

Market Pulse 2024 Week 50

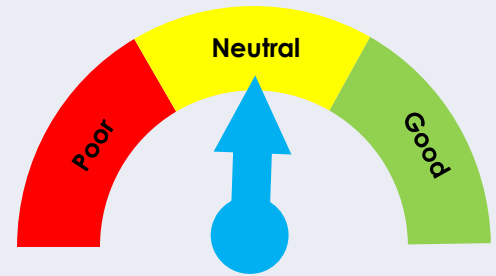
IN FOCUS this week
Transpacific carriers jostle for market share

MARKET BRIEF 2024 WEEK 50

It was a mixed week for container freight rates with carriers able to hold on to their early December rate gains on the Asia-Europe, Middle East and Latin America routes but continued to lose ground on the Transpacific. Price competition on the transpacific route remains very keen with none of the main carriers willing to give up market share ahead of the alliance reshuffle in February even as newcomers such as Hede, SeaLead and TS Lines continue to pile into the market. Non-alliance carriers including Zim and Wan Hai have also increased their exposure on the route which remains lucrative despite the sharp rate correction that has erased 43% from the SCFIS USWC index in the past 4 weeks alone.

Transpacific rates are expected to strengthen in the coming weeks with the threat of another USEC port strike and front loading ahead of new US import tariffs could provide support for a fresh round of rate hikes. Charter market capacity remains very tight with several carriers still seeking tonnage ahead of the launch of the new alliance networks in February.

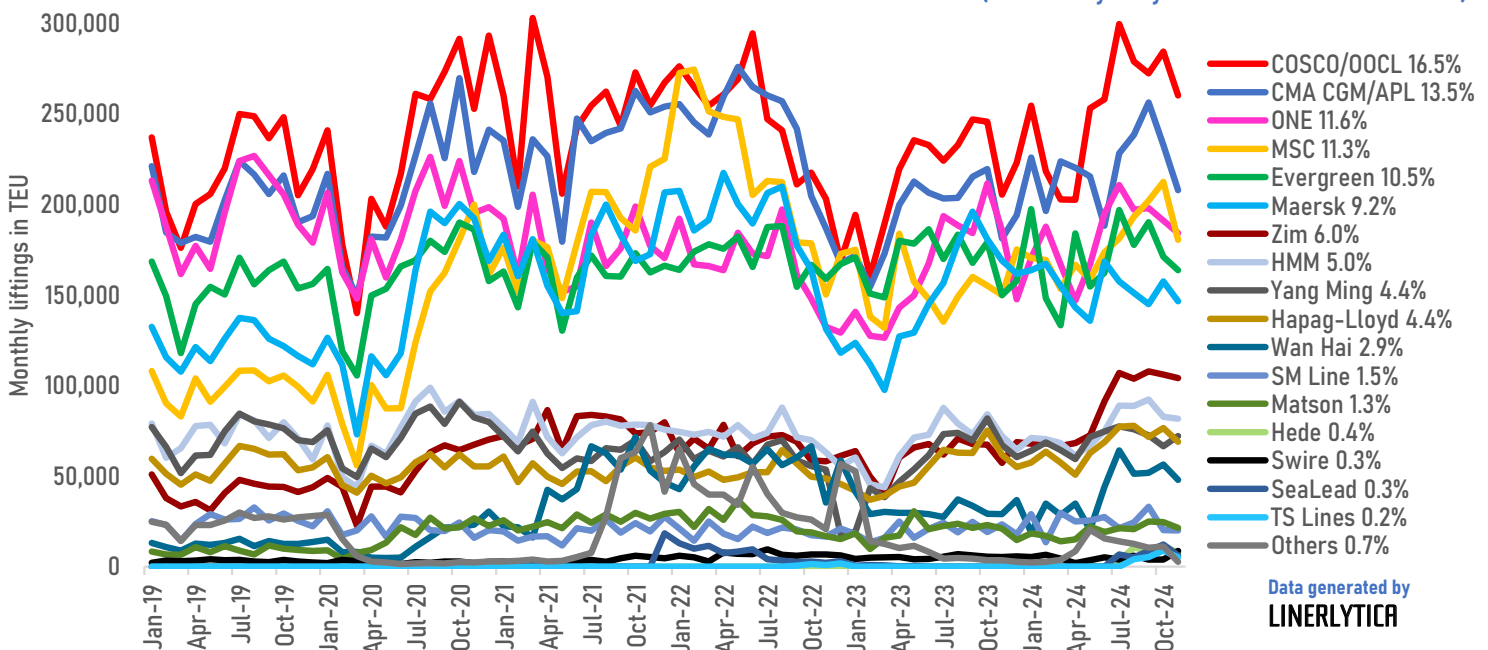
CONTAINER MARKET BAROMETER 2024 WEEK 50



COSCO retains transpacific volume lead

COSCO remains the largest carrier on the Transpacific market, with a 16.5% share of total container volumes shipped on the Far East-US route for the 2024 contract season from May to November 2024. COSCO's larger capacity share on the US West Coast allowed it to dominate the market compared to their European rivals (CMA CGM and Maersk) who deploys a larger proportion of their capacity on the US East Coast.

Far East-US Eastbound Transpacific Liftings by Carrier : 2019 to 2024
(ranked by May-Nov 2024 Market Share)



EC freight futures slip on lower December rate hikes and fall of Assad regime

EC futures dropped across the board over the past week, with the earlier exuberance over the December rate hikes cooling off as spot market rates settle into a tighter range which will likely hold for the rest of the month before carriers attempt another round of rate hikes on 1 January.

The SCFIS rose by 7.2% in the latest 9 December release to reach 3,033 points, but EC2412 still trades at a 12% premium at 3,398 with possible downside pressure as the mid-December rate increases appear to have fizzled out. Longer-dated EC contracts also dropped, with the fall of the Assad regime in Syria viewed as a further step towards peace in the Middle East.

Daily trading volume has been weak for most of the past week, but picked up on 9 December as short sellers raised their positions on the weakening outlook.

Contracts	Closing Price			Vs SCFIS 3,033	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	9-Dec	2-Dec	WoW		Week 49	Week 48	WoW	Week 49	Week 48	WoW	9-Dec	2-Dec	WoW
EC2412	3,398	3,483	-2%	12%	1,059	2,215	-52%	25	54	-53%	4,146	5,745	-28%
EC2502	2,505	2,810	-11%	-17%	38,302	62,177	-38%	702	1,148	-39%	37,057	33,700	10%
EC2504	1,665	1,906	-13%	-45%	13,944	21,652	-36%	174	266	-34%	18,741	18,009	4%
EC2506	1,725	2,002	-14%	-43%	5,744	7,861	-27%	75	100	-25%	8,334	8,059	3%
EC2508	1,839	2,179	-16%	-39%	5,172	6,511	-21%	72	90	-19%	8,505	8,401	1%
EC2510	1,487	1,500	-1%	-51%	2,716	4,079	-33%	30	45	-33%	7,186	5,876	22%
Total					66,938	104,495	-36%	1,079	1,702	-37%	83,969	79,790	5%

Shanghai Export Containerized Freight Index based on Settled Rates (SCFIS) vs Futures

