

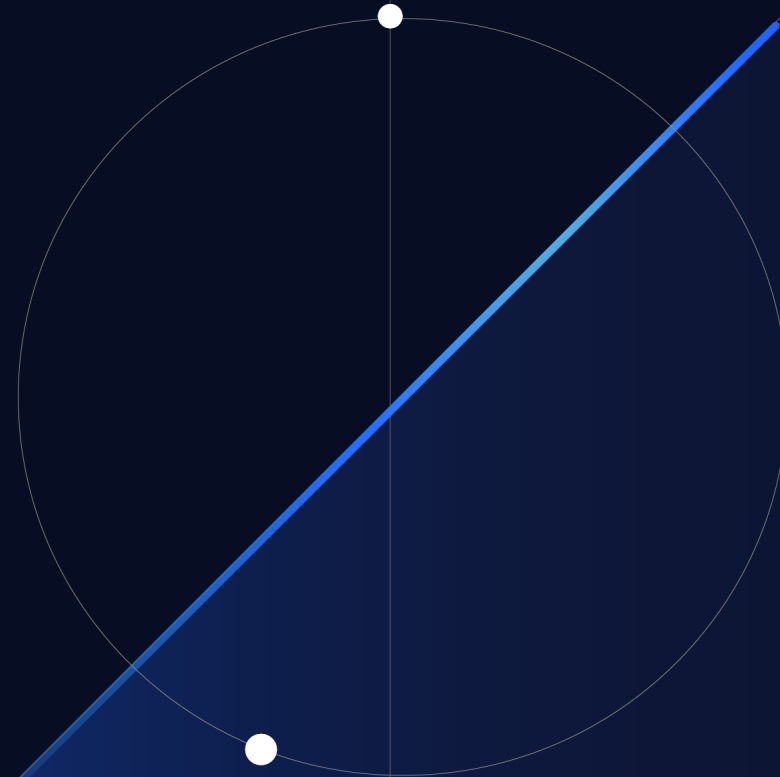


XENETA

March 2024 | Container Shipping Market Trends

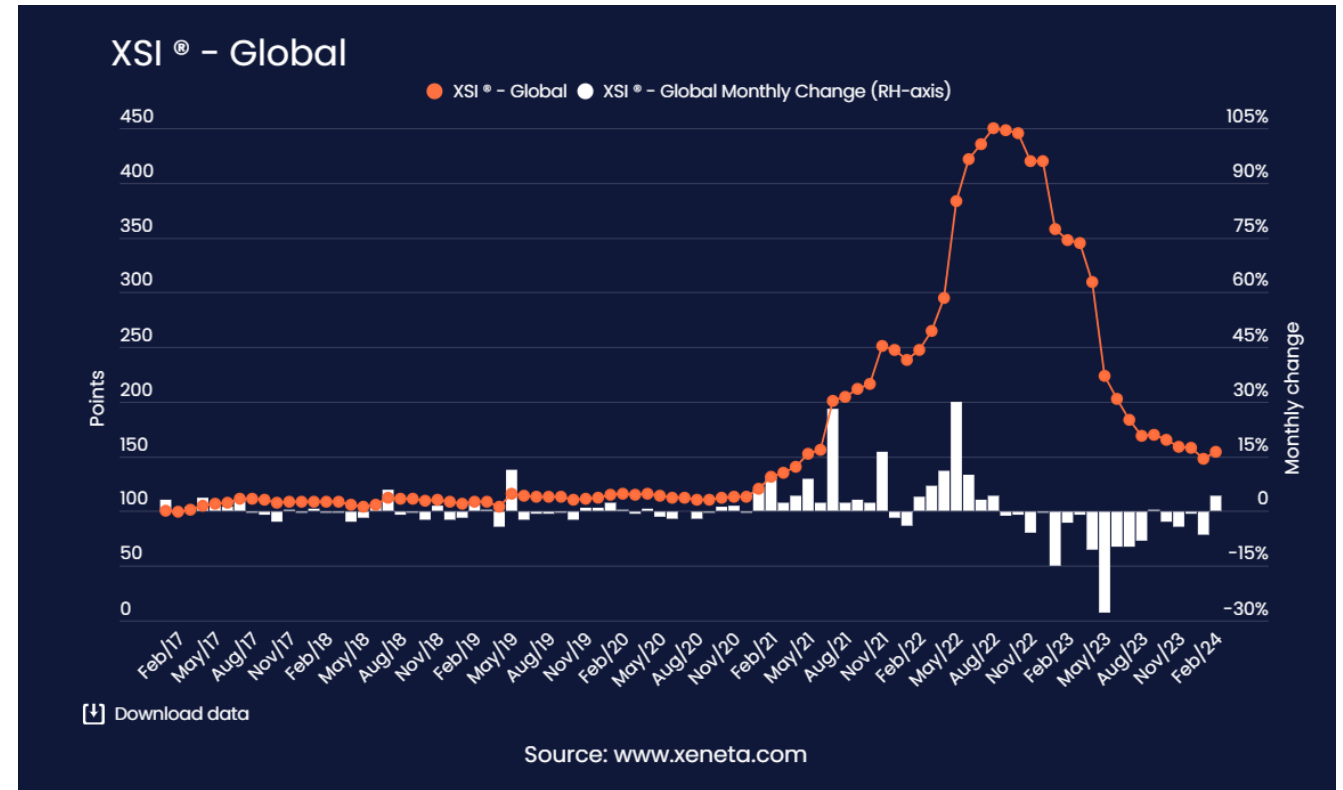
Redefining Normalcy: Market Responses to Shifting Dynamics

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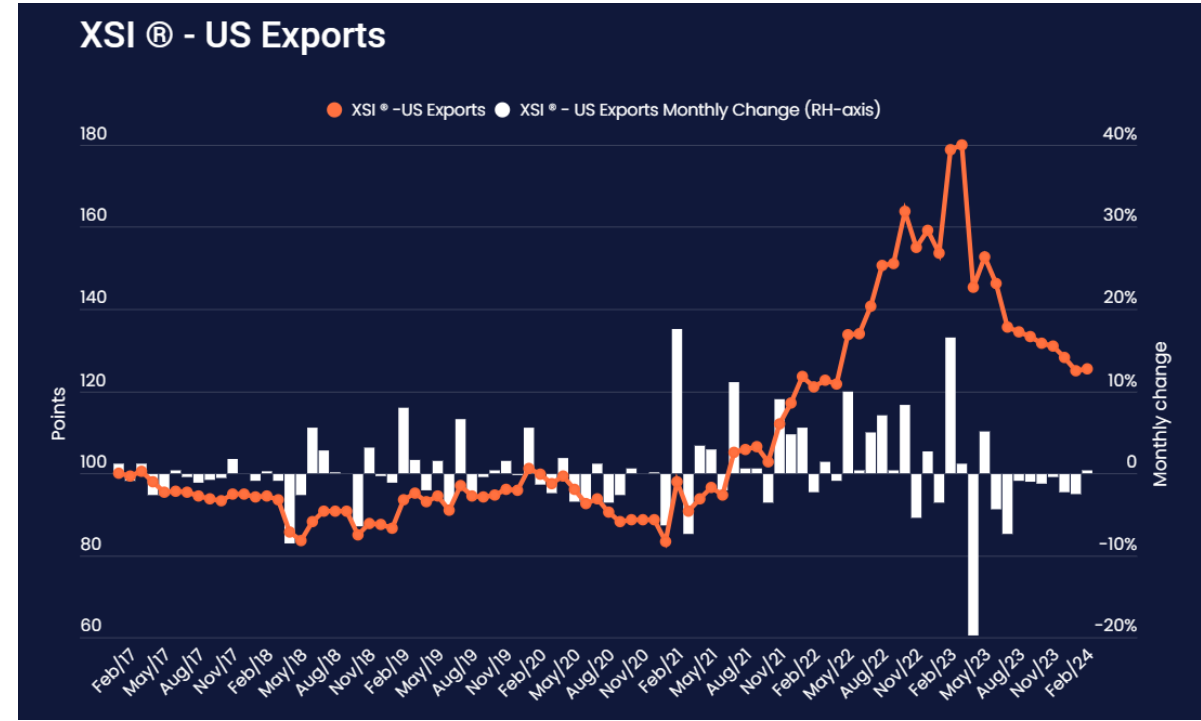
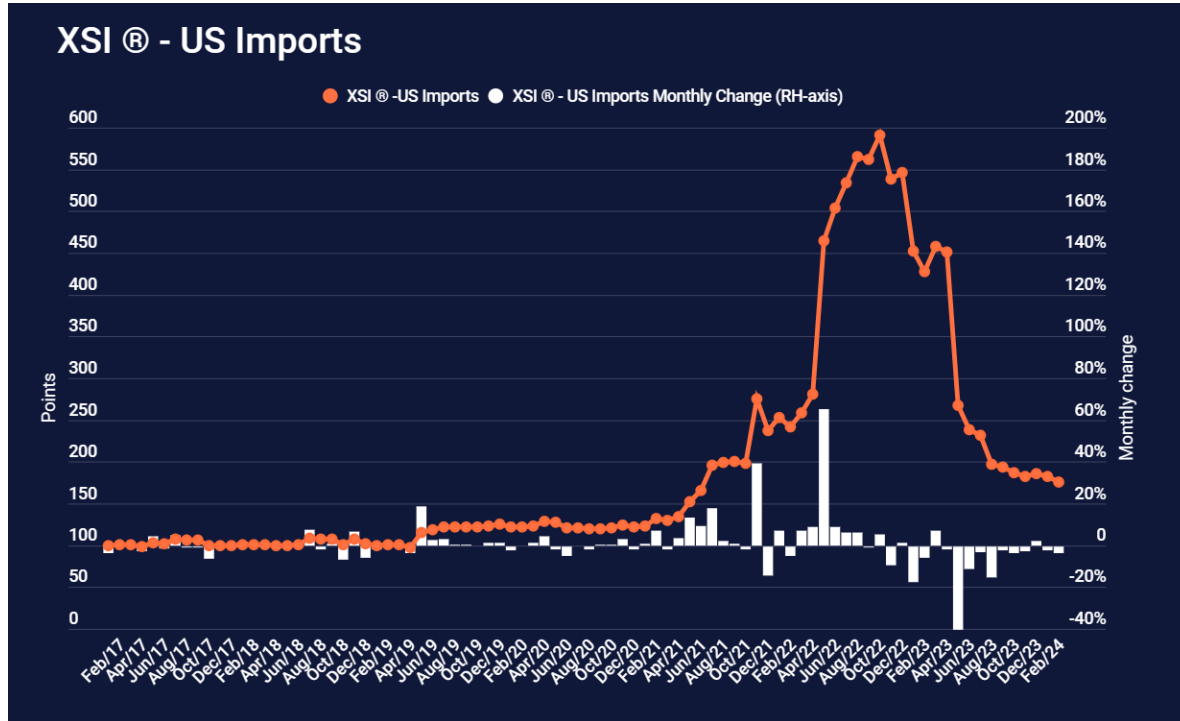
Global XSI® (Long-term contract Market) Sees February rise to 154.4 points, second only consecutive monthly increase in more than a year and a Half

- The Global XSI® index surged by 4.3% in February to 154.4 points, marking its largest month-on-month increase since June 2022.
- This increase represents only the second rise in the XSI® index over the past year and a half.
- The surge in long-term rates reflects recent developments in the global container shipping market, particularly stemming from the Red Sea crisis, which notably elevated spot rates in January and early February.
- Carriers have incorporated Red Sea-related surcharges into both existing and newly negotiated contracts, driving the increase in long-term contracts.
- Despite minimal changes in long-term contract base rates, overall costs have been inflated by new and increased surcharges.
- Importance of underlying base rates remains significant for shippers, especially those negotiating contracts starting in May for the following 12 months.



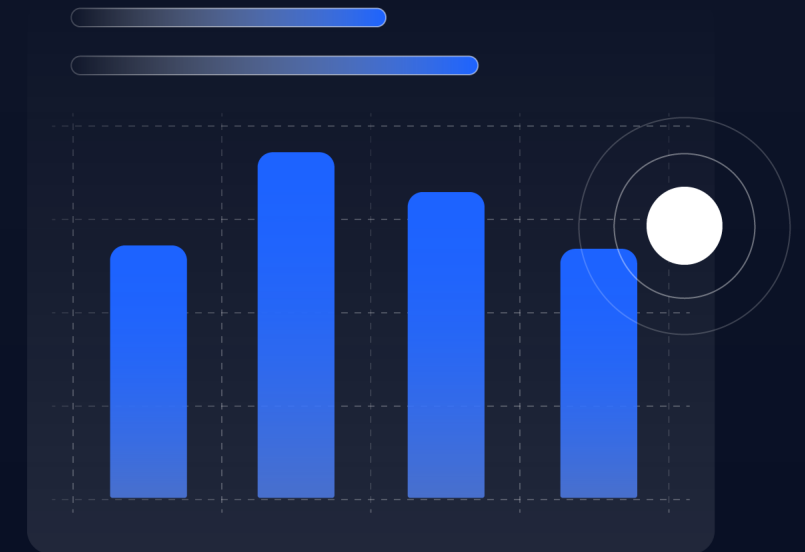
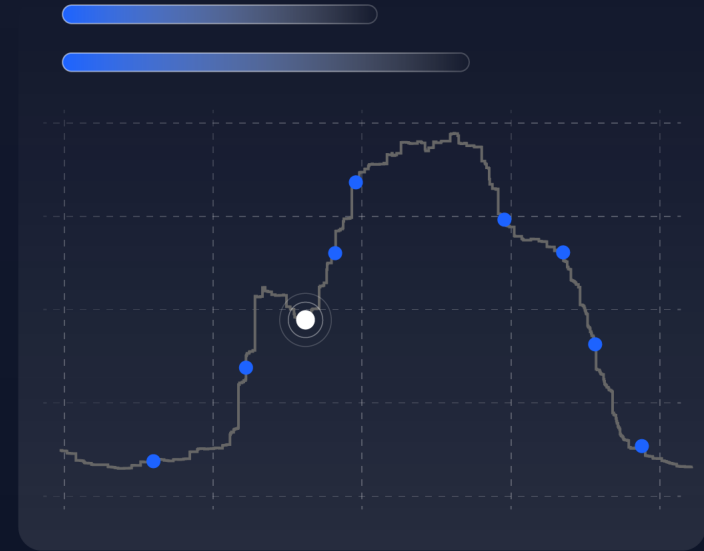
[Click here to view the full Xeneta XSI report.](#)

The XSI® for US imports was the only index to fall in February, down by 3.3% to 176.1 points

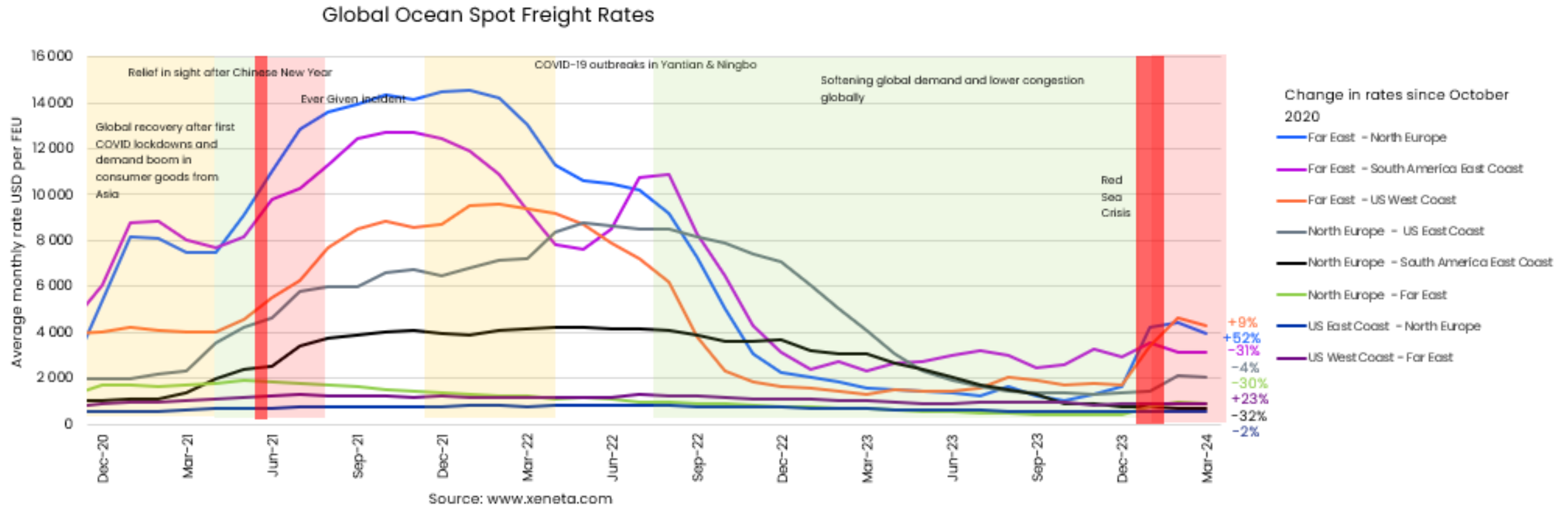


Where are we now?

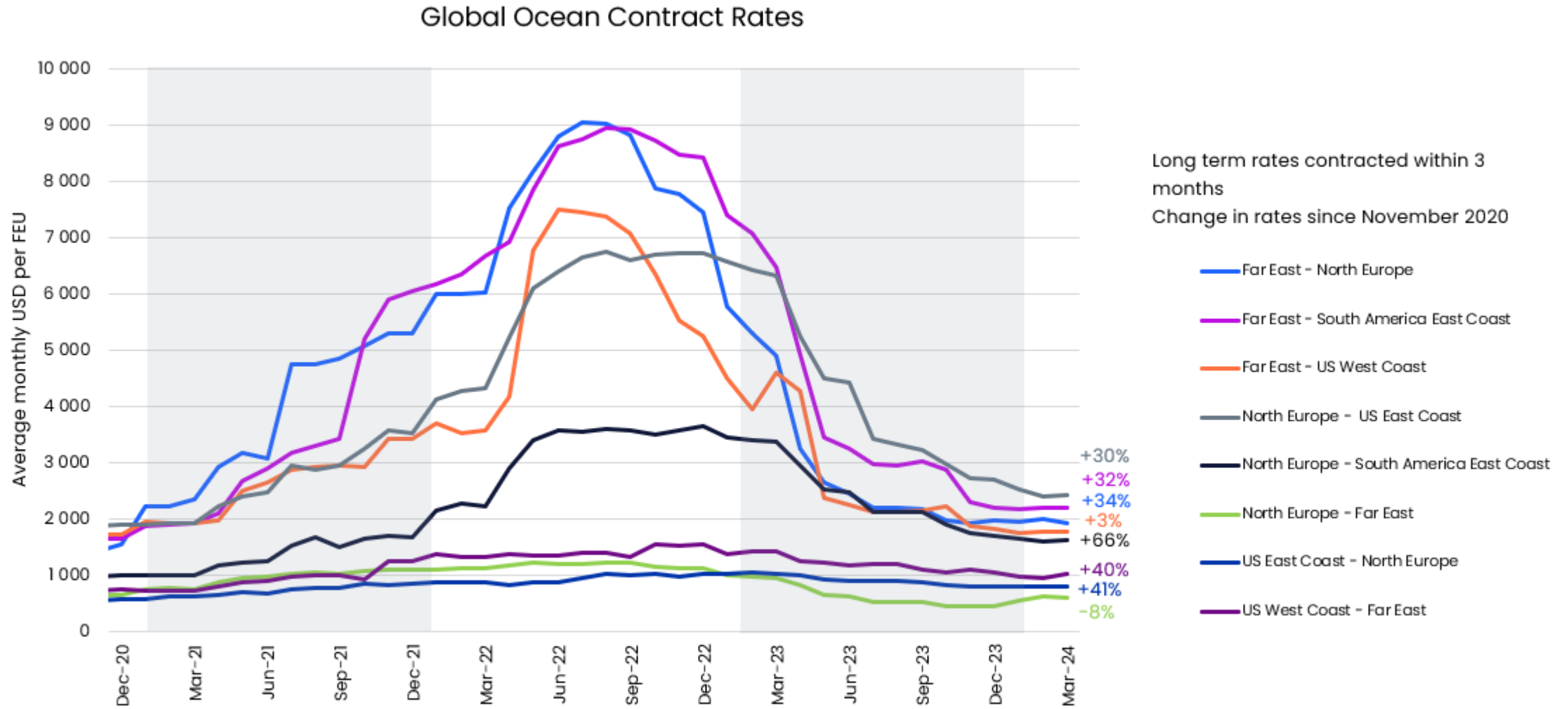
Current Freight Rate Trends



Development of spot freight rates (as of March 11th, 2024)



Development of contract freight rates (as of March 11th, 2024)



Source: www.xeneta.com

Since the end of November 2023, the ongoing Red Sea crisis has ignited substantial spot rate surges along crucial trade routes, notably in Far East outbound shipments.

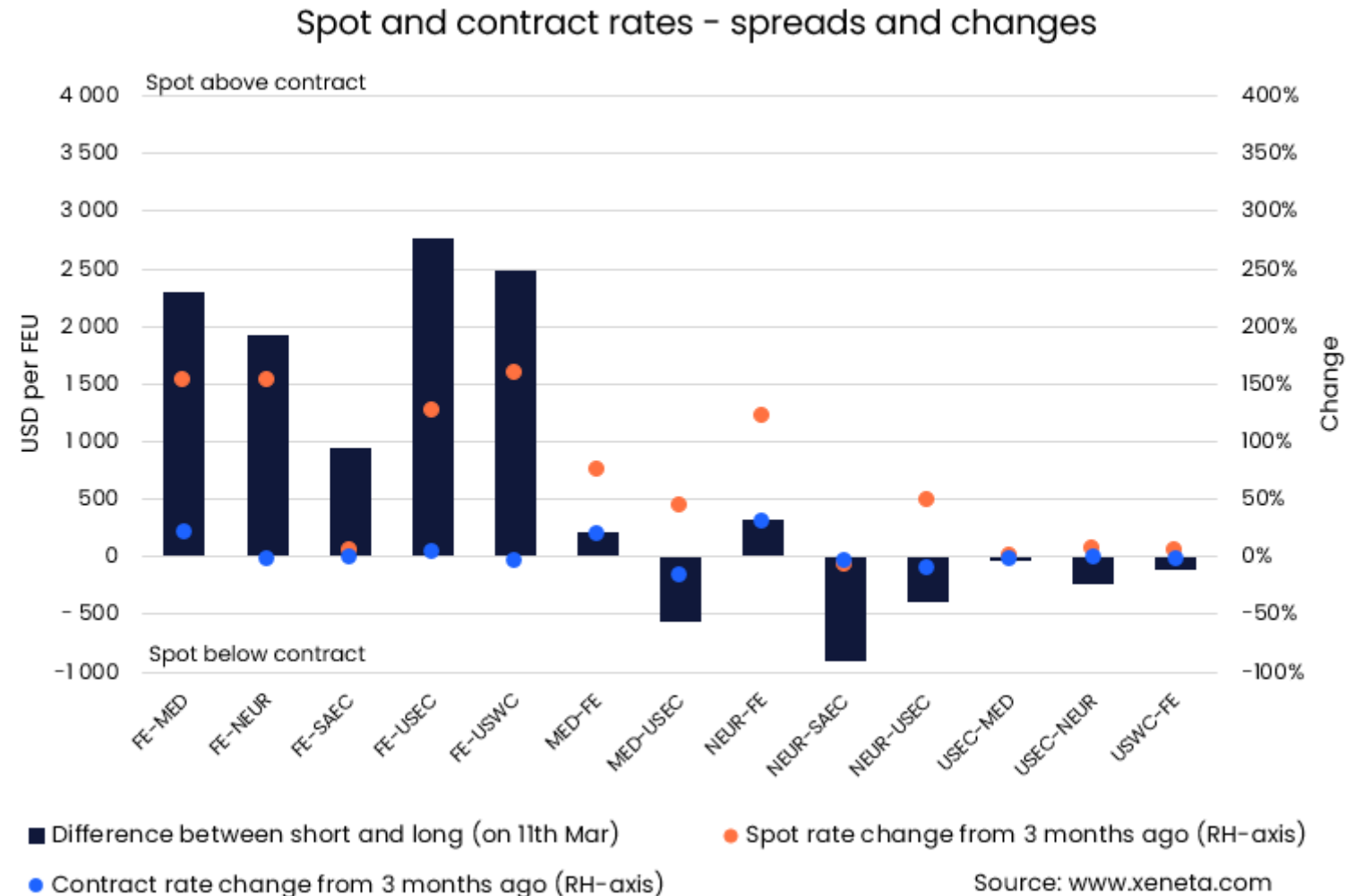
How to read this chart

Objective of graph: For the reader to see the price difference between short and long contracts.

Left Hand Axis: USD per FEU price difference between short and long contracts as of current date.
(Spot Rates minus Contract Rates)

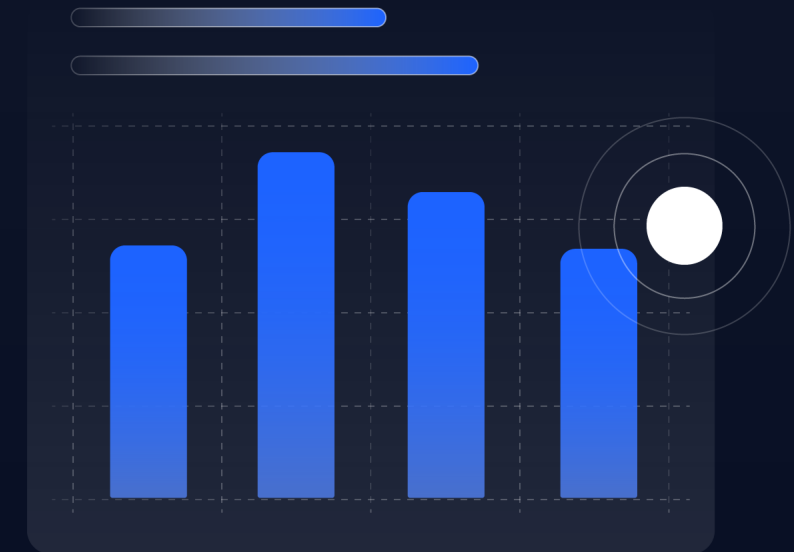
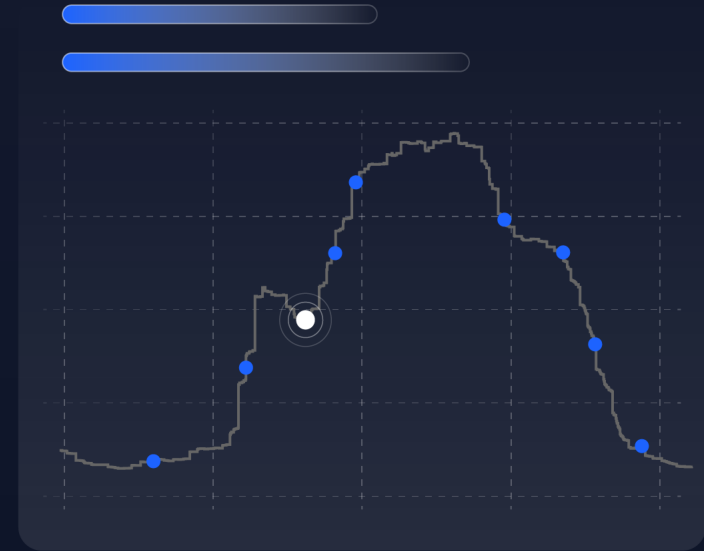
- If the bar shows a positive spread, spot rates are above contract rates, if the bar is in the negative, contract rates are above spot rates.

Right Hand Axis: Percentage difference in spot and contract rates from 3 months ago to the current date.



Supply Chain Heat Maps

From Xeneta



In March, the XSI® C- on US WC to Far East trade lane stays on the rise – as the only one

XENETA

Xeneta Shipping Index by Compass (The XSI-C)

Origin	Destination	Week	Week	Week	Week	Week	Week	Week	Week	Week	Week	
		1	2	3	4	5	6	7	8	9	10	11
		ending										
		05/Jan	12/Jan	19/Jan	26/Jan	02/Feb	09/Feb	16/Feb	23/Feb	01/Mar	08/Mar	15/Mar
Far East	to US West Coast	33.8%	5.2%	40.0%	10.5%	10.1%	10.3%	2.3%	0.5%	-3.6%	-5.7%	-3.8%
Far East	to North Europe	83.8%	16.2%	26.2%	2.2%	-1.8%	-2.9%	-2.4%	-3.8%	-2.2%	-7.3%	-3.7%
Far East	to South America East Coast	23.4%	8.4%	1.1%	-5.8%	-5.4%	-8.7%	-0.4%	0.3%	3.4%	-0.5%	-2.6%
North Europe	to Far East	18.1%	29.1%	26.0%	6.4%	19.8%	12.1%	-2.2%	-4.7%	-0.6%	-5.0%	-1.9%
North Europe	to South America East Coast	-15.1%	11.7%	-0.1%	-1.8%	-1.6%	-2.5%	1.0%	0.5%	-2.2%	-0.2%	-1.1%
North Europe	to US East Coast	10.0%	-0.8%	-1.3%	1.1%	15.6%	25.9%	1.5%	-0.1%	-2.3%	-2.3%	-1.0%
US East Coast	to North Europe	-2.9%	1.7%	2.9%	0.5%	0.6%	-0.8%	0.8%	1.3%	-0.2%	-2.8%	-0.1%
US West Coast	to Far East	4.1%	-6.1%	-1.6%	-2.6%	-0.2%	-0.8%	1.1%	0.6%	1.7%	3.2%	0.6%

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

What is the XSI® - C?

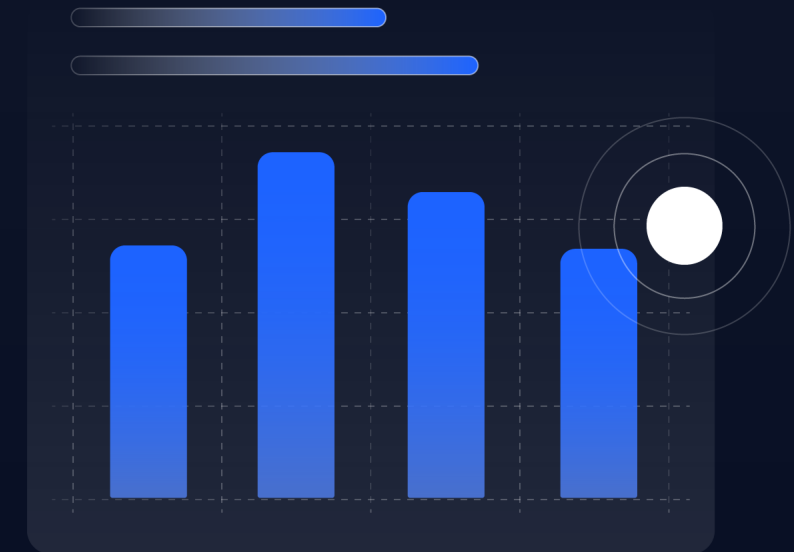
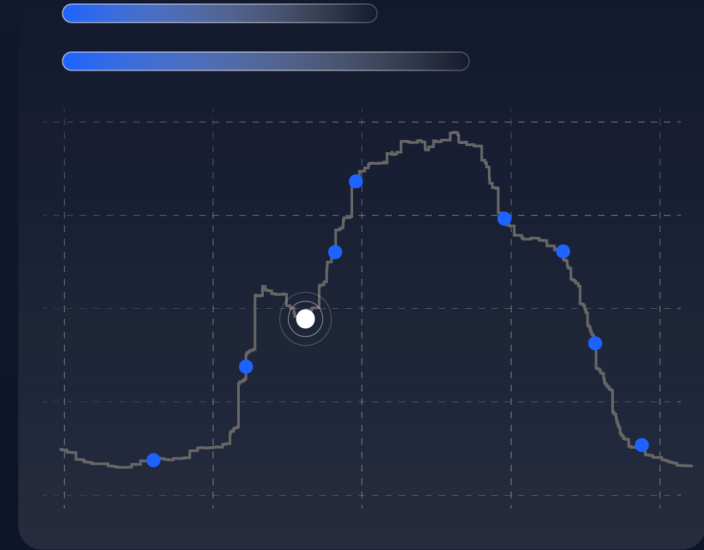
The XSI® - C stands for the Xeneta Shipping Index by Compass. It's EU BMR compliant and ready for index-linked contracting and derivatives.

The XSI® - C is the container shipping industry's most transparent and trusted container rates index. It delivers the most in-depth and most accurate representation of the container freight market.

Bunker Fuel

Prices and Surcharges

Main Ports

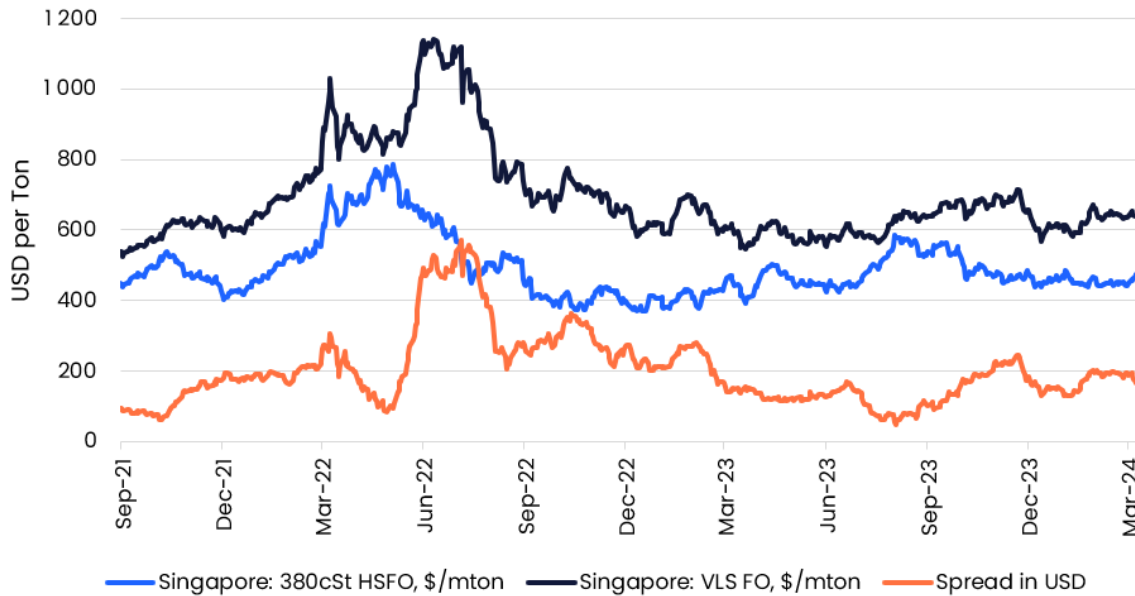


Bunker Market Trends: Singapore vs. Rotterdam – Rising Demand – sidestepping prices

Singapore: VLSFO overcharged by \$7, HSFO undercharged, premium narrows by \$6.

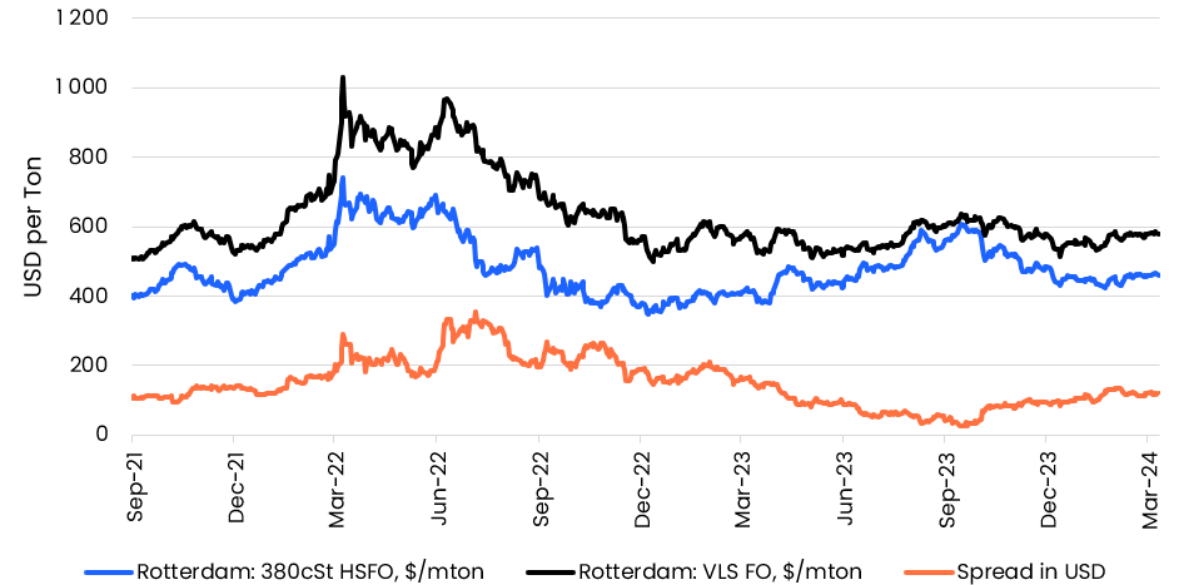
Rotterdam: VLSFO prices remain undercharged, with a \$2 decrease, while HSFO prices also undercharged, narrowing by \$3.

Singapore: Bunker fuel prices



Source: Xeneta, MABUX

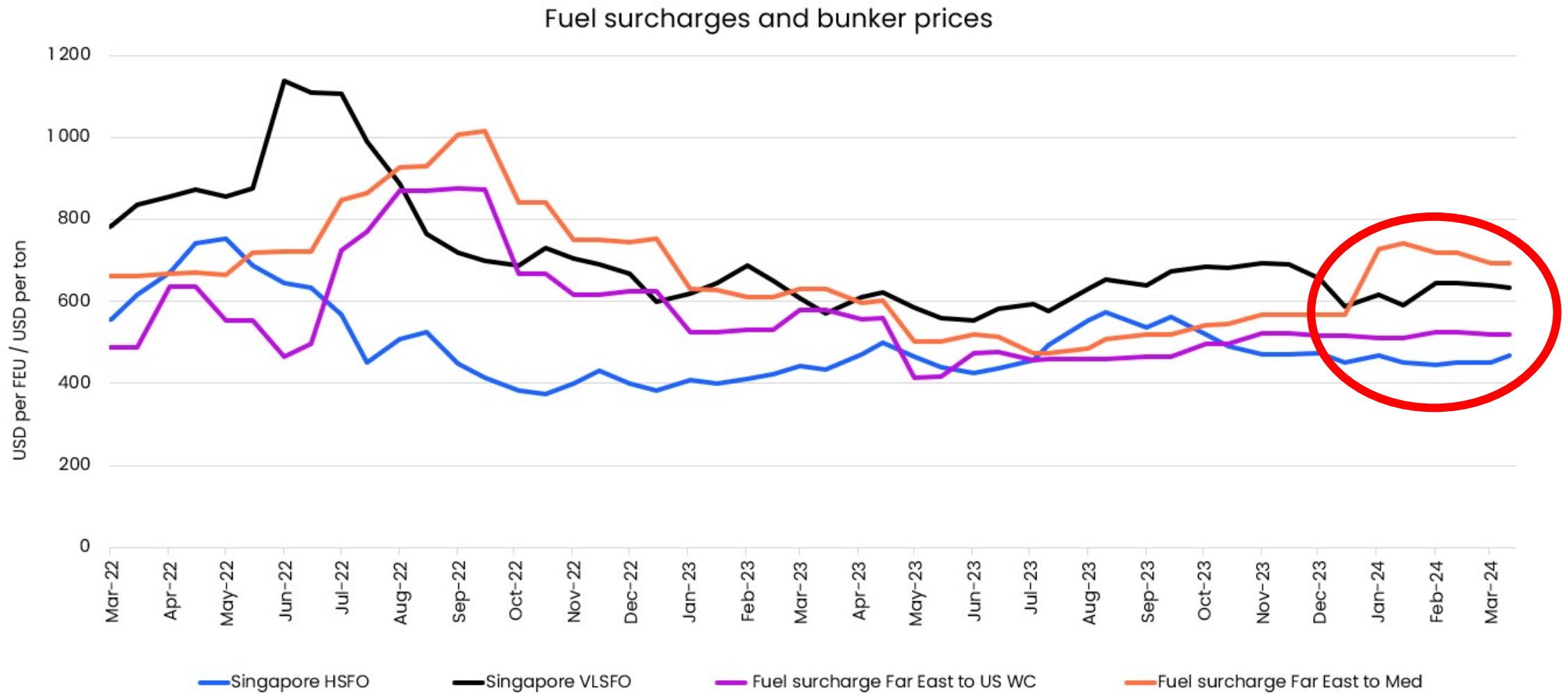
Rotterdam: Bunker fuel prices



Source: Xeneta, MABUX

MABUX is tracking the correlation between market prices (as shown in the charts) and its digital bunker price benchmark. This gives insights on over-/undercharged prices.

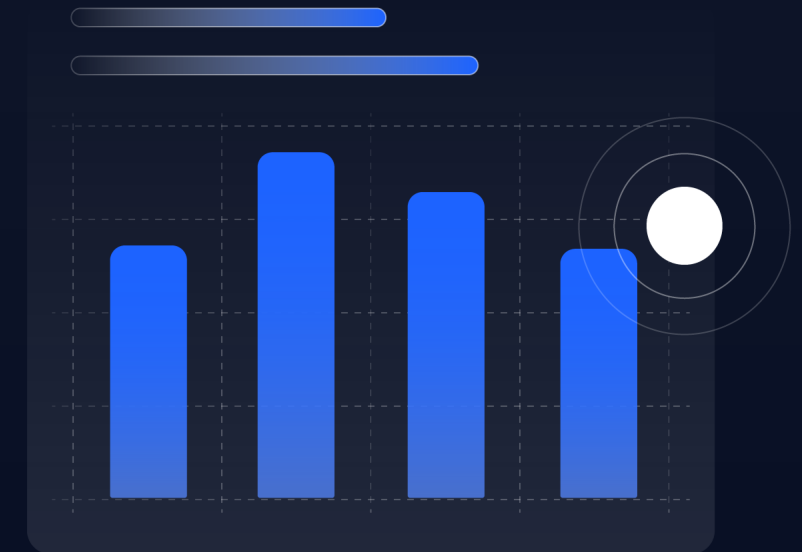
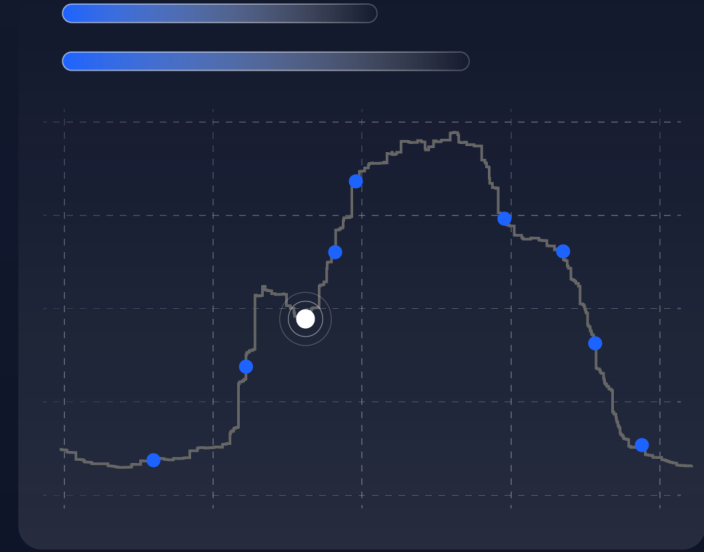
Fuel Surcharge Surge: Longer sailing distance from Far East to Mediterranean lifts bunker costs



Source: Xeneta, MABUX

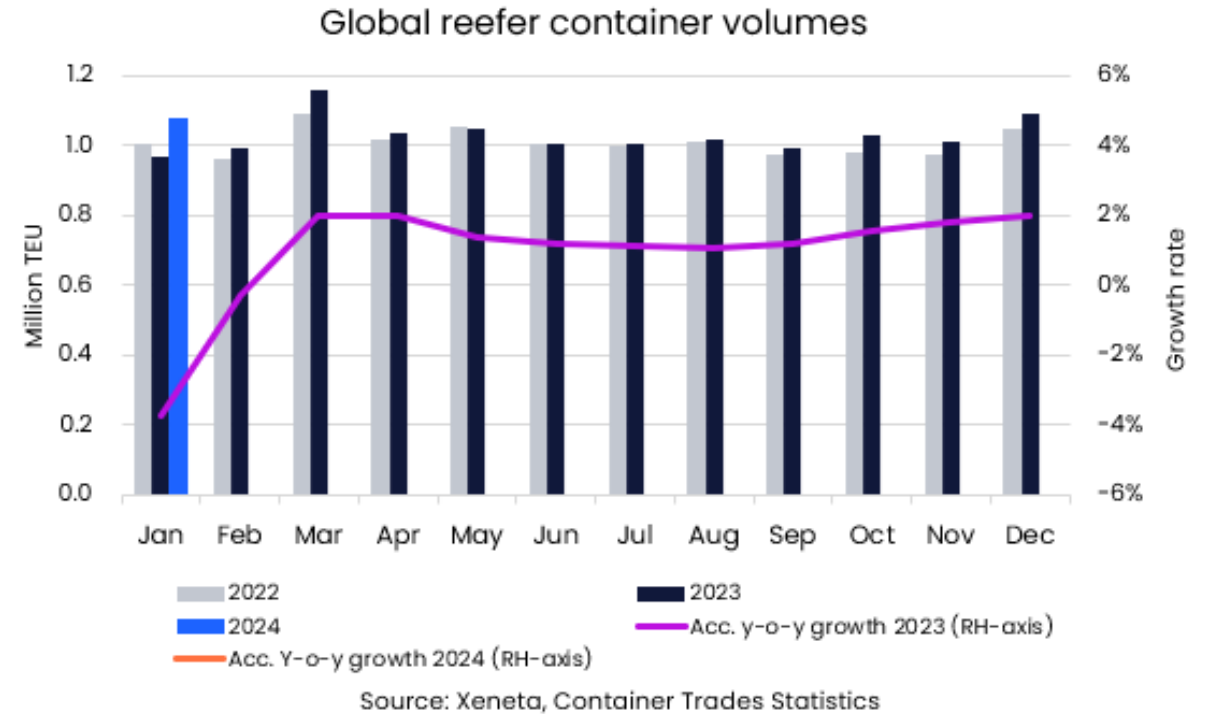
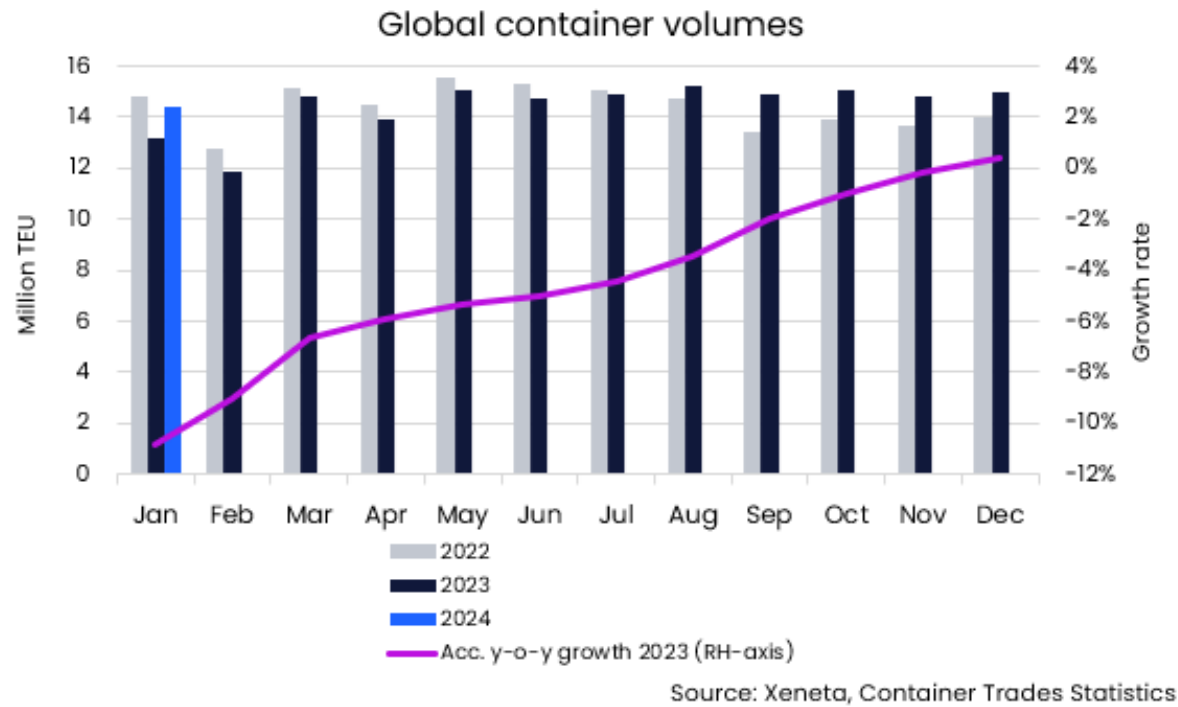
What's being shipped?

Current Demand Trends



Dynamic Growth Trends in Global Container and Reefer Volumes

Despite the slight decrease in absolute volume from December '23 to January '24, both total container volumes and reefer container volumes have shown consistent growth over time, with accumulated volumes indicating a 9.1% increase for total containers and an 11.1% increase for reefers year-on-year in January 2024.

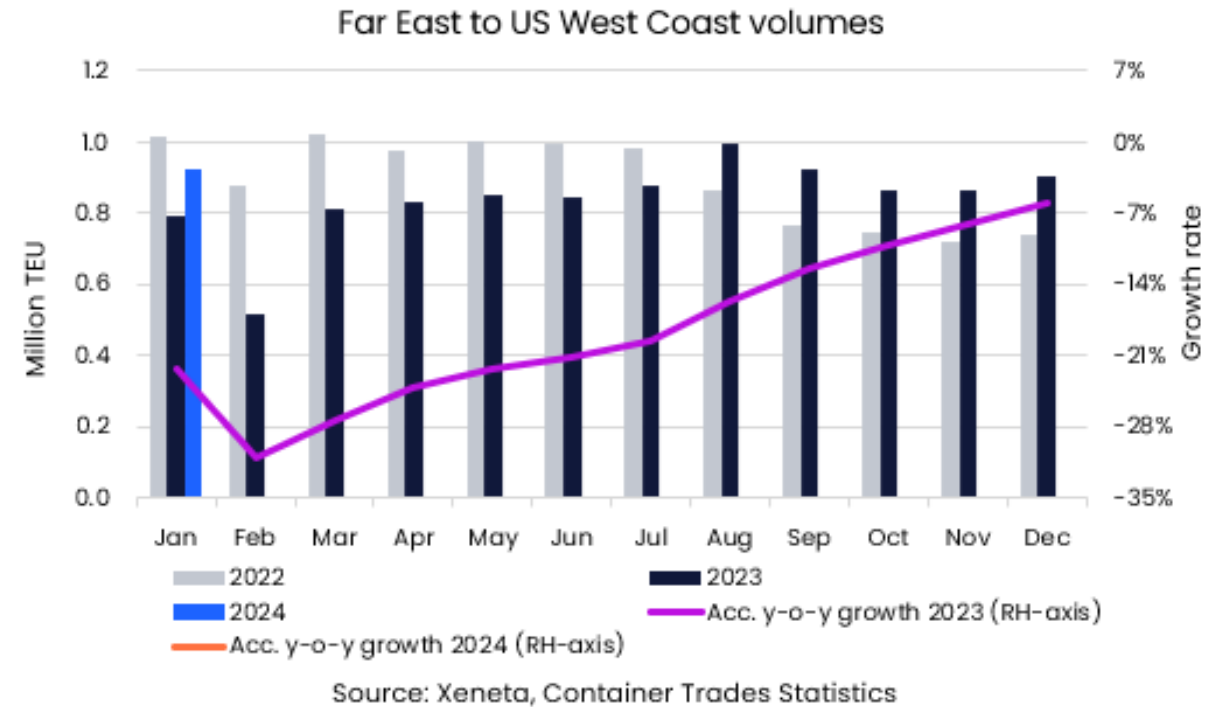
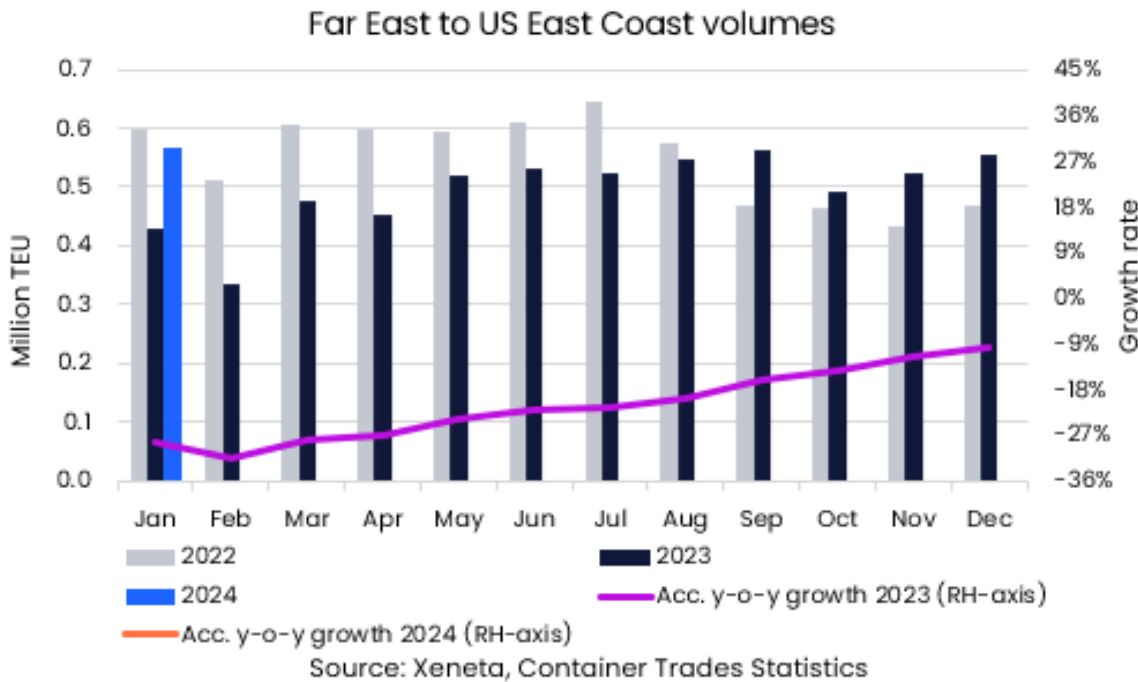


January 2024: Surge in Container Volumes from Far East to US

Notably, both routes experienced substantial growth in January 2024, with volumes surging by 17.1% for the Far East to US West Coast route and by an impressive 33.0% for the Far East to US East Coast route.

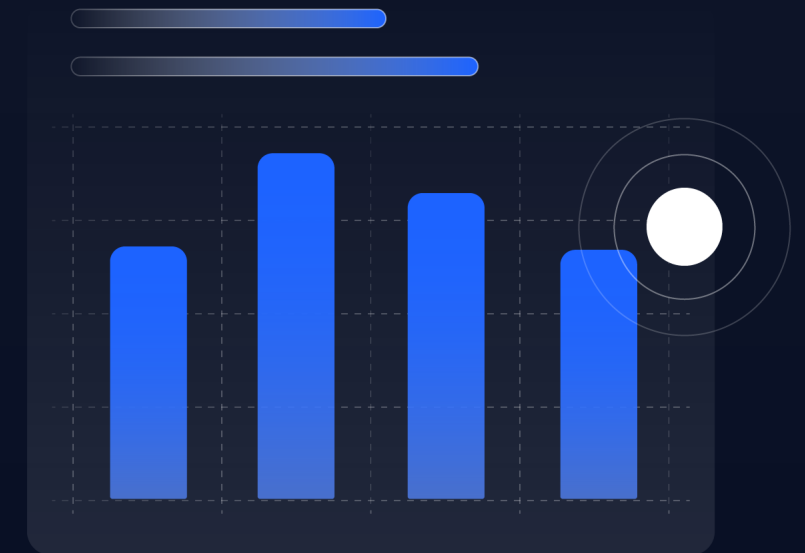
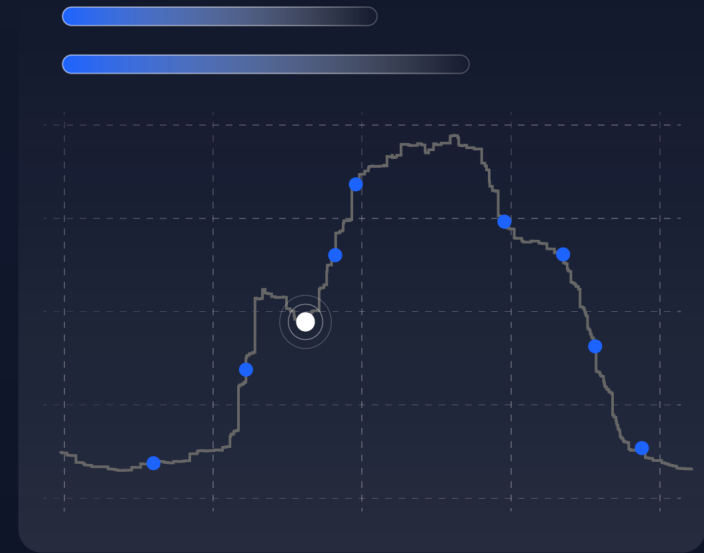
These increases suggest heightened trade activity and potential shifts in trade patterns.

However, it's essential to consider that the Chinese Lunar New Year fell in January 2023 but in February 2024. This timing discrepancy likely influenced the dynamics of trade volume growth, adding an additional layer of complexity to the observed trends.

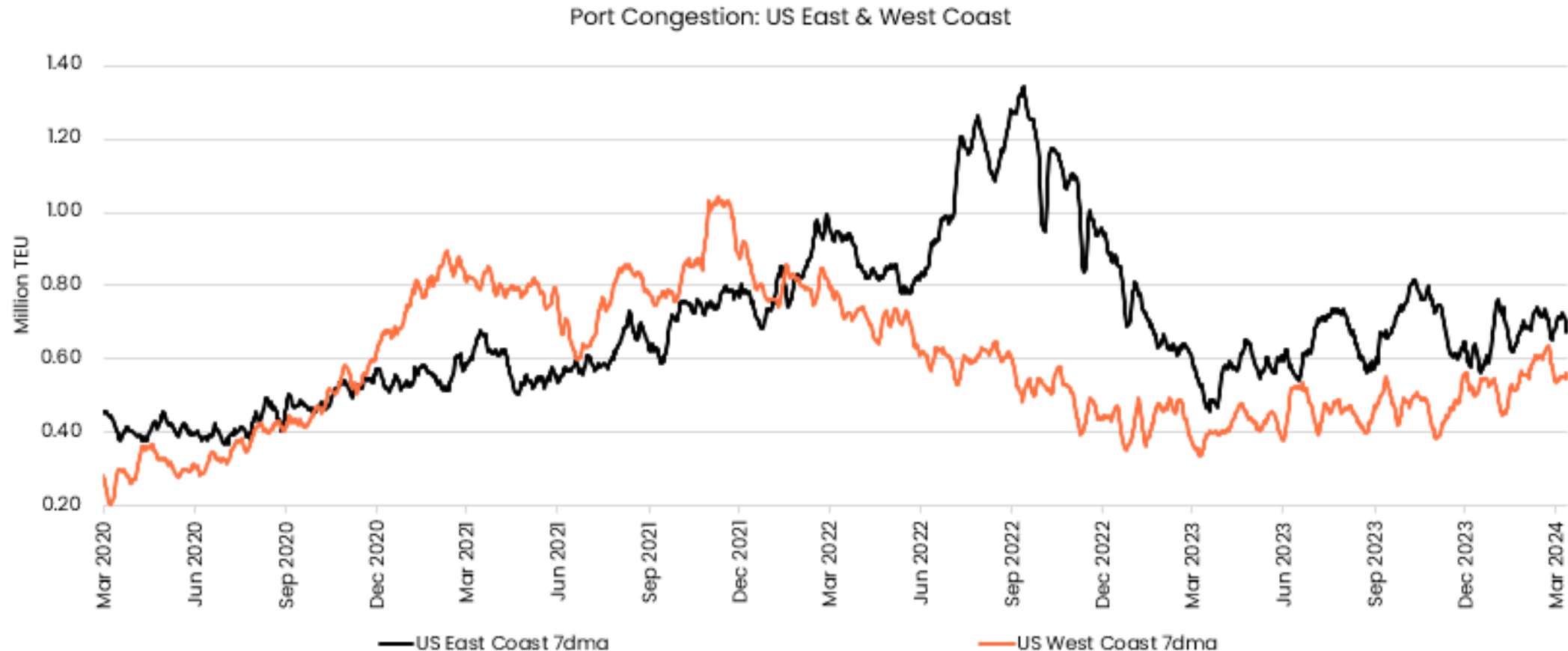


Where's the congestion?

Improving or getting worse?



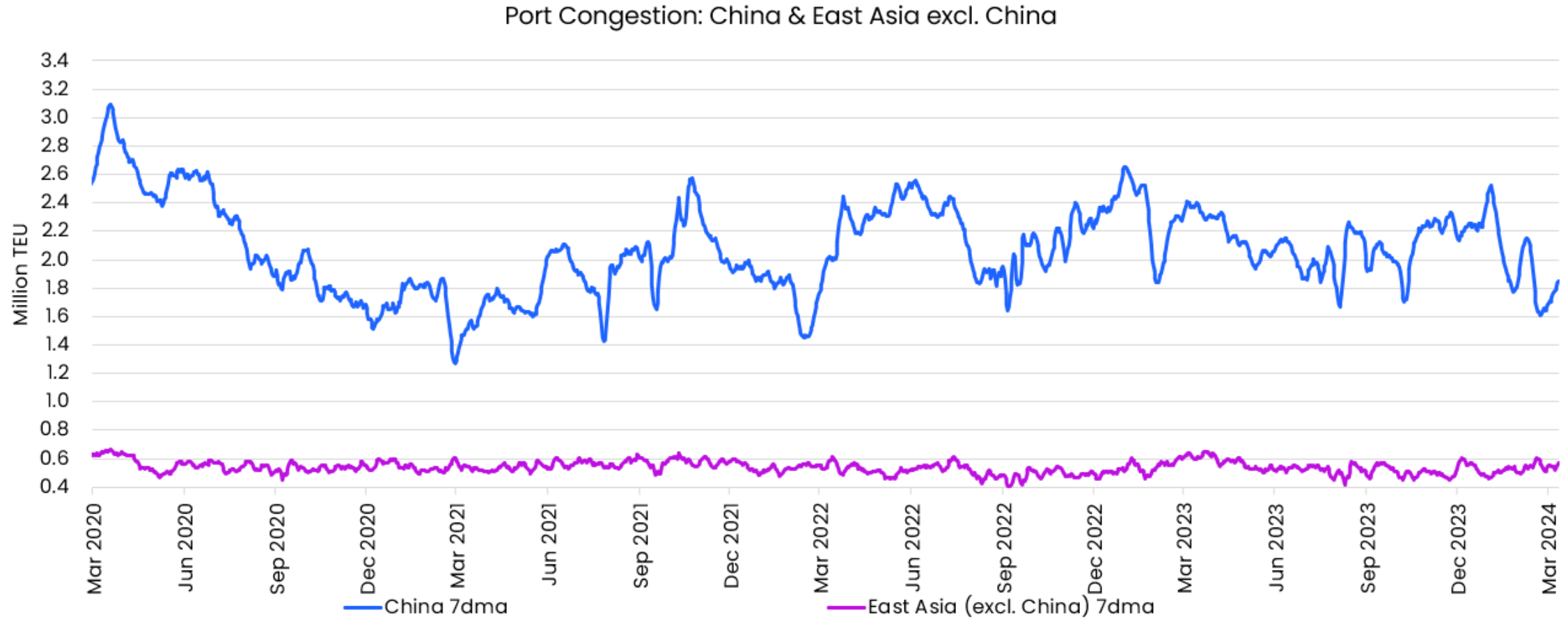
In March, port congestion has seen a slight decrease, marking a potential relief for the container shipping industry after a prolonged period of increasing congestion from December to February.



Source: Xeneta, Clarksons

7dma Stands for 7 days Moving Average

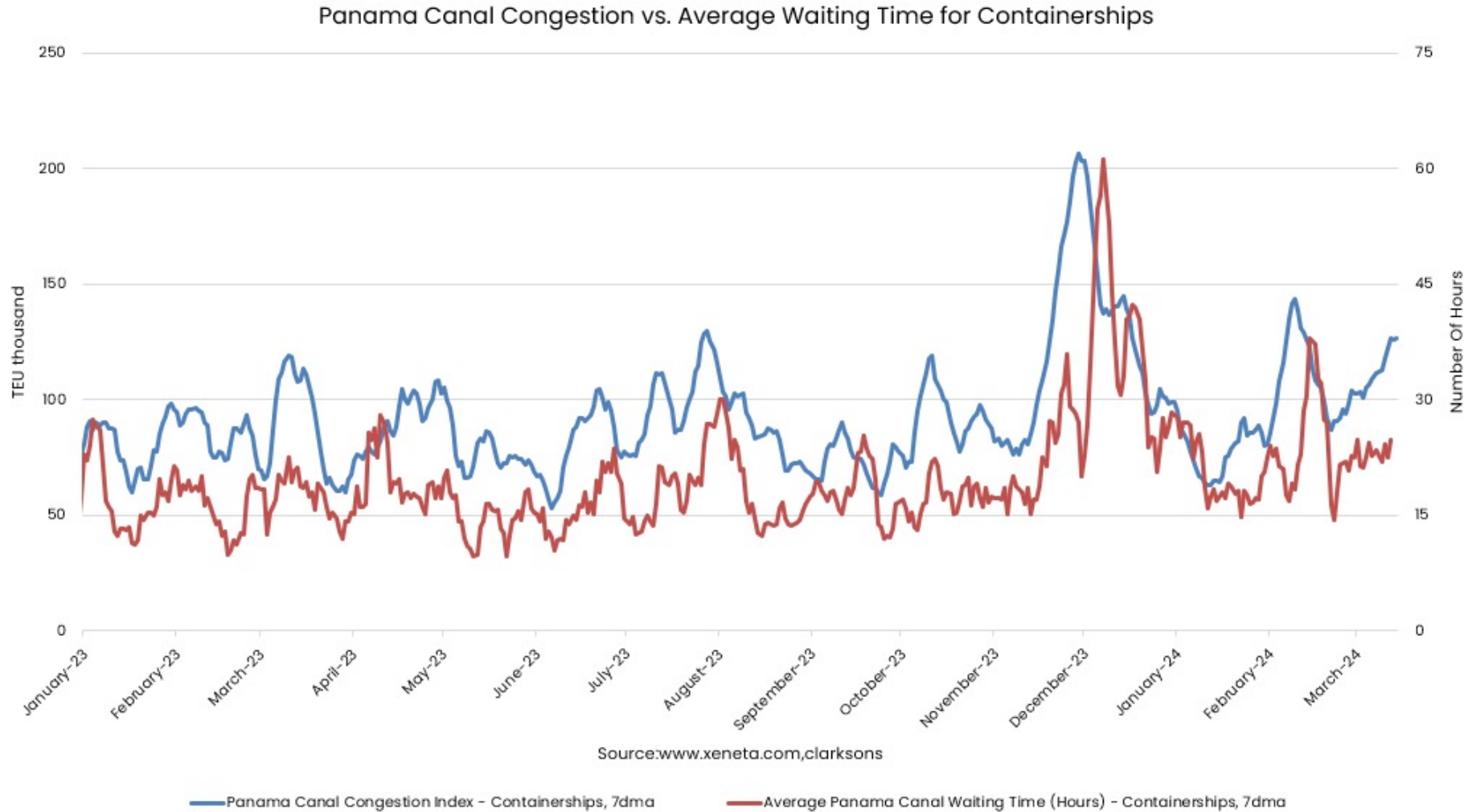
From a peak in December–January, congestion levels have gradually declined since late January.



Source: Xeneta, Clarksons

7dma Stands for 7 days Moving Average

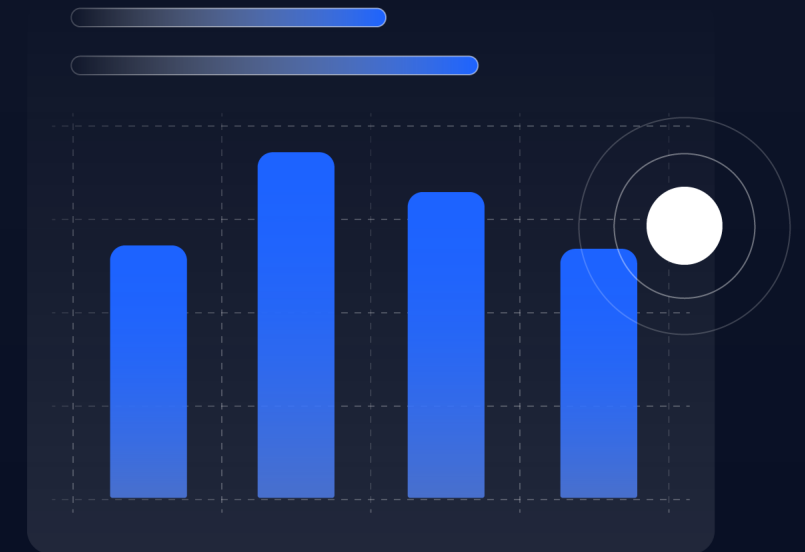
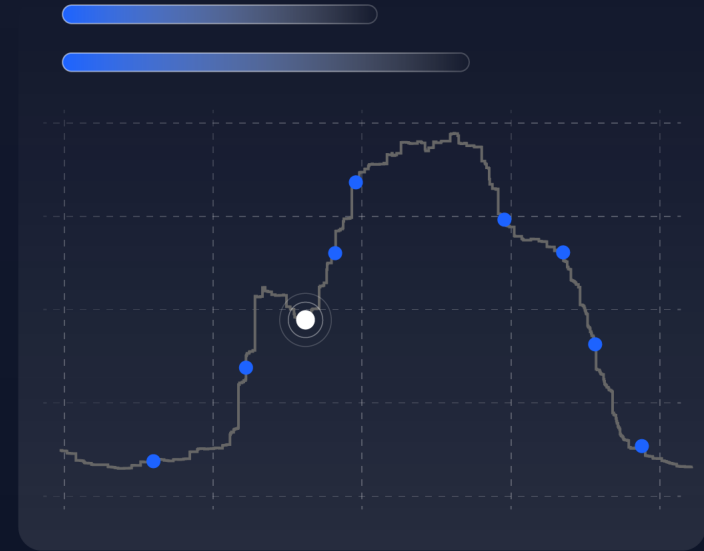
Disruptions in the Red Sea can lead to increased traffic in alternative routes, like the Panama Canal



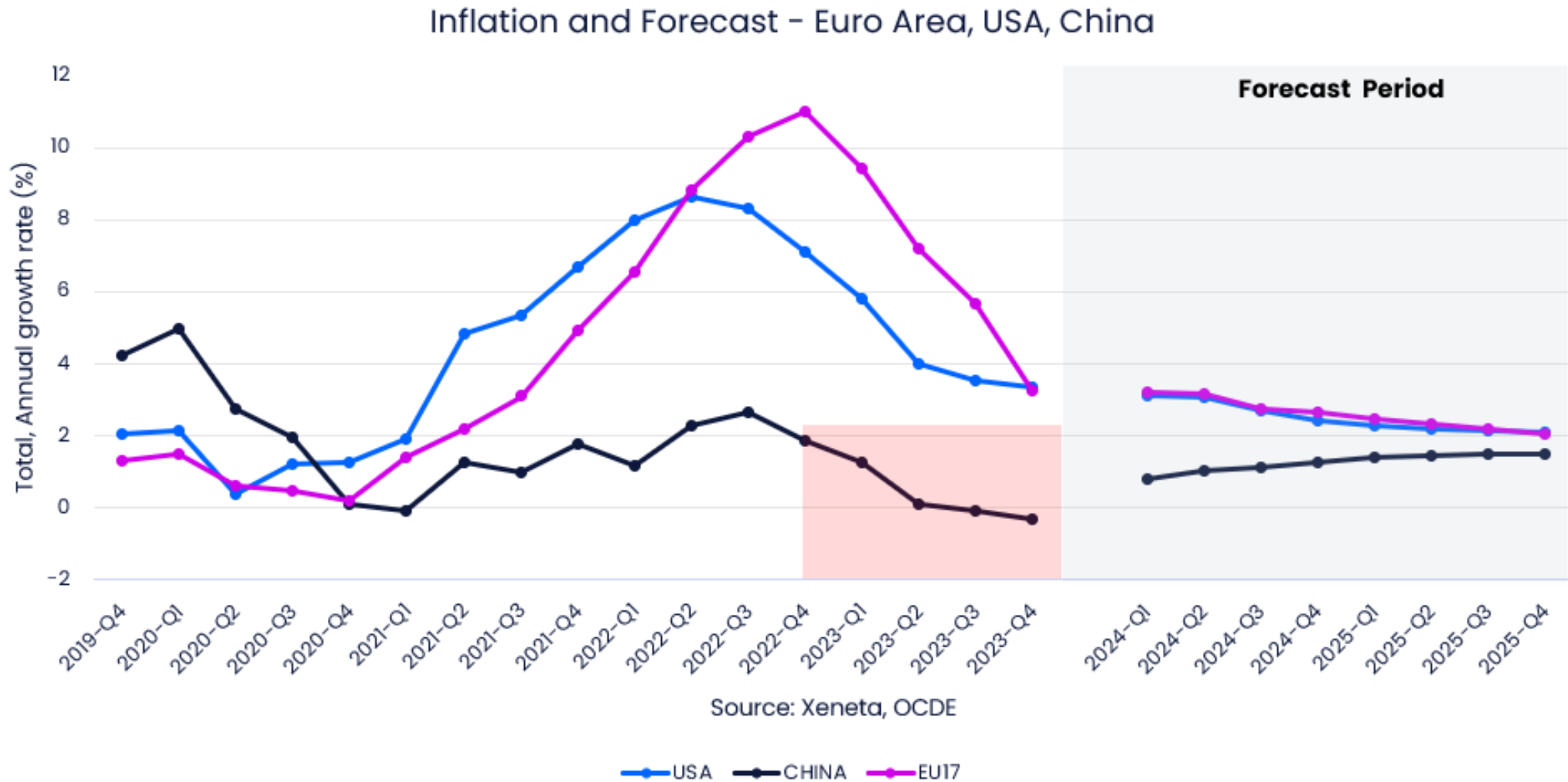
7dma Stands for 7 days Moving Average

Where's the economy heading?

In the East and in the West



Inflation Outlook: China up by 0.7% in January after deflation in H2-2023 (on average)



GROWTH PROJECTIONS BY REGION

(PERCENT CHANGE)

WORLD



(real GDP growth, percent change)

UNITED STATES



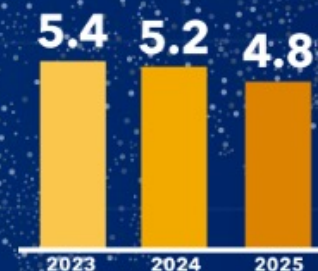
EURO AREA



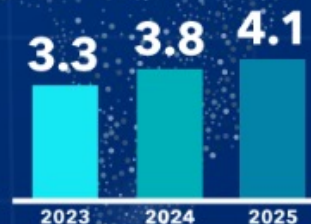
MIDDLE EAST AND CENTRAL ASIA



EMERGING AND DEVELOPING ASIA



SUB-SAHARAN AFRICA



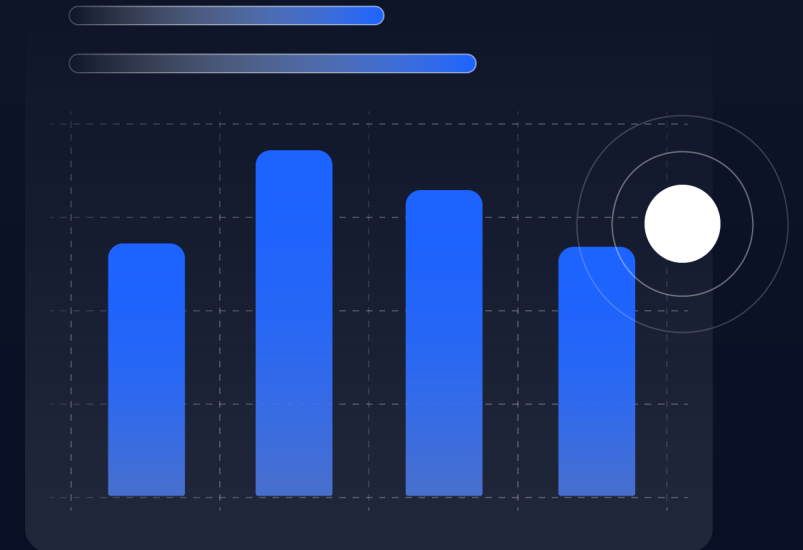
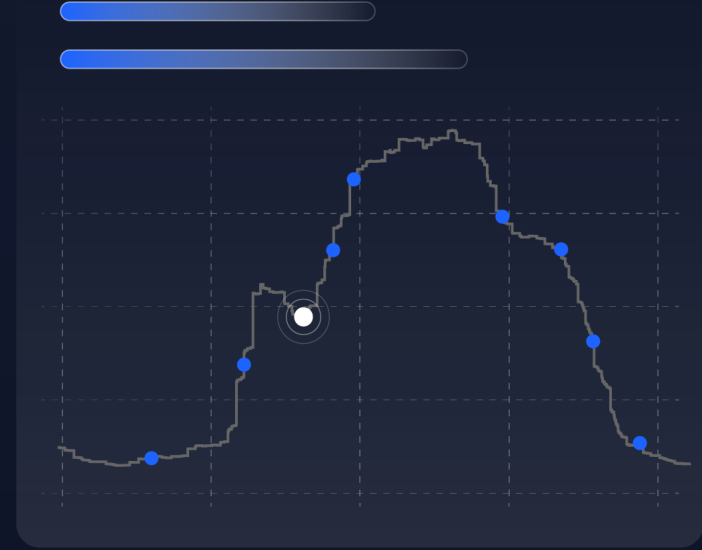
LATIN AMERICA AND THE CARIBBEAN



Source: IMF, *World Economic Outlook Update*, January 2024.

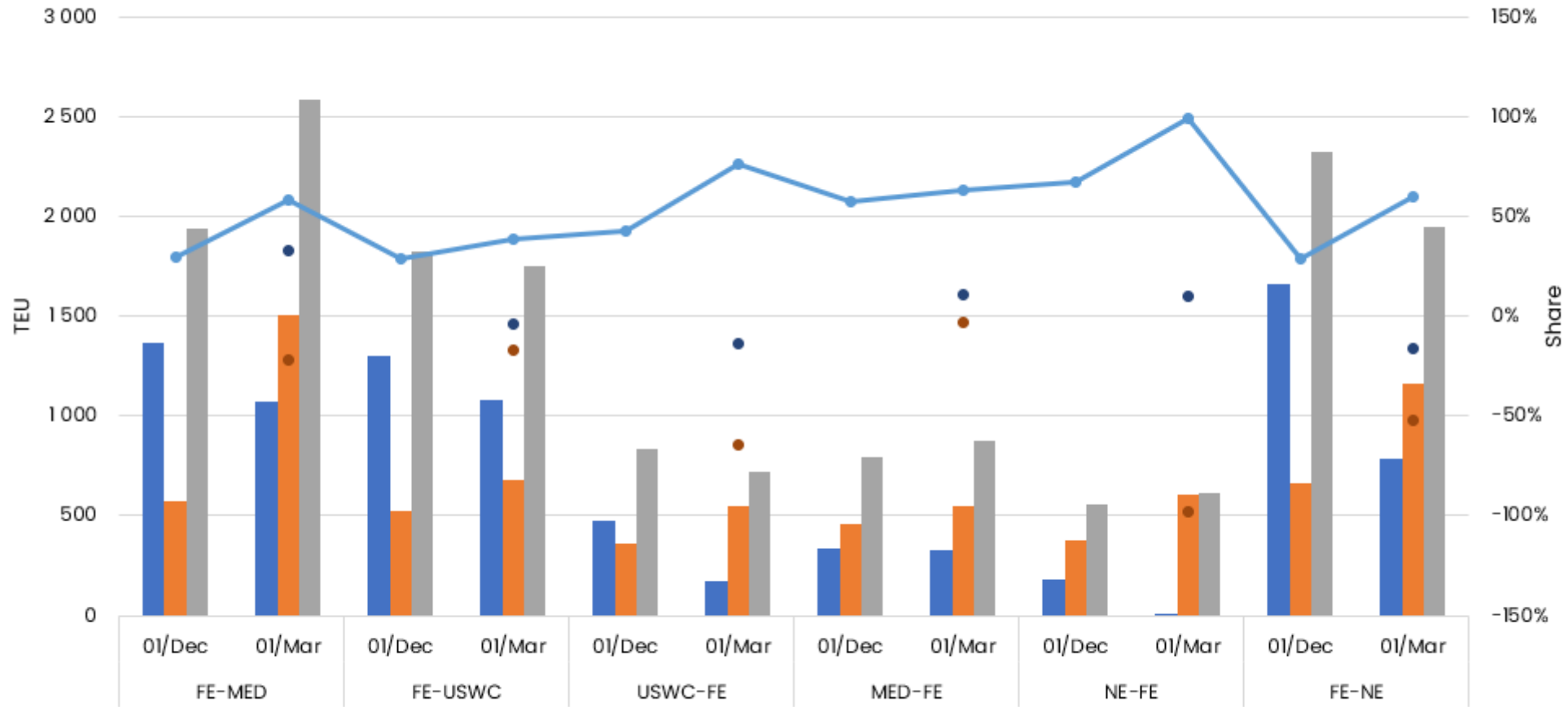
Note: Order of bars for each group indicates (left to right): 2023, 2024 projections, and 2025 projections.

Monthly Specials!



Understanding the uplift in all surcharge: Impact on long-term contracts from Far East to Mediterranean, driven by Red Sea-related surcharges (any kind of names)

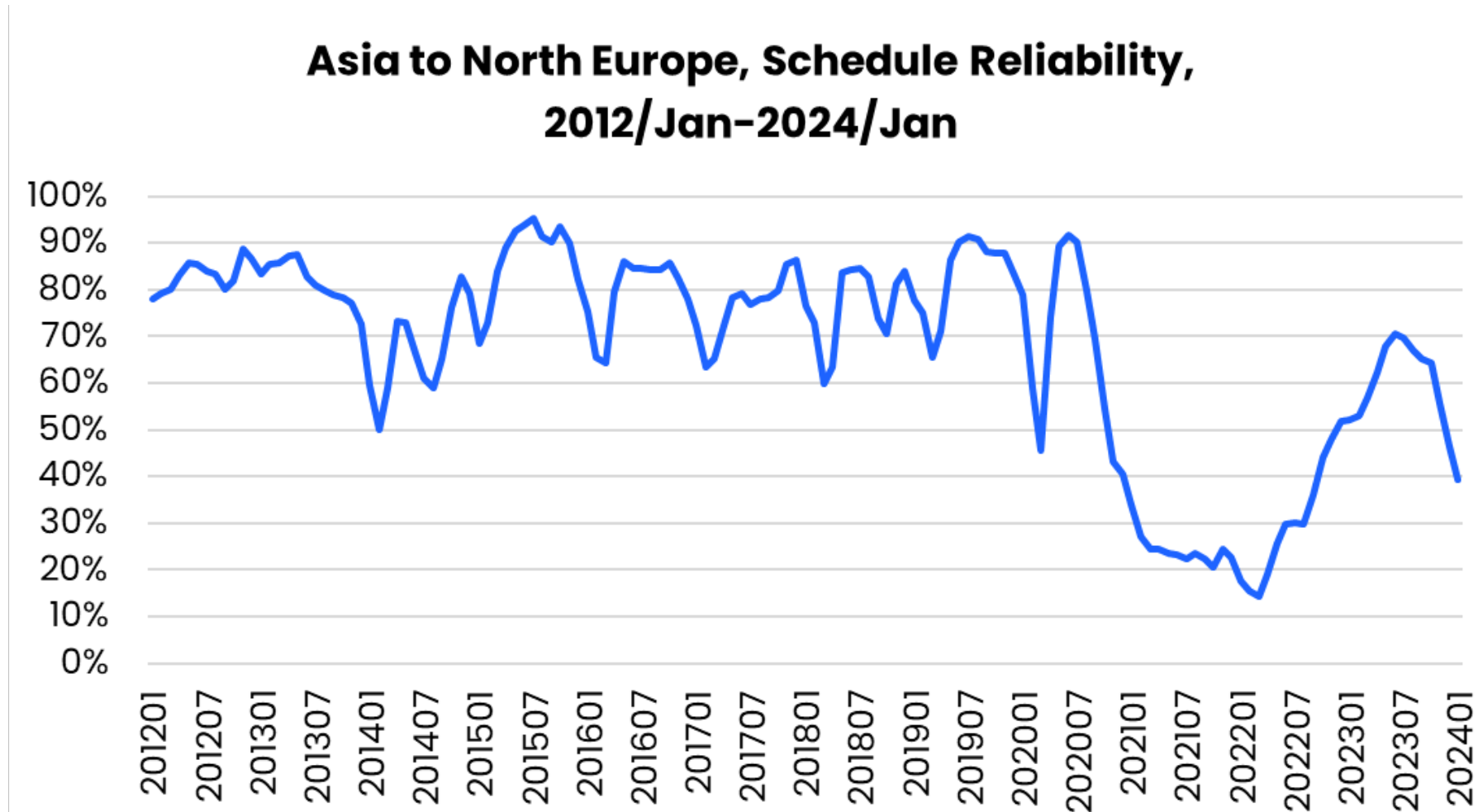
The development of Surcharges Since the 1st December 2023



Source: www.xeneta.com

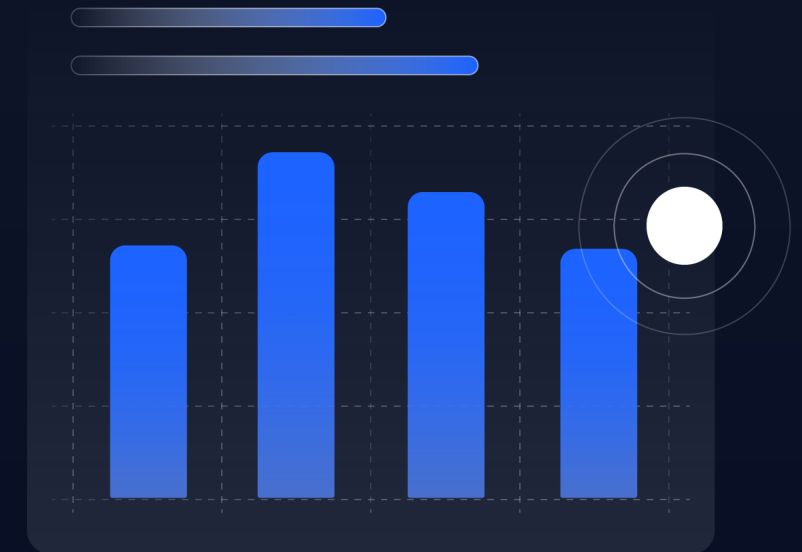
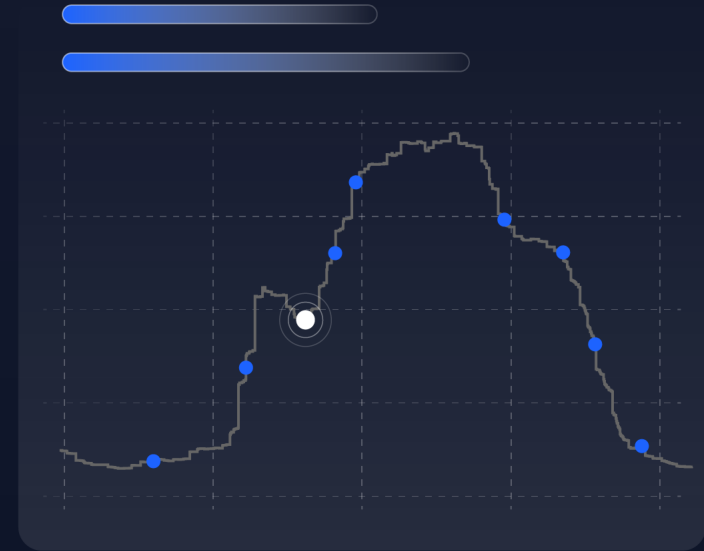
Base rate surcharges Total Sur share Total rate Base rate

Gemini Alliance commencing its business in February 2025, is aiming for 90% Schedule Reliability on its Asia- North Europe services – not done many times in the past



Source: Xeneta, Sea-Intelligence

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Emily Stausbøll
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Market Analyst

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SPEAKER

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