TOEPFER TRANSPORT

MONTHLY CONTAINER REPORT

February 2022 | Week 05 - 08

The secret of happiness is freedom, but the secret of freedom is courage. Thucydides – Peloponnesian War.

It is difficult to concentrate on writing a market report these days. Our days are busy and our minds distracted.

We cannot start without touching upon the humanitarian catastrophe which is happening in Ukraine right now. Cities which we know as ports from our daily life are hot spots of the current war. In Mariupol the people have had no water, no heating, and no electricity for 5 days, with temperatures below zero. Kherson has already fallen into Russian hands after many days of fighting. From Kherson we as a company delivered tankers to European owners and a newbuild dry dock to Korea years ago. Odessa, with its large port and big shipping community, will be the next focus of the Russian attacks. It is estimated that 1.5 million people have already fled Ukraine, and many more millions will follow. They are all coming to the rest of Europe.

We ourselves are already giving shelter to refuges in our homes and weekend houses. Many of them come with just a backpack, which is all they have left. But our highest respect is for the Ukrainian men. Men between the ages of 18 and 60 are not allowed to leave Ukraine, and our respect goes in particular to those who were outside Ukraine but who have gone back to their country to defend it. There are many cases which we personally have experienced where the men took their families to safety and then returned to Ukraine the next day to fight. This is what Thucydides, who lived from 454 to about 399 BCE, described with the phrase “The secret of happiness is freedom, but the secret of freedom is courage”. We have tremendous respect for the courage of these Ukrainian men.

In the world of shipping, we are now going to miss many Ukrainian and Russian seamen. The Ukrainians are fighting and cannot leave their country, and the Russians have difficulty leaving their country, at least to head west. This might result, at least in the short term, in a shortage of in particular engineers on board of ships.

But what will be a lot more severe in the coming months will be the lack of grain exports from Russia and Ukraine. As has been reported many times already, Russia is the largest wheat exporting nation in the world, with Ukraine not far behind. Not only did Russian wheat exports used to go via Ukrainian ports to a large extent, with these now being destroyed including all the rail tracks from Russia to Ukraine. But the biggest problem is that it seems impossible that Ukrainian farmers will be able to plant their fields in late April, which is just around the corner and maybe a whole harvest lost. Last, but not least, the very high fertiliser prices are already reducing harvests in the southern hemisphere and will affect the harvest this summer in the rest of the world as well. If the situation does not improve quickly, we will most likely experience a starvation problem in many developing countries this autumn.

So, what does this all mean for shipping? The consensus seems to be that the current situation is positive for tankers and, at least in the short term, for bulkers as well. For the overall container market, Russia and Ukraine are not particularly important. What will be more important is the economic development in the rest of the world. We cannot see consumer confidence not being affected, at least in Western Europe. In the short term, the container market is still short of capacity and the sanctions against Russia might influence the efficiency of transportation chains. The post-Covid economic recovery might be delayed but container shipping was not waiting for that anyway. Much of the near-term economic developments and consumer confidence will also depend on if the war stays within Ukraine. Putin is already threatening to push the red button and he seems to be a person who could actually be capable of doing that. It is said that Putin once stated, “If the world does not need a large Russia, Russia does not need the world”.

For now, let’s all stay calm and help our Ukrainian friends who come here to us in the rest of Europe as much as we can. Hopefully things get resolved quickly in the Ukraine so that not a full harvest is lost, which would put the lives of even more innocent people at risk.

Kind regards,
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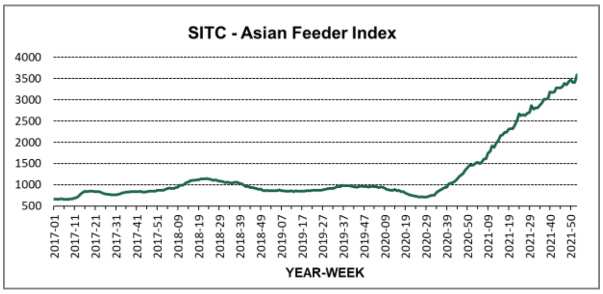
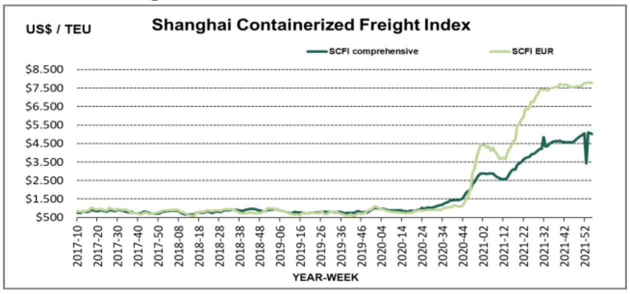
New Contex	Jan-22	Feb-22	+/-	Feb-21
comprehensive	3.079	3.408	10,69%	864
1100 TEU GRD - 6 MOS TC	$38.958	$42.825	9,93%	$10.844
1700 TEU GRD - 6 MOS TC	$60.625	$68.629	13,20%	$14.977
3500 TEU GL - 12 MOS TC	$84.885	$92.450	8,91%	$23.482

Charterrate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US$)	buyer	comment
Vega Kappa	1.118	13.705	12/2007	$23,0	Camel	
Songa Cougar	1.118	13.760	10/2008	$21,0	Camel	
Hooge	1.402	16.986	07/2006	$25,0	Camel	
Hansa Magdeburg	1.740	23.468	04/2003	$27,5	Mountstreet	
Cindy	2.490	34.884	11/2004	$10,97	Hammonia / Crestline	
Elizabeth	2.496	34.422	12/2003	$10,53	Hammonia / Crestline	
Windswept	2.797	35.445	03/2010	$52,0	Transfar	
Singapore Bridge	4.253	50.953	05/2002	$64,0	MSC	
Baltic South	4.432	52.184	09/2010	$96,0	MSC	
Navios Unite / Navios Utmost	8.208	101.500	2006	each $110,0	MSC	

Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US$)	yard	comment
CU Lines	2 x 2700	GL		undisclosed	CSSC Huangpu Wenchong	fitted with alternative marine power
Tsakos	4 x 2800	GL	late 2023 / early 2024	low $40	Hyundai Mipo	
Euroseas	2 x 2800	GL	late 2023 / early 2024	abt $42,5	Hyundai Mipo	
Capital Maritime	4 + 2 x 7000	GL	2024 onwards	abt $80 mio	Dalian	
SFL Corporation	4 x 7000	GL	late 2024 / early 2025	abt $81	Qingdao Beihai	conventionally fuelled
Zodiac	6 x 15600	GL	2025 onwards	abt $180	Daewoo	

Fleet Development - Deliveries and Demolitions							
(in no. vessel)	fleet size in TEU			orderbook in TEU		scrapped in TEU	
	Jan-22	Feb-22	+/-	% of fleet	Feb-22	ytd	Feb-22
total fleet	**24.970.022**	**25.012.812**	**0,2%**	**24,6%**	**6.147.921**	**19.416**	**0**
- 999 TEU	623.637	623.637	0,00%	0,9%	5.645	8.145	0
1000 - 1999 TEU	1.933.352	1.945.090	0,61%	14,1%	274.134	5.913	0
2000 - 2999 TEU	1.927.376	1.929.822	0,13%	13,4%	258.819	2.128	0
3000 - 5099 TEU	3.738.849	3.738.849	0,00%	8,2%	305.358	0	0
5100 - 7499 TEU	2.731.759	2.731.759	0,00%	18,3%	500.565	0	0
7500 - 14999 TEU	10.015.597	10.015.597	0,00%	22,0%	2.200.368	0	0
15000+ TEU	3.999.452	4.028.058	0,72%	64,6%	2.603.032	0	0

Container Vessel's Value

5 year old vessel in mill US$	Jan-22	Feb-22	+/-	Feb-21
1000 TEU GRD Eco	$28,0	$28,0	0%	$13,4
1700 TEU GRD Eco	$48,0	$48,0	0%	$18,1
2200 TEU GRD Eco	$54,0	$54,0	0%	$21,8
2500 TEU GRD Eco	$60,0	$60,0	0%	$25,0
2700 TEU GLS Eco	$62,0	$62,0	0%	
4700 TEU WB	$110,0	$110,0	0%	$47,0

15 year old vessel in mill US$ (SS/DD due)	Jan-22	Feb-22	+/-	Feb-21
1000 TEU GRD	$20,0	$20,0	0%	$5,8
1700 TEU GRD	$32,5	$32,5	0%	$8,0
2500 TEU GRD	$50,0	$50,0	0%	$11,0
2800 TEU GL	$52,0	$52,0	0%	$13,0
3500 TEU GL	$61,0	$61,0	0%	$14,0
4250 TEU PMX	$88,0	$88,0	0%	$18,0

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