

## Market Pulse 2025 Week 04

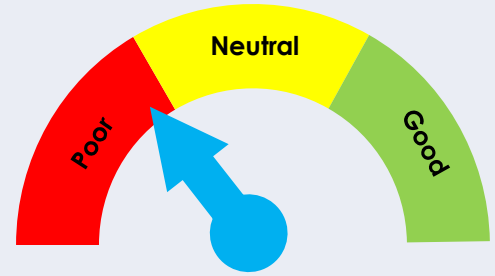
**IN FOCUS this week**  
 Carriers retain Cape routing for now

### MARKET BRIEF 2025 WEEK 04

The main container carriers have shown no urgency to return to the Red Sea as the fragile truce in Gaza continues to show cracks which spurred a minor rally in the freight futures to Europe in the past week despite continued downward pressure in spot freight rates. The SCFI has slipped by 17% since the start of the year with further drops expected in February as carriers are still caught in the downward rate spiral ahead of the new Alliance network launch in February.

The worsening port congestion could provide some relief for carriers as they will be forced to remove more capacity than originally planned. Global congestion has surged to a fresh 3 month high with delays across all key regions, with a notable surge at Chinese ports ahead of the Lunar New Year holidays amidst concerns over new US import tariffs.

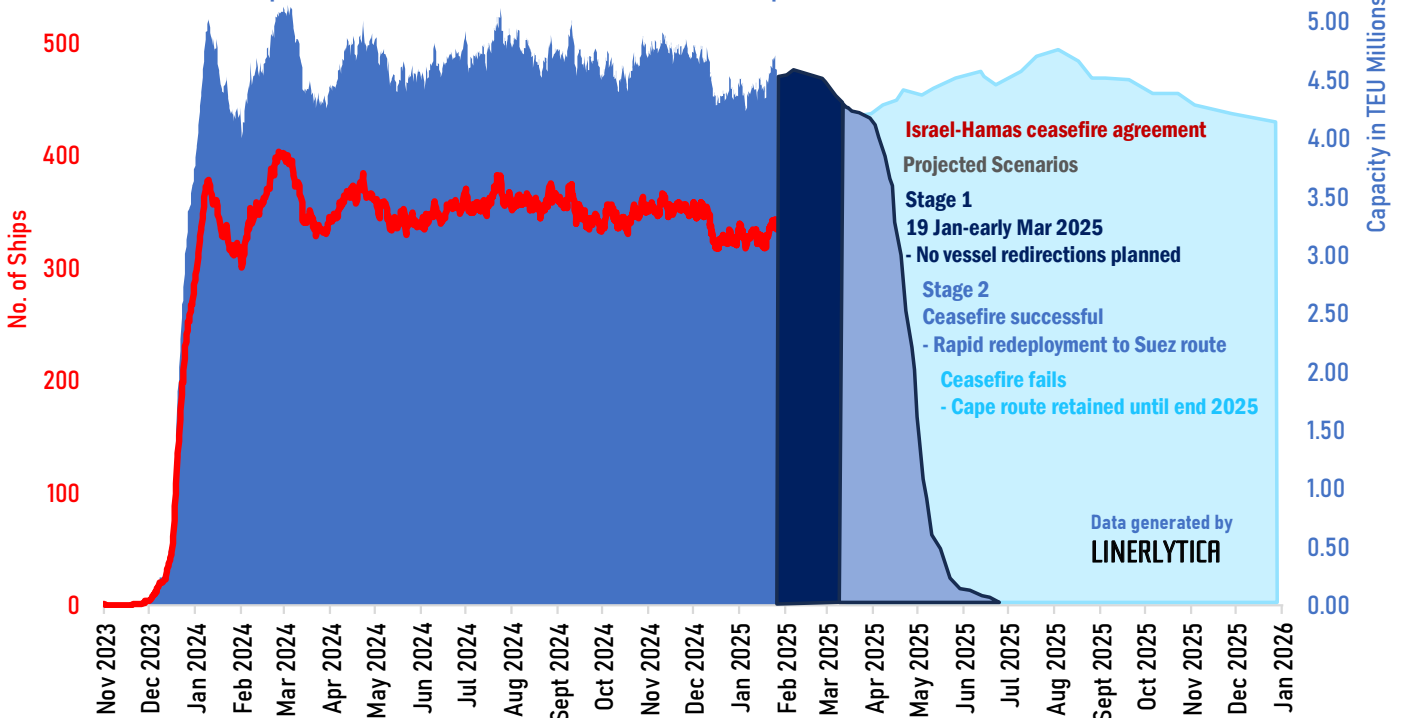
### CONTAINER MARKET BAROMETER 2025 WEEK 04



### No immediate return to the Red Sea

Carriers will retain their current Cape of Good Hope routing in February with no immediate return planned to the Red Sea despite the Israel-Hamas ceasefire agreement concluded on 19 January 2025. According to Linerlytica's survey of vessels diverted to the Cape route, the total number of ships have risen in the last 10 days driven by the busy shipping window before the Chinese New Year. If the fragile ceasefire in Gaza fails to hold, the vessel diversions affecting some 350 ships for 4.5m TEU currently could continue until the end of the year.

Containerships diverted from Suez and Panama to Cape Route



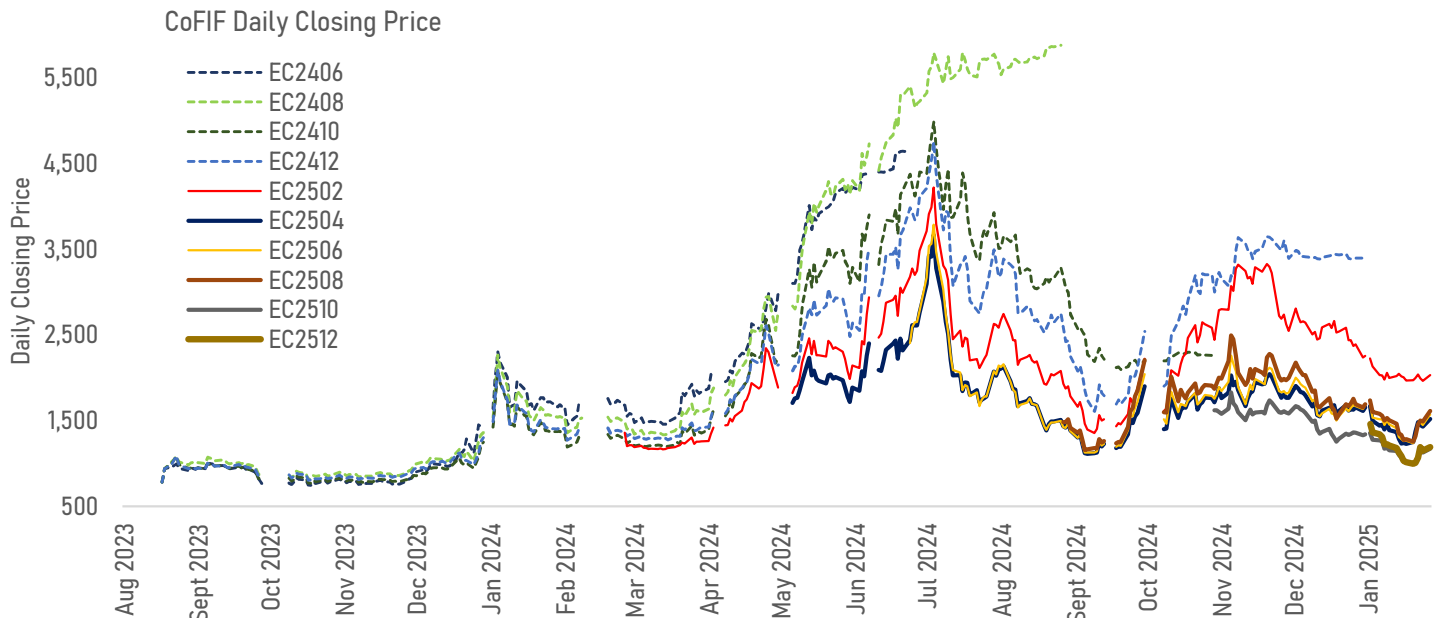
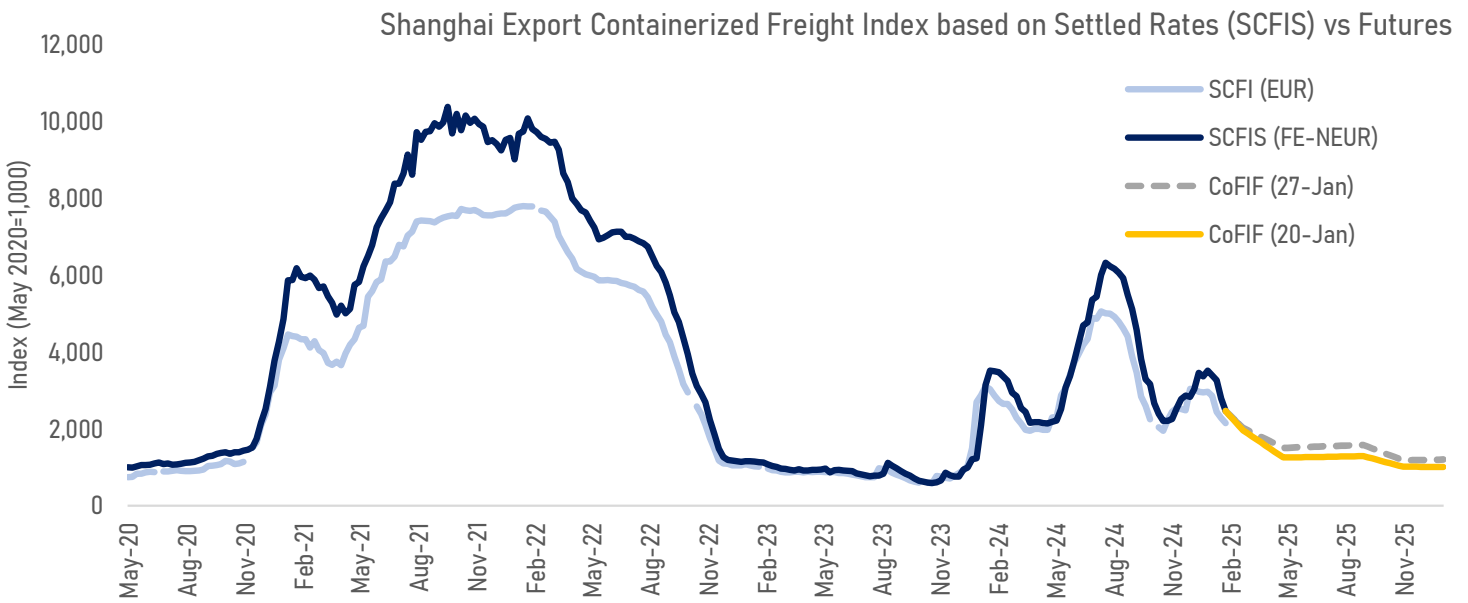
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### Freight Futures Rebound

EC freight futures recovered most of their YTD losses last week in active trading with volumes rebounding by 23% while open interest shrunk by 17% as some traders closed their short positions ahead of the Chinese New Year holidays. The International Energy Exchange (INE), where EC contracts are listed, will be closed from 28 January to 4 February.

End February contracts (EC2502) remained largely unchanged and now trades at an 18% discount to latest spot rates after the SCFIS slipped by a further 11.5% after market close on 27 January. Longer dated contracts rebounded by 17% to 29% as the fragile ceasefire between Israel and Hamas showed cracks over the weekend which could delay the container carriers' return to the Red Sea.

Contracts	Closing Price			Vs SCFIS 2,466	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	27-Jan	20-Jan	WoW		Week 3	Week 2	WoW	Week 3	Week 2	WoW	27-Jan	20-Jan	WoW
EC2502	2,030	1,972	3%	-18%	3,607	12,059	-70%	49	165	-70%	4,952	10,373	-52%
EC2504	1,520	1,249	22%	-38%	53,656	38,366	40%	522	328	59%	25,282	31,735	-20%
EC2506	1,571	1,237	27%	-36%	13,596	10,576	29%	132	92	43%	17,844	19,627	-9%
EC2508	1,613	1,255	29%	-35%	7,570	6,501	16%	75	58	29%	11,096	11,693	-5%
EC2510	1,172	998	17%	-52%	11,200	6,596	70%	85	47	83%	17,932	19,666	-9%
EC2512	1,192	995	20%	-52%	2,856	1,211	136%	22	9	159%	3,164	3,426	-8%
<b>Total</b>					<b>92,486</b>	<b>75,308</b>	<b>23%</b>	<b>885</b>	<b>699</b>	<b>27%</b>	<b>80,270</b>	<b>96,520</b>	<b>-17%</b>



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