

## Market Pulse 2024 Week 34

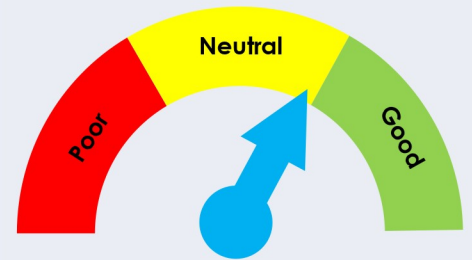
**IN FOCUS this week**  
 Maersk lags behind

### MARKET BRIEF 2024 WEEK 34

The SCFI rebounded by 0.8% last week but is unlikely to hold on to these gains with freight rates coming under pressure on both the Asia-Europe and Transpacific routes. Carriers failed to push ahead with the planned 15 August transpacific rate hikes and allowed rates to the US West Coast to slip with the lower rates to show up on the coming week's SCFI reading. Carriers will be making another push for a September rate hike but conviction is low with capacity utilisation rates slipping across most of the main routes.

Despite the recent rate correction, carrier earnings will continue to rebound strongly in the 3<sup>rd</sup> quarter with rates remaining elevated across all key routes. 2Q earnings reveal a sharp divergence in performance between carriers with Asian carriers clearly out-performing their European peers with Maersk firmly stuck at the bottom as it continues to lag behind its rivals.

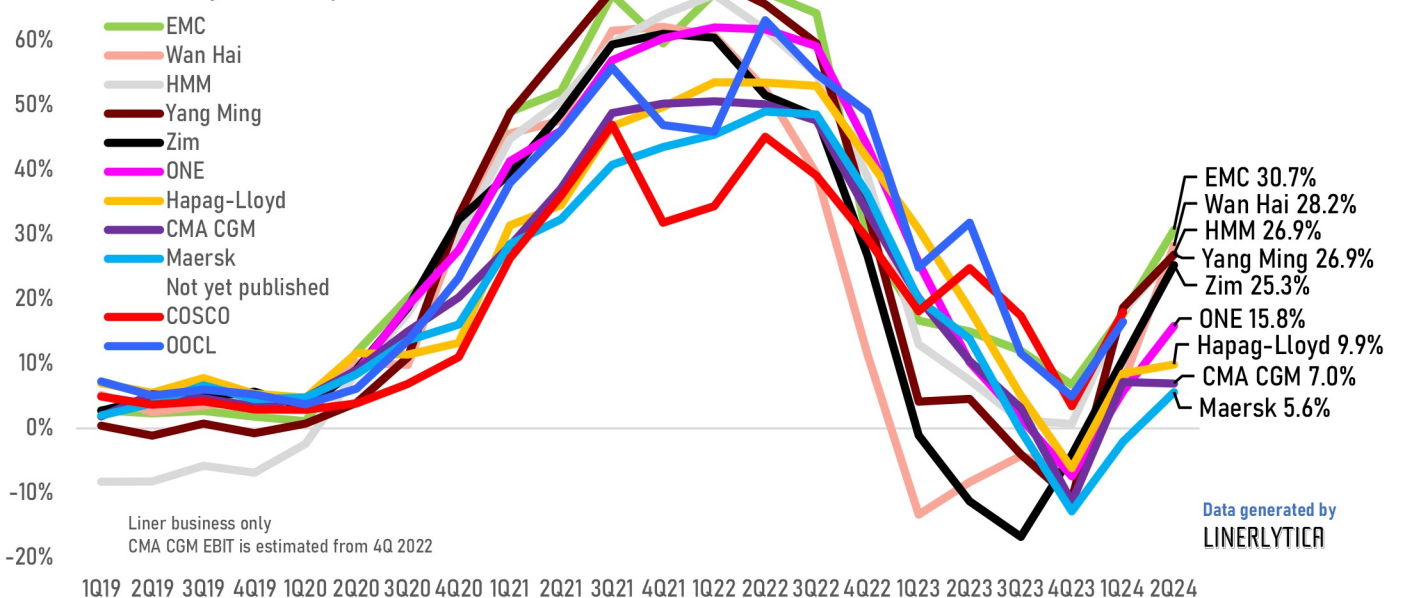
### CONTAINER MARKET BAROMETER 2024 WEEK 34



### Maersk remains worst performing carrier for the 3<sup>rd</sup> consecutive quarter

Maersk continues to underperform the rest of the market with the lowest EBIT earnings margins in the 2<sup>nd</sup> quarter of 2024 compared to all of its main publicly listed peers. Maersk's Ocean shipping segment recorded EBIT margins of just 5.6% for the quarter compared to an average margin of 21.3% posted by 8 of its main rivals with only COSCO and OOCL yet to report their earnings figures. It marks the 3<sup>rd</sup> consecutive quarter that Maersk was placed at the bottom of the earnings league table, with its earnings consistently lagging behind its peers since 2020. A change in its logistics-heavy strategy now appears inevitable as it tries to regain lost ground on its liner rivals, marking yet another U-turn for the Danish carrier.

Quarterly EBIT margin comparison by Carrier  
 Ranked by 2Q 2024 performance



Data generated by  
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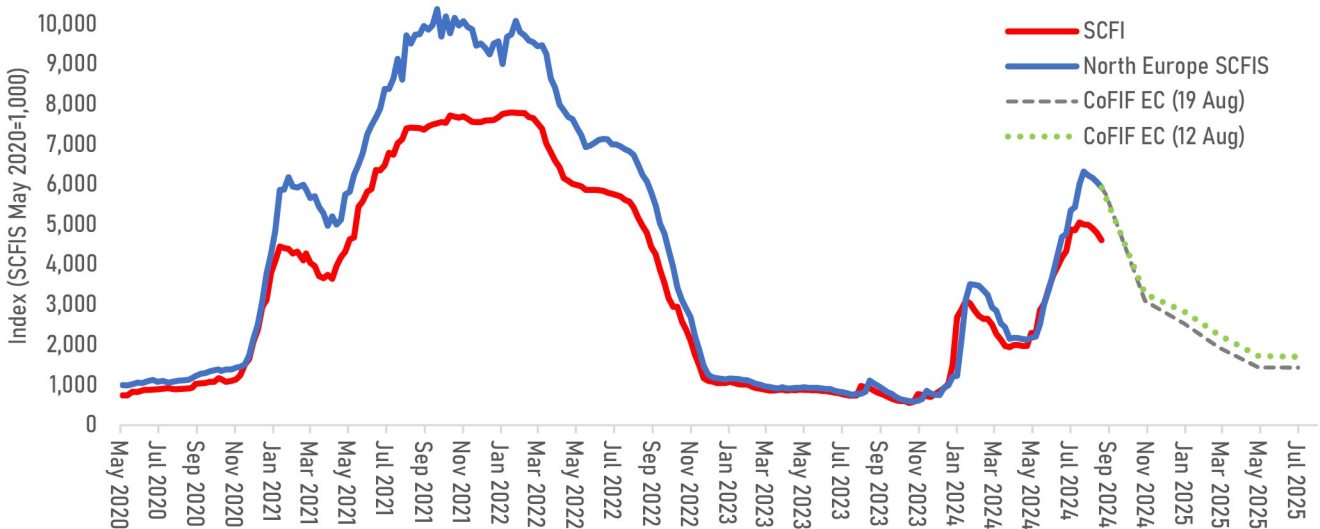
### Freight Futures Went Limit Down On Gaza Peace Talk

Continued spot rate weakness and renewed Gaza ceasefire talks brought the longer dated EC futures contracts down to their daily limit on 19 August. EC2408 October contracts held up with the SCFIS falling by less than expected, down by 2.3% WoW after market close.

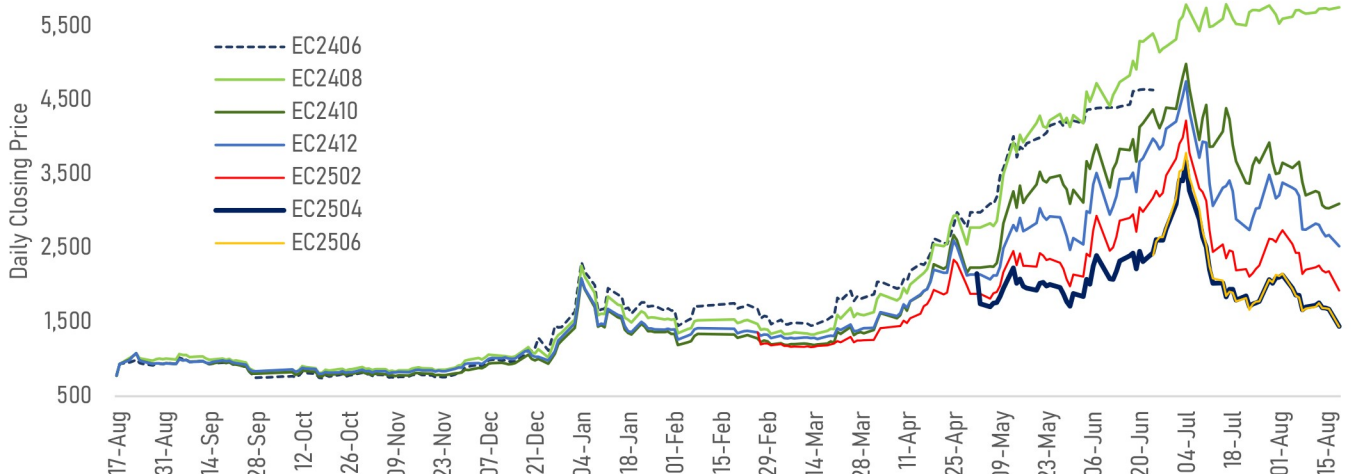
EC2410 also largely held its ground as the October contracts are already trading at a 48% discount to current spot rates. The latest EC2410 closing price has built in weekly drops of 7% each week over the next 2 months against the SCFIS' 1-2% weekly decline since July. Average daily trading volume was down by 11% WoW but the increase in the short interests pushed up the open interests by 4% WoW.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	19-Aug	12-Aug	WoW		5,919	Week 33	Week 32	WoW	Week 33	Week 32	WoW	19-Aug	12-Aug
EC2408	5,754	5,685	1%	-3%	1,134	1,223	-7%	46	49	-6%	7,562	10,865	-30%
EC2410	3,100	3,271	-5%	-48%	15,189	25,820	-41%	332	621	-47%	20,352	20,471	-1%
EC2412	2,526	2,832	-11%	-57%	46,749	38,576	21%	887	790	12%	34,506	30,806	12%
EC2502	1,931	2,244	-14%	-67%	9,092	12,023	-24%	137	193	-29%	12,972	12,650	3%
EC2504	1,444	1,729	-16%	-76%	12,531	16,262	-23%	146	202	-28%	17,941	16,391	9%
EC2506	1,438	1,709	-16%	-76%	6,280	8,763	-28%	73	109	-33%	9,926	8,429	18%
<b>Total</b>					<b>90,974</b>	<b>102,668</b>	<b>-11%</b>	<b>1,620</b>	<b>1,964</b>	<b>-18%</b>	<b>103,259</b>	<b>99,612</b>	<b>4%</b>

Shanghai-North Europe Freight Rate Trend



CoFIF Daily Closing Price



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