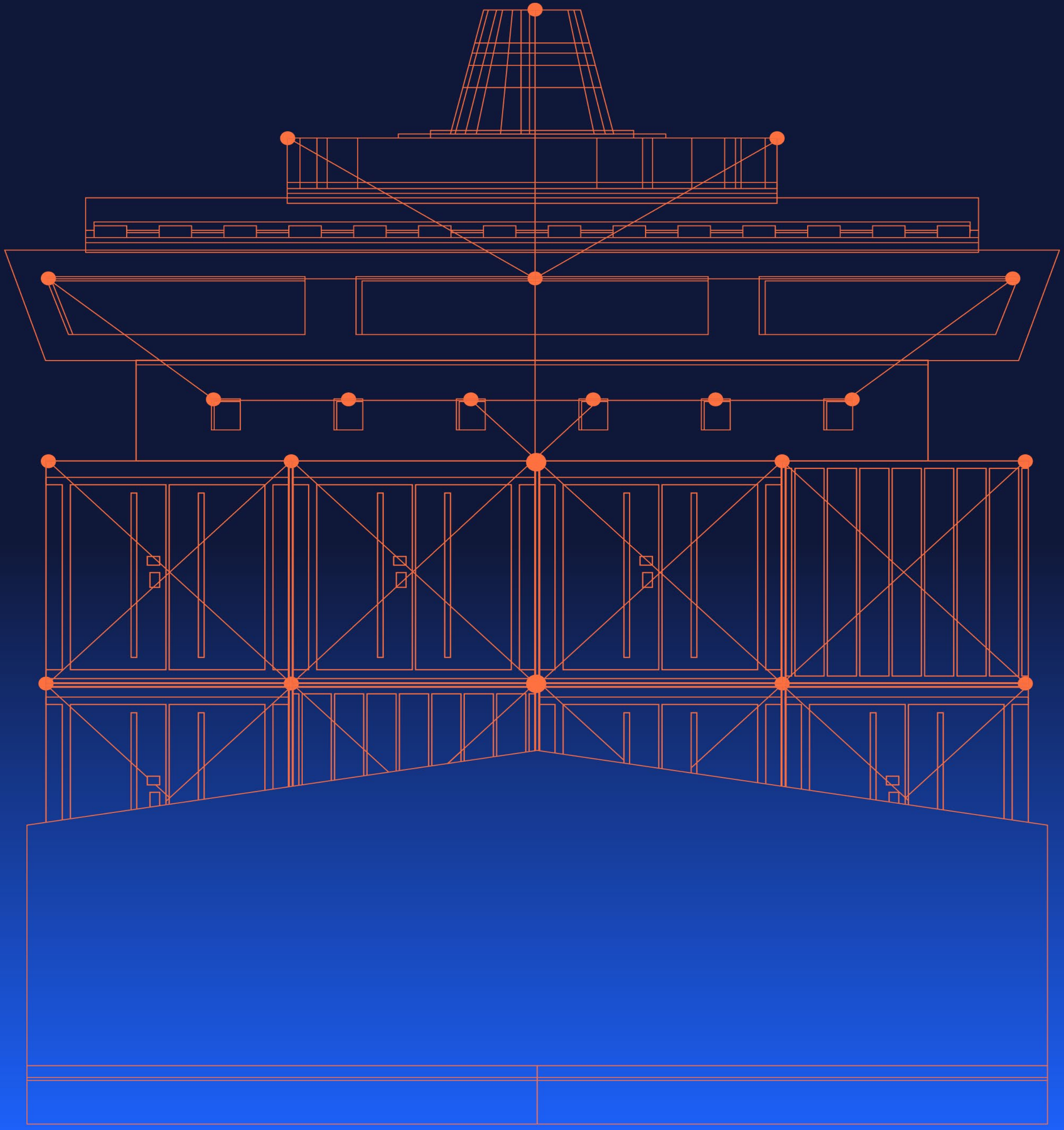
XENETA

XSI® PUBLIC INDICES

OCEAN FREIGHT | March 2019

Long-Term Contracted Market



XENETA

XSI®- March 2019

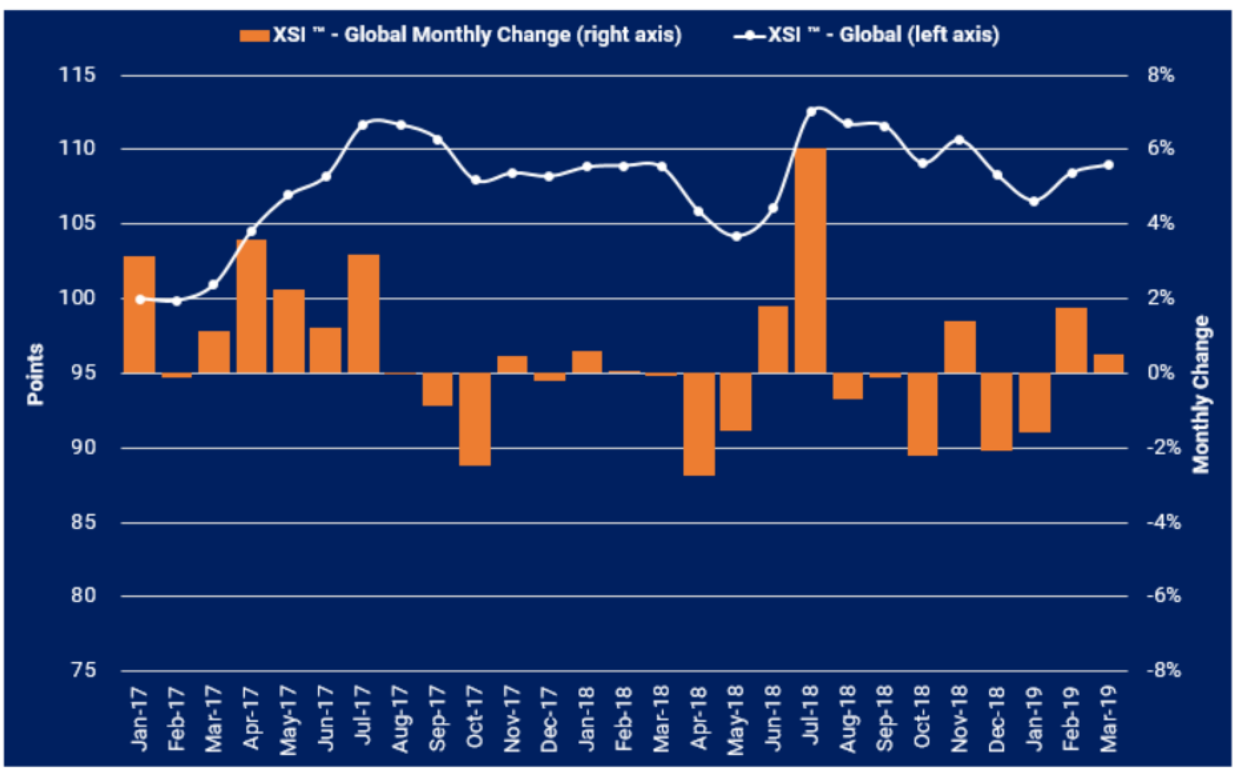
XSI®- Global

The global XSI® managed to maintain some upward momentum in Mar-19, increasing by 0.5% to 108.99 points.

As a result, the index is now almost unchanged (+0.1%) compared to the same period a year earlier. Meanwhile, since the end of 2018, the benchmark has increased by just 0.6%, with the gains witnessed in the past two months only just offsetting the month-on-month decline reported in Jan-19.

In other news, French carrier CMA CGM, could soon find out what it takes to run a successful forwarder, following reports it will soon own 100% of CEVA. If things progress as planned, the 3PL will de-list from the SIX Swiss stock exchange later this year. While CMA CGM has indicated there will be no change in the way CEVA works with other shipping lines, its freight forwarding business is expected to grow. CEO Rodolphe Saadé has previously committed to providing an end-to-end service and it is hoped the company will be able to leverage synergies from shared procurement and services. The move comes after Maersk Line announced similar ambitions in its effort to become what it described as, the “UPS of container shipping”.

Fig 1: XSI®- Global



XSI®- Europe Imports / Exports

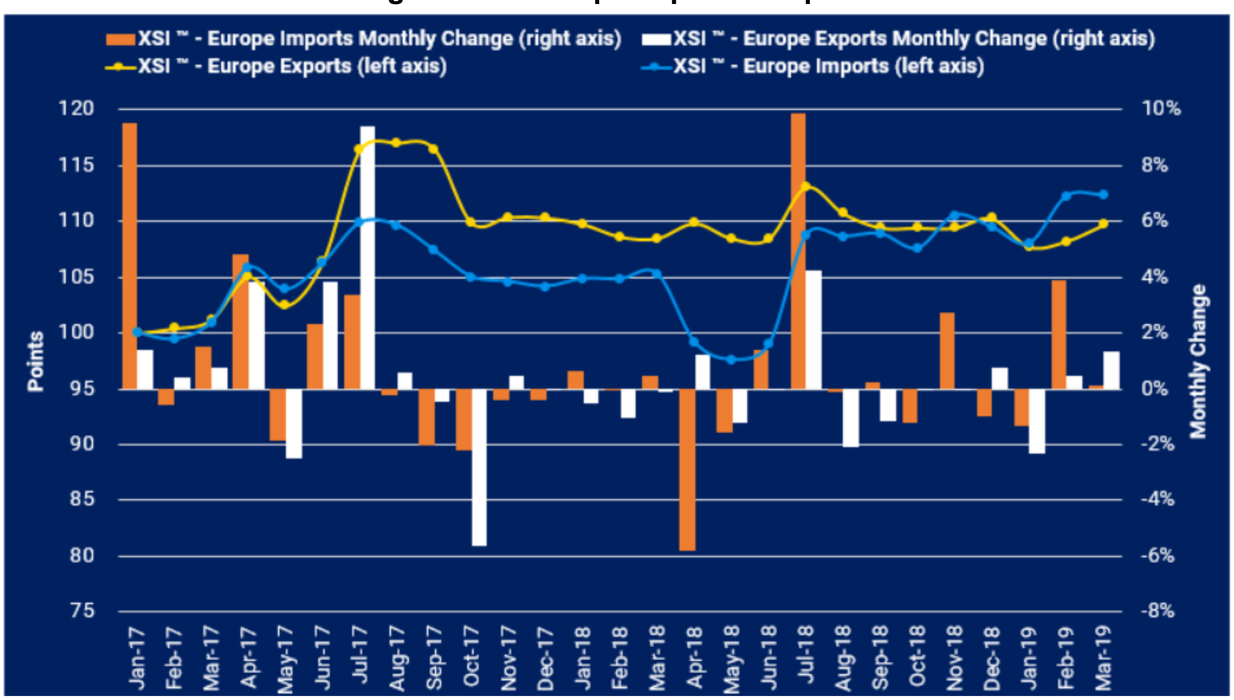
European imports on the XSI® continued to increase month-on-month but only marginally, jumping 0.1% to 112.34 points. With the index at an all-time high, it is 6.7% higher than the equivalent period of 2018. Since the end of 2018, the benchmark has risen 2.6%, despite spot rates on the key Far East-North Europe trade being in decline.

Meanwhile, exports on the XSI® increased by 1.4% to 109.69 points. Although the benchmark is 1.1% higher than Mar-18, since the end of 2018 it has fallen 0.5%.

Elsewhere, it is understood the European Commission competition department is working on a technical paper, that will outline possible options regarding the extension of the liner Block Exemption Regulation (BER), which is due to expire in 2020. The regulation provides the framework on which carriers can enter vessel sharing agreements and therefore, carriers naturally want to extend the block exemption.

However, some market participants have questioned if it provides an effective method to curtail carrier dominance. One particularly contentious issue is the market share of alliances on individual routes. It is estimated, for example, that the 2M Alliance has a market share on the Far East-North Europe trade that exceeds the BER threshold of 30%. The paper won't focus on whether or not to repeal the BER, but instead will look into how well the system is working and whether in its current form it was failing to meet its aims or not.

Fig 2: XSI®- Europe Imports / Exports

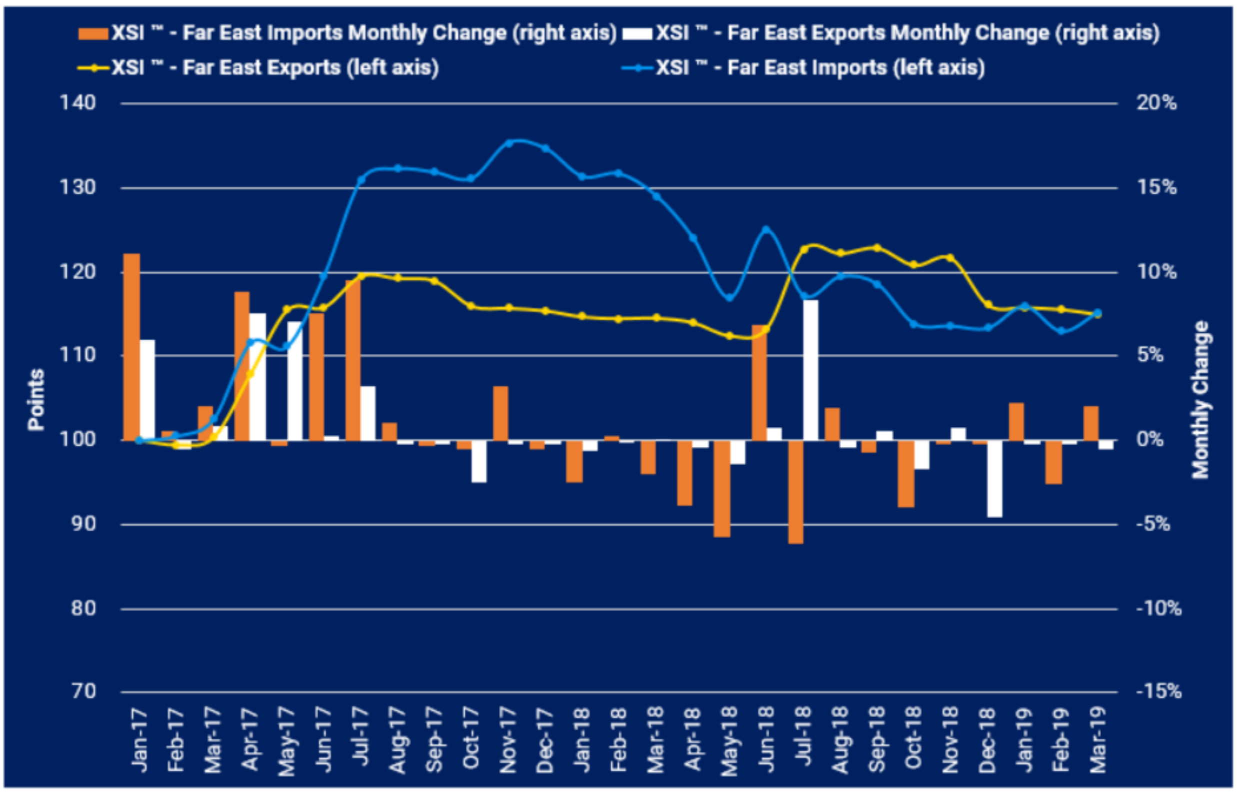


XSI®- Far East Imports / Exports

Far East imports on the XSI® increased by 2.0% in Mar-19 to 115.31 points, having declined by a similar amount in the previous month. Whilst the month-on-month change was positive, the index is still 10.7% lower than the equivalent period of 2018. Since the end of last year, it has rebounded by 1.7% but the index still has a long way to go to make up for the substantial declines reported in May-18 and Jul-18.

Exports on the Far East XSI® fell month-on-month by 0.5% to 115.01 points, representing the fourth straight month of declines. Despite this prolonged slump, the index is still 0.4% higher than Mar-18 but is down 1.0% since the end of the last year.

Fig 3: XSI®- Far East Imports / Exports



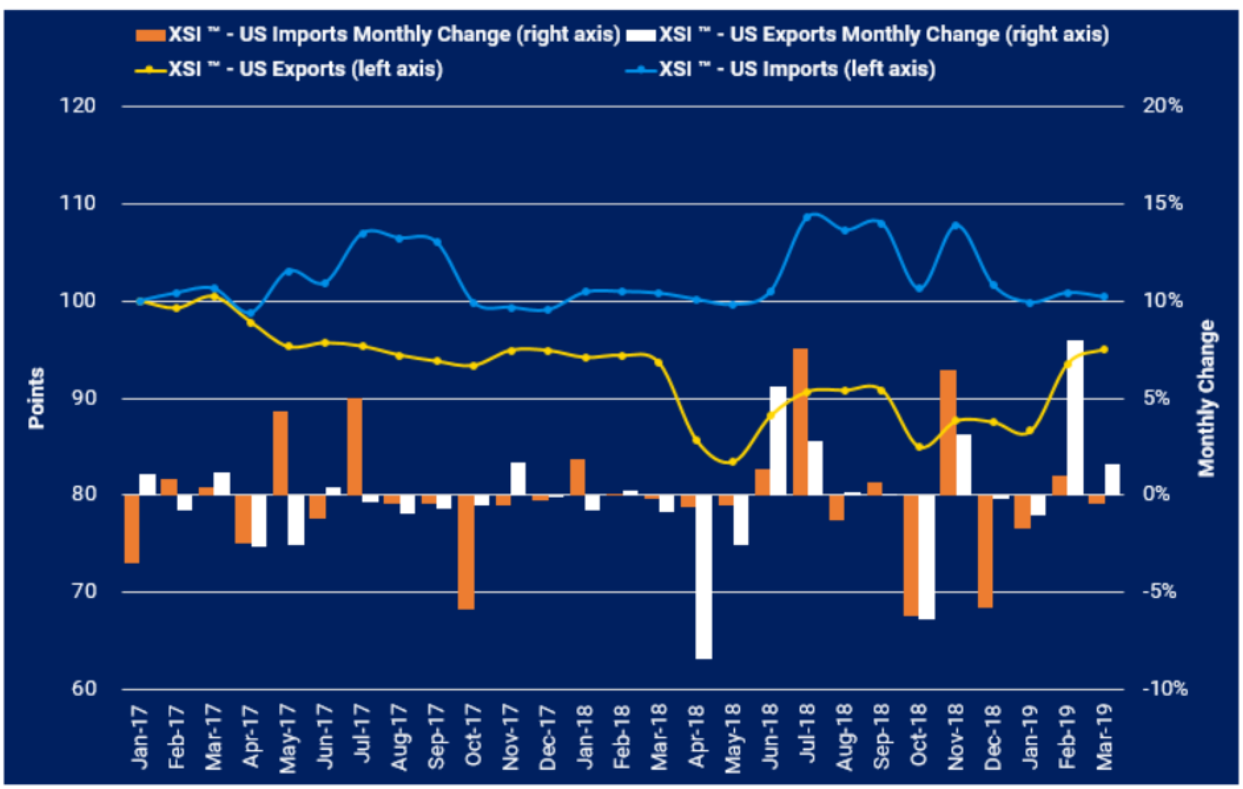
XSI®- US Imports / Exports

The XSI® for US imports fell 0.5% in Mar-19 to 100.40 points and is down 0.4% compared to the same period a year earlier. Since the end of 2018, the benchmark has lost 1.2% of its value, coinciding with a fall in the spot market on the main Far East-US trades.

With rates on key US trades continuing to fall post Chinese New Year, the 2M carrier MSC, has announced plans to blank further sailings on the Far East - US East coast trade in week 14, in an attempt to stop the slide. Time will tell as to whether short-term measures such as these can have any material impact on long-term contracts and therefore the index. However, a deteriorating spot market will provide shippers with increased bargaining power during annual contract negotiations.

Meanwhile, US exports on the XSI® have continued to recover, increasing by 1.6% month-on-month to 95.06 points. The benchmark is now at its highest point since Jul-17 when it was recorded at 95.35 points. Due to recent increases in the index, it is now 1.5% higher than the same period of 2018 and has increased by 8.6% since the end of 2018.

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
- 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

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.