

## Market Pulse 2024 Week 38

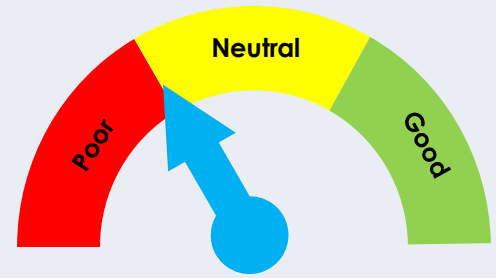
**IN FOCUS this week**  
USEC port strike imminent

### MARKET BRIEF 2024 WEEK 38

The ILA dockworkers' strike will be pivotal for the container markets in the coming weeks, as it will determine the direction that freight rates will take in October. The SCFI has dropped by 33% since its last peak on 5 July and remain under pressure after 2 consecutive 8% WoW declines. Cargo volumes have weakened ahead of the Golden Week holidays, with no signs of a pre-holiday surge. Capacity utilisation levels have slipped but carriers are more interested in expanding their roll pools ahead the Chinese holidays which would only prolong the spot rate free fall. This will be exacerbated by the carriers' unwillingness to cut capacity ahead of the new alliance reshuffle in February 2025, with Maersk in particular still securing charter tonnage in order to meet their vessel shortfalls.

Only an extended strike on the US East Coast can lift the flagging freight market, with up to 15% of global capacity potentially affected if the strike lasts for an extended period.

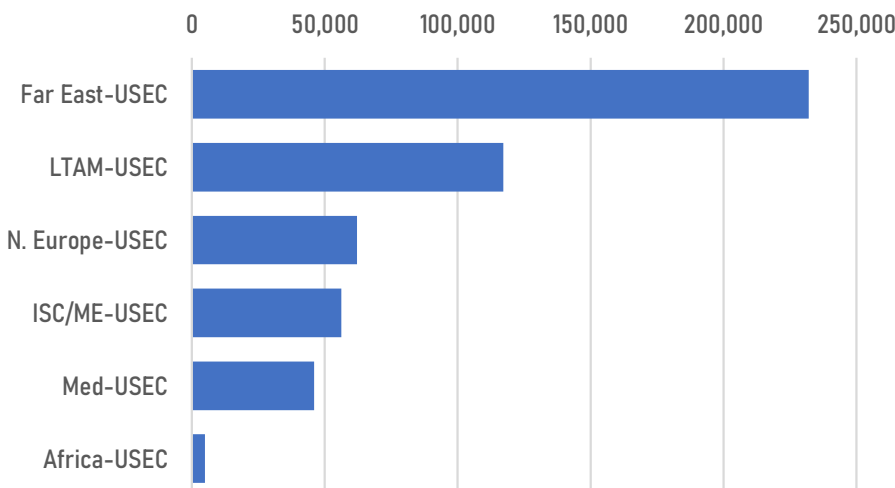
### CONTAINER MARKET BAROMETER 2024 WEEK 38



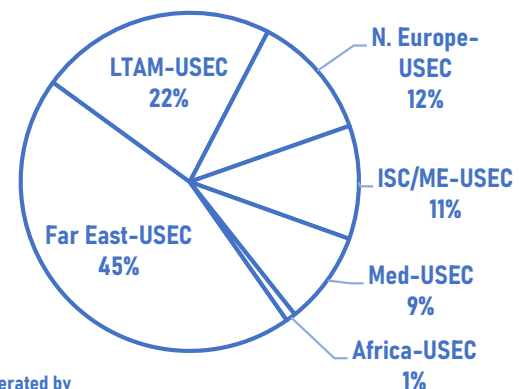
### Brace for USEC port strike

A coastwise strike at US East and Gulf Coast ports now looks certain to start on 1 October 2024. The 14 ports controlled by the ILA handled 28.4m teu of containerised cargo in 2023 or almost 550,000 teu each week. For each week that the strike continues, it would hold up 1.7% of the global containership fleet, with an indefinite strike expected to affect over 4.5m teu of the fleet, accounting for 15% of the total containership capacity.

Weekly vessel capacity handled at USEC ports  
Breakdown by tradelane in TEU



Breakdown by tradelane



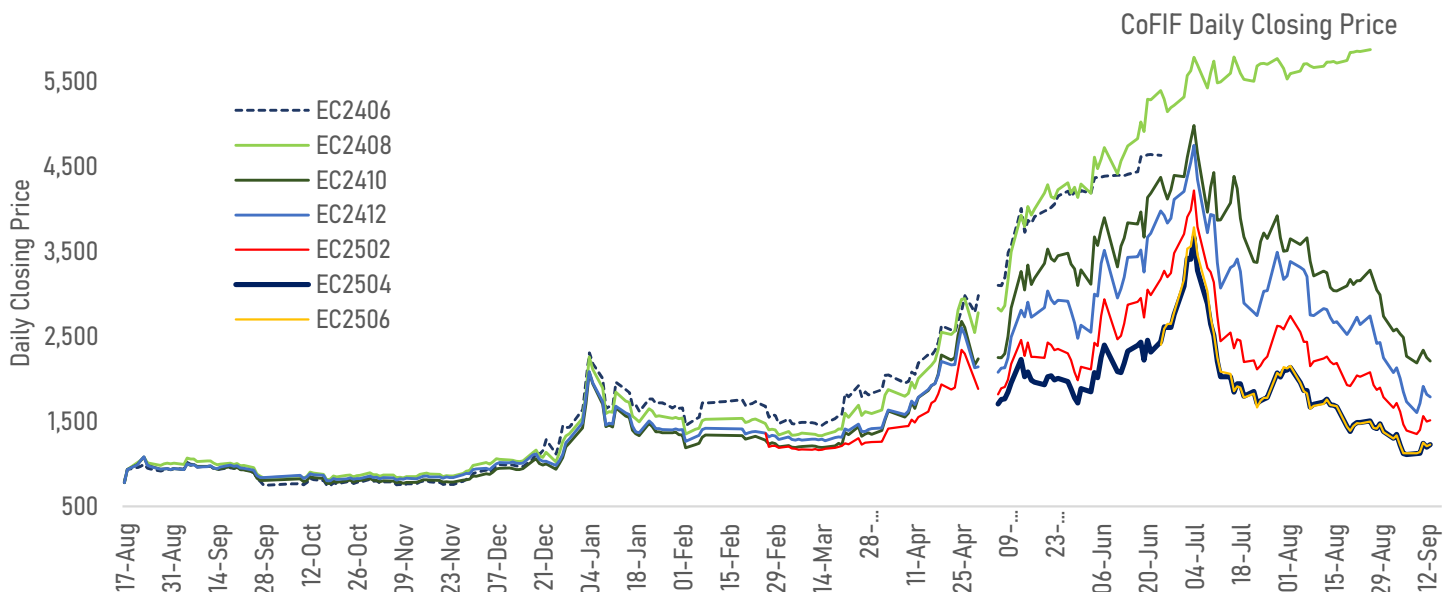
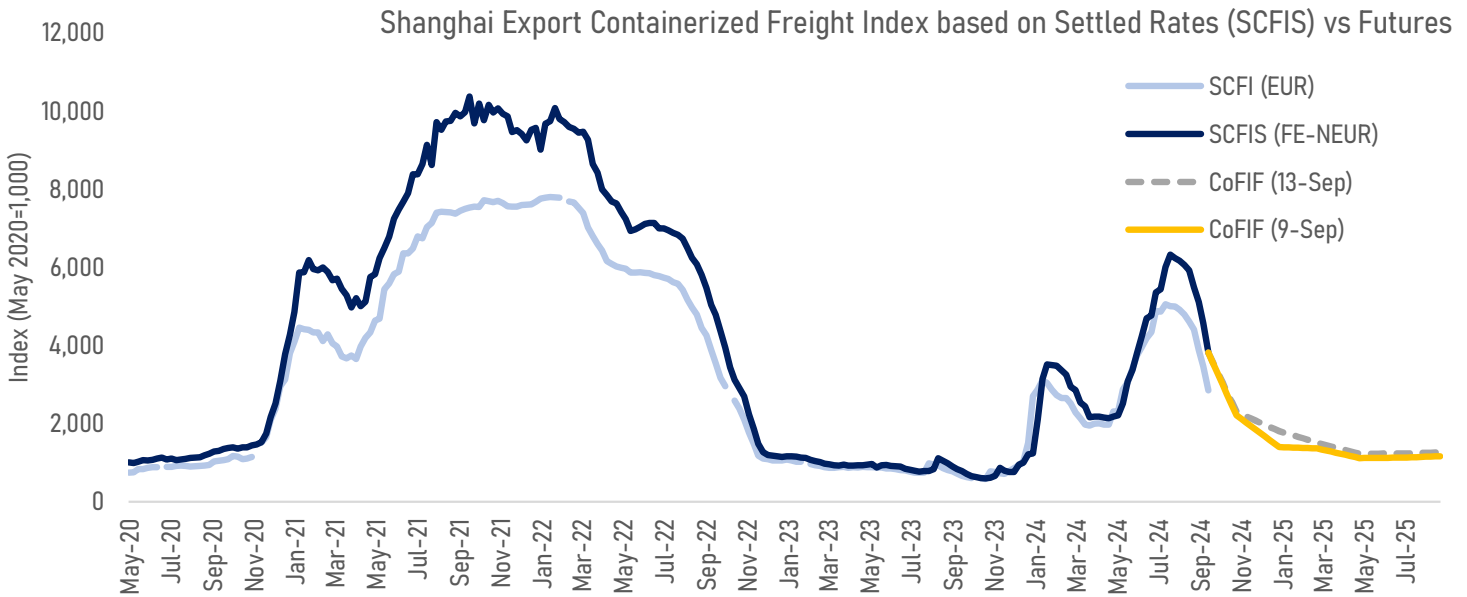
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### Freight futures rally short lived with further turbulence expected

EC freight futures closed higher last week, with the INE taking an extended 4-day break for the mid-autumn festival from 14 to 17 September. Traders covered their short positions over the past week after Maersk temporarily set their floor rates at \$4,400 per FEU but the restraint proved short lived with carriers resuming their aggressive price cutting while Maersk lowered its online quotation to \$4,000 per FEU over the weekend, marking a further 10% decrease week over week.

The market is expected to trade lower in the shortened trading week after the SCFIS North Europe index slipped by 16.5% on 16 September, with carriers still unable to stop the rate slide. There remains significant room for further price cuts in the coming weeks as carriers appear more interested in filling the ships than in maintaining pricing discipline.

Contracts	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	13-Sep	9-Sep	WoW		3,814	Week 37	Week 36	WoW	Week 37	Week 36	WoW	13-Sep	9-Sep
EC2410	2,214	2,190	1%	-42%	8,572	9,325	-8%	136	159	-14%	13,971	16,235	-14%
EC2412	1,790	1,608	11%	-53%	88,501	67,231	32%	1,102	887	24%	39,995	41,907	-5%
EC2502	1,516	1,355	12%	-60%	14,195	12,928	10%	147	138	6%	18,428	18,636	-1%
EC2504	1,228	1,122	9%	-68%	14,311	18,441	-22%	119	154	-23%	15,986	17,150	-7%
EC2506	1,228	1,125	9%	-68%	5,309	6,287	-16%	44	53	-16%	8,406	8,856	-5%
EC2508	1,261	1,180	7%	-67%	2,079	2,348	-11%	18	20	-11%	2,744	2,653	3%
<b>Total</b>					<b>130,887</b>	<b>114,213</b>	<b>15%</b>	<b>1,548</b>	<b>1,391</b>	<b>11%</b>	<b>96,786</b>	<b>102,784</b>	<b>-6%</b>



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