

XSI[®]

XENETA

XENETA SHIPPING INDEX
OCEAN FREIGHT CONTRACT MARKET
AUGUST 2021



+2% MoM

**Modest increase
but little sign of
relief.**

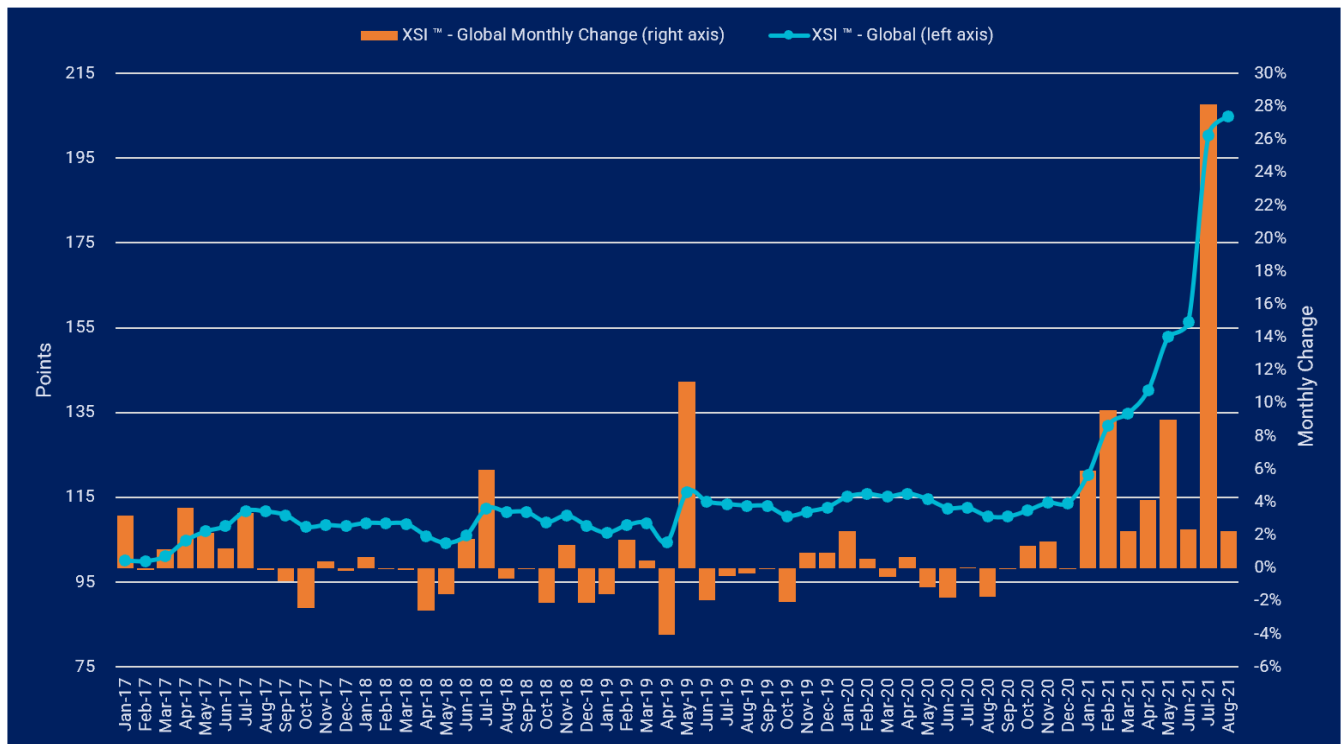
Increasing port congestion and relentless demand ahead of the all-important pre-Christmas period.

XSI® - August 2021

XSI® - Global

The global XSI® increased by a modest 2.2% in August to 204.89 points. The month-on-month gain was much lower than the figure of 28.1% reported in July. However, year-over-year the index is up 85.5% and has risen by 80.3% since the end of 2020. While the increase in August was comparatively low compared to previous months, the index has reached yet another all-time high, with further gains not out of the question in the months ahead.

Fig 1: XSI® - Global

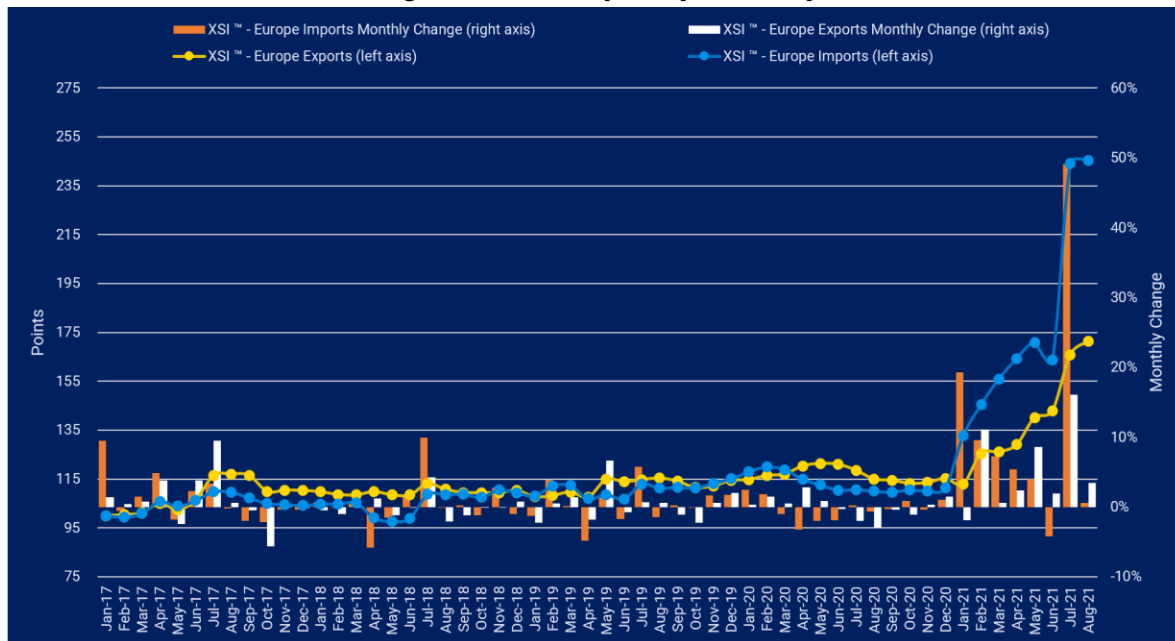


XSI® - Europe Imports / Exports

European imports on the XSI® rose by 0.5% percent in August to 245.30 points. This marks the ninth increase in the last 12 months and takes the benchmark to 123.0% higher than the equivalent period of last year. Since the end of 2020, the index has risen by 120.5%. Meanwhile, exports rose by 3.4% in Aug-21 to 171.43. Like imports, while this represents a reduction in the pace of growth compared to the previous month, it still represents a new all-time high. The index is also now 49.1% higher than this time last year and has appreciated by 48.8% since Dec-20.

The continued woes facing the European trades show no signs of abating with reported delays of up to a month between the Far East and North Europe. A result of port congestion, a round trip is now taking approximately 100 days to complete. Subsequently, Maersk recently advised its customers that wait times at Antwerp are already up to 10 days, with increased delays at all North European hub ports. Similarly, the CEO of Hapag-Lloyd, Rolf Habben Jansen, reiterated this point with investors, indicating voyage delays had tripled in the first half of this year, compared to the same period of 2020. With landside infrastructure simply overwhelmed and vessels facing prolonged waiting times, boxes are being tied up for increasingly long periods. The impact has been a breakdown in schedules and shippers have been advised by the Danish carrier to book containers at least 4 weeks before the winter holiday season.

Fig 2: XSI® - Europe Imports / Exports



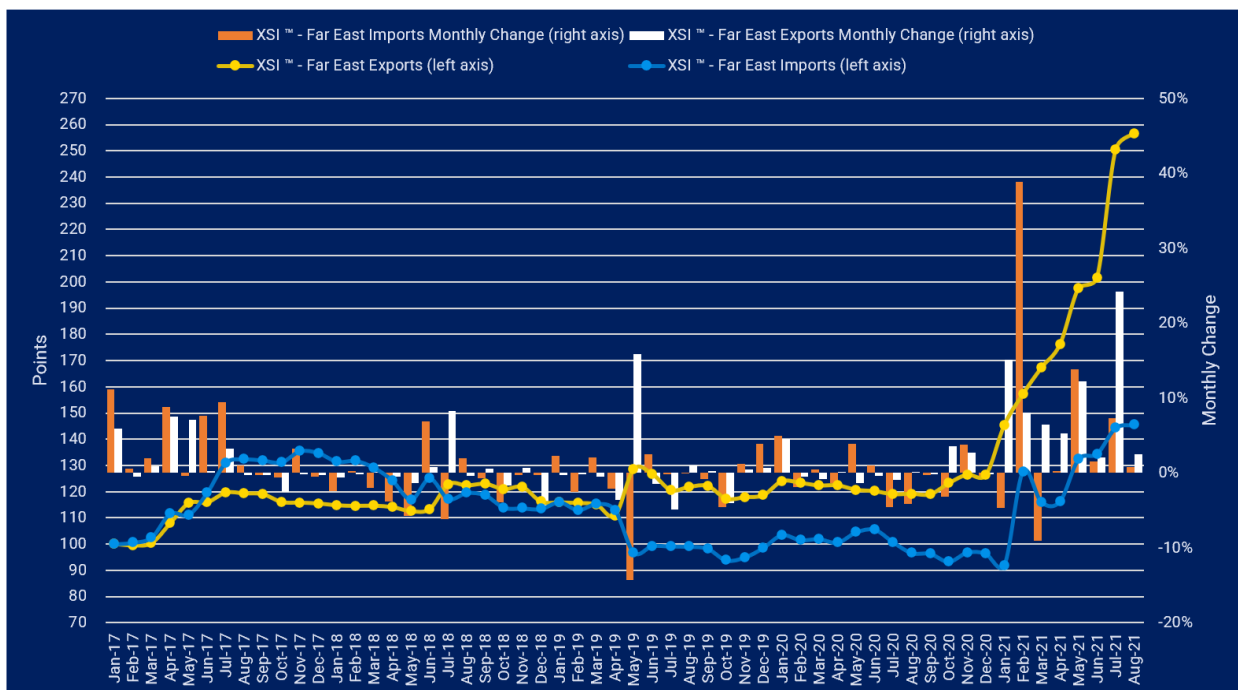
XSI® - Far East Imports / Exports

Far East imports on the XSI® increased by a further 0.8% in Aug-21 to 145.46 points. This represents the fifth consecutive monthly increase and ensures the benchmark is 50.5% higher than the same period of last year. Compared to the end of 2020, it has risen by 50.9%. Exports also rose this month, jumping by 2.5% to 256.52. The index continues to reach new all-time highs and is a whopping 115.3% higher than in Aug-20, while it has appreciated by 103.1% since the end of last year.

In further signs that elevated rates are filling the coffers of carriers, OOIL recorded a net profit of \$2.8bn for the half-year, representing its best results in the group's history. Although OOIL indicated the outlook remains positive, it would not be drawn into making predictions, suggesting it was impossible to foresee how the market will develop beyond early 2022.

Meanwhile, Zim reported a net profit of \$888m in the second quarter, with its profits higher than the accumulated total recorded over the past five years, a further indication as to how drastic the turn of events has been. Off the back of the healthy results, the Israeli line is now eyeing up acquisition opportunities as it looks to expand. Echoing other CEOs, Eli Glickman suggested exceptionally high freight rates were unlikely to improve soon, with congestion and higher profits for carriers here to stay.

Fig 3: XSI® - Far East Imports / Exports

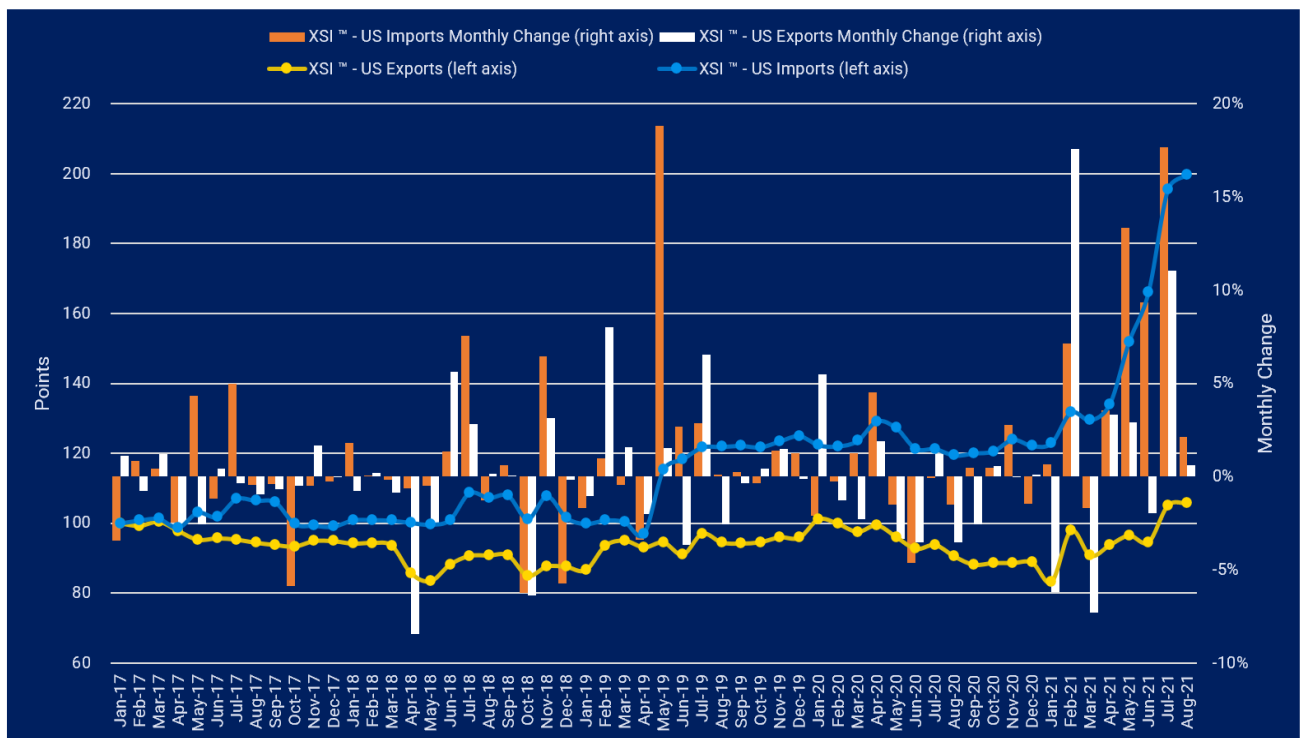


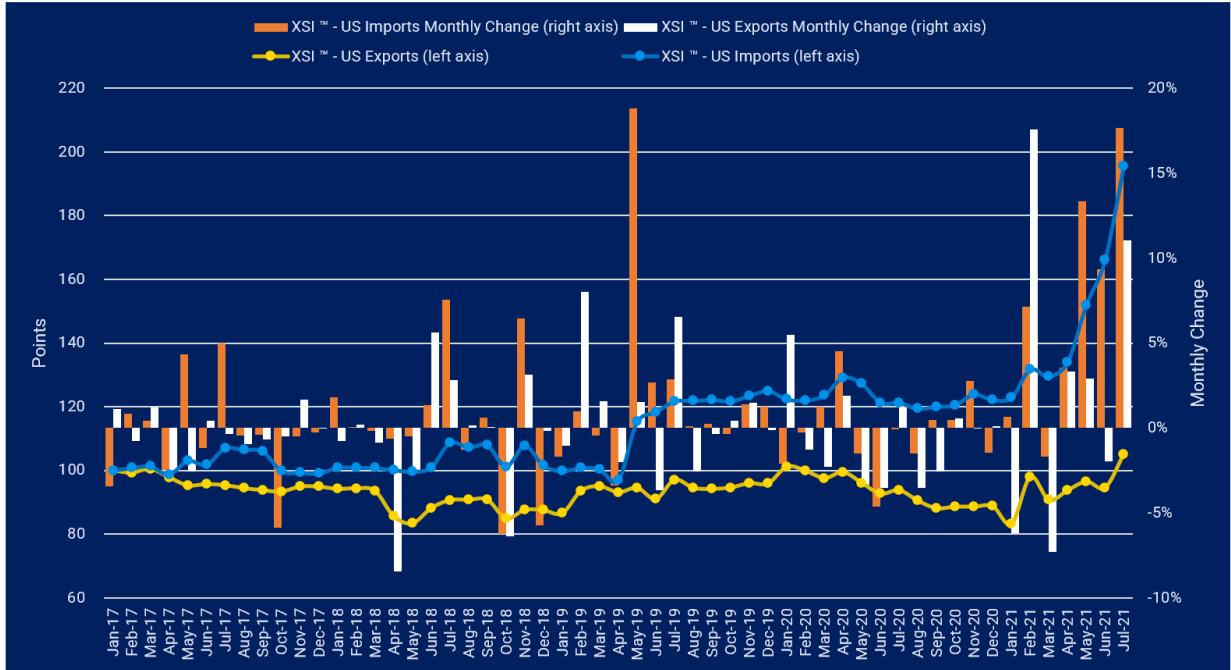
XSI® - US Imports / Exports

US imports on the XSI® increased by an additional 2.1% in Aug-21 to 199.69 points. Year-on-year, the benchmark is up 67.2% and is 63.4% higher than at the end of 2020. Meanwhile, exports rose by 0.6% month-on-month to 105.75. While less severe than US imports, the export index is still up 16.8% compared to the same period of 2020 and has risen by 19.1% since the end of last year.

Elsewhere, yet another major shipper has committed to chartering its own vessels to alleviate supply chain disruptions. Walmart has experienced significant growth during the pandemic, with US sales expected to be up around 12% for the full year. To ensure the company can continue to meet this strong demand, the retail giant will utilize the chartered vessels specifically for its own goods. The disruption can be seen at major ports, with 75% of ships calling the Port of Los Angeles forced to anchor up in July. However, this figure is reportedly increasing, as is the number of days held up, which currently stands at 5 days.

Fig 4: XSI® - US 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.](#)

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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.



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