TOEPFER TRANSPORT

MONTHLY CONTAINER REPORT

November 2022 | Week 44 - 47

The heat has come out of the container market and things have cooled down a lot. While in general there are many comments about the market still being good compared to pre-covid levels, at the same time we however see that for instance 1,700 TEU newbuildings, which cost around USD 29-30 million delivered, are fixing at USD 14,500 pd, which is barely enough to make a decent return on the investment. What is also surprising is that current newbuildings are being fixed at the same amount as older tonnage, i.e. all around the USD 14,500 pd level. It seems that owners of modern ships have few other opportunities and that liner companies have the choice what to fix at the same price. We wonder how much this might also have to do with Tier 2 and Tier 3, as many of the ships now being delivered are Tier 2. Since these ships have keel laying certificates from 2015, many of them might not be in a strong bargaining position as they perhaps do not have the latest designs… (or how could this otherwise fit together with a keel laying in 2015…). While container ships are able to fix charters more for a regional trade, in the case of bulkers and tankers Tier 2 or 3 might become an even greater issue if trading limitations have to be extended to exclude US trade.

More worrying than the charter rate decline is the decline in the box rates. We are back to August 2020 Levels on the SFCI. Considering the magnitude of these changes, we wonder how much the liner companies are fearing renegotiation of multiyear freight agreements.

The only positive thing we see is that due to the current shortage of workers, as well as Covid lockdowns and extreme temperatures during the summer, many newbuilding orders are currently delayed and the order book might be pushed back by a significant extent. This will not rescue the container market, which has the biggest order book, but it might mean a little less pain during 2023 and 2024.

Looking ahead to 2023, we also wonder whether or not the owners of all these newbuilding orders have managed to get their financing in place. If they missed the opportunity to lock in their financing early, it will be a lot more expensive now. In Germany we are seeing some falls in real estate prices due to the increasing financing costs, but so far we have not seen any large bankruptcies of property developers, which you might expect when interest rates are increasing at record speed. We are quite sure the new interest rate environment will create trouble on a couple of fronts during 2023.

Last, but not least, we are shocked about the brutality of the Russian war in Ukraine and the aim of the Russian military to win the war by trying to force the Ukrainian people to freeze to death. We as a company have already done a lot in terms of housing Ukrainians in our weekend houses, building two flats for refugees near Warsaw on a friend's property and currently donating money again via the Ukrainian consulate in Germany. We would call upon all those who have benefited from the strong tanker market and in particular those who have made many millions from the legal trading with Russia during the last few months to share a part of this profit with the Ukrainian people. It is a human catastrophe and could end up being a massacre. Many owners are already doing a lot for their Ukrainian (and Russian) seafarers. But we are sure there is more we can do before we rest for Christmas in our warm and safe homes. Happy donating.

Kind regards,
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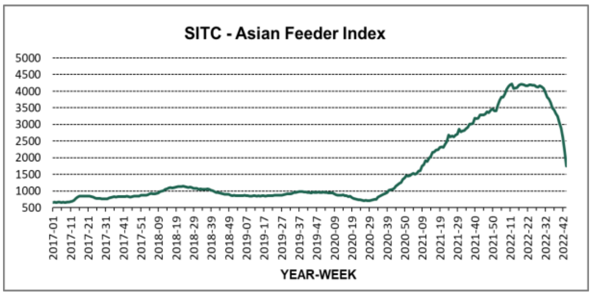
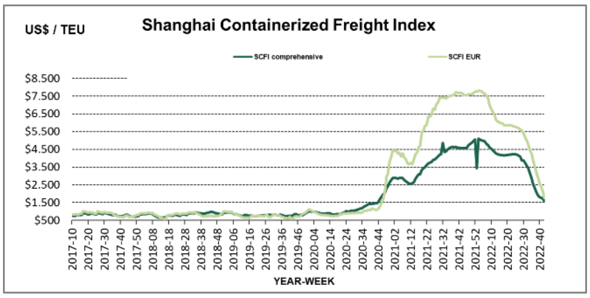
New Contex	Okt-22	Nov-22	+/-	Nov-21
comprehensive	974	834	-14,37%	2.615
1100 TEU GRD - 6 MOS TC	$13.636	$11.611	-14,85%	$33.683
1700 TEU GRD - 6 MOS TC	$16.018	$14.714	-8,14%	$46.463
3500 TEU GL - 12 MOS TC	$26.450	$22.736	-14,04%	$73.560

Charterrate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US$)	buyer	comment
JRS Corvus	698	8.205	03/2008	$8,0	Fesco	
Songa Jaguar	1.800	24.538	10/2022	$29,0	Abu Dhabi Ports	
Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US$)	yard	comment
Cosco Holding	12 x 24.000	Gl	starting 3rd quarter 2026	abt. $241,0	Nacks & Dacks	
CMA CGM	4 x 24.000	GL	2025 & 2026	abt. $250,0	Hudong Zhongua	Dual fuel (LNG)

Fleet Development - Deliveries and Demolitions							
(in no. vessel)	fleet size in TEU			orderbook in TEU		scrapped in TEU	
	Okt-22	Nov-22	+/-	% of fleet	Nov-22	ytd	Nov-22
total fleet	**25.659.951**	**25.810.846**	**0,6%**	**29,0%**	**7.495.396**	**2.346**	**0**
- 999 TEU	628.812	628.794	0,00%	1,4%	8.605	0	0
1000 - 1999 TEU	2.029.515	2.041.617	0,60%	16,4%	334.721	2.346	0
2000 - 2999 TEU	1.980.469	1.987.742	0,37%	16,4%	326.618	0	0
3000 - 5099 TEU	3.749.504	3.760.399	0,29%	9,6%	362.711	0	0
5100 - 7499 TEU	2.731.759	2.732.661	0,03%	13,8%	375.917	0	0
7500 - 14999 TEU	10.223.235	10.273.194	0,49%	24,4%	2.501.925	0	0
15000+ TEU	4.316.657	4.386.439	1,62%	81,7%	3.584.899	0	0

Container Vessel's Value

5 year old vessel in mill US$	Okt-22	Nov-22	+/-	Nov-21
1000 TEU GRD Eco	$19,0	$18,0	-5%	$26,0
1700 TEU GRD Eco	$27,0	$23,5	-13%	$40,0
2200 TEU GRD Eco	$32,0	$28,0	-13%	$46,0
2500 TEU GRD Eco	$33,0	$29,0	-12%	$51,0
2700 TEU GLS Eco	$35,0	$30,5	-13%	
4700 TEU WB	$55,0	$49,0	-11%	$96,0

15 year old vessel in mill US$ (SS/DD due)	Okt-22	Nov-22	+/-	Nov-21
1000 TEU GRD	$9,5	$7,0	-26%	$14,5
1700 TEU GRD	$17,0	$11,0	-35%	$24,5
2500 TEU GRD	$18,5	$14,5	-22%	$38,0
2800 TEU GL	$19,5	$15,5	-21%	$40,7
3500 TEU GL	$22,0	$17,5	-20%	$46,5
4250 TEU PMX	$30,0	$22,0	-27%	$62,0

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