

Market Pulse 2024 Week 30

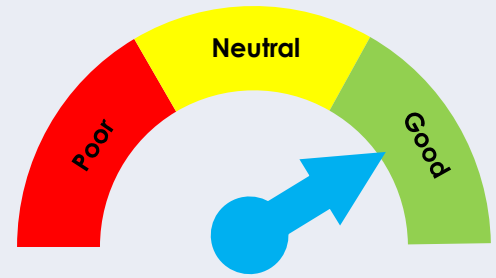
IN FOCUS this week
Red Sea tensions escalate

MARKET BRIEF 2024 WEEK 30

Any further escalation of the Red Sea crisis would have a limited impact on the container markets as only 14% of the ships currently deployed on the Asia-Europe trade is using the Suez Canal. The share of the overall capacity is even smaller, as only 4% of the 7.48m TEU deployed is using the Suez route as the majority of the carriers there are deploying smaller ships, with CMA CGM the sole exception as it retains a single Asia-Med service that is still on the Suez.

The SCFI recorded a second successive weekly decline, but both the CCFI and SCFIS to North Europe which better reflects actual revenue to carriers have continued to rise. The recent decline in spot freight rates have spooked the freight futures market but it has not dampened charter market sentiment with charter rates still rising on tight demand from carriers. The pace of new ship deliveries has also slowed, with the monthly growth rate declining to 0.5% from a peak of 1.2% a month ago with just 173,700 TEU delivered in the past 30 days.

CONTAINER MARKET BAROMETER 2024 WEEK 30

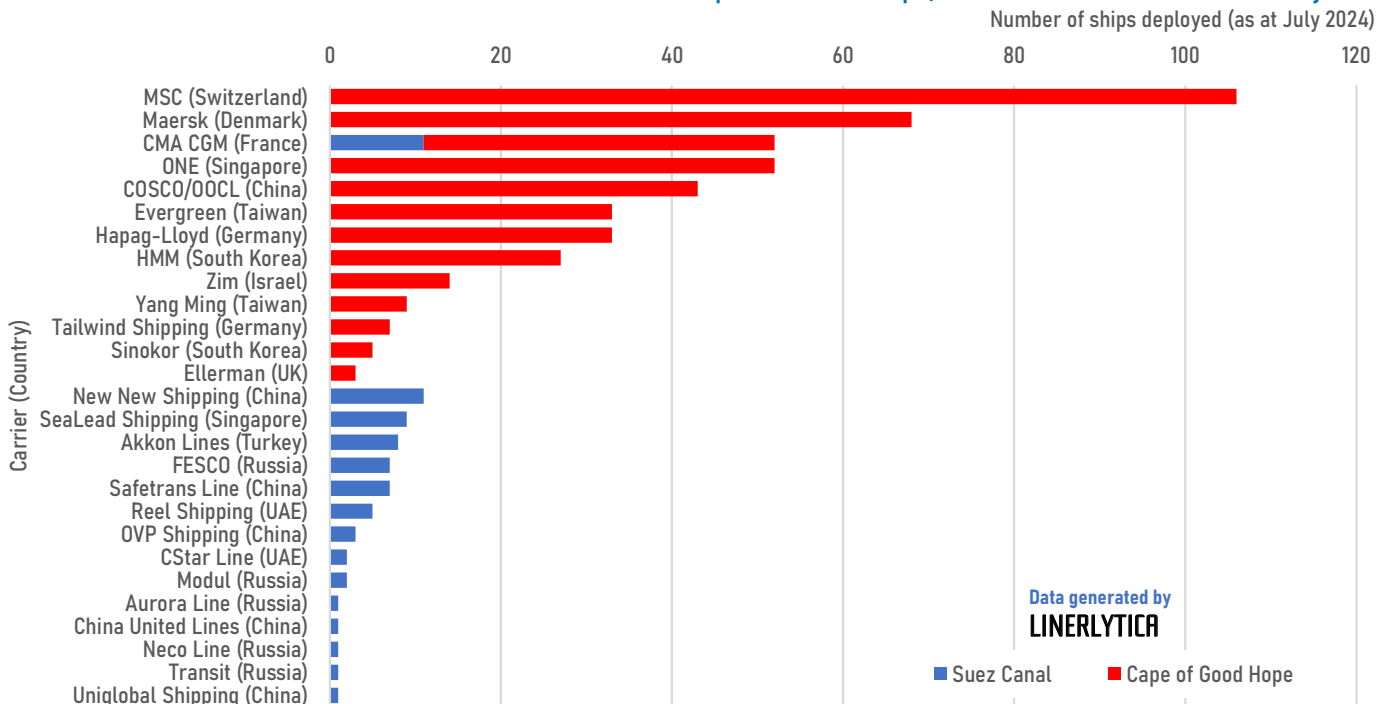


CMA CGM continues Suez routing on BEX2 despite rising Middle East tensions

The escalation in Middle East tensions over the weekend has not altered containership movements in the Red Sea region. 14% of the 513 ships currently operated on the Asia-Europe/Med route are still using the Suez route, involving mainly smaller operators based in China, Russia, Singapore, Turkey and UAE that are trading to the Black Sea and Baltic Sea.

All of the main carriers on the Asia-Europe trade have diverted their ships to the Cape route, with CMA CGM being the sole exception as it continues to operate 11 ships on its Asia-Med Phoenician Express (BEX2) service via the Suez/Red Sea route.

Ships on Asia-Europe/Med services with breakdown by route



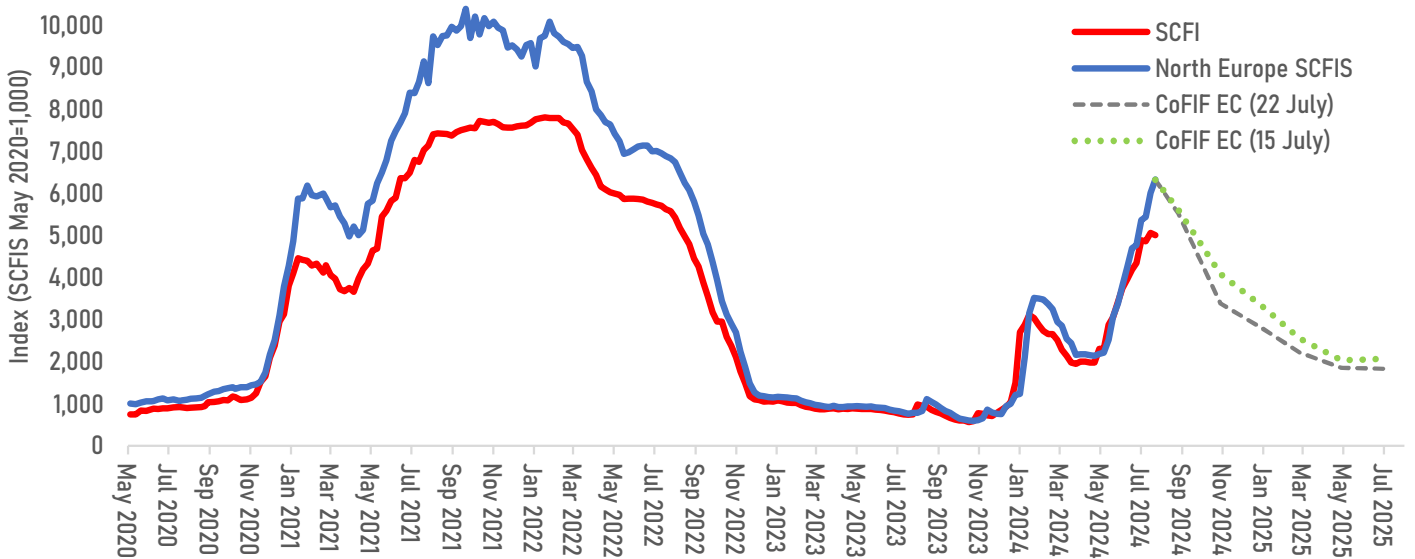
Freight futures retreat

All EC freight futures retreated last week on concerns that market rates have peaked, with the escalation in the Middle East crisis over the weekend doing little to reverse the negative trading sentiment. Apart from the August 2024 contract, all of the other contracts dropped by double digits.

The SCFIS defied market expectations and recorded a 5% WoW gain after market close on 22 July which could lift the August contracts for the rest of this week but the near term sentiment continues to be focussed on carriers' lower spot rate quotations and the recent decline in vessel load factors.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	22 Jul	15 Jul	WoW		6,318	Week 29	Week 28	WoW	Week 29	Week 28	WoW	22 Jul	15 Jul
EC2408	5,508	5,600	-2%	-13%	11,554	23,869	-52%	448	911	-51%	25,437	31,188	-18%
EC2410	3,382	4,076	-17%	-46%	51,472	56,159	-8%	1,395	1,581	-12%	32,475	30,719	6%
EC2412	2,784	3,315	-16%	-56%	29,236	23,234	26%	635	567	12%	17,949	15,255	18%
EC2502	2,220	2,550	-13%	-65%	18,390	14,160	30%	297	280	6%	11,449	9,184	25%
EC2504	1,855	2,030	-9%	-71%	32,553	33,683	-3%	423	550	-23%	16,868	15,539	9%
EC2506	1,830	2,063	-11%	-71%	14,787	16,208	-9%	192	270	-29%	8,147	7,327	11%
Total					157,992	167,313	-6%	3,390	4,157	-18%	112,325	109,212	3%

Shanghai-North Europe Freight Rate Trend



CoFIF Daily Closing Price

