

Container Weekly

22nd April – 28th April 2023

This report and/or presentation is based on our knowledge of relevant market conditions. Our estimates are made on the basis of this knowledge, but other circumstances, or new circumstances, as well as general uncertainty could cause the market to develop differently. We take general reservation for misprints. Maersk Broker is not responsible or liable for any damages or losses resulting or arising directly or indirectly from your use of the report.

© All rights reserved. No part of this publication may be reproduced in any material form (including photocopying or storing it in any medium by electronic means) without the written permission of the copyright owner. Likewise, any quoting is prohibited without the written permission of the copyright owner.

Charter Market

After a frantic couple of weeks, the container market seems to have settled down in terms of fixing activity, although the market conditions remain firm. For now, we still see demand in the market particularly for the more modern tonnage, which remains limited. We expect that tonnage coming open within Q2 will still be able to capitalise on the current market conditions and secure last done levels, at least. There is a general reluctance from operators to look too far forward, however, we are beginning to see increasing interest in Summer ships particularly for vessels of 3500 TEU and above.

There were no fresh fixtures reported fixtures in the largest segments this week, however talks are continuing in this segment and demand is firm, also for positions towards the end of the year. We expect further activity to materialise next week as negotiations are finalised.

Tonnage in the panamax segment has thinned out considerably of late and demand remains high. Operators have to turn their attention to dates in June and beyond if they wish to secure the most prompt ships. The situation appears different as we look towards the second half on the year, where we see more potential supply although it still appears manageable. In Europe, one 3500 TEU vessel the 'GSL Alice' extended her charter with CMA for a further 2 years at USD 20,500.

There have been a few fixtures rumoured fixed in the 2000 - 3000 TEU segment,. One vessel was supposedly fixed for a short period of around 3 months, at a rate a tick above USD20k. Longer period's seem harder to come by, for the moment at least.

Activity levels in the 2,000 TEU and below segments experienced a resurrection after a previously dull week. We saw a couple of 1,800 TEU newbuildings fixing 12 months at around USD 18k, which is an improvement from last done. The Daesun 1000 design 'HS BUSAN' was taken by KMTc for a short 3-4 months period at a tick below USD 13k.

Representative Fixtures

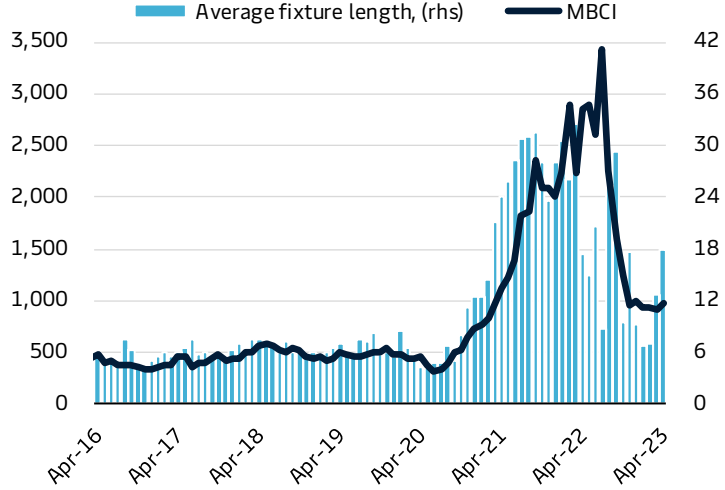
USD/day

Vessel	Year	TEU	14 T.H.	Plugs	Design	Gear	Period	Region	Charterer	Rate
Gsl Alice	2014	3,421	2,509	538	Wenchong 3400	Geared	24 Months	Mediterranean	CMA CGM	20,500
Cebu	2023	1,911	1,290	230	Wenchong 1900	Gearless	12 Months	Far East	OOCL	17,700
Viking Orca	2023	1,800	1,370	250	Jiangsu 1800	Gearless	12 Months	Far East	CMA CGM	18,000
Tallahassee	2012	1,042	649	119	Kouan 1000	Gearless	12-14 Months	Far East	ONE	Private

Source: Maersk Broker Insights
Container Weekly

Maersk Broker Container Index (MBCI) & Fixture Length

Index, Jan 95 = 1,000 (lhs), months (rhs)



Monthly Comparison	Apr-19	Apr-20	Apr-21	Apr-22	Latest
MBCI	506	456	1,129	2,866	980

Source: Maersk Broker Insights

Average Charter Rates

USD/day

Size (TEU)	2019 FY	2021 FY	2022 Q2	2022 Q3	2022 Q4	2023 Q1
900-1,200	6,343	16,339	27,035	29,875	13,333	12,335
1,600-1,800	8,463	23,383	48,600	41,125	16,079	14,719
2,400-2,700	10,050	30,370	74,667	57,000	19,450	17,283
2,700-2,900	10,814	31,199	46,250	42,000	21,650	24,023
4,000-5,400	13,468	40,679	78,333	46,083	22,200	18,519
5,500-7,000	21,150	39,408	N/A	56,563	45,000	29,250

Source: Maersk Broker Insights

Standard Sizes (TEU)	Weekly estimate, Up to 12 months	Trend
1,100	13,250	→
1,700	16,250	↗
2,500	18,500	→
2,700	19,500	→
3,500	21,000	→
4,250	24,500	↗
5,500	33,000	↗
6,500	37,000	↗

Preliminary assessed by Maersk Broker

Newbuilding Market

This week 3,860 TEU was added to the orderbook.

Reederei Nord placed an order for 2+2 x 1,930 TEU at GWS for an undisclosed price basis delivery 1H 2025. We understand a number of owners have subsequently approached the CSSC affiliated yard for a series of 2,800 TEU and 4,000 TEU methanol DF vessels.

In a much-anticipated move, Evergreen released a tender for 24 x 16,000 TEU methanol DF. The participating yards are expected to submit their offers by May 17th. It is expected the cost will be approximately USD 180 mill per vessel for the Taiwanese liner. Given the limited availability of slots within 2026, it is likely the order may be divided among several yards, with the top three Korean yards considered the frontrunners for the project. We understand that upon conclusion of the contracts, Evergreen plans to launch another tender for a large series of 3,000 TEU.

Newbuilding Price Assessments

USD Mn

Size (TEU)	Gear	Price Korea	Trend	Price China	Trend
1,700	Y	32	↗	29	↗
2,700	Y	41	↗	37	↗
5,400	N	69	→	61	→
11,000	N	125	→	115	→
15,000	N	159	→	146	→

Preliminary assessed by Maersk Broker

2nd Hand Market

The positive sentiment continued in the container second hand market. Chinese and Turkish buyers remained active seeking tonnage, and we saw a slight increase in activity across the board of all buyers, which could be due to the fact that fewer sales candidates are able to deliver within the next couple of months, and most Buyers are seeking prompts vessels. Asset prices continued climbing upwards together with the increasing charter rates as the trend has been the past weeks.

On the recycling side, the only 15 year old 6,500 TEU "Flora" was sold for scrap in Bangladesh after a grounding in 2020 in the Singapore Strait. Also MSC have this past week sent a vessel for recycling, the 4,800 TEU "MSC Pilar" built 1990 was sold at a reported price of USD 550 per LDT heading to India.

2nd Hand Price Assessments

USD Mn

Size (TEU)	Gear	10-year-old	Trend	15-year-old	Trend
1,700	Y	16.0	↗	12.0	↗
2,700	Y	21.5	↗	16.5	↗
4,250	N	30.0	↗	23.0	↗
5,500	N	41.5	↗	29.0	↗
7,500	N	61.0	↗	44.0	↗
8,500	N	68.0	↗	51.0	↗

Preliminary assessed by Maersk Broker

Weekly Spotlight

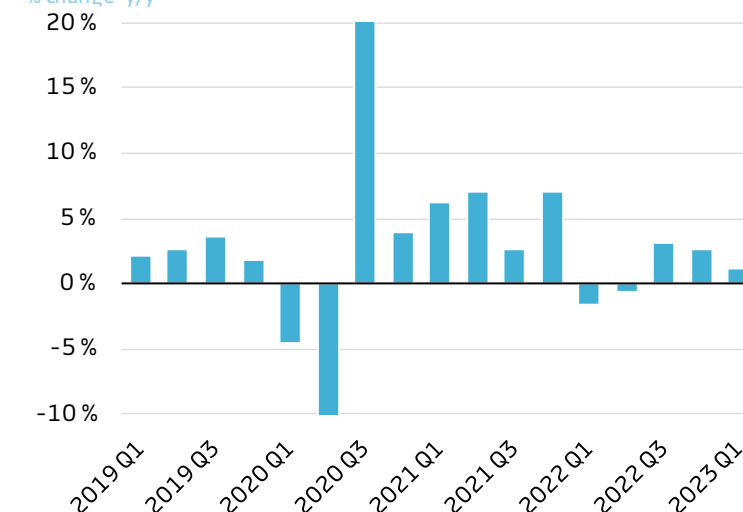
The US economy has expanded by 1.1% in annualised terms in Q1 2023. The growth has slowed down from 2.6% in Q4 2022, but nonetheless it is the third quarter of growth after the decline in the beginning of last year.

Inflation has been stubbornly high in the past months, yet consumer spending in the US remains robust. Consumer spending increased from 1.0% annualized in Q4 2022 to 3.7% in Q1 2023, indicating that aggregate demand is still strong. Consumption is supported by the continuous strong labour market with historically low unemployment rates and raising nominal wages.

Looking forward, The International Monetary Fund is highlighting several risks for the economy, including the sticky inflation and a severe tightening in global financial conditions. Nevertheless, the IMF, has upgraded the US economic growth from its estimates in January by 0.2%, to 1.6% in 2023 and by 0.1% to 1.1% in 2024.

US GDP Growth

% change y/y



Source: U.S. Bureau of Economic Analysis