

Market Pulse 2024 Week 36

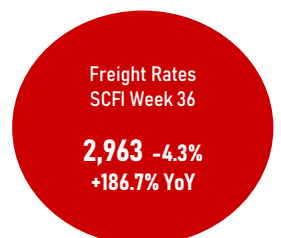
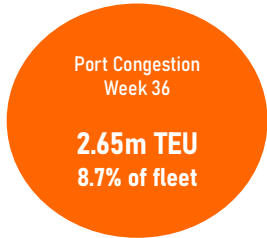
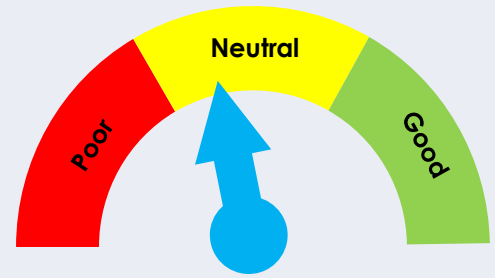
IN FOCUS this week
 New containership order frenzy

MARKET BRIEF 2024 WEEK 36

Container freight rates continue to slip with Asia-Europe rates suffering the biggest drops last week. Cargo demand continues to fall, forcing carriers to offer rate discounts. The weakness has spread to the transpacific where carriers are also offering selective bullet rates and voyage-specific discounts. Carriers are pushing for a mid-September rate hike on hopes of a mini-cargo rush ahead of the Golden Week holidays in China and higher volumes on the US West Coast routes ahead of potential strikes at the US East Coast on 1 October.

The weakening market has not deterred carriers from pushing ahead with their new ship orders, with total orders in August reaching a record high of 1.4m teu, surpassing the previous record of 1.07m teu ordered in March 2021. More orders are still to come with carriers heading for a new capacity war.

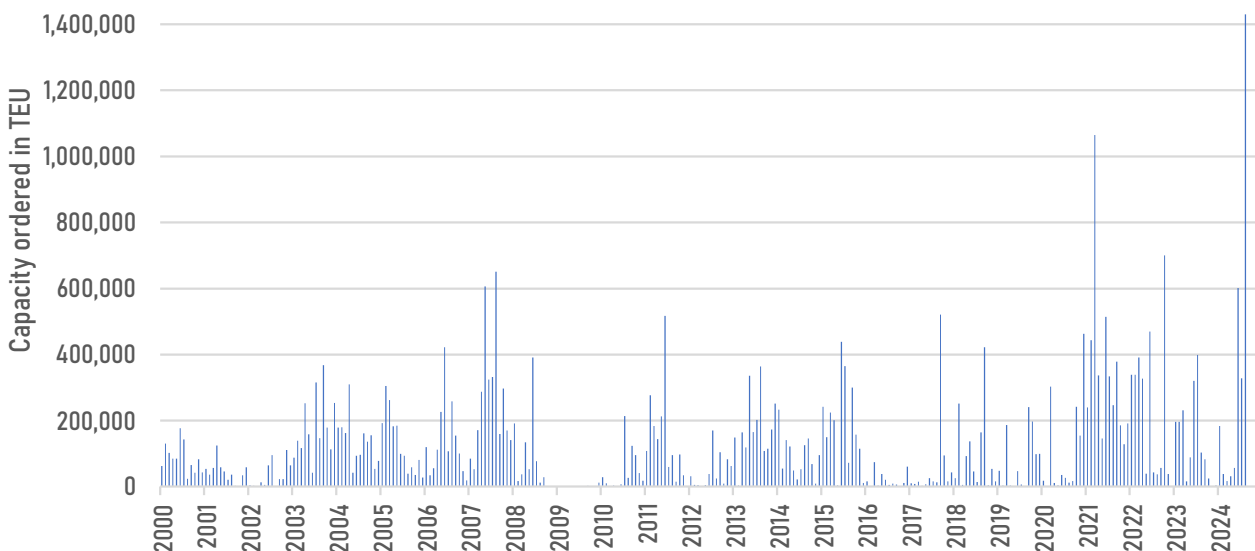
CONTAINER MARKET BAROMETER 2024 WEEK 36



Containership newbuilding orders hit new high in August

Carriers are rushing to secure ship contracts despite rising newbuilding prices and growing concerns over over-capacity by the time these ships hit the water in 2027-2029. COSCO is the latest carrier to join in the new order frenzy with a fresh order revealed last week for 12 units of 13,700 teu at its COSCO Yangzhou shipyard for delivery over 2027-2029 bringing the total capacity contracted in August to a record high of over 1.4m teu, including several Letters of Intent (LOIs) that are expected to turn into firm orders including several fresh orders from Maersk for LNG dual fuel units that will mark yet another policy shift for the Danish carrier. The global containership orderbook has risen to 25.3% with more orders still due to be concluded in the coming months including a 30 ship order from Hapag-Lloyd that will mark the largest order ever made by the German carrier.

New Orders by Month 2000-2024



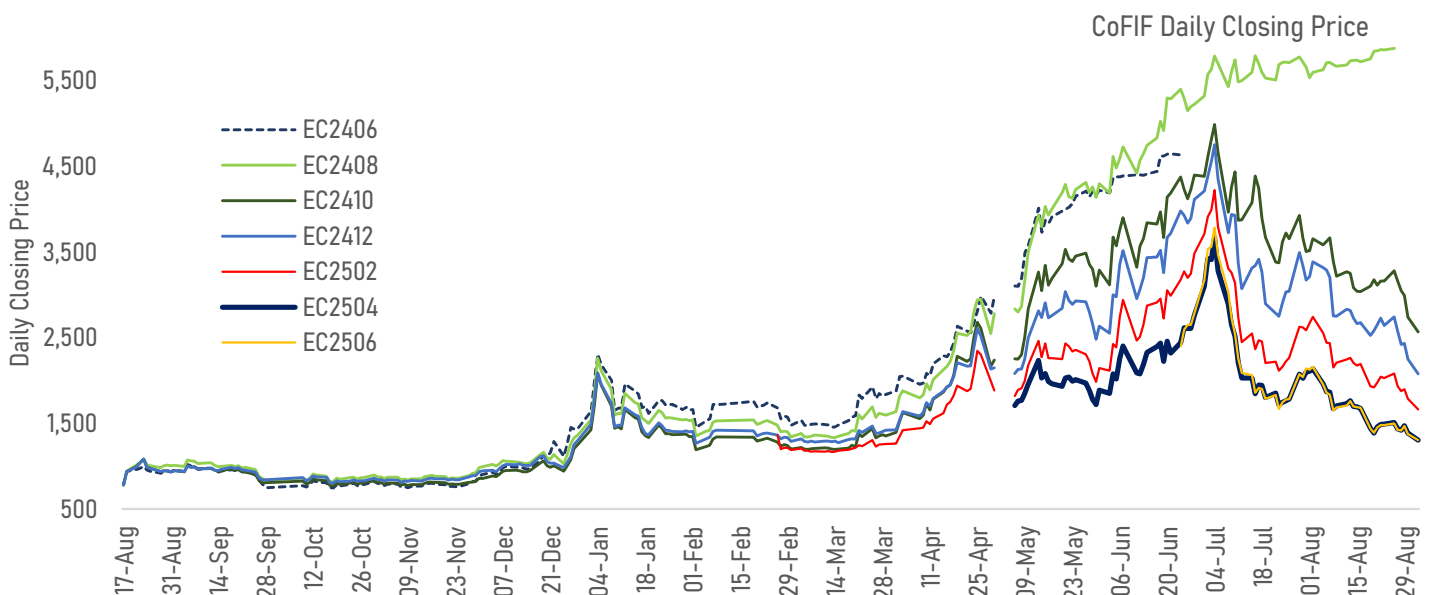
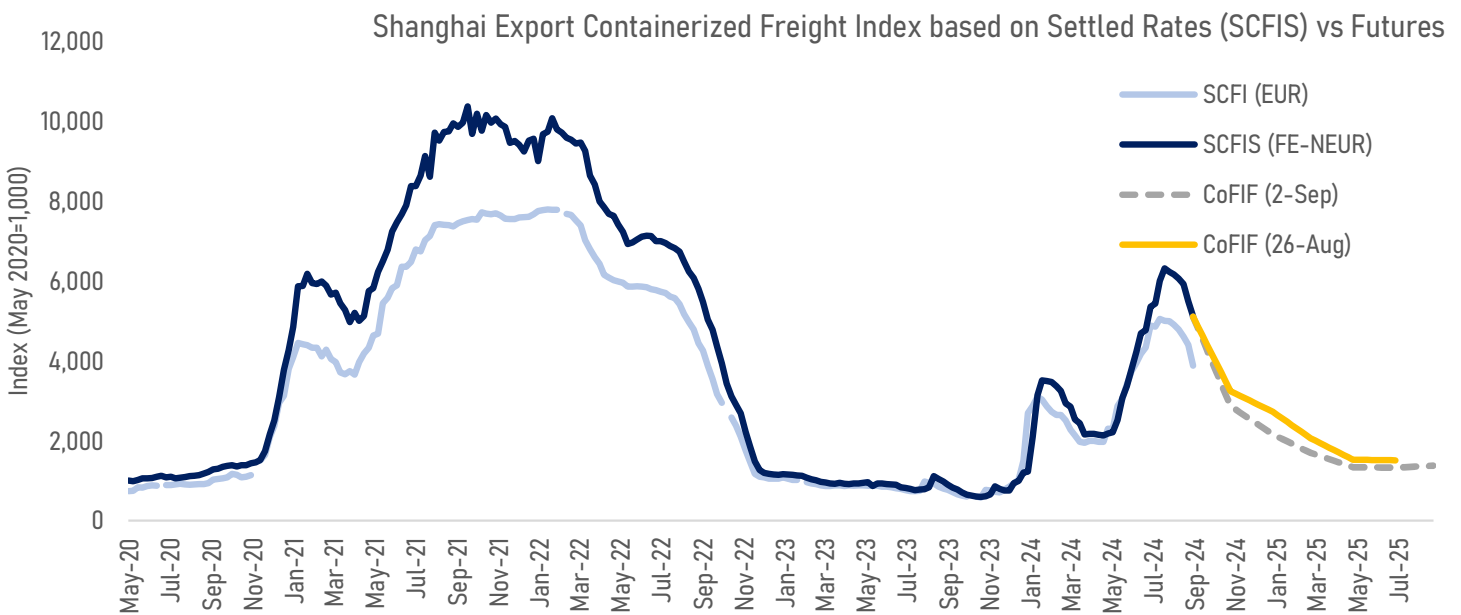
Data generated by
LINERLYTICA

Bigger Than Expected Fall in SCFIS Triggered Sell-off

The pace of the SCFI and SCFIS declines continued to accelerate last week with the SCFI assessment to North Europe falling by 11.9% while the SCFIS that came out after market close on 2 Sep dropped by 6.9% following the previous week's 7.3% decline.

Carriers continue to cut their spot rates, with average FAK quotations falling below \$6,000/FEU with carriers giving up all the rate gains secured since June this year. Asia-North Europe volumes are down 5% from their peak, with average capacity utilization also dropping by the same level with carriers still unwilling to reduce overall trade capacity at the moment. End October contract (EC2410) are currently trading at a 50% discount to current rate levels, matching the rate collapse in 2022.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	2-Sep	26-Aug	WoW		5,110	Week 35	Week 34	WoW	Week 35	Week 34	WoW	2-Sep	26-Aug
EC2410	2,567	3,282	-22%	-50%	7,726	9,110	-15%	159	201	-21%	16,001	17,433	-8%
EC2412	2,077	2,744	-24%	-59%	40,231	40,809	-1%	676	753	-10%	34,026	32,927	3%
EC2502	1,661	2,080	-20%	-67%	10,311	12,159	-15%	134	168	-20%	16,439	14,940	10%
EC2504	1,303	1,509	-14%	-75%	16,500	28,455	-42%	165	291	-43%	16,985	18,411	-8%
EC2506	1,301	1,499	-13%	-75%	5,819	10,813	-46%	58	110	-47%	9,240	9,976	-7%
EC2508	1,360	1,509	-10%	-73%	2,663	NA	NA	27	NA	NA	2,351	NA	NA
Total					80,587	101,346	-20%	1,192	1,523	-22%	92,691	93,687	-1%



Only for use of Tiger Shi snt@bands.financial. Unauthorized distribution prohibited.