

## Market Pulse 2024 Week 46

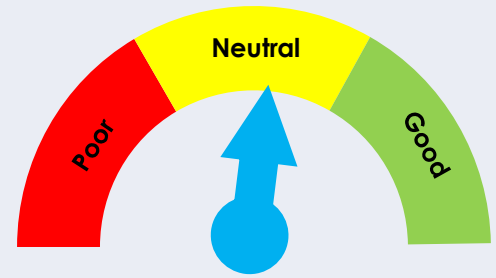
**IN FOCUS this week**  
 Tariffs did not narrow US trade deficit

### MARKET BRIEF 2024 WEEK 46

The outcome of the US presidential elections will drive further instability in the container markets, with US imports poised to rise ahead of the potential imposition of new tariffs. Based on data collected since 2018, the cargo front loading could raise US container imports by as much as 10% to 15% in the next 3 months. Although this will drive up freight rates in the short term, the longer term impact of any trade war on global container volumes will be negative even though US import tariffs imposed since 2018 has done nothing to reduce the US container trade deficit and the growing dependence of container imports.

Container freight futures are predicting further freight rate erosion in 2025 once the initial front loading ends, coupled with an earlier end to the Red Sea crisis given the imminent change in the US administration.

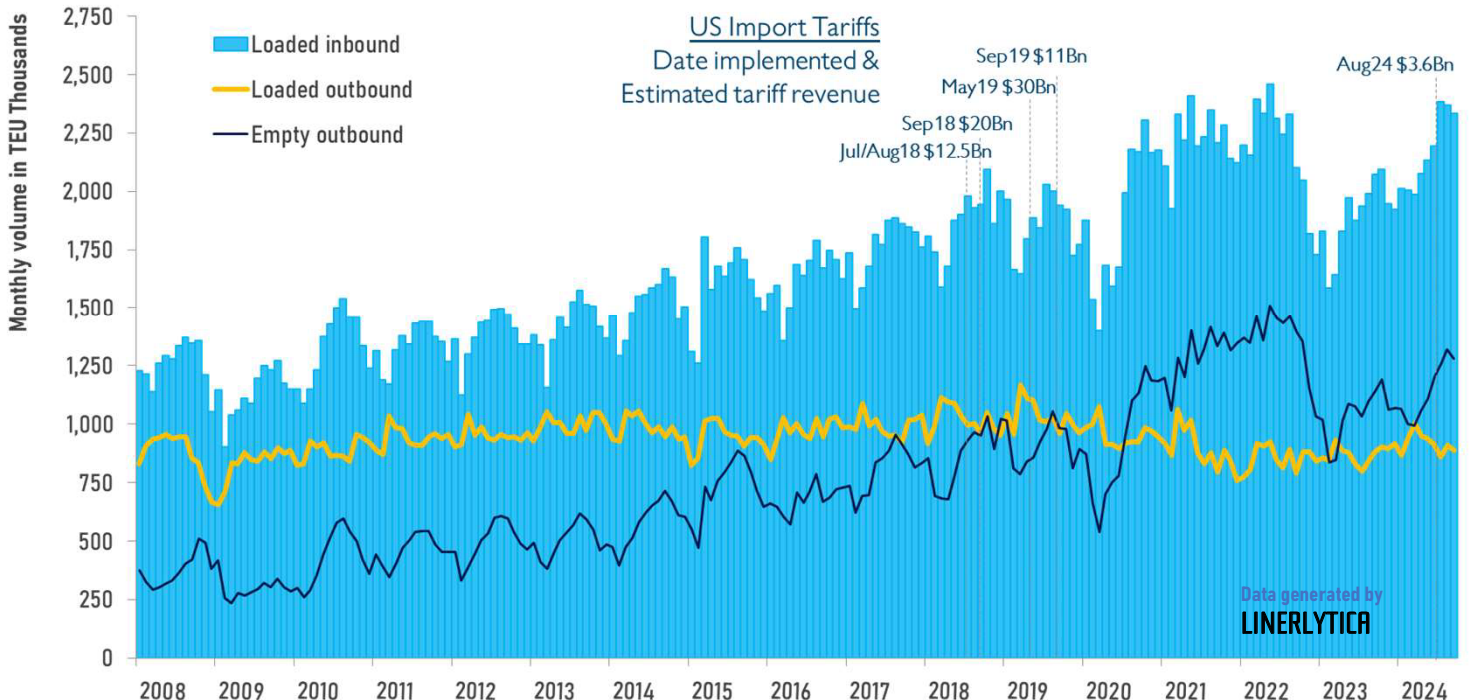
### CONTAINER MARKET BAROMETER 2024 WEEK 46



### US import tariffs failed to narrow container trade deficit

The US container trade imbalance has worsened in the last 6 years since the first round of trade tariffs were introduced in 2018. Total US laden container imports outnumber laden exports by a factor of 2.4 times in 2024 compared to 1.8 times in 2018. Over the same period, average monthly imports have risen by 18% while exports have decreased by 10%, with the number of empty containers repositioned out from US rising by 39%.

Top 10 North American Ports Monthly Container Volumes (Updated to Sep 2024)



## 2025 freight futures slump on Trump trade

EC container freight futures slumped on 11 November 2024 with the "Trump Trade" driving down longer-dated contracts on trade tariff concerns as well as a potential resolution of the Gaza crisis that could lead to the resumption of regular vessel traffic through the Red Sea.

Near-term contracts for December 2024 and February 2025 slipped by smaller amounts after a brief rally at the end of last week as hopes for the pull forward of cargo bookings were dampened by carriers offering discounted rates through the end of November. December contracts to North Europe are still trading at a 41% premium to the SCFIS that rose by 11.8% to 2,526 after market close, but the recent rate momentum has turned negative as MSC has abandoned the mid-November rate hike, while some carriers are aiming for another round of rate increases in December with Maersk raising their December rates to over \$6,000/feu.

Contracts	Closing Price			Vs SCFIS 2,526	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	11-Nov	4-Nov	WoW		Week 45	Week 44	WoW	Week 45	Week 44	WoW	11-Nov	4-Nov	WoW
EC2412	3,560	3,069	16%	41%	11,949	25,170	-53%	283	546	-48%	13,090	17,767	-26%
EC2502	3,244	2,794	16%	28%	48,186	25,908	86%	1,066	496	115%	34,308	28,630	20%
EC2504	1,668	1,825	-9%	-34%	26,115	14,325	82%	349	181	93%	20,235	18,936	7%
EC2506	1,693	1,952	-13%	-33%	9,621	3,579	169%	138	47	197%	8,394	6,787	24%
EC2508	1,917	2,196	-13%	-24%	11,952	2,954	305%	191	42	354%	7,417	5,749	29%
EC2510	1,505	1,500	0%	-40%	4,886	1,438	240%	57	16	NA	4,560	1,803	153%
<b>Total</b>					<b>112,709</b>	<b>73,373</b>	<b>54%</b>	<b>2,085</b>	<b>1,328</b>	<b>57%</b>	<b>88,004</b>	<b>79,672</b>	<b>10%</b>

