



TOEPFER TRANSPORT

MONTHLY CONTAINER REPORT

July 2021 | Week 27 - 30

One can truly wonder these days what is hotter and more on fire, the temperatures in many Mediterranean countries, and the associated forest fires, or the container market. The main difference is that the container market has been extremely hot for quite some time now and we predict it will still be on fire when hopefully the forest fires and high temperatures in the Med have ended. There is still no end in sight for the container boom. Of course, this is a dangerous situation, as often the change in direction comes unexpectedly. However, in terms of the basic market fundamentals we do not expect a change very quickly, in particular regarding the logistical situation. As we and others have stated before, it is not in particular the cargo demand that is driving freight and charter rates these days, but the considerable amount of port delays, which reduce vessel capacities. To put it simply, if your ships are stuck in traffic and delays, you need more ships to transport the same amount of cargo.

Such logistical situations are of course usually more short-term than long-term in nature, and as the situation is not currently being driven by sustainable demand we do not know exactly when the tide will turn. We think some cool down might happen during the slowdown in the winter and spring, when the Christmas shipping is over, and ports perhaps have time to catch up. Nevertheless, with the aggressive delta variant of the coronavirus and the various vaccines coping with it to differing extents, there is a great degree of uncertainty regarding a possible fourth wave in the upcoming winter season. With some vaccines reportedly only having perhaps a 50% effectiveness against the coronavirus, there is a lot of potential risk ahead still.

For now, as the market is not showing any signs of weakness, charter rates and prices are continuing to increase. We have also noticed ever more in particular Chinese freight forwarding companies actively pursuing container vessel purchases. These companies are currently focusing on acquiring ships this side of Christmas, in order to have them on the move well before the Chinese New Year in 2022, which is in early February. Container ships that are TC free in February or March 2022 will at the moment see less interest from such buyers, and buyers who want to hedge their spring positions with a sale still have to rely in particular on MSC coming to the negotiating table.

With ships currently becoming more expensive and charter rates increasing, the spring positions will now not have to be too nervous of course, but it might be necessary to keep an eye on the TEU capacity caught up in port delays.

At this point, we wanted to add a short paragraph to explain briefly what the EU "Fit for 55" climate initiative actually means. As you might have seen in the news, on 14th July the EU decided to include shipping in the EU's climate policy, to encourage the cutting of EU greenhouse gas emissions by 55% by 2030, compared to 1990 levels. Everybody is talking about it, but what does it actually mean?

According to the Commission, the transport sector, i.e. traffic travelling by land, air and sea, is supposed to reduce its emissions by 90% by 2050, and new individual targets have been set to reach this goal. The decision to extend the existing EU Emissions Trading System (ETS) to include the maritime sector is easy to understand considering the EU's argument that a single cruise ship alone emits as much CO₂ per day as 80,000 cars. Understanding what this initiative actually means in dollars and cents when trading to and from Europe, and how it is calculated, is not that easy. We are aiming to publish a one pager explanation on what to really expect from "Fit for 55" and how it actually works. One of the key things to keep in mind for now is that this ETS is scheduled to start in 2023. Before then, the EU countries and the EU parliament have to ratify it. This alone will be quite a challenge and might result in many changes. If you have any articles or reports available that explain this EU ETS in straightforward terms, please let us know. For now, it perhaps does not really concern many of us, as in particular many owners and charterers are making lots of money these days. But times will change and then every dollar will count again. We hope you can enjoy the beaches and that the fires in the Mediterranean countries are extinguished very soon.

Kind regards,

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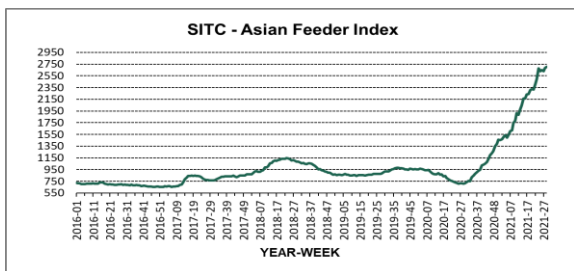


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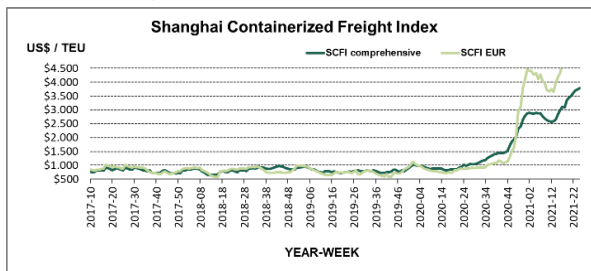
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New Context				
	Jun-21	Jul-21	+/-	July-20
comprehensive	1.716	2.460	43,36%	355
1100 TEU GRD - 6 MOS TC	\$22.933	\$32.554	41,95%	\$5.485
1700 TEU GRD - 6 MOS TC	\$34.042	\$47.438	39,35%	\$6.273
3500 TEU GL - 12 MOS TC	\$45.740	\$65.425	43,04%	\$8.404

Charrterrate index



Container Freight Index



Selected Sales	TEU	DWT	built	price (in mill US\$)	buyer	comment
2nd-hand vsl						
Vega Fynen	1.118	13.775	06/2006	\$15,0	MSC	
MCC Kyoto	1.713	22.314	12/2008	\$21,5	CMA CGM	
Virginia Trader	2.490	34.347	07/2006		Clients of Mountstreet	
Spring Mas	2.607	37.087	07/2002	\$29,0	MSC	
Harmony N	2.824	39.420	09/2006	\$29,0	MSC	
Nordwinter	3.586	46.211	07/2008	\$30,0	MSC	Delivery Mar - May 2022
S Santiago	5.059	68.126	05/2006	\$58,0	OM Maritime	
Northern Julie & Northern Jade	8.814	108.180	2005	\$85,0 mio each	MSC	

Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
Maersk	1x 2.100	GL	2023	undisclosed	Hyundai Mipo	fuelled by carbon neutral methanol
Euroseas	2x 2.800	GL	1st half 2023	\$76 mio en-bloc	Hyundai Mipo	
Wan Hai Lines	12x 3.055	GL	2nd half 2023	\$48,8 mio each	Nihon Shipyard	
Navios Maritime Partners	4+2x 5.300	GL	Starting Mid 2023	abt \$61,6 mio each	Changhong	
Seaspan	10x 7.000	GL	Starting 4th Q 2023	abt \$105 mio each	Yangzijiang	LNG fuelled / 12yr charter to ZIM at abt \$41,000 pd
HMM	12x 13.000	GL	1st half 2024	\$131 mio each	DSME & HHI	scrubber fitted / LNG fuelled
Cosco	6x 14.092	GL	Starting Dec 2023	\$146 mio each	Cosco Heavy Industry	
Cosco	4x 16.180	GL	Starting Dec 2023	\$155 mio each	Cosco Heavy Industry	

Fleet Development - Deliveries and Demolitions									
(in no. vessel)	fleet size in TEU			+/-	% of fleet	orderbook in TEU		scrapped in TEU	
	Jun-21	Jul-21				Jul-21	ytd	Jul-21	
total fleet	24.356.086	24.433.070	0,3%	20,3%	4.967.847	17.142	0		
- 999 TEU	626.372	624.398	-0,3%	0,7%	4.330	5.871	0		
1000 - 1999 TEU	1.898.182	1.902.645	0,2%	11,3%	215.727	5.913	0		
2000 - 2999 TEU	1.868.141	1.875.072	0,4%	9,9%	185.400	2.128	0		
3000 - 5099 TEU	3.738.117	3.738.117	0,0%	5,6%	210.230	0	0		
5100 - 7499 TEU	2.726.464	2.726.464	0,0%	7,1%	194.495	0	0		
7500 - 14999 TEU	9.868.620	9.880.508	0,1%	19,8%	1.957.376	0	0		
15000+ TEU	3.630.190	3.685.866	1,5%	59,7%	2.200.289	0	0		

Container Vessel's Value					15 year old vessel in mill US\$ (SS/DD due)				
5 year old vessel in mill US\$									
	Jun-21	Jul-21	+/-	July-20		Jun-21	Jul-21	+/-	July-20
1000 TEU GRD Eco	\$19,0	\$23,0	21%	\$10,5	1000 TEU GRD	\$11,0	\$16,0	45%	\$2,5
1700 TEU GRD Eco	\$28,0	\$34,0	21%	\$15,0	1700 TEU GRD	\$17,0	\$21,0	24%	\$4,0
2200 TEU GRD Eco	\$35,0	\$40,0	14%	\$17,5	2500 TEU GRD	\$27,0	\$34,0	26%	\$6,1
2500 TEU GRD Eco	\$41,0	\$47,0	15%	\$21,0	2800 TEU GL	\$32,0	\$36,0	13%	\$6,1
			-		3500 TEU GL	\$35,0	\$41,0	17%	\$4,9
4700 TEU WB	\$70,0	\$75,0	7%	\$25,5	4250 TEU PMX	\$44,0	\$56,0	27%	\$6,1

TOEPFER TRANSPORT GMBH HAMBURG | SINGAPORE | SHANGHAI

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