



MONTHLY CONTAINER REPORT

October 2022 | Week 40 - 43

A lot of people in the industry are wondering how far down the elevator still has to go until it reaches the ground floor. The market has been falling for a while now and we are back to having relatively normal charter rates. We did though witness an increase in charter activity at the end of October, albeit only for short periods. There are already now a few ships sitting in spot positions but we do not yet expect there to be a long list of spot ships in the near future. The big question in the minds of many owners is how many charter ships the lines will actually need in a market with reduced volumes. The lines have bought so many ships that many independent owners fear the risk of many of their ships now lying idle in a low market. MSC, which bought the most 2nd hand tonnage, will have quite a lot of scrapping potential in its fleet. If MSC scraps some of its ships it will be interesting to see how it does it, as we are sure there will be a few NGOs watching upcoming scrapping activities in the container market.

We recently saw a container presentation by Vespucci Maritime, which drew a picture of a V-shaped recovery, potentially starting already during the 2nd half of 2023 or in early 2024. The forecast was that the market will overshoot on the downside and then recover quite quickly back to a level that is above previous average pre-Covid rates. It is nice to hear that a recovery might come within 12 or 18 months, but we do not like the bit about overshooting on the down side. So, let's see what happens. Most importantly, we see that the fall in charter rates is slowing down, and that at least the free fall seems to have stopped. The (initial ?) bottom might not be that far away now. If the market finds a bottom soon, such levels would historically be seen to be not that bad after all. Nevertheless, we expect 2023 to no doubt be challenging.

In general, we expect that the market will, in the long run, trade at levels higher than in the past. Of course inflation is increasing operational expenses but we look at it more from the perspective that over the next 5-10 years we expect an increase in replacement costs. Maybe newbuilding prices will come down a little; we don't want to estimate too much in this regard. The main issue here is that within 5-10 years ordering ships with a conventional main engine will not be possible or feasible any more, and ships cannot be built just "methanol ready"; they have to be ready and fully equipped with dual fuel engines and tanks for compatibility with any kind of greener solution other than heavy fuel oil. In a recent presentation made by Dr. Martin Stopford, his take was that the next major order book will happen only in the early 2030s, when the need for dual fuel engine vessels will increase substantially. Hence, we are still not quite at the point when the true need for dual fuel engine ships that can run on green fuels is a necessity, but for a modern or newbuilding ship a period of around 7-10 years is not much, and replacement costs will be substantially higher, hence supporting 2nd hand prices.

We are convinced that some newbuilding berths will soon be taken up by an increase in tanker orders. The influx of money to tanker owners will need to go somewhere. The tanker newbuilding to fleet ratio is very low at the moment and the tanker market might be able to cope with some additional newbuildings. We would question the long-term view on crude tankers, as crude might be a product that does not have a strong long-term future. The future might look brighter for product tankers, but whether or not to still bet on a newbuilding order for a market in two years time, with the current heavy influence of the Ukraine war, is something everybody has to decide for themselves.

We suggest that you get ready for the Christmas shopping, as many children will soon start writing their Christmas wish lists. As most of us had a good year in shipping, we can hopefully afford to be generous to our children. Hence, money is there to spend and the container ships should have space to take a few extra boxes containing your gifts.

Kind regards,
TOEPFER TRANSPORT

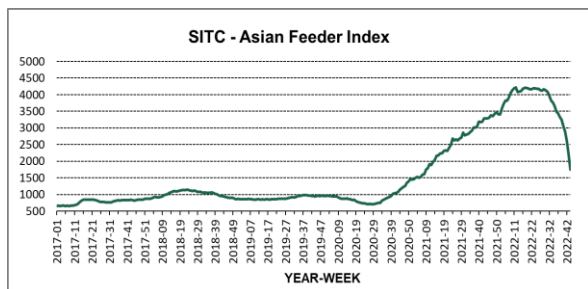


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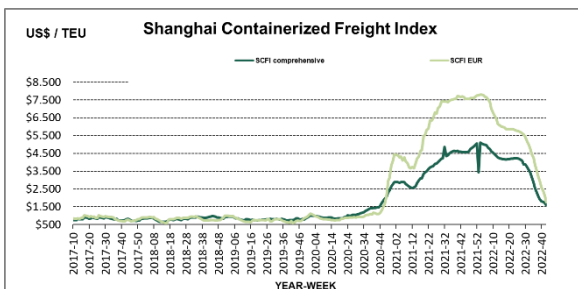
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New Contex				
	Sep-22	Okt-22	+/-	Oct-21
comprehensive	1.671	974	-41,71%	3.209
1100 TEU GRD - 6 MOS TC	\$22.609	\$13.636	-39,69%	\$43.442
1700 TEU GRD - 6 MOS TC	\$28.891	\$16.018	-44,56%	\$61.383
3500 TEU GL - 12 MOS TC	\$46.055	\$26.450	-42,57%	\$86.505

Charterrate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US\$)	buyer	comment
Xetha Bhumi	1.098	15.302	06/1993	\$3,16	Best Oasis	Demo sale
Toronto Trader, Trinidad Trader, Tokyo Trader, Taipei Trader	1.102	13.000	2014 - 2016		Contship	
Genova	4.253	50.532	04/2007	\$45,0	MSC	
Northern Jasper	8.814	108.804	08/2009	\$84,00	MSC	
Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
Cosco	12 x 24.000			abt. \$240	Nacks / Dacks	Methanol Dual Fuel

Fleet Development - Deliveries and Demolitions

(in no. vessel)	fleet size in TEU			+/-	orderbook in TEU		scrapped in TEU	
	Sep-22	Okt-22	% of fleet		Okt-22	ytd	Okt-22	
total fleet	25.554.036	25.659.951	0,4%	27,4%	7.038.370	1.248	1.098	
- 999 TEU	628.758	628.812	0,01%	1,2%	7.485	0	0	
1000 - 1999 TEU	2.017.784	2.029.515	0,58%	16,6%	337.737	1.248	1.098	
2000 - 2999 TEU	1.971.051	1.980.469	0,48%	16,7%	331.370	0	0	
3000 - 5099 TEU	3.744.204	3.749.504	0,14%	9,7%	362.240	0	0	
5100 - 7499 TEU	2.731.759	2.731.759	0,00%	13,8%	375.917	0	0	
7500 - 14999 TEU	10.198.494	10.223.235	0,24%	25,0%	2.552.096	0	0	
15000+ TEU	4.261.986	4.316.657	1,28%	71,2%	3.071.525	0	0	

Container Vessel's Value

5 year old vessel in mill US\$					15 year old vessel in mill US\$ (SS/DD due)				
	Sep-22	Okt-22	+/-	Oct-21		Sep-22	Okt-22	+/-	Oct-21
1000 TEU GRD Eco	\$20,0	\$19,0	-5%	\$26,0	1000 TEU GRD	\$10,5	\$9,5	-10%	\$15,0
1700 TEU GRD Eco	\$29,0	\$27,0	-7%	\$37,0	1700 TEU GRD	\$20,0	\$17,0	-15%	\$24,5
2200 TEU GRD Eco	\$34,0	\$32,0	-6%	\$46,0	2500 TEU GRD	\$22,0	\$18,5	-16%	\$38,0
2500 TEU GRD Eco	\$35,0	\$33,0	-6%	\$51,0	2800 TEU GL	\$23,0	\$19,5	-15%	\$41,0
2700 TEU GLS Eco	\$37,0	\$35,0	-5%		3500 TEU GL	\$26,0	\$22,0	-15%	\$46,0
4700 TEU WB	\$60,0	\$55,0	-8%	\$81,0	4250 TEU PMX	\$35,0	\$30,0	-14%	\$61,0

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