XENETA

August 2023 | Container Shipping Market Trends

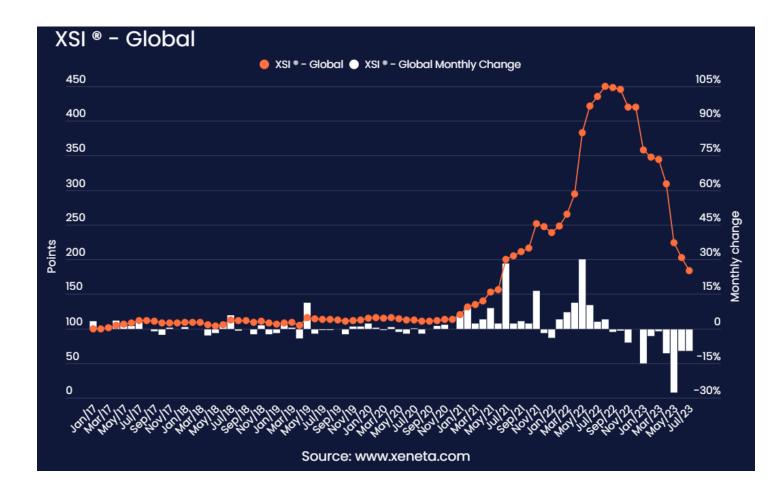
Fundamentals are weak – but spot rates don't care...

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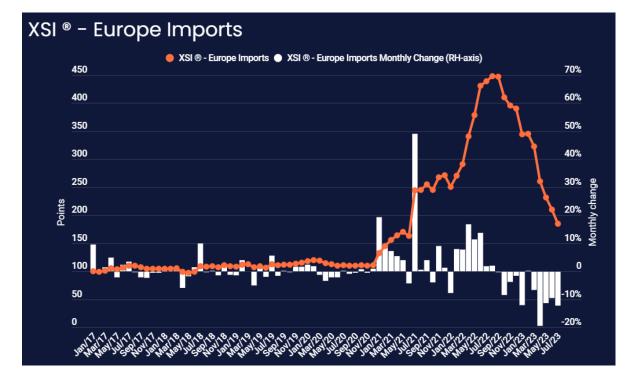
The global XSI® (contract market) fell in July to 183.6 points - 9.5% m/m

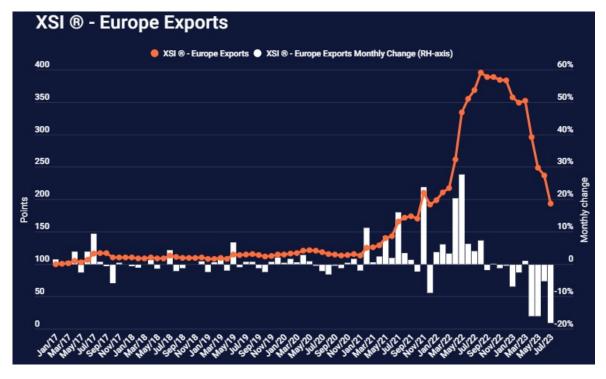
- The global XSI fell by 9.5% from June, landing at 183.6 points in July. Compared to a year ago, the global XSI has now fallen by 57.8%, down from 435.2 points.
- On all but three of the XSI sub-indices, the averages of all valid long-term rates have dropped by more than 50% compared to a year ago, meaning the average shipper on these trades should be paying less than half the rates they were a year ago on the long-term market.
- Despite an increase in volumes from previous months, global container demand remains down year on year. Carriers waiting for higher volumes in July, and in the coming months due to peak season, look increasingly likely to be disappointed.

Click here to view the full Xeneta XSI report.



The XSI for European Imports fell by 12.0% from previous month while the XSI for European Exports fell by 18.1%

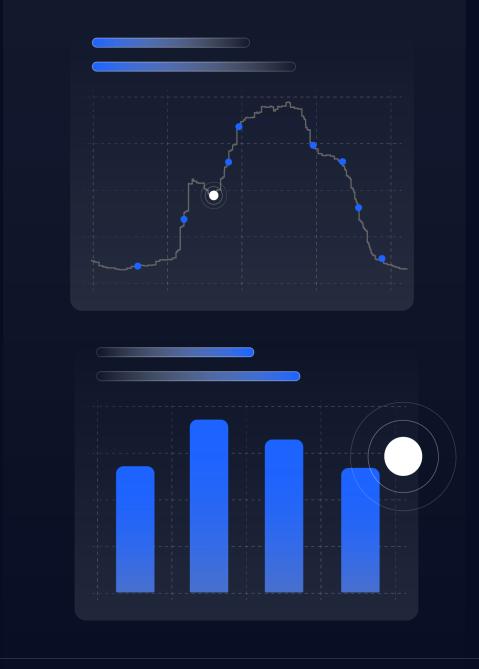




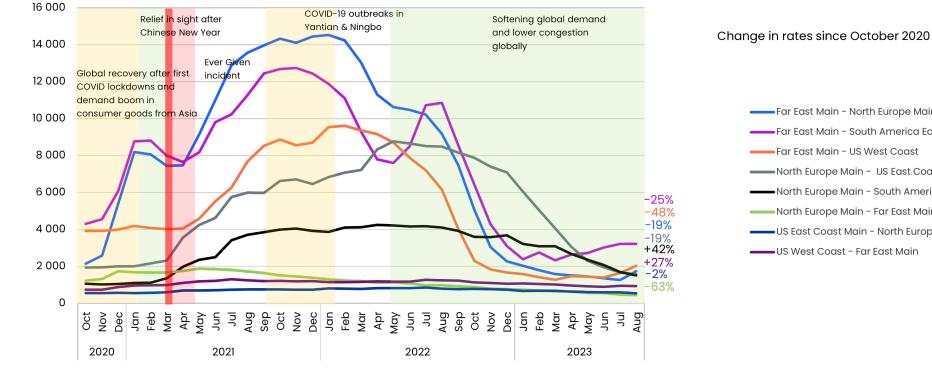
Where are we now?

Current Freight Rate Trends





Development of spot freight rates (as of August 14)



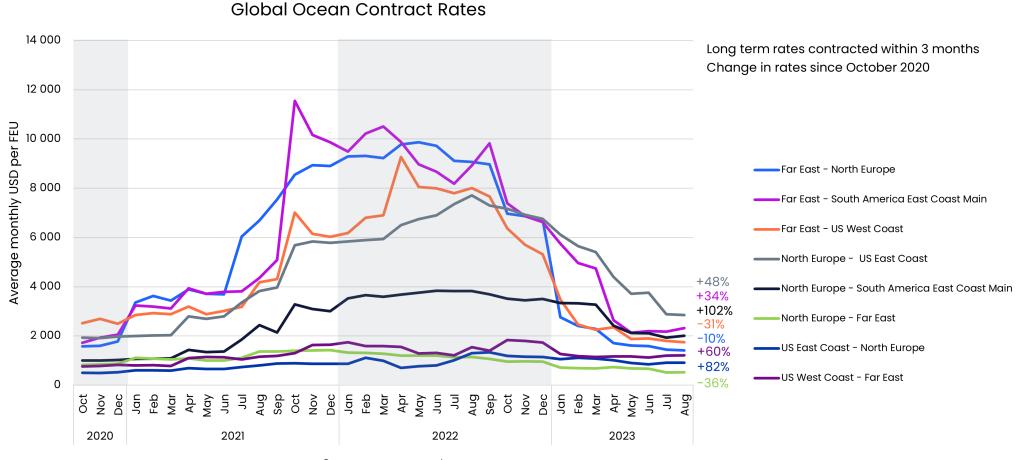
Global Ocean Spot Freight Rates

Source: www.xeneta.com



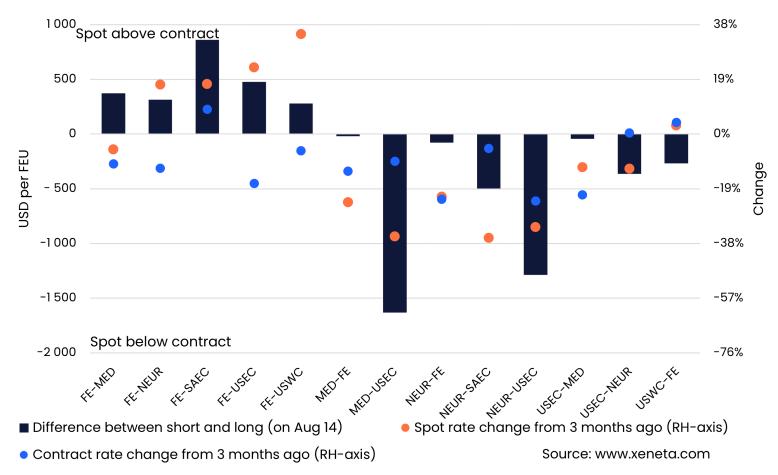
Average monthly rate USD per FEU

Development of contract freight rates (as of August 14)



Source: www.xeneta.com

Spot rates are increasing for Far Eastern exports (as of August 14)

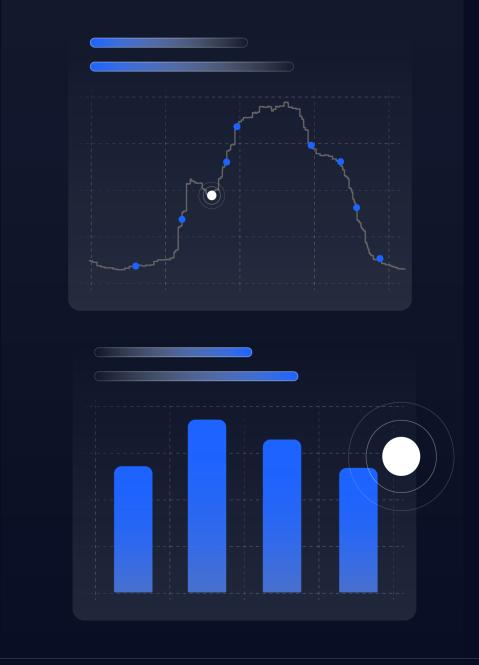


Spot and contract rates - spreads and changes

Supply Chain Heat Maps

From Xeneta





August GRI lifts Far East to North Europe. Trans-Pacific rise 4 weeks in a row.

XENETA		Achera shipping index by compass (mexsi-c)										
		Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week
		22	23	24	25	26	27	28	29	30	31	32
		ending										ending
Origin	Destination	2 Jun	9 Jun	16 Jun	23 Jun	30 Jun	7 Jul	14 Jul	21 Jul	28 Jul	4 Aug	11 Aug
Far East to	o US West Coast	5.3%	7.7%	-9.7%	-8.5%	-1.6%	18.5%	0.1%	23.6%	2.2%	4.9%	4.2%
Far East to	o North Europe	-1.1%	-0.5%	-3.4%	-4.8%	-1.4%	-1.3%	0.5%	-0.9%	-1.1%	37.2%	4.8%
Far East to	o South America East Coast	3.9%	0.9%	3.2%	2.9%	0.3%	4.7%	3.6%	-0.7%	-3.4%	3.4%	-1.9%
North Europe to	o FarEast	-2.2%	-1.4%	1.7%	-1.8%	-0.1%	-14.5%	3.8%	-0.8%	-3.0%	-2.0%	-1.8%
North Europe to	o South America East Coast	-5.1%	-5.1%	-2.5%	1.3%	-1.4%	-17.1%	0.8%	0.5%	-1.5%	-11.8%	-4.1%
North Europe to	o US East Coast	-6.7%	-4.7%	-0.2%	-1.0%	-1.8%	-20.7%	1.1%	3.8%	0.1%	-3.8%	-2.6%
US East Coast to	o North Europe	-2.1%	-0.6%	-3.2%	0.0%	0.0%	2.4%	1.6%	-3.1%	-6.6%	-5.1%	0.6%
US West Coast to	o Far East	0.0%	0.5%	-3.7%	0.3%	-0.5%	1.5%	-2.9%	4.0%	-0.3%	-0.7%	-3.2%

Xeneta Shipping Index by Compass (The XSI-C)

Powered by XSI.Xeneta.com

Note:

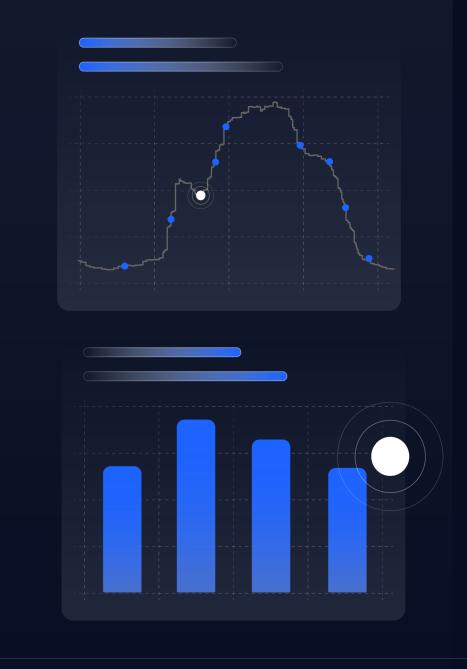
Weekly average Rates falling by more than 0.4% are GREEN Rates going down OR up by less than or equal to 0.4% are YELLOW Rates climbing by more than 0.4% are RED



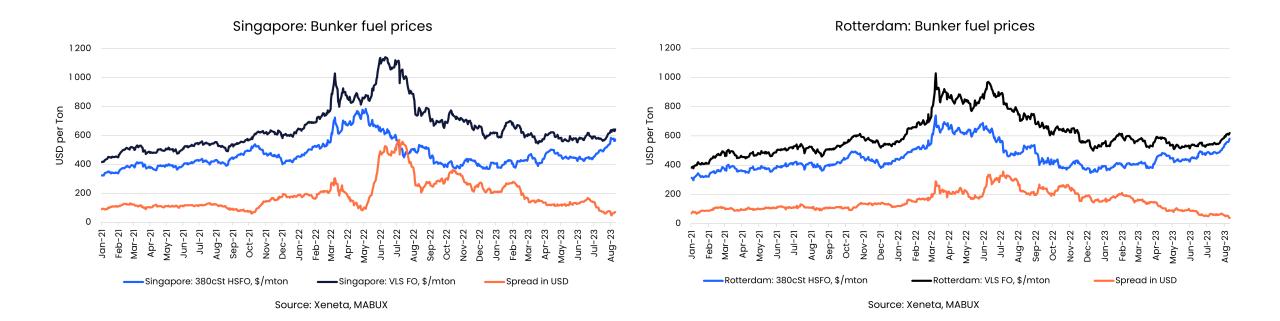
Bunker Fuel

Prices and Surcharges Main Ports

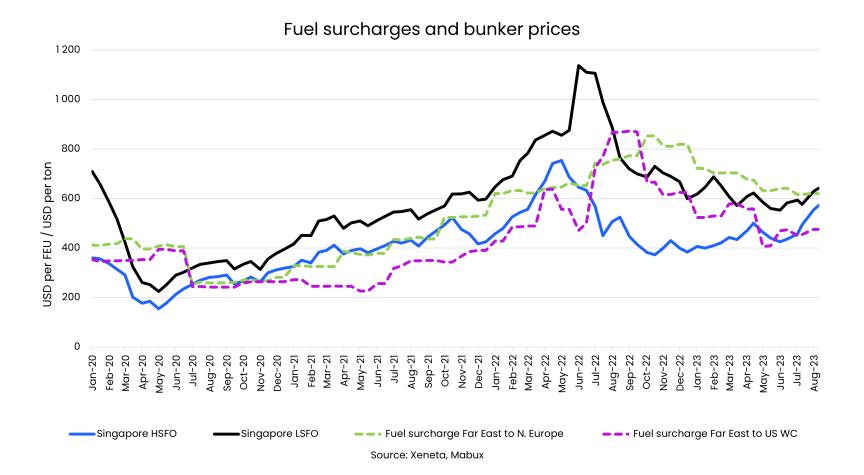




Fuel prices rise, while the spread between high and low sulphur falls below \$100 USD



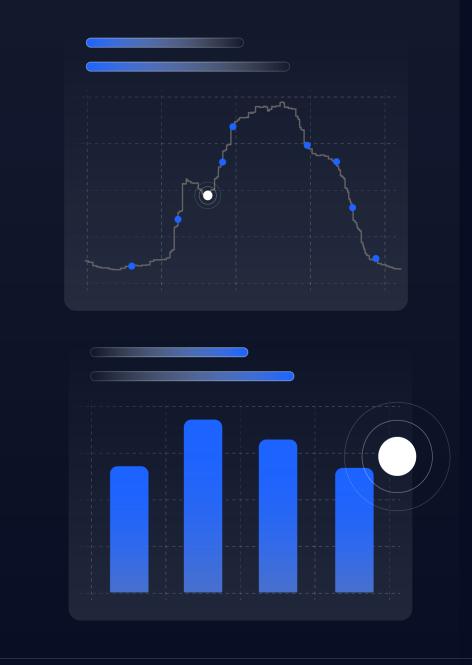
No major changes in fuel surcharges – YET



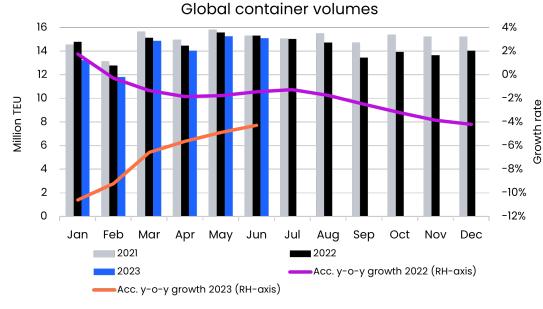
What's being shipped?

Current Demand Trends

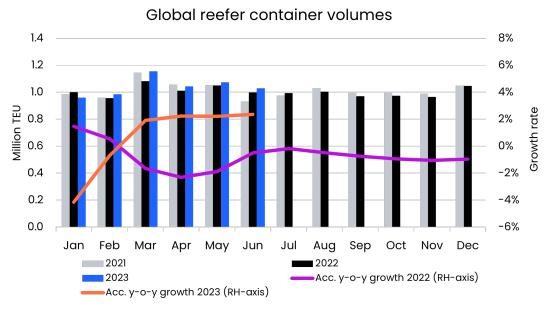




Global Container Volumes fight back after rough start to the year, recent months are almost at 2022 levels – Reefer growth continues

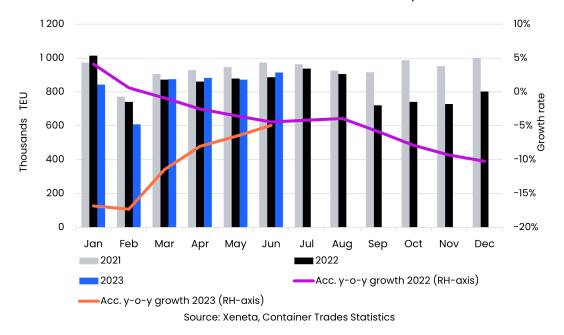


Source: Xeneta, Container Trades Statistics



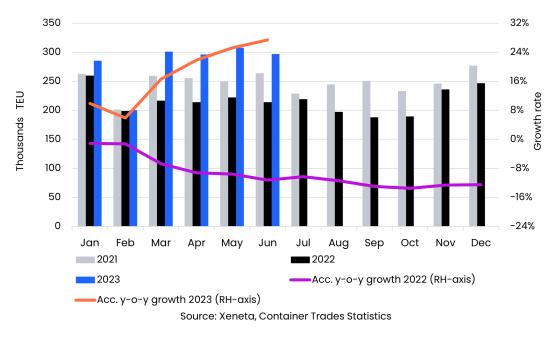
Source: Xeneta, Container Trades Statistics

Volumes for 2023 to Northern Europe slowly reaching 2022-levels with June seeing an increase. Volumes to East Mediterranean up by 27% in the first half of 2023

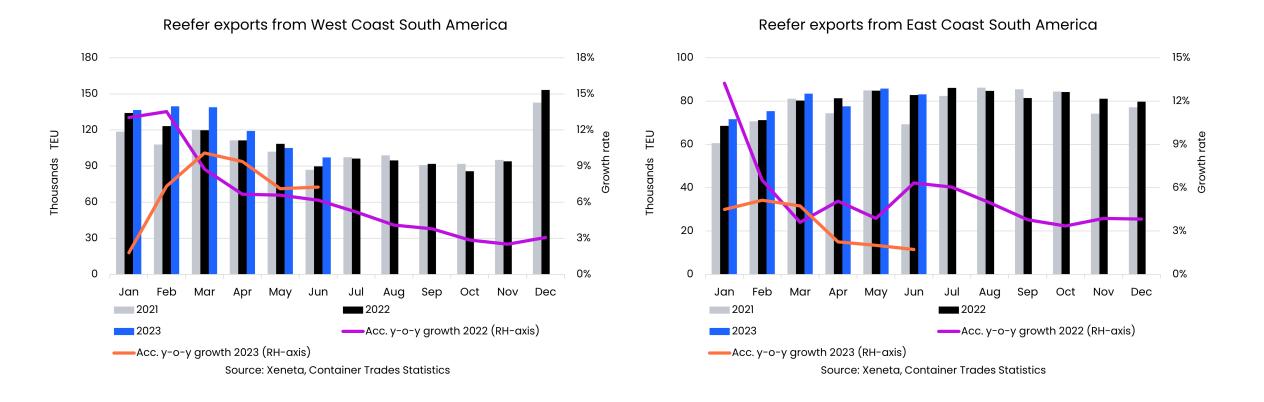


Volume from Far East to Northern Europe

Volume from Far East to East Med and Black Sea



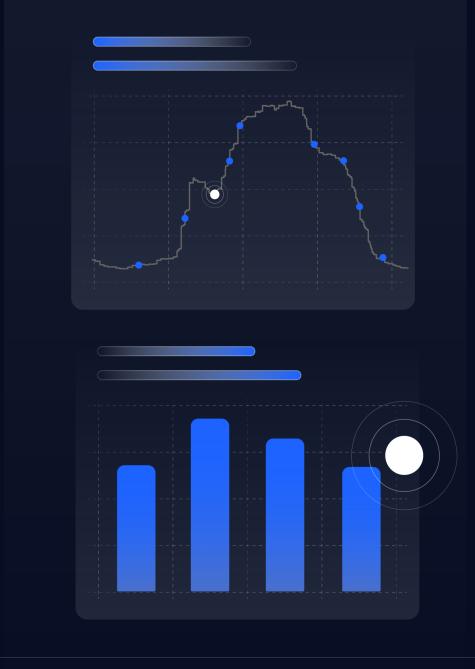
Reefer exports keeps growing with South America West Coast in the lead



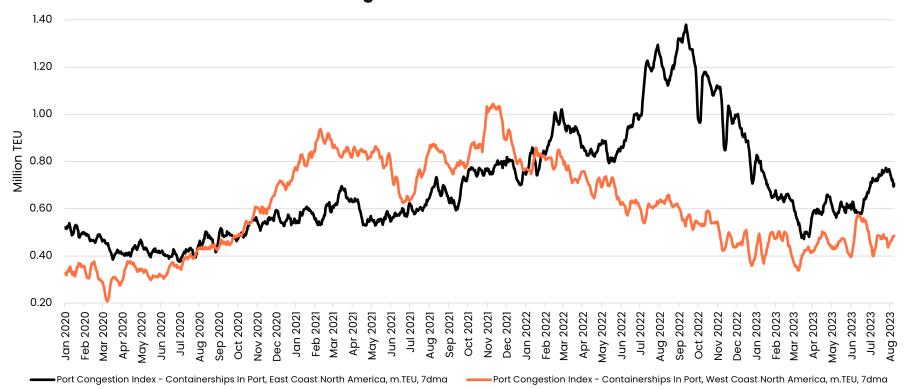
Where's the congestion?

Improving or getting worse?





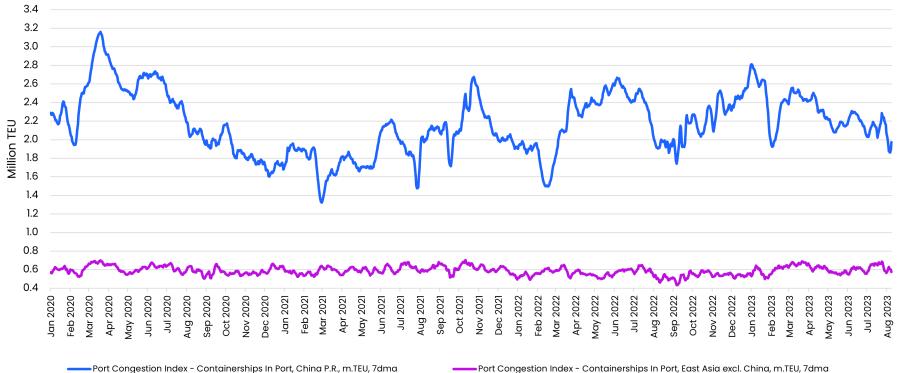
US East Coast congestion declines after spike – West Coast stabilizes post labor negotiation disruptions



Port Congestion: US East & West Coast

Source: Xeneta, Clarksons

Congestion in China falls in line with seasonality – East Asia also declines slightly



Port Congestion: China & East Asia excl. China

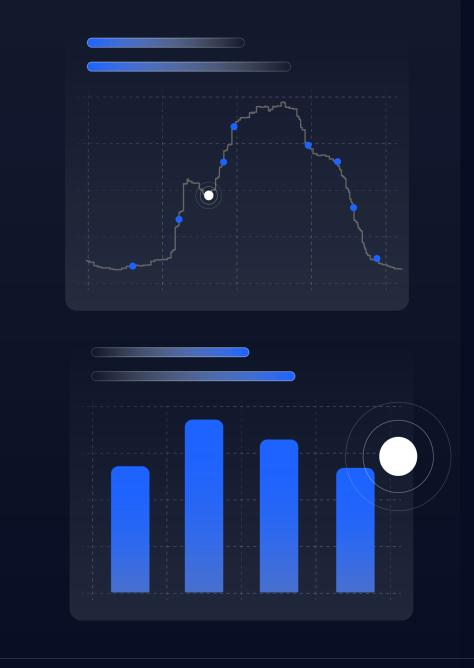
Port Congestion Index - Containerships In Port, East Asia excl. China, m.TEU, 7dma

Source: Xeneta, Clarksons

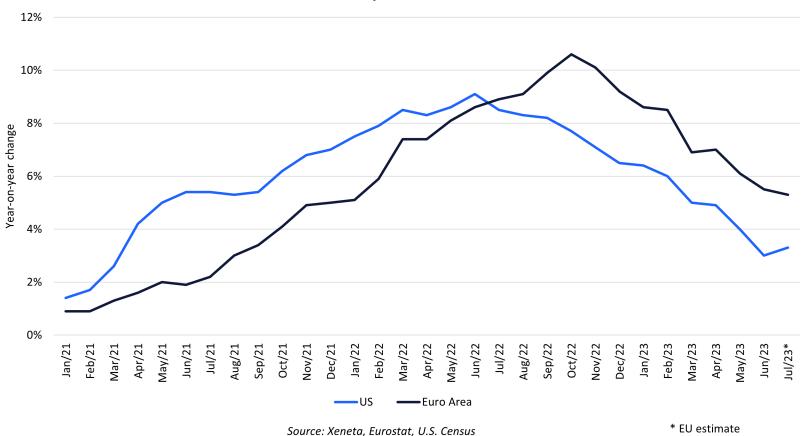
Where's the economy heading?

In the East and in the West





US inflation sees first increase in 12 months – EU continues steady decrease



Inflation rates for the European Union and the United States

WORLD ECONOMIC OUTLOOK JULY 2023 **GROWTH PROJECTIONS BY REGION**

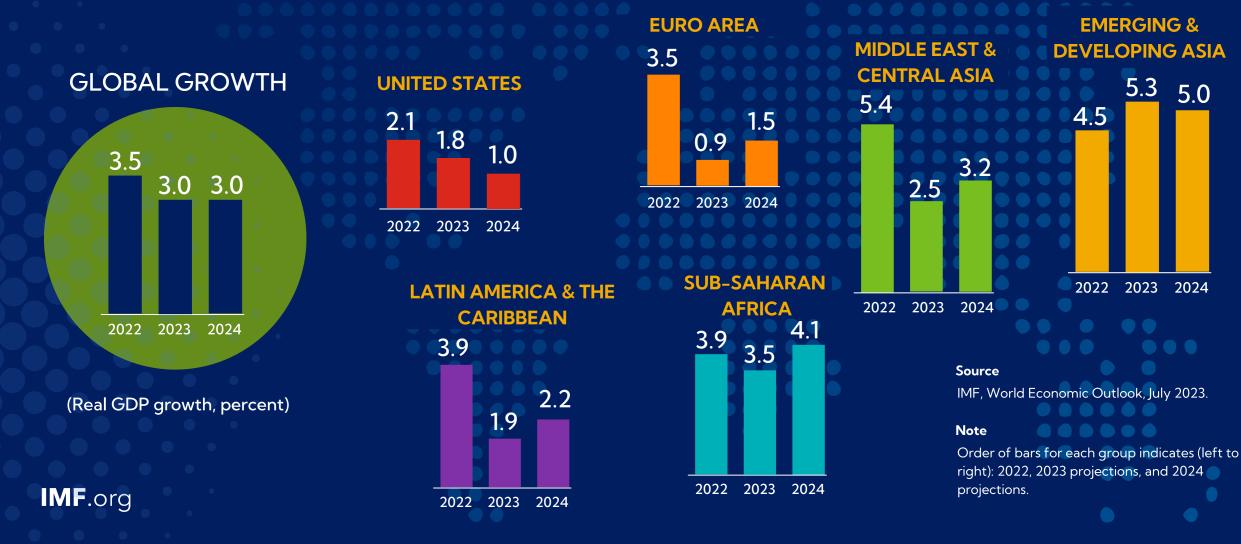
EMERGING &

5.3

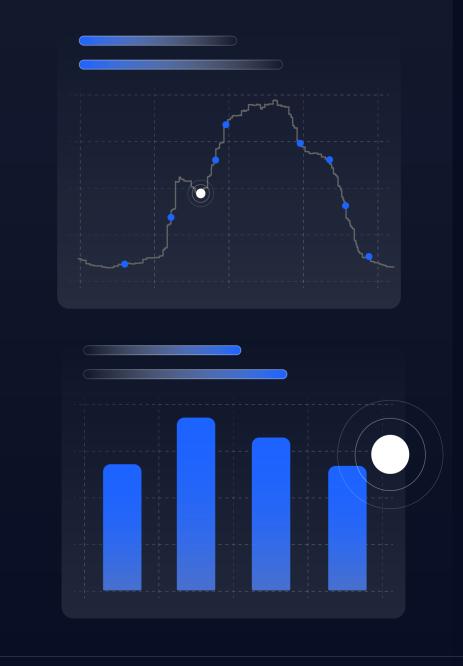
2022 2023 2024

4.5

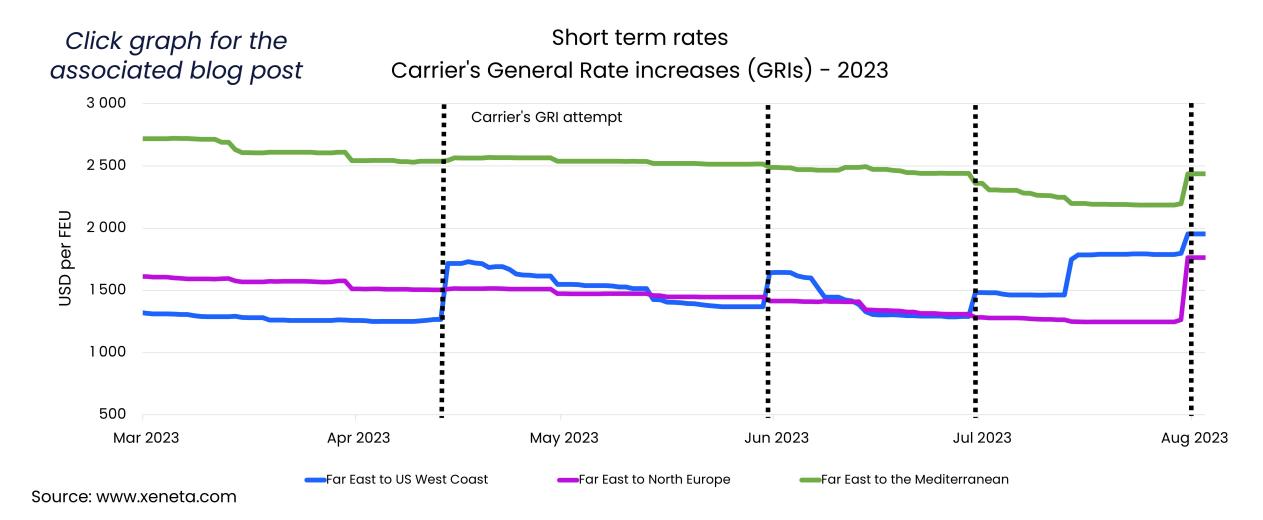
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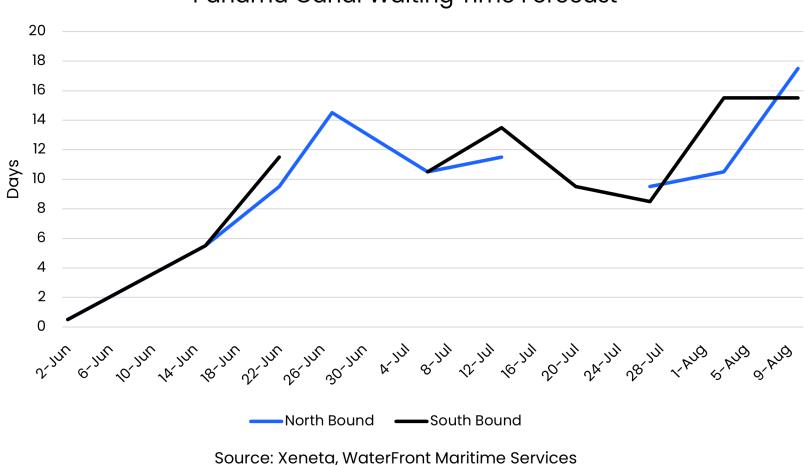
Monthly Specials!



Carrier's General Rate Increases so far for 2023

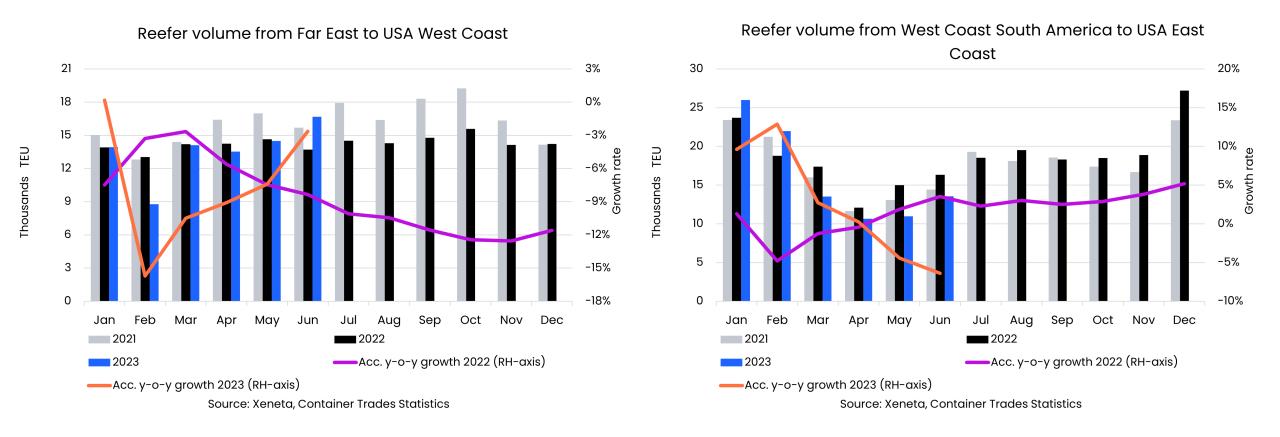


Panama Canal draft restrictions continues to impact transits of Neo-Panamax ships



Panama Canal Waiting Time Forecast

US inbound reefer volumes in focus





AMSTERDAM | OCTOBER 25-26, 2023

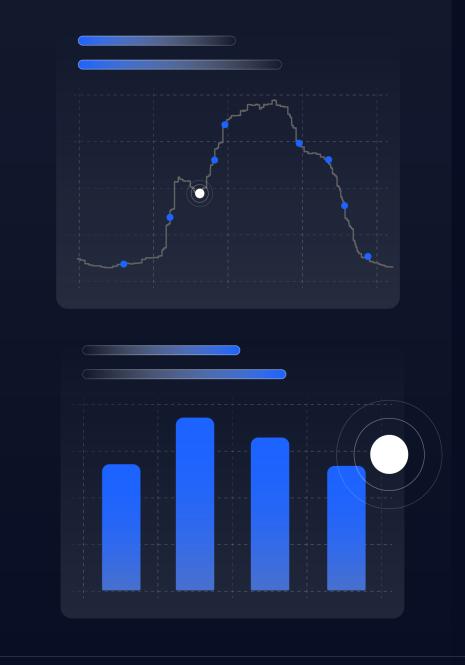
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Xeneta Shipping Index (XSI®) July 2023: Ocean freight rates spiral downwards as low demand squeezes carriers further

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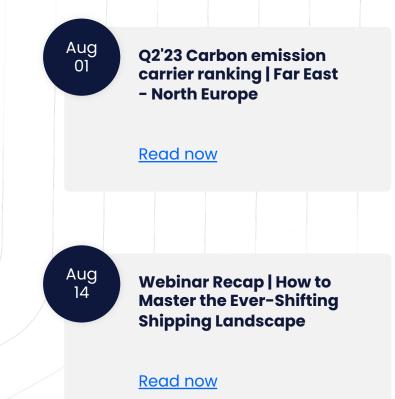
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Weekly Container Rate Update Week 32'23 | GRIs finally take hold for carriers as spot rates climb above long-term prices on key Far East corridors

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State of the Ocean Freight Market Webinar ON DEMAND | August 2023

Speakers for the Event

Patrik Berglund Xeneta CEO and Co-Founder

Michael Braun Xeneta VP Customer Success

With guest:

Frederick Vanloon Manuport Logistics Global Procurement Manager

The ocean freight market is shifting. How can you manage costs and evade risk? Watch now

Q2 2023 | Xeneta Air Deep Dive Report

Xeneta customer-exclusive quarterly overview of the major developments in air freight.



SUMMARY

- Market sentiment remains pessimistic and during the past quarter, global air-freight spot rates reached their lowest level since the onset of the pandemic (but still higher than the period just prior to the pandemic).
- The pick-up in passenger belly capacity amid increased widebody deliveries will continue to put downward pressure on rates if demand fails to improve.
- Although cargo demand was hit hard by the pandemic, there are some signs that the contraction is easing. However, growth has been lagging world GDP and a softened global economy is likely to dampen hopes for a rosy year-end peak season.

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www.xeneta.com

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