



MONTHLY CONTAINER REPORT

July 2018 | Week 27 - 31

Summer fears?

While possibly most people are still away on holiday, or just about to set off somewhere, a similar situation can be seen to a certain extent in the chartering market, which is nothing new for this time of the year. The question is not how inactive the market will be during July and August, but what will happen in September/October and whether the charter market will bounce back up. The traditional reply and advice from brokers is “do not worry” and that the market will peak again in autumn when the Christmas goods are being shipped. However, we have not really seen that sort of strong seasonality the last few years. Looking at the last ten years, eight times we have had the year’s peak in the first half of the year, usually during April to June. Only twice (2010 & 2013) did we have the annual charter rate peak during the second half of the year and then during the fourth quarter. Rates indeed recovered a little in September/October from the summer lows or at least did not fall further during that time, but peaks are rare during the second half of the year. We have currently no reason to believe that it will be any different this year.

So, in our opinion we have seen the best charter rates and also asset prices for container ships for this year. While sellers are perhaps not so happy to hear this, we however think that a little drop from top values will help to generate more interest again from various buyers who have stood back from acquisitions the last few weeks.

In July the Chinese government issued new regulations that imported ships have to meet Tier II regulations by the 1st of September. On paper this closes the opportunity to sell older ships to Chinese import buyers since Tier II ships are all built after 2010. However, as we learnt, to upgrade a ship from Tier I to Tier II most likely costs only USD 200-250,000. It is a lot easier to change from Tier I to Tier II than Tier II to Tier III. Hence, at the end of the day, this new Chinese regulation is not a big game changer for the S&P market. It might just add some costs to a seller of a ship if he wants to sell to Chinese import buyers. We did have some rush recently to buy some Tier I ships last minute, predominately in bulk only, but this is now over. If one has not started the import formalities by now, it will not be possible to complete them prior to the 1st of September. But do not fear these new Chinese regulations.

In other news, the failed IPO attempt by GoodBulk in New York in June has delayed plans by Navios Container to raise USD 100 million via an IPO themselves. It will be interesting to see if Navios will still attempt to go on their road show after the summer. The likes of MPC Container Ships will for sure be watching carefully.

Let’s hope charter rates will be stable for the rest of the summer and hopefully liner companies can manage to improve box rates in order to add capacity in current trades or reopen trades which were discontinued recently. Enjoy the summer.

Kind regards,

TOEPFER TRANSPORT

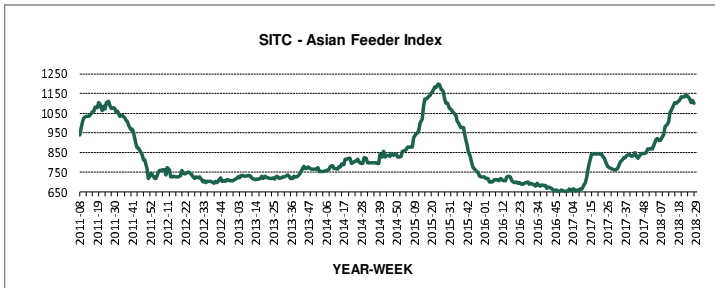


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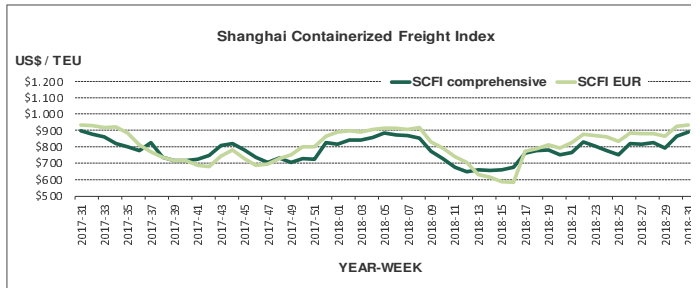
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New Context				
	Jun-18	Jul-18	+/-	Jul-17
comprehensive	535	513	-4,11%	380
1100 TEU GRD - 12 MOS TC	\$8.509	\$8.045	-5,45%	\$6.391
1700 TEU GRD - 12 MOS TC	\$11.113	\$10.575	-4,84%	\$7.367
3500 TEU GL - 12 MOS TC	\$12.551	\$12.139	-3,28%	\$8.669

Charter rate index



Container Freight Index



Selected Sales						
2nd-hand vsl	TEU	DWT	built	price (in mill US\$)	buyer	comment
MSC Kia Ora	1.118	13.690	06/2006		Contship Ability Shipping Inc	
Vega Luna	1.118	13.715	11/2006		Contship Ability Shipping Inc	
Wellington Strait	1.740	23.367	04/2012	13.900.000	XT Shipping	
Hai Lian	2.546	33.739	05/2002	8.000.000	Atlantica Shipping AS	
CPO Miami	4.255	51.737	09/2009	14.000.000	Navios	
Patraikos	4.400	51.532	03/2010	14.500.000	MPC / Mangrove	
Hamburg Bay	6.350	72.982	05/2009	21.000.000	Undisclosed	

Newbuildings						
buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
China Master Logistics	700		undisclosed	undisclosed	Wuchang	The vessels equip with 109teu Reefer and will trade for coastal service and classified by CCS.
Yang Ming Marine Transport	10 + 4 x 2.700	GL	2020	\$37/ \$38 each	CSBC, Taiwan	Tier-II, option fit scrubbers, High Spec, 300 Ref Plugs

Container Vessel's Value									
5 year old vessel in mill US\$					15 year old vessel in mill US\$				
	Jun-18	Jul-18	+/-	Jul-17		Jun-18	Jul-18	+/-	Jul-17
1000 TEU GRD	\$11,0	\$11,0	0%	\$10,0	1000 TEU GRD	\$4,5	\$4,4	-2%	\$3,0
1700 TEU GRD Eco	\$17,6	\$17,5	-1%	\$12,0	1700 TEU GRD	\$7,5	\$7,5	0%	\$4,4
2500 TEU GRD ME*	\$18,1	\$18,0	-1%	\$13,2	2500 TEU GRD	\$8,7	\$8,5	-2%	\$5,4
2750 TEU GL (old type)	\$16,8	\$16,5	-2%	\$13,2	2750 TEU GL	\$8,2	\$8,0	-2%	\$5,5
3500 TEU GRD (old type)	\$14,8	\$14,4	-3%	\$12,0	3500 TEU GL	\$7,1	\$7,0	-1%	\$5,3
4700 TEU WB	\$26,5	\$26,4	0%	\$25,0	4250 TEU PMX	\$8,3	\$8,1	-2%	\$6,4

*Old design, but electronic main engine

Fleet Development - Deliveries and Demolitions								
(in no. vessel)	fleet size			% of fleet	orderbook		scrapped	
	Jun-18	Jul-18	+/-		Jul-18	ytd	Jul-18	
total fleet	5.254	5.261	0,1%	6,8%	356	13		
- 999 TEU	982	979	-0,3%	2,2%	22	7	0	
1000 - 1999 TEU	1.311	1.312	0,1%	6,3%	82	1	0	
2000 - 2999 TEU	642	646	0,6%	14,2%	92	0	0	
3000 - 5099 TEU	886	886	0,0%	1,4%	12	5	0	
5100 - 7499 TEU	458	458	0,0%	0,2%	1	0	0	
7500 - 14999 TEU	864	866	0,2%	9,7%	84	0	0	
15000+ TEU	111	114	2,7%	55,3%	63	0	0	