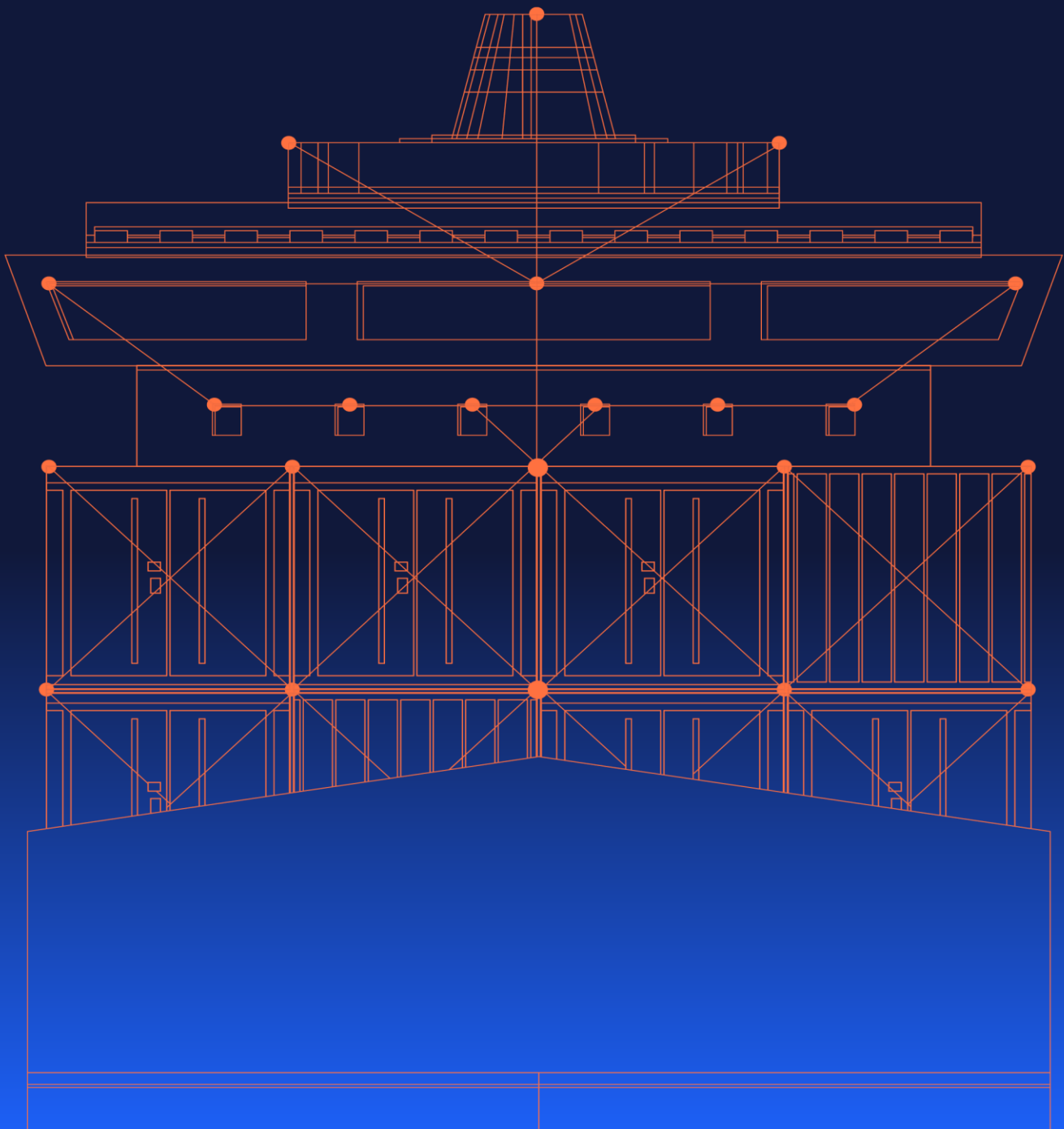


XSI[®] PUBLIC INDICES

OCEAN FREIGHT | April 2019

Long-Term Contracted Market



XSI® - Global

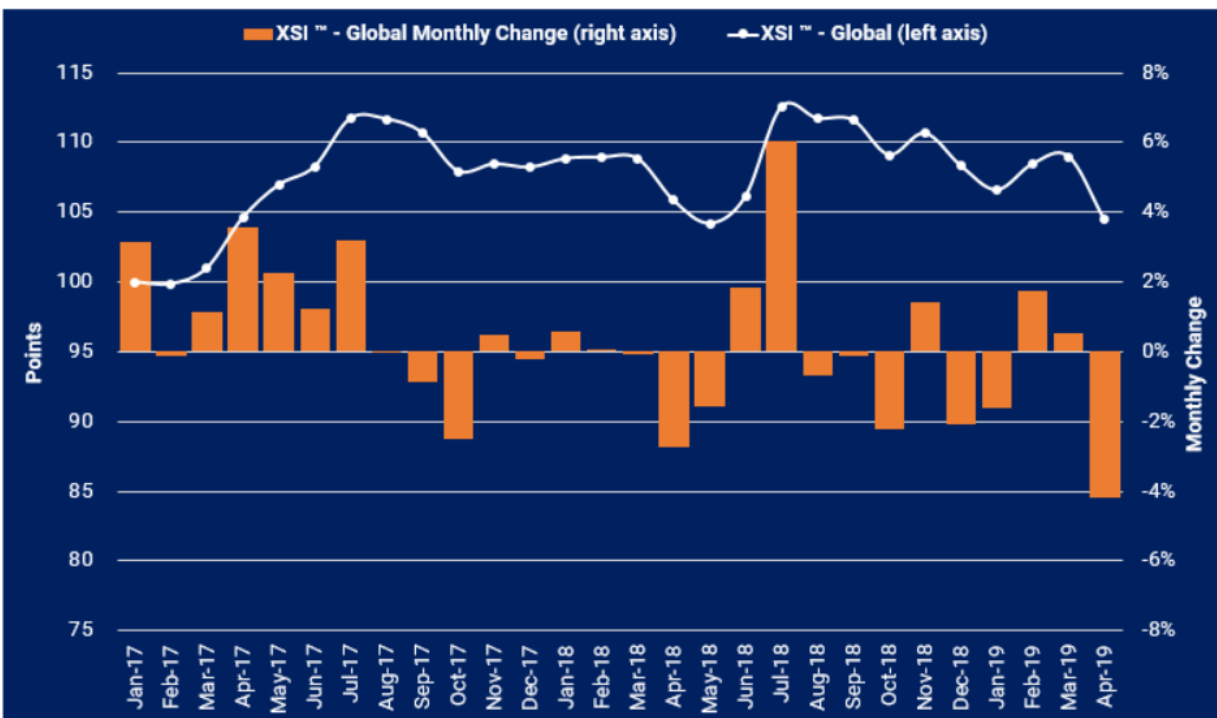
The global XSI® declined by 4.2% in April to 104.45 points, with month-on-month falls being reported across most trades.

The fall marks the single largest monthly decline in percentage terms since the inception of the index and takes the benchmark to its lowest level since Jun-18. Year-on-year, the global XSI® is down 1.3% but it has fallen 3.6% since the end of 2018.

In other news, the US Federal Maritime Commission has granted approval to the formation of a shipping group that aims to coordinate the industry's continued digitization. Dubbed the Digital Container Shipping Association (DCSA), it will be led by its CEO, Maersk's Thomas Bagge, While MSC's Andre Simha will act as chairman.

The group is formed of Maersk, MSC, Hapag-Lloyd, and Ocean Network Express and plans to form common technologies to make the industry more efficient. It is hoped this collaborative approach will allow carriers to focus on competition through service levels, rather than using technology itself to provide an advantage.

Fig 1: XSI® - Global



XSI® - Europe Imports / Exports

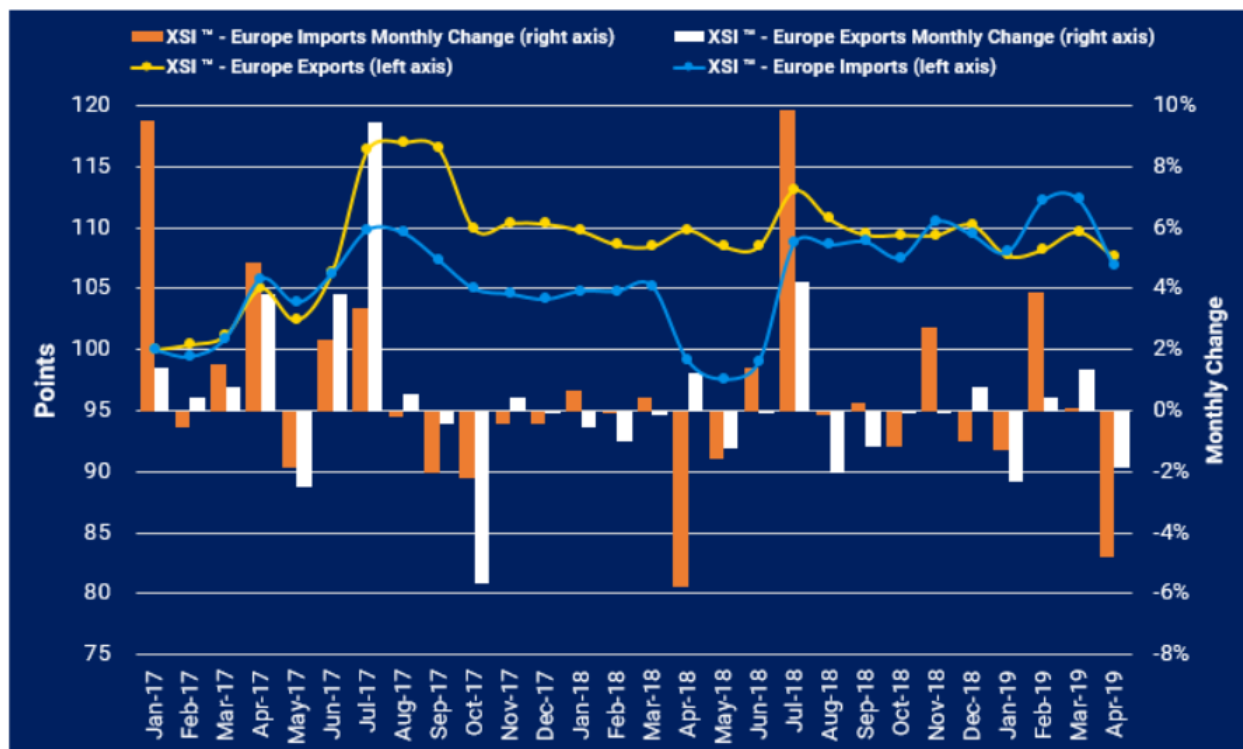
European imports on the XSI® fell 4.8% month-on-month in Apr-19 to 106.92. This represents the lowest level since Jun-18, when the index was recorded at 98.96 points.

Despite the decline, the benchmark is still 7.8% higher than in the same period of 2018. While its year-on-year performance has been positive, the index is down 2.3% compared to the end of last year. The recent deterioration of the index has reflected an erosion of rates in the spot market, with those on the key Far East-North Europe trade having trended downwards since Dec-18.

Further pressure has been applied on the trade due to the Ocean Alliance increasing capacity on a number of loops, as well as additional slots being added to a standalone HMM service. This extra capacity could lead to further rate pressure, which doesn't bode well for carriers concerned about recovering impending costs associated with new IMO regulations.

European exports on the XSI® also declined in Apr-19, falling by 1.9% to 107.65. Although the month-on-month performance of the exports benchmark was more bearable from a carrier perspective, it has been less positive year-on-year, with the index 2.0% lower than Apr-18. With the exports index down 2.4% since the end of 2018, it is now at its lowest level since Jun-17, when a figure of 106.35 was recorded.

Fig 2: XSI® Europe Imports / Exports



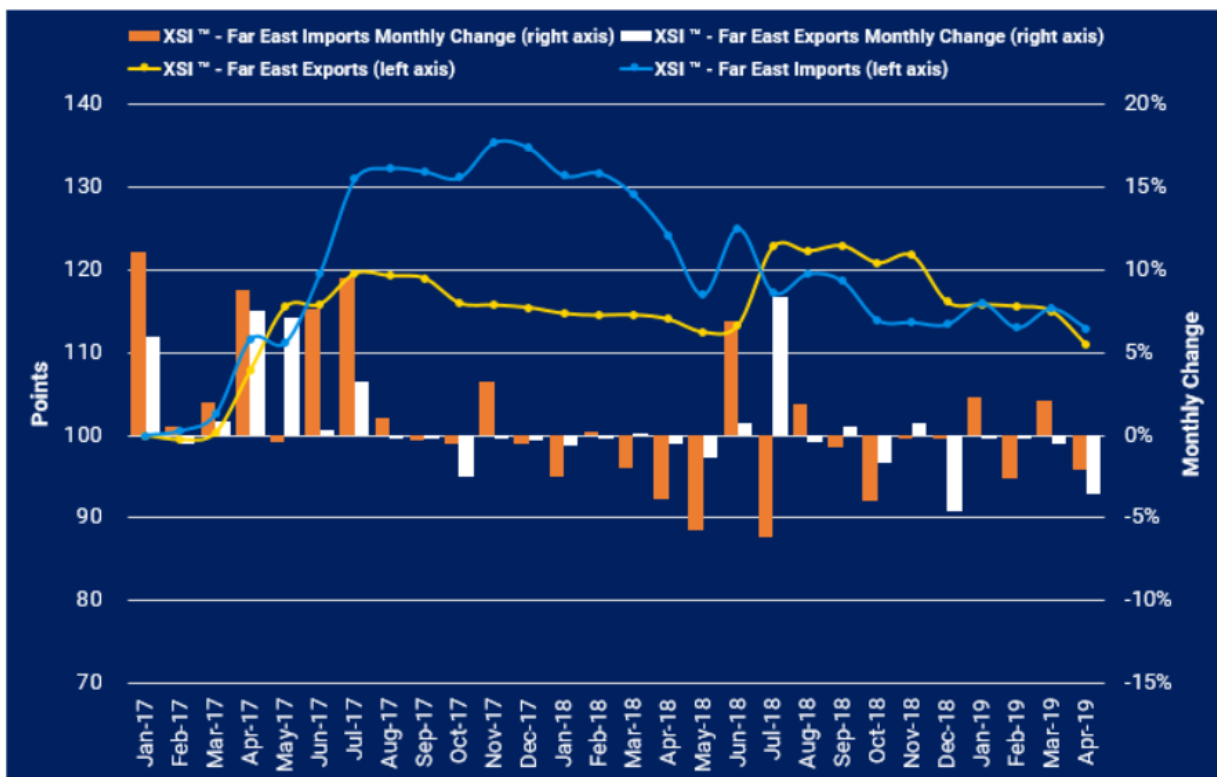
XSI® - Far East Imports / Exports

The Far East imports benchmark on the XSI® declined 2.1% in Apr-19 to 112.93 points, thereby offsetting the increase reported in the previous month.

Year-on-year the index is down 9.0% but it is just 0.4% lower than the end of 2018. Much of the decline reported since Apr-18 occurred between May-18 and Oct-18, with the index fluctuating between 112.93 and 115.98 since Nov-18.

Meanwhile, Far East exports fell 3.6% in Apr-19 to 110.90. While the index is down just 2.8% year-on-year, it has fallen by 4.5% since the end of 2018. This downward trend has been apparent for quite some time, with the benchmark falling by 9.7% between Jul-18 to Apr-19.

Fig 3: XSI® Far East Imports / Exports



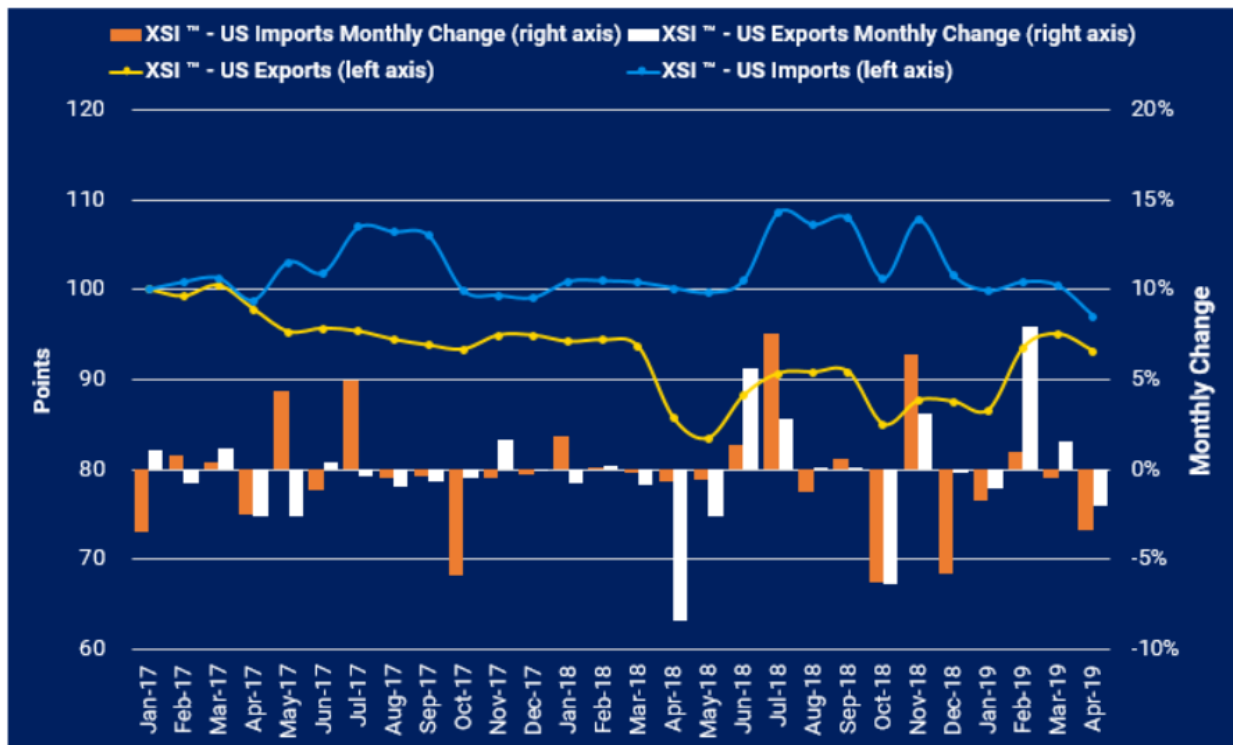
XSI® - US Imports / Exports

The US imports portion of the XSI® fell 3.4% in Apr-19 to 97.00 points, taking it to a new all-time low. Since the end of 2018, the benchmark has shed 4.5% of its value and it is 3.2% lower than in the same period of 2018.

The decline in the index year-to-date follows on from a fall in the spot market on the main Far East - US trades. This can be partially attributed to the fallout from the US - China trade war that saw shippers front load cargo to avoid additional costs. However, the deterioration of the spot market is likely to have ramifications for contracted rates currently being negotiated. For example, with carriers seeking a floating BAF arrangement to recoup costs associated with low-Sulphur fuel oil, will some shippers allocate a greater proportion of volume to a potentially weakening spot market?

After two straight months of increases, US exports declined 2.0% in Apr-19 to 93.13 points. Despite this month-on-month decline, the benchmark was still 8.6% higher than the equivalent period of 2018 and is up 6.4% since the end of last year.

Fig 4: XSI® US Imports / Exports



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 +110MN contracted rates
- 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

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