

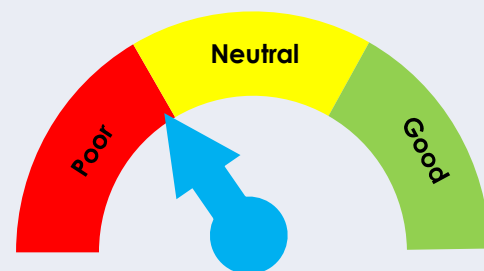
Market Pulse 2025 Week 35

MARKET BRIEF 2025 WEEK 35

The SCFI staged its first rebound after 11 consecutive weekly declines but the rebound will be short lived as freight rates will resume their downswing in the absence of capacity cuts by carriers. The market continues to be in a stand-off with the planned September rate hikes not expected to hold as carriers shift their focus to filling their excess vessel capacity and building up cargo roll pools ahead of the Golden Week holidays in China in October.

While the freight rate outlook remains negative, charter rates continue to hold firm with vessel availability still very tight despite the recent rise in the idle fleet that was driven solely by the addition of OFAC sanctioned ships over the past month. Declining freight rates and rising operating costs have pushed average carrier earnings to 8.4% in the 2nd quarter, with further margin erosion expected in the next 2 quarters that will push carriers earnings into negative territory once again.

CONTAINER MARKET BAROMETER 2025 WEEK 35



Port Congestion
Week 35

2.77m TEU
8.5% of fleet

Idle
Containerships

50 ships
148,369 TEU
0.5% of fleet

Ships Delivered
Last 30 days

18 ships
176,720 teu

Ships Deleted
Last 30 days

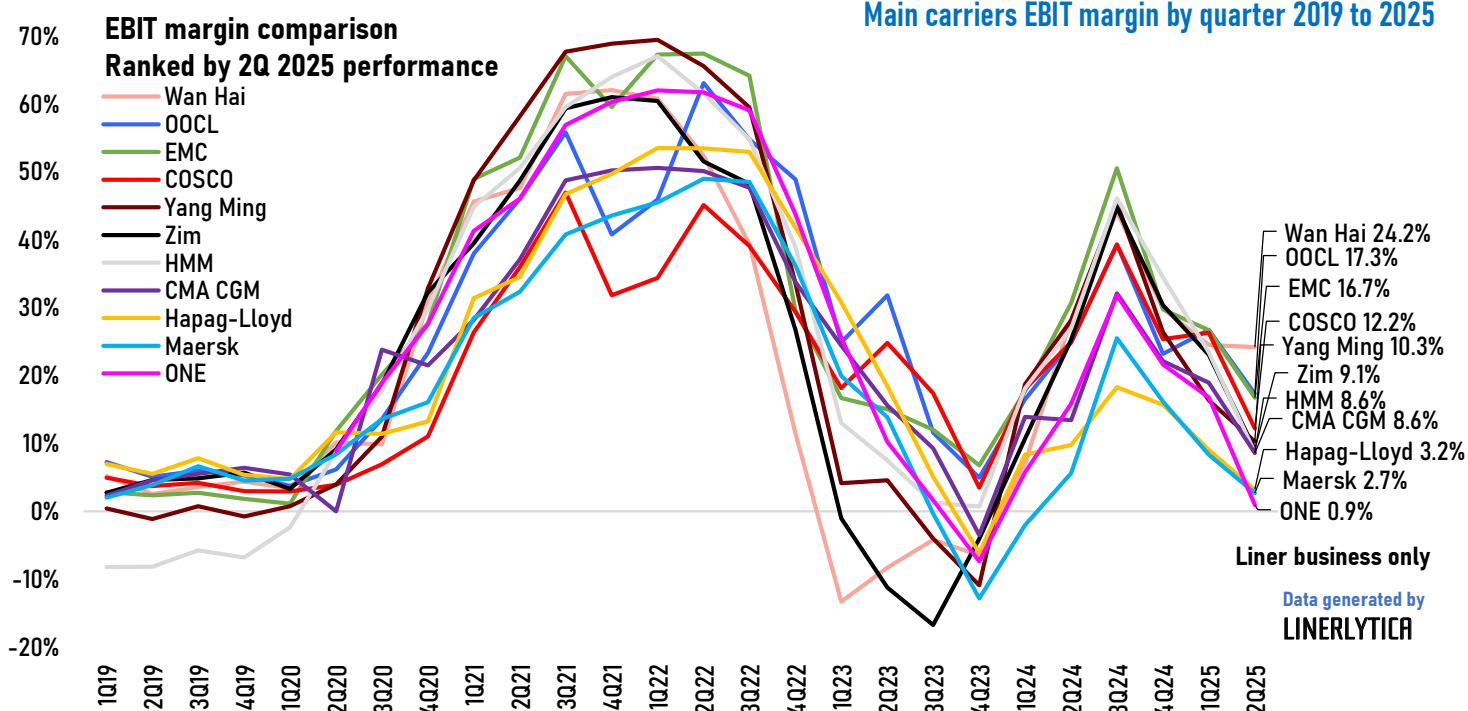
2 ships
987 teu

Freight Rates
SCFI Week 35

1,445
2.1% WoW
-51.2% YoY

ONE and Gemini partners remain stuck at bottom of carrier earnings ranking

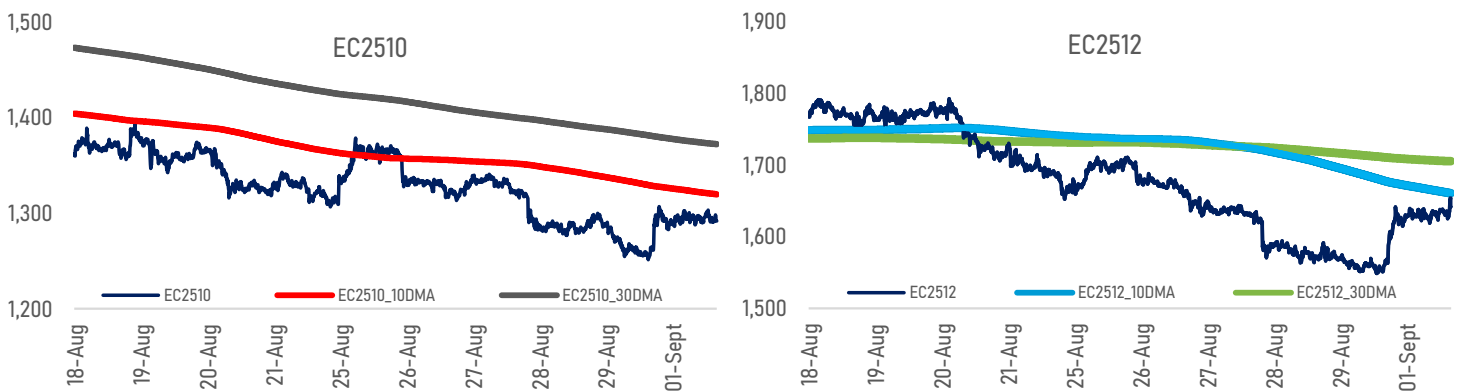
Carriers' average EBIT margins dropped to 8.4% in the 2nd quarter of 2025, but the gap between the top and bottom performers remain very large with Asian carriers continuing to outperform their European peers. ONE was the key exception amongst the Asian carriers, with the lowest EBIT margin at 0.9% due to accelerating operating costs. Maersk and Hapag-Lloyd remain at the bottom quartile with the launch of the Gemini Cooperation network in February doing little to lift the 2 partners' competitiveness vis-à-vis their main rivals.



EC mini rally belies further market weakness ahead

EC freight futures staged a rebound on 1 September after drifting lower for the past week. With the exception of EC2608, which saw minimal trading, freight futures still declined by 1–5% over the past week on 12% lower volumes. The mini rally on 1 September was partly driven by optimism that the market may have already found a bottom but the uptick in prices was accompanied by declining open interest, which suggests that the recovery was fueled by short-covering and traders exiting the market. While the more optimistic traders still believe that carriers can arrest the freight rate decline, there is little precedence for such an "orderly" downcycle.

The SCFIS recorded a 10.9% week-on-week decline after market close on 1 September, while SCFI recorded an 11.2% drop on 29 August. The acceleration of both indices' downward slide is expected to push EC prices lower in the coming week with little evidence that carriers are maintaining pricing discipline. Most of the carriers have lowered their spot rate quotations to \$2,100–\$2,200 per FEU, with rates from Maersk, Hapag-Lloyd and OOCL slipping below \$2,000 per FEU. ONE was the sole carrier quoting higher rates for the second half of September, but any hopes for a pre-Chinese National Day holidays rush are likely to be dashed by carriers keen to build a roll pool ahead of the Golden Week break.



	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
Contracts	1-Sep	25-Aug	WoW	1,774	Week 34	Week 33	WoW	Week 34	Week 33	WoW	1-Sep	25-Aug	WoW
EC2510	1,291	1,358	-5%	-27%	24,701	30,875	-20%	225	292	-23%	52,271	54,357	-4%
EC2512	1,641	1,697	-3%	-7%	7,678	6,658	15%	87	81	8%	16,495	13,515	22%
EC2602	1,461	1,497	-2%	-18%	988	1,012	-2%	10	11	-7%	4,846	4,497	8%
EC2604	1,242	1,284	-3%	-30%	1,313	1,052	25%	11	10	19%	7,069	5,803	22%
EC2606	1,429	1,446	-1%	-19%	138	121	14%	1	1	9%	890	857	4%
EC2608	1602.1	1451.3	10%	-10%	115.8	0	NA	1	0	NA	274	0	NA
Total					34,934	39,718	-12%	336	394	-15%	81,845	79,029	4%

