



## MONTHLY CONTAINER REPORT

June 2021 | Week 22 - 26

While the first of us are heading for the beaches, there still seems to be no end in sight for the container boom. The Shanghai Container Freight Index (SCFI) has moved from 3.496 USD/TEU (as of 28<sup>th</sup> May) to 3.785 USD/TEU (as of 25<sup>th</sup> June) in the last month, compared to a 5 year average of 1.121 USD/TEU. Of course, there is a correlation between the SCFI and charter rates, but to be honest without mathematically calculating it the correlation is sometimes less than expected. However, in times without any free container ships, any further increase in the SCFI directly pushes up the charter rates. We are now hearing about USD 80,000 pd being discussed for short terms charters of 1,700 TEU container ships. As mentioned in last month's report, any ship fixing a spot cargo of containers on the basis of the SCFI makes huge amounts of money. At the current SCFI, a 1,700 TEU ship could make around USD 250,000 as a time-charter equivalent earning per day with a full cargo out of Shanghai.

Our own advice, that the market may follow the traditional path of peaking in May or June, has so far not come true. We currently do not know when this peak will happen, but it seems that the market still has some way to go before hitting that point.

With the container market experiencing such a boom, the bulkers are joining in and just had their best half year since 2010, although tankers just finished their worst half year for 30 years. Hence, the sun is not shining on every market. But how is the MPP/Heavylift market actually doing? As we do a lot of research in this particular segment, we provide a brief recap here about the current situation.

After some years of distress and with charter rate levels close to cost recovery, the MPP market is undergoing an impressive growth phase. But is this segment just piggybacking on the Container and Bulk-markets?

It is not that simple. The MPP sector is currently encountering a heavy surge in demand; this is partially as a result of the de-containerisation of cargo, container bookings and full container space charters, but this is only one aspect of the rapid rise.

With many postponed industrial projects coming to the market and many infrastructure initiatives being imposed for economic recovery after Covid-19, the demand for MPP cargo space is growing. Simultaneously, all the large wind power manufacturers announced record amounts of cargo and sailings for 2021, both for onshore and offshore wind power. Our segment leading Toepfer Multipurpose Shipping Index (TMI) reflects this rapid development, with an increase of 75.64 pct (y-o-y growth, July) and 3-year average growth of 15.87 pct (CAGR).

The fleet supply is stable. With an orderbook that only equates to 1.24 pct of the fleet (by dwt), the number of MPP ships is actually scheduled to decline over the next few years. The average age of the fleet is close to 15 years and with an average economical live-span of 20-25 years and 24 pct of the fleet being 16 years or older, massive fleet renewal over the next years appears to be inevitable.

As previous low-market years have diminished the ability of shipowners to allocate equity for newbuildings, the number of shipyards that are willing and able to build ships for niche markets has declined. MPP ships are more complicated to build than container ships or bulkers, and the owners are often much more demanding. Finding the right yard for an MPP project therefore requires outstanding expertise, experience and patience. Moreover, MPP is a fairly untransparent sector in a complex niche market. A lot of the stakeholders are not listed or are not subject to public reporting obligations. These companies do not like to disclose their balance sheets and strategies and thus do not attract external investors.

On the sale and purchase side, the market has fully returned to a "willing buyer – willing seller" market, with prices being driven by tight supply and growing demand and not blurred by sales of distressed assets. As this change in the environment coincides with the rising market, the prices for second-hand ships are clearly following the upward trend of the entire segment. Considering the low orderbook, tonnage demand can only be accommodated via the second-hand market and we expect prices to rise further. A 10-year old 12,500 dwt Tweendecker with 2x 150mt, which could have been sold a year ago for just under USD 7 million, can now be sold for around USD 9.5 million or more, and we can already see negotiations involving significantly higher numbers. The owners that have been able to secure distressed assets at relatively low prices now have a lot of opportunities to make profits in both the charter and the s&p markets.

Notwithstanding the euphoria, it must be kept in mind that the current rate levels do not represent record earnings but in fact just levels that allow shipowners to make money again after several years of struggling. The ageing fleet, a historically low orderbook and the upcoming regulatory and environmental requirements will impose considerable pressure on both the supply and the demand sides of the MPP segment and will be the guiding theme over the next few months. We believe that the high charter rates will continue for some time and that there is more room for asset prices to further increase somewhat, particularly due to the low newbuilding supply and rising newbuilding prices. For more insights into the MPP markets, do contact us. Enjoy the summer.

Kind regards,

**TOEPFER TRANSPORT**

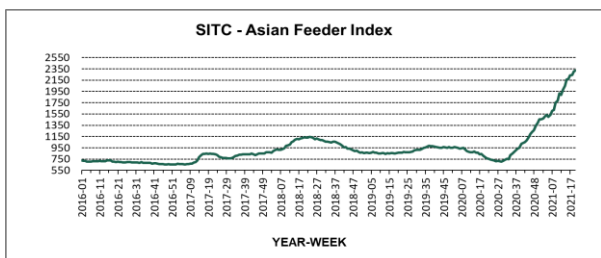


# MONTHLY CONTAINER REPORT

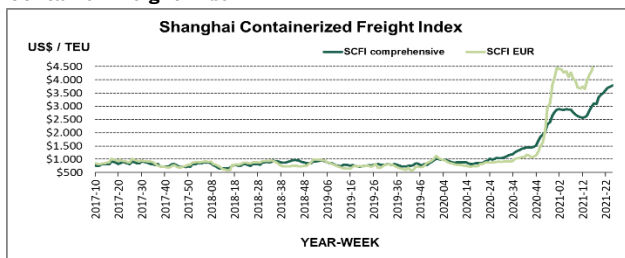
June 2021 | Week 22 - 26

New Context				
	Mai-21	Jun-21	+/-	June-20
comprehensive	1.440	1.716	19,17%	311
1100 TEU GRD - 6 MOS TC	\$19.166	\$22.933	19,65%	\$5.367
1700 TEU GRD - 6 MOS TC	\$27.104	\$34.042	25,60%	\$6.203
3500 TEU GL - 12 MOS TC	\$38.368	\$45.740	19,21%	\$7.688

## Charterrate index



## Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US\$)	buyer	comment
11 x 1.036 - 4.256 TEU enbloc	1.036 - 4.256	13.100 - 50.300	2007 - 2014	\$210,0 enbloc	MPC	
12 x 1.100 - 4.363 TEU enbloc	1.100 - 4.363	13.700 - 53.600	2006 - 2014	\$233,9 enbloc	Global Ship Lease	
Sinar Bima	1.118	13.632	01/2008	\$12,5	Sinokor Merchant Marine	
Gdynia Trader	1.730	22.968	06/2001	\$12,0	MSC	
Wan Xing Da & Wan Fu Da	2.113	28.300	1997	\$15,5 each	Sinokor Merchant Marine	
Seoul Trader	2.664	34.528	09/2009	\$31,0	MSC	
Sphene	3.398	44.234	07/2007	\$37,0	Maersk	
Nordautumn & Nordsummer	3.586	46.300	2008 & 2007	\$34,0 & \$33,0	CMA CGM	
Kowloon Bay	5.018	66.597	07/2004	\$42,5	MSC	

Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
SITC	2 x 1023	GL	Starting January 2023	\$19,2 each	Dae Sun, Korea	
Briese	4+2 x 1800	GL	1st half 2023	low \$25 each	Huanghai, China	
JJ Shipping	2+2 x 1900	GL		abt \$28 each	Yangfan Shipyard	
ManQiang Shipping	2 x 1900	GL		abt \$28 each	Yangfan Shipyard	
CU Lines	2 x 2400	GL	2023	abt \$60	Yangzijiang, China	
Lepta Shipping	10 x 3500	GL		abt \$400	Yangzijiang, China	With long-term charter to Maersk
Seaspan	20 x 7000	GL		abt \$76 mio each	CSSC	Tier III, 800 reefers and methanol ready
Hapag Lloyd	6 x 23000	GL	2nd half 2023	abt \$165 each	DSME	option exercised
Evergreen	2 x 23.888 - 23.992	GL	2024	undisclosed	Hudong Zhonghua	Addition to existing 10 ship orderbook

Fleet Development - Deliveries and Demolitions								
(in no. vessel)	fleet size in TEU			+/-	orderbook in TEU		scrapped in TEU	
	Mai-21	Jun-21	% of fleet		Jun-21	ytd	Jun-21	
<b>total fleet</b>	<b>24.240.913</b>	<b>24.356.086</b>	<b>0,5%</b>	<b>18,4%</b>	<b>4.475.684</b>	<b>10.682</b>	<b>3.230</b>	
- 999 TEU	626.372	626.372	0,0%	0,8%	4.972	4.547	1.324	
1000 - 1999 TEU	1.893.944	1.898.182	0,2%	10,0%	190.520	4.007	1.906	
2000 - 2999 TEU	1.861.237	1.868.141	0,4%	9,8%	182.574	2.128	0	
3000 - 5099 TEU	3.731.699	3.738.117	0,2%	3,9%	146.170	0	0	
5100 - 7499 TEU	2.726.464	2.726.464	0,0%	7,1%	194.495	0	0	
7500 - 14999 TEU	9.842.149	9.868.620	0,3%	20,2%	1.996.364	0	0	
15000+ TEU	3.559.048	3.630.190	2,0%	48,5%	1.760.589	0	0	

Container Vessel's Value					15 year old vessel in mill US\$ (SS/DD due)				
5 year old vessel in mill US\$									
	Mai-21	Jun-21	+/-	June-20		Mai-21	Jun-21	+/-	June-20
1000 TEU GRD Eco	\$17,0	\$19,0	12%	\$10,5	1000 TEU GRD	\$8,0	\$10,0	25%	\$2,7
1700 TEU GRD Eco	\$25,0	\$28,0	12%	\$15,0	1700 TEU GRD	\$13,5	\$17,0	26%	\$4,0
2200 TEU GRD Eco	\$30,0	\$35,0	17%	\$18,0	2500 TEU GRD	\$19,0	\$27,0	42%	\$6,2
2500 TEU GRD Eco	\$36,0	\$41,0	14%	\$21,5	2800 TEU GL	\$24,0	\$32,0	33%	\$6,2
			-		3500 TEU GL	\$29,0	\$35,0	21%	\$5,0
4700 TEU WB	\$62,0	\$70,0	13%	\$25,5	4250 TEU PMX	\$35,0	\$44,0	26%	\$6,1

TOEPFER TRANSPORT GMBH HAMBURG | SINGAPORE | SHANGHAI

Sale & Purchase + Newbuildings + Chartering + Valuations

Email: [snp@toepfer-transport.com](mailto:snp@toepfer-transport.com)  
 Phone: +49 (0)40 32 58 21 - 0  
 Fax: +49 (0)40 33 93 10  
 Web: [www.toepfer-transport.com](http://www.toepfer-transport.com)

Clemens Toepfer  
 Carlo Brandt  
 Yorck Niclas Prehm

Hannes Hollaender  
 Moritz Meyer  
 Sabine Kilper

Richard Wetzki  
 Yuan Xiaofei  
 Jennifer Shrestha