



MONTHLY CONTAINER REPORT

October 2021 | Week 40 - 43

Quo Vadis?

This old Latin phrase means “Where are you going?”. This is the question many of us are asking ourselves right now about the future market direction. For now, it seems we have reached a plateau. Charter rates have fallen slightly, according to market indices like the ConTex. However, in the current market environment, and also when we were on the way up, the charter rate was only one element; the other element was the charter period, which in our view is more important. Particularly with the smaller sizes of 3,000 TEU and below, where we still see some regular fixing as the market is not completely sold out, in October we noticed a shift from the, for instance, three-year charters towards 12-month charters at a higher rate. For example, a number of 1,700 TEUs are now fixed for 12 months at around USD 50,000 pd instead of for three years at USD 30,000 pd. Charterers want to avoid fixing for too long. For the foreseeable future, they should be able to manage with high charter rates, but the medium-term future over the next 2-3 years is unknown and – if they can – lines at least in the smaller sizes do not want to be stuck for too long with expensive ships. While this has been the wish of the liner companies for a while, it seems that in October they were, to a certain extent, able to dictate the terms of the charters they fix more often than before.

When looking for the reason for us reaching a plateau and the market not going up beyond the incredible level we have already reached, we have identified a few points. One aspect is that some of the freight forwarders who picked up ships for short term charters at astronomical rates found it difficult to make money on these high charterer rates when their chartered ships ended up waiting for 20 or 30 days on anchorage at the discharge ports. Those extra waiting days eat heavily into their margins. Hence, in October, there were less of these short-term charters around, and those that were around had much reduced levels. Further, besides the economics of these actual charters, we have heard that the power outages and production cuts in China have resulted in cargo volumes starting to drop slightly. Assuming production lead times of 30-45 days from when the energy rationing to factories began, we are likely to see more pronounced export volume reductions in November than we have previously seen.

What we have noticed in particular is that fewer market participants are now actively buying ships. The most active market participants are still MSC, ZIM and CMA CGM, in terms of the numbers of ships they buy. Maersk also still picks up ships now and again, but otherwise we have noticed a more careful approach regarding further acquisitions. At the same time, we see an increasing number of ships for sale in the smaller sizes. Sales of 1,000-3,000 TEU ships are no longer going as quickly as before. Here or there, we have seen prices falling slightly. However, prices are not currently falling significantly, as most owners still have the very lucrative option of utilising a still hot charter market. Nevertheless, it is without doubt now much more unclear which way we are going. We would not be surprised to see some mild correction for now. But the market is very nervous too, so some increasing volatility up or down could very well happen as well.

And for those who did not notice, last week was “Eisbein Week”. It passed without really being noticed it seems, as it was a quiet week in Hamburg. Maybe good for our health, but there is a lot to celebrate so we really hope that all of us can have fun together again soon. For now, the container shipping party that is still going on has not yet created any hangovers. It could very well be the case that this party will have very few market participants actually ending up with a hangover. For the foreseeable future, we only expect a mild market correction, if any at all. The hangover will this time maybe not even happen at all (just as we have not been able to party due to COVID), or the hangover is still far ahead of us, in 2023 or beyond. If we all knew exactly where we were going in life it would be boring, but still we ask the market: Quo vadis?

Kind regards,
TOEPFER TRANSPORT

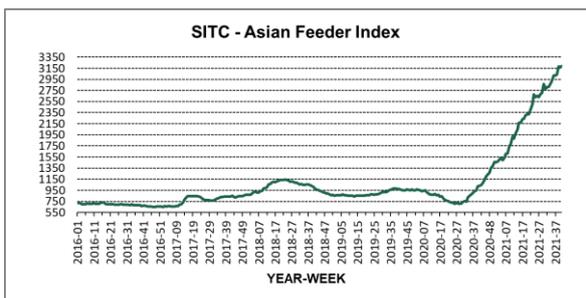


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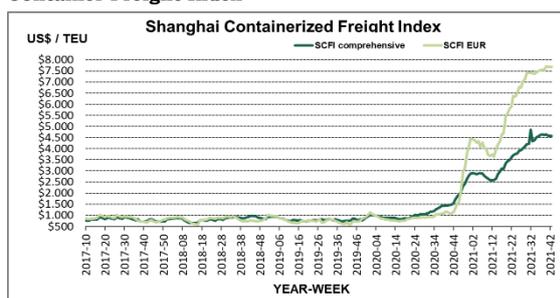
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New Context				
	Sep-21	Okt-21	+/-	Oct-20
comprehensive	3.204	3.209	0,16%	545
1100 TEU GRD - 6 MOS TC	\$43.925	\$43.442	-1,10%	\$6.773
1700 TEU GRD - 6 MOS TC	\$63.538	\$61.383	-3,39%	\$9.582
3500 TEU GL - 12 MOS TC	\$84.915	\$86.505	1,87%	\$15.260

Charterrate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US\$)	buyer	comment
Anne Sibum & Stefan Sibum	1.036	13.100	2007/2008	abt \$21,0 each	CMA CGM	
Grete Sibum	1.036	13.100	03/2008	mid 20's	Germans	
AS Faustina & AS Federica	1.284	18.300	2007	Undisclosed	CMA CGM	
Asturiano II	1.368	16.866	03/2012	\$23,0	Middle Eastern Buyers	
San Alvaro	1.819	28.123	12/2007	\$32,0	Maersk	
Milan Trader	2.460	34.019	06/2002	\$33,0	Undisclosed	
Irenes Respect	2.824	39.418	02/2006	\$44,0	CMA CGM	Prepared for BWTS
ALS Juno / Fauna / Ceres	4.250-4.380	50-54.000	2008-2010	excess 60,0 mio each	ZIM	

Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
Schoeller Group	2x 1930	GL	starting mid 2023	\$26,0	Huangpu Wenchong	options declared
Schoeller Group	2x 2700	GL	starting mid 2023	\$32,0	Huangpu Wenchong	options declared
Namsung Shipping	2x 2500	GL		\$41,0	Hyundai Mipo	
Log-In Brazil	2x 3100	GL	end 2023/ early 2024	\$42,6	Changhong	
Eastern Pacific	3x 7000	GL	2024-2025	abt \$80,0	New Times Shipbuilding	options declared / scrubber fitted

Fleet Development - Deliveries and Demolitions								
(in no. vessel)	fleet size in TEU			+/-	orderbook in TEU		scrapped in TEU	
	Sep-21	Okt-21	% of fleet		Okt-21	ytd	Okt-21	
total fleet	24.612.370	24.699.769	0,4%	23,2%	5.728.840	19.106	0	
- 999 TEU	623.102	623.102	0,0%	0,7%	4.562	7.835	0	
1000 - 1999 TEU	1.904.407	1.910.340	0,3%	13,6%	259.312	5.913	0	
2000 - 2999 TEU	1.898.746	1.913.110	0,8%	10,4%	198.345	2.128	0	
3000 - 5099 TEU	3.738.117	3.738.849	0,0%	7,5%	280.930	0	0	
5100 - 7499 TEU	2.731.759	2.731.759	0,0%	19,8%	541.481	0	0	
7500 - 14999 TEU	9.919.917	9.931.777	0,1%	19,6%	1.945.324	0	0	
15000+ TEU	3.796.322	3.850.832	1,4%	64,9%	2.498.886	0	0	

Container Vessel's Value					15 year old vessel in mill US\$ (SS/DD due)				
5 year old vessel in mill US\$					15 year old vessel in mill US\$ (SS/DD due)				
	Sep-21	Okt-21	+/-	Oct-20		Sep-21	Okt-21	+/-	Oct-20
1000 TEU GRD Eco	\$25,0	\$26,0	4%	\$11,0	1000 TEU GRD	\$17,0	\$15,0	-12%	\$2,7
1700 TEU GRD Eco	\$37,0	\$37,0	0%	\$15,8	1700 TEU GRD	\$24,5	\$24,5	0%	\$4,7
2200 TEU GRD Eco	\$45,0	\$46,0	2%	\$19,0	2500 TEU GRD	\$38,0	\$38,0	0%	\$6,5
2500 TEU GRD Eco	\$51,0	\$51,0	0%	\$23,0	2800 TEU GL	\$41,0	\$41,0	0%	\$7,0
			-		3500 TEU GL	\$45,0	\$46,0	2%	\$6,5
4700 TEU WB	\$81,0	\$81,0	0%	\$33,0	4250 TEU PMX	\$61,0	\$61,0	0%	\$10,0

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