

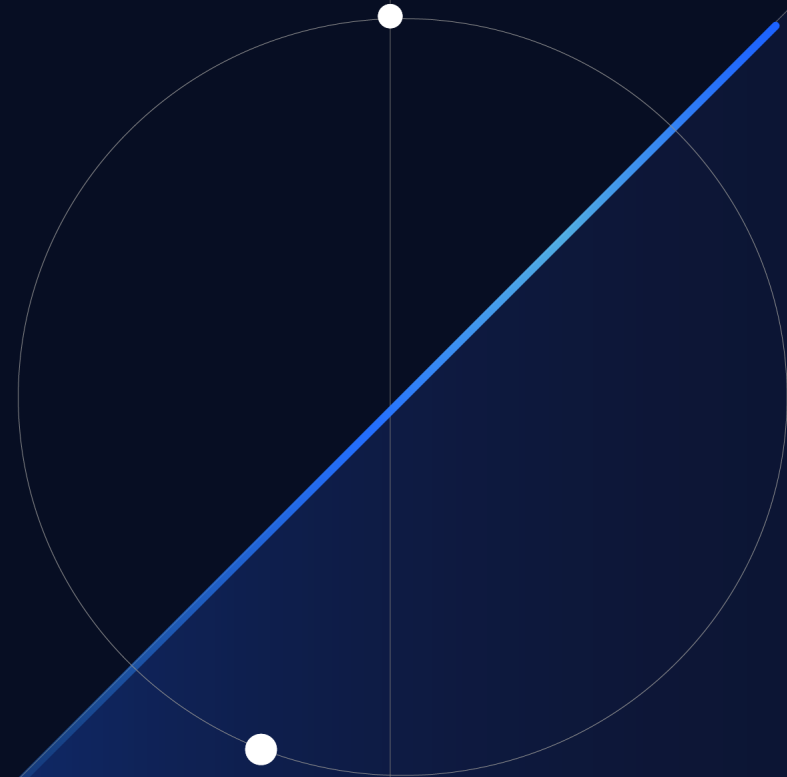


XENETA

June 2024 | Container Shipping Market Trends

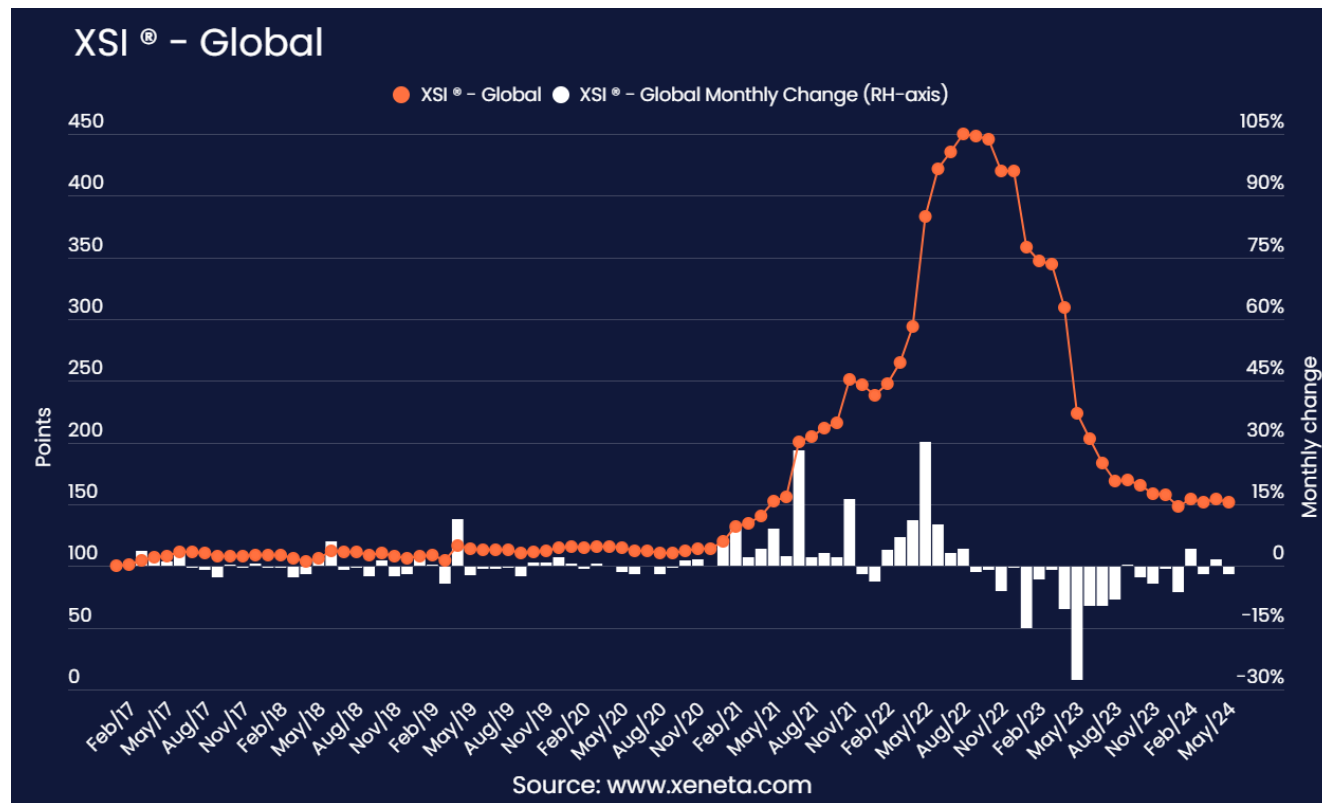
Setting sail for change: A deep dive into global container shipping trends

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Navigating shipping markets: Global XSI® analysis – May's 1.7% decline and 32.2% year-on-year contrast

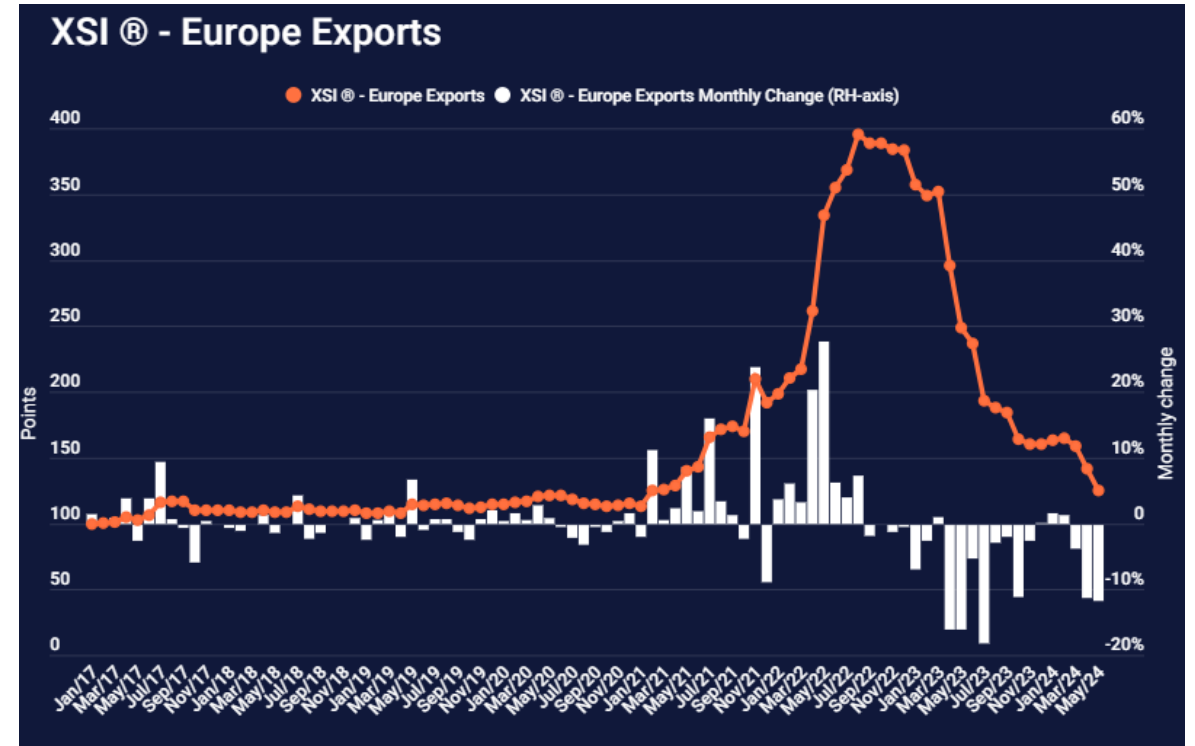
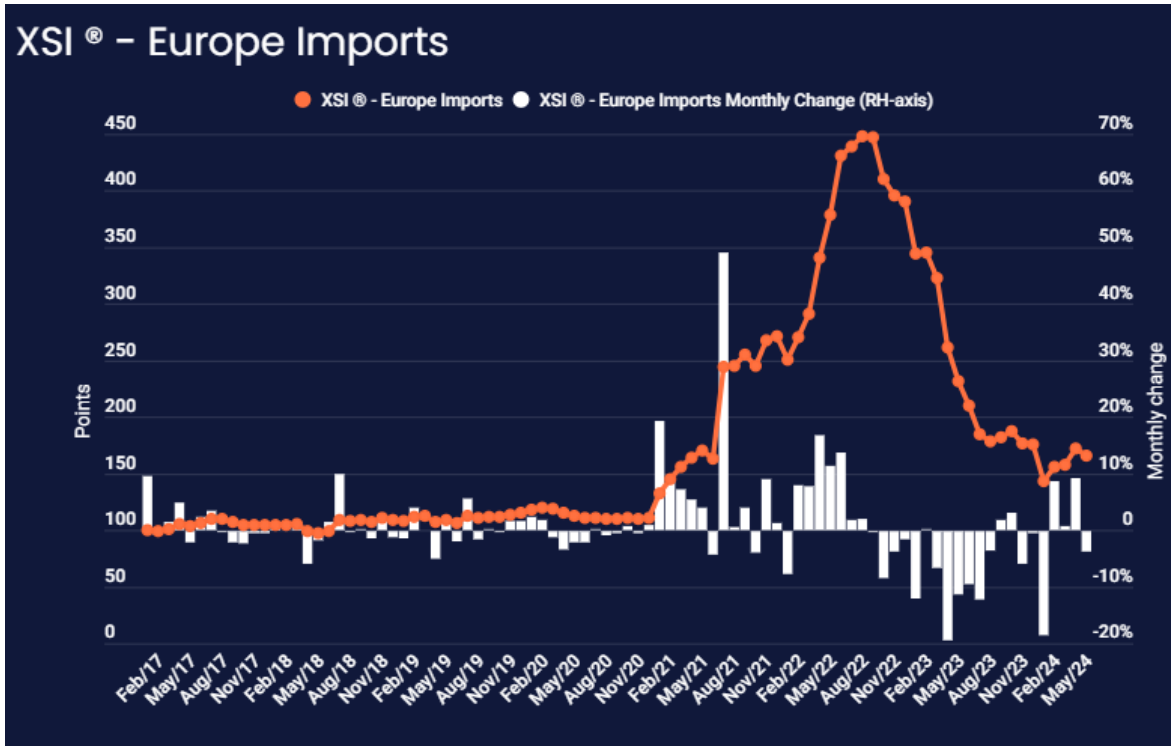
- The Global XSI® decreased by 1.7% in May, reaching 151.6 points.
- The index's May decline offsets April's increase, returning it to its March level.
- Despite recent declines, the index remains 30.5% higher than its pre-pandemic level in May 2019.
- Since its peak in August 2022, the Global XSI® has stabilized, settling at post-pandemic levels.
- Over the past seven months, the index has remained within a narrow 10-point range, from 158.5 in November 2023 to a low of 148.0 in January 2024.
- In contrast, the previous seven-month period saw a significant drop of 143.8 points.
- Current stability may be threatened by rising spot rates on major trade routes.
- Some freight forwarders and shippers report they are not able to ship on long-term contracts and forced onto higher spot rates or new surcharges.
- Cargo space is being prioritized for higher-paying customers through premium services, affecting the negotiation of new long-term contracts.



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

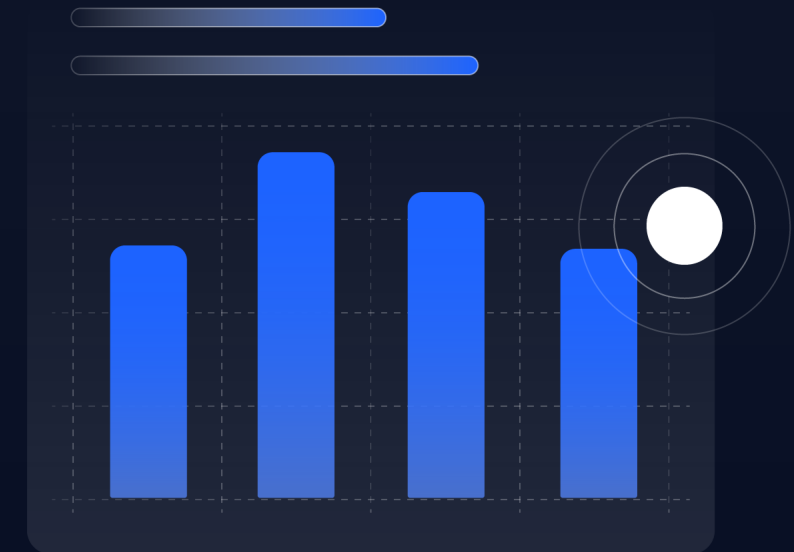
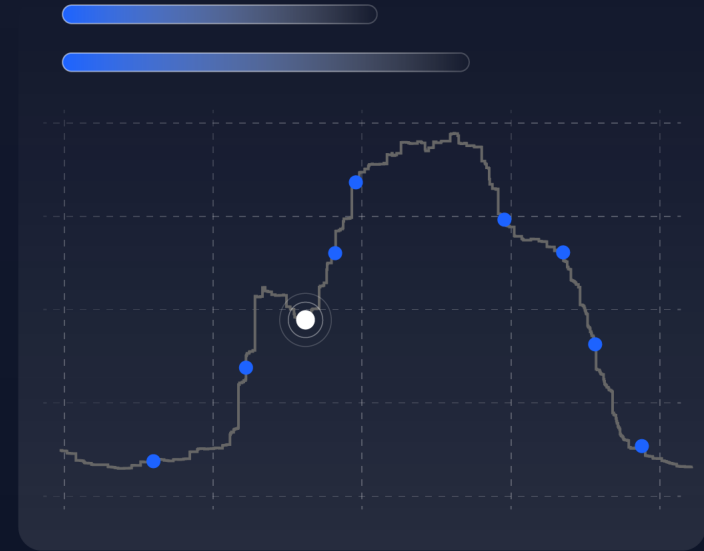
XSI® – European Imports and Exports

In May, the XSI® for European Imports decreased by 3.6%, bringing the index to 165.7 points. Meanwhile, the XSI® for European Exports dropped by 11.6% in May, settling at 124.8 points and its lowest level since January 2021.



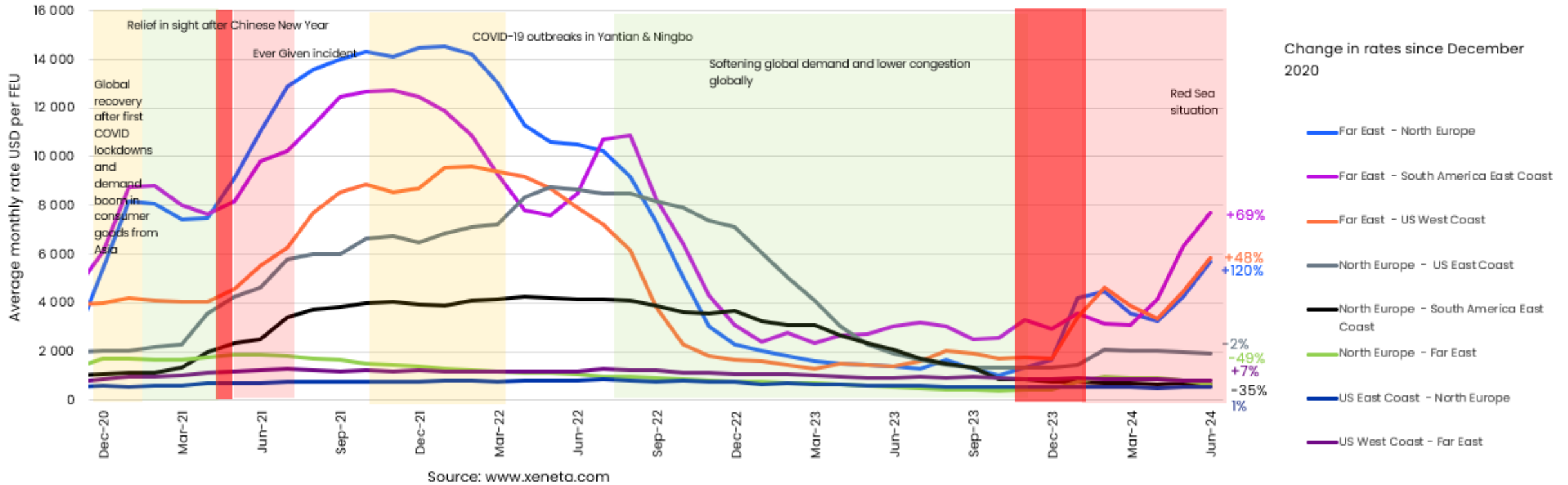
Where are we now?

Current freight rate trends

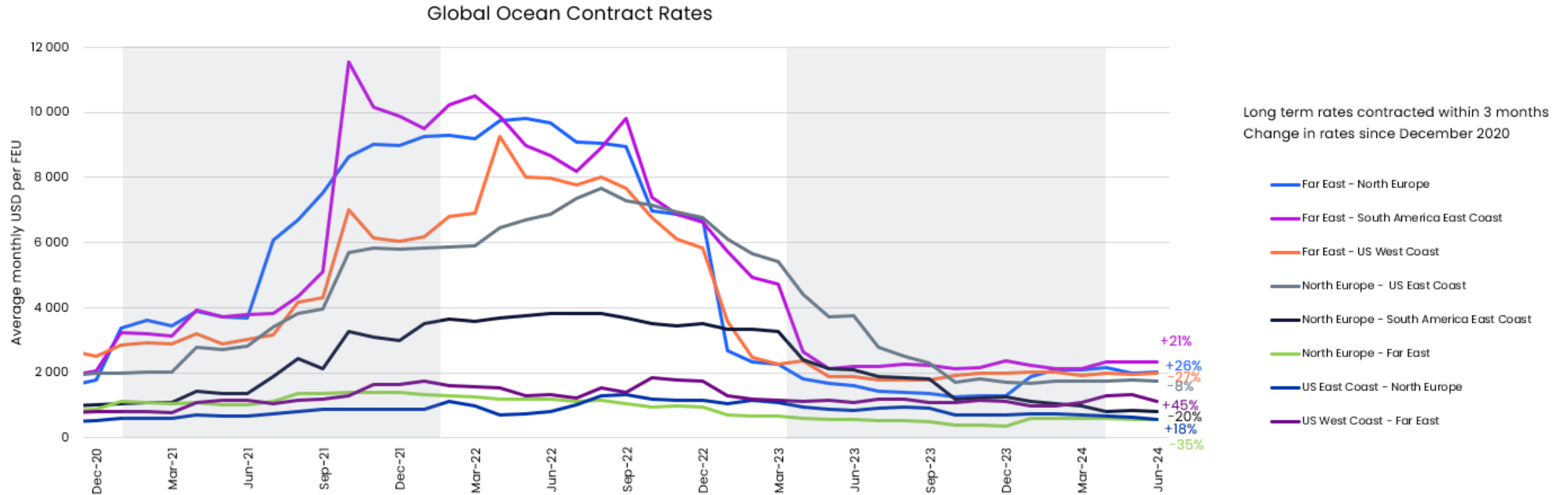


Development of Spot Freight Rates (as of 14 June, 2024)

Global Ocean Spot Freight Rates



Development of Contract Freight Rates (as of June 14th, 2024)



Source: www.xeneta.com

Huge spreads on all trades out of the Far East including a spike in Spot Rates to South America East Coast

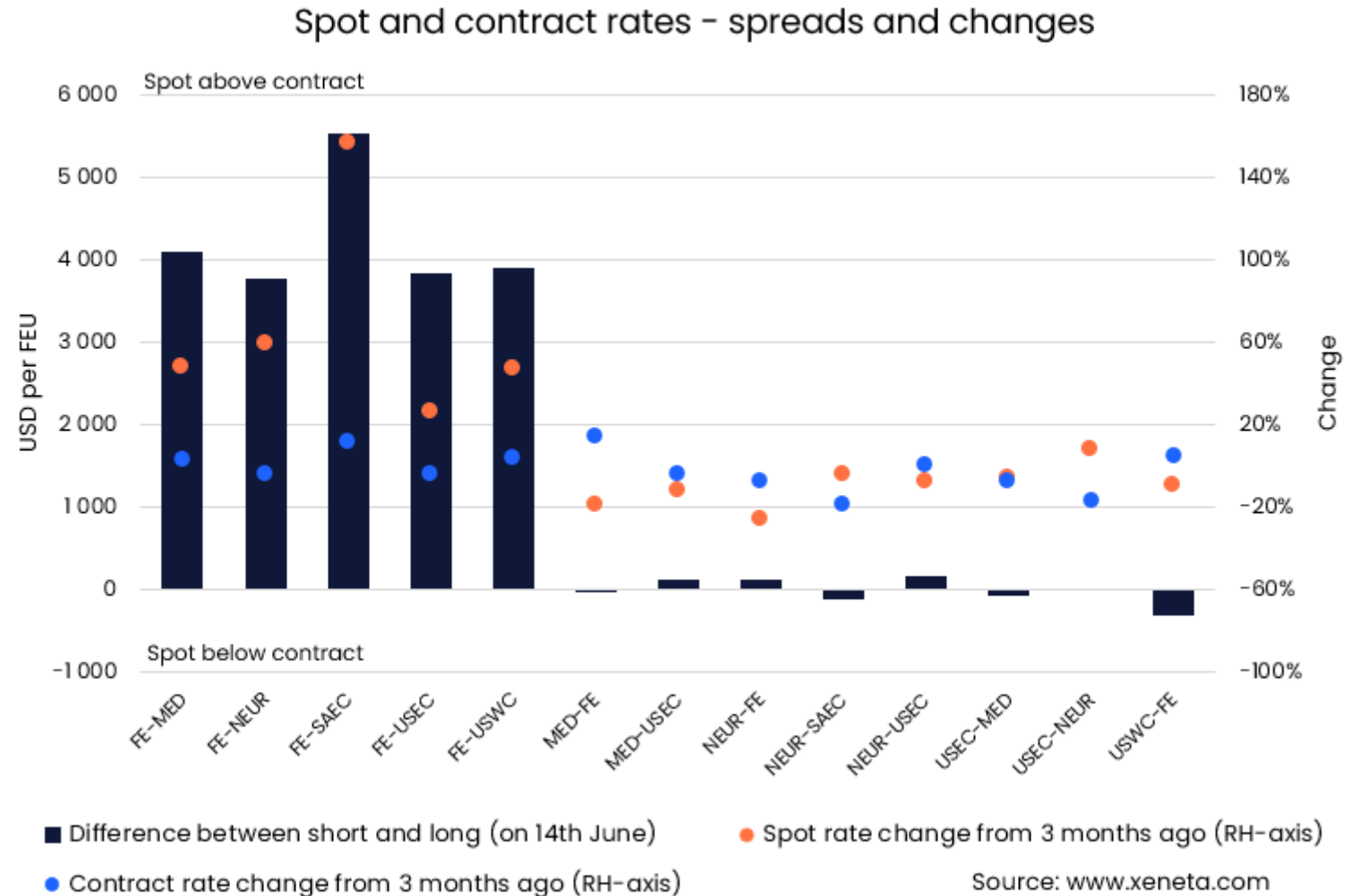
How to read this chart

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).

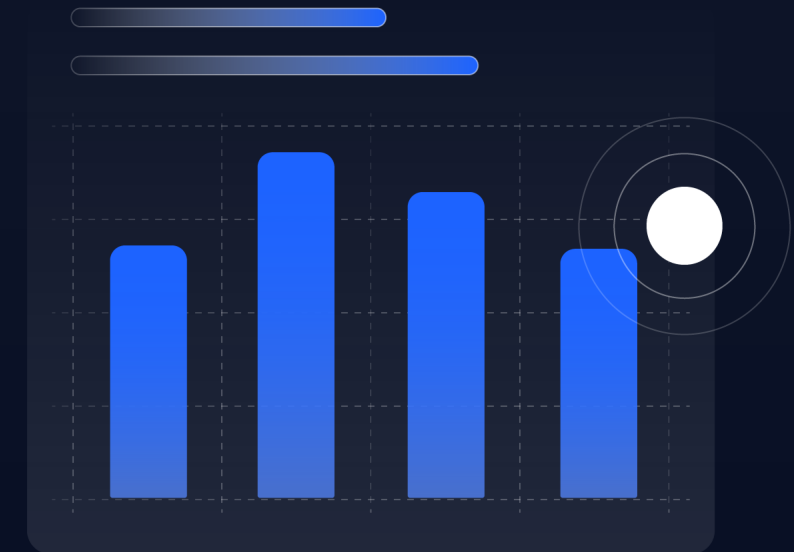
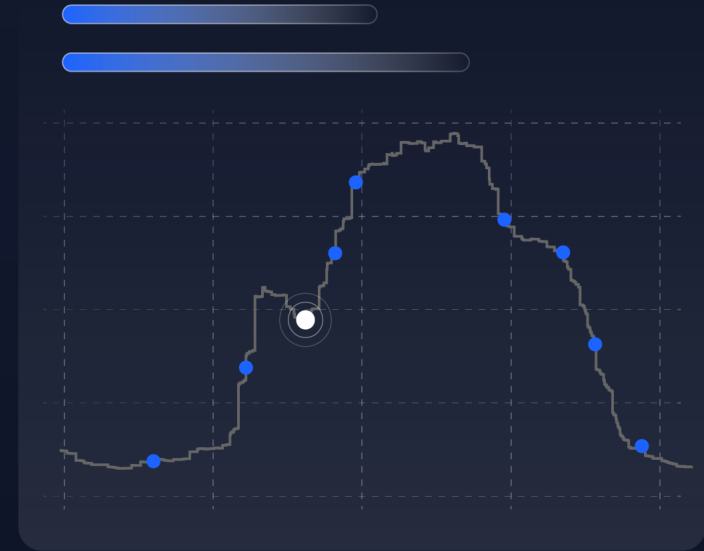
If the bar shows a positive spread, Spot Rates are above contract rates, If the bar is in the negative, contract rates are above Spot Rates.

Right hand axis: Percentage difference in Spot and Contract rates from three months ago to the current date.



Supply Chain Heat Maps

From Xeneta



XSI®-C rates spike in early June: Significant increases across routes connecting Far East, North Europe, and US West Coast

XENETA

Xeneta Shipping Index by Compass (The XSI-C)

Origin	Destination	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	
		14 ending	15	16	17	18	19	20	21	22	23	24 ending
		05/Apr	12/Apr	19/Apr	26/Apr	03/May	10/May	17/May	24/May	31/May	07/Jun	11/Jun
Far East	to US West Coast	-3.8%	-0.9%	-3.8%	-0.2%	5.9%	10.4%	10.9%	11.6%	2.8%	19.7%	0.8%
Far East	to North Europe	0.0%	-0.7%	-3.2%	-0.4%	8.3%	8.0%	9.5%	14.5%	1.6%	20.1%	2.0%
Far East	to South America East Coast	12.6%	7.7%	18.5%	7.7%	12.8%	8.4%	9.5%	11.2%	7.0%	7.3%	3.0%
North Europe	to Far East	-1.3%	3.9%	-1.8%	-0.2%	-3.4%	-4.2%	-1.3%	-0.8%	-1.8%	-21.8%	3.8%
North Europe	to South America East Coast	-10.0%	-1.7%	1.6%	0.7%	-0.6%	0.7%	2.1%	3.0%	-2.2%	-0.2%	-3.3%
North Europe	to US East Coast	-4.1%	3.1%	4.6%	-3.0%	-1.0%	-3.5%	0.7%	0.1%	-0.7%	-2.2%	0.1%
US East Coast	to North Europe	-5.3%	-0.5%	1.9%	0.0%	2.8%	2.6%	1.2%	-0.8%	0.3%	-1.5%	2.8%
US West Coast	to Far East	4.0%	1.4%	1.6%	-1.6%	1.5%	-3.5%	-4.5%	-2.5%	-0.9%	1.0%	-1.0%

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

What is the XSI® - C?

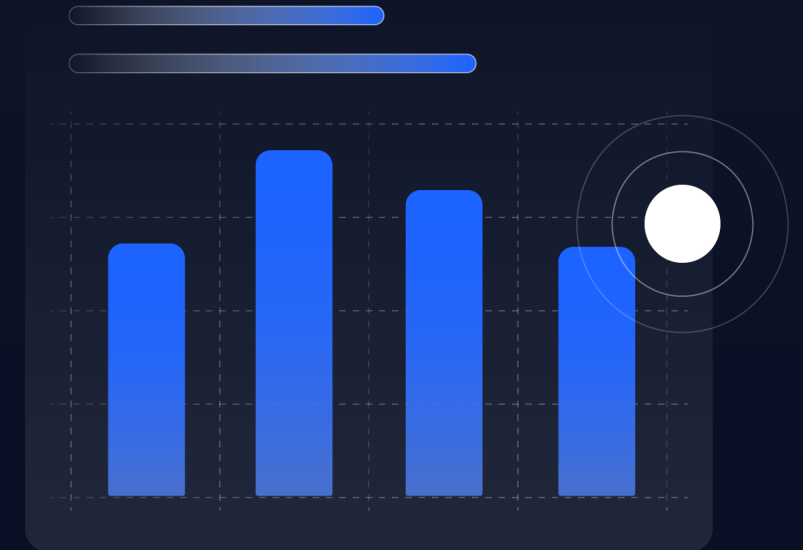
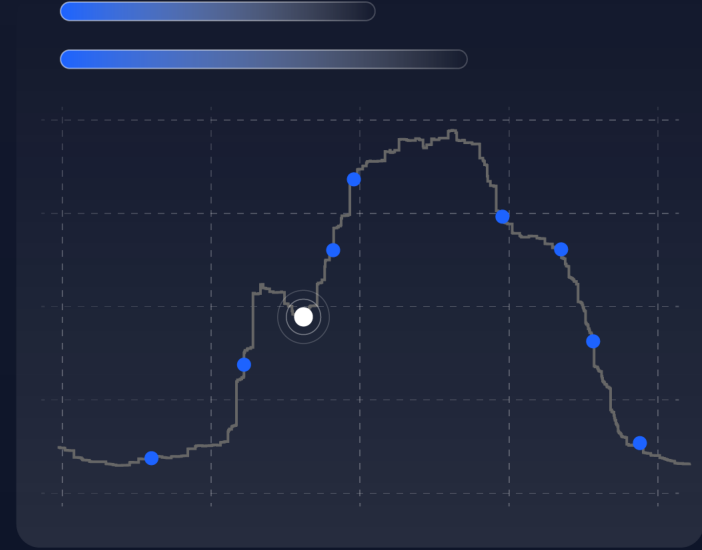
The XSI® - C stands for the Xeneta Shipping Index by Compass. It's EU BMR compliant and ready for index-linked contracting and derivatives.

The XSI® - C is the container shipping industry's most transparent and trusted container rates index. It delivers the most in-depth and most accurate representation of the container freight market.

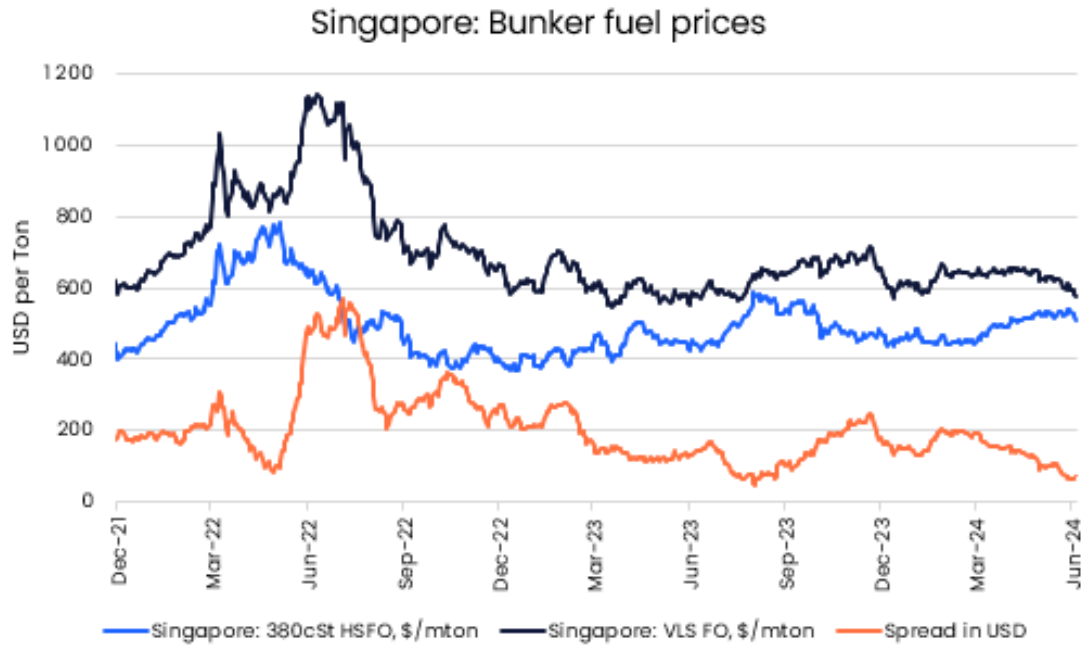
Bunker fuel

Prices and Surcharges

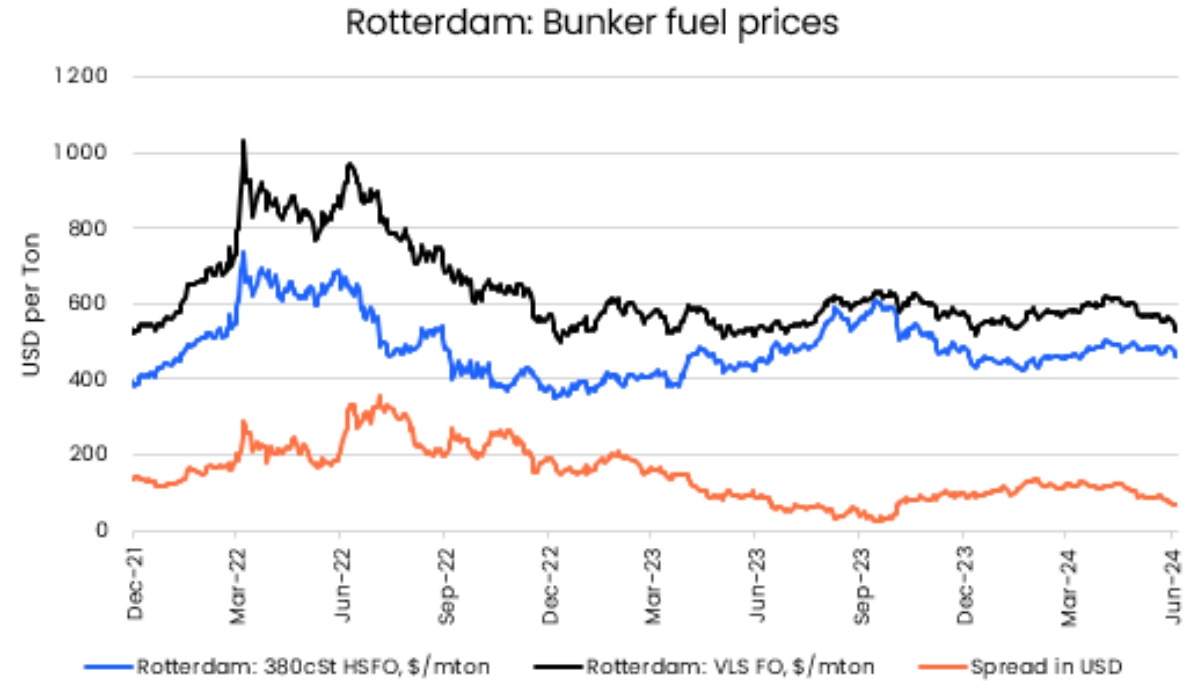
Main Ports



Bunker fuel market trends: Singapore vs Rotterdam highlights – June insights



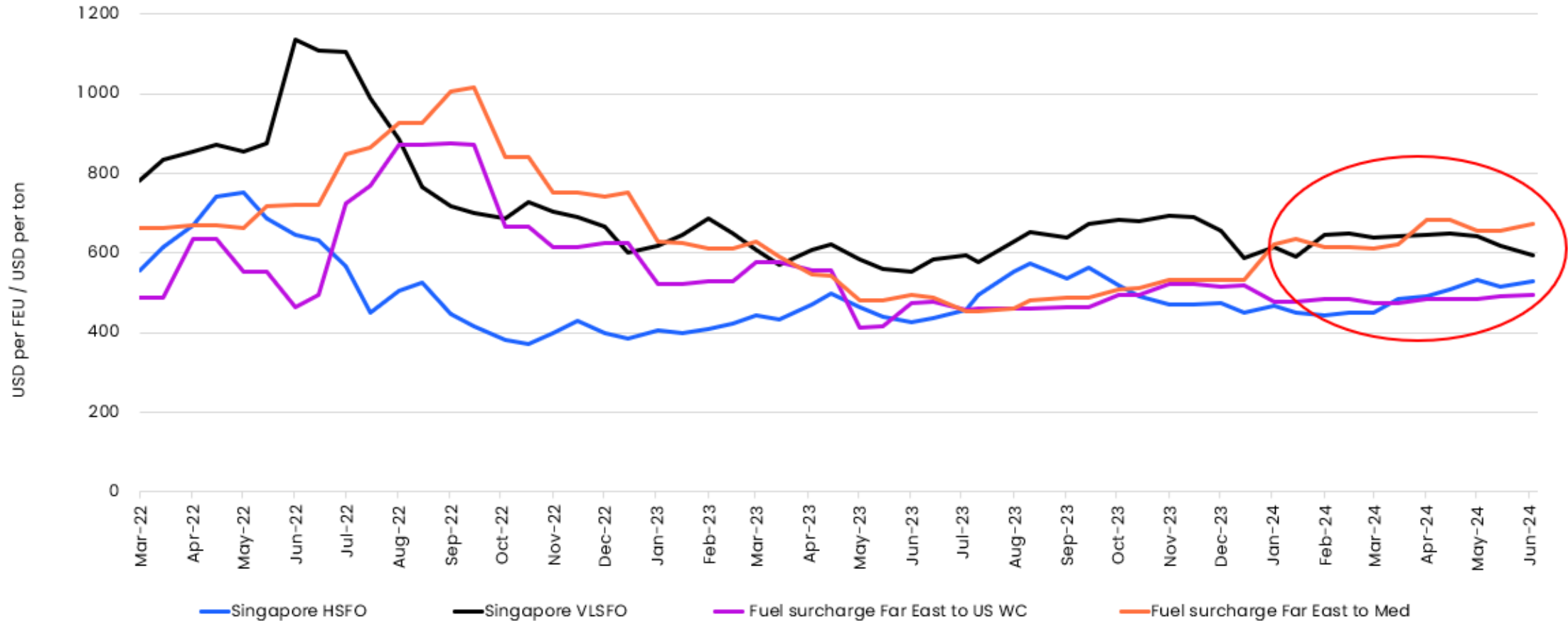
Source: Xeneta, MABUX



Source: Xeneta, MABUX

Disruptions in the Red Sea are compounding the escalation of bunker fuel costs for extended voyages between the Far East and Mediterranean.

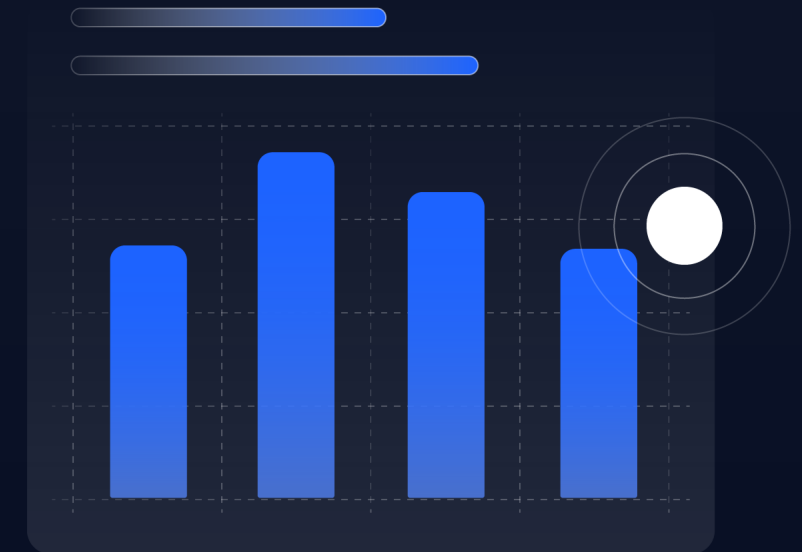
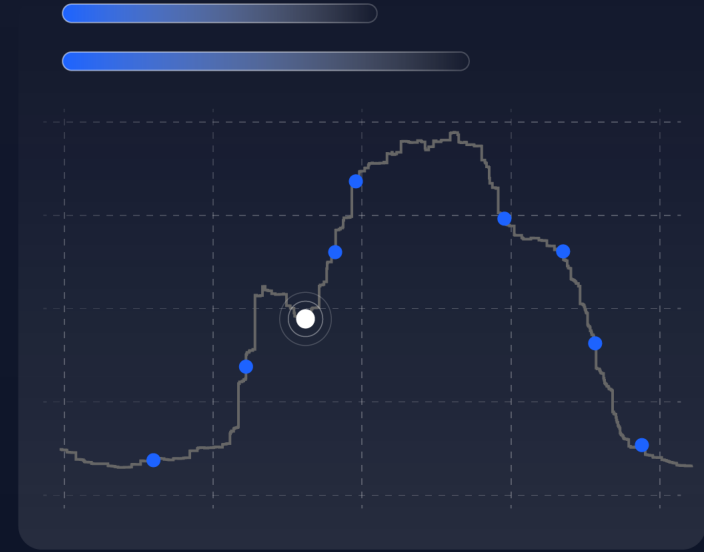
Fuel surcharges and bunker prices



Source: Xeneta, MABUX

What's being shipped?

Current demand trends

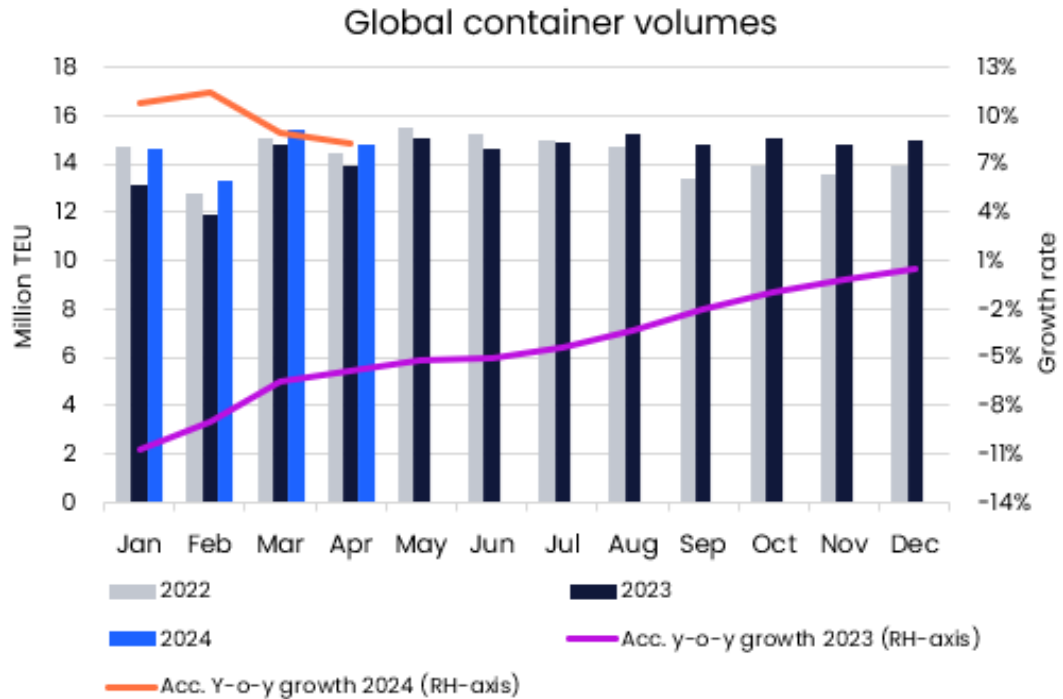


Dynamic growth trends in global container and reefer volumes

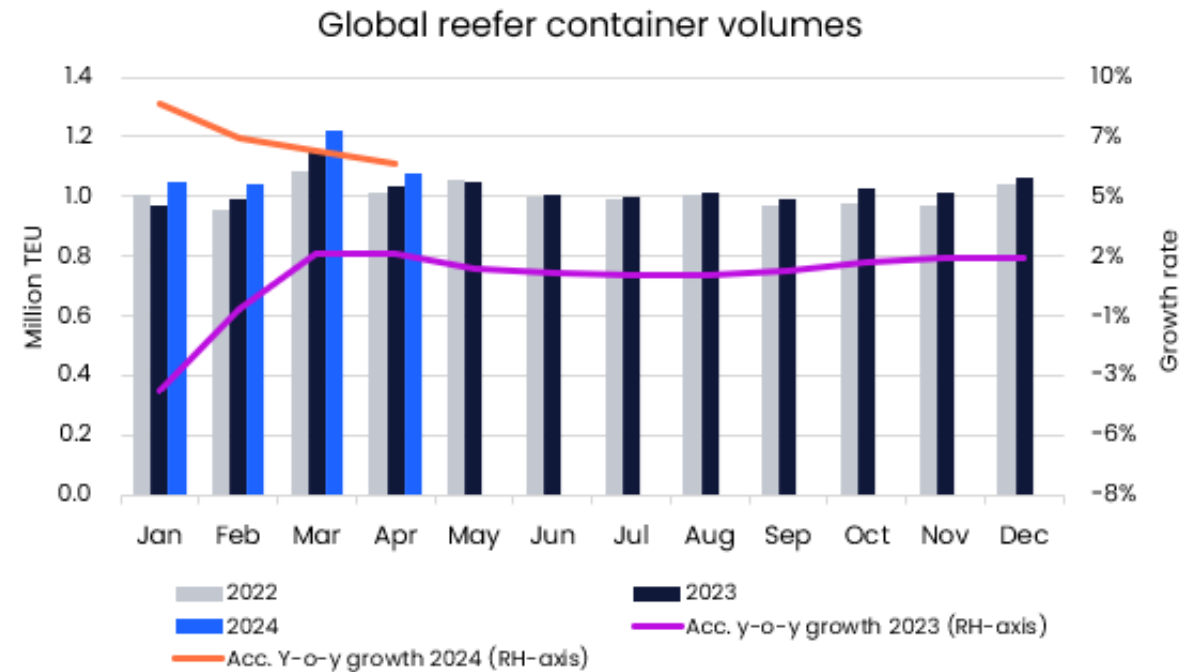
In April 2024, reefer container volumes experienced a 12% decrease, reaching 1 078 258 TEU compared to the previous month's 1 219 649 TEU. Despite this monthly decline, the overall demand for temperature-controlled goods remains robust.

On the other hand, total container volumes also experienced a decrease in April 2024, falling by 4.5% from the previous month's 15 468 344 TEUs to 14 773 378 TEU. These figures indicate a slight downward adjustment in containerized shipments, although the broader trend in global trade continues to show strength.

Both reefer and total container volumes remain up year-on-year compared to 2023.



Source: Xeneta, Container Trades Statistics



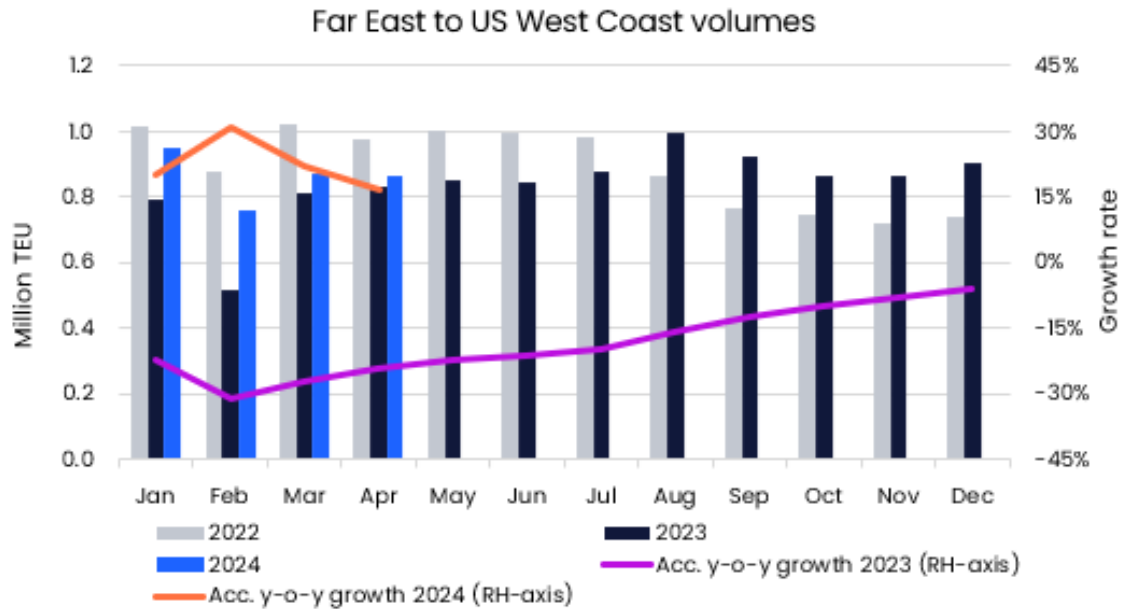
Source: Xeneta, Container Trades Statistics

April 2024: Moderation in Far East to US container shipping growth amid Red Sea disruptions

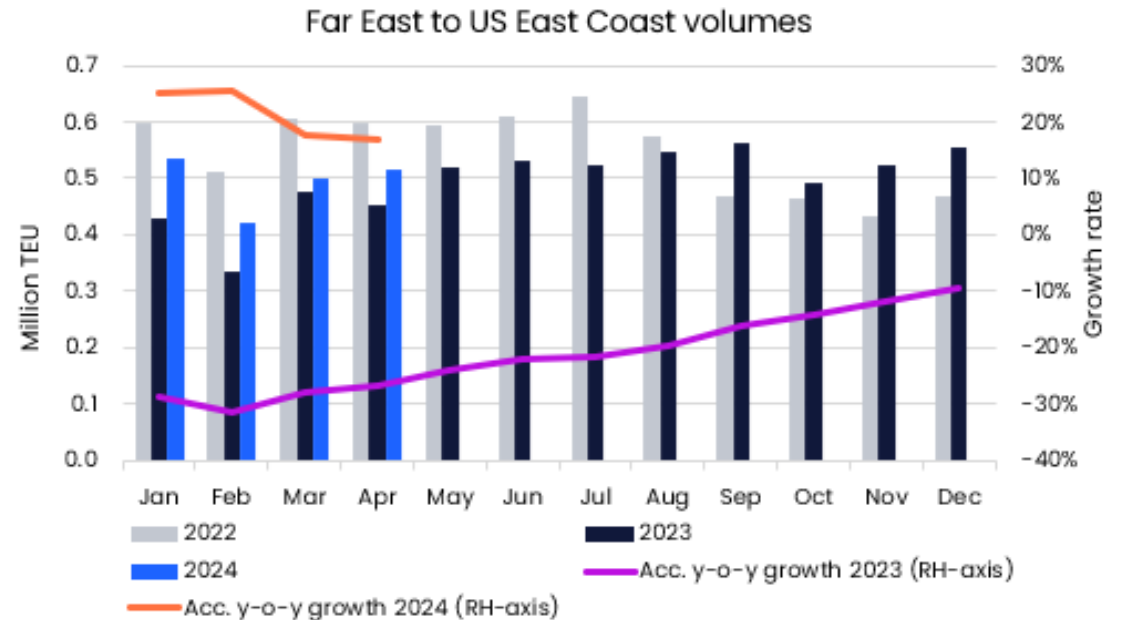
The Far East to US West Coast trade's volume decreased slightly to 862 263 TEU from 873 350 TEU in March - a 1.2% decline. The accumulated volume for the year reached 3 443 842 TEU, with a growth rate of 16.6%.

The Far East to US East Coast trade's volume slightly increased to 517 354 TEU from 501 630 TEU in March, showing a marginal growth of 3.1%. The accumulated volume for the year reached 1 974 543 TEU, maintaining a growth rate of 16.7%.

These trends suggest a moderation in trade activity as we move into Q2, with potential impacts from ongoing disruptions in the Red Sea region.



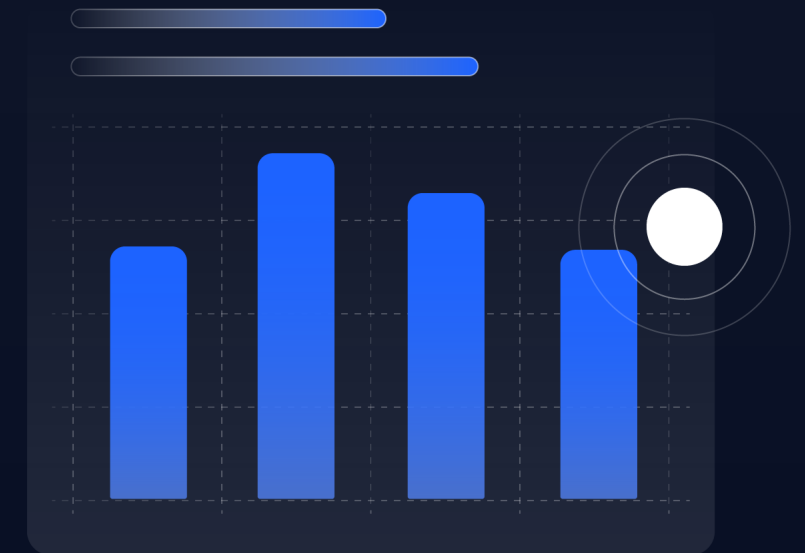
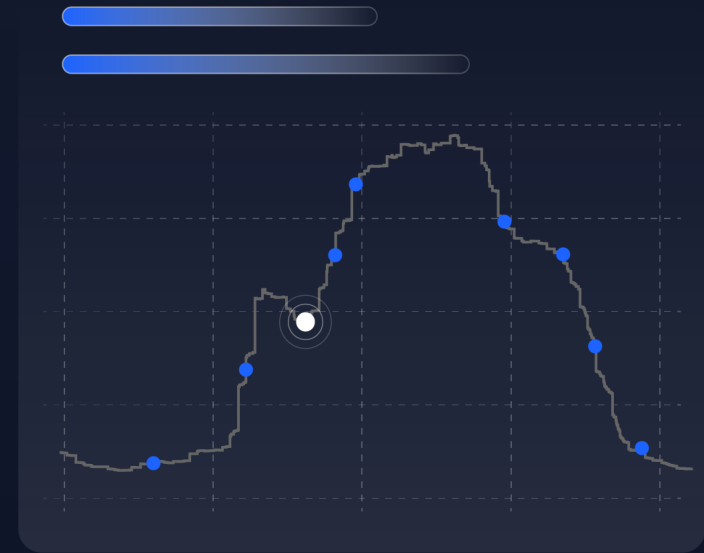
Source: Xeneta, Container Trades Statistics



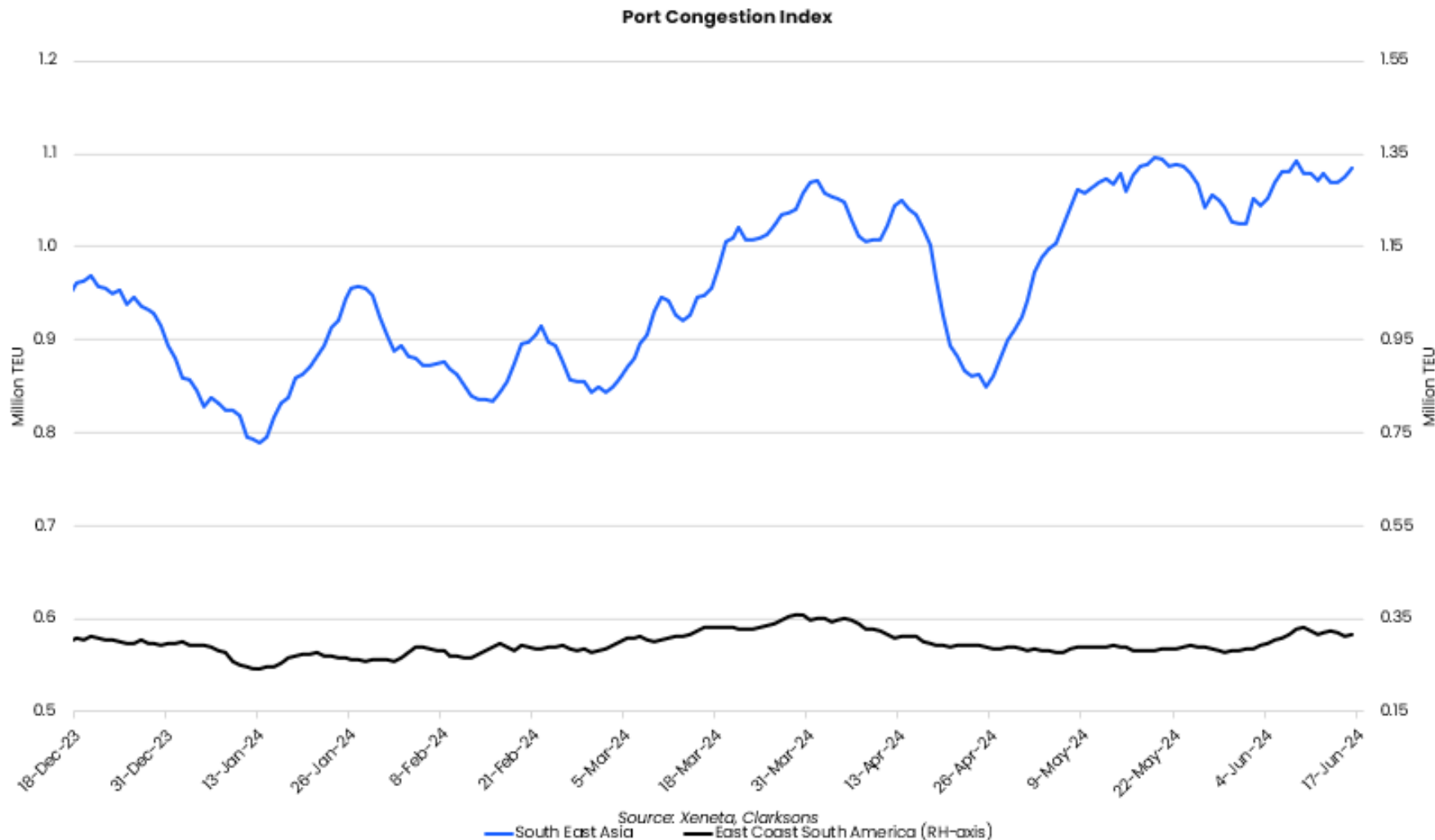
Source: Xeneta, Container Trades Statistics

Where's the congestion?

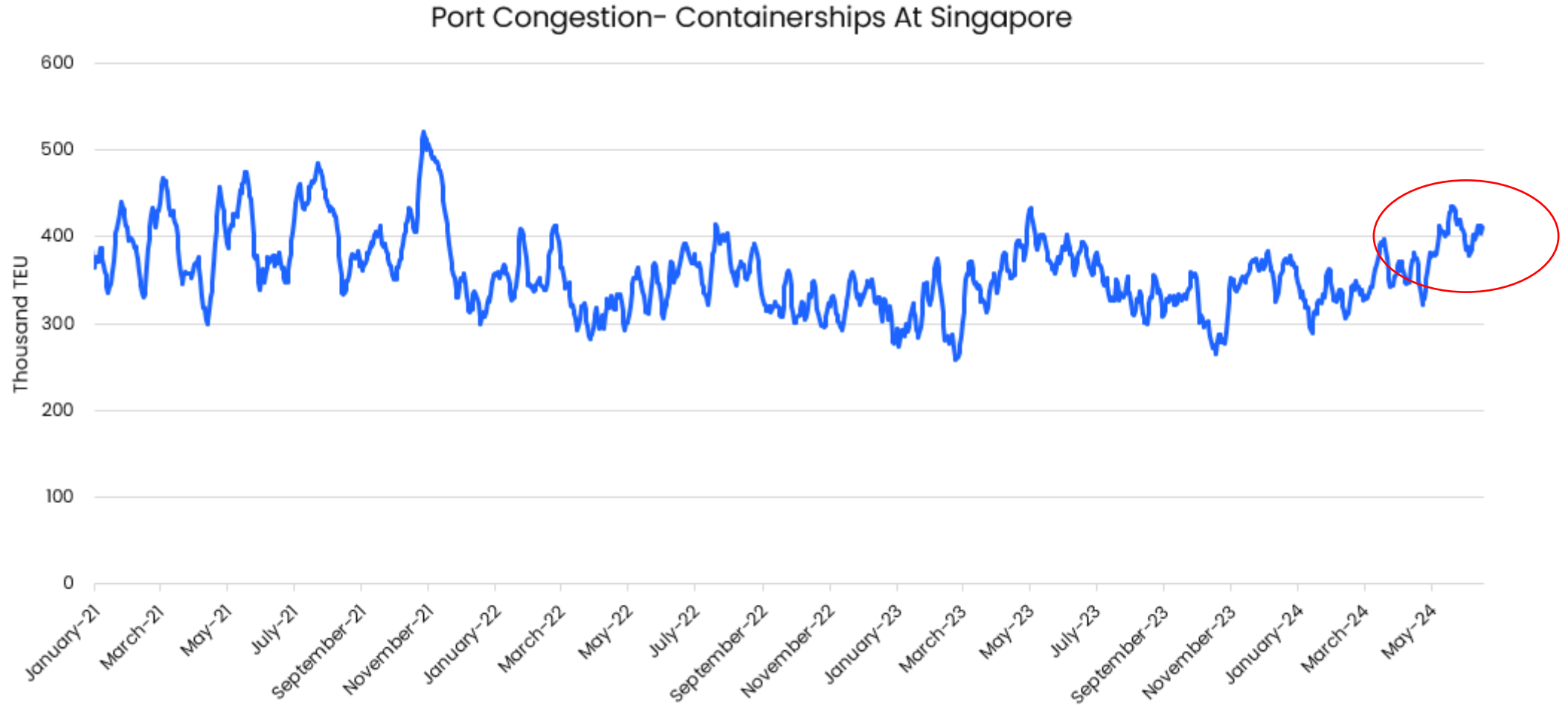
Improving or getting worse?



Navigating port congestion: Southeast Asia is trending towards stabilization, while the East Coast of South America experienced significant fluctuations, notably decreasing in mid-June.

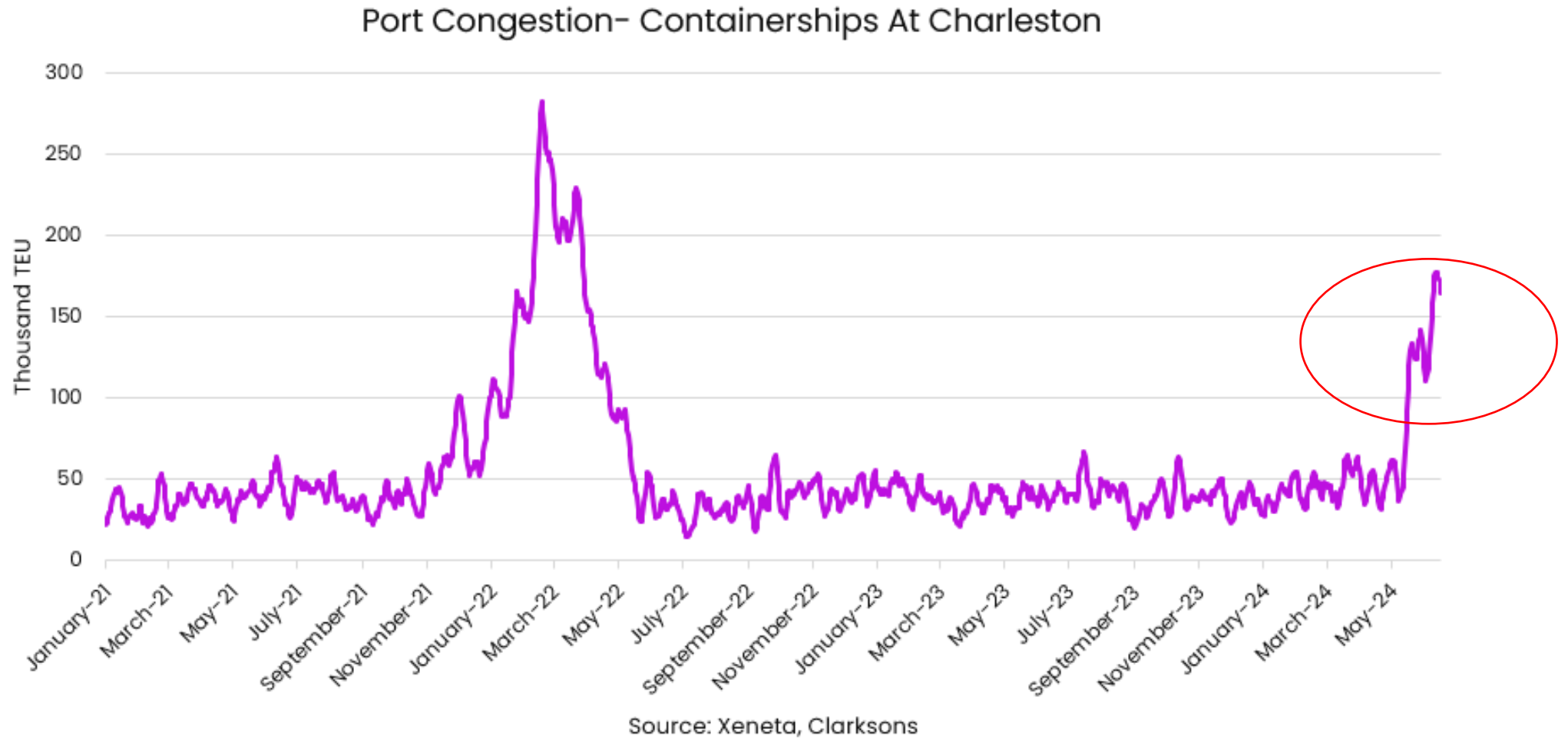


Singapore port congestion doubles, fueling Asia Spot Rate surge



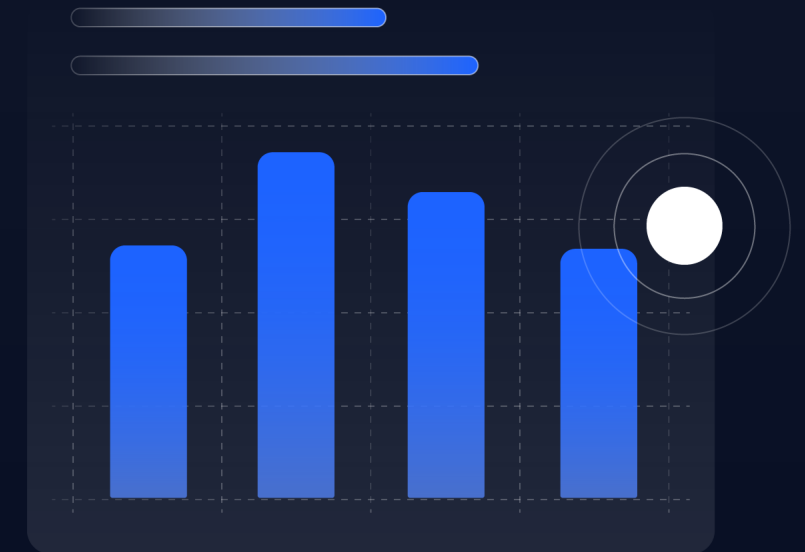
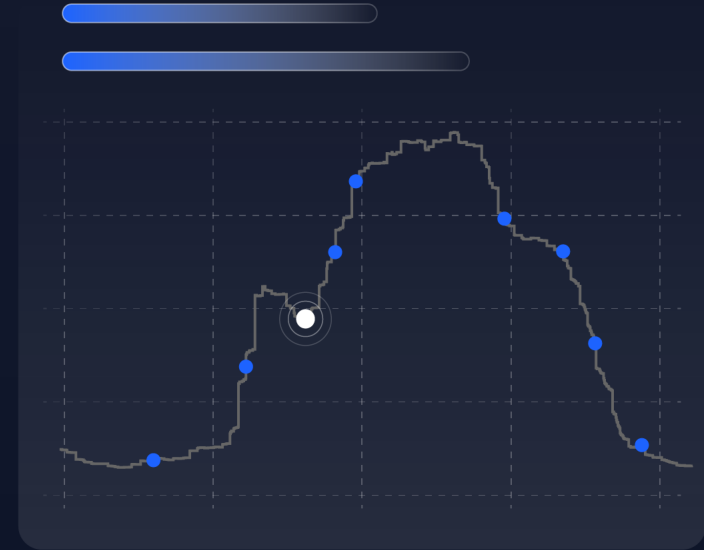
Source: Xeneta, Clarksons

Charleston Port faces increased congestion in May 2024 due to longer anchor times

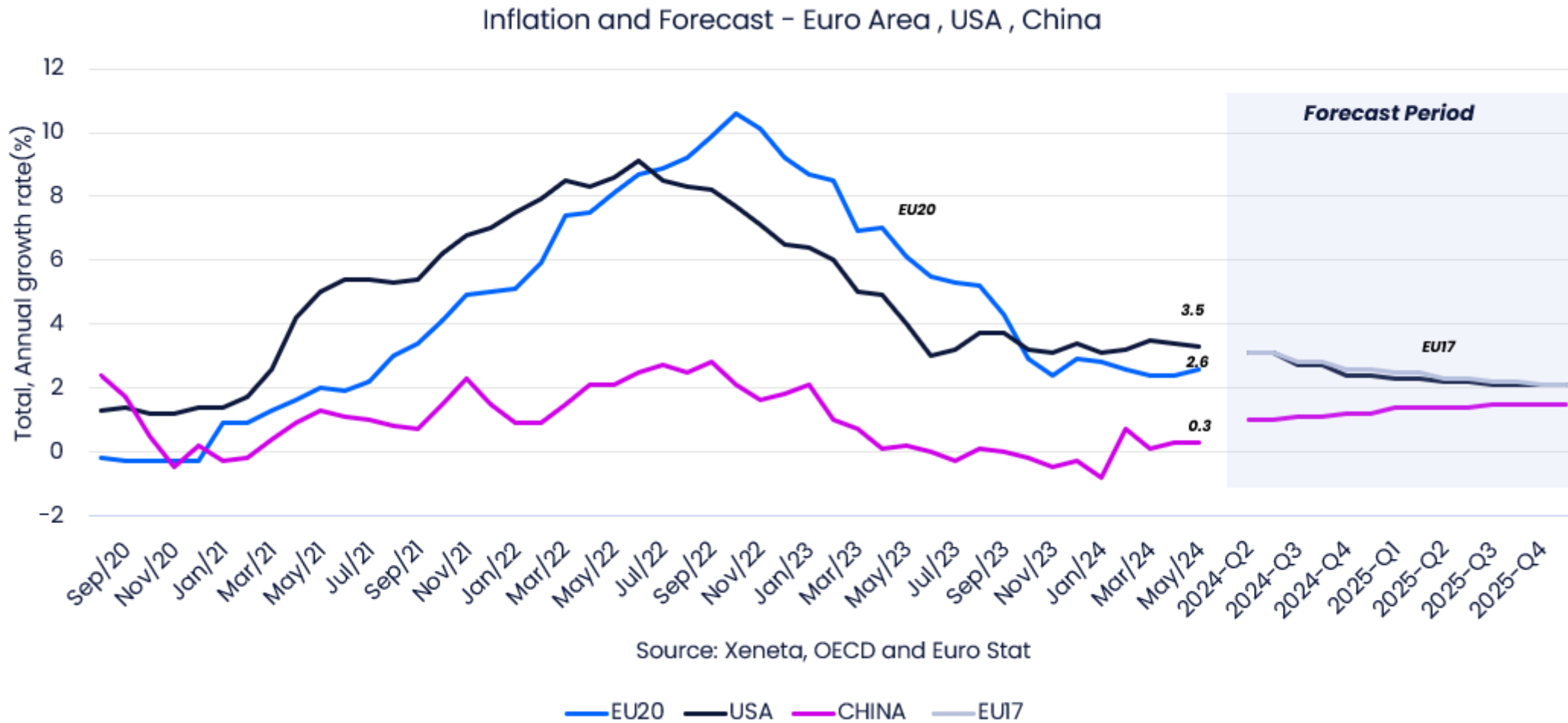


Where's the economy heading?

In the East and in the West



May 2024 inflation: Slight increase in EU, continued decline in USA, steady in China



WORLD ECONOMIC OUTLOOK APRIL 2024

GROWTH PROJECTIONS

(REAL GDP GROWTH, PERCENT CHANGE)

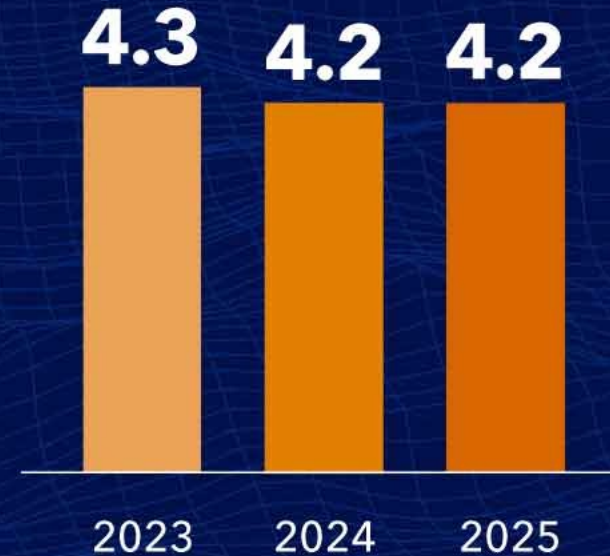
GLOBAL ECONOMY



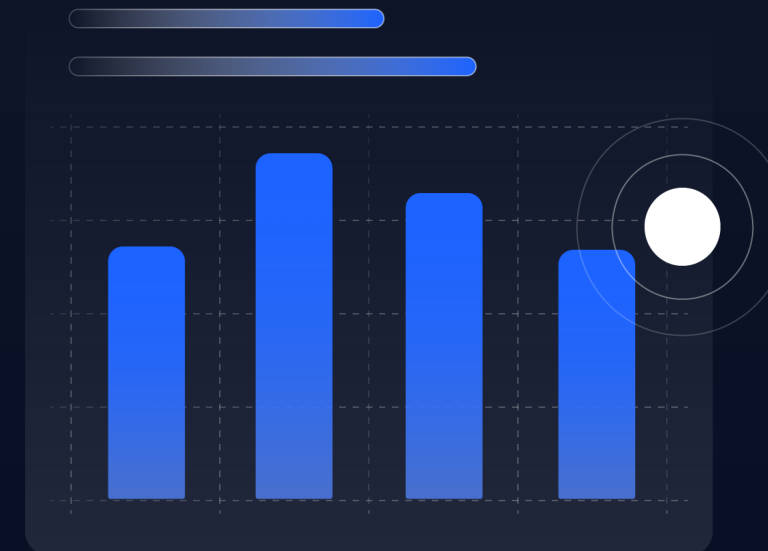
ADVANCED ECONOMIES



EMERGING MARKET & DEVELOPING ECONOMIES



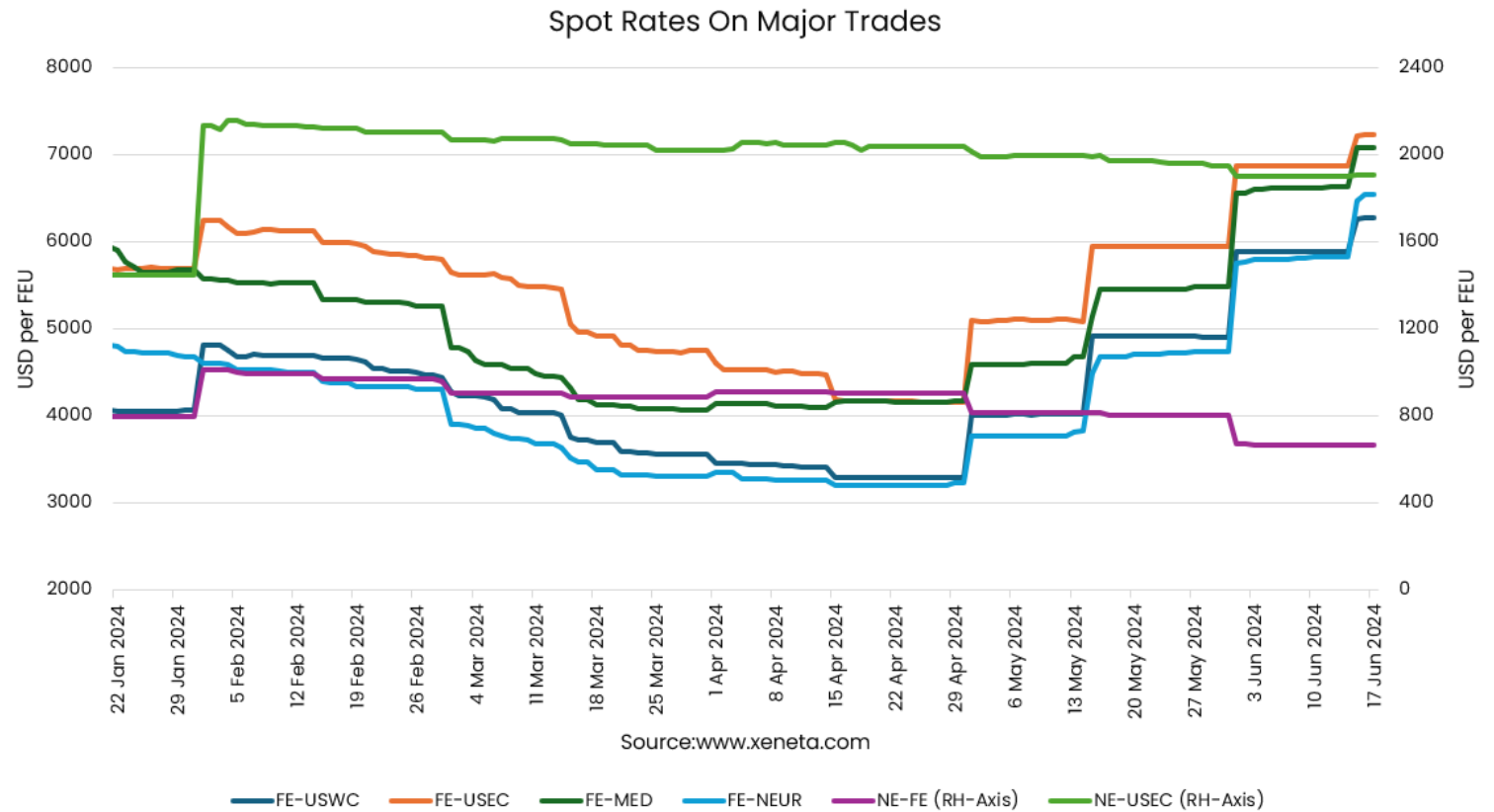
Monthly Specials!



Far East Spot Rates skyrocket, surpassing early Red Sea crisis peaks

- Significant spike in freight spot rates on Far East to North Europe trade.
- Rates reached USD 5 309 per FEU on June 1, up 63% since April 29.
- Vessel backups at seaports contributing to delays in cargo handling.
- Ongoing shortage of empty containers affecting exporters.
- Uncertainty and disruption across global ocean freight supply chains.
- Market surprised by speed and magnitude of recent rate increases

Please Note: This chart also includes exports from Northern Europe to the Far East and the US East Coast



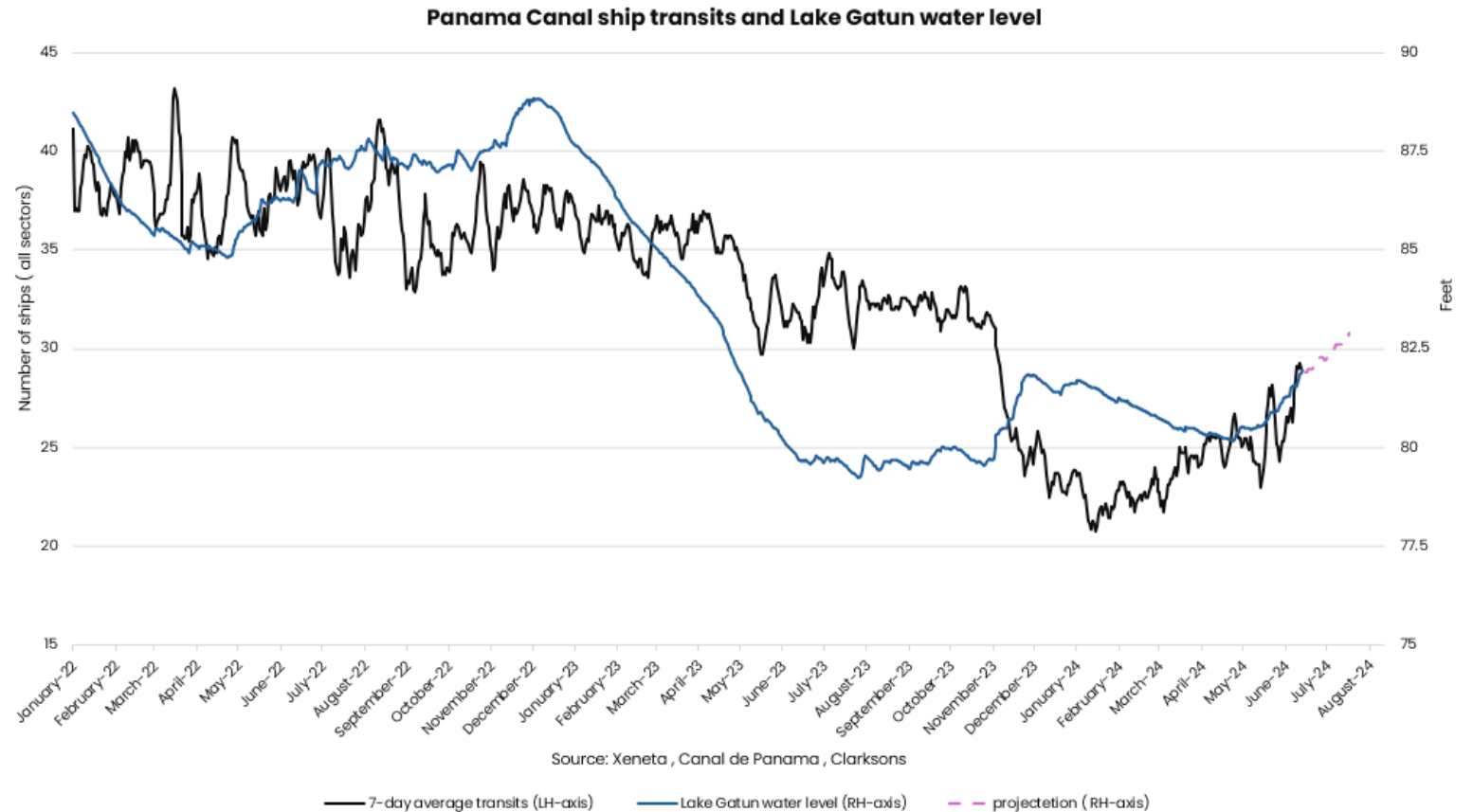
Navigating Change: Panama Canal eases draft restrictions, eyes full recovery by October

The Panama Canal Authority announced on May 30 that the Maximum Allowable Draft in the Neopanamax Locks will increase earlier than planned, effective immediately, due to the onset of the rainy season affecting Gatun Lake.

Vessels transiting these locks will now be permitted a maximum draft of 13.71 meters (45.0 feet), an increase of 1 foot. This adjustment aims to optimize canal operations amidst ongoing challenges.

Furthermore, the Panama Canal is expected to gradually return to normal traffic levels by October after months of restricting daily ship crossings due to severe drought conditions. Starting in July, the canal will incrementally increase the maximum number of ships allowed to pass through daily to 34, up from the current limit, with further adjustments anticipated as the rainy season progresses.

These changes are anticipated to alleviate disruptions in global maritime transportation networks and could potentially impact container shipping rates, offering relief to logistics chains that have been strained by recent operational constraints at the canal.



US East and Gulf Coast port strike threat: Concern for Shippers and supply chain stakeholders

The International Longshoremen's Association (ILA) announced on 10 June that it has suspended negotiations with United States Maritime Alliance (USMX) over a new labor contract for workers at US East Coast and Gulf Coast ports. The existing agreement expires on 30 September.

This could see significant disruption if an agreement cannot be reached and shippers will look to take action to protect supply chains - such as an acceleration of frontloading imports, including Christmas goods, ahead of the traditional peak season in Q3. However, this has already contributed to a spike in Spot Rates.

Far East to US East Coast - short term market average



Source: Xeneta

Global trade trends and geopolitical factors: Impact on Freight Rates

Chinese exports surged by 45% to Indian Sub Continent and Middle East, and by 30% to South and Central America.

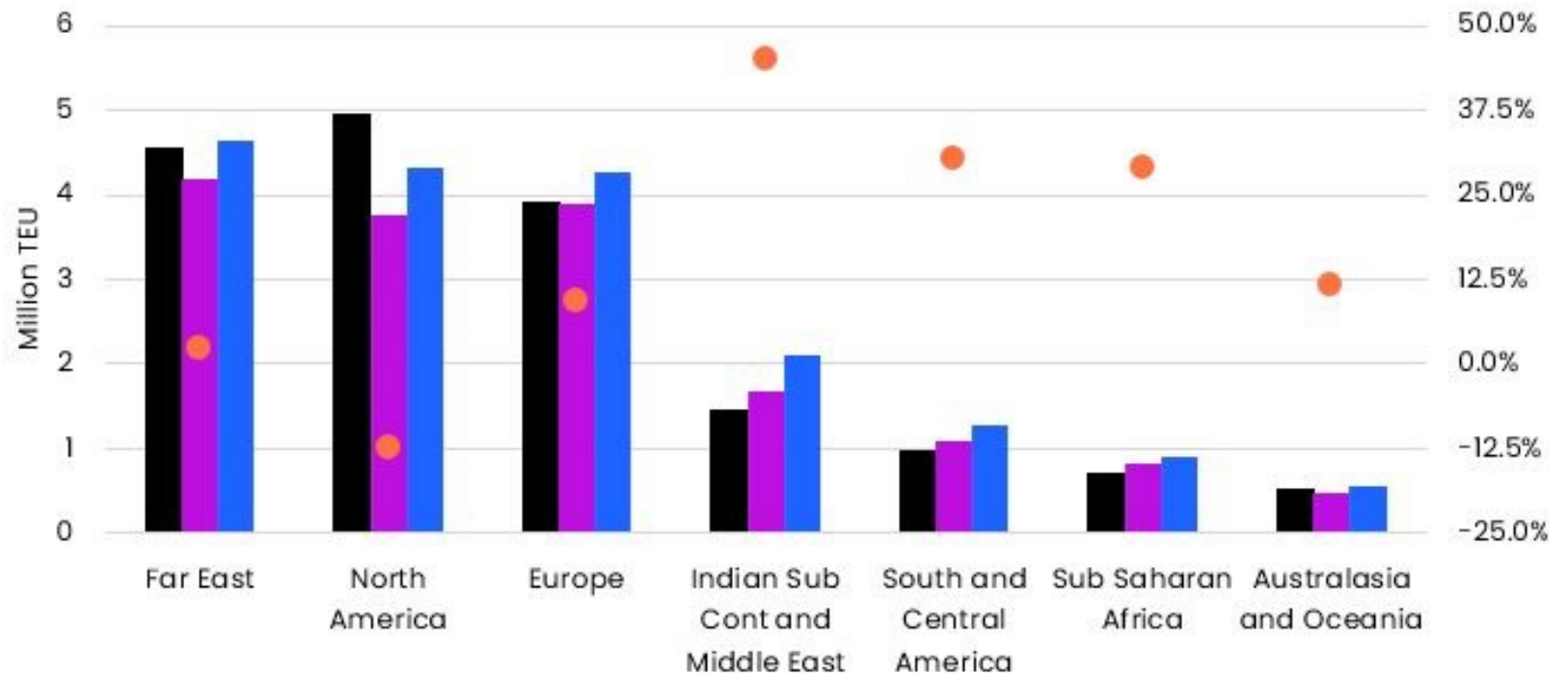
European imports rose by 9% compared to 2022 and 10% compared to 2023.

North American imports from China down by 12.6% compared to 2022.

Geopolitical factors such as Red Sea conflict are impacting global supply chains and container shipping dynamics.

These trends consequently impact global freight rates significantly.

Chinese containerized exports, January-April

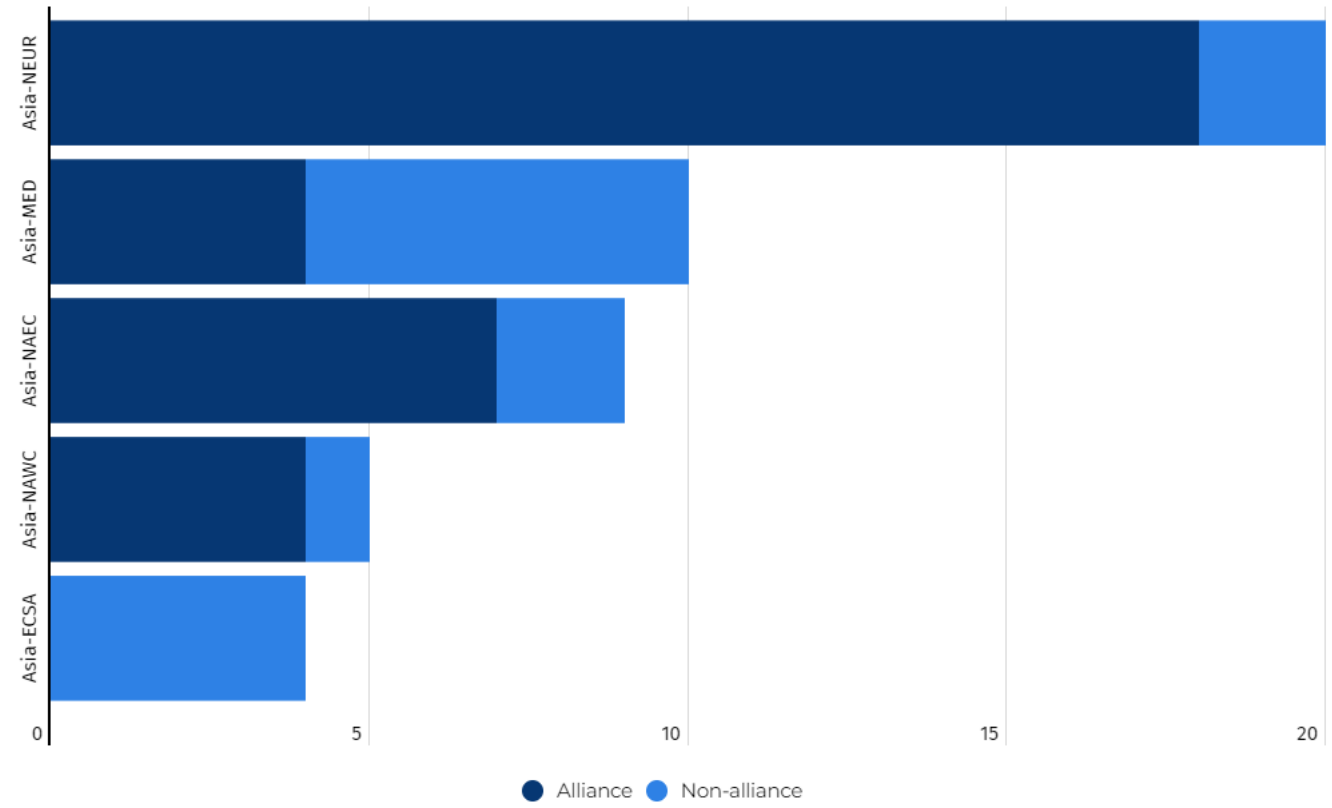


Source: Xeneta, Container Trades Statistics

■ 2022 ■ 2023 ■ 2024 ● 24/22 (RH-axis)

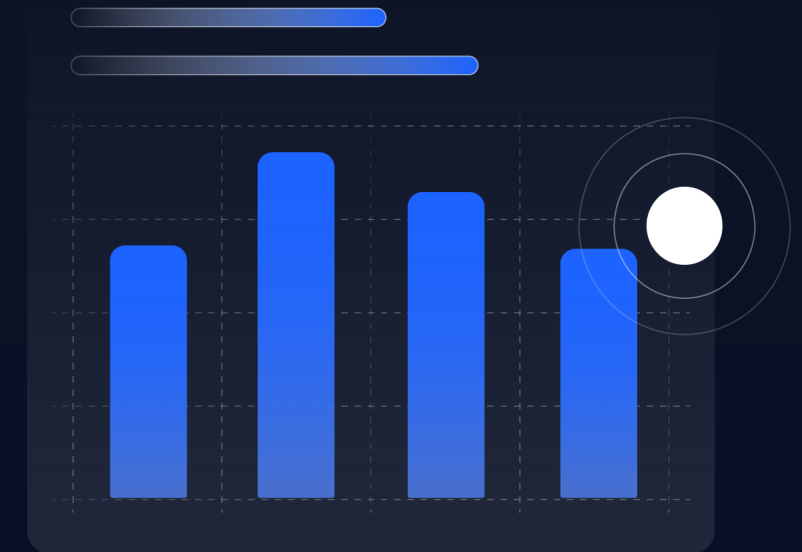
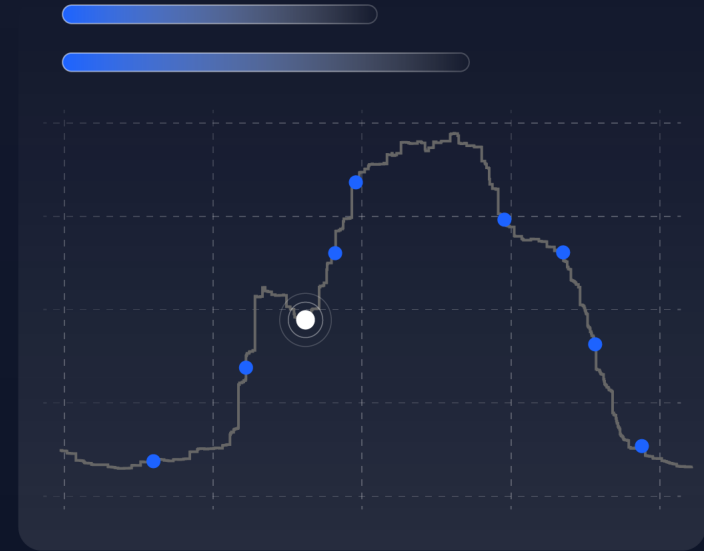
Distribution of new, large container ships across global shipping routes: Alliance vs. Non-Alliance deployment

Deployment of new ships over 8 000 TEU



Source: Xeneta, Clarksons, Sea-Intelligence

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Jun
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What is behind the sudden and dramatic increases in ocean freight container shipping rates?

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Live Webinar: State of Market Ocean

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

Ocean Webinar



Speakers for the event

Peter Sand

Xeneta
Chief Analyst



Emily Stausbøll

Xeneta
Market Analyst

Key Insights

- June spot rates vs. early 2021 rates
- Causes of uptick in Spot Rates
- Impact of shifting trade patterns
- Risk of high market spread
- Role of carriers

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June 26, 2024 at 16:00 CET/ 10:00 EST

Customer-Exclusive Live Webinar

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

Speakers for the event



Patrik Berglund
Xeneta
CEO & Co-Founder



Michael Braun
Xeneta
VP, Customer Solutions



Emily Stausbøll
Xeneta
Market Analyst

Key Insights

- Volume commitment
- Market trends analysis
- Navigating risk

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