Vessels)	25,000 TEU (13 Vessels)	56,000 TEU (33 Vessels)	195,500 TEU (100 Vessels)	104,500 TEU (25 Vessels)

Vessel Deliveries	Wk11/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
SITC Makassar	2,433		Jiangsu Yangzijiang	SITC International Holdings	Intra-Asia	4/6 China-Philippines
<b>Total TEU</b>	<b>2,433</b>					

## Macroeconomics

The Global economy will suffer for years to come, says Organisation of Economic Co-Operation and Development (OECD). Angel Gurría, OECD secretary general, said the economic shock was already bigger than the financial crisis. Mr Gurría said a recent warning that a serious outbreak could halve global growth to 1.5% already looked too optimistic.

Japan's exports slipped for a 15th straight month in February as U.S. and China-bound shipments declined. Imports from China fell at their fastest pace since 1986. Japan's Finance Ministry data out last week showed Japan's exports fell 1.0% y-o-y in February. Japan's imports shed 14.0% y-o-y, dragged down by the sharp drop in imports from China.

The Bank of England has cut interest rates again in an emergency move as it tries to support the UK economy in the face of the coronavirus pandemic. It is the second cut in interest rates in just over a week, bringing them down to 0.1% from 0.25%. Interest rates are now at the lowest ever in the Bank's 325-year history.

The Trump administration and congressional leaders struggled to reach a deal on fiscal stimulus measures worth nearly \$2tn to help the US weather the coronavirus pandemic. The negotiations hit an impasse on Sunday as democrats said the proposal offered big business an overly generous bailout with limited conditions. The democrats also argued it would not release new funds to hospitals.

## Liner and Trade

China's TEU throughput is down about 10% for the first two months of 2020. According to data from portcontainer.cn, the major China container ports of Shanghai, Hong Kong, Shenzhen, Qingdao, Ningbo-Zhoushan, Tianjin Guangzhou and Dalian combined handled 10% y-o-y less TEU throughput during the first two months of 2020. The portcontainer.cn data for The Port of Shanghai reported that this port handled 5.9M TEU during the first two months of 2020, representing a drop of about 11% y-o-y (Data source : Portcontainer)

Container shipping prospects are at risk according to Orient Overseas International Ltd. "The sudden outbreak of the coronavirus creates a tremendous amount of uncertainty," said the Hong Kong-listed company in its annual results announcement. It said that while China's ability to quickly bring the virus under control has given hope for a rather quick economic recovery, the outlook then became more pessimistic after the disease turned into a global pandemic. (Source : Lloyd's List)

Ratings agency Moody's Investors Service is warning of another Hanjin moment for shipping as it downgraded the whole industry for the first time in three years. Economic disruption caused by the coronavirus has led the agency to change its outlook to "negative" from "stable". (Source : Tradewinds)

Indicators	23-Mar-20	Last week	12 months ago
Shanghai Containerised Freight Index	898 ▼	912	723
FTSE 100 Index	4,979 ▼	5,152	7,208
US\$ LIBOR 12 month	0.92% ▲	0.82%	2.79%
Brent Crude Oil Price \$/bbl	25.3 ▼	30.0	67.0
Singapore Bunker 0.5% VLSFO \$/t	298 ▼	304	-