

Weekly Container Briefing

14 April 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.33	▼ 0.14
1,740/1,300TEU (G) 20.5 k	7.25	▼ 0.25
1,714/1,250TEU (G) 19k Bkk Max	3.85	▼ 0.10
2,500/1,900TEU (G) 22 k	8.41	▼ 0.24
2,500ECO/2,100TEU (G) 18.5 k	3.82	▼ 0.07
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	8.80	▼ 0.80
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	6.17	▼ 0.17
10,000/8,000 (GL) 25 k	6.33	▼ 0.17
BOXi Total	78.45	▼ 1.94
52 Week High	88.89	
52 Week Low	73.90	

Market comment

As we enter another week of lockdown, it is not surprising that whilst enquiry remains subdued, activity is not altogether muted as both Buyers and Sellers work together to find solutions to delivering vessels.

Questions remain over charter rates in the short term, whilst so far they have remained relatively stable in comparison to the decline in volumes it is safe to assume that with the number of blanked sailings from the lines along with the large amount of tonnage being redelivered that a correction in rates has to come at some point.

The demo sector in particular, whilst closed for the near future has seen Buyers looking to offer Owners solutions for delivering vessels including taking over crew contracts for a period of time, or offering basis ultra wide laycans to give Sellers security that facilities will have reopened by the time a delivery takes place.

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
5,000 TEU (4 Vessels)	25,000 TEU (13 Vessels)	79,000 TEU (43 Vessels)	195,500 TEU (100 Vessels)	108,000 TEU (27 Vessels)

Vessel Deliveries	Wk15/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Total TEU		0				

Macroeconomics

South Asia faces its worst economic performance in 40 years because of the coronavirus, the World Bank has said. Economies such as India, Bangladesh, Sri Lanka and Pakistan have reported relatively few virus cases but experts fear they could be the next hotspots. The South Asia region is home to 1.8bn people and some of the world's most densely populated cities. It has slashed its growth forecast for the region this year to 1.8% to 2.8% from its original projection of 6.3% made before the virus outbreak.

UK's independent tax and spending watchdog has warned the coronavirus pandemic could trigger a record 35% drop in UK growth by June. The Office for Budget Responsibility (OBR) said that this was based on an assumption that the current lockdown would last for three months. Under this scenario, unemployment would hit 10%, from its current 3.9% rate. However, once restrictions were lifted, the OBR said it expects growth to recover quickly with no lasting damage.

The coronavirus pandemic will turn global economic growth "sharply negative" this year, the head of the International Monetary Fund (IMF) has warned. Kristalina Georgieva said the world faced the worst economic crisis since the Great Depression of the 1930s. The IMF have estimated that global GDP will decline by -3% in 2020. A UN study said 81% of the world's workforce of 3.3bn people had had their place of work fully or partly closed because of the outbreak.

Exports from China dropped 6.6% y-o-y to \$185.15bn in March 2020, compared with market estimates of a 14.0% fall, and after a 17.2% plunge in January - February combined. Imports to China declined 0.9% y-o-y to \$165.25bn in March 2020, compared with market expectations of a 9.5% drop and after a 4% decline in January- February combined.

Liner and Trade

Maersk and MSC are to suspend their joint North Europe-US East Coast 'TA4 / NEUATL4' service for a period of five weeks starting in week 18. The 'TA4 / NEUATL' is one of the four North Europe-USEC loops of the 2M Vessel Sharing Agreement. (Source : AXS Alphaliner)

Shipyards in China are marketing aggressively to rake in newbuilding contracts as the restrictions imposed during the Covid-19 outbreak are gradually lifted. Industry players said the nation's shipbuilders are finally "back in the market" after weeks of lockdown due to the virus. (Source : Tradewinds)

Oakland's March containerised imports fell 10.3% from March 2019, while its containerised exports were down 5%. Exported empties plummeted 23%, as the port's overall volume declined 11%. Just 95 boxships reached the port in March, down 23% against the average of 123.3 containerships for each of the past five years. (Source : Lloyd's List)

Breakbulk and heavy lift operator AAL is doing its bit to help during the coronavirus outbreak, offering cargo transport, free of freight charge, to registered charities worldwide who need to transport vital goods and equipment internationally and are suffering the financial effects of the global pandemic. (Source : Lloyd's List)

Indicators	13-Apr-20	Last week	12 months ago
Shanghai Containerised Freight Index	868 ▼	890	757
FTSE 100 Index	5,827 ▲	5,704	7,437
US\$ LIBOR 12 month	1.05% ▲	1.04%	2.73%
Brent Crude Oil Price \$/bbl	32.0 ▲	31.9	71.5
Singapore Bunker 0.5% VLSFO \$/t	257 ▼	274	-