TOEPFER TRANSPORT

MONTHLY CONTAINER REPORT

June 2020 | Week 23 - 26

The summer school holidays have now started in Hamburg, after three and a half months of “Corona holidays”. The majority of Germans will stay much closer to home this year and the car will be the transportation of choice this summer rather than aeroplanes. While the children look forward to a break from home schooling, it feels like the S&P market is back in a good mood now at least, and buyers have returned to the market. Buyers are becoming more active again because there is confidence that the worst of the COVID-19 crisis is over and also because a couple of transactions have been done at new prices, which has made buyers realise that it might be a good time to start having a look at acquisitions. Furthermore, crew changes are starting to be possible again at certain locations, which also enables the execution of purchases too.

Although buyers have returned to the market, significantly better prices should not be expected. The buyers who are active now are all looking for distressed sales at bargain prices. They are pressing for lower and lower prices and concentrating mainly on the ships that are most likely to get sold if pressure is applied. As soon as a seller signals a lack of interest in selling at distressed levels, that seller’s ship will not receive any attention at all. This is generally true for the container, bulk and tank markets. The boom days of February and March are long gone in the tanker market…how quickly things change.

Although crew changes are starting to become possible at certain locations, the possibility to make crew changes for all ships around the world remains a complete disaster. Owners have to try to keep the morale up on board while crews have to extend their time on board for many months and still often have no idea when they can return home. Occasionally, you hear about a crew member jumping overboard as they cannot bear the situation any longer. The fact that our industry has not managed to get seamen classified as essential workers who can get special permits to enter countries for the purpose of being transferred to an airport to fly home is a shame. We know that the IMO and many ship owner associations are working on a solution and hopefully they will manage to enable travel for seamen soon, as they are the backbone of our industry.

Also, regarding the cruise ship industry, we wonder how the ships will start running again if many of the cruise vessels are still waiting with their pre-corona crews in ports or at anchorages. On many ships, the crews have started living in the guest cabins. We are sure many ships will need weeks of cleaning and renovation prior to them being able to return to service. However, the demand for cruise holidays is obviously reduced as well at the moment anyway.

We expected that June might be the low point in terms of charter rates this year. It seems for now that this might indeed be the case. At the same time, we expect that it will be a slow recovery, particularly for the feeders it will instead bounce along the bottom. On a positive note, we see that the scrapping of container ships has really picked up speed and we can only hope that this will continue for a while. The scrapping of 15 year old container ships could be just around the corner again and in many cases we see buyers already adjusting their prices to exactly such levels. This has been demonstrated by some 15 year old 6,500 TEUs and 1,100 TEUs being offered for sale in the market.

So, let us hope that the holiday season will not bring many corona hotspots, and is not a repeat of Europe after the skiing season in March. Otherwise, normal school life, normal working life and better shipping markets would be that much further out of reach for us again.

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Kind regards,
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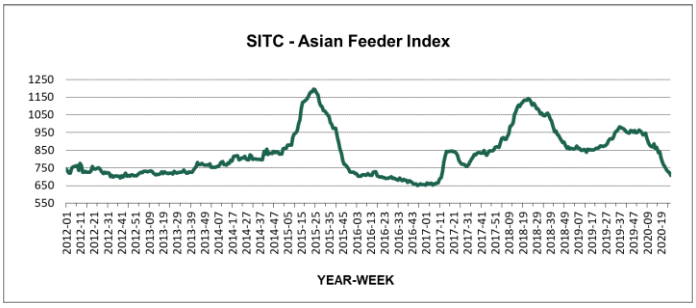
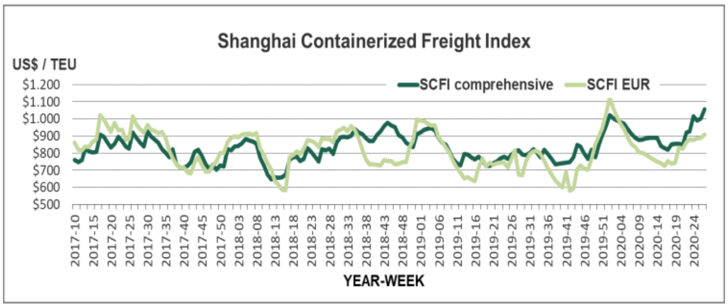
New Contex				
	May-20	Jun-20	+/-	June-19
comprehensive	324	311	-4,01%	398
1100 TEU GRD - 6 MOS TC	$5.471	$5.367	-1,90%	$6.448
1700 TEU GRD - 6 MOS TC	$6.367	$6.203	-2,58%	$8.356
3500 TEU GL - 12 MOS TC	$8.018	$7.688	-4,12%	$8.952

Charterrate index



Container Freight Index



Selected Sales					
2nd-hand vsl	TEU	DWT	built	price (in mill US$)	buyer
Pictor J & Perseus J	2 x 925	12.640 & 12.558	2009 & 2008		Faust & Lichtwald
Tucana J & Deneb J	962 & 974	11.152 & 10.831	2007 & 2006		Crowley
Hoheweg	966	11.804	04/2007	$2.1 mio.	Jens & Waller
AS Leona	1.049	12.790	01/2008	mid $5's mio	SITC Container Lines
Fritz Reuter	1.732	23.732	09/2006	$4.0 mio	Lomar
Cape Nati	1.740	23.263	10/2009	mid $5's mio	Clients of Okee Maritime
CSCL Houston	2.553	33.613	08/2008		Wan Hai Lines HK
Nelson	3.398	44.239	05/2007	mid $5's mio	Nordic Hamburg Shipping

Fleet Development - Deliveries and Demolitions							
(in no. vessel)	fleet size			orderbook		scrapped	
	May-20	Jun-20	+/-	% of fleet	Jun-20	ytd	Jun-20
total fleet	**5.345**	**5.346**	**0,0%**	**5,9%**	**316**	**33**	**19**
- 999 TEU	960	958	-0,2%	1,1%	11	4	3
1000 - 1999 TEU	1.317	1.317	0,0%	6,5%	85	17	10
2000 - 2999 TEU	684	686	0,3%	13,4%	92	3	2
3000 - 5099 TEU	881	881	0,0%	1,5%	13	2	0
5100 - 7499 TEU	445	442	-0,7%	0,5%	2	8	4
7500 - 14999 TEU	899	900	0,1%	8,4%	76	0	0
15000+ TEU	159	162	1,9%	22,8%	37	0	0

Container Vessel's Value									
5 year old vessel in mill US$					15 year old vessel in mill US$ (SS/DD due)				
	May-20	Jun-20	+/-	June-19		May-20	Jun-20	+/-	June-19
1000 TEU GRD Eco	$10,5	$10,5	0%	$12,7	1000 TEU GRD	$2,8	$2,7	-4%	$3,5
1700 TEU GRD Eco	$15,0	$15,0	0%	$16,2	1700 TEU GRD	$4,1	$4,0	-2%	$5,5
2200 TEU GRD Eco	$18,0	$18,0	0%	$16,3	2500 TEU GRD	$6,4	$6,2	-3%	$7,4
2500 TEU GRD Eco	$21,5	$21,5	0%		2800 TEU GL	$6,4	$6,2	-3%	$7,2
3500 TEU GRD (old type)			-	$12,3	3500 TEU GL	$5,2	$5,0	-4%	$6,4
4700 TEU WB	$26,0	$25,5	-2%	$28,0	4250 TEU PMX	$6,3	$6,1	-3%	$7,8

TOEPFER TRANSPORT GMBH HAMBURG | SINGAPORE | SHANGHAI

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