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XSI® PUBLIC INDICES

OCEAN FREIGHT | February 2019

Long-Term Contracted Market

Xeneta Shipping Index (XSI®)

XSI® - February 2019

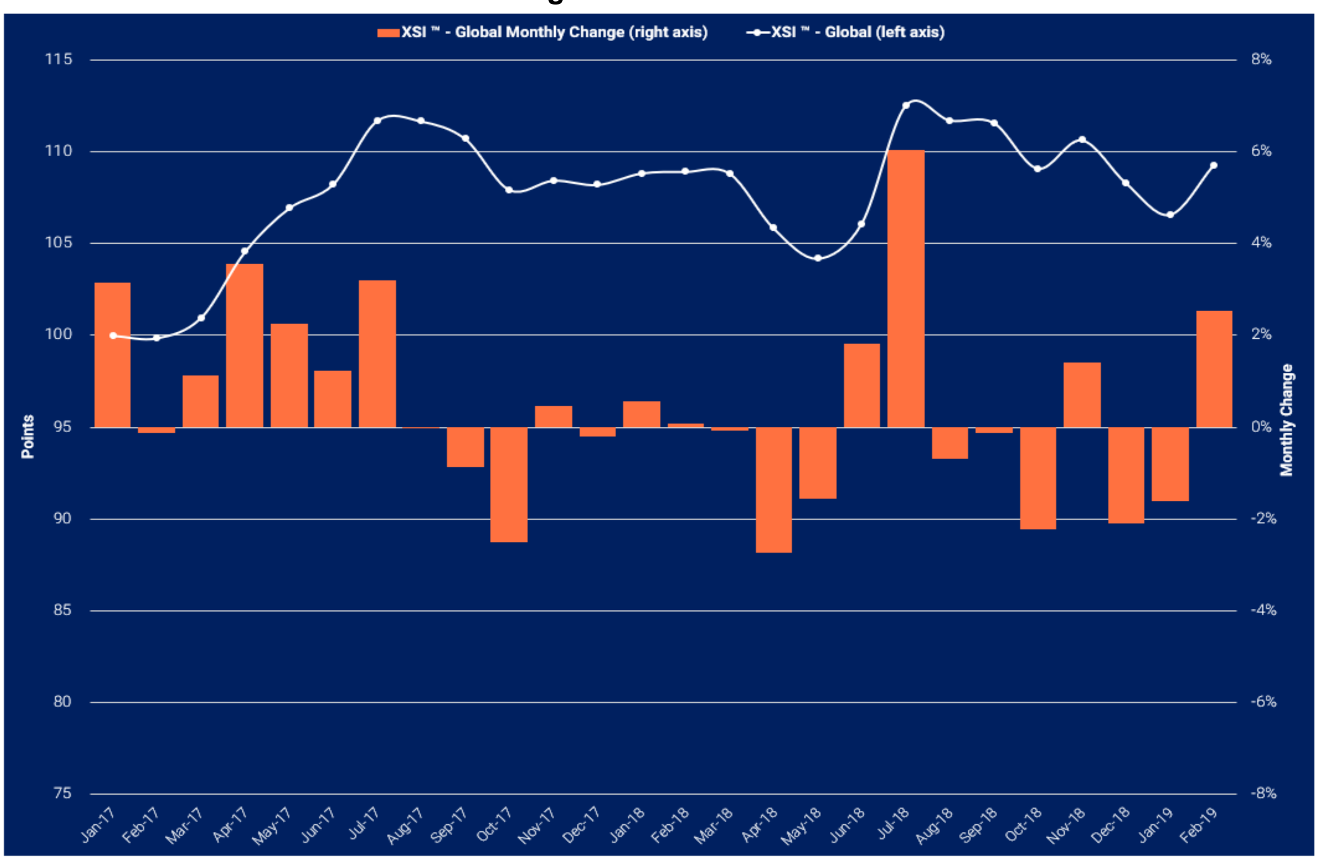
XSI® - Global

The global XSI® increased by 2.5% in Feb-19 to 109.29, thereby reversing the month-on-month fall reported in Jan-19. Year-on-year the global benchmark is up just 0.3% but the index did increase by a greater percentage compared to the jump 0.1% recorded in the same month of 2018.

Elsewhere, financial results have been in the spotlight during the past month, with carriers reporting mixed results. Lines within the ONE alliance all posted negative results, with MOL recording a year-to-date loss of JPY 14.2bn. Meanwhile, K Line reported a JPY 31.4bn loss for the first nine months and NYK recorded year-to-date losses on their container businesses of JPY 24.7bn. Meanwhile, HMM cited increased fuel costs and Iran sanctions for its huge USD 720m deficit recorded at the end of the year.

Conversely, AP Møller Maersk recorded an underlying profit of USD 120m in the final three months of 2018, helping to lift its profits for the year to USD 220m. However, the Danish line was less than upbeat about prospects for 2019, with anticipated trade growth of 1-3% seen as disappointing. Amongst the reasons for the lackluster growth was an uncertain global macro outlook, trade tensions, IMO regulations and a possible Brexit fallout.

Fig 1: XSI® - Global



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XSI® - Europe Imports / Exports

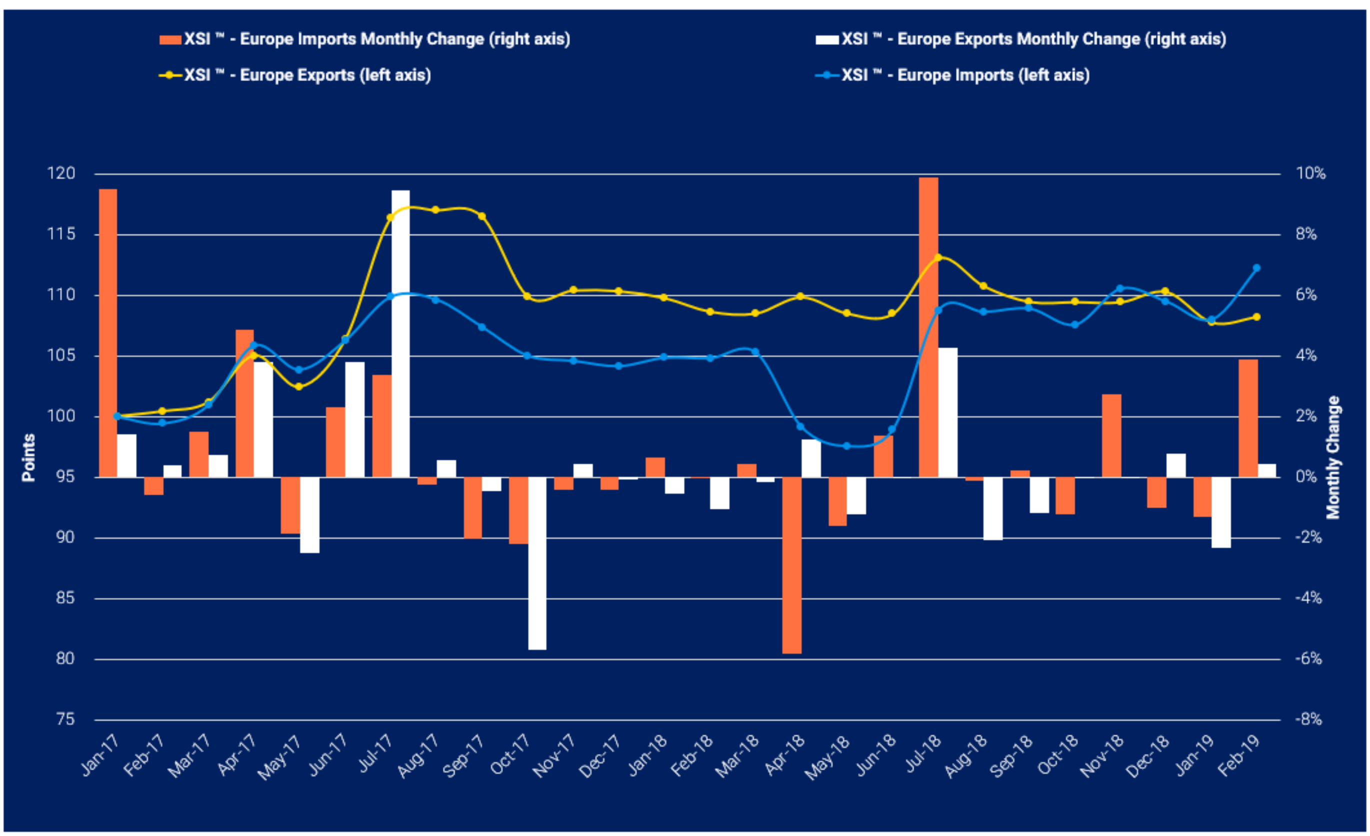
European imports on the XSI® increased 3.9% month-on-month to 112.23 points. This dramatic jump has taken the benchmark to a new all-time high. The last time we noted a bigger increase was back in Jul-18 when it rose 9.9% in a single month.

As a result of this latest increase, year-on-year the index is 7.1% higher and it has risen 2.5% since the end of 2018.

Looking ahead, the key Asia-Europe trade is expected to receive a noticeable increase in capacity during the coming months due to the introduction of the Ocean Alliance's seventh (NEU7) loop from April. The newly introduced service will deploy ten 13,000-14,000 TEU vessels supplied by Evergreen, which could place downward pressure on rates if it is not met with increased demand.

Meanwhile, exports on the European XSI® rose 0.5% in Feb-18 to 108.22. Despite the increase the index remains 0.4% lower than the same period of 2018.

Fig 2: XSI® - Europe Imports / Exports



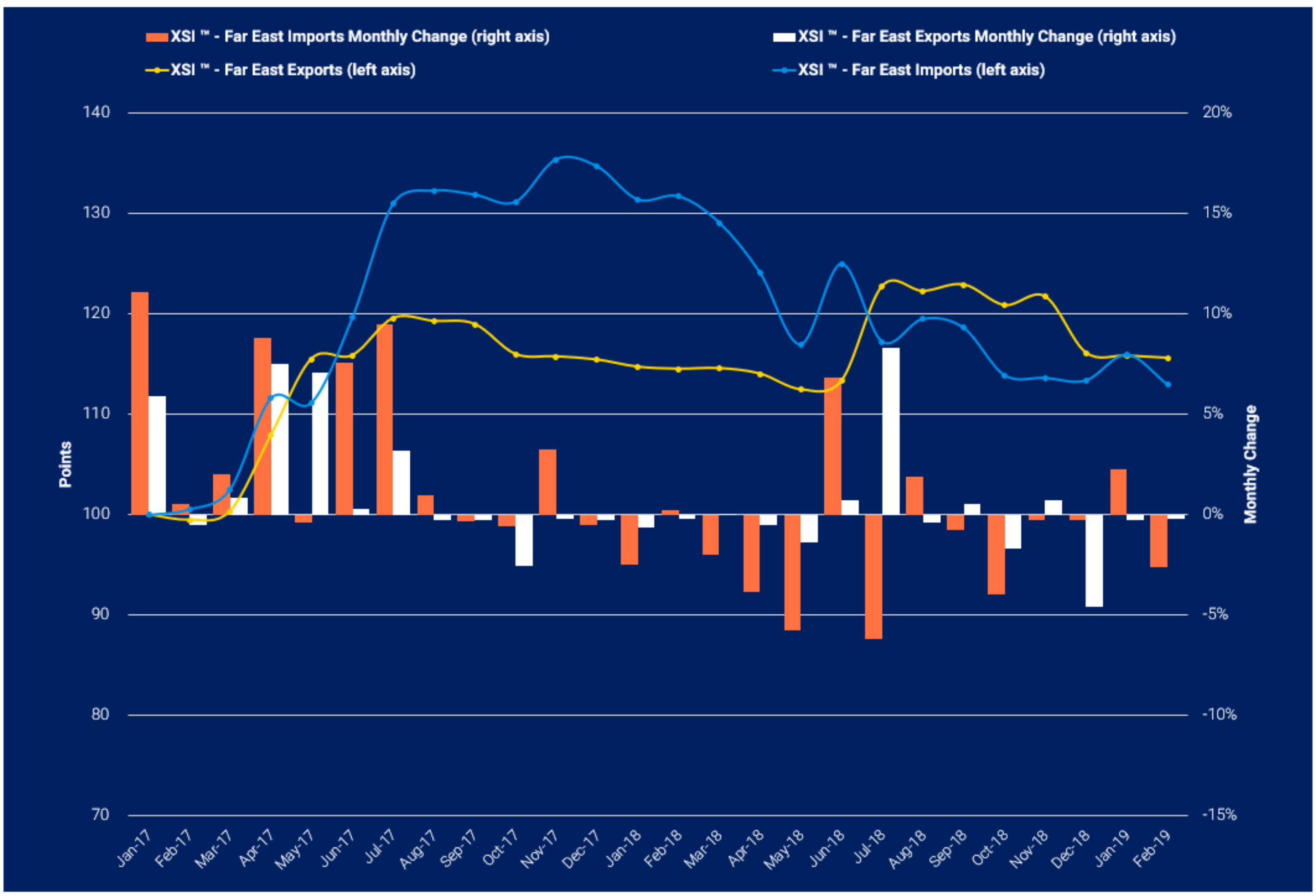
XSI® - Far East Imports / Exports

The year of the pig has started with a whimper rather than a bang with Far East imports on the XSI® falling 2.6% in Feb-19 to 113.01 points. The decline more than offset the increase reported in the previous month, placing the benchmark back on its downward trajectory.

This long-term decline is highlighted in its year-on-year performance, with the index down 14.2% compared to Feb-18.

Exports on the Far East XSI® declined 0.2% month-on-month to 115.62 but remain 0.9% higher than same period a year earlier.

Fig 3: XSI® - Far East Imports / Exports



XSI® - US Imports / Exports

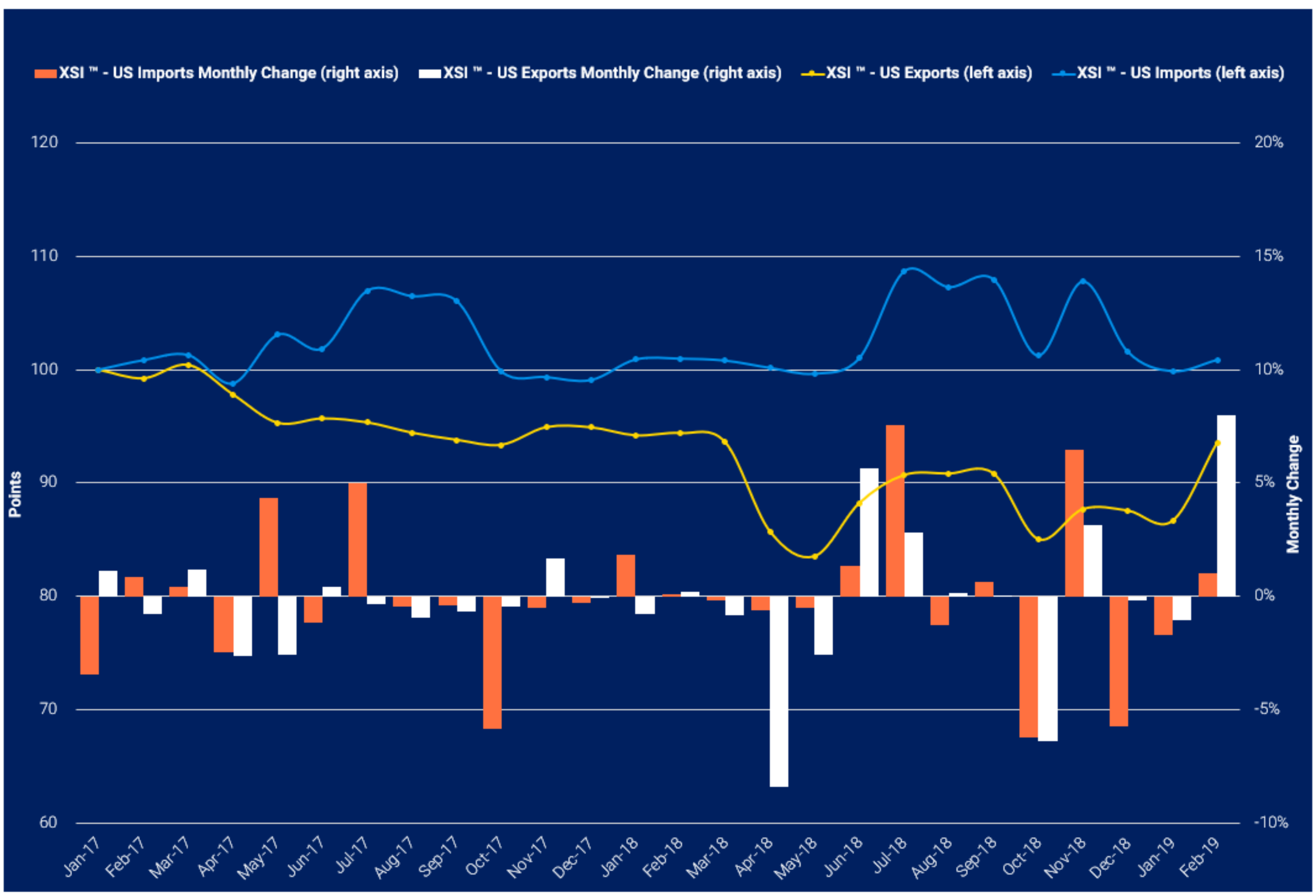
Month-on-month US imports on the XSI® increased 1.0% in Feb-19 to 100.86. Compared to the same period of 2018, the benchmark is almost unchanged, down just 0.1%.

However, developments in US exports were much more positive. In Feb-19 the index jumped by a massive 8% to 93.57, representing the largest single monthly increase since the inception of the XSI®.

Due to this large month-on-month increase, the index has regained ground lost over the last few years and is now at levels similar to that recorded in Mar-18.

In other news, intense negotiations between the US and China continued over the weekend as both sides look to complete a trade deal before the March 1st deadline, when further tariffs are due to come into force. An extension to the deadline is also on the table but if a deal cannot be reached then increased tariffs of 25% are expected to be levied on $200m of Chinese imports into the US.

Fig 4: XSI® - US Imports / Exports



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XSI® Public Indices Report METHODOLOGY

- Rates delivered from freight forwarders and shippers
- Based on long-term contracts only
- Rates pulled from Xeneta's ocean freight platform of +85MN contracted rates
- Rates included have a valid from date within 90 days of the 20th of every month
- Indices based on an aggregation of trade-weighted corridors
- Indices rates surcharges are based on all-in CY/CY pricing methodology
- Global index is a combination of worldwide trade-weighted corridors not limited to US, Europe and Far East indices

DISCLAIMER

The monthly XSI® Public Indices report is meant to give an indication of the global market movements for the long-term contract market in the container shipping industry focusing on the biggest regions in the world.

Xeneta does not recommend price setting on this market report as it is based on an aggregation of trade-weighted uncorrelated corridors. If you are interested in index-based contracting, we recommend our XSI® index-linked contracting product. For more information, please contact us via www.xeneta.com.

Xeneta is the leading ocean freight rate market intelligence platform and ocean freight rate index, Xeneta Shipping Index (XSI®). Xeneta's powerful reporting and analytics platform and data density provides liner-shipping stakeholders the insights they need to understand current and historical market behavior – reporting live on market average and low/high movements for both short and long-term contracts. Xeneta's data is comprised of over 85 million contracted container rates and covers over 160,000 global trade routes. Xeneta is a privately held company with headquarters in Oslo, Norway and regional offices in New York and Hamburg. To learn more, please visit www.xeneta.com.

NOTE: The XSI® public indices reports are based on long-term contracts only.