

Market Pulse 2025 Week 15

IN FOCUS this week

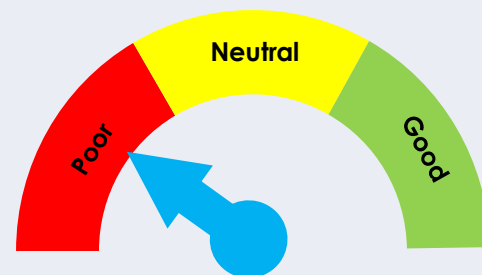
Tariff de-escalation needed to restore sentiment

MARKET BRIEF 2025 WEEK 15

The US-China standoff continues to keep container market sentiment poor with US tariff concessions far from sufficient to restore Transpacific volumes with cargo bookings in the next 3 weeks reported to be down by 30-60% in China and by 10-20% in the rest of Asia. The Labour Day holidays will further dampen cargo demand in May, and could force carriers to cancel additional sailings over the coming weeks in order to stop further freight rate erosion.

Only 3 Transpacific services have been withdrawn so far, with the MSC Mustang and Premier Alliance PN4 both withdrawn even before they were launched while TS Line's AWC2 deployed small 1,700 teu ships on irregular schedules. These tentative capacity cuts have done little to restore market balance with further turbulence ahead. The gap between charter rates and freight rates remain too wide and has claimed its first casualty with Singapore-based Vasi Shipping initiating insolvency proceedings last week.

CONTAINER MARKET BAROMETER 2025 WEEK 15



Port Congestion
Week 15

3.04m TEU
9.6% of fleet

Idle
Containerships

33 ships
60,207 TEU
0.2% of fleet

Ships Delivered
Last 30 days

25 ships
182,158 teu

Ships Deleted
Last 30 days

3 ships
1,959 teu

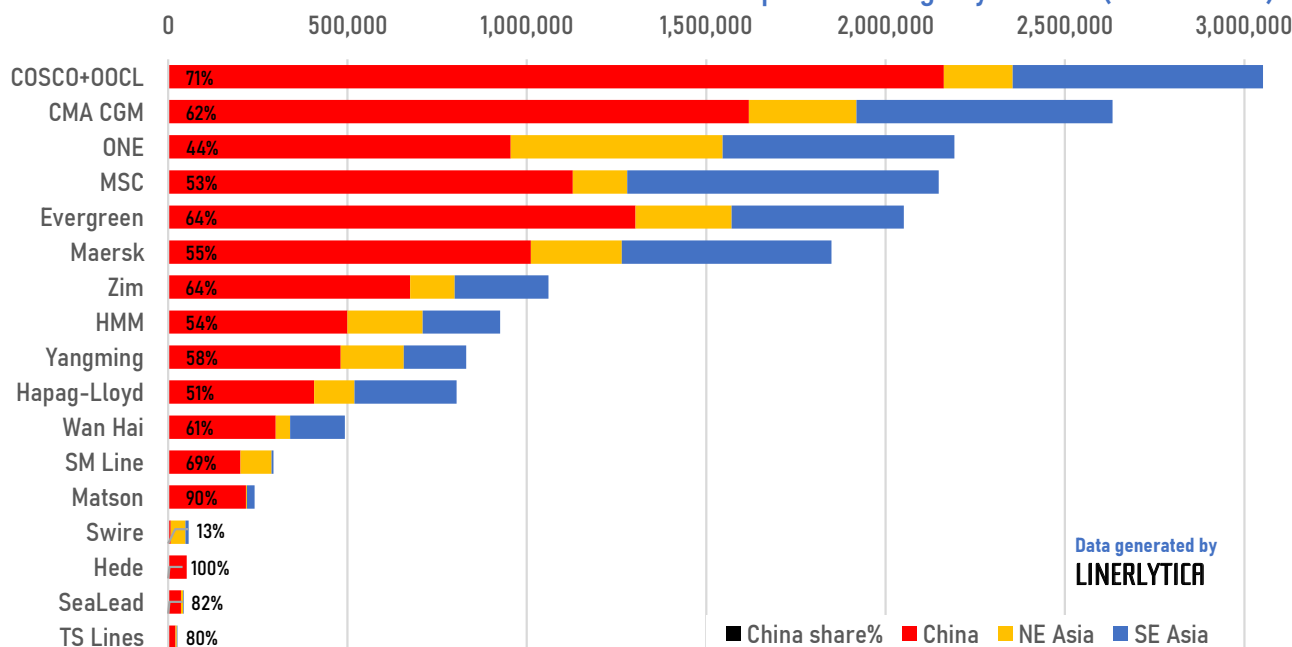
Freight Rates
SCFI Week 15

1,395
0.1% WoW
-20.6% YoY

US tariff concessions insufficient to restore transpacific volumes

The US has announced various exclusions from the high tariffs it announced on 2 April including a 90-days reduction to 10% tariffs on all countries except China, followed by the exclusion for 20 product categories from the 145% tariffs on China and the 10% baseline tariffs from other countries that included smartphones, computers and various electronic devices. Despite these moves to de-escalate the tariff war, an estimated 30% to 40% of transpacific container imports are still effectively halted by the tariffs that remain in place principally affecting carriers with the largest exposure to Chinese transpacific exports to the US. Hede (100%), Matson (90%), SeaLead (82%), TS Lines (80%) and COSCO (71%) are most at risk from the immediate fallout and are still evaluating their responses.

Transpacific liftings by Carrier (TEU in 2024)



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Freight futures pull back on tariff concerns

Container freight futures continued their retreat after last week's US tariff turmoil. Apart from EC2504 which expires in 2 weeks, prices for longer dated contracts fell by 7% to 14% over the week, driven by short sellers in heavy trading with average daily volumes rising by 59% week on week.

The SCFIS edged lower by 1.4% to 1,402 points on 14 April but could see some marginal gains in the next 2 weeks from the planned mid-April rate hikes with EC2504 trading at a 6% premium. Although EC2506 rates remain 21% higher than current rates, carriers have already started to roll back their early May rate quotations on expectations of weak demand after the Labour Day holidays with CMA CGM revising their FE-North Europe rates from \$4,500 to \$3,100 per FEU.

	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
Contracts	14-Apr	7-Apr	WoW	1,402	Week 14	Week 13	WoW	Week 14	Week 13	WoW	14-Apr	7-Apr	WoW
EC2504	1,480	1,518	-2%	6%	386	818	-53%	4	9	-54%	1,297	2,134	-39%
EC2506	1,697	1,885	-10%	21%	74,865	52,566	42%	925	763	21%	33,133	30,043	10%
EC2508	1,708	1,980	-14%	22%	31,887	16,696	91%	392	255	54%	29,822	27,672	8%
EC2510	1,295	1,389	-7%	-8%	13,839	6,878	101%	125	72	72%	15,747	15,614	1%
EC2512	1,480	1,610	-8%	6%	2,809	1,384	103%	29	16	80%	3,777	3,401	11%
EC2602	1,310	1,441	-9%	-7%	2,173	963.5	125%	20	10	97%	2,676	2408	11%
Total					125,959	79,305	59%	1,495	1,126	33%	86,452	81,272	6%

