

Weekly Container Briefing

21 April 2020

Time Charter Rates

Vessel (TEU/HOM)	Index	+/-
1,100/715TEU (G) 19 k	8.13	▼ 0.21
1,740/1,300TEU (G) 20.5 k	7.00	▼ 0.25
1,714/1,250TEU (G) 19k Bkk Max	3.75	▼ 0.10
2,500/1,900TEU (G) 22 k	8.41	► 0.00
2,500ECO/2,100TEU (G) 18.5 k	3.68	▼ 0.15
2,800/2,000TEU (GL) 22 k	5.35	▼ 0.15
3,500/2,500TEU (GL) 23 k	3.60	▼ 0.20
4,250/2,800TEU (GL) 24 k	8.20	▼ 0.60
6,500/4,900TEU (GL) 24 k	7.11	▼ 1.07
8,500/6,600 (GL) 25 k	7.04	▼ 0.96
9,000WB/7,100TEU (GL) 25 k	5.83	▼ 0.33
10,000/8,000 (GL) 25 k	6.00	▼ 0.33
BOXI Total	74.10	▼ 4.35
52 Week High	88.89	
52 Week Low	74.05	

Market comment

As international buyers remain cautious, we are starting to see signs of Chinese domestic operators beginning to turn their eyes to the container market.

Given the regulation changes for Chinese imports that came into force in 2018. It will be interesting to see how successful these Buyers will be in acquiring Tier II tonnage or indeed whether we will start to see Sellers taking initiative in upgrading vessels to Tier II standards in order to open themselves up to a larger pool of Buyers.

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
3,500 TEU (3 Vessels)	25,000 TEU (13 Vessels)	94,000 TEU (46 Vessels)	195,500 TEU (100 Vessels)	111,000 TEU (28 Vessels)

Vessel Deliveries Wk16/20	TEU	Shipyard	Owner	Deployment	Series No + Comment
Maersk Kwangyang	2,806	Tsuneishi Zhoushan	Unknown	Asia- ISUB- Asia	12/16 Sealand NE Asia- ISUB
Total TEU	2,806				

Macroeconomics

IMF: Dire economic forecasts may be too optimistic. Last week the IMF estimated that the world economy could shrink 3% in 2020. The fund has stressed that a 3% decline in 2020's world output is potentially a more optimistic picture. The IMF stated that "Epidemiologists are now helping us making macroeconomic projections".

China's economy shrank for the first time in decades in the first quarter of the year, as the virus forced factories and businesses to close. The world's second biggest economy contracted 6.8% according to official data released at the end of last week.

Exports from China dropped 6.6% y-o-y to \$185.15 bn in March 2020, compared with market estimates of a 14.0% fall and after a 17.2 % plunge in January-February combined.

The US recorded 5.2 million unemployment claims last week, taking the total over the past month to more than 20 million. It is the worst stretch of American job losses on record, with much of the world's biggest economy at a standstill due to lockdown.

Japan's exports slumped the most in nearly four years in March as U.S.-bound shipments, including cars, fell at the fastest rate since 2011. Ministry of Finance data showed Japanese exports fell 11.7% y-o-y in March, Japan's imports fell 5% y-o-y in March.

The Eurozone industrial production fell 1.9% y-o-y in February 2020, following a revised 1.7 % drop in the previous month. The Eurozone inflation rate was confirmed at 0.7% y-o-y in March 2020, the lowest since last October, for February the inflation rate was 1.2%.

Liner and Trade

The Port of Rotterdam expects a 10-20% drop in throughput this year due to the widespread disruption caused by the COVID-19 pandemic, with production processes and logistics chains affected. Rotterdam's throughput fell by 4.7% y-o-y in the first quarter of the year, as the impact of the coronavirus was limited until late March, as goods flows from China declined due to the lockdown there in February. (Source : Container Management)

The port of Virginia, citing decreased throughput, has said it will close one of its container terminals and direct incoming volumes to two other container terminals at the facility. Port of Virginia handled 654,500-TEU in Q1 2020, down 7.5% y-o-y. (Source : Lloyd's List)

Liner operators have so far blanked some 384 sailings due to the coronavirus pandemic, according to Sea-Intelligence. A further 83 sailings have been cancelled in the past week alone as lines trim sailing capacity to help manage the downturn in demand. Most of the fall in demand has come from major markets of Europe and the United States. Around 3m TEU of capacity withdrawn from the Asia-Europe and trans-Pacific trades alone, according to Sea-Intelligence. (Source : Tradewinds)

Indicators	20-Apr-20	Last week	12 months ago
Shanghai Containerised Freight Index	829 ▼	867	762
FTSE 100 Index	5,812 ►	5,843	7,460
US\$ LIBOR 12 month	0.98% ▲	1.06%	2.76%
Brent Crude Oil Price \$/bbl	26.3 ▲	31.7	72.0
Singapore Bunker 0.5% VLSFO \$/t	262 ▼	257	-