



MONTHLY CONTAINER REPORT

December 2022 | Week 48 - 52

The New Year is here and we can now close the chapter on 2022 and remember it as a remarkable year. The speed of the correction in the 2nd half of the year took many people by surprise, but it was obvious during the summer that things could not continue as they had been doing and that the market was due for a correction. As we had said many times before, once the boom ends, the vast majority of people will be sitting there having enjoyed a good party but without waking up with a hangover. The ones with hangovers are mainly the latecomers to the party, in particular some freight forwarders and end consumers who decided that they wanted to do the shipping themselves. Many of them are large, cash rich organisations and hopefully it does not bother them too much.

An interesting thing we noticed recently was the difference in ship valuations between some brokers or other valuation companies. In the case of those that use the last done method, many of the deals they were referring to were sometimes a few months old and therefore not relevant to the new market environment. The interesting aspect we noted was that ships which were bought with a high charter attached and then had the buyer adding leverage are already, just a few months later, potentially breaking covenants as the charter-free values of the ships have fallen below the loan value. Usually, the heavy cash flow from charters can be used to pay down the loan quickly, but we would not be surprised if in some cases buyers have had to come up with more cash to remedy such a covenant breach. With values dropping 60-70% within just a few months, this would not be a surprise. But if you can find someone that values your ship on a last done basis, you might get away with it for now.

We think and hope that the market will find some degree of floor after the Chinese New Year, when the demand in the charter market picks up again to a certain extent. So far, the current massive spread of Covid in China does not seem to be resulting in increased port delays or port closures. It seems that cargo volumes are so low now that a few missing workers or crane drivers in ports has not derailed port operations. With millions of Chinese people going through a Covid infection at the moment, industrial production and consumer demand will no doubt be affected. The container market was already decreasing quickly and the effects are now also visible in the bulk markets. Falling industrial production also means delays in newbuilding deliveries. This is maybe not the worst thing in this world.

The tanker market is still hot, but in general we feel that the majority of buyers are waiting to identify the right moment to enter the bulk market. Bulk seems on the agenda for many. Even a small bulk recovery in February or March could ignite a purchase rally in the bulk market. In addition, the general interest in bulk might keep values relatively high compared to the charter rates.

It remains to be seen if the container market will offer any bargains this year. We think that the first bargains could be there but the problem for the container market is always the employment risk, which is significantly higher than in the bulk or tanker markets.

2022 was an enjoyable year and the end of the year feels almost dull. Luckily, we work in shipping and usually the dull periods are not very long. We wish you all a good start to 2023 and hopefully the fighting and killing in Ukraine will very soon be over, during the course of this year. The current prediction is that the war will most likely go on for most of or all of 2023...which from a trade perspective should maintain the attention and joy of tanker owners.

Kind regards,
TOEPFER TRANSPORT

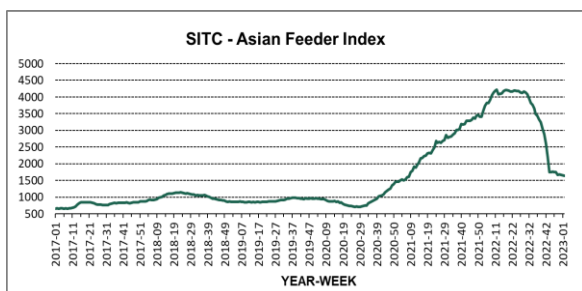


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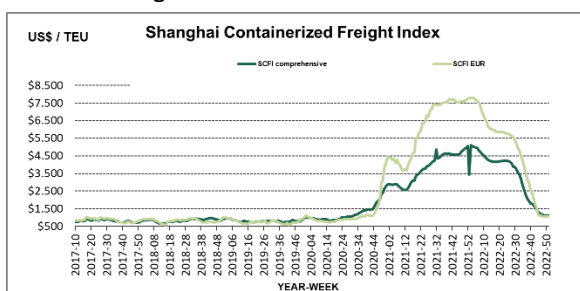
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New Context				
	Nov-22	Dez-22	+/-	Dec-21
comprehensive	834	796	-4,56%	2.614
1100 TEU GRD - 6 MOS TC	\$11.611	\$11.681	0,60%	\$33.221
1700 TEU GRD - 6 MOS TC	\$14.714	\$14.571	-0,97%	\$48.183
3500 TEU GL - 12 MOS TC	\$22.736	\$21.010	-7,59%	\$73.020

Charterrate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US\$)	buyer	comment
X-Press Brahma Putra	1.162	14.070	06/1998	\$4,00	Medkon Lines	
Buxcontact	2.478	33.807	12/2002	\$7,50		
G. Ace	2.553	33.662	04/2007	\$13,70		Deal seems to fail again
AS Cleopatra	2.742	37.882	08/2006	\$20,90	Clients of Conbulk	incl. TC to HALO at \$33,500 pd till Aug 2024
Carpathia	2.824	39.443	11/2003	\$9,00	MSC	

Newbuildings						
Buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
ASL / CSSC	4 x 1.640		2024 - 2025	\$27,5	Guangzhou Wenchong	
HMM	9 x 8.000		2025 - 2026	abt. \$95,0	Korean yards	methanol powered

Fleet Development - Deliveries and Demolitions

(in no. vessel)	fleet size in TEU			orderbook in TEU	scrapped in TEU		
	Nov-22	Dez-22	+/-		% of fleet	Dez-22	ytd
total fleet	25.810.846	25.911.455	0,4%	29,0%	7.505.018	2.346	8.234
- 999 TEU	628.794	628.794	0,00%	1,4%	8.605	0	1.460
1000 - 1999 TEU	2.041.617	2.054.329	0,62%	16,3%	334.315	2.346	1.164
2000 - 2999 TEU	1.987.742	2.003.915	0,81%	16,1%	323.189	0	0
3000 - 5099 TEU	3.760.399	3.776.096	0,42%	9,4%	356.179	0	0
5100 - 7499 TEU	2.732.661	2.732.661	0,00%	16,2%	441.917	0	5.610
7500 - 14999 TEU	10.273.194	10.298.395	0,25%	24,0%	2.476.724	0	0
15000+ TEU	4.386.439	4.417.265	0,70%	80,7%	3.564.089	0	0

Container Vessel's Value

5 year old vessel in mill US\$				15 year old vessel in mill US\$ (SS/DD due)					
	Nov-22	Dez-22	+/-	Dec-21		Nov-22	Dez-22	+/-	Dec-21
1000 TEU	\$18,0	\$17,0	-6%	\$27,0	1000 TEU	\$7,0	\$6,5	-7%	\$15,5
1700 TEU	\$23,5	\$21,5	-9%	\$41,0	1700 TEU	\$11,0	\$10,0	-9%	\$26,5
2200 TEU	\$28,0	\$26,0	-7%	\$48,0	2500 TEU	\$14,5	\$14,0	-3%	\$40,0
2500 TEU	\$29,0	\$27,5	-5%	\$53,0	2800 TEU	\$15,5	\$14,5	-6%	\$42,0
2700 TEU	\$30,5	\$29,0	-5%		3500 TEU	\$17,5	\$17,0	-3%	\$48,5
4700 TEU	\$49,0	\$45,0	-8%	\$102,0	4250 TEU	\$22,0	\$21,0	-5%	\$64,0

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