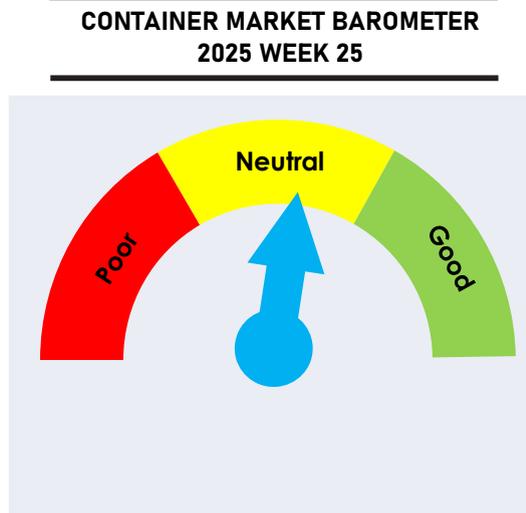


## Market Pulse 2025 Week 25

### MARKET BRIEF 2025 WEEK 25

The SCFI rolled back all of the gains of the past 3 weeks as Transpacific rates collapsed under the weight of excess capacity. Freight rates to the US West Coast have recorded their largest weekly losses in the last 2 weeks as their failure to retain any of their 1 June rate hikes have also put the peak season surcharge for contract customers at risk. The early end to the transpacific peak season have not yet dragged down rates on the secondary routes that remain supported by buoyant cargo volumes, while charter rates also remain firm with very limited open tonnage. However cracks are starting to appear with EC freight futures for August trading below June prices, suggesting that the market may have already reached its peak for this year.

The likelihood of Iran following through on its threat to close the Strait of Hormuz is low as it would affect not just its oil exports but also its container imports with over 35% of its container cargo transhipped through other Middle East Gulf ports.

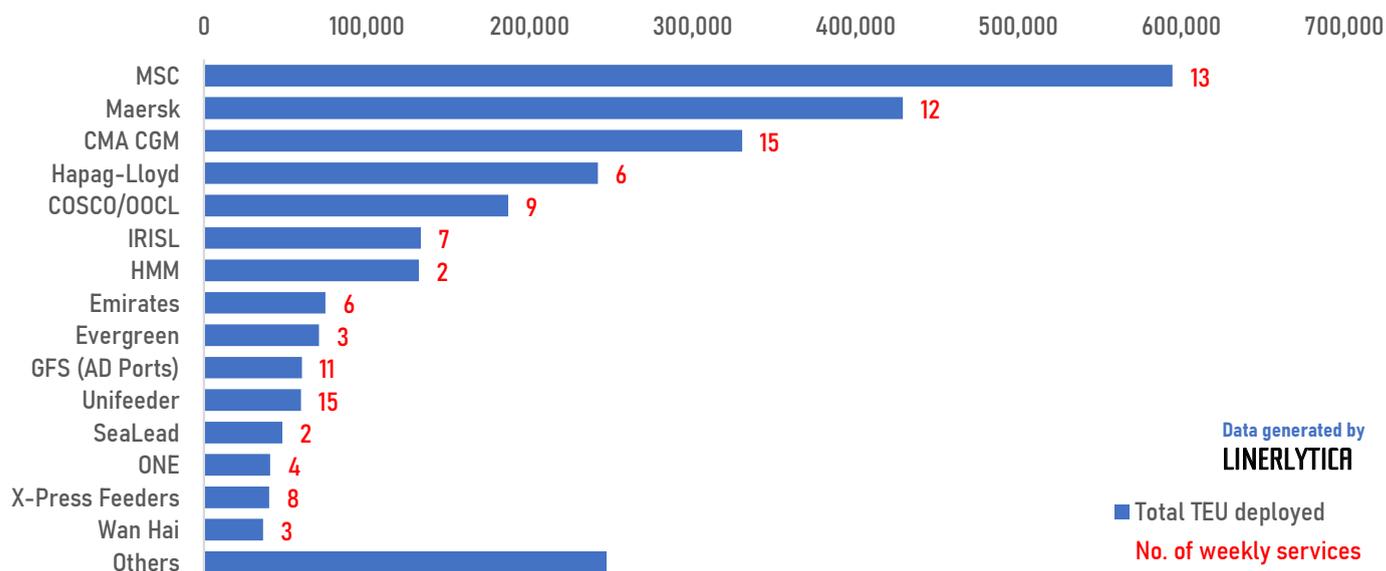


### Strait of Hormuz closure will also cut off Iranian cargo supplies

Despite Iranian threats to close the Strait of Hormuz to vessel traffic, such a move would also cut off supplies to Iran. Apart from container shipping services operated by IRISL and several smaller Iranian carriers that call directly at Iranian ports, a significant part of Iranian container traffic is also transhipped through other Middle East Gulf ports, accounting for over 35% of the 2.5m TEU handled at Iranian ports in 2024.

Total container vessel capacity operated on services that passes the Strait of Hormuz currently stands at 3.2m TEU, accounting for 8.4% of the global fleet but there are no Israeli or American owned ships currently deployed on this route.

Total vessel capacity deployed on services in Strait of Hormuz with breakdown by carrier



### Europe rates may have already peaked

EC container freight futures retreated by 3-8% over the past week on reduced daily trading volumes as scepticism grows over the sustainability of carriers' rate hikes on 1 July led by CMA CGM and MSC. The Middle East tensions failed to lift market sentiments and freight rates to Europe appear to have peaked for this year as the EC2508 price closed below EC2506. The benchmark rates for August have fallen below 1,900 for the first time since May while open interest swelled by 3,300 contracts as short selling pressure mounts.

The SCFIS rose by 14% for the week, belatedly catching up with earlier advances in the SCFI but the late gains may not be sufficient to cover the 4.3% gap to the current EC2506 contract that expires next week.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)				Avg Daily Turnover (\$M)			Open Interest (contracts)		
	23-Jun	16-Jun	WoW		1,937	Week 24	Week 23	WoW	Week 24	Week 23	WoW	23-Jun	16-Jun	WoW
EC2506	1,883	1,934	-3%	-3%	743	1,253	-41%	10	17	-42%	3,361	5,204	-35%	
EC2508	1,875	2,030	-8%	-3%	64,175	72,671	-12%	897	1,045	-14%	47,053	43,658	8%	
EC2510	1,370	1,415	-3%	-29%	12,983	20,071	-35%	127	199	-36%	31,514	29,238	8%	
EC2512	1,530	1,611	-5%	-21%	1,939	4,402	-56%	21	50	-58%	6,656	6,332	5%	
EC2602	1,372	1,454	-6%	-29%	546	1,058	-48%	5	11	-50%	2,939	3,131	-6%	
EC2604	1,210	1,274	-5%	-38%	762	1,025	-26%	7	9	-28%	4,156	3,560	17%	
<b>Total</b>					<b>81,148</b>	<b>100,479</b>	<b>-19%</b>	<b>1,067</b>	<b>1,331</b>	<b>-20%</b>	<b>95,679</b>	<b>91,123</b>	<b>5%</b>	

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

