

XSI[®]

XENETA

XENETA SHIPPING INDEX
OCEAN FREIGHT CONTRACT MARKET
MAY 2021



+ 33.5% YoY
**Unprecedented
hike in long-
term rates**

Demand drives up rates for all major trade corridors.

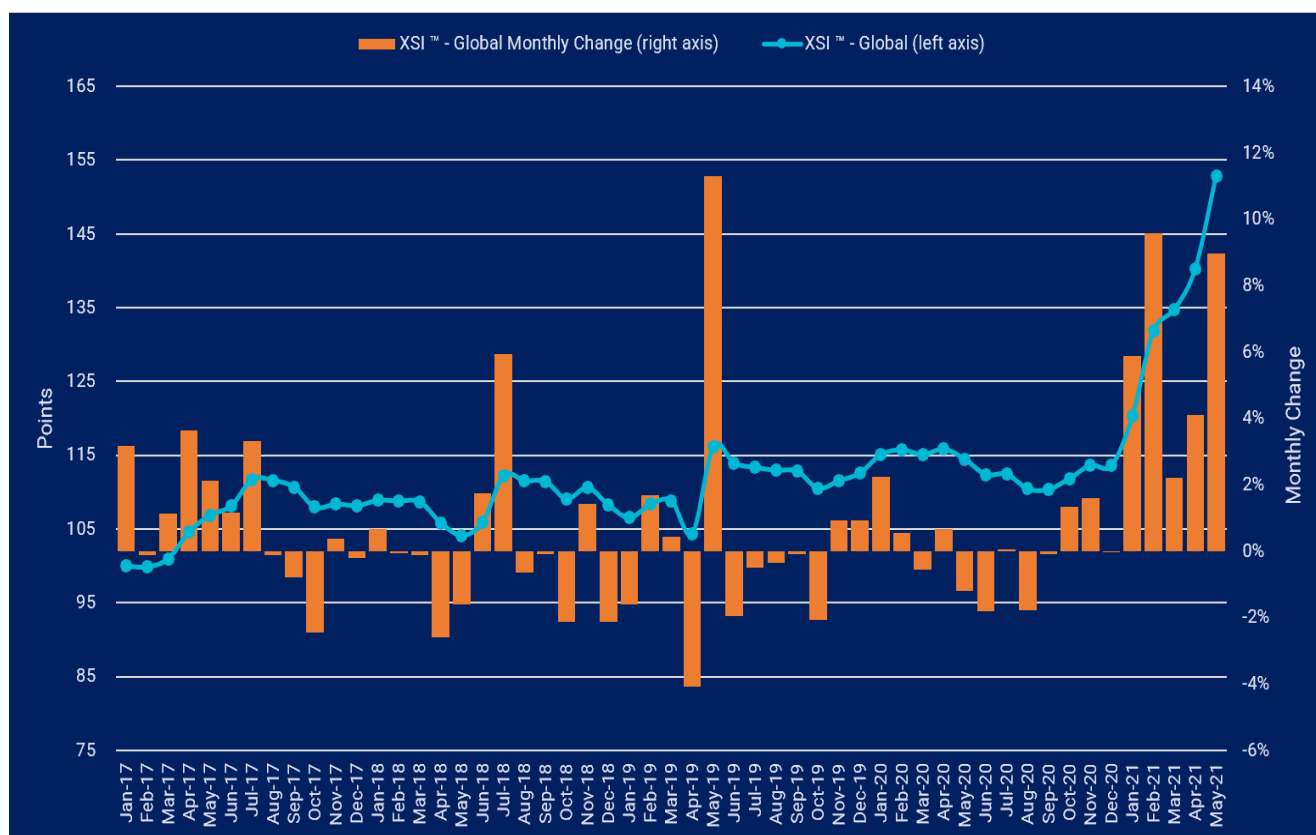
XSI® - May 2021

XSI® - Global

The global XSI® shot up by a further 9.0% in May-21 to 152.87 points. This month-on-month increase is the third largest on record and takes the total increase since the end of 2020 to 34.5%. The benchmark is also now 33.5% higher than the equivalent period of last year.

In further signs that carriers are reaping the rewards of higher rates, Zim saw its Q1 revenue almost double year-on-year on the back of its average revenue per TEU increasing from \$1,091 to \$1,925. Furthermore, the carrier's decision to focus on e-commerce customers is now paying dividends, as the line saw its volumes jump by 28% year-on-year, a significantly higher rate of growth compared to Maersk's 5.7%. This strategic approach and partnerships with the likes of Alibaba have contributed to a net profit of \$590m for the quarter, versus a loss of \$12m reported last year.

Fig 1: XSI® - Global

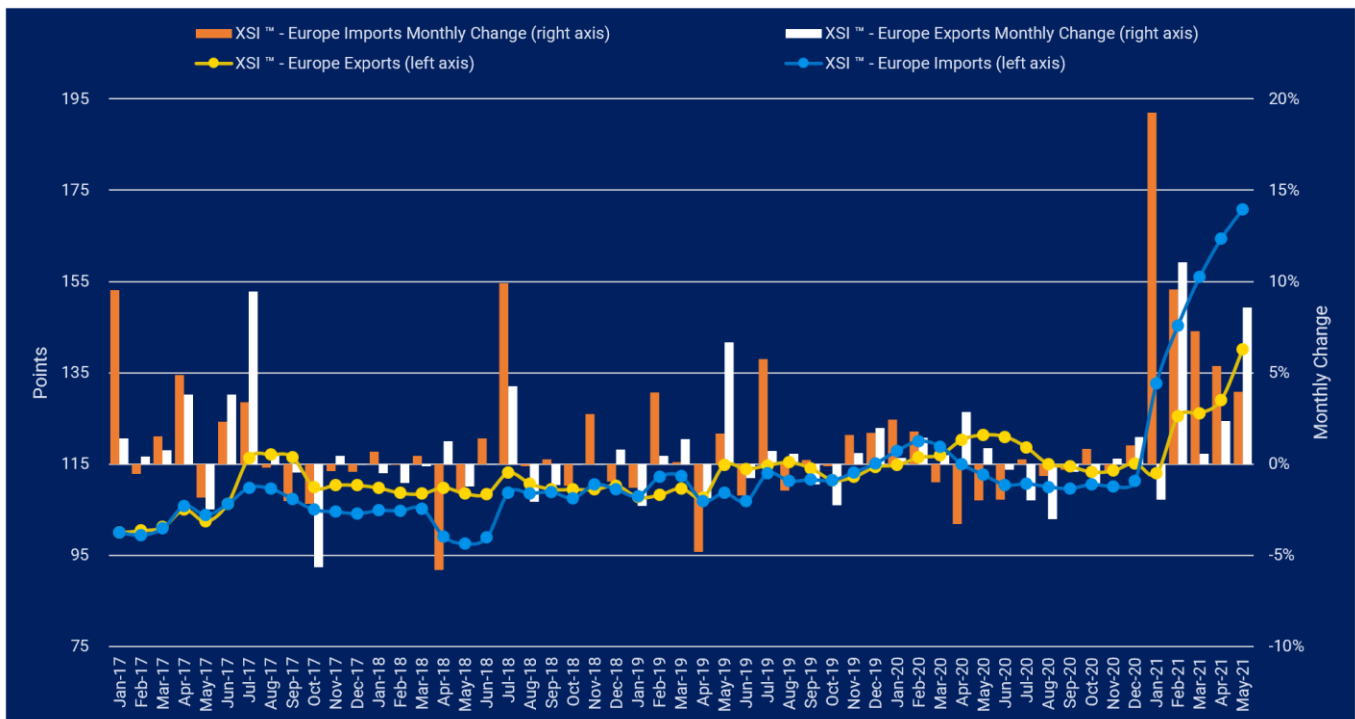


XSI® - Europe Imports / Exports

European imports on the XSI® rose yet again in May-21, increasing by 3.9% month-on-month to 170.81. Although this represents the sixth consecutive monthly increase, the pace of growth has been slowing since the dramatic spike reported in Jan-21. Following the latest increase, the benchmark is up 51.6% year-on-year and has risen by 53.5% since Dec-20. Meanwhile, European exports jumped by 8.6% this month to 140.15 points. Compared to the same period last year the index is up 15.5% and has risen by 21.7% since Dec-20.

Shippers, already experiencing a torrid time, could face further misery with carriers cancelling sailings on the key Far East - North Europe trade. ONE recently informed its customers THE Alliance would blank three sailings at the end of this month and the start of June. Conversely however, CULines has announced plans to upgrade its Far East - Europe service by offering more frequent sailings and more capacity. While still modest in size, the newly established entrant will add a further two 4,250 TEU vessels on its AEX service due to buoyant demand. CULines made its debut on the Far East - Europe trade earlier this year after joining up with the international purchasing association XSTAFF, which sought to offer its clients an alternative to the established lines.

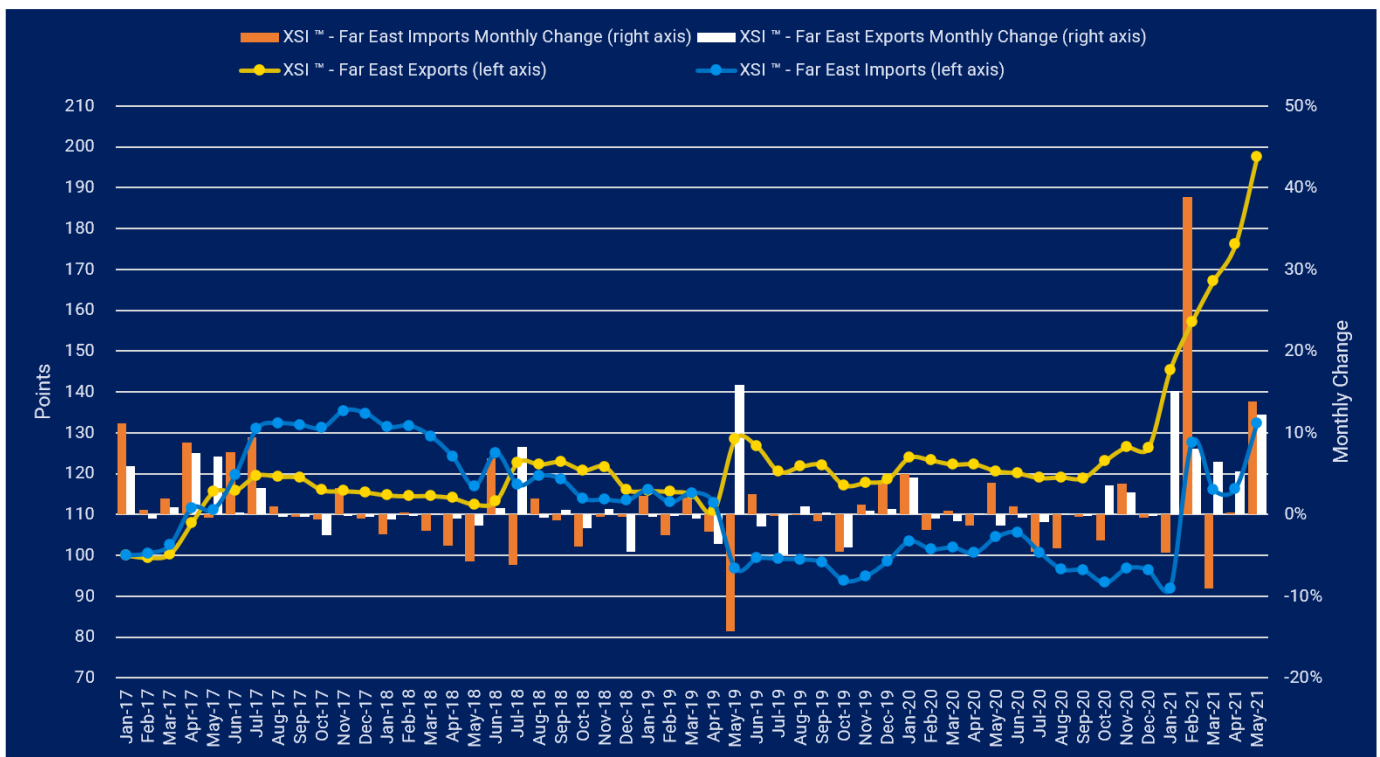
Fig 2: XSI® - Europe Imports / Exports



XSI® - Far East Imports / Exports

Far East imports on the XSI® jumped by 13.8% in May-21 to 132.38 points. The substantial month-on-month increase takes the benchmark to its highest level since Dec-17. It also means it is up 26.7% compared to the same period of last year and has risen by 37.3% since Dec-20. With shippers on major trades still having to pay historically high rates, it is no surprise to see the Far East exports benchmark rise by a further 12.2% in May-21 to 197.55 points. This latest increase ensures the index is up 63.7% year-on-year and has increased by 56.4% since the end of 2020.

Fig 3: XSI® - Far East Imports / Exports

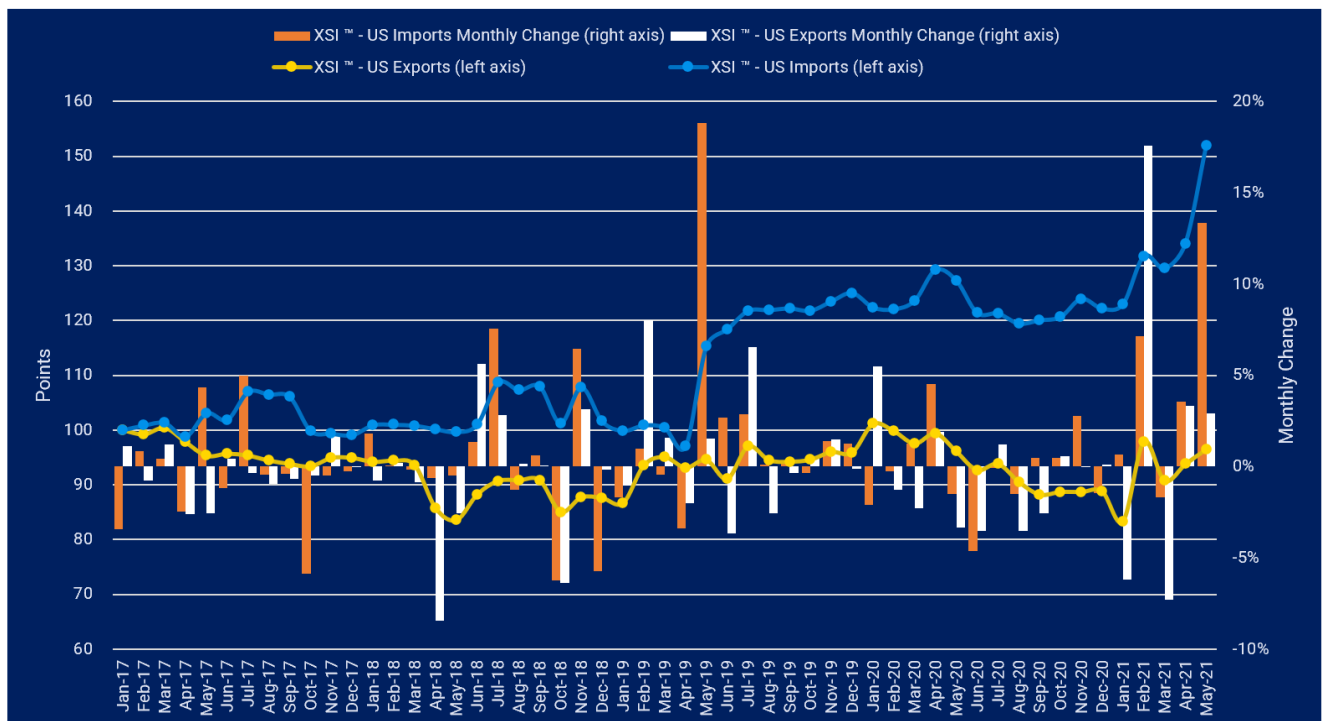


XSI® - US Imports / Exports

US imports on the XSI® rose by 13.3% in May-21 to 151.97 points. This represents the single largest month-on-month increase in the index since May-19. As a result, the benchmark is now up 19.4% year-on-year and has increased by 24.4% since Dec-20. US exports also appreciated this month, rising by 2.9% to 96.50. The benchmark is now 0.4% higher than the same period of 2020 and is up 8.7% since the end of last year.

Much like the European trades, the US market continues to face unprecedented freight rates. Anecdotal reports suggest a substantial proportion of cargo is being rolled and even those that have signed new annual contracts are facing significant hurdles as carriers favor more lucrative spot cargo. Adding further misery to shippers, Hapag-Lloyd has announced plans to implement a \$3,000 per FEU GRI on the Far East - US trade from June 15th. With fundamentals supportive of such increases, the German line stands a good chance of at least partially implementing the proposed GRI. There are also concerns that even if consumer demand falls from its elevated levels as the hospitality sector slowly opens, demand will remain higher for longer due to depressed retail inventories. As such, shippers should not expect much rate relief in the short to medium term.

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.](#)

DISCLAIMER

The monthly XSI® Public Indices report gives 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 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.