

Market Pulse 2024 Week 43

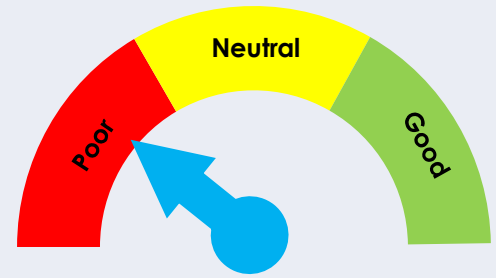
IN FOCUS this week
Record high new ship deliveries in 2024

MARKET BRIEF 2024 WEEK 43

Container freight rates have dropped continuously in the past 3 months with the SCFIS Shanghai to North Europe index down by 65% from its peak in July but EC freight futures for December are now trading at a 45% premium to the current spot rates, indicating an imminent inflection point for the freight market.

Although freight rates are expected to reverse their declines in November as carriers implement a new series of rate hikes, the sustainability of the higher rates remains in question with carriers showing no efforts to cut capacity to match slack season demand. Despite the record high vessel deliveries this year, charter rates have remained resilient in spite of the recent freight rate corrections with carriers still competing furiously for tonnage and forward fixtures are now extended into the 4th quarter of 2025. The next 4 weeks will provide clearer indications if the carriers' bullishness is justified as the market heads into the critical 2025 contract negotiation season.

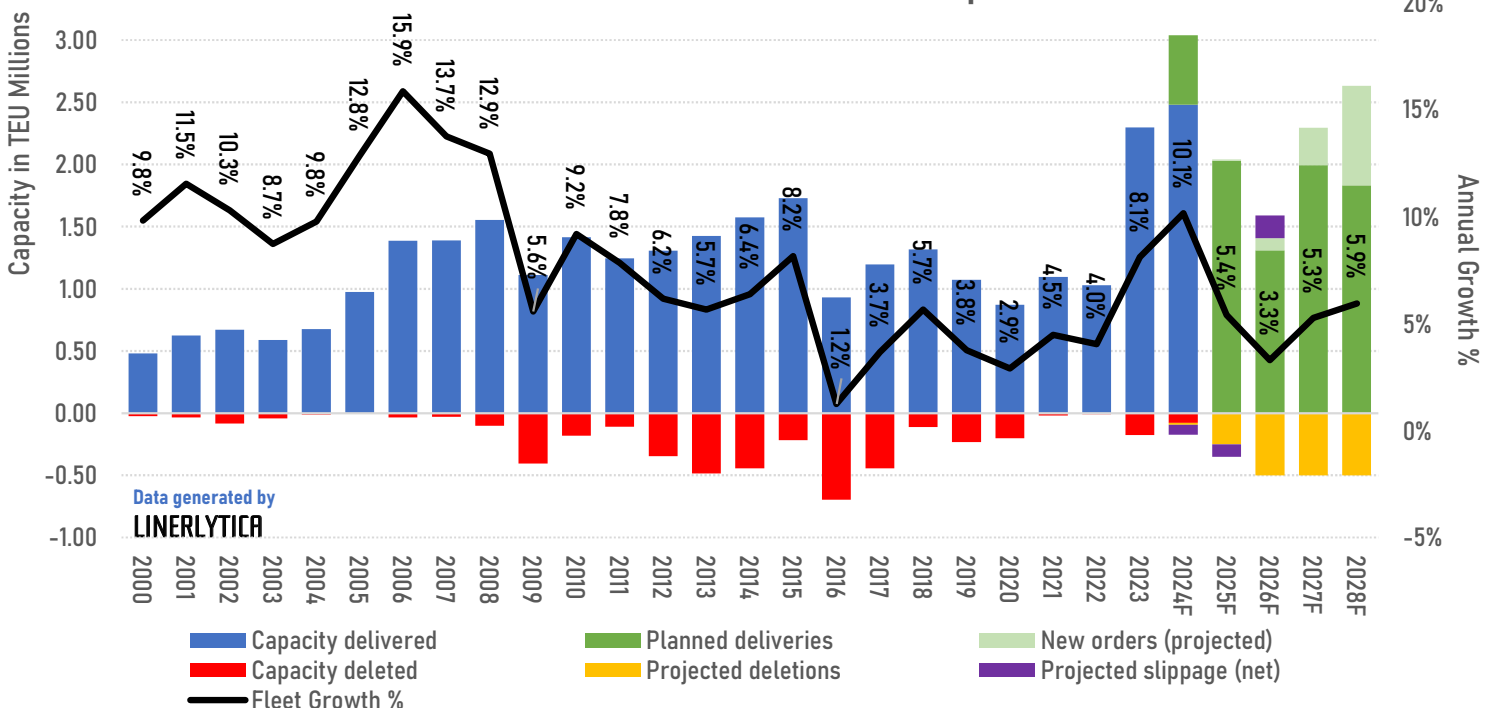
CONTAINER MARKET BAROMETER 2024 WEEK 43



New containership deliveries hit new high

Year to date new containership deliveries have already surpassed last year's record of 2.3m teu with 2.5m teu already handed over this year and a further 0.5m teu is still due to be delivered before the year is over. Full year fleet growth is expected to reach 10.1% with limited scrapping and delivery slippage. Just 78,200 teu have been scrapped so far this year, with the current run rate at less than 5,000 teu deleted each month as the strong demand for elderly ships have kept them away from the scrapyards. Fleet growth is expected to drop in the next 2 years

Containership Fleet Growth : 2000-2028F



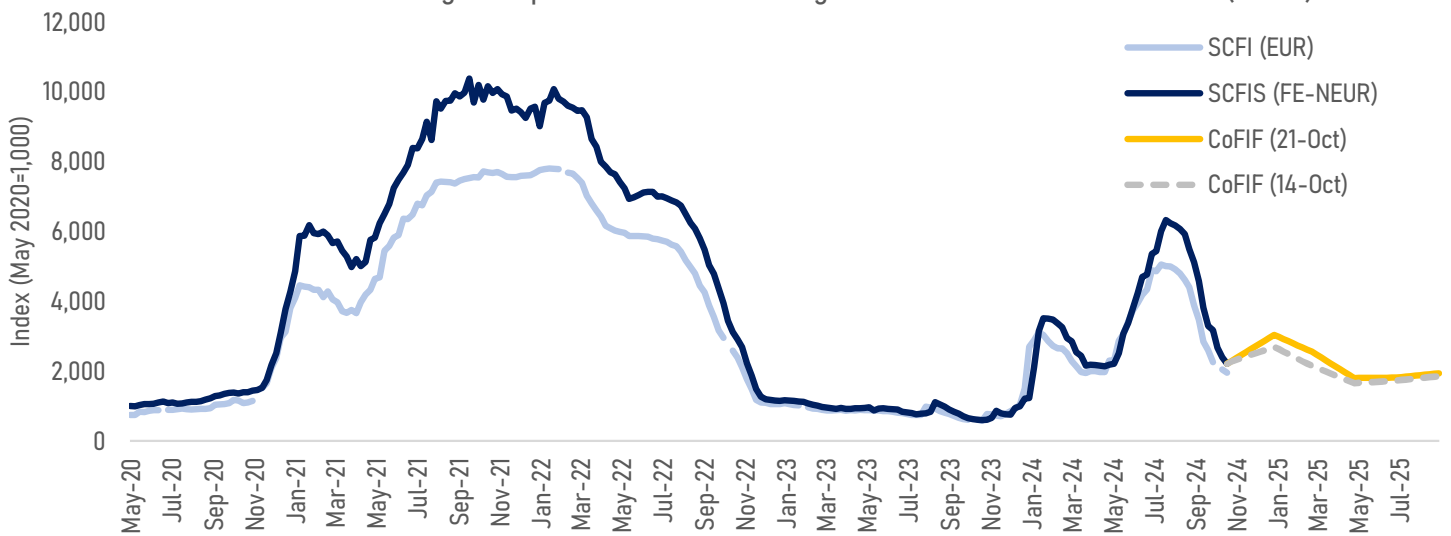
EC futures rally on November GRI expectations

Shanghai-North Europe freight futures continued to rally on 21 October with long-dated EC contracts from December 2024 through August 2025 rising by 7-15% on November rate hike expectations. Carriers have raised their online freight quotations in anticipation of the 1 November 2024 rate hike with CMA CGM advancing the date for the higher spot rates from November 1 to October 25 as it seeks to take advantage of the strong pre-GRI bookings.

The bullish sentiment will be tempered by the SCFIS' 7.8% week-on-week decline that was released after market close on 21 October, with carriers still unable to stem the rate slide before the November hikes. The December EC contract is currently trading at a 45% premium to the SCFIS with the forward curve in 2025 still in backwardation. Average EC futures daily trading volumes over the past five trading days is down 5% week-on-week, but open interest has increased by 12%.

Contracts	Closing Price			Vs SCFIS 2,205	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	21-Oct	14-Oct	WoW		Week 42	Week 41	WoW	Week 42	Week 41	WoW	21-Oct	14-Oct	WoW
EC2410	2,289	2,288	0%	4%	459	1,317	-65%	7	21	-64%	2,102	3,466	-39%
EC2412	3,198	2,660	20%	45%	57,148	56,912	0%	1,133	914	24%	27,573	25,178	10%
EC2502	2,615	2,025	29%	19%	19,850	15,395	29%	323	208	55%	19,675	14,239	38%
EC2504	1,808	1,530	18%	-18%	22,346	26,227	-15%	264	291	-10%	18,349	16,464	11%
EC2506	1,825	1,599	14%	-17%	5,936	9,274	-36%	71	107	-34%	6,871	6,682	3%
EC2508	1,936	1,725	12%	-12%	5,156	7,995	-36%	66	100	-34%	4,874	5,008	-3%
Total					110,894	117,120	-5%	1,864	1,641	14%	79,444	71,037	12%

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



CoFIF Daily Closing Price

