

Market Pulse 2024 Week 18

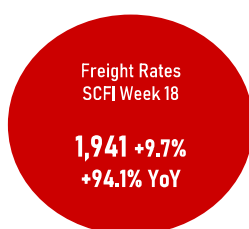
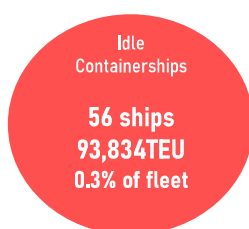
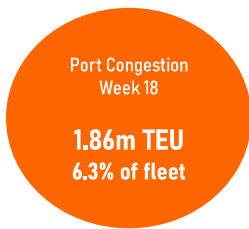
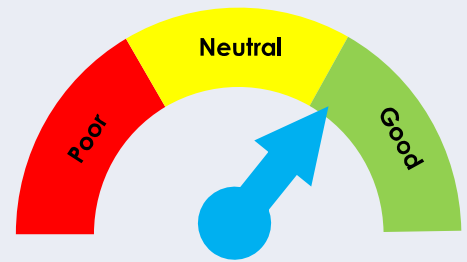
IN FOCUS this week
Containership capacity still constrained

MARKET BRIEF 2024 WEEK 18

Freight rates are rising sharply across the board with the SCFI gaining 9.7% last week, erasing almost all of the spot rate declines since 1 March as carriers capitalised on the tightening capacity situation. Freight demand has risen ahead of the 1 May Labour Day holidays in China and increased number of blanked sailings next week with bookings also boosted by pre-GRI front loading before the higher rates take effect from 1 May.

Freight rates are expected to remain firm with another round of hikes planned in mid-May as container equipment and prompt vessels remain in short supply. New container boxes produced in China are fully booked until the end of June, while charter rates are rising sharply for ships above 1,700 teu. The vessel shortage has also forced COSCO to temporarily withdraw one of OCEAN Alliance's Asia-North Europe strings, but freight futures retreated at the start of this week on potential Hamas-Israel ceasefire risks.

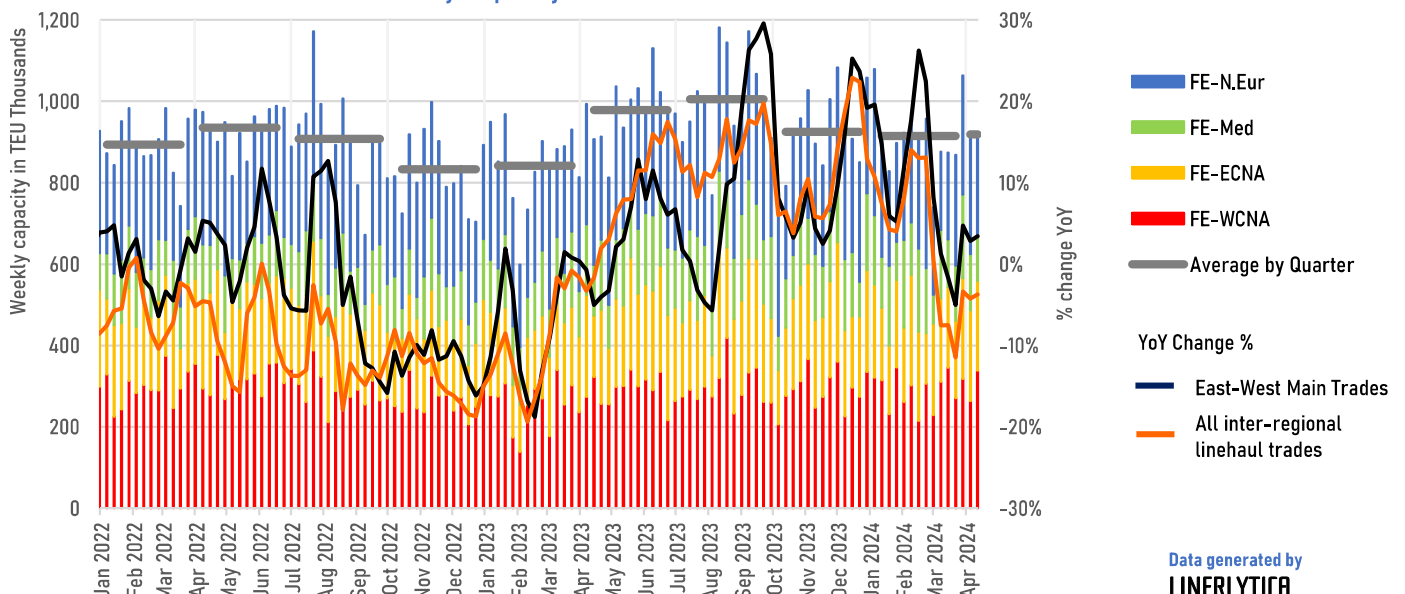
CONTAINER MARKET BAROMETER 2024 WEEK 18



Effective capacity remains constrained despite record new ship deliveries

The containership fleet capacity currently stands at 29.37m TEU and will reach 30m TEU by the end of June this year. Although the nominal fleet growth has reached 10% YoY, effective capacity on the 4 main East-West trades has grown by only 3% this year as the vessel diversions to the Cape route due to the Red Sea crisis has absorbed most of the new capacity. At a global level, effective capacity on all 33 inter-regional linehaul routes tracked by Linerlytica has shrunk by -4% YoY, with reduced capacity deployed on the Red Sea/Middle East/Med routes dragging down the overall average despite the growth in the 4 main E-W trades.

East-West Main Trades Weekly Capacity : 2022 to 2024



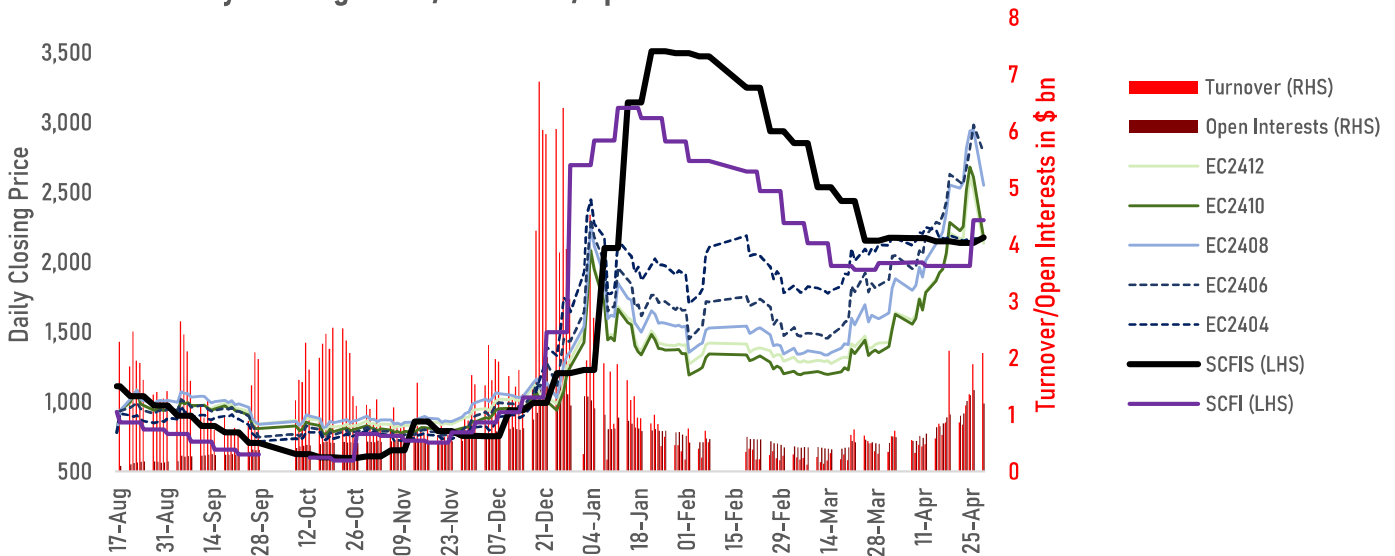
CoFIF market sell-off on Red Sea ceasefire risk

Asia-North Europe CoFIF freight futures retreated sharply on 29 April on fears that ceasefire talks taking place in Egypt this week could drag down freight rates before the end of the year. Contracts for October 2024 (EC2410) were most badly hit, dropping to 2,169 after reaching a peak of 2,765 last week. The latest EC2410 futures remain on par with the current SCFIS at 2,175 points, with EC2406 and EC2408 contracts still trading at a significant premium to the current SCFIS spot rate index at 2,784 and 2,550 respectively.

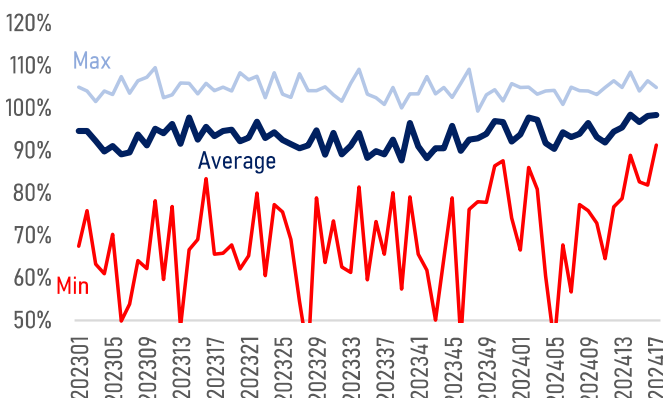
The first CoFIF contract for EC2404 were settled after market closed on 29 April with 1,640 lots settled at 2,152.9 SCFIS for RMB 176.5m. At its peak Open Interest for EC2404 reached 134,931 lots. Since its launch on 18 August 2023, the CoFIF Shanghai-North Europe freight rate futures has traded on average daily volumes that are equivalent to over 600,000 feu a day, which is significantly higher than actual Far East-North Europe freight capacity of 20,000 feu per day.

Contracts	Closing Price			Avg Daily Volume (contracts)			Avg Daily Turnover (\$ mn)			Open Interest (contracts)		
	29 Apr	22 Apr	WoW	Week 17	Week 16	WoW	Week 17	Week 16	WoW	29 Apr	22 Apr	WoW
EC2404	2,170	2,166	0%	339	739	-54%	5	11	-54%	1,640	2,533	-35%
EC2406	2,784	2,573	8%	39,866	42,352	-6%	758	719	5%	29,936	27,622	8%
EC2408	2,550	2,527	1%	24,731	13,144	88%	473	215	120%	22,088	15,989	38%
EC2410	2,169	2,224	-2%	8,730	6,106	43%	149	88	69%	9,159	7,715	19%
EC2412	2,134	2,168	-2%	2,637	1,405	88%	44	20	115%	3,268	2,900	13%
EC2502	1,995	1,877	6%	2,523	1,013	149%	39	13	197%	2,009	1,314	53%
Total				78,825	64,759	22%	1,468	1,068	38%	68,100	58,073	17%

CoFIF Daily Closing Price/Turnover/Open Interests



FE-NEUR Capacity Utilization : 2023-2024 by week



FE-NEUR Spot Rates (\$/40')

