

Weekly Container Briefing

7 April 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.47	▲ 0.14
1,740/1,300TEU (G) 20.5 k	7.50	▼ 0.50
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	► 0.00
3,500/2,500TEU (GL) 23 k	3.80	► 0.00
4,250/2,800TEU (GL) 24 k	9.60	► 0.00
6,500/4,900TEU (GL) 24 k	8.18	► 0.00
8,500/6,600 (GL) 25 k	8.00	► 0.00
9,000WB/7,100TEU (GL) 25 k	6.33	► 0.00
10,000/8,000 (GL) 25 k	6.50	► 0.00
BOXI Total	80.39	▼ 0.36
52 Week High	88.89	
52 Week Low	73.34	

Market comment

Buying inquiry remains but the continued difficulties over inspections, crew change impediments and now with the majority of the market working remotely makes for a lengthy process.

Despite such complications and the closure of the sub-continent demolition markets, a Taiwan-based Liner operator has invited offers this week for further trading or Hong Kong convention compliant recycling on two 5,500TEU vessels built in 2001. It remains to be seen how many cash buyers choose to offer and how they will price given the performance of the recycling contract is not possible at the time of outright offers.

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
6,500 TEU (5 Vessels)	25,000 TEU (13 Vessels)	65,000 TEU (36 Vessels)	195,500 TEU (100 Vessels)	108,000 TEU (27 Vessels)

Vessel Deliveries Wk14/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Ever Core	1,984	Imabari Shipyard	Shoei Kisen Kaisha	Intra-Asia	3/9 Evergreen NE Asia- Vietnam
Zhong Gu Di Zhong Hai	1,912	Jinling Shipyard	Zhonggu Logistics	Intra-Asia	5/6 China coastal
Total TEU	3,896				

Macroeconomics

Economically, a v-shaped or u-shaped recovery have been mentioned. Before talking about what type of recovery we might experience, we need to know what we are to recover from. So far the IMF, World Bank and OECD are reviewing scenarios etc but haven't yet published their outlook numbers, or how bad or how long this situation could potentially be. Probably because they don't know yet. On the BBC, the Director General of the OECD, Angel Gurría, mentioned that for every month of a global lock down, the OECD is estimating that the annual (2020) global GDP growth rate could decline by 2%. So for a three month lock down, world GDP growth could shrink by 6%.

The number of Americans seeking unemployment benefits has hit a record high for the second week in a row as the economic toll tied to the coronavirus intensifies. More than 6.6 million people filed jobless claims in the week ended 28 March, the US Department of Labor said. That is nearly double the week earlier, which was also a new record.

The Consumer Confidence Index in Japan plunged to 30.9 in March 2020 from 38.4 in the previous month, reaching the lowest level since March of 2009.

The IHS Markit Brazil Composite PMI plunged to 37.6 in March 2020 from the previous month's 50.9, signalling the steepest month of contraction in the private sector since the series began in March 2007.

The IHS Markit Eurozone Construction PMI dropped to 33.5 in March 2020 from 52.2 in the previous month. The latest reading pointed to the sharpest contraction in construction activity since February 2009. New orders slumped to an over eleven-year low and the job shedding rate accelerated to decade high.

Liner and Trade

The 2M partners Maersk and MSC have announced the suspension of the Far East-USWC 'TP-8 / Orient' service during the second quarter. 2M will also halt the Far East-US East Coast 'TP-11 / Elephant' service during the second quarter. The members of THE Alliance have decided not to resume the Asia-USEC 'EC3' service which was combined last November with the 'EC1' loop into a 'Modified EC1' service for the slack winter season. The second loop to be suspended by THE Alliance is the Asia-USWC 'PS5' service. (Source : AXS Alphaliner)

Mediterranean Shipping Co is helping shippers in Europe to use its shortsea shipping networks to avoid new land border blockages in order to ensure that essential supplies are delivered as the coronavirus pandemic spreads. In an open letter commenting on its cargo business, MSC Group president and chief executive Diego Aponte said that, as a major shipping and logistics service provider, the company had a crucial role to play during the crisis. (Source : Lloyd's List)

A.P. Moller - Maersk announces that it has closed its acquisition of Performance Team, a US-based warehousing and distribution company, to further strengthen its capabilities as an integrated container logistics company, offering end-to-end supply chain solutions to its customers. Performance Team's premium omnichannel fulfillment expertise, e-commerce and inland transportation will be extended to a broader range of customers to enhance the Maersk Warehouse & Distribution network. (Source : Maersk)

Indicators	06-Apr-20	Last week	12 months ago
Shanghai Containerised Freight Index	890 ►	890	793
FTSE 100 Index	5,582 ▲	5,564	7,447
US\$ LIBOR 12 month	1.06% ▲	0.97%	2.73%
Brent Crude Oil Price \$/bbl	32.4 ▲	22.8	70.3
Singapore Bunker 0.5% VLSFO \$/t	260 ▼	266	-

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