

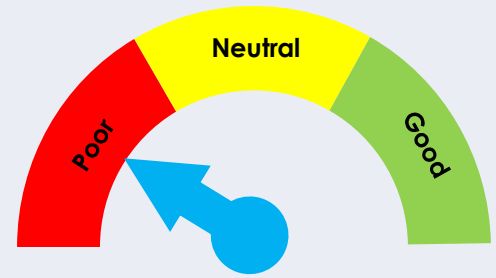
Market Pulse 2025 Week 12

IN FOCUS this week
4th quarter EBIT margin comparison

MARKET BRIEF 2025 WEEK 12

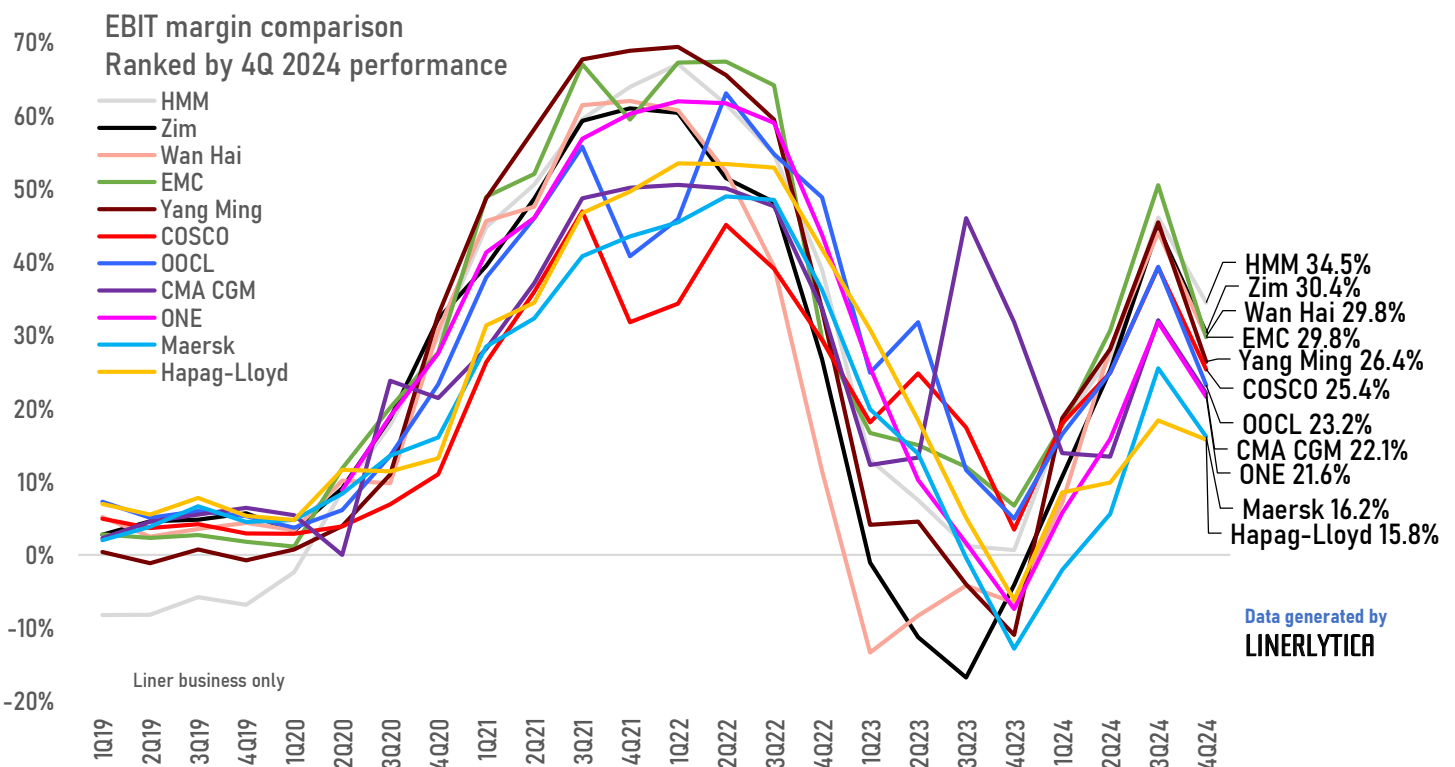
The continuation of the Red Sea diversions, elevated port congestion and a relatively low level of new ship deliveries in March continues to boost the containership charter market but has failed to revive the sagging freight market with the SCFI slipping by a further 2% last week to bring YTD losses to 48%. Carriers half-hearted bid to raise rates on 1 April is coming to a premature halt, with weak cargo demand keeping capacity utilization in check. Although the number blanked sailings on mainline routes increased in week 10, this was due more to port congestion related delays rather than pro-active capacity management by the carriers, with ample capacity returning to the market in the coming weeks. There remains no signs that carriers are willing to sacrifice market share to prevent further rate erosion, with EBIT margins still positive in the 1st quarter despite the recent rate declines.

CONTAINER MARKET BAROMETER 2025 WEEK 12



HMM & Zim top 4Q earnings margins while Hapag-Lloyd & Maersk stuck at the bottom

Carriers' average EBIT margins remained healthy at 22% in the 4th quarter of 2024 despite dropping from the 3rd quarter average of 34%. Despite rapidly deteriorating spot freight rates, carriers will remain profitable in the 1st quarter of 2025, setting the stage for a fresh round of price competition in the remaining 3 quarters of the year. HMM and Zim topped the earnings league table with their higher East-West route exposure and spot business mix, while Hapag-Lloyd and Maersk continues to underperform due to their reliance on lower freight contract customers.

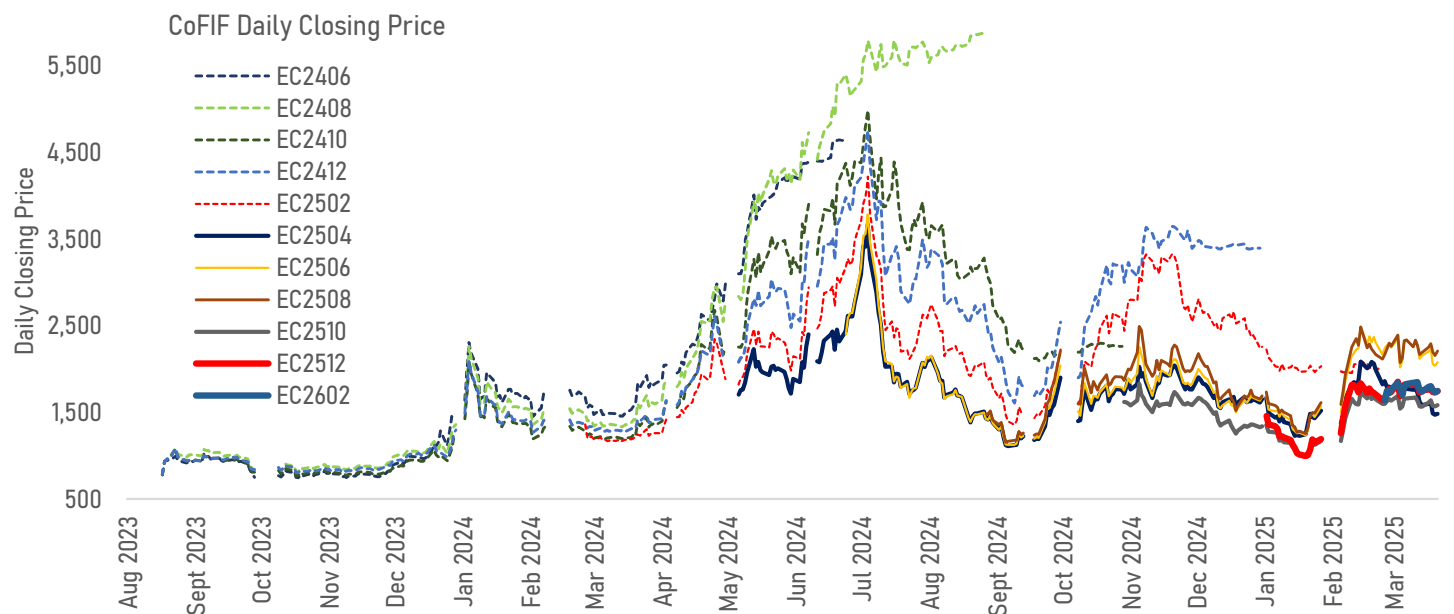


April rate hikes in jeopardy as futures market shifts sights to a June rebound

Container freight futures dropped in mid-week trading on 19 March after Maersk extended their \$2,000 per FEU rate through early April, mirroring a similar move by MSC the week before. The 1 April rate hike has effectively been abandoned even before it started with the EC2504 contracts taking the biggest hit. The EC2506 and EC2508 contracts remain relatively unscathed and are still trading at a 29-37% premium over the SCFIS from last week with open interest up by 4% week-on-week.

Average utilization on the Far East to North Europe route rebounded in week 10, due to 7 blanked sailings in that week but the capacity will return this week with an almost full slate of sailings to North Europe. Average weekly capacity is expected to exceed 300,000 teu over the next six weeks, exerting further downward pressure on freight rates and testing the resolve of freight futures traders.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	21-Mar	17-Mar	WoW		1,612	Week 11	Week 10	WoW	Week 11	Week 10	WoW	21-Mar	17-Mar
EC2504	1,485	1,583	-6%	-8%	4,829	6,494	-26%	52	76	-32%	5,806	7,581	-23%
EC2506	2,079	2,154	-3%	29%	72,056	70,921	2%	1,070	1,102	-3%	44,010	39,977	10%
EC2508	2,208	2,191	1%	37%	17,462	17,793	-2%	270	278	-3%	25,850	24,831	4%
EC2510	1,586	1,566	1%	-2%	8,953	8,111	10%	99	92	8%	16,628	15,844	5%
EC2512	1,746	1,755	-1%	8%	1,464	1,974	-26%	18	25	-28%	3,366	3,497	-4%
EC2602	1,550	1,564	-1%	-4%	937	1,133	-17%	10	13	-19%	2,088	1,968	6%
Total					105,701	106,427	-1%	1,519	1,585	-4%	97,748	93,698	4%



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