



TOEPFER TRANSPORT

MONTHLY CONTAINER REPORT

June 2019 | Week 23 - 26

Summer heat

After a record warm June in Germany, the school summer holidays have started in many places, including Hamburg, and people are now starting to head to the beaches. Unfortunately, in the container market, the heat is only continuing for the larger PostPanamax ships, with a slight trickle down to the Baby-Panamax ships, which are starting to fix in excess of USD 10,000 pd. In our view, it is dangerous to sit back and relax if you are an owner of PostPanamax ships and are currently enjoying the ride. Too many lines are currently cancelling some sailings in the transpacific trades, as well as on Asia to North Europe routes, which can be seen as a rather unusual move during the summer peak season. The transpacific trades are under a different influence right now in terms of the Chinese-American trade discussions, but global demand is still not thriving at the moment.

In this regard, the recent news that Evergreen and Hapag Lloyd are thinking of ordering newbuildings of up to 23,000 TEU is, in our view, partly based on the need to invest in these ships for their own survival in the long-term rather than necessarily for true profitability reasons. So this means more newbuilding orders in an already oversupplied large container market...

Otherwise, the container S&P market remains relatively quiet with few buyers around. Those who are active are obviously able to buy and concentrate on the better quality tonnage. We see the liner companies and a few others in the market for PostPanamax ships and a couple of independent buyers for Panamax ships. For the smaller feeders, the interest is very limited and either focused on top quality ships or on very cheap prices. A recent sale of a 12-year-old Wenchong 1700 TEU was a clear example of the lack of interest from a wide range of buyers and the ship sold some 15% below what brokers predicted two months earlier. It remains to be seen whether this was a bargain, but prices are certainly not particularly high right now. Instead, it seems that temperatures will rise over the next few months, but not charter rates, so there is no need to rush and buy. Nevertheless, we do see liner companies also willing to give longer charters for feeder ships in some cases. This at least shows that the longer-term expectations of liner companies for cargo volumes are not that bad.

With the Fridays For Future movement and world-wide consideration of CO2 emissions (maybe excluding the US government...), banks have come together to issue their Poseidon Principles. This is an initiative by eleven mainly European banks to incentivise loans to shipowners that want to buy or build vessels with lower carbon emissions. The aim of the banks is to reduce the carbon intensity of their portfolios in line with the IMO 2050 target to cut emissions by 50% by 2050 compared to 2008; a very laudable initiative! It requires efforts from all sides to make shipping greener. The pressure from banks and cargo owners on shipping to reduce CO2 will help to keep up the pressure for innovation and change. It is no longer good enough to explain to the public that transporting a container by ship is much greener than by truck. Of course, over long distances it is much cheaper too, but it is no longer enough to compare our industry to others. There is pressure to get greener within shipping, which is a good sign. Our shipping industry is not willing to become greener just because it is good. Everybody tries to avoid extra investments as long as they can, as the ridiculous extent of building Tier II ships much longer than regulations allow showed, just as yards and classification societies continue to produce keel laying certificates which are 2-3 years old even for brand new designs.

The Poseidon Principles will be one more piece of a puzzle to make life for old inefficient ships more difficult and to help to reduce the overall fleet and push ships into scrapping.

Sometimes in Germany, after a wet and cold summer, we say that we need more CO2 emissions to improve the summer temperatures. So far, this summer has given Germany record temperatures, which hit 37-38 degrees again this weekend. There is a very long way to go to decarbonise

Kind regards,

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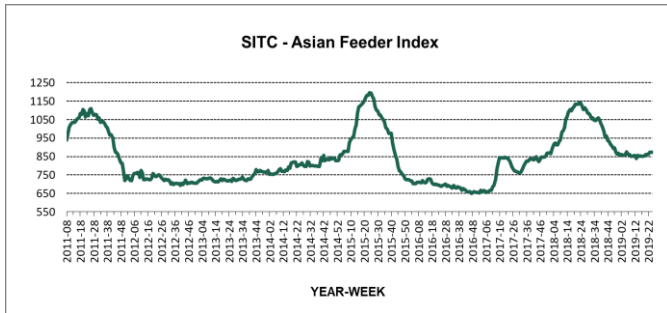


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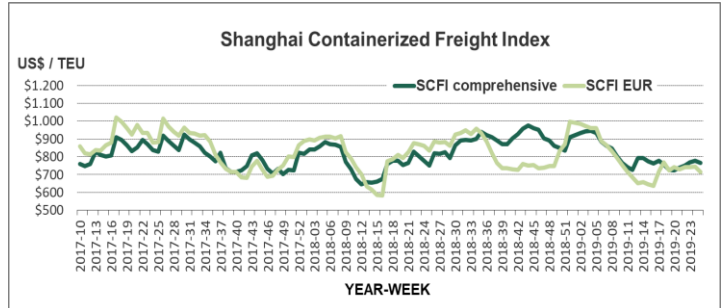
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New Context				
	May-19	Jun-19	+/-	June-18
comprehensive	402	398	-1,00%	535
1100 TEU GRD - 12 MOS TC	\$6.548	\$6.448	-1,53%	\$8.509
1700 TEU GRD - 12 MOS TC	\$8.344	\$8.356	0,14%	\$11.113
3500 TEU GL - 12 MOS TC	\$8.825	\$8.952	1,44%	\$12.551

Charterrate index



Container Freight Index



Selected Sales						
	TEU	DWT	built	price (in mill US\$)	buyer	comment
2nd-hand vsl						
Contship Ace	706	8.524	01/2007	\$3,45	Far East Buyers	
Sunshine Bandama	1.700	21.470	07/2007	\$7,6	Shanghai Shipping	
Hansa Marburg	1.740	23.419	01/2007	Below \$6	Okee Maritime	
JPO Leo	3.091	41.743	07/2005	\$7,2	Atlantica Shipping	
Tim-S.	3.398	44.135	10/2005	\$6,6	Nordic Hamburg	
Balthasar Schulte	4.249	49.249	02/2012	\$10,90	Borealis Maritime Ltd	
Hammonia Virginia, Sapphire, America	3x 4.896	55.944 & 56.592 56.620	2014	\$78,0 en bloc	Clients of Sea Consortium	H. Virginia & H. America: Incl. TC to Maersk at USD 10.000 till 2021

Newbuildings

buyer	TEU	GRD/GL	delivery	price (in mill US\$)	yard	comment
Sinokor	2 x 1.800	GL	2020		HMD	
MSC	10 x 12.000	GL	2021-2022		Yangzijiang	LOI
Evergreen	10-11 x 23.000	GL	2021-2022			Tender

Container Vessel's Value

5 year old vessel in mill US\$					15 year old vessel in mill US\$				
	May-19	Jun-19	+/-	June-18		May-19	Jun-19	+/-	June-18
1000 TEU GRD Eco	\$12,7	\$12,7	0%	\$13,5	1000 TEU GRD	\$3,5	\$3,5	0%	\$4,5
1700 TEU GRD Eco	\$16,2	\$16,2	0%	\$20,1	1700 TEU GRD	\$5,5	\$5,5	0%	\$7,5
2500 TEU GRD ME*	\$16,5	\$16,3	-1%	\$18,1	2500 TEU GRD	\$7,2	\$7,4	3%	\$8,7
2750 TEU GL (old type)			-	\$16,8	2750 TEU GL	\$7,0	\$7,2	3%	\$8,2
3500 TEU GRD (old type)	\$12,3	\$12,3	0%	\$14,8	3500 TEU GL	\$6,4	\$6,4	0%	\$7,1
4700 TEU WB	\$27,5	\$28,0	2%	\$26,5	4250 TEU PMX	\$7,8	\$7,8	0%	\$8,3

Fleet Development - Deliveries and Demolitions

(in no. vessel)	fleet size			% of fleet	orderbook		scrapped	
	May-19	Jun-19	+/-		Jun-19	ytd	Jun-19	
total fleet	5.272	5.269	-0,1%	7,9%	417	80	9	
- 999 TEU	960	955	-0,5%	2,2%	21	13	4	
1000 - 1999 TEU	1.286	1.287	0,1%	10,8%	139	42	3	
2000 - 2999 TEU	668	666	-0,3%	18,6%	124	7	0	
3000 - 5099 TEU	884	883	-0,1%	1,4%	12	12	2	
5100 - 7499 TEU	453	453	0,0%	0,0%	0	6	0	
7500 - 14999 TEU	883	884	0,1%	9,4%	83	0	0	
15000+ TEU	138	141	2,2%	27,0%	38	0	0	

TOEPFER TRANSPORT GMBH HAMBURG | SINGAPORE | SHANGHAI

Sale & Purchase + Newbuildings + Chartering + Valuations

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