

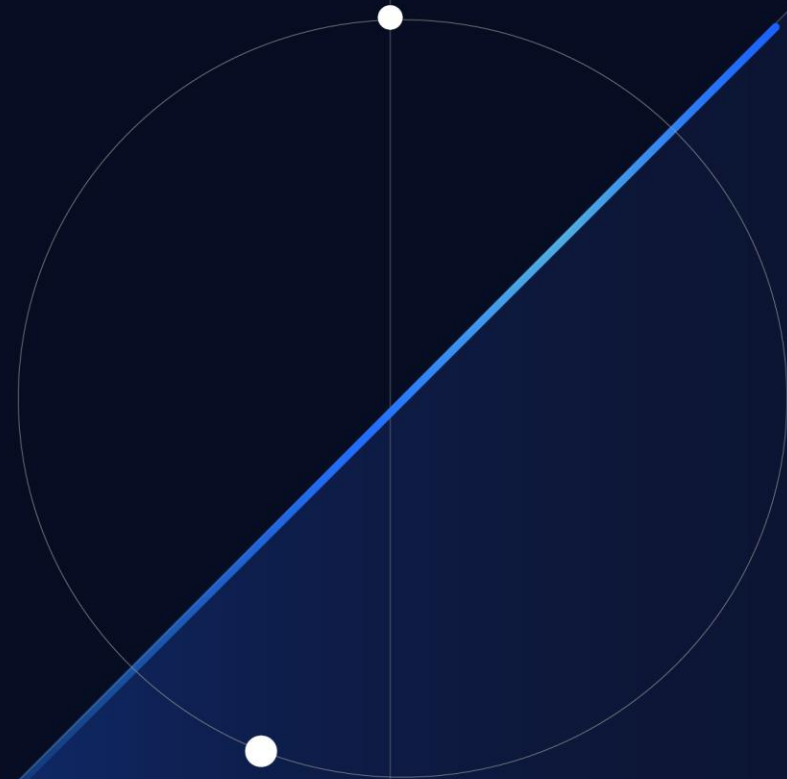


# XENETA

July 2024 | Container Shipping Market Trends

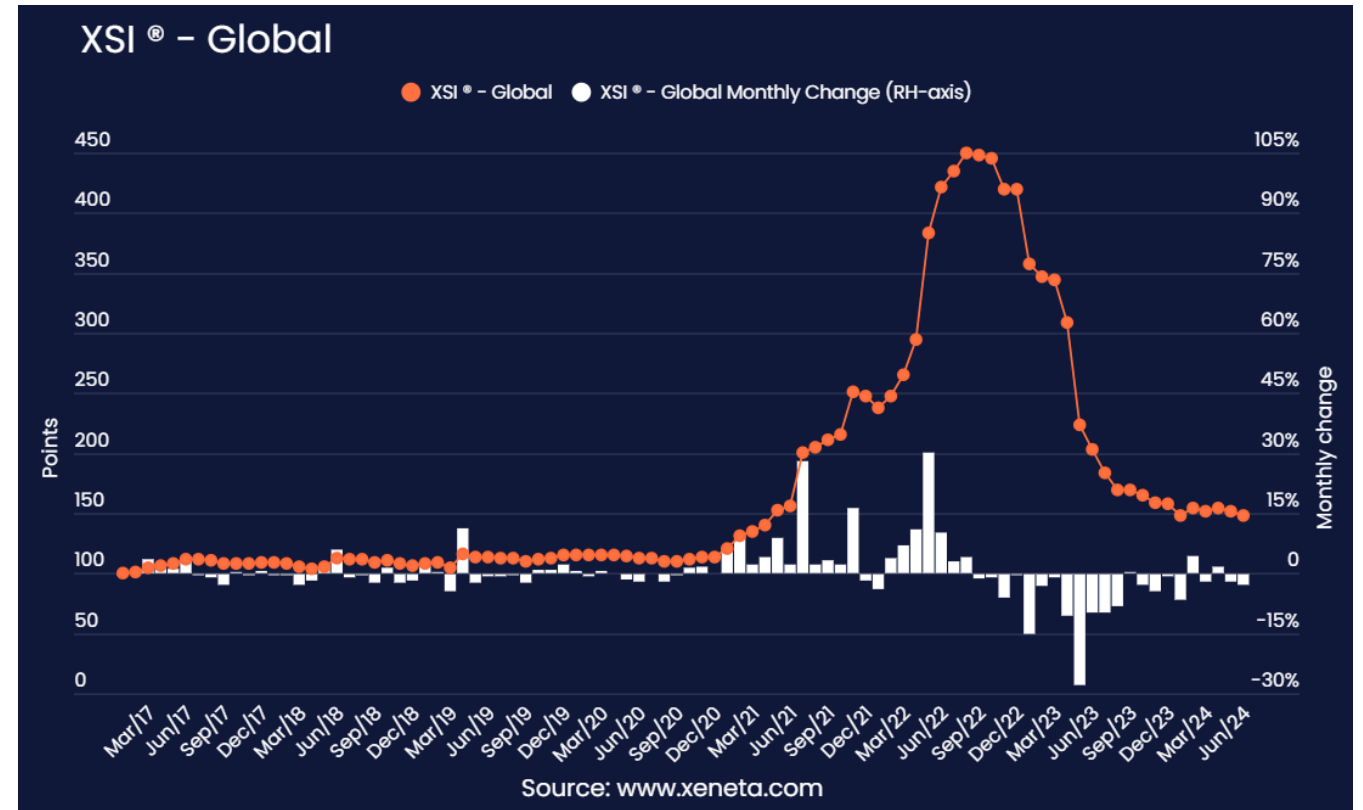
## Navigating the Seas of Transformation: Exploring Global Trends in Container Shipping

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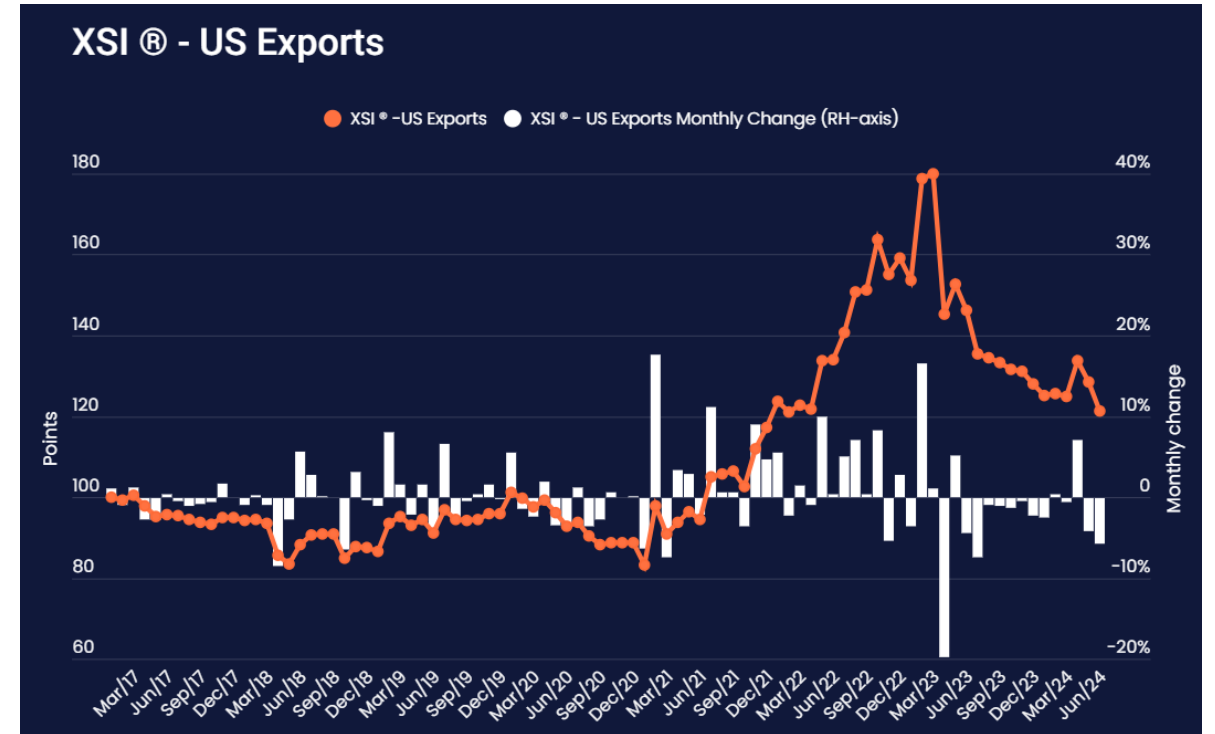
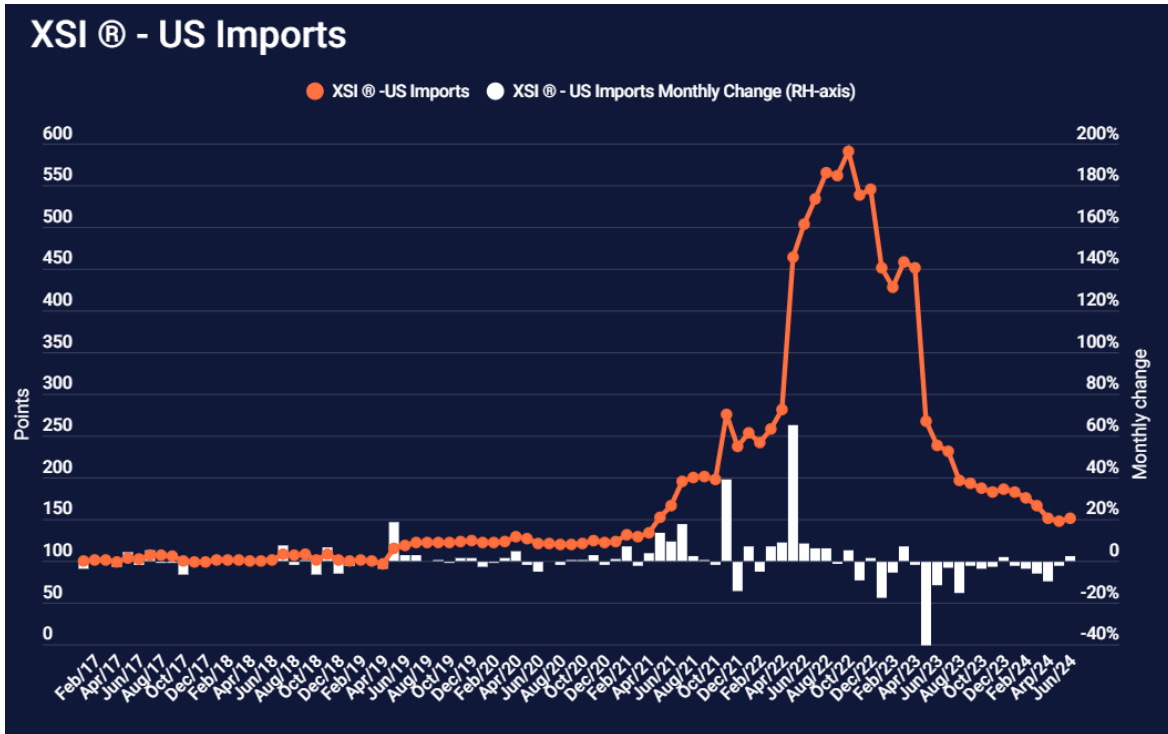
# Global XSI® Drops to 147.8 Points in June Amidst Surging Spot Rates, increasing the risk of cargo being rolled

- The Global XSI® fell to 147.8 points in June, its lowest level since April 2021, and is 2.5% lower than May 2024 and 27.5% lower than June 2023.
- In contrast, spot rates on major trades from the Far East have surged since December 1, 2023: over 400% to North Europe, over 300% to the Mediterranean, over 340% to the US West Coast, and over 240% to the US East Coast.
- Smaller shippers and freight forwarders face increased risk as long-term contracts become less valuable if goods cannot be shipped under them, with some being pushed onto the elevated spot market.
- The conflict in the Red Sea has led to ships avoiding the area, opting for longer routes around the Cape of Good Hope, causing port congestion and equipment shortages.
- Carriers have been balancing spot and long-term markets to maximize profits while securing long term volumes, with a willingness to lock into long term contracts at lower rates earlier this year.  
If the spot market remains elevated, long-term rates are likely to increase in the near future, influencing carriers' strategies in upcoming negotiations.



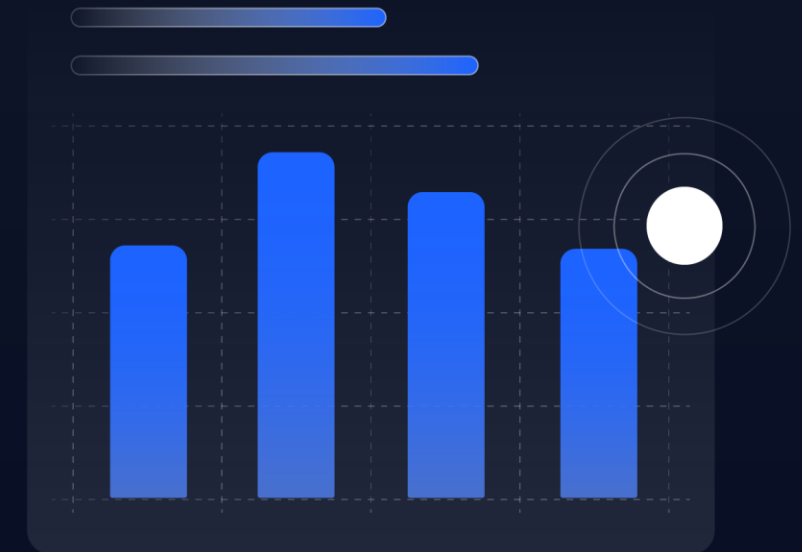
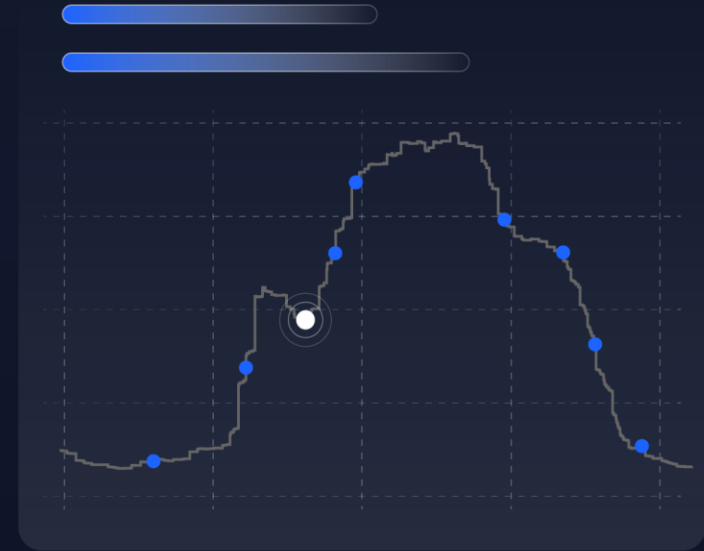
[Click here to view the full Xeneta XSI report.](#)

# US Import XSI® Rises 2.4% to 151.6 Points in June, While US export XSI® Falls 5.6% to 121.2 Points; Import Index Down 36.5% Year-on-Year



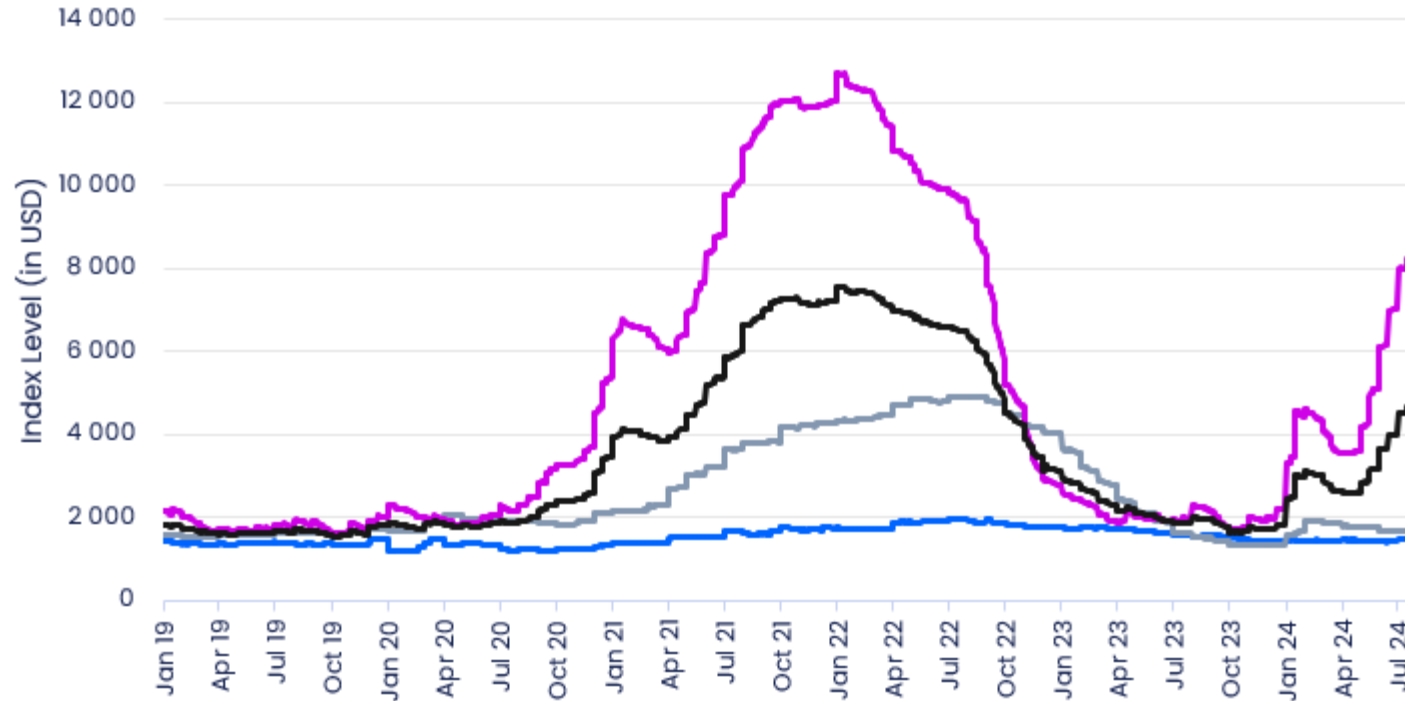
# Where are we now?

## Current Freight Rate Trends



# Geopolitical Tensions and Market Dynamics Driving Far East and North America Export Rate Surges

## Weighted Average Spot Rates



Source: xeneta

— North America Export — Europe Export — Far East Export — Global

Xeneta's global weighted average spot rate rose to 4 640 USD per FEU on 16 July, the highest it has been since October 2022.

This has been driven by the rapid increase in the weighted average spot rate on trades out of the Far East, which has risen by 5 970 USD per FEU since the end of last year to reach 8 190 USD. This is 209% from the peak that the average spot rate on these trades reached during the pandemic.

In contrast spot rates out of Europe and North America have remained flat, changing by 2.5% and -6.3 %so far this year respectively.

# First signs of a peak appearing on trades out of the Far East

Spot rates have started weakening on trades out of the Far East and across the Pacific. Furthest ahead in this development are rates into Mexico which have been falling since early June. While this trade is amongst those with the highest growth in demand, carriers have responded by offering a range of new services into the Mexican west coast. Increased capacity has in turn led to softening rates.

Into the US West Coast rates have also started to fall, though in an earlier stage of the process than Far East to Mexico. Here too carriers adding capacity has eased the pressure, allowing shippers to push back on further spot rate increases, without the worry that their cargo won't be shipped.

Expect this trend to also develop from the Far East to the US East Coast and into Europe.

## Rate movement

Market Average<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' DC<sup>+</sup> container type and THC Destination.<sup>+</sup>  
 From Far East Main<sup>+</sup> to US West Coast, Mexico West Coast<sup>+</sup> trade lane  
 Days, May 2024 - Jul 2024 (CUST),<sup>+</sup> USD.



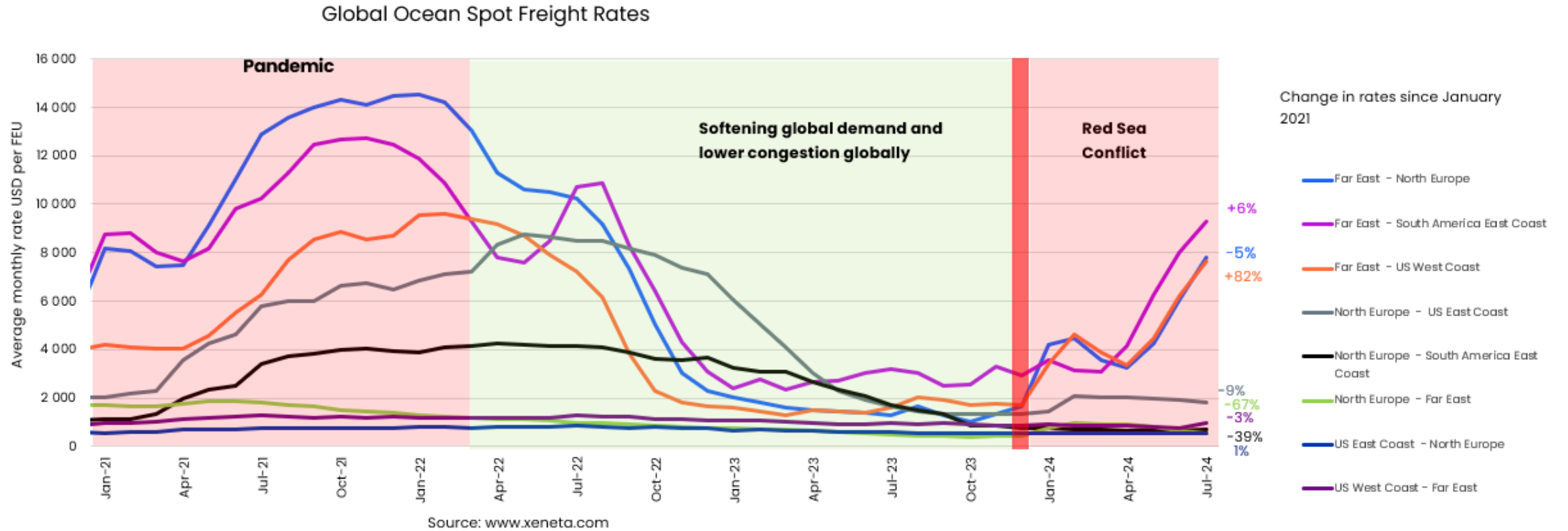
## XENETA

### Legend

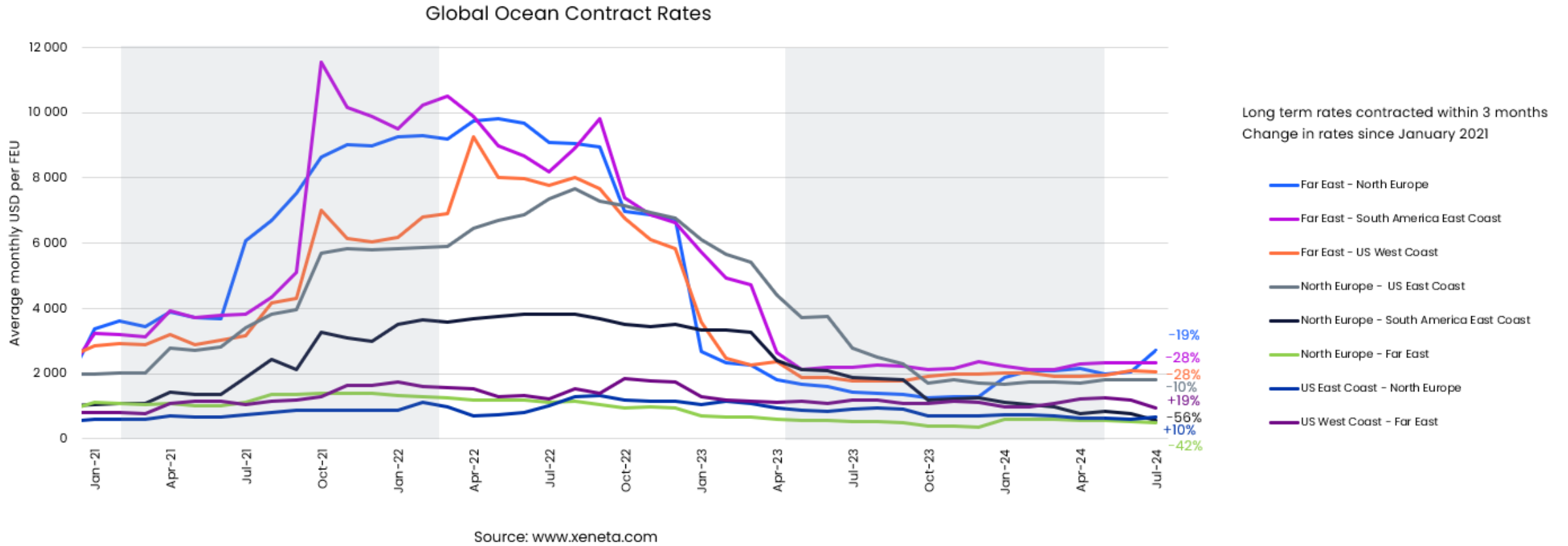
- Trade lanes — market rate, average ^
- Far East Main to US West Coast — regional
- Far East Main to Mexico West Coast — regional X

Market rate — average  
 US West Coast: \$7,917  
 Mexico West Coast: \$6,990  
 July 16, 2024

# Development of spot freight rates (as of July 8<sup>th</sup>, 2024)



# Development of contract freight rates (as of July 8<sup>th</sup>, 2024)





# Recent Surge in Spot Rates for Far East to US East Coast and Far East to Mediterranean Routes Early July

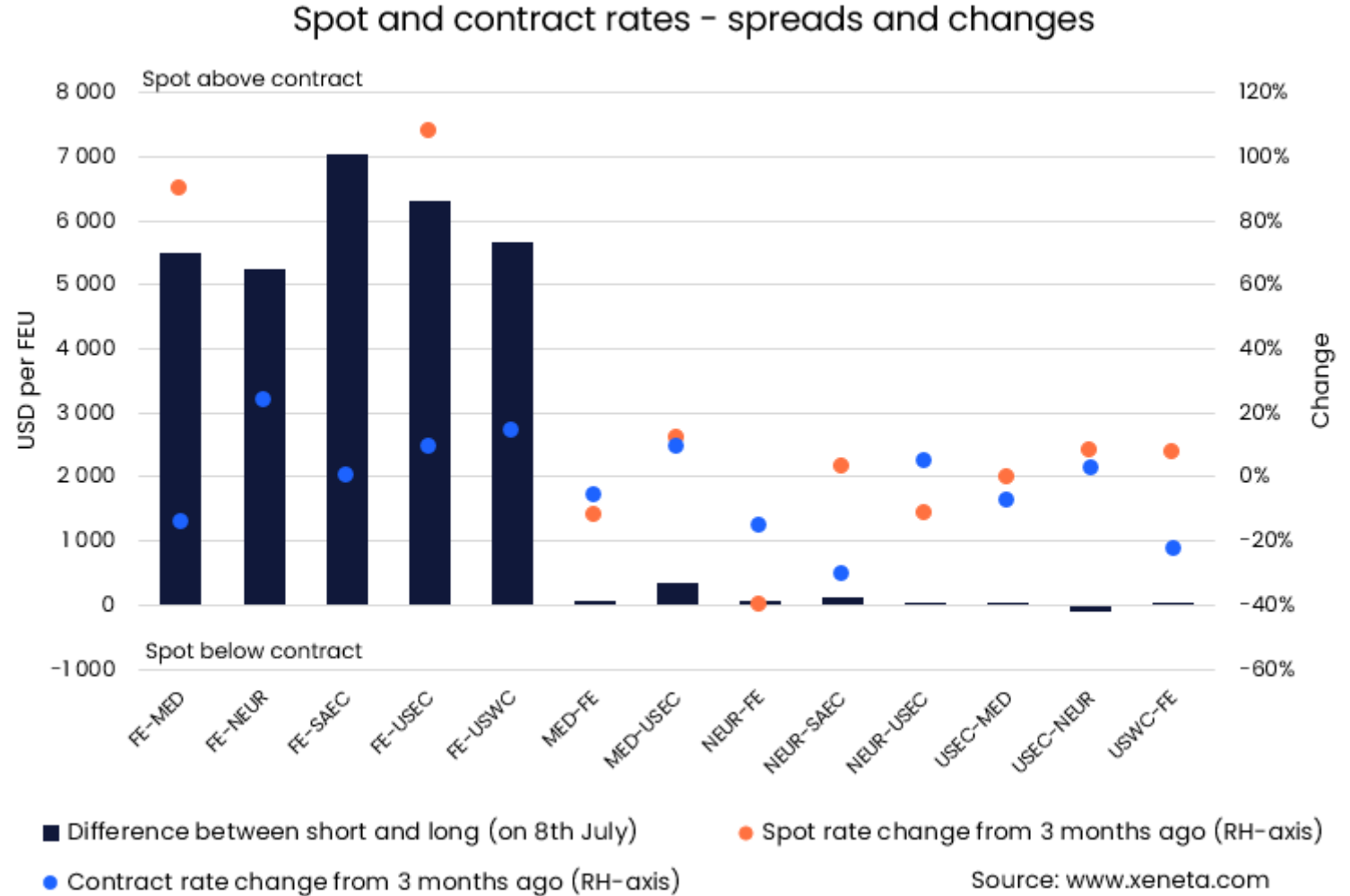
## How to read this chart

Objective of graph: For the reader to see the price difference between short and long contracts.

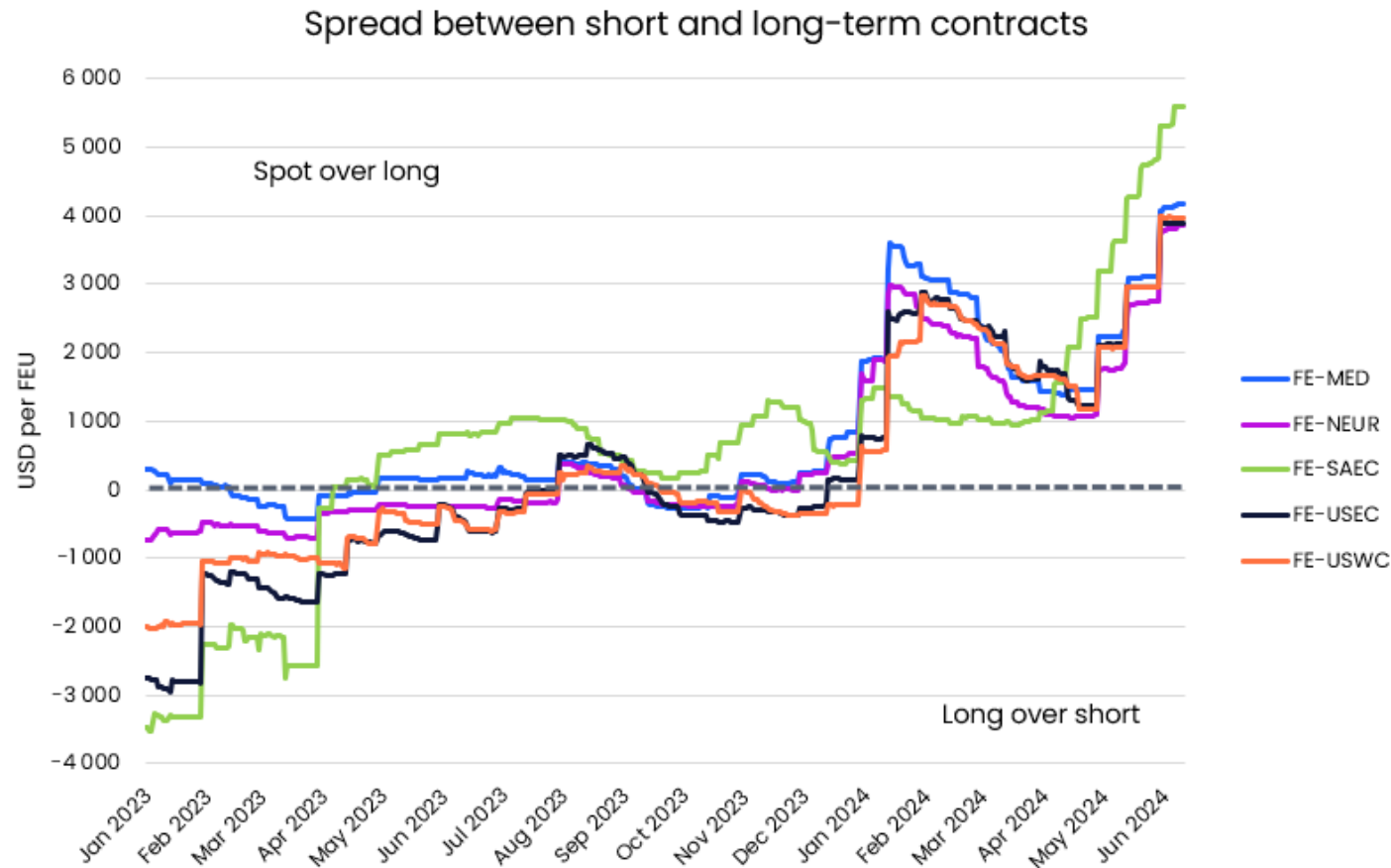
Left Hand Axis: USD per FEU price difference between short and long contracts as of current date.  
(Spot Rates minus Contract Rates)

- If the bar shows a positive spread, spot rates are above contract rates, if the bar is in the negative, contract rates are above spot rates.

Right Hand Axis: Percentage difference in spot and contract rates from 3 months ago to the current date.



# Volatility in Shipping Rates: Tracking the Spread Between Spot and Long-Term Contracts Across Routes in 2023-2024



Source: Xeneta

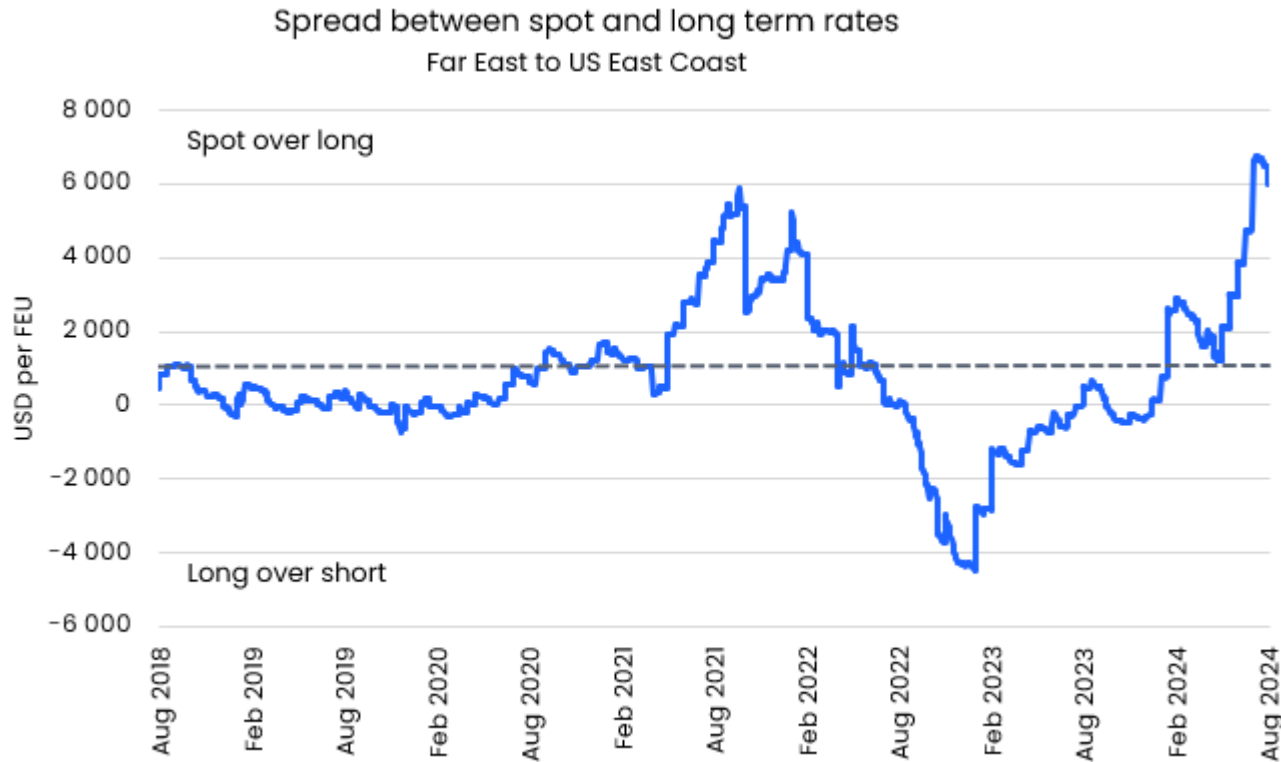
Rise in spot rates means that out of the Far East these are between USD 5 000 and USD 7 000 per FEU more expensive than average long term rates.

On many of these trades the spread is returning to the highs last experienced at the peak of the pandemic disruption.

Primarily the risk of getting cargo rolled – which at a recent Xeneta customer webinar, 89% of respondents said they had experienced during this latest rally in spot rates (of which 58% answered they were getting rolled on long term contracts above contracted rates, and 31% also experiencing it below contracted rates).

The development this year largely reflects the rising spot market, while long term rates have been flat. This is the opposite of what we saw in much of 2023, when long term rates gradually fell after the rapid decrease in rates which began towards the end of 2022.

# Navigating the Risk: Recent Spread Attributed to Red Sea Crisis Indicates High Volatility in Shipping Rates Following COVID-19 Chaos



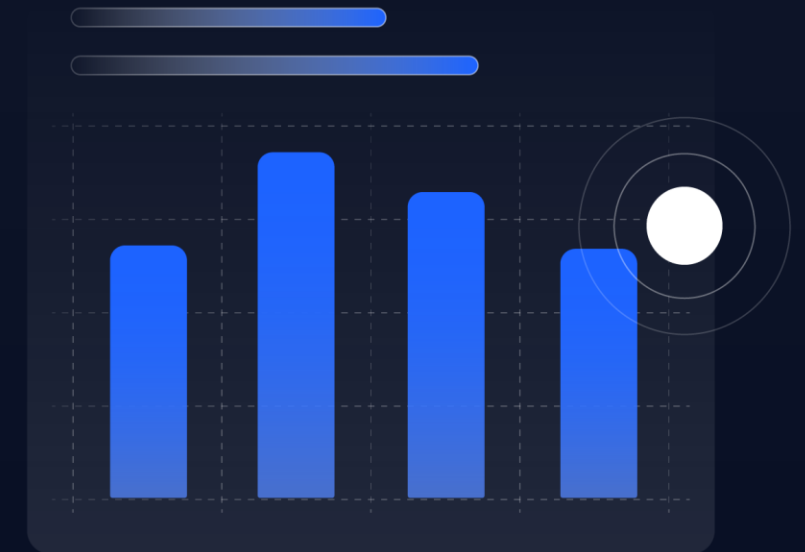
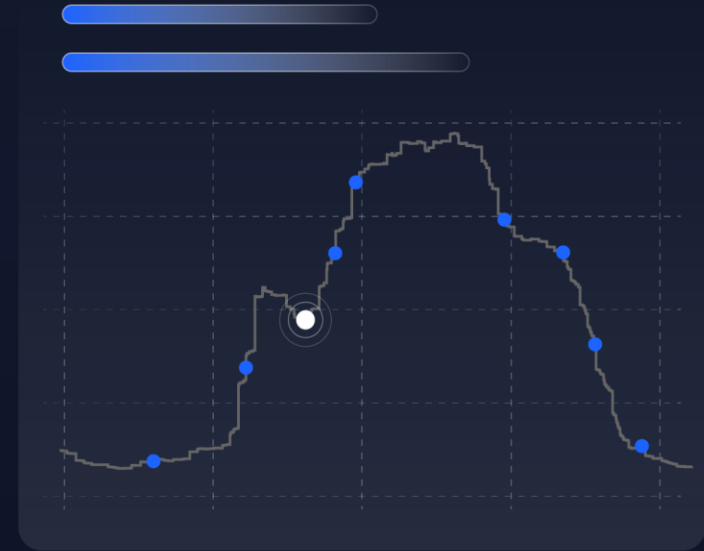
Source: Xeneta

The significant volatility in shipping rates, particularly the spread between spot and long-term rates on the Far East to US East Coast route, is a direct result of recent geopolitical tensions such as the Red Sea crisis and ongoing supply chain disruptions that followed the COVID-19 pandemic. This spread indicates heightened risks for shippers, as they may face unpredictable costs and potential cargo delays.

***The chart shows a clear shift from the second half of 2020. Before then the spread between long and spot rates was much more stable than it has been since – shippers and freight forwarders should all understand how this shift impacts them, and not assume a quick return to pre-pandemic conditions***

# Supply Chain Heat Maps

From Xeneta



# XSI® C Rates Spike in Early July: Significant Increases Across Routes Connecting Far East, North Europe, US West Coast, and US East Coast

**XENETA**

**Xeneta Shipping Index by Compass (The XSI-C)**

Origin	Destination	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	
		17	18	19	20	21	22	23	24	25	26	27
		ending										
		26/Apr	03/May	10/May	17/May	24/May	31/May	07/Jun	14/Jun	21/Jun	28/Jun	05/Jul
Far East	to US West Coast	-0.2%	5.9%	10.4%	10.9%	11.6%	2.8%	19.7%	1.2%	14.6%	2.4%	10.5%
Far East	to North Europe	-0.4%	8.3%	8.0%	9.5%	14.5%	1.6%	20.1%	2.4%	15.9%	1.9%	14.6%
Far East	to South America East Coast	7.7%	12.8%	8.4%	9.5%	11.2%	7.0%	7.3%	3.6%	6.2%	2.4%	6.2%
North Europe	to Far East	-0.2%	-3.4%	-4.2%	-1.3%	-0.8%	-1.8%	-21.8%	4.2%	0.1%	-0.1%	-20.1%
North Europe	to South America East Coast	0.7%	-0.6%	0.7%	2.1%	3.0%	-2.2%	-0.2%	-3.2%	0.4%	0.2%	-1.0%
North Europe	to US East Coast	-3.0%	-1.0%	-3.5%	0.7%	0.1%	-0.7%	-2.2%	0.0%	-0.1%	0.3%	-5.1%
US East Coast	to North Europe	0.0%	2.8%	2.6%	1.2%	-0.8%	0.3%	-1.5%	2.8%	-1.8%	1.0%	11.2%
US West Coast	to Far East	-1.6%	1.5%	-3.5%	-4.5%	-2.5%	-0.9%	1.0%	-1.7%	-0.7%	-1.9%	8.3%

Powered by XSI.Xeneta.com

Note:

*Weekly average*

*Rates falling by more than 0.4% are GREEN*

*Rates going down OR up by less than or equal to 0.4% are YELLOW*

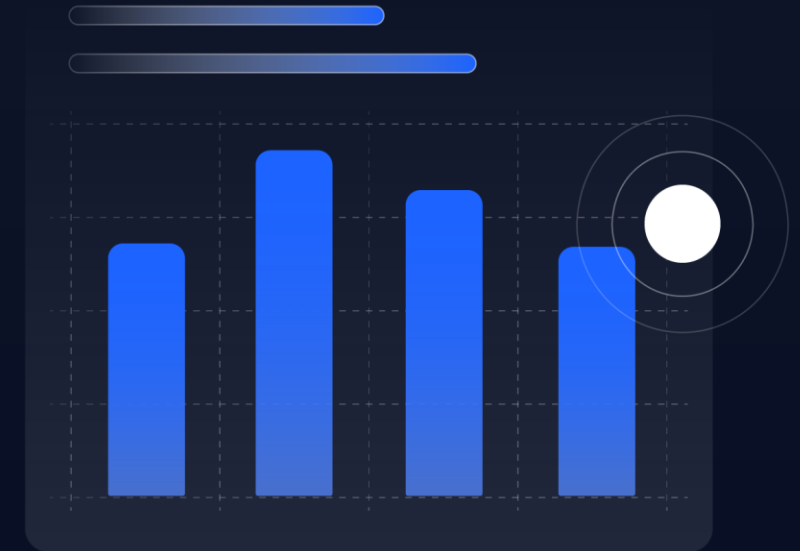
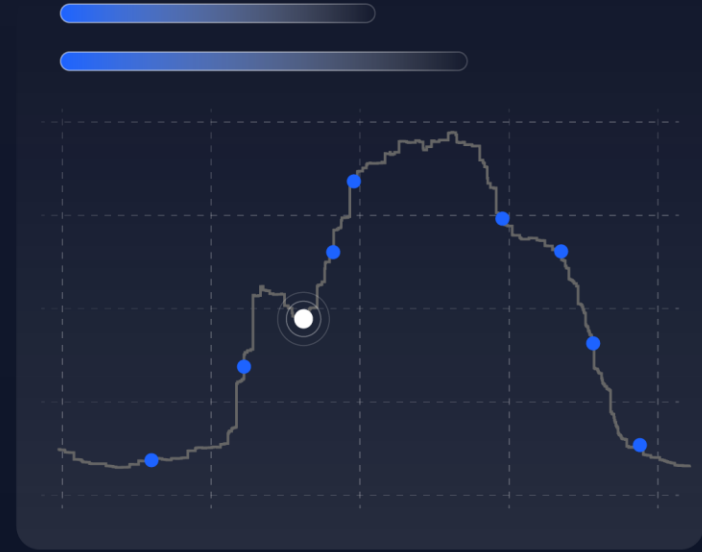
*Rates climbing by more than 0.4% are RED*



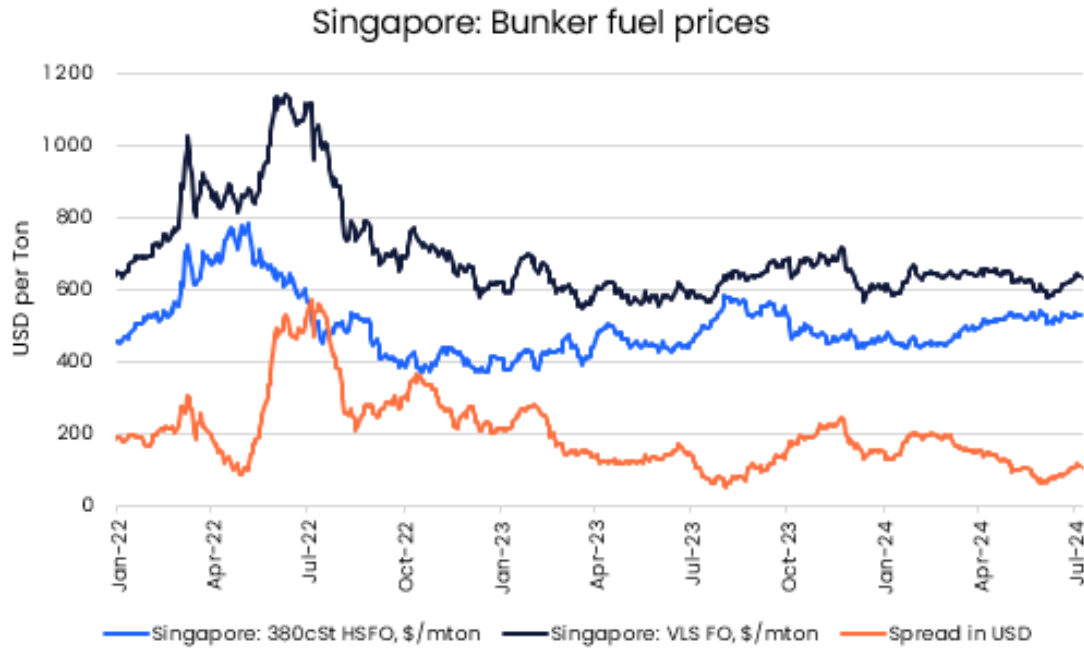
# Bunker Fuel

## Prices and Surcharges

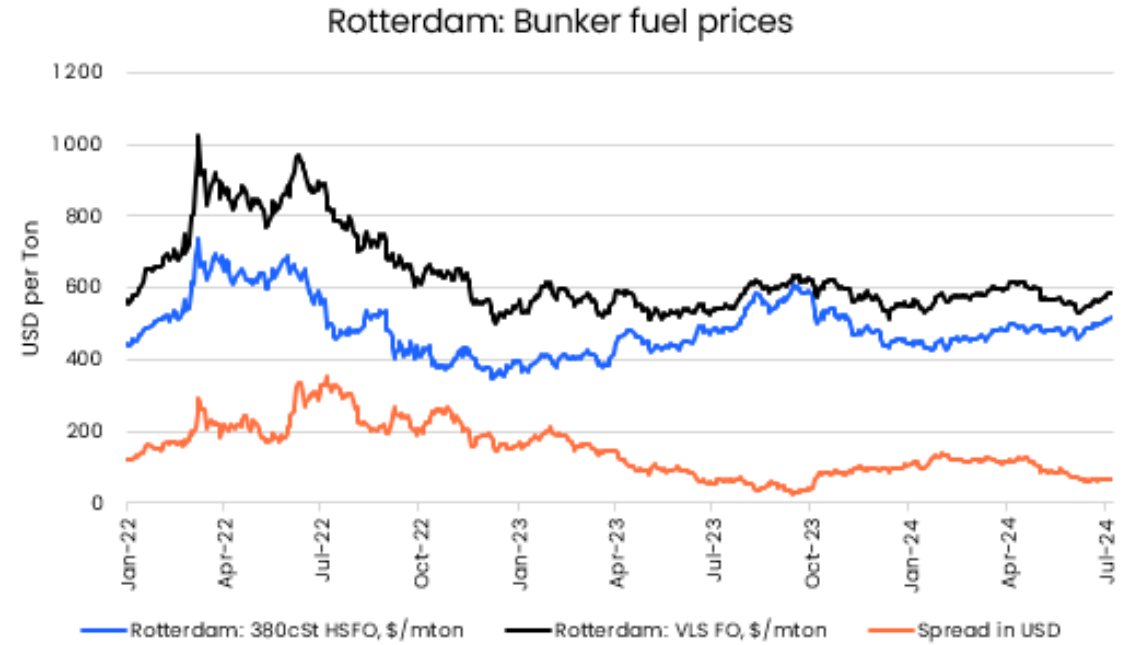
Main Ports



# Bunker Fuel Market Trends: Singapore vs Rotterdam Highlights – July insights

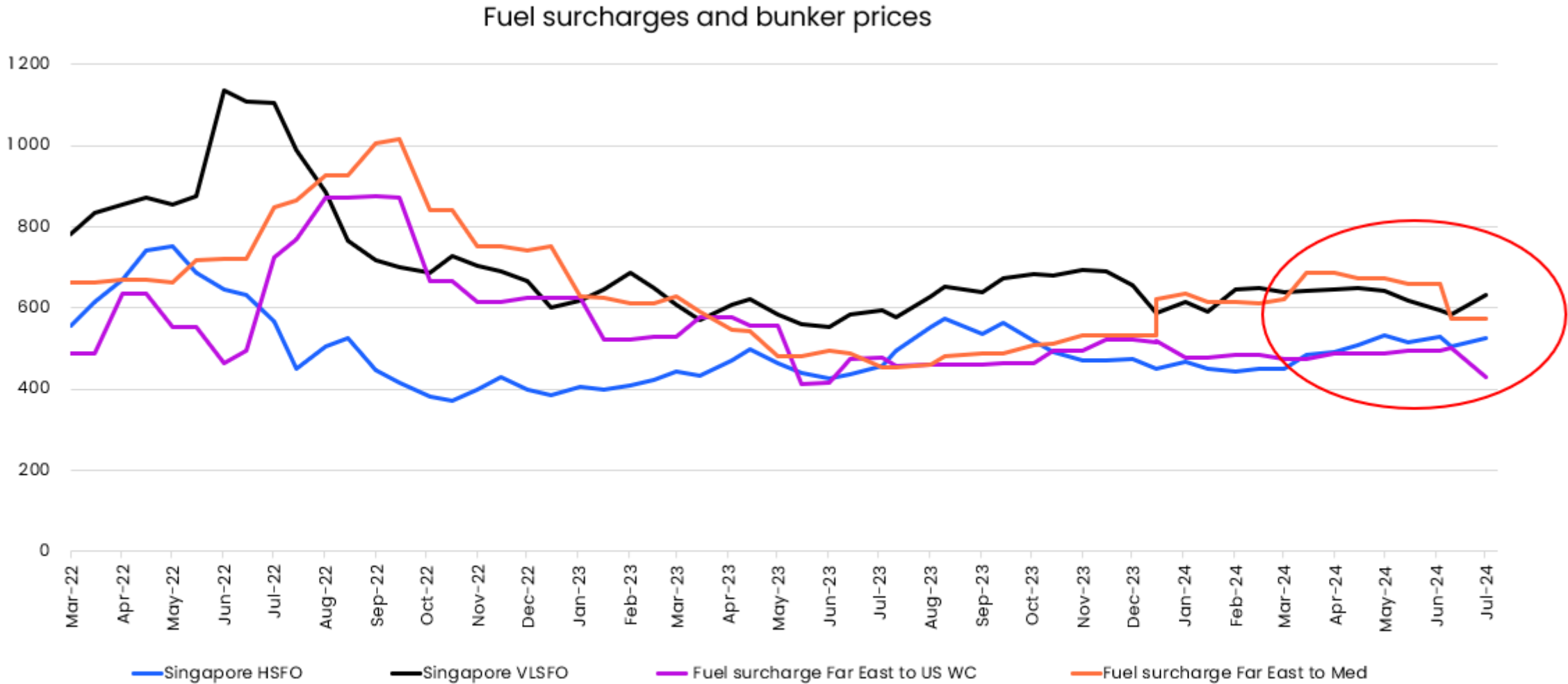


Source: Xeneta, MABUX



Source: Xeneta, MABUX

# Recent Decrease in Fuel Surcharges for Far East to US West Coast and Mediterranean while fuel prices remain stable

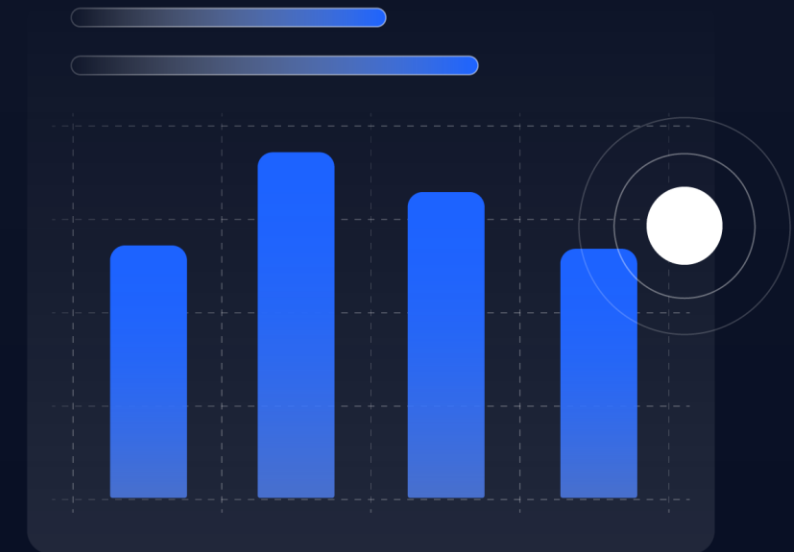
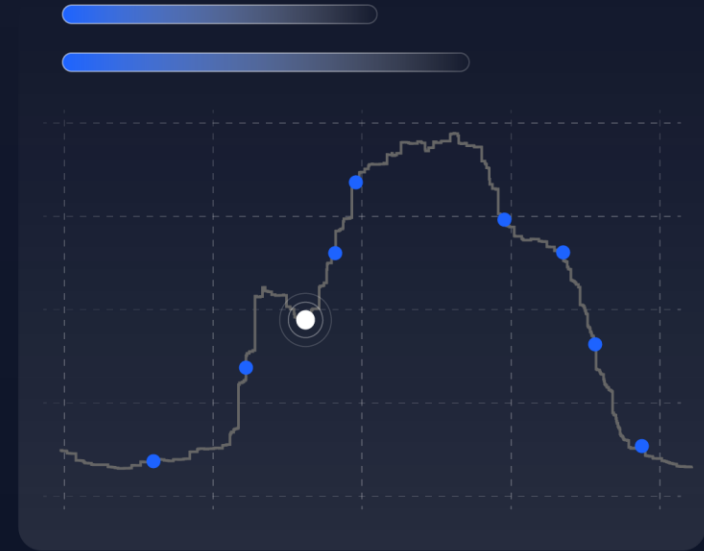


Source: Xeneta, MABUX



# What's being shipped?

Current Demand Trends



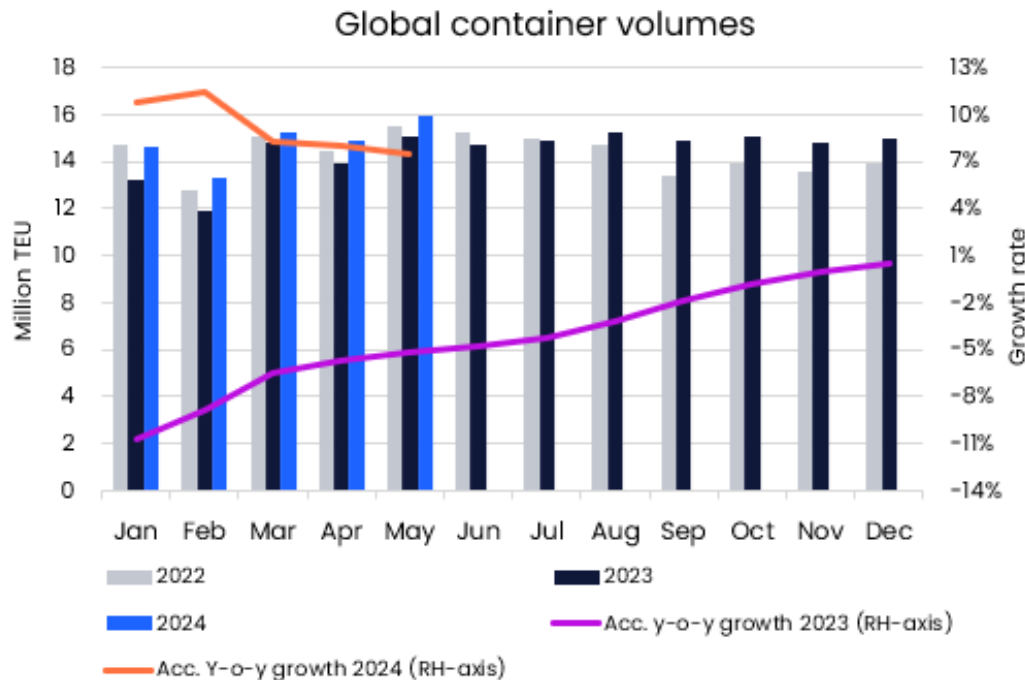
# Dynamic Growth Trends in Global Container and Reefer Volumes

May 2024 set a new record for the number of containers moved, rising to 15.94m TEU, beating the previous record set in August 2021.

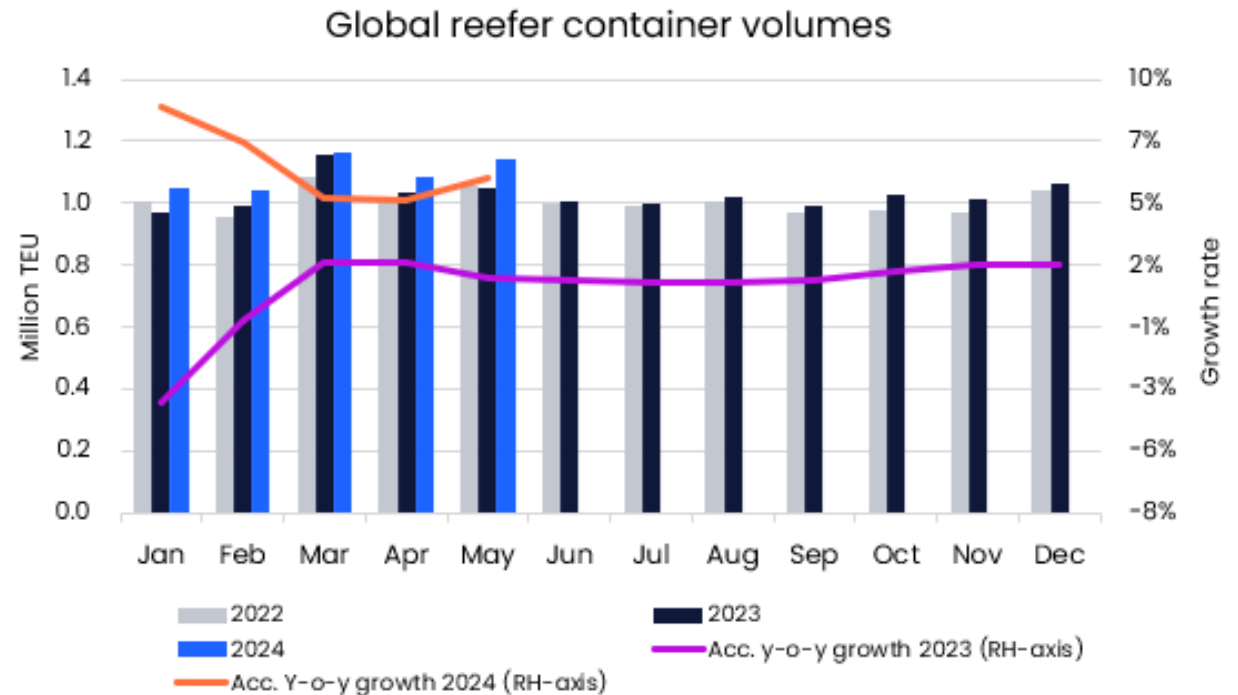
It also means that volumes in the first five months of the year are also record high, reaching 74.0m TEU, 7.5% higher than in the first five months of 2023.

Similarly global reefer volumes have also started the year with a new record, up to 5.48m TEU moved in the first five month, up by 5.5% compared to the same period last year.

Looking at monthly reefer volumes the 1.14m TEU moved in May is slightly lower than the record of 1.16m TEU moved in March of this year.



Source: Xeneta, Container Trades Statistics



Source: Xeneta, Container Trades Statistics

# May 2024: Record high exports out of the Far East

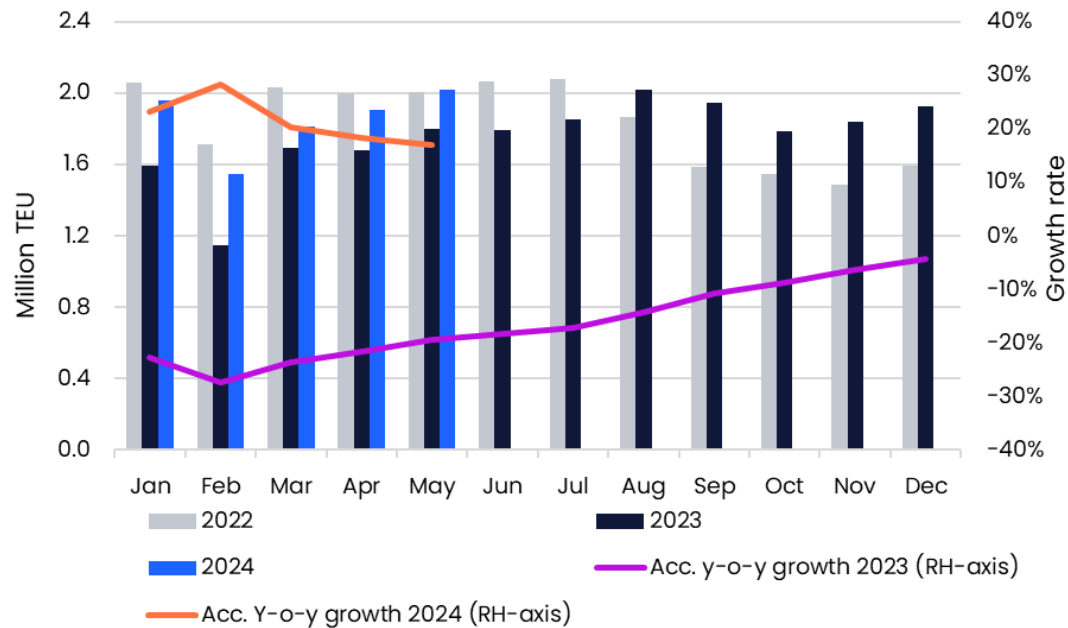
Record volumes driven by exports out of the Far East, and China in particular.

Exports out of the Far East (excl. intra-volumes) rose to 5.4m TEU in May, with exports in the first five months of the year reaching 24.9m TEU, also a new record.

Not all trades out of the Far East are record high, though all are posting strong growth from last year. The biggest trade with record volumes is on the Far East to South and Central America, which has grown by 13.7% from last year with volumes at 2.0m TEU in May.

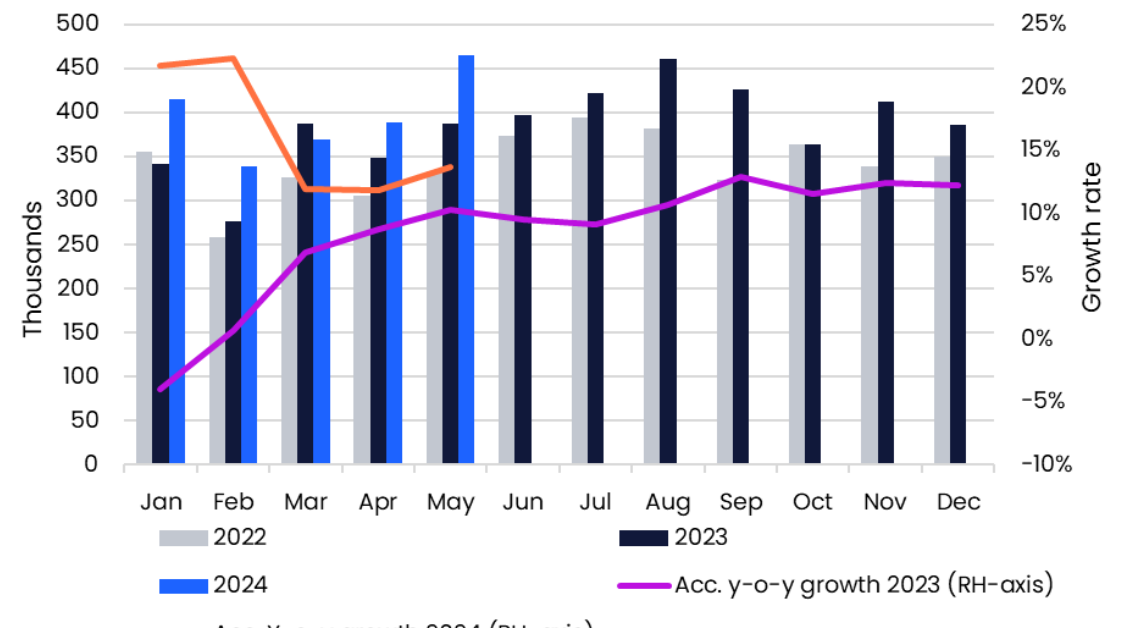
While growth from the Far East to North America is higher, up by 16.9% in the first five months of the year, it is still lower than the volumes moved on this trade in 2021 and 2022. The higher growth rate into North America compared to South and Central is due to the very low exports to North America at the start of 2023.

Far East to North America volumes



Source: Xeneta, Container Trades Statistics

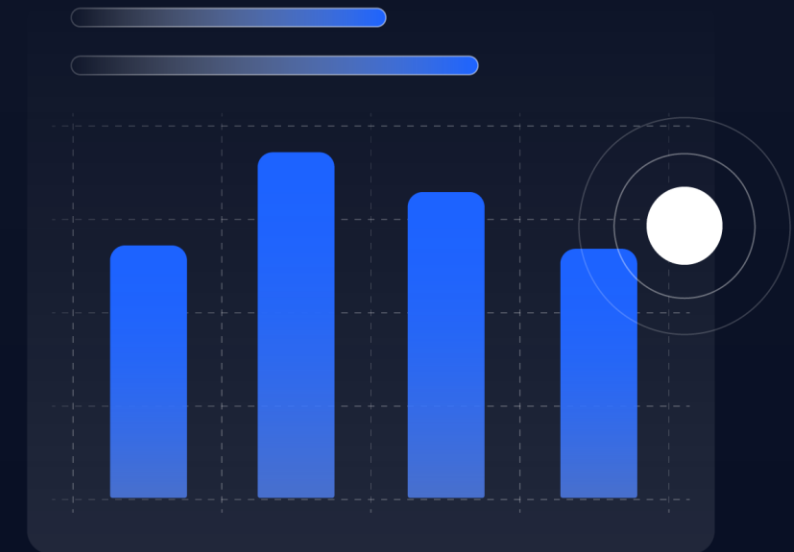
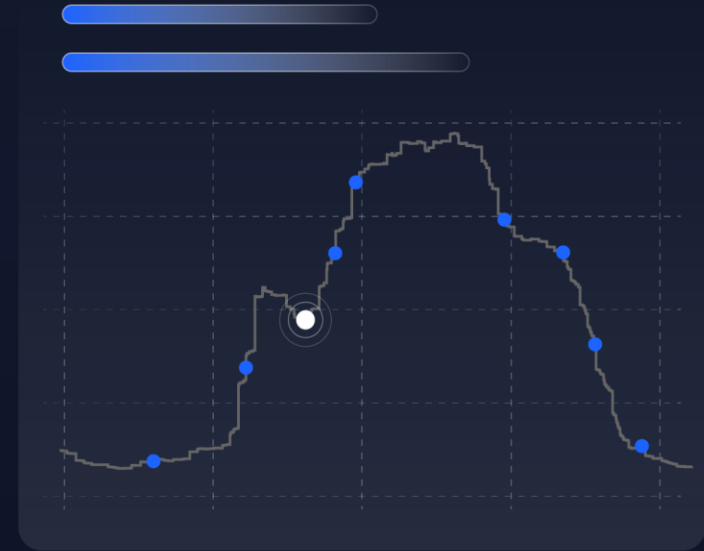
Far East to South and Central America volumes



Source: Xeneta, Container Trades Statistics

# Where's the congestion?

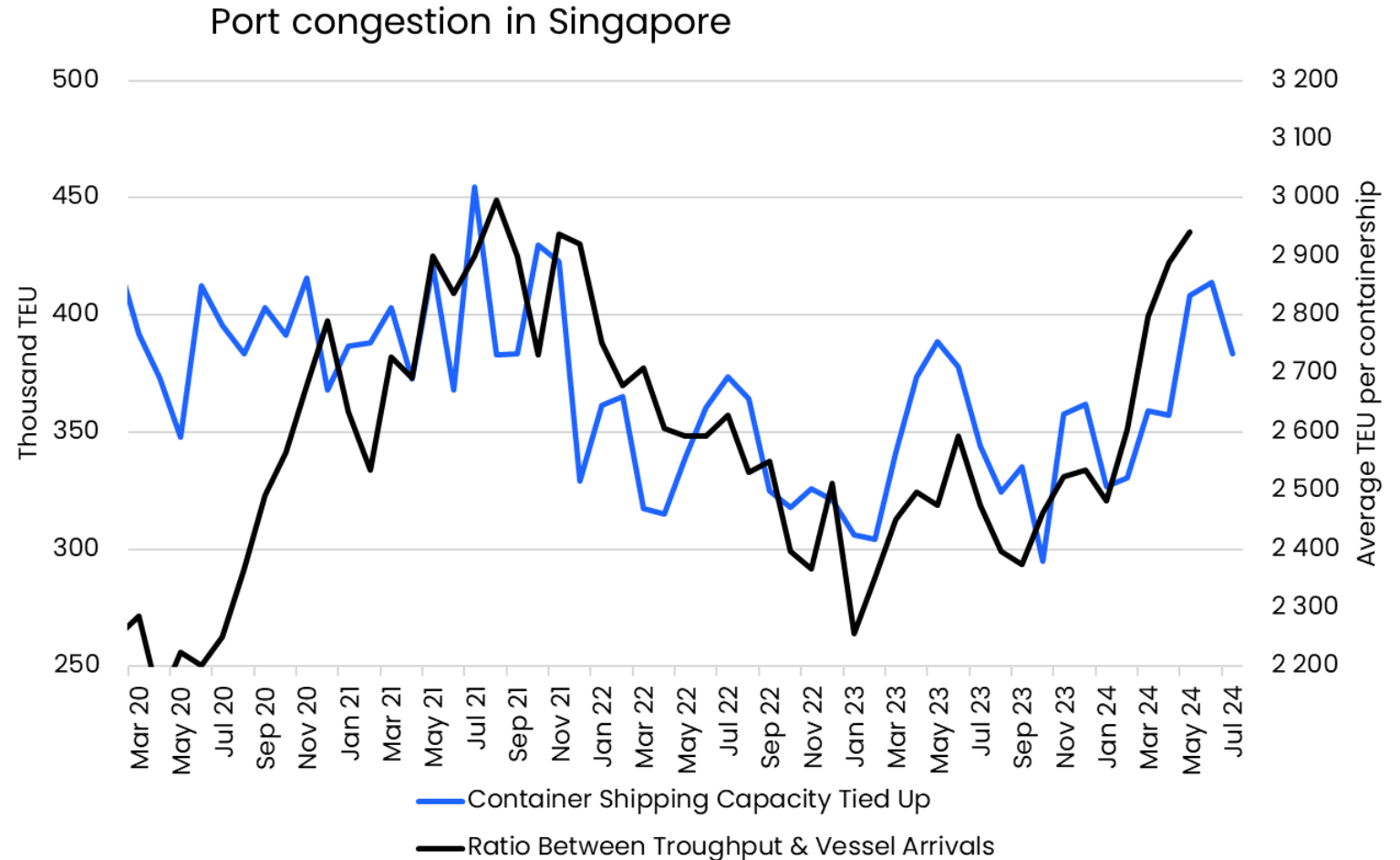
Improving or getting worse?



# Port Congestion in Singapore: congestion easing but problems remain

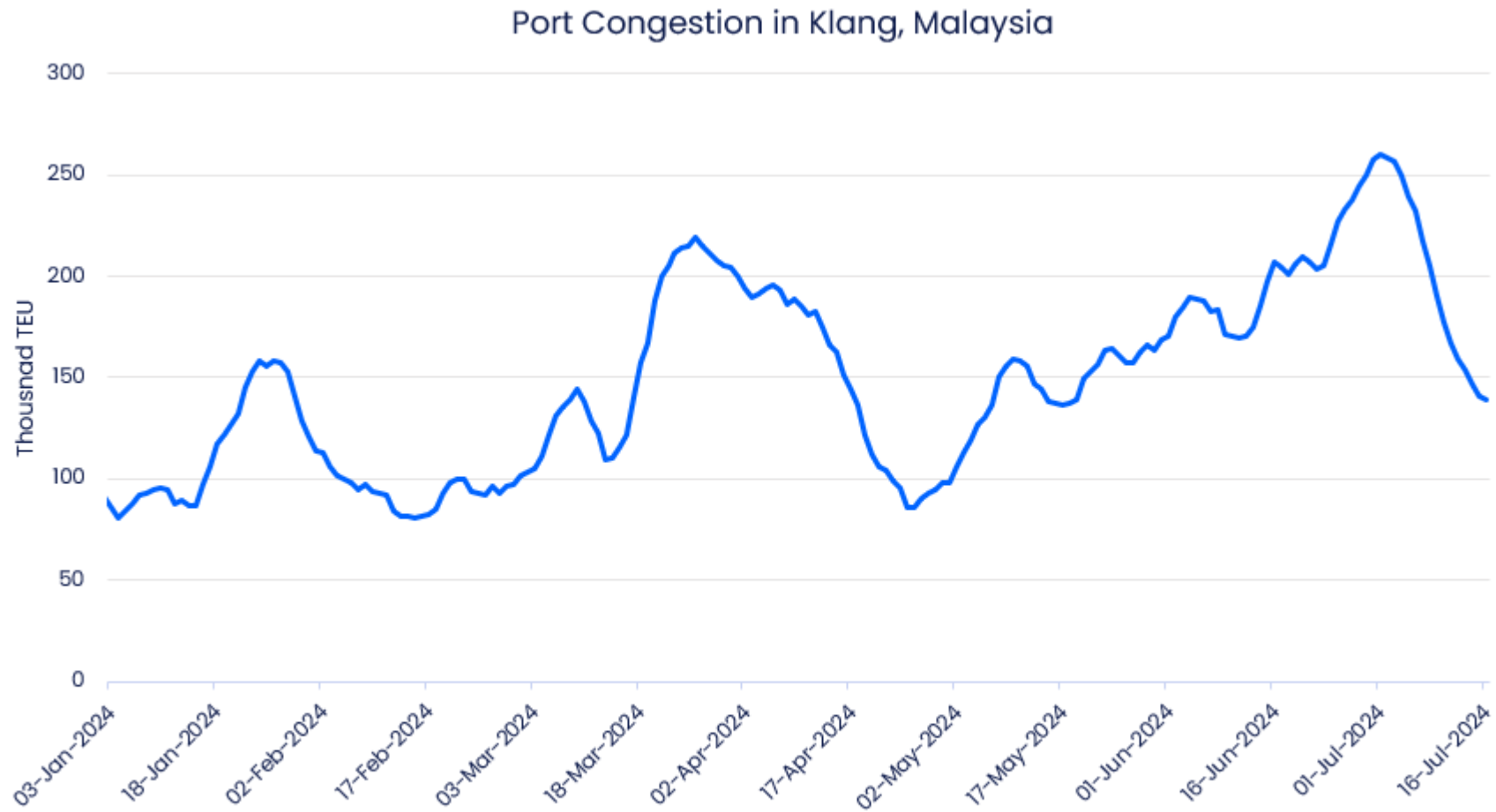
Throughput in port of Singapore reached in May, as shifting trade patterns increased the importance of Singapore on many services. Importantly the number of containerships calling at the port hasn't grown at the same rate as throughput – instead more containers are being moved on each ship coming in and out, which has a big effect on the port's efficiency and a major reason behind the delays and congestion at the port.

Congestion easing in July, in part because carriers are increasingly using other ports in the region, to avoid the disruption in Singapore, but this is leading to increasing congestion in neighboring ports.



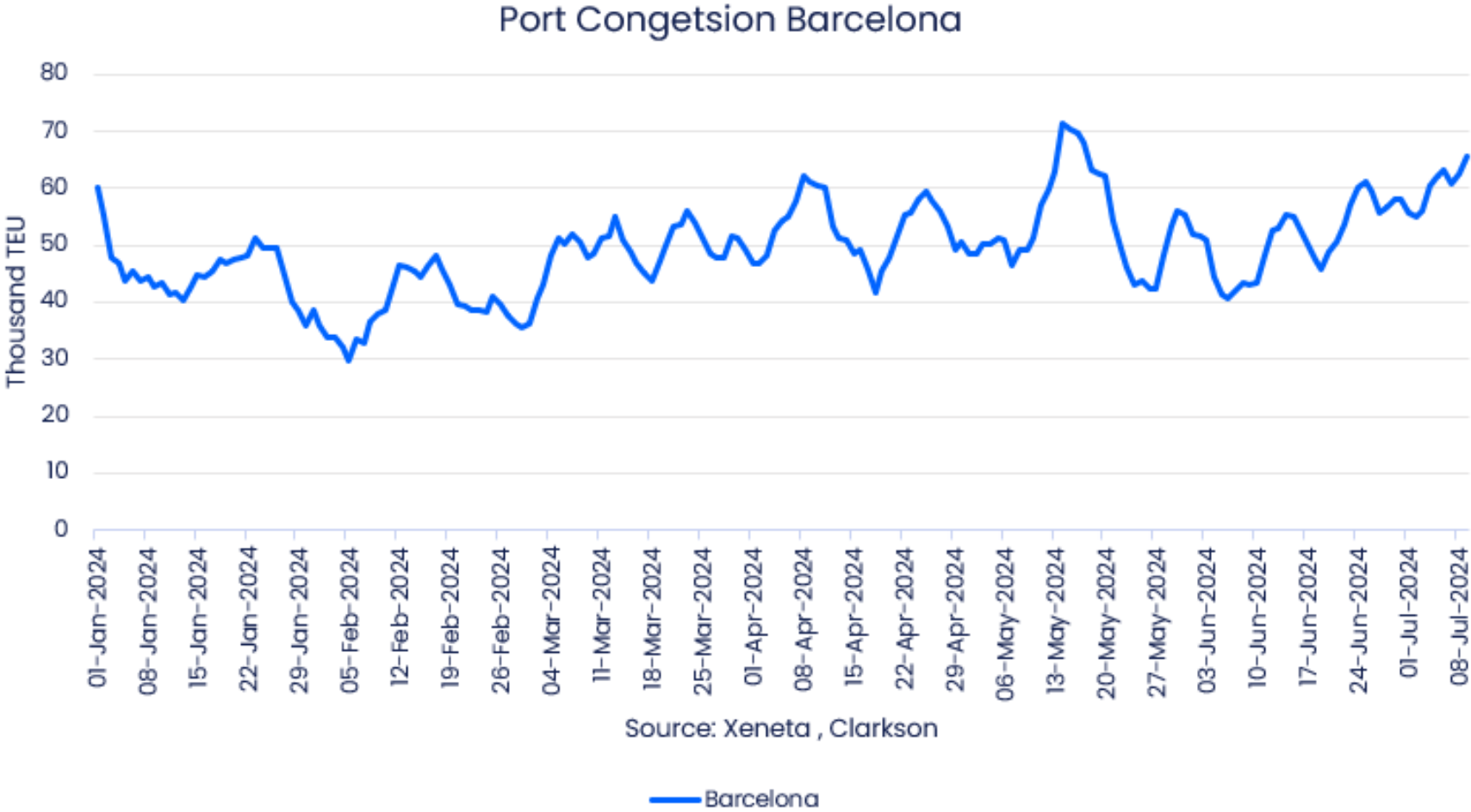
Source: Xeneta, Port of Singapore, Clarksons

# Port Klang , Malaysia recorded all-time-high Congestion on 1 July as carriers sought to avoid the delays in Singapore

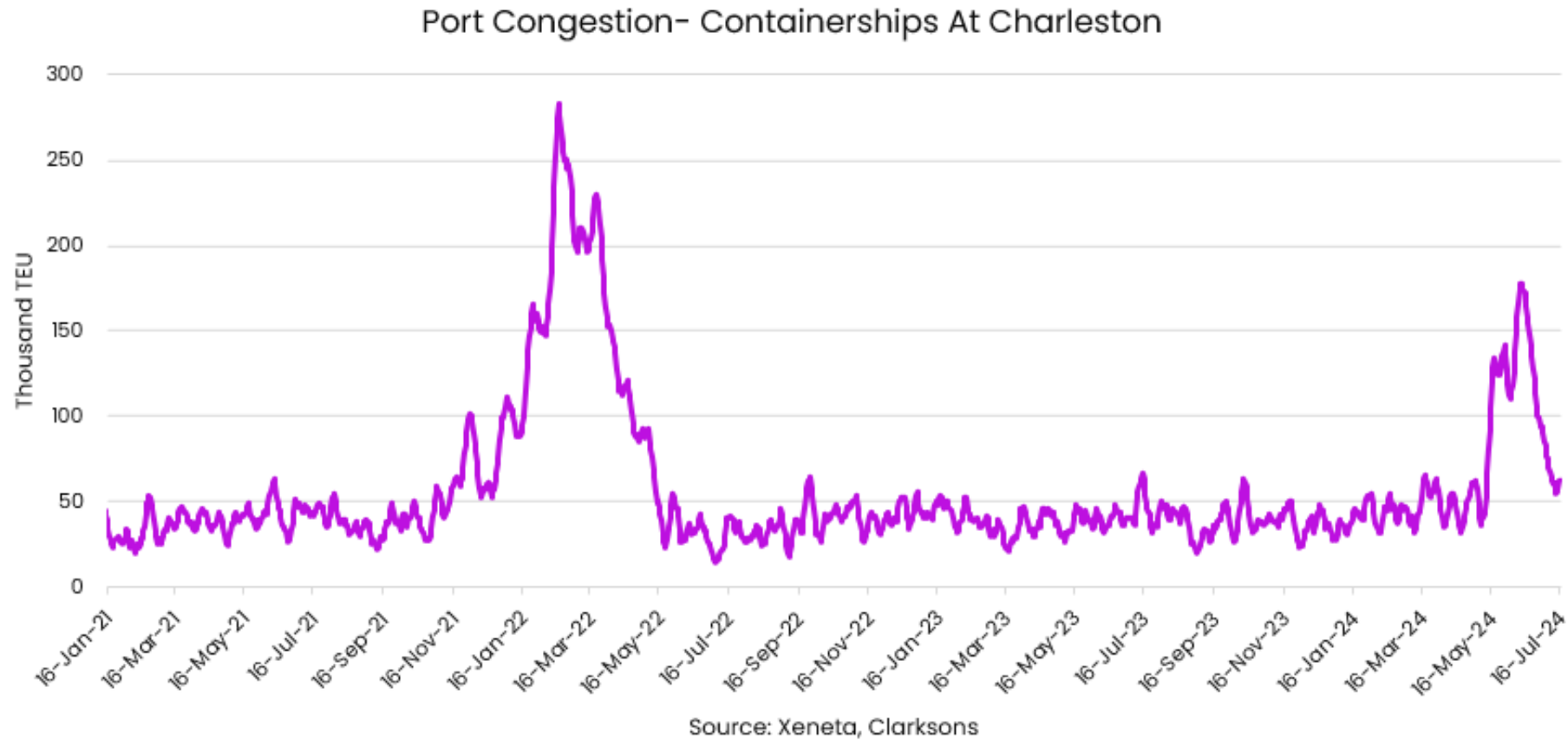


Source: Xeneta, Clarkson

# Port congestion continuing to rise in Barcelona – though for know remains below peak hit in May



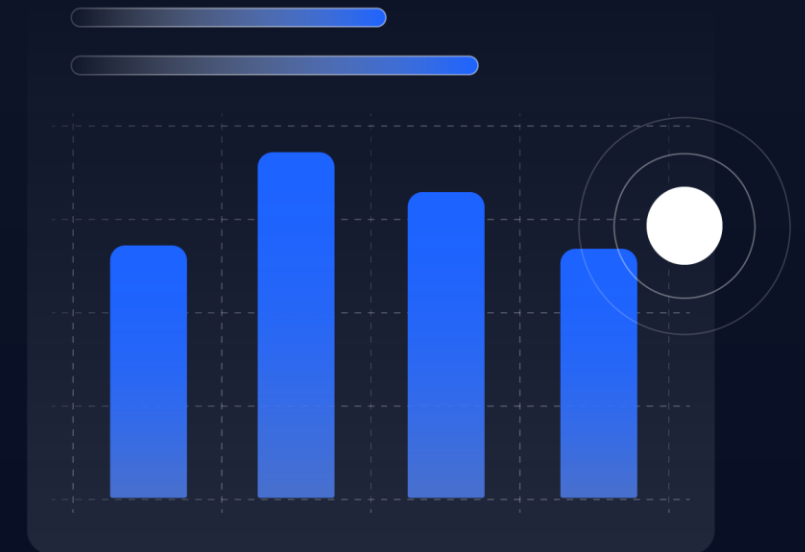
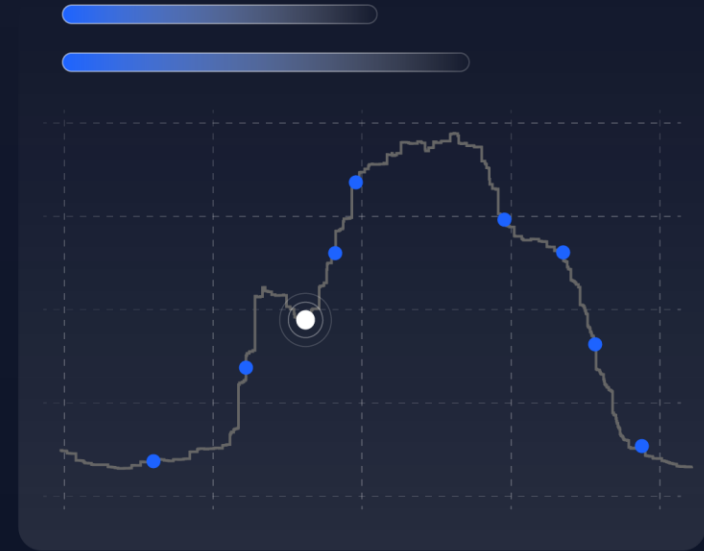
# Port Congestion at Charleston: Significant Decrease in July 2024 Following a Peak in May due to a software malfunction that closed the port for two days



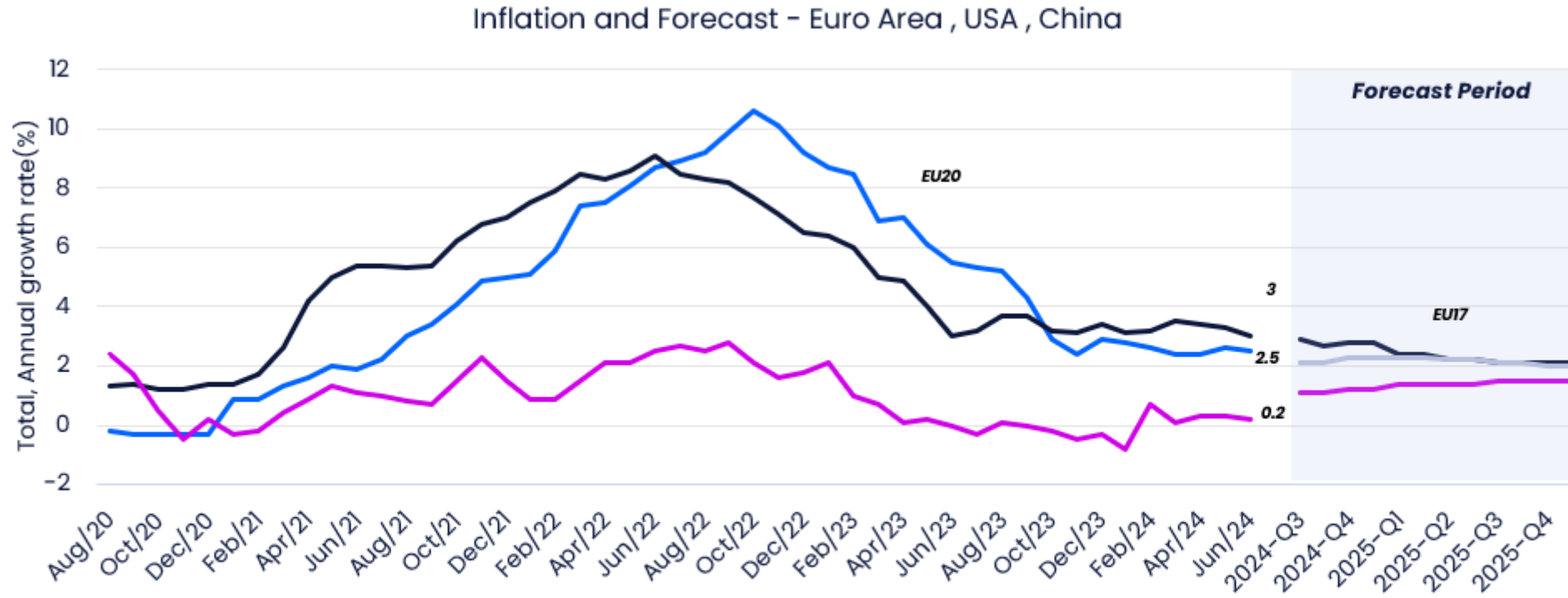


# Where's the economy heading?

In the East and in the West



# June 2024 Inflation: Slight decrease in EU and China, Continued Decline in USA,



Source: Xeneta, OECD and Euro Stat

— Euro Area (20) — USA — CHINA — Euro Area(17)

WORLD ECONOMIC OUTLOOK UPDATE JULY 2024

# GROWTH PROJECTIONS

(REAL GDP GROWTH, PERCENT CHANGE)

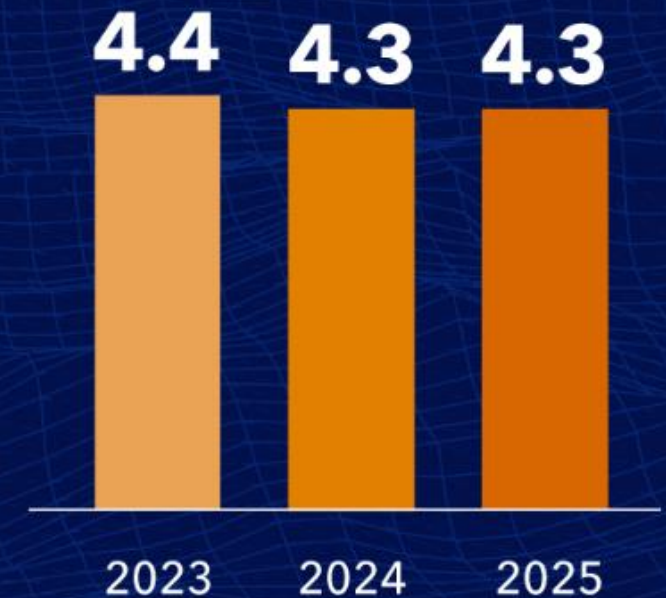
## GLOBAL ECONOMY



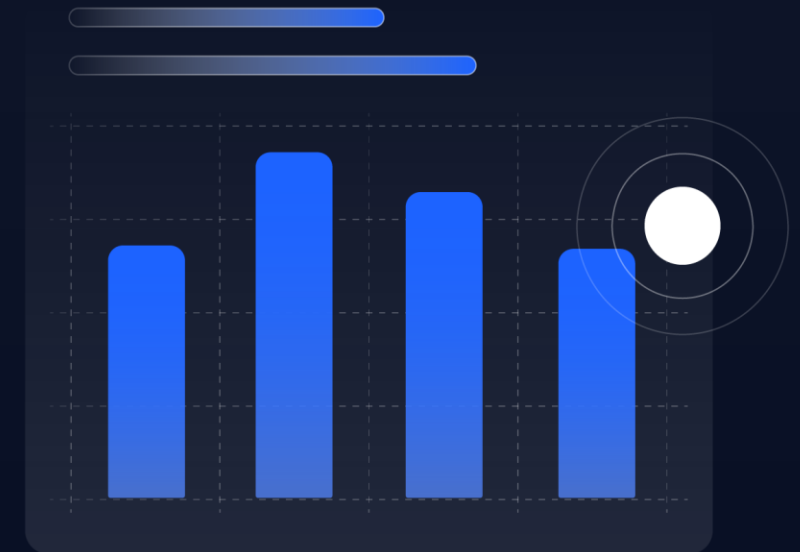
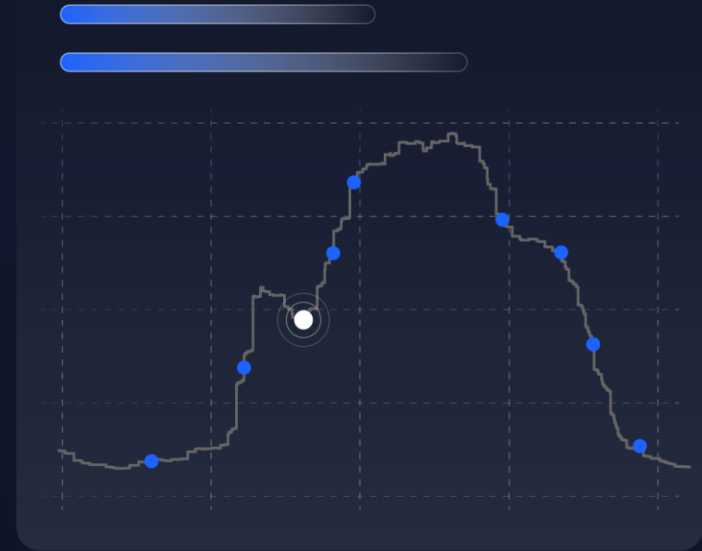
## ADVANCED ECONOMIES



## EMERGING MARKET & DEVELOPING ECONOMIES



# Monthly Specials!



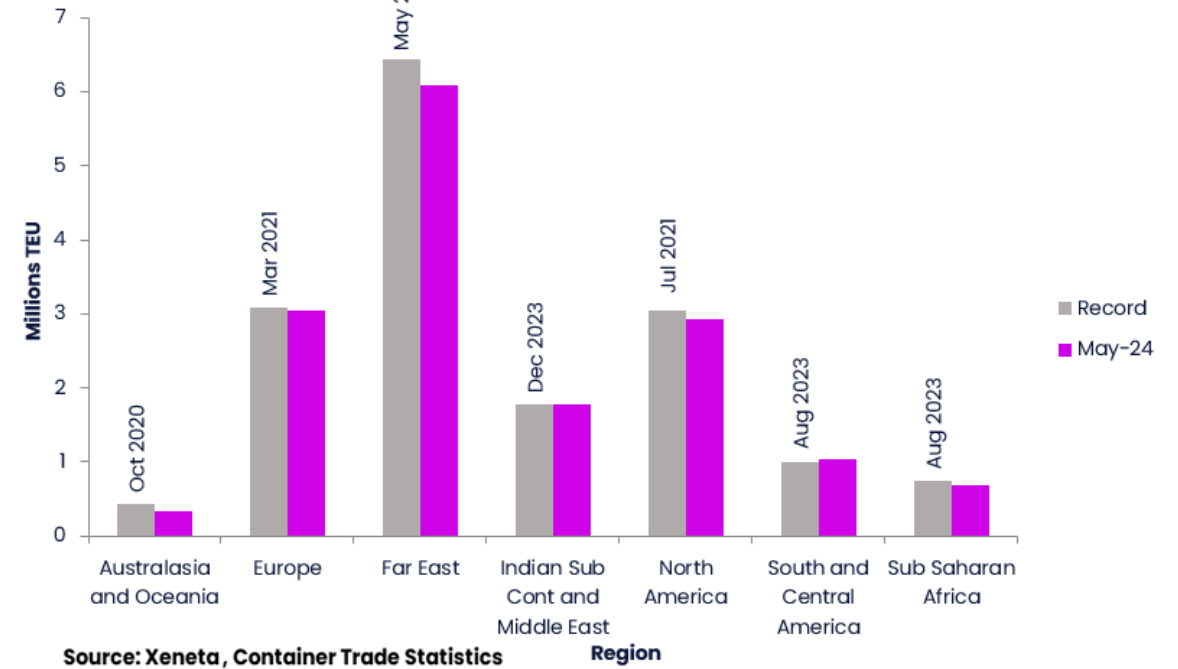
# Global Container Trade Statistics by Region in May 2024

In May 2024, the outbound trade for the Far East set a new high record, while the inbound trade for Europe is approaching the previous record

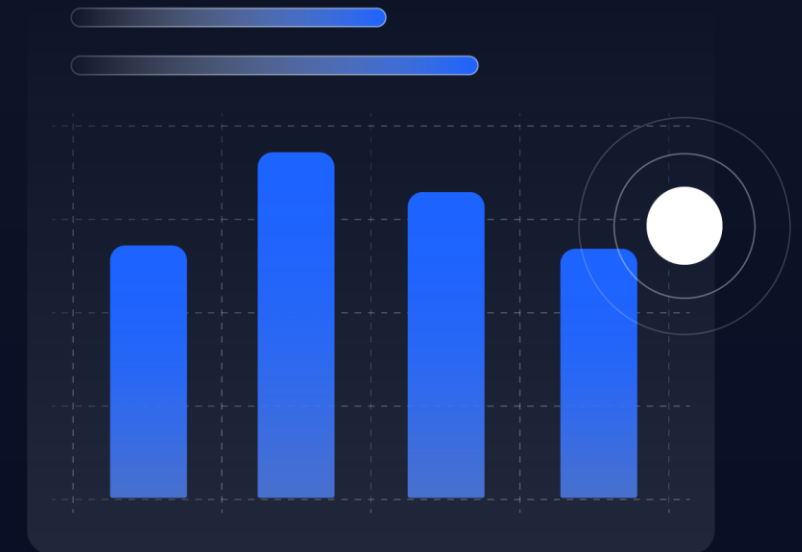
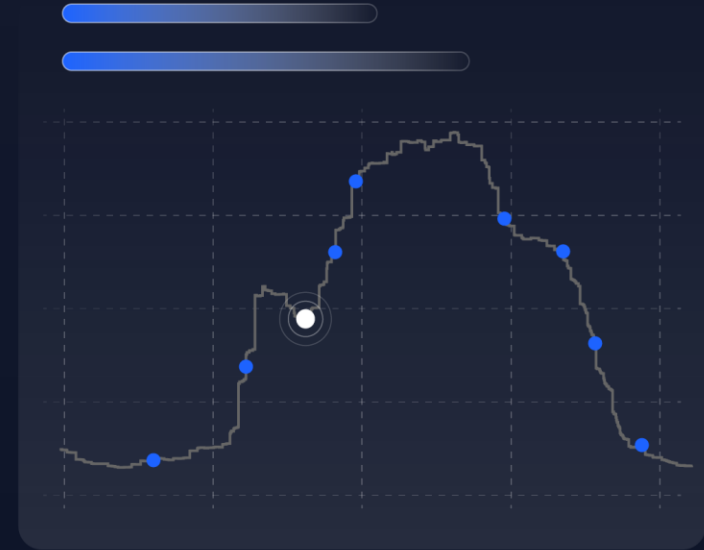
**Outbound by Region in May 2024**



**Inbound by Region in May 2024**



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Six Factors to Watch in 2024

Are you ready for the second half of a troubled 2024?

### Speakers for the Event



**Peter Sand**

Xeneta  
Chief Analyst



**Michael Braun**

Xeneta  
VP, Customer Solutions

### *Key Insights*

- Black Swan Event Aftermath
- Market Influences
- Freight Rate Projections
- Global Demand Trends
- Opportunist Behavior
- Future Outlook

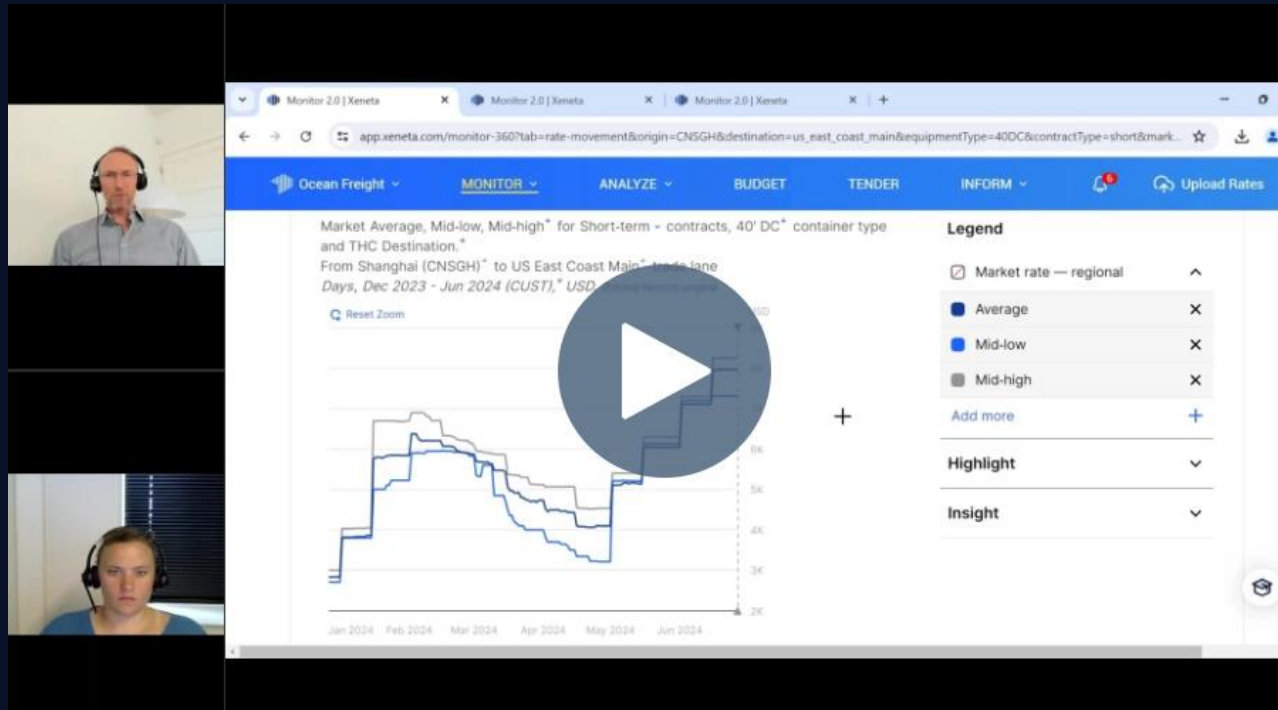
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## Live Webinar: State of Market Ocean

What's driving the uptick in ocean freight spot rates?

Ocean Webinar



### Key Insights

- June Rates vs. Early 2021 Rates
- Causes of Uptick in Ocean Freight Spot Rates
- Impact of Shifting Trade Patterns
- Risk of High Market Spread
- Role of Carriers

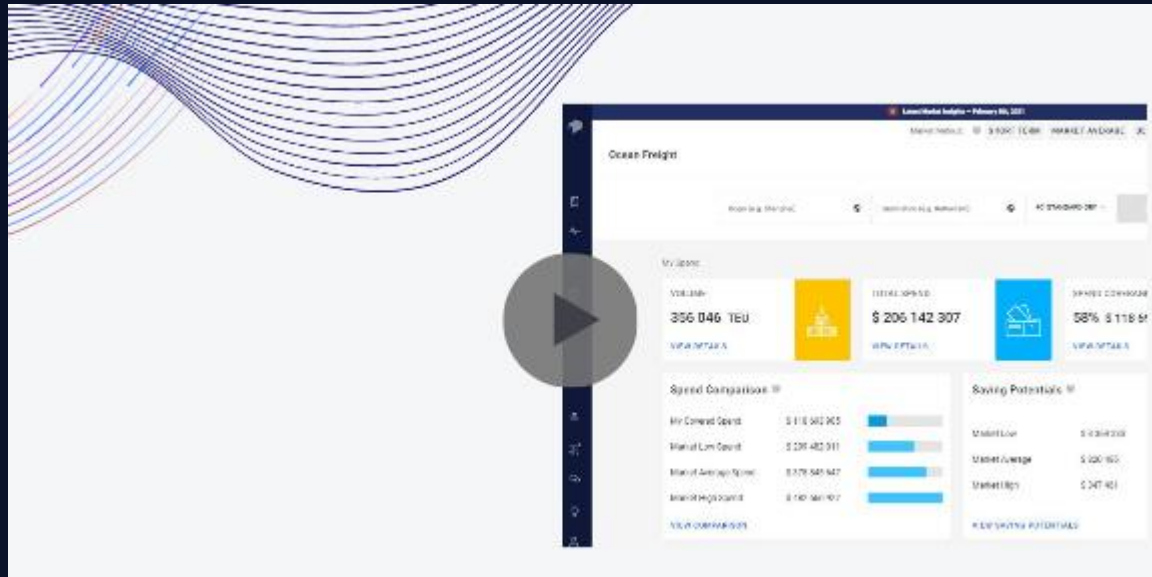
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# Xeneta CEO Presents: June Freight Market Pulse Mastering Volume Commitments and Avoiding Roll Risks Ocean Webinar

### Key Insights

- Volume Commitment
- Market Trends Analysis
- Navigating Risk



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# The Premier Ocean & Air Freight Summit

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Beurs van Berlage, Amsterdam,  
The Netherlands



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# 2024 Outlook Mid-Year Ocean Freight Update

## 2024 Outlook Mid-Year Ocean Freight Update

Is 2024 bringing back memories of the chaos caused during the Covid-19 pandemic? You're not alone. Jump into Xeneta's mid-year ocean freight update and uncover what's behind the sudden and dramatic increases in shipping rates – complete with practical steps you can take to strengthen your position in the market

### Continue Reading

2024 to date: Understanding Market Turmoil

2024 Ocean Freight Insights at a Glance

Six Key Factors for H2 2024 and Beyond

Looking Ahead

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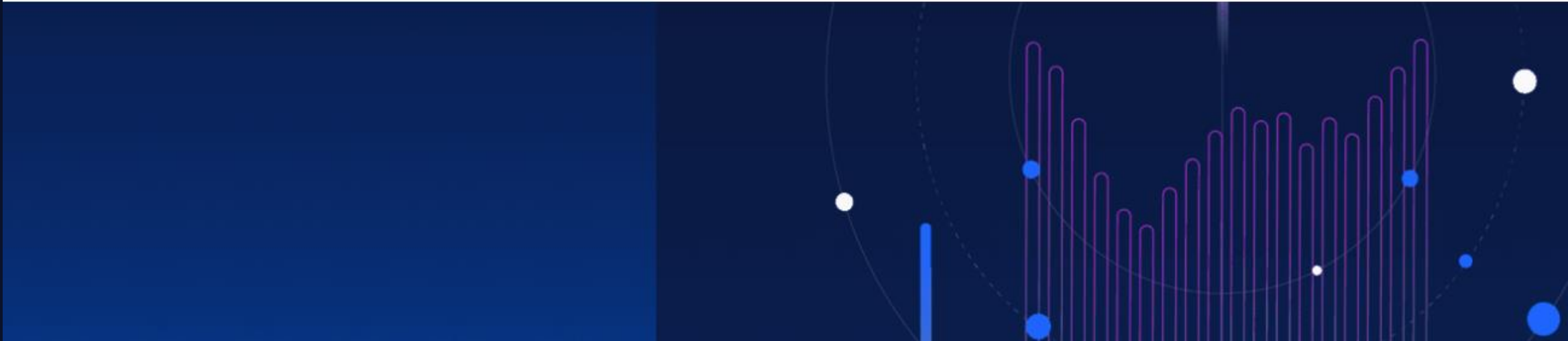
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Ocean Market News By Xeneta

July 9, 2024

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# Q2 2024

## Xeneta Ocean Deep Dive Report

A customer-exclusive quarterly overview of the major developments in container shipping.

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