

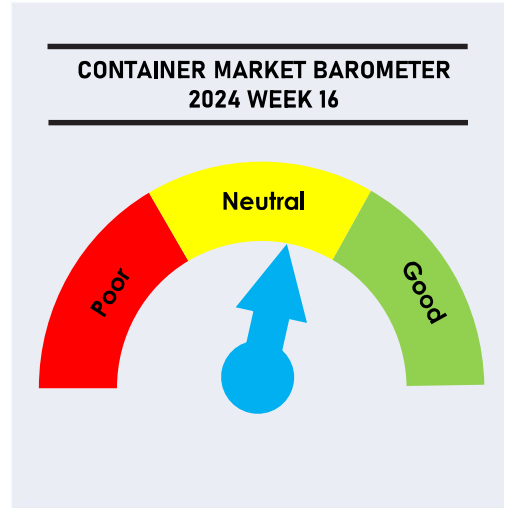
Market Pulse, 2024 Week 16

IN FOCUS this week
Shipping under threat in the Persian Gulf

MARKET BRIEF, 2024 WEEK 16

The pace of new containership deliveries have picked up markedly with over 309,000 teu delivered in the past month, pushing the annualised rate of fleet growth to 9.6%. The influx of new supply has not dampened the buoyant demand for tonnage with charter rates still inching upwards. The escalation of the Middle East crisis in the past week has provided a further boost to demand for containerships with the threat to shipping building up in the Persian Gulf while the Suez diversions building into an extended crisis.

The exposure of Israeli-linked ships in the Strait of Hormuz is small at the moment, but the turmoil will provide a catalyst for freight rates to rise in the coming weeks. The SCFI rose marginally for a second straight week, led by sharp gains in Latin America, Middle East and Australia while Asia-Europe and Transpacific rates have stemmed their recent declines with Shanghai freight futures to North Europe rallying sharply at the start of the week.

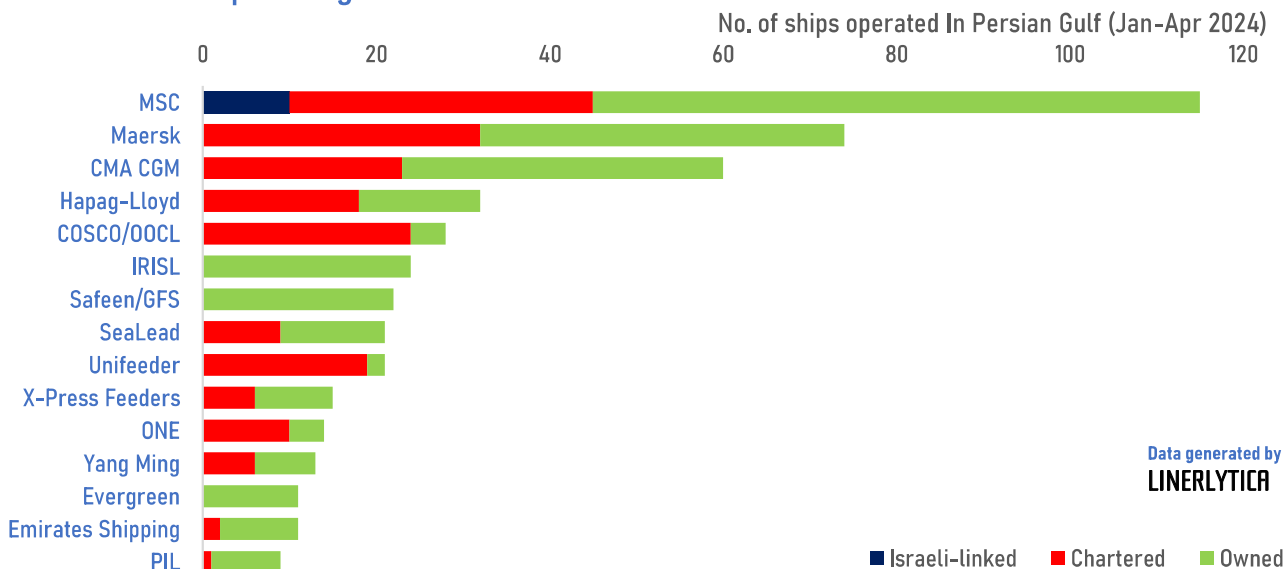


Limited Israeli-owned containership exposure on Persian Gulf

The seizure of the 14,952 teu MSC ARIES by Iranian special forces on 13 April 2024 off Fujairah has placed heightened risks on Israeli-linked containerships trading in the Strait of Hormuz. However, the Israeli owned fleet accounts for less than 2% of all containerships in the Persian Gulf and their redeployment to other routes is not expected to cause significant disruptions to the trade, barring a full blockade of the Strait of Hormuz if the Israeli conflict escalates.

Out of over 500 containerships currently trading in the Persian Gulf, only 10 ships are owned by Israeli-linked interests, all of which are operated by MSC.

Main carriers operating in the Persian Gulf



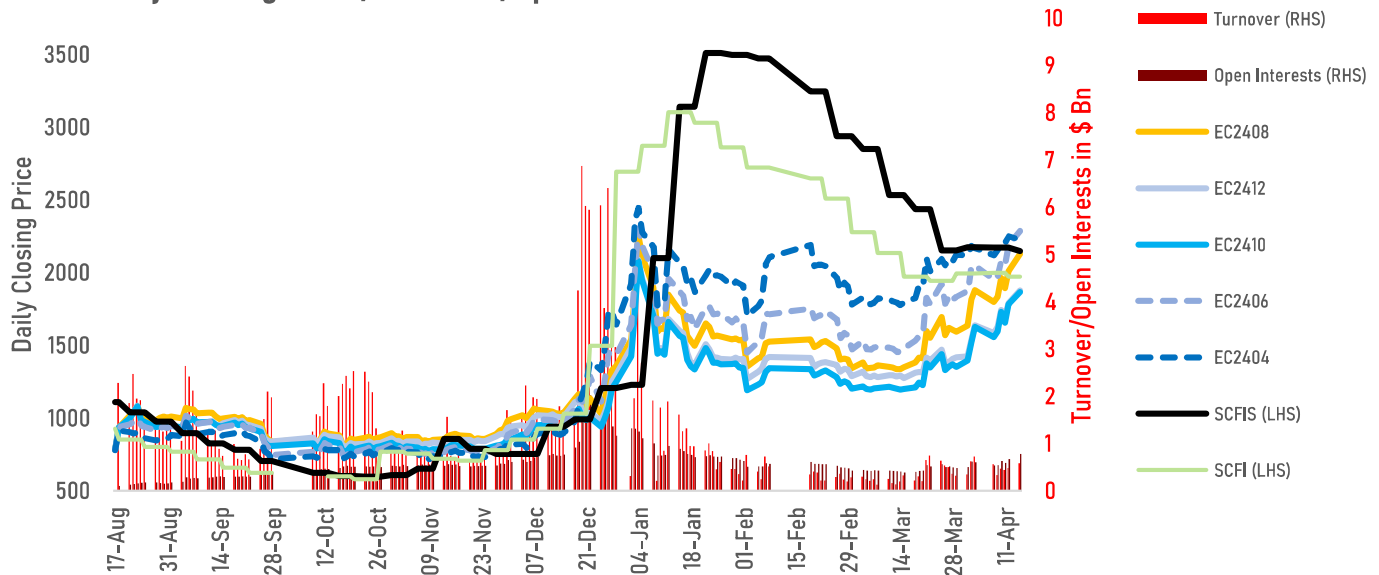
Asia-Europe futures rate rally on expectations of extended Suez diversions

Asia-North Europe freight futures rallied on 15 April with longer dated CoFIF contracts (covering June 2024 to February 2025) recording strong double digit % gain. Traders are building long positions with the escalation in the Middle East conflict expected to extend the Suez diversions. The extended voyages have kept Asia-North Europe capacity in check, with effective capacity falling by 3% YoY in spite of the additional 23% capacity that has been deployed on the route.

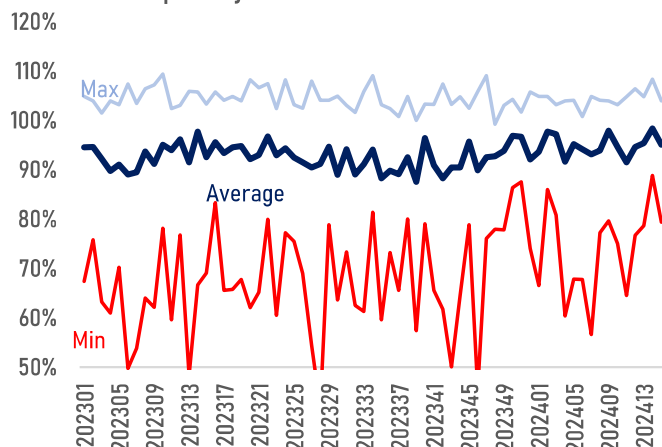
Although carriers failed to push the two April rate hikes in full and the SCFIS recorded its 2nd straight weekly decline, they will make a further push to raise FAK rates with the high current capacity utilisation providing rate support.

Contracts	Closing Price			Avg Daily Volume (contracts)			Avg Daily Turnover (\$ mn)			Open Interest (contracts)		
	15 Apr	8 Apr	WoW	Week 15	Week 14	WoW	Week 15	Week 14	WoW	15 Apr	8 Apr	WoW
EC2404	2,228	2,120	5%	670	1,975	-66%	10	29	-65%	4,532	5,671	-20%
EC2406	2,287	1,953	17%	23,428	34,654	-32%	341	477	-28%	28,304	20,611	37%
EC2408	2,128	1,797	18%	5,334	6,243	-15%	72	78	-7%	10,587	7,563	40%
EC2410	1,864	1,555	20%	2,559	3,634	-30%	30	39	-22%	5,537	4,919	13%
EC2412	1,877	1,584	18%	363	785	-54%	4	8	-48%	2,394	2,248	6%
EC2502	1,617	1,444	12%	162	187	-14%	2	2	-5%	539	294	83%
Total				32,355	47,291	-32%	458	631	-27%	51,354	41,012	25%

CoFIF Daily Closing Price/Turnover/Open Interests



FE-NEUR Capacity Utilization



FE-NEUR Spot Rates (\$ per FEU)

