MAERSK BROKER
SHIPBROKERS SINCE 1914

4 May – 11 May, 2012

Container Market – Weekly Report

Chartering Market

The market continued its positive trend with yet another busy week in terms of fixing activity. Rates are still creeping up in generally all vessel segments with a rather promising short/mid term outlook - specifically for Panamax tonnage and above. Certain sizes, however, still suffer from oversupply which will likely prevent any significant rate increases in these particular segments. The lack of prompt Panamax vessels could potentially relieve the pressure on rates for the smaller segments as carriers may be left without many alternatives. We have already experienced this to a certain degree, but exactly how far this ripple will continue down the sizes remains to be seen.

As we reported last week, there are still several tonnage requirements in the segment above 4,000 TEU that remain uncovered. Maersk did, however, extend the Daewoo 4400 design 'MORANTO' for another 2-4 months charter at USD 12,000 daily - or USD 1,500 more than what her sister obtained a fortnight ago for a similar period. In view of ongoing negotiations we are certain that the coming weeks will set new and higher benchmark rates in this sector.

Tonnage around 3,000-3,500 TEU this week obtained well in excess of USD 8,000 as illustrated by the 3,400 TEU relet 'QUADRIGA' which fixed at USD 8,600 to NYK for a short round voyage. The B-178 type 'LOUIS S' received USD 11,500 for 10 months extension Far East-West Africa trade, a rate in line with last done for this vessel type and which underlines the favourable specification for West Africa trade.

The oversupply of tonnage in the 2,000-3,000 TEU segment is still preventing any positive hire rate development for the time being. Rates are drifting sideways with geared 2,500 TEU ships obtaining around USD 7,500 and gearless 2,700 TEU gearless vessels fetching rates around USD 7,000. A few exceptions were seen during the week with one transaction worthy of note being for the 2,000 TEU 'DIAMANTIS P' which managed to fix at USD 7,200 for 2-5 months East Africa-Asia employment - a rate obviously influenced by the trading area.

This week also enjoyed a pick up in activity for the 1,300-2,000 TEU sector. As forecasted the enquiries for Atlantic business circulating over the last couple of weeks started to produce results with just over half of fixtures being concluded for Med, Atlantic & US Gulf business. The 1,700 TEU segment was the busiest with a good spread in periods fixed. Some charters such as MSC and CMA CGM were seen to be tying up tonnage for longer periods with fixtures such as the B170 type 'HELENE RUSS' going for 8-10 months. With rates stuck in the USD mid 6's it appears that the market is not going up just yet. Wenchong 1,500 designs were also securing rates in the mid 6's. Illustrated by Namsung, who were rumoured to have taken the 'H KIRKENES' & 'HANSA LANGELAND' for 3 months at USD 6,250 respectively for 6-10 months at USD 6,600.

Feeders of 900 to 1,300 experienced another quiet week. Activity in reduced significantly with the Mediterranean and the US Gulf making up the bulk of fixtures. There were interesting reports among the more specialised vessels such as the 'SSW' design, with CSCL apparently taking one unit for 5-6 months at USD 7,000 - if correct this represents a USD 700 increase from last fixed in April. Tonnage in the Carribean continued to command a premium but none better then good reefer tonnage illustrated by Great White taking the 1,296 TEU 'VLIET TRADER' for 1 month at 7,600. CV 1100's saw a slight rise in the market with Seacon and CMA both taking vessels for USD 5,600/5,700 which is a small increase of USD 200 USD from last week.

Fixtures Reported This Week

MORANTO - FLAG ABB - BLT 2009 – 54,384 DWT
4,380 TEU - 2850/HOM - 360 PLUGS CELLULAR - GEARLESS - 24,3/133,1
2-4MNTHS - CONT - MAERSK LINE – 12,000 USD/DAY

LILLY SCHULTE - FLAG LIB - BLT 2012 – 47,000 DWT
3,635 TEU - 2500/HOM - 550 PLUGS CELLULAR - GEARED - 23.3 / 115
1-3MNTHS - D/C SEA - CSCL – 8,250 USD/DAY

VAN AMAZONAS - FLAG PAN - BLT 1998 – 51,805 DWT
3,484 TEU - 2697/HOM - 300 PLUGS CELLULAR - GEARLESS - 22.5/131
5-7MNTHS - INTERASIA - YANG MING – 7,950 USD/DAY

QUADRIGA - FLAG LIB - BLT 2008 – 42,566 DWT
3,414 TEU - 2410/HOM - 500 PLUGS GEARLESS - 23.2/105.0
35-40DAYS - FEAST/INDIA - NYK – 8,600 USD/DAY

LOUIS S - FLAG ABB - BLT 2003 – 41,833 DWT
3,091 TEU - 2473/HOM - 500 PLUGS CELLULAR - GEARED - 22.0/105
10-12MNTHS - EXT FE-WAF - CMA CGM – 11,500 USD/DAY

LARENTIA - FLAG LIB - BLT 2005 – 38,121 DWT
2,702 TEU - 2070/HOM - 500 PLUGS CELLULAR - GEARLESS - 22.3/88
1-4MNTHS - EXT FEAST - OOCL – 7,000 USD/DAY

MAIN TRADER - FLAG LIB - BLT 2009 – 37,968 DWT
2,702 TEU - 2100/HOM - 456 PLUGS CELLULAR - GEARLESS - 21.6/88 TS
3MNTHS - EXT FEAST - OOCL – 7,000 USD/DAY

SYDNEY - FLAG SNG - BLT 2003 – 43,093 DWT
2,672 TEU - 2100/HOM - 300 PLUGS CELLULAR - GEARLESS - 22/107
30-40DAYS - FAR EAST - SIMATECH – 6,600 USD/DAY

AS PALATIA - FLAG LIB - BLT 2006 – 34,496 DWT
2,600 TEU - 1856/HOM - 440 PLUGS CELLULAR - GEARED - 22.1/89.5,
3-4MNTHS - EXT FEAST/WAFR - NILE DUTCH – 6,850 USD/DAY

GEMINI - FLAG LIB - BLT 1998 – 34,362 DWT
2,442 TEU - 1880/HOM - 300 PLUGS CELLULAR - GEARED - 21.0/70.5
9MNTHS - FEAST - CMA CGM – 7,500 USD/DAY

DIAMANTIS P - FLAG LIB - BLT 1998 – 30,300 DWT
2,008 TEU - 1628/HOM - 250 PLUGS CELLULAR - GEARED - 21.5/73.0
2-5MNTHS - SEA - MAERSK LINE – 7,200 USD/DAY

JACOB RICKMERS - FLAG MAI - BLT 2006 – 24,069 DWT
1,850 TEU - 1300/HOM - 300 PLUGS CELLULAR - GEARED - 23.0/80.5
10-11MNTHS - EXT FEAST - CMA CGM – 7,000 USD/DAY

Continued on page 3.

Maersk Broker Time Charter Rate Index, Week 19

May:*	414
April:	390

(*4 weeks Moving Average –The index is calculated on May 11th)

Average Container T/C Rates

Size	2011	YTD 2012	4 Weeks MA	Trend
200-399	$4,545	-	-	→
400-649	$4,710	$4,174	$4,532	→
650-899	$6,139	$4,659	$4,864	→
900-1,299	$8,249	$5,677	$5,778	→
1,300-1,999	$10,055	$6,617	$6,749	→
2,000-2,999	$12,862	$7,017	$6,936	↘
3,000-3,949	$14,702	$8,071	$8,194	↗
3,950-5,199	$19,732	$9,154	$10,052	↗

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Sale & Purchase

It seems that the appetite for big ships continues, as we the past week have heard a number of rumours - mostly on newbuildings, but also rumours that OOCL should have been successful in disposing of another two of their 5,400 TEU wide beam vessels. If OOCL have managed to obtain their target price above USD 30 mill., then that is indeed impressive.

For smaller vessels we now understand that the German owned 970 TEU mv 'Susanne' has been committed for sale again. She has earlier been failed at approximately USD 2 mill. and we would thus expect the new fixture to be at similar levels.

In general we are starting to see a two tier market, with smaller vessels still being in the doldrums while the improving charter market is making larger vessels more attractive albeit still at early stages.

Newbuilding

Despite the overall newbuilding activity remain subdued a small number of European owners are gearing up to place newbuildings orders in the feeder segment again. This development could be a consequence of the lack of interesting deals offered in the second hand market and the ever more attractive newbuilding prices.

In this connection we understand that two German owners are close to moving ahead on orders for 2,200 TEU vessels in China. Due to high specification the price is anticipated to be slightly higher than the USD 26.2 mill. that Lomar is said to have paid at Wenchong a couple of months back. Should the orders indeed materialize this could indicate a shift in paradigm from 1,700 TEU that had seen several orders last year.

In Korea rumours were persistant this week that the Evergreen order for 10 x 14,000 TEU at Hyundai Heavy is facing some challenges and competing owners including NS Lemos and a few others may get a second chance after having been eliminated in the final stages on the initial tender.

Estimated Second Hand Prices - 10 yrs old (USD Million)			
1,100	1,700	2,700	4,500
6-7	12-13	20-21	29-30
Price Development Since Last Week			
→	→	→	→

Source: Maersk Broker

Estimated Newbuilding Prices (USD Million)					
1,800	2,800	4,800	6,600	9,200	13,000
27-29*	38-40*	50-52*	64-66*	89-91*	115-120*
24-26**	35-37**	46-48**	60-62**	86-88**	n.a.
Price Development Since Last Week					
↘*	↘*	↘*	↘*	↘*	↘*
↘**	↘**	↘**	↘**	↘**	n.a.

Source: Maersk Broker

**based on Korean built vessel for 2014 delivery*
***based on Chinese built vessel for 2014 delivery*

Market Developments and Drivers

- **USA:** The US trade gap in March grew 14% month-on-month as the deficit widened more than forecast due to increased imports, suggesting strong consumer demand. The deficit is currently standing at USD 51.8 bill. Exports increased by 2.9% month-on-month while the value of imports jumped 5.2% due to higher fuel prices and a comeback of Chinese shipments after celebration of the Chinese New Year. The March trade gap with China widened to USD 31.5 bill. from USD 28.1 bill in February.

- **China:** China foreign trade rose 2.7% in April year-on-year to USD 308.1 bill. reaching a trade surplus of USD 18.4 bill. Exports in April grew 4.9% year-on-year to USD 163.3 bill. and imports grew a small 0.3% to USD 144.8 bill. Trade growth markedly slowed compared to March numbers, which showed exports and imports gaining 8.9% and 5.3% year-on-year respectively. So far this year, foreign trade has increased 6% compared to the same period last year, with exports and imports increasing 6.9% and 5.1% respectively to USD 593.2 bill. and USD 574 bill.

  US consumer borrowing in March increased by most in a decade, driven by demand for educational financing and cars. Credit rose by USD 21.4 bill. to USD 2.54 trill. The increase was driven by a jump in non-revolving debt, including student and car loans, at a level of USD 16.2 bill, up from USD 11.6 bill. in February. Americans took the opportunity to sign up for student loans before a possible double of interest rates in July, and car purchases have increased along with steadily higher consumer confidence numbers this year.

  Inflation in China eased slightly in April, with prices rising an average 3.4% year-on-year, down from a 3.6% increase in March. In the Chinese economy, wages and rental prices are rising in the longer term, while costs for food and housing are easing. Producer price index fell 0.7% year-on-year due to falling commodity prices. The easing price pressures combined with slower export growth and dampened industrial output growth may induce the government to announce monetary easing in order to stimulate domestic demand.

  Industrial output in China grew the least since 2009, April data shows. Value-added industrial output in April grew 9.3% year-on-year after adjusted for inflation, following a March growth of 11.9% year-on-year. China's urban fixed investments rose 20.2% year-on-year in the first 4 months of this year to 7.6 trill. Yuan (USD 1.2 trill.). Investments in property development increased by 18.7% year-on-year when comparing January-April numbers with last year.

- **Japan:** Japan presented another current account surplus in March, though it fell by 8.6% year-on-year. As exports started to recover and earnings on overseas investments increased, the current account showed a surplus of 1.6 trill. Yen for March. Exports rose by 7.3% year-on year in March, while imports rose by 11.9%. The current account balance could deteriorate in the near future as Japan has closed its nuclear power plants and is reliant on other imported sources of energy.

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RICKMER RICKMERS - FLAG ABB - BLT 1995 – 22,984 DWT
1,728 TEU - 1120/HOM - 200 PLUGS CELLULAR - GEARED - 20.0/54.5
1-3MNTHS - EXT USG - MAERSK LINE – 7,000 USD/DAY

HELENE RUSS - FLAG LIB - BLT 1996 – 23,043 DWT
1,728 TEU - 1120/HOM - 200 PLUGS CELLULAR - GEARED - 19.6/57.2
8-10MNTHS - ATLANTIC - CMA CGM – 6,500 USD/DAY

ADRIAN - FLAG LIB - BLT 1997 – 22,994 DWT
1,726 TEU - 1120/HOM - 300 PLUGS CELLULAR - GEARED - 20.0/54.0
9MNTHS - MED - CMA CGM – 6,700 USD/DAY

AS SCOTIA - FLAG GEU - BLT 2000 – 25,414 DWT
1,714 TEU - 1295/HOM - 250 PLUGS CELLULAR - GEARED - 21.0/64.0
1-3MNTHS - EXT MED - MAERSK LINE – 6,600 USD/DAY

MILTIADIS JUNIOR III - FLAG LIB - BLT 2010 – 23,978 DWT
1,702 TEU - 1240/HOM - 330 PLUGS CELLULAR - GEARLESS - 20.5/63
14DAYS - EXT EMED - MAERSK LINE – 7,000 USD/DAY

OTTO SCHULTE - FLAG LIB - BLT 1999 – 26,027 DWT
1,702 TEU - 1350/HOM - 200 PLUGS CELLULAR - GEARLESS - 20.0/66.0
12MNTHS - FEAST - MSC – 6,500 USD/DAY

BUXSAILOR - FLAG LIB - BLT 1993 – 23,465 DWT
1,684 TEU - 1152/HOM - 152 PLUGS CELLULAR - GEARED - 19.0/49.0
25-35DAYS - UK-WAFR - MITSUI OSK LIN – 6,500 USD/DAY

ORION - FLAG MTA - BLT 1997 – 25,003 DWT
1,617 TEU - 1212/HOM - 298 PLUGS CELLULAR - GEARED - 20.5/70
1-2MNTHS - EXT USWC - MAERSK LINE – 6,650 USD/DAY

TRAVE TRADER - FLAG LIB - BLT 1994 – 22,525 DWT
1,600 TEU - 1090/HOM - 200 PLUGS CELLULAR - GEARED - 21.0/58.9
22-50DAY - MED - MAERSK LINE – 6,000 USD/DAY

HANSA LANGELAND - FLAG LIB - BLT 2003 – 20,170 DWT
1,581 TEU - 1051/HOM - 288 PLUGS CELLULAR - GEARED - 20.0/55
6-10 MNTHS - FEAST - NAMSUNG SHIPPI – 6,600 USD/DAY

H KIRKENES - FLAG LIB - BLT 2002 – 20,887 DWT
1,550 TEU - 1029/HOM - 246 PLUGS CELLULAR - GEARED - 20.5/55.0
3MNTHS - FEAST - NAMSUNG SHIPPI – 6,250 USD/DAY

GALLANT WAVE - FLAG SNG - BLT 1996 – 23,650 DWT
1,510 TEU - 1145/HOM - 60 PLUGS CELLULAR - GEARLESS - 19.0/44.5
6-8 MNTHS - FEAST - CMA CGM – 6,300 USD/DAY

PETKUM - FLAG ABB - BLT 2008 – 16,975 DWT
1,368 TEU - 870/HOM - 250 PLUGS CELLULAR - GEARED - 19.5 /45
5-8 MNTHS - MED - MAERSK LINE – 7,250 USD/DAY

STADT GOTHA - FLAG ABB - BLT 2008 – 18,299 DWT
1,296 TEU - 957/HOM - 390 PLUGS CELLULAR - GEARED - 19.6/45
20-30DAYS - EXT SEA - SAMUDERA SINGA – 6,550 USD/DAY

VLIET TRADER - FLAG NTH - BLT 2007 – 18,480 DWT
1,296 TEU - 957/HOM - 390 PLUGS CELLULAR - GEARED - 19.6/45
1MNTHS - CARIBS - GREAT WHITE FL – 7,600 USD/DAY

STADT JENA - FLAG ABB - BLT 2007 – 18,279 DWT
1,284 TEU - 957/HOM - 390 PLUGS CELLULAR - GEARED - 19.0/45
3-6 MNTHS - INTRA ASIA - MCC – 6,700 USD/DAY

ASIAN GYRO - FLAG PAN - BLT 2001 – 18,055 DWT
1,133 TEU - 920/HOM - 150 PLUGS CELLULAR - GEARLESS - 18/36
2-6MOS MNTHS - INTRA ASIA - HEUNGA – 6,400 USD/DAY

VEGA MERCURY - FLAG LIB - BLT 2009 – 13,702 DWT
1,118 TEU - 700/HOM - 220 PLUGS CELLULAR - GEARED - 19.5/41 I
2-7MNTHS - WEST MED - SEA CONSORTIUM – 5,700 USD/DAY

DEVON STRAIT - FLAG LIB - BLT 2008 – 13,760 DWT
1,118 TEU - 700/HOM - 220 PLUGS CELLULAR - GEARED - 19.6/ 41,0
1-3MNTHS - EXT MED - CMA CGM – 5,600 USD/DAY

STADT EMDEN - FLAG ABB - BLT 2002 – 12,895 DWT
1,102 TEU - 650/HOM - 200 PLUGS CELLULAR - GEARED - 20.0/43.0
14DAYS - INTRA CARIBS - SEABOARD MARIN – 5,900 USD/DAY

E.R. TALLINN - FLAG LIB - BLT 2011 – 14,230 DWT
1,085 TEU - 730/HOM - 250 PLUGS CELLULAR - GEARLESS - 19.0/36.5
2-4MNTHS - FEAST - TS LINES – 6,400 USD/DAY

WES JANINE - FLAG ABB - BLT 2012 – 13,200 DWT
1,036 TEU - 740/HOM - 250 PLUGS CELLULAR - GEARLESS - 18.5
5-6MNTHS - INTRA ASIA - CSCL – 7,000 USD/DAY

LINGE TRADER - FLAG NTH - BLT 2006 – 11,834 DWT
957 TEU - 604/HOM - 250 PLUGS CELLULAR - GEARED - 18.8/37.0
15-20DAYS - USG - SEAFREIGHT – 5,500 USD/DAY

HOHEBANK - FLAG ABB - BLT 2007 – 11,828 DWT
957 TEU - 604/HOM - 328 PLUGS CELLULAR - GEARED - 18.8/37
6MNTHS - EXT FEAST - CMA CGM – 5,500 USD/DAY

ANGELA - FLAG GIB - BLT 2005 – 11,403 DWT
868 TEU - 612/HOM - 234 PLUGS CELLULAR - GEARLESS - 18.0/33.3
2-5 MNTHS - EXT MED - MAERSK LINE – 5,300 USD/DAY

WESTERHAVEN - FLAG ABB - BLT 2000 – 8,450 DWT
712 TEU - 424/HOM - 100 PLUGS CELLULAR - GEARED - 16.5/24 -
1-3MNTHS - EXT CARIBS - CMA CGM – 5,275 USD/DAY

SHAMROCK - FLAG BBD - BLT 2000 – 4,850 DWT
430 TEU - 314/HOM - 100 PLUGS GEARED - 15,6 KNOTS
6MNTHS - EXT CARIBS - CMA CGM – 5,000 USD/DAY

The above report is based on our best knowledge of relevant market conditions and all fixtures reported are without guarantee but stated in good faith.