

Market Pulse 2024 Week 39

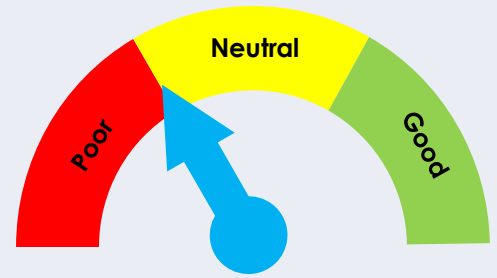
IN FOCUS this week
DSV makes big leap with Schenker acquisition

MARKET BRIEF 2024 WEEK 39

Carriers continued to slash freight rates ahead of China's Golden Week holidays with heavy discounts offered across all routes. Rates on the Asia-Europe route came under the heaviest pressure, with Transpacific rates to the US East Coast also dropping sharply as the ILA dockworker strike on the US East Coast looks certain to proceed on 1 October. The shift in cargo volumes to the US West Coast has picked up pace but this provided little support for rates to the USWC with no signs of port congestion at Los Angeles and Long Beach despite surging volumes in the last 2 months. Additional capacity is still being introduced with TS Lines and Hede Shipping deploying additional ships to the US West Coast to capitalise on the demand for express services.

Rising congestion in China in the aftermath of Typhoon Bebinca also did little to bolster freight rates with weak cargo demand due to the mid-Autumn festival holidays with the weakness expected to continue through October.

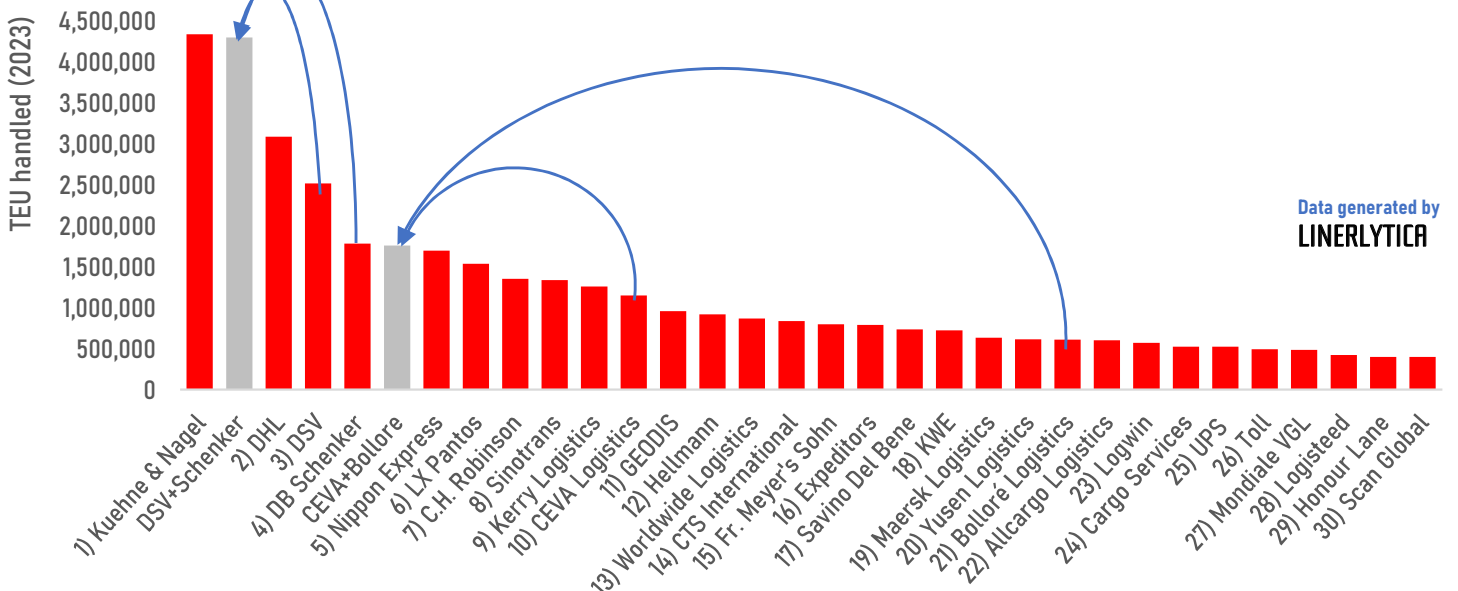
CONTAINER MARKET BAROMETER 2024 WEEK 39



DSV leaps to 2nd place in ocean freight forwarder rankings

DSV has announced on 13 September 2024 an agreement to acquire Schenker from Deutsche Bahn in a deal valued at €14.3Bn (US\$15.95Bn). The combination of DSV and Schenker would create the 2nd largest ocean freight forwarder in the world just behind Kuehne & Nagel, and overtaking the current no. 2 DHL. The Schenker deal is the 8th large acquisition by DSV since 2000 and follows the earlier acquisitions of DFDS Dan Transport in 2000, JH Bachmann in 2005, Frans Maas in 2006, ABX Logistics in 2008, UTi Worldwide in 2016, Panalpina in 2019 and Agility in 2021.

Top 30 Ocean Freight Forwarders by TEU handled 2023



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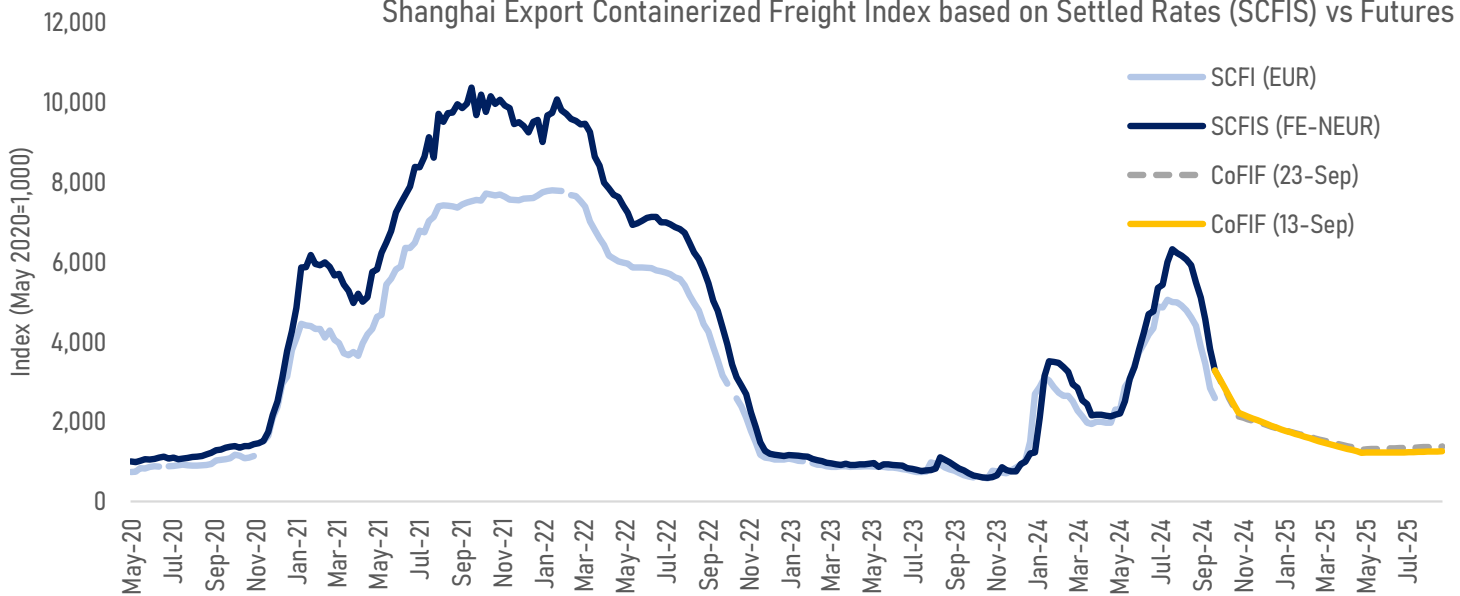
Container freight futures rebound on

EC freight futures rebounded on 23 September with smaller than expected rate cut by 2M and OCEAN Alliance carrier, with the spillovers from the expected US East Coast dockworkers' strike scheduled to start on 1 October. EC traders continue rely heavily on surveys of carriers' FAK rate quotations which dropped by -7% last week (Week 38) compared to the -18% drop in Week 35.

However, the EC rates is expected to weaken in the coming week following the 13.9% WoW drop in the SCFIS on 23 September which continues to outpace the SCFI's fall last week of 8.8% WoW. Average volumes dropped by 34% WoW while Open Interest remained flat, with longer-dated contracts outperforming near-term contracts over the past five trading days.

Contracts	Closing Price			Vs SCFIS 3,285	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	23-Sep	13-Sep	WoW		Week 38	Week 37	WoW	Week 38	Week 37	WoW	23-Sep	13-Sep	WoW
EC2410	2,130	2,214	-4%	-35%	4,995	8,572	-42%	75	136	-45%	11,845	13,971	-15%
EC2412	1,801	1,790	1%	-45%	54,536	88,501	-38%	669	1,101	-39%	39,549	39,995	-1%
EC2502	1,576	1,516	4%	-52%	9,008	14,195	-37%	95	147	-35%	18,218	18,428	-1%
EC2504	1,340	1,228	9%	-59%	12,710	14,311	-11%	111	119	-7%	17,122	15,986	7%
EC2506	1,387	1,228	13%	-58%	5,090	5,309	-4%	46	44	3%	9,580	8,406	14%
EC2508	1,425	1,261	13%	-57%	2,365	2,079	14%	22	18	22%	3,641	2,744	33%
Total					88,703	132,966	-33%	1,017	1,564	-35%	99,955	99,530	0%

Shanghai Export Containerized Freight Index based on Settled Rates (SCFIS) vs Futures



CoFIF Daily Closing Price

