XSI®

XENETA

XENETA SHIPPING INDEX
OCEAN FREIGHT CONTRACT MARKET

APRIL 2021

+ 21.1% YoY

Long-term rates continue to rise

No immediate relief for shippers in sight.

XSI ® - Apr 2021

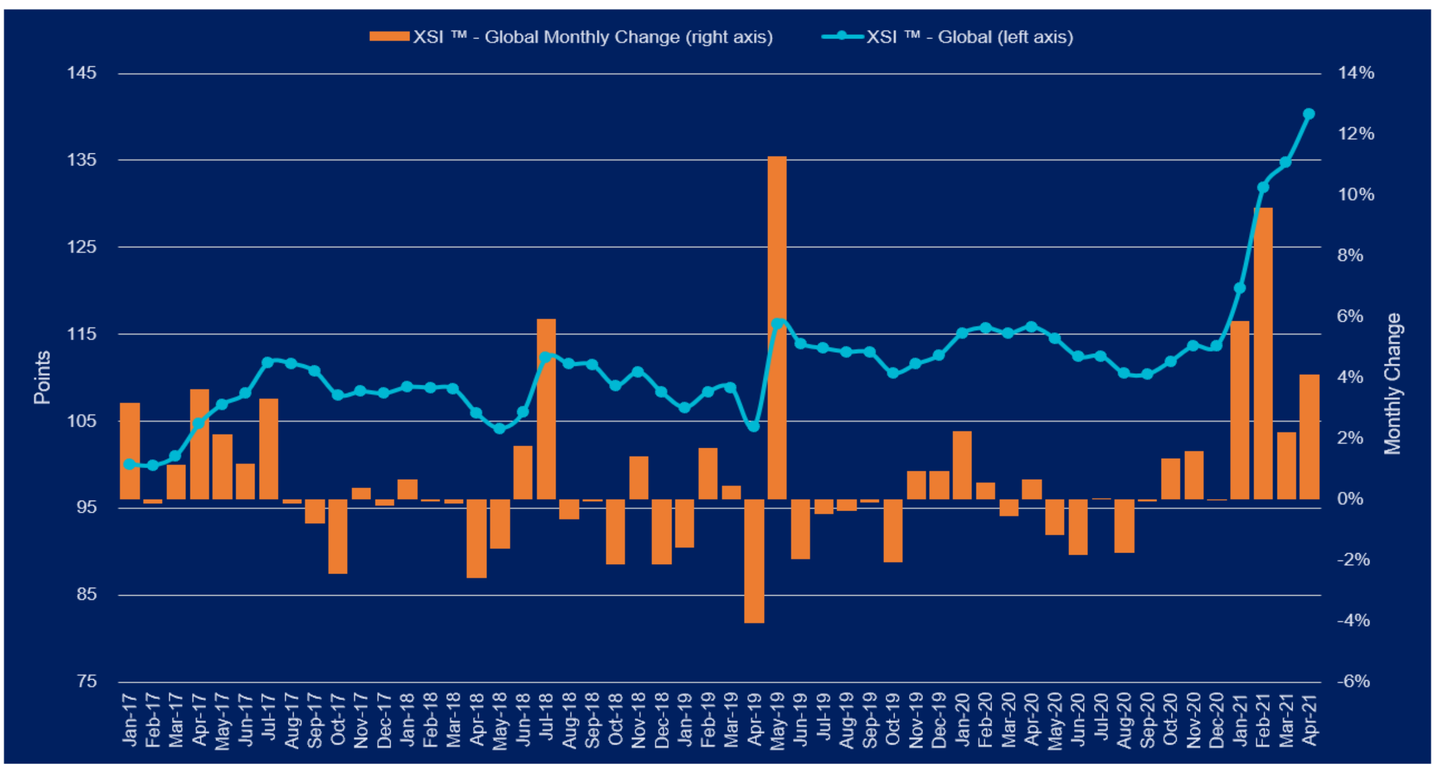
XSI ® - Global

The global long-term market XSI ® continued to rise in April, increasing by a further 4.1% to reach 140.29 points. With both short-term and contracted rates maintaining their momentum, the benchmark is now up 21.1% year-on-year and has risen by 23.5% since Dec-20.

In signs that historically high rates are beginning to change the fortunes of carriers, OOCL recorded a year-on-year increase in average revenue per container of 58.3% for Q1. Volumes were also up 28.3% compared to the previous year, helping the carrier post revenues of $3bn, a staggering 96% higher than in Q1-2020.

To make the most of the inflated rate environment, Hapag-Lloyd has announced it will invest €550m in new containers. It is understood to be one of the line's largest-ever orders, with the German carrier suggesting the order will help with turnaround times, which have become stretched due to Covid. While it should improve its service offering to customers, it will also enable the carrier to maximize the revenue opportunity.

Fig 1: XSI ® - Global

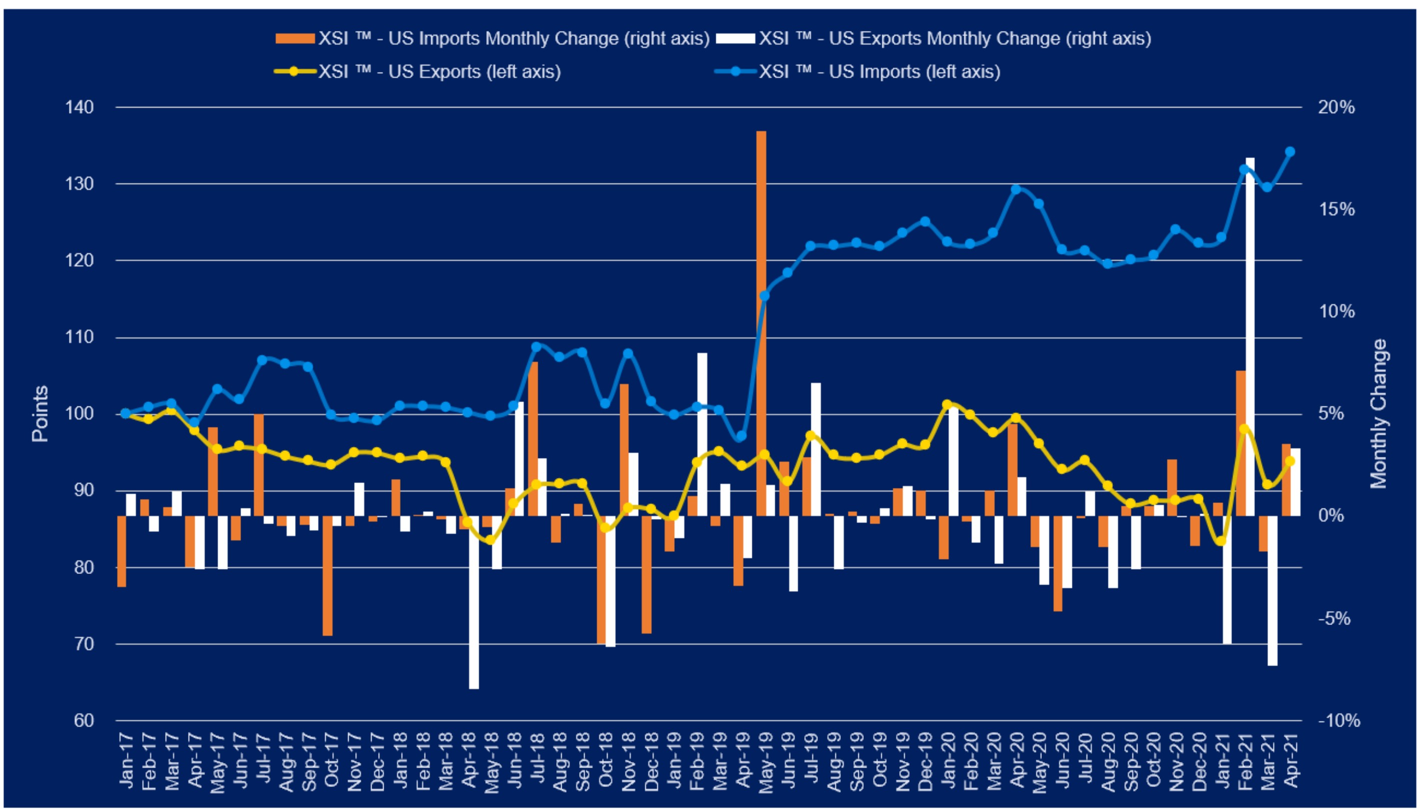


XSI ® - US Imports / Exports

US imports on the long-term market XSI ® reached yet another all-time high in Apr-21 after increasing 3.5% month-on-month to 134.08. Year-on-year the index is up 3.8% and has risen by 9.7% since the end of 2020. While exports also rose, jumping by 3.3% to 93.77 points, the benchmark remains down 5.7% compared to the same period of last year. However, since Dec-20 it has increased by 5.6%.

The US trades also continue to be hampered by severe delays and bottlenecks, with some shippers reportedly paying twice as much as a year ago for contract business. Whether demand will be maintained in the long run will depend on consumer buying habits post lockdown. However, it is likely that at least some of the increased demand for e-commerce will be maintained. Combined with low inventories, demand could be higher for longer, reducing the likelihood of a return to rock bottom rates in the medium term.

Fig 4: XSI ® - US Imports / Exports



XSI ® - Europe Imports / Exports

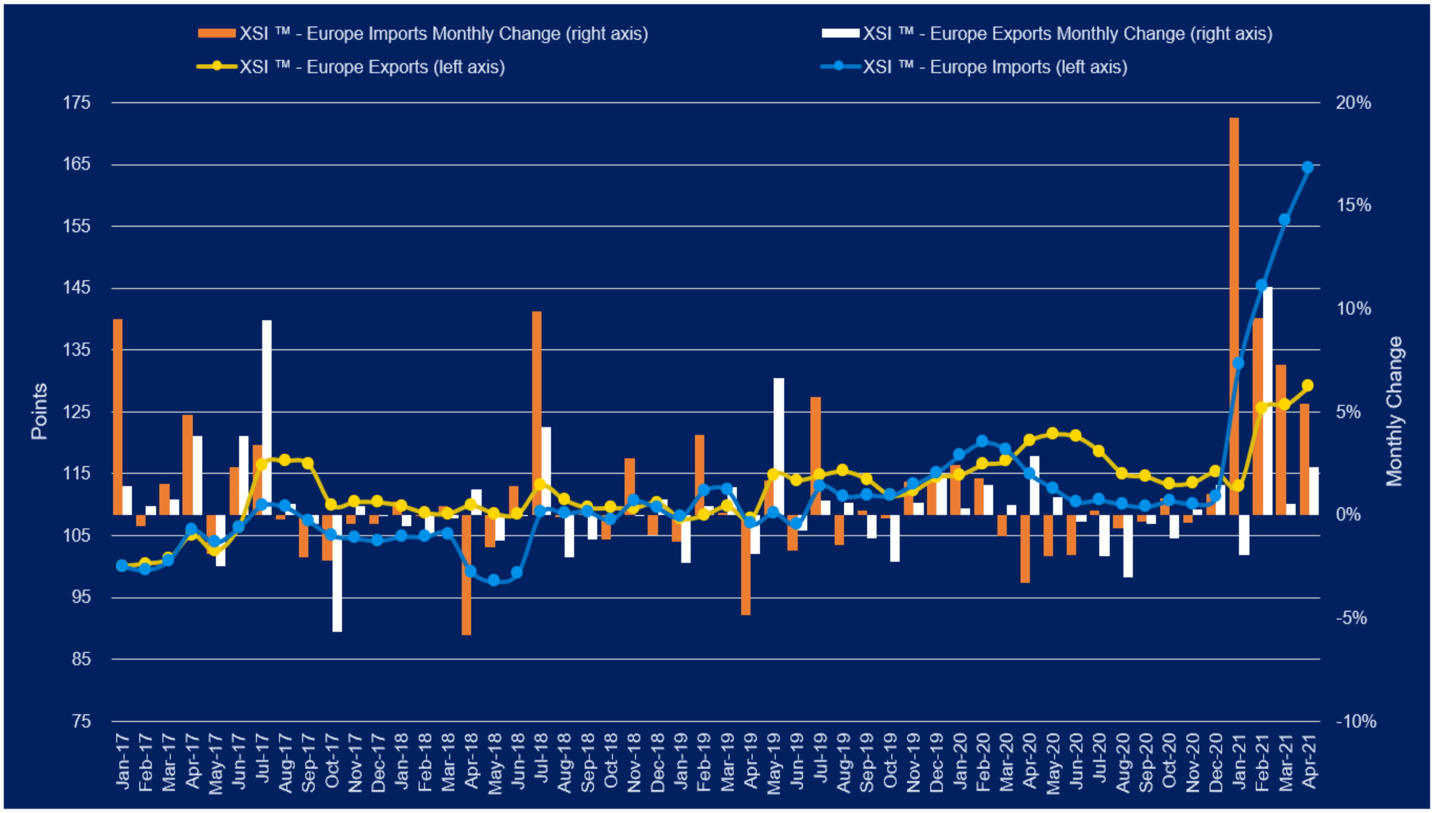
European imports on the XSI ® continued their meteoric rise jumping by an additional 5.4% month-on-month to 164.33. The index is now 43.0% higher than the equivalent period of 2020 and has risen by 47.7% since the end of last year. Exports also rose in Apr-21, albeit to a lesser extent, increasing by 2.3% to 129.08. Year-on-year exports are up 7.3% and are 12.1% higher than in Dec-20.

Elsewhere, the calamity that was the Ever Given has begun to have real-world implications for an already strained market. Estimates suggest the blockage of the Suez Canal could impact North Europe until June, with ports overwhelmed with cargo. In their rush to get ships back to Asia to fulfil new orders, carriers have been dumping containers where they can, while trying to load as many empties as possible. As such, shippers are being hit twice, once from initial delays and secondly by the news that their shipments are at the wrong port, with no immediate plans to relay their boxes to their correct destination.

Although these actions should mean schedules will be impacted less compared to if lines had anchored and waited outside their original destination, it will be of little comfort to shippers who have urgent consignments in the wrong location. The situation became so bad that Maersk recently stopped accepting bookings, albeit these have now resumed. However, schedules are expected to be impacted into May and to remain tight in Q3. All this means that shippers should not expect any immediate relief from the current situation and with carriers holding all the cards further rate increases are not out of the question.

(Graph on next page.)

Fig 2: XSI ® - Europe Imports / Exports

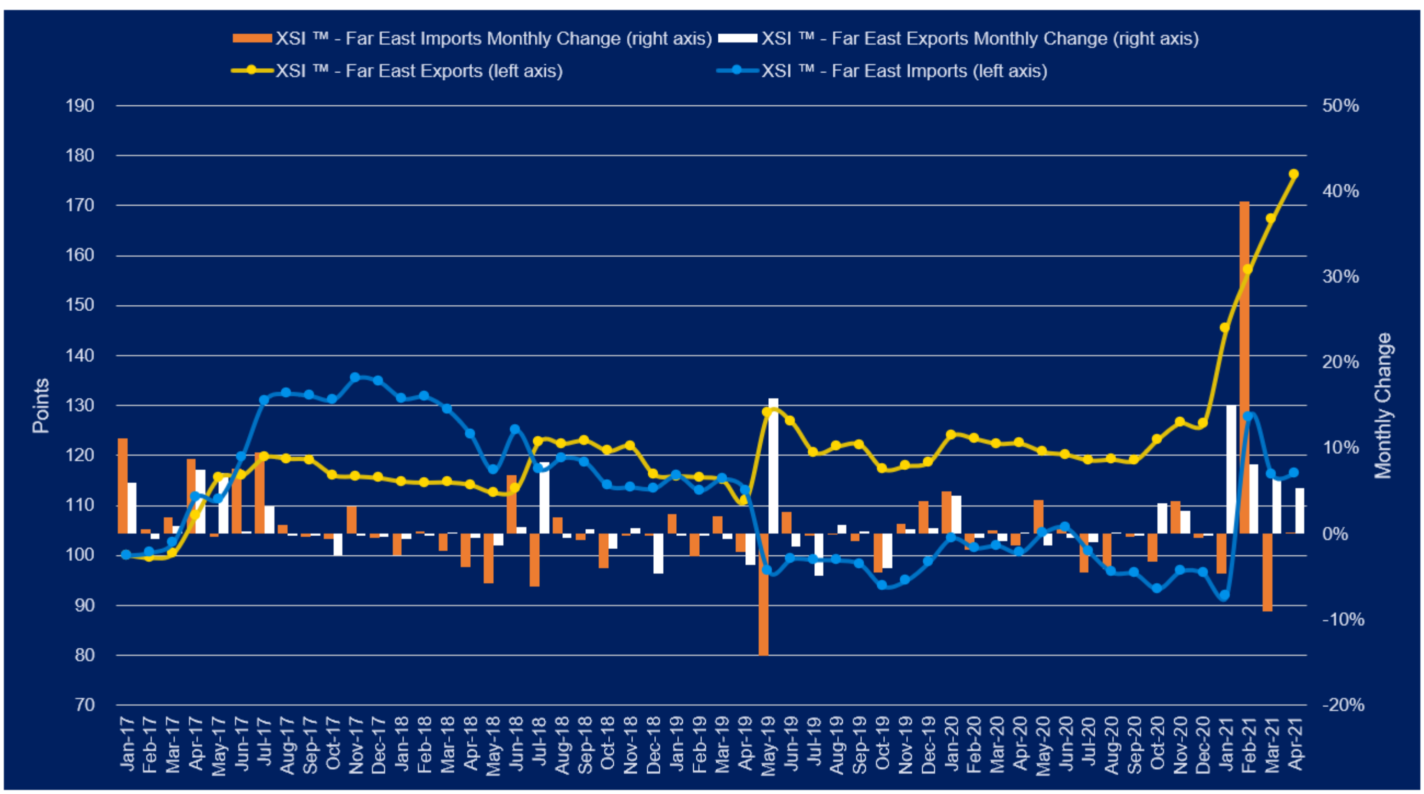


XSI ® - Far East Imports / Exports

Far East imports on the long-term XSI ® increased only marginally in Apr-21, rising by just 0.2% to 116.33 points. The benchmark is now 15.7% higher than the same period of 2020 and has increased by 20.7% since the end of last year, albeit this is largely due to the significant jump recorded in February.

Meanwhile, exports continued their steady rise, appreciating a further 5.3% month-on-month to 176.10. While the pace of monthly increases has slowed, the index continues to reach new all-time highs. Compared to Apr-20 the index is up 43.9% and has risen by 39.4% since the end of 2020.

Fig 3: XSI ® - Far East Imports / Exports



XSI® Public Indices Report METHODOLOGY

- Rates delivered from freight forwarders and shippers
- Based on long-term contracts only = any contract that is valid for longer than 88 days
- Rates pulled from Xeneta's ocean freight platform of +280m 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

Learn More About Xeneta

Learn more about Xeneta and get ocean freight visibility with a freight spend analysis on your major trade lanes. Find out where you can optimize your freight procurement strategy and stay one step ahead of the market no matter the current rate and capacity conditions. Contact Us Here.

Xeneta is the leading ocean and air freight rate benchmarking, market analytics platform and ocean container 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 280 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.