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Market Pulse 2025 Week 16

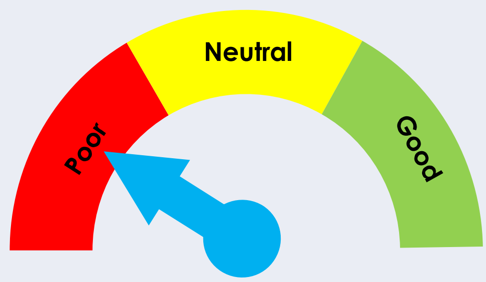
IN FOCUS this week
Carriers will act to circumvent USTR fees

MARKET BRIEF 2025 WEEK 16

Revised USTR action on Chinese ships eliminates the risk of potential capacity disruptions as all of the onerous terms of the US port fee have been toned down. Over the next 180 days, carriers are expected to swap the affected Chinese built ships out of the US and replace them with fee-exempt ships. Chinese carriers such as COSCO may be able to circumvent the onerous port fees if they withdraw their ships and replace them with slots on fee-exempt ships operated by alliance partners. Based on Linerlytica's analysis, all of the main carriers have sufficient exempt ships available to make the switch without severe operational disruptions.

Blanked sailings are in any case rising on the Transpacific routes as carriers grapple with reduced bookings in China with the tariff war in full swing.

CONTAINER MARKET BAROMETER 2025 WEEK 16

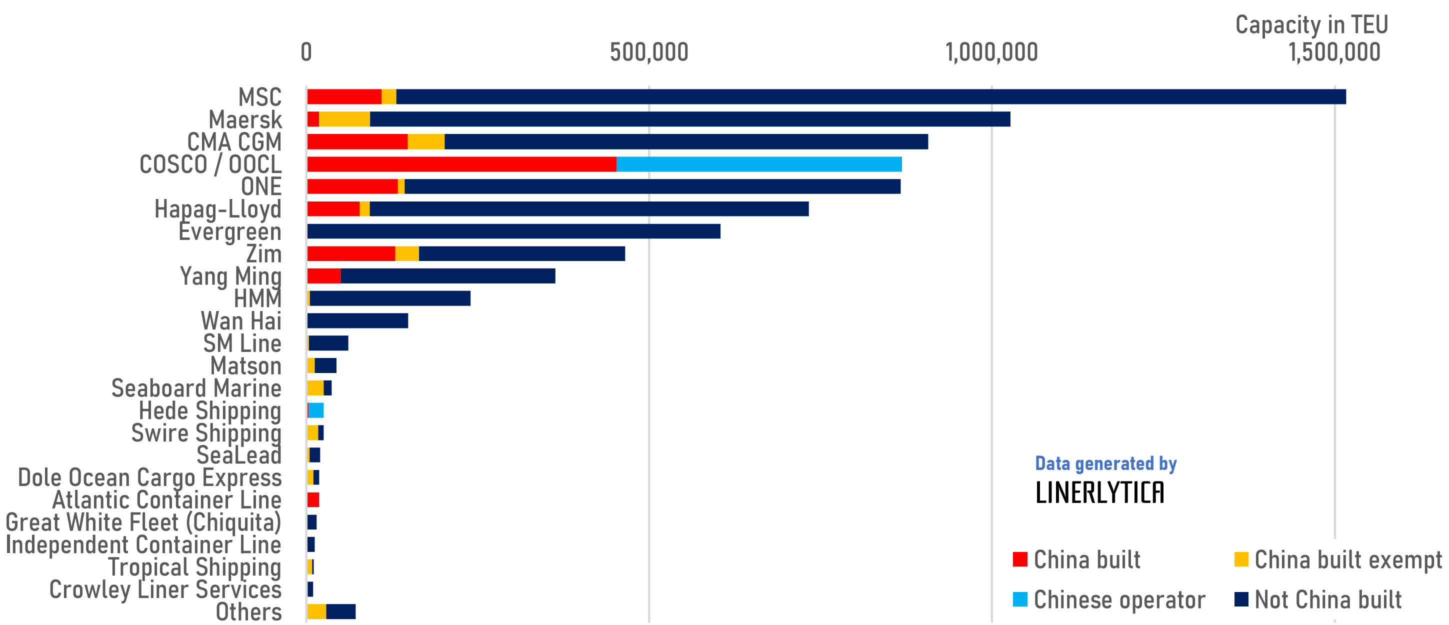


Port Congestion Week 16	Idle Containerships	Ships Delivered Last 30 days	Ships Deleted Last 30 days	Freight Rates SCFI Week 16
3.11m TEU 9.8% of fleet	**32 ships** 58,257 TEU 0.2% of fleet	**28 ships** 249,537 teu	**3 ships** 1,649 teu	**1,371** -1.7% WoW -22.5% YoY

USTR decision to trigger Chinese ship migration out of US ports

The USTR announced on 17 April the revised Section 301 actions on China's dominance In the shipbuilding sector, backing down from all of its initial proposals. Although port fees on Chinese operated and Chinese-built ships are retained, carriers will be able to circumvent the fees by swapping out all of the affected ships in the next 180 days as the fee will no longer apply on the operators' fleet composition or prospective orders but only on ships calling at US ports on a per voyage basis (changed from the initial per port call charge). Exemptions were also granted for smaller ships of below 4,000 teu or 55,000 dwt and for ships trading within 2,000 nautical miles of US ports which would eliminate fees on short haul operators in the Caribbean/South American routes as well as for operators of US-flagged ships on the MSP/VISA program that would benefit operators such as CMA CGM. Only 20% of the current fleet of containerships calling at US ports are affected, and they are expected to be swapped with exempt ships over the next 6 months.

Operator breakdown for ships calling at US ports (as at Apr 2025)



EC futures tumble over transpacific capacity shift fears

Freight futures to North Europe extended their recent losses over the past week, with the main EC2506 contract tumbling by a further 10%. Traders ramped up their short positions on expectations that capacity withdrawn from transpacific routes would soon be redeployed to Asia-Europe lanes. Average daily trading volumes tumbled by 31%, while open interest staged a modest 6% rebound week-on-week.

The SCFIS index registered a surprise 7.6% weekly rise on 21 April, but the bounce is likely to be short-lived as both the SCFI and CCFI have weakened last week as carriers continued to lower their rate offers, with ONE currently the lowest at $1,537 per FEU for May departures. Total capacity is up in April and will remain high through May apart from Week 20 that coincides with the Labour Day holidays in China.

	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover ($M)			Open Interest (contracts)		
Contracts	21-Apr	14-Apr	WoW	1,508	Week 15	Week 14	WoW	Week 15	Week 14	WoW	21-Apr	14-Apr	WoW
EC2504	1,415	1,480	-4%	-6%	121	386	-69%	1	4	-70%	1,111	1,297	-14%
EC2506	1,522	1,697	-10%	1%	57,946	74,865	-23%	635	925	-31%	37,752	33,133	14%
EC2508	1,713	1,708	0%	14%	19,762	31,887	-38%	231	392	-41%	30,256	29,822	1%
EC2510	1,311	1,295	1%	-13%	7,536	13,839	-46%	69	125	-45%	15,829	15,747	1%
EC2512	1,462	1,480	-1%	-3%	1,078	2,809	-62%	11	29	-62%	3,903	3,777	3%
EC2602	1310.8	1310.5	0%	-13%	608	2172.6	-72%	6	20	-72%	2,715	2676	1%
Total					87,051	125,959	-31%	954	1,495	-36%	91,566	86,452	6%