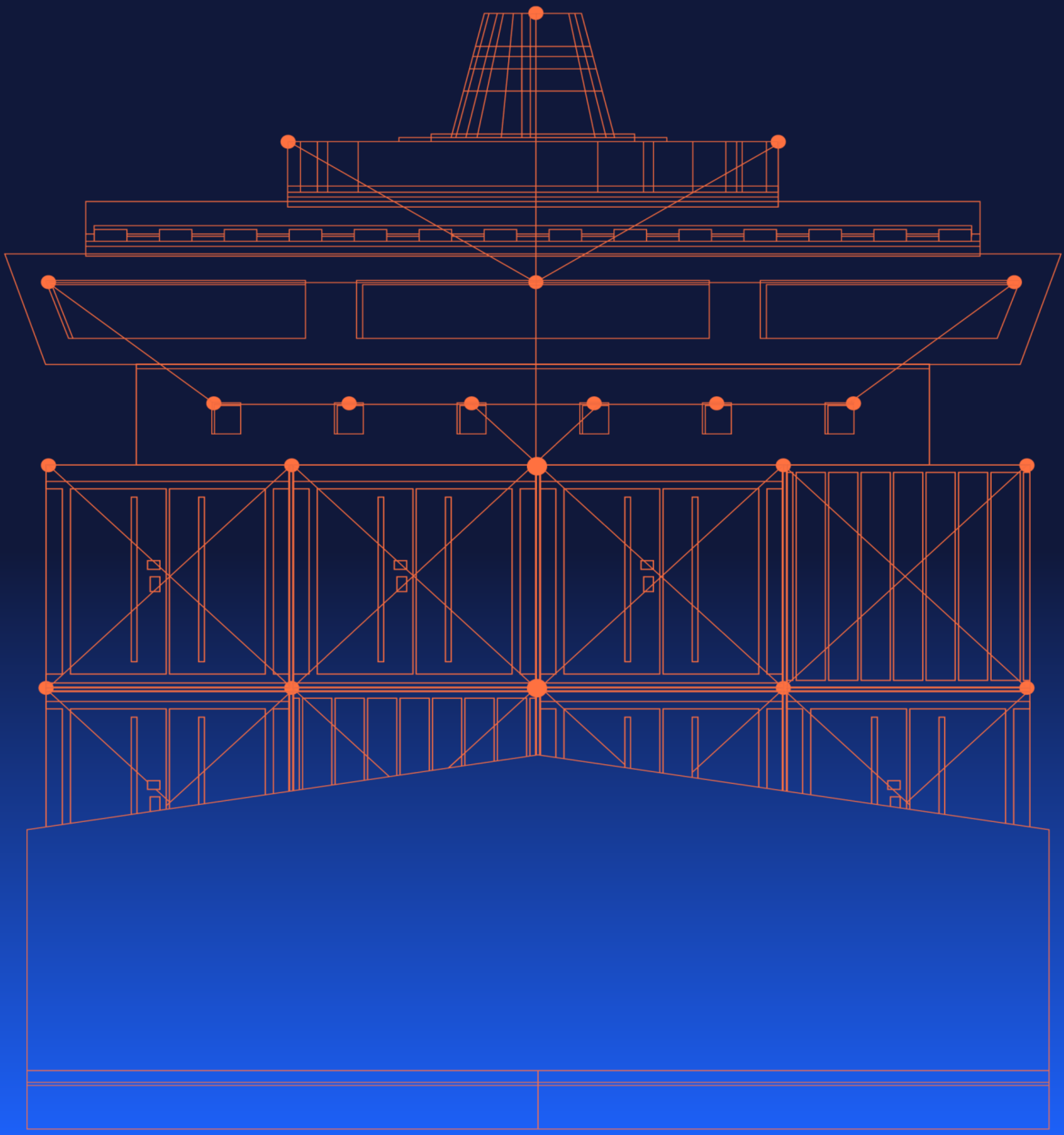
XENETA

XSI® PUBLIC INDICES

OCEAN FREIGHT | June 2019

Long-Term Contracted Market



XSI® - June 2019

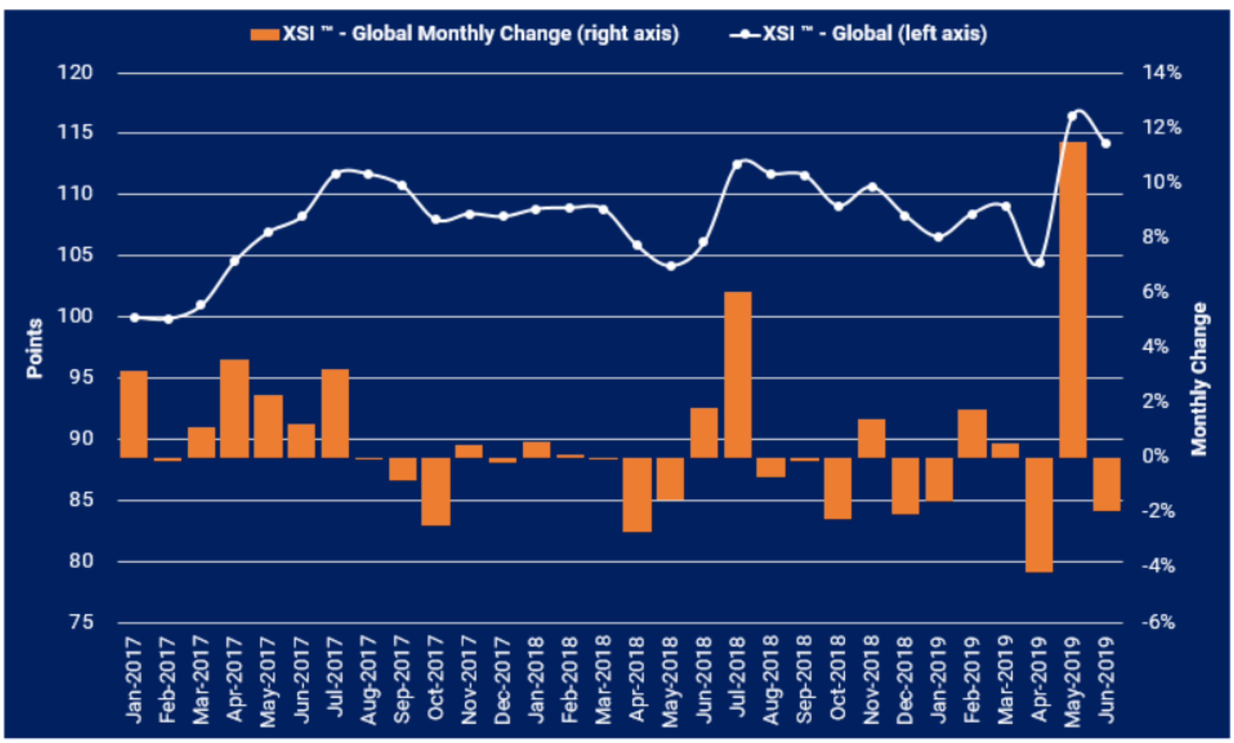
XSI® - Global

The global XSI® declined by 1.9% in Jun-19 to 114.18 points, having increased by almost 12% in the previous month. Despite this month-on-month decline, the index is still 7.6% higher than the same period of last year, thanks primarily to the jump witnessed in May. It also means the XSI is 5.4% higher than at the end of 2018. However, between Jul-18 and Apr-19, the global benchmark shed 7.2% of its value. While historic trends do not guarantee future developments, it will be interesting to see if this downward trend repeats itself over the next 12 months.

In other news, the Digital Container Shipping Association (DCSA) is planning to reveal its proposed common digital standards this year. One of the key goals of the association is to ascertain agreement between carriers on common terminology, so this can be used to define a data architecture, which will contribute to the building of a new application programming interface (API).

The DCSA already has CMA CGM, Maersk, MSC and Hapag-Lloyd on board, along with ONE, Zim, Evergreen, Yang Ming and HMM. The only main carrier missing is Cosco/OOCL. While the new standards won't be proprietary to the group, those involved will be able to help design its structure, hopefully leading to further technologies and software in the future.

Fig 1: XSI® - Global



Xeneta Shipping Index

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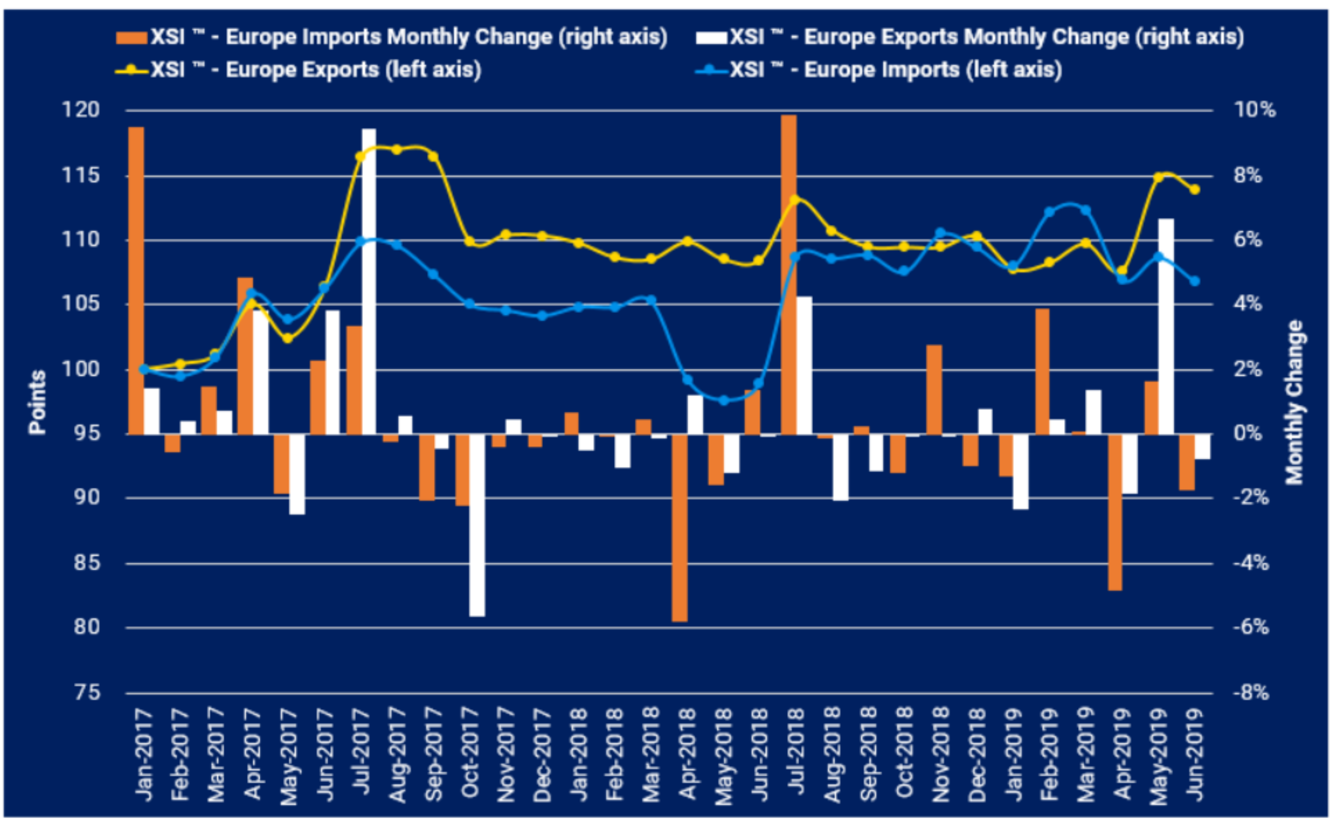
XSI® - Europe Imports / Exports

European imports on the XSI® fell by 1.7% in June to 106.83 points, thereby reversing the increase reported in May. Year-on-year the benchmark is 8.0% higher than the equivalent period of 2018 but it is 2.4% lower than the end of last year.

Meanwhile, exports on the index declined by 0.8% to 113.92 points in Jun-19. The benchmark is still at a comparatively high level and is 5.0% higher than Jun-18. Since the end of 2018, it has increased by 3.3%, although this is entirely attributed to the jump reported in May.

On the main Far East-North Europe trade, CMA CGM has revealed plans to increase FAK levels effective 1st July, despite the fact the French line cut rates earlier this month. This announcement comes against a backdrop of weakness, with spot rates on the route having steadily declined since the start of the year. However, the announcement should come as no surprise, as carriers will no doubt try and make the most of the peak season, particularly with increasing IMO costs on the horizon.

Fig 2: XSI® - Europe Imports / Exports



Xeneta Shipping Index

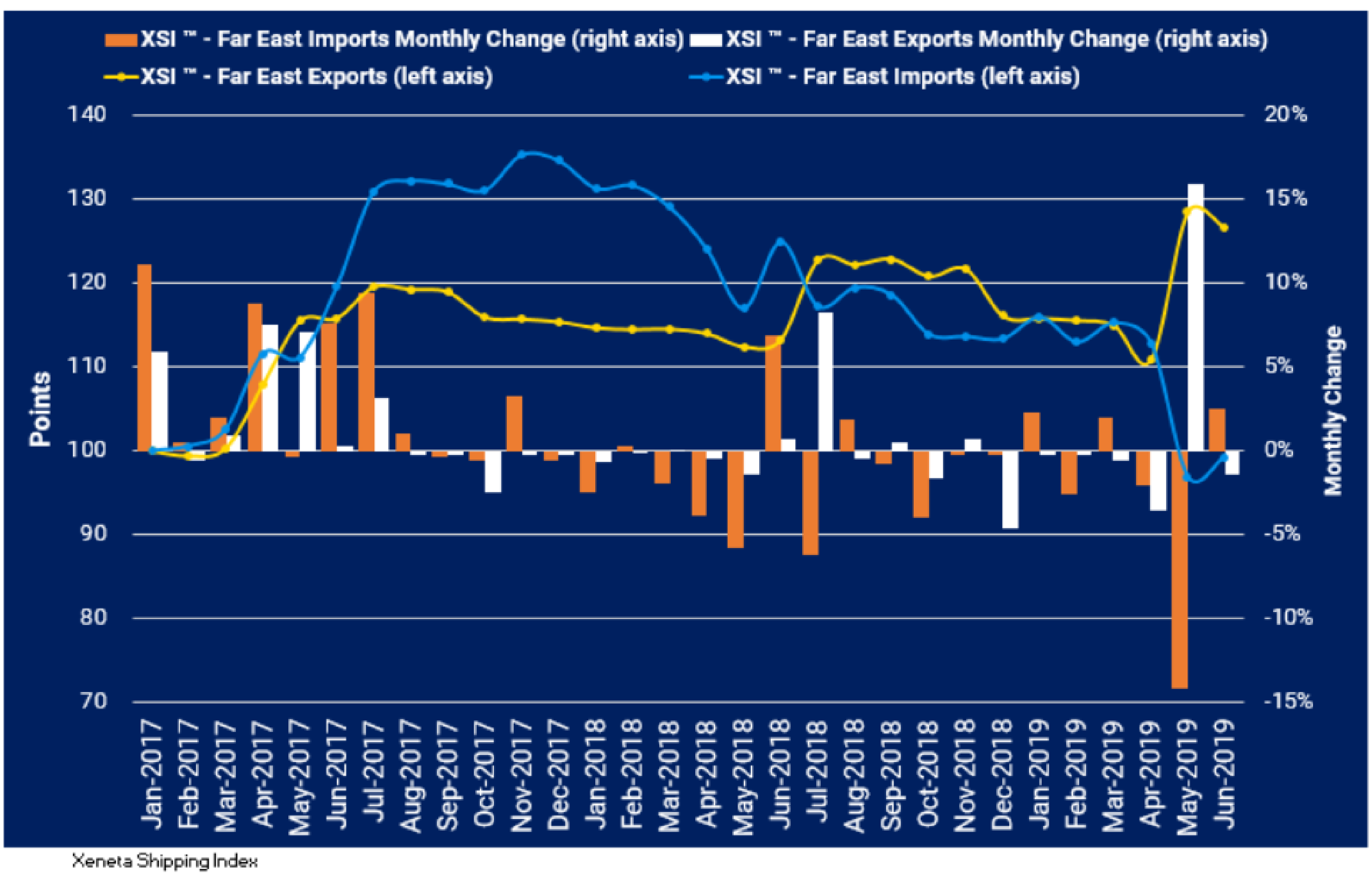
XSI® - Far East Imports / Exports

Imports on the Far East element of the XSI® regained some of the ground lost last month, increasing by 2.5% month-on-month in Jun-19 to 99.29 points.

Despite this increase, the benchmark is still 20.6% lower than the same period of 2018 and it has fallen 12.4% since the end of last year.

Far East exports on the XSI® declined by 1.4% in Jun-19 to 126.68 points after a significant rally in May. As a result, the index is still up 11.8% year-on-year and is 9.1% higher than the end of 2018.

Fig 3: XSI® - Far East Imports / Exports



XSI® - US Imports / Exports

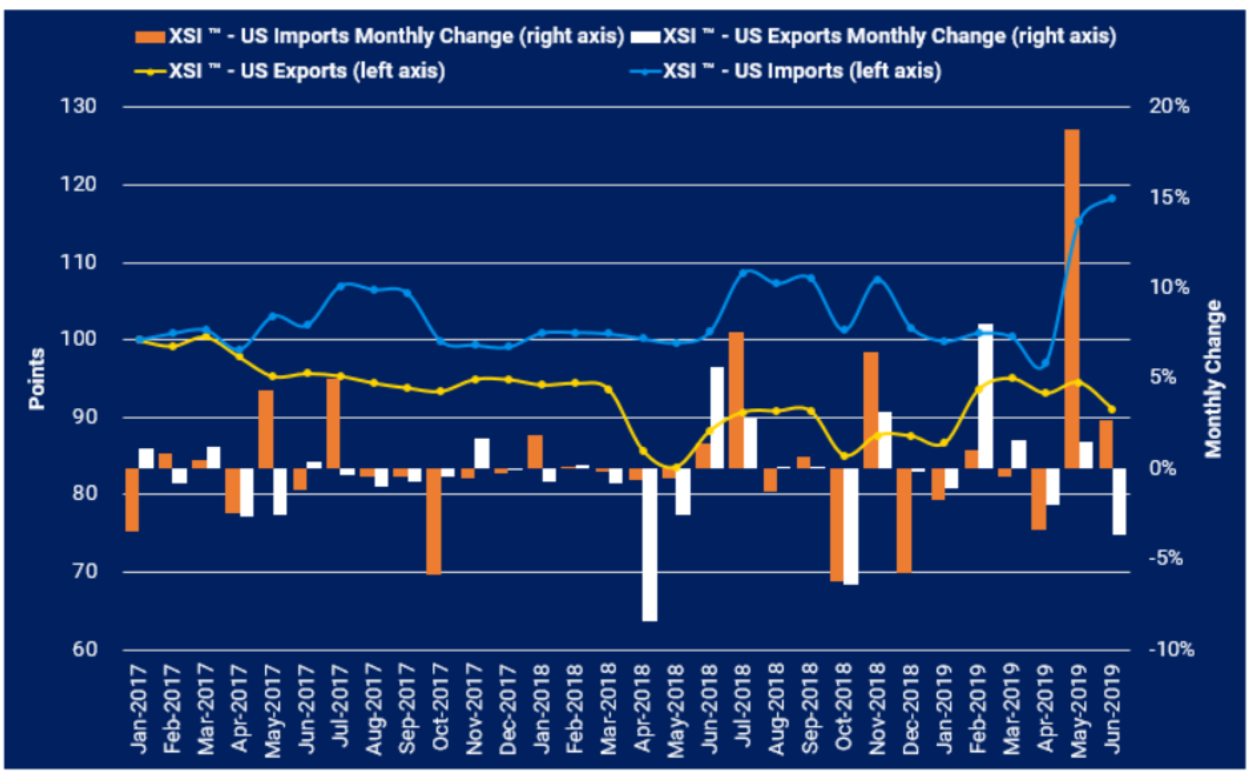
Imports on the US XSI® have continued to climb, rising by 2.7% month-on-month to 118.35 points. This represents another all-time high for the benchmark having increased significantly in May. Compared to Jun-18 it is up 17.2% and it has risen 16.5% since the end of last year.

The benchmark has continued to rise even though spot rates on the key Far East - US trades have stumbled. To counter weaker than expected short- term demand, the Ocean Alliance has announced plans to cancel three headhaul voyages on its trans-Pacific route. Meanwhile, APL has revealed it will look to implement a PSS on the trade by the middle of July, seemingly contradicting the move from the Ocean Alliance.

Long-term fundamentals on the trade remain uncertain thanks to Trump's trade war, with shippers likely keeping a keen eye on the upcoming G20 summit where the President could decide on whether to extend the scope of tariffs on Chinese imports.

Meanwhile, US exports on the XSI® declined by 3.7% in Jun-19 to 91.06 points. While the index is still below the level at which it was first incepted, it is up 3.2% year-on-year and has risen by 4.0% since the end of 2018.

Fig 4: XSI® - US Imports / Exports



Xeneta Shipping Index

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.

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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 110 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.