

Market Pulse 2024 Week 49

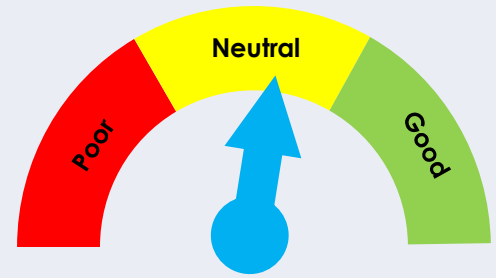
IN FOCUS this week
Winners emerge from US tariff hikes

MARKET BRIEF 2024 WEEK 49

Container freight rates are still on track to stage a December rally, although initial gains on the Asia-Europe, Middle East and Intra-Asia routes have been tempered by continued weakness on the Transpacific and Oceania routes. Carriers' efforts to push ahead with various rate hikes in November and December have stemmed the rate reductions of the previous 3 months, giving the carriers an improved bargaining position ahead of the new contract negotiations for 2025.

Carriers appetite for new tonnage continues to push charter rates higher. Apart from raiding the depleted charter market for additional tonnage, carriers have returned to the newbuilding market in droves with Maersk confirming a 20 ship order on top of additional charter deals as it tries to narrow the self-created gap with MSC. The orderbook ratio has rebounded to 27% from 20% in June on the back of more than 3.8m teu of new capacity that has been ordered in the last 6 months alone.

CONTAINER MARKET BAROMETER 2024 WEEK 49



Vietnam, South Korea and Thailand set to profit from new Trump tariffs

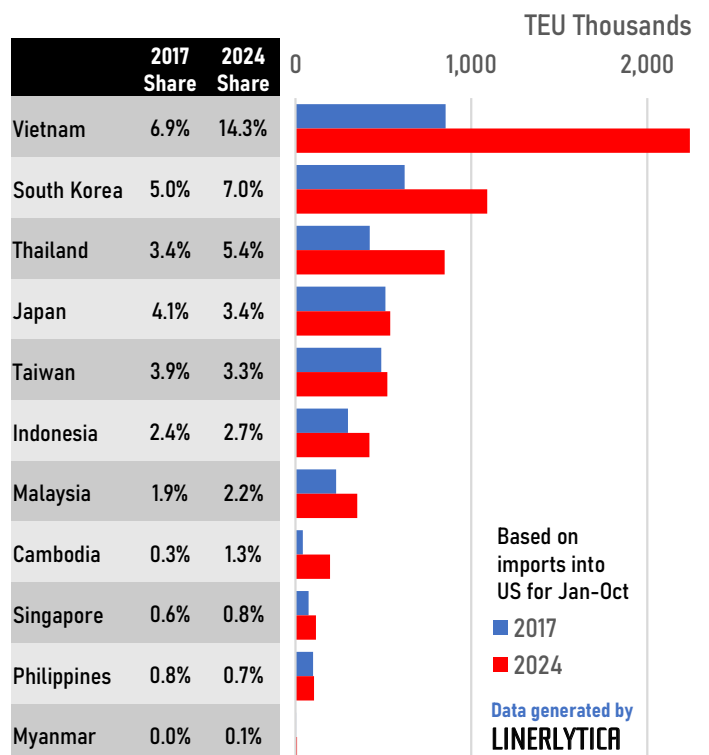
Containerised cargo imports into the US from Asia have continued to grow over the last 7 years despite the introduction of US import tariffs since 2018.

Overall cargo growth grew by 3.5% on a compounded basis between 2017 and 2024 with all Asian origins recording positive cargo growth, including China that posted growth of 0.8% during the period.

Although China's share of total US imports from Asia decreased from 70.4% in 2017 to 58.9% in 2024, it remains the largest origin country of container cargo to the US. Other Far East Asia origins recorded mixed performances with Vietnam, South Korea, Thailand and Cambodia generating the largest growth in volumes and market share gains.

Japan, Taiwan and Philippines saw their market share shrink, while Indonesia, Malaysia and Myanmar only recorded marginal gains as they failed to capitalize on China's losses during the last 7 years.

US Transpacific Container Volumes Breakdown by Origin excl China



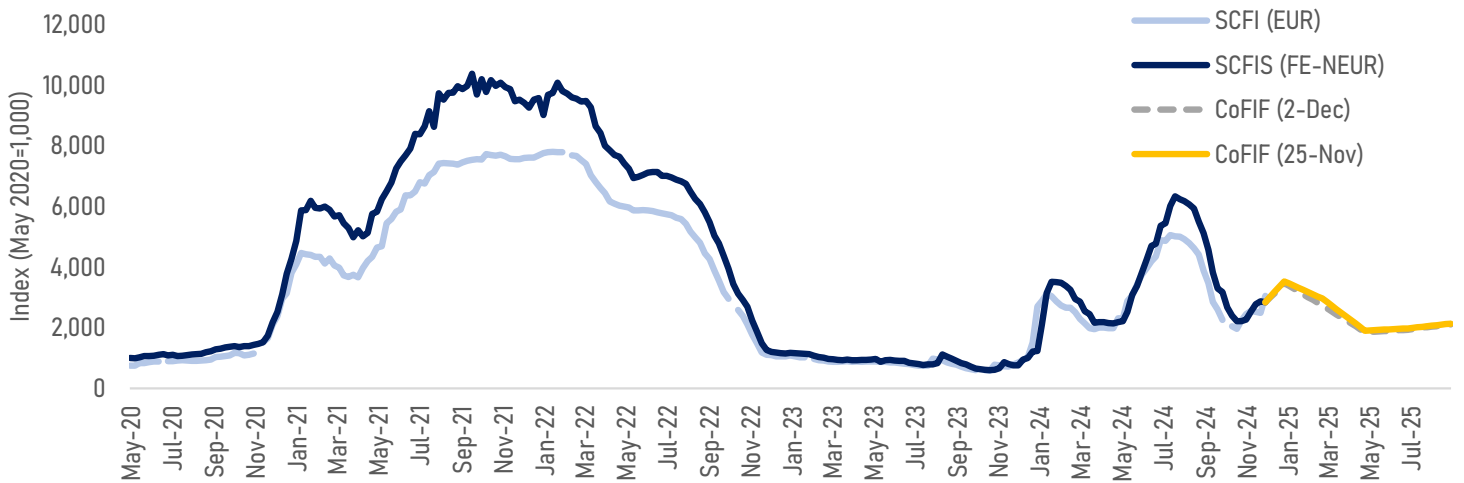
Middle East conflicts and Dec-1 Rate Increase Lifted EC

EC freight futures regained most of their previous week's losses with the escalation in Middle East tensions driving up the prices of longer-dated EC contracts from April 2025, while expectations of further rate strength in December and January also boosted the near-dated contracts for EC2412 and EC2502. Average daily trading volume has bounced back above 100,000 contracts but open interest fell by 8% week-over-week as short sellers closed their positions.

Trading sentiment were boosted by the SCFI's 23% gain last Friday to North Europe, but the SCFIS slipped by 1.2% on 2 December, reflecting the pre-GRI rate drops at the end of November. Average capacity utilization for North Europe-bound vessels edged up to 95.3% last week (week 48) on lower weekly capacity of 223,356 teu. Average weekly capacity is expected to reach 300,000 teu for the remainder of December, increasing to 317,000 teu in January which could trigger carriers to give further rate discounts over the coming weeks.

Contracts	Closing Price			Vs SCFIS 2,829	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	2-Dec	25-Nov	WoW		Week 48	Week 47	WoW	Week 48	Week 47	WoW	2-Dec	25-Nov	WoW
EC2412	3,483	3,515	-1%	23%	2,215	2,488	-11%	54	63	-13%	5,745	7,849	-27%
EC2502	2,810	2,722	3%	-1%	62,177	36,972	68%	1,168	820	42%	33,700	36,489	-8%
EC2504	1,906	1,821	5%	-33%	21,652	19,531	11%	271	270	0%	18,009	20,191	-11%
EC2506	2,002	1,846	8%	-29%	7,861	7,026	12%	102	100	2%	8,059	8,436	-4%
EC2508	2,179	2,008	8%	-23%	6,511	7,735	-16%	91	118	-23%	8,401	7,928	6%
EC2510	1,668	1,500	11%	-41%	4,079	3,986	2%	46	47	NA	5,876	5,842	1%
Total					104,495	77,738	34%	1,732	1,417	22%	79,790	86,735	-8%

Shanghai Export Containerized Freight Index based on Settled Rates (SCFIS) vs Futures



CoFIF Daily Closing Price

