

Market Pulse 2024 Week 53

IN FOCUS this week

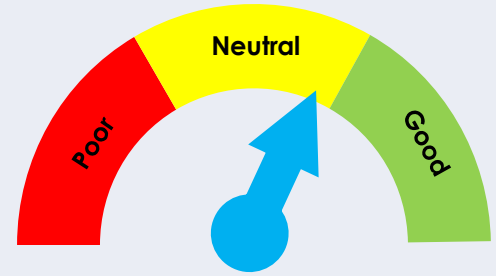
Record newbuilding deliveries in 2024

MARKET BRIEF 2024 WEEK 53

2024 is set to be the most profitable year for container shipping companies outside of the COVID windfalls in 2021/22 despite recording the highest level of new containership deliveries in the last 60 years. The healthy earnings is due to the impact of the Red Sea diversions that have absorbed most of the 2.94m teu of new capacity that was delivered in the last 12 months, keeping both the freight and charter market at elevated levels.

Freight rates continue to enjoy a strong run at the end of the year, with Asia-Europe rates holding on to their recent gains while Transpacific rates staged a strong year end rally to recover their earlier losses since October. The timely market boost puts carriers on a stronger footing in their annual contract rate negotiations, with carriers able to secure marginal increases against last year's contract rates.

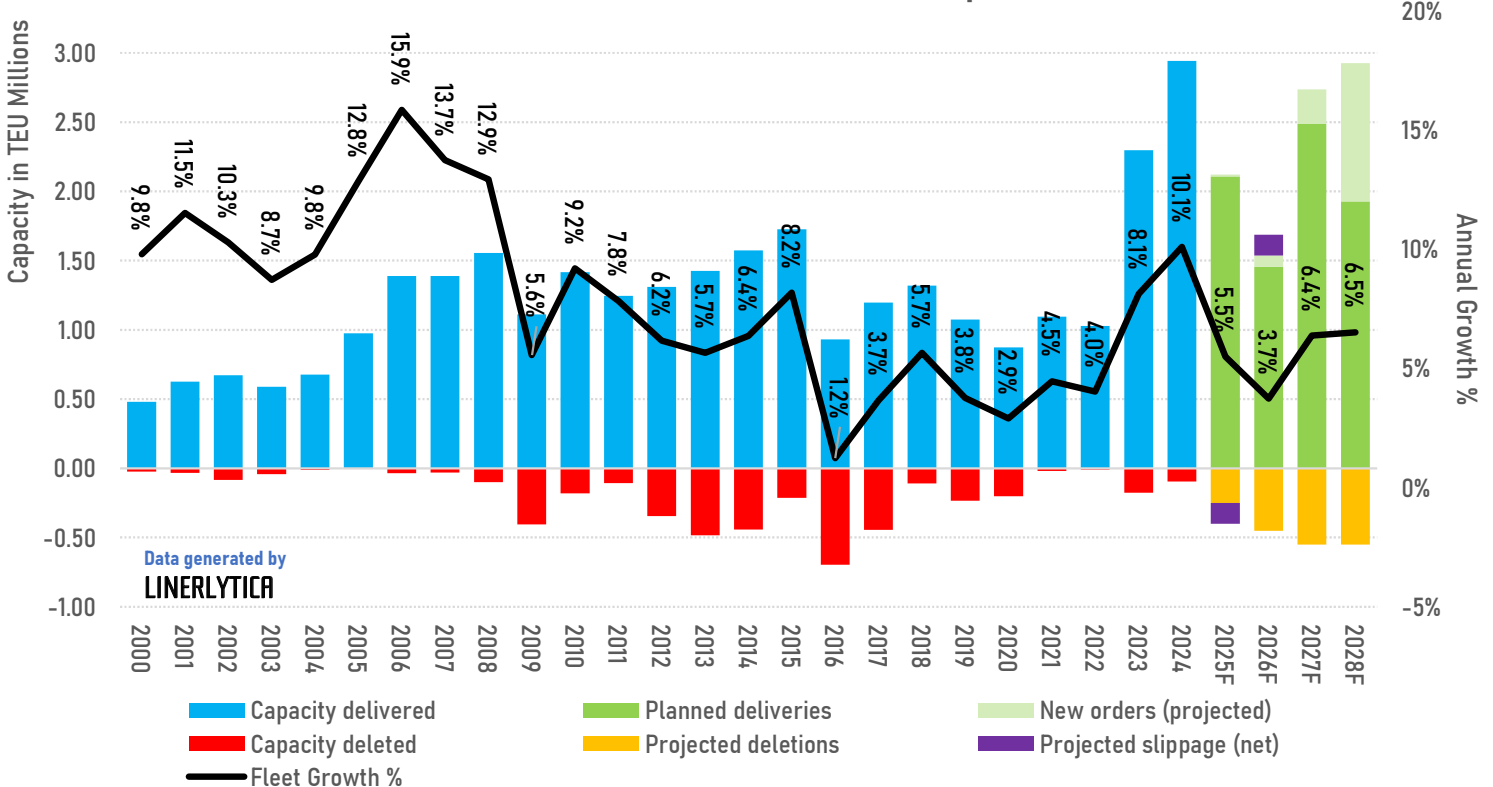
CONTAINER MARKET BAROMETER 2024 WEEK 53



Containership deliveries hit record high in 2024

A total of 471 containerships for 2.94m teu have been delivered in 2024, setting a new annual delivery record. Only 67 ships for 93,475 teu were deleted so far this year, for a net supply growth rate of 10.1% for the full year. Supply growth will be a lot more muted in the next 2 years at 5.5% and 3.7% respectively for 2025 and 2026 with the pace of new ship deliveries slowing down sharply.

Containership Fleet Growth : 2000-2028F



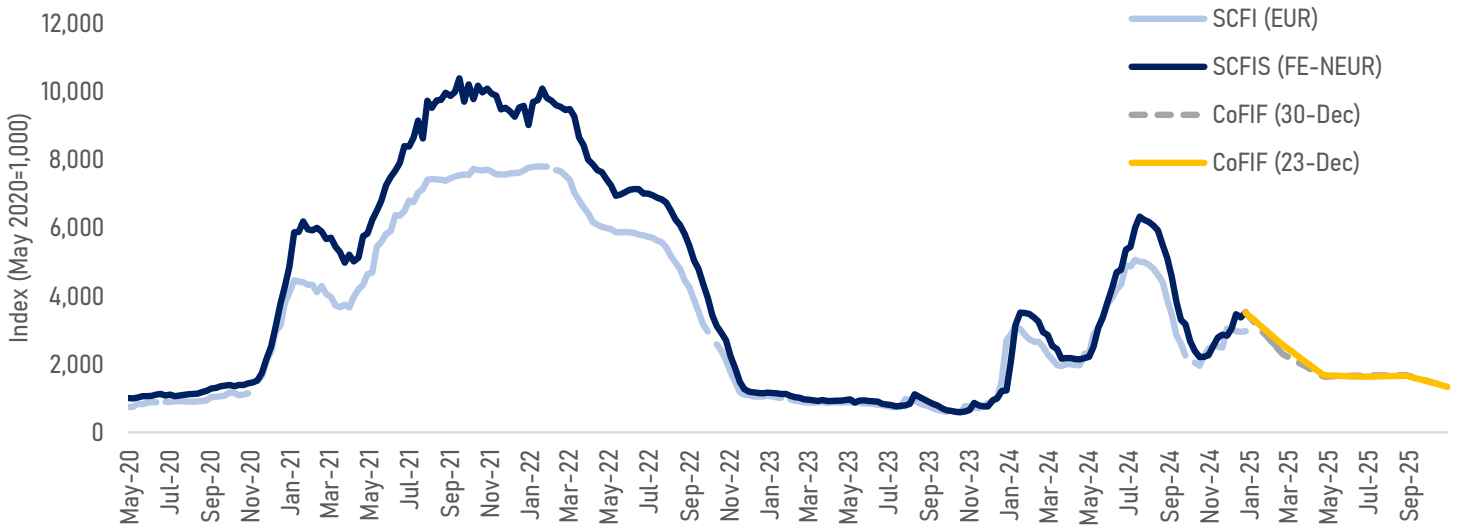
Europe freight futures slip as rate hike hopes fade

The settlement price for EC2412 ended higher than expected with the last 2024 SCFIS assessment on 30 December coming in 4.4% higher than a week before, bringing the final settlement to 3,445 which was 1.5% above the closing price of 3,396. Despite the stronger finish in December, EC futures for 2025 traded lower over the past week, with the main contract for EC2502 falling 13% week-over-week on lower daily volumes.

Traders shrugged off the SCFI North Europe rebound on 27 December, as attention shifts to the lacklustre rate hikes in January which could foreshadow a steeper rate decline in February post Chinese New Year. Carriers are still offering discounts for the first 2 weeks of January despite healthy capacity utilization as they gear up for the alliance reshuffle that will take place in February. Maersk has already reduced its online quotation for January shipments to \$4,800 per FEU, triggering rivals to respond accordingly.

Contracts	Closing Price			Vs SCFIS 3,514	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
	30-Dec	23-Dec	WoW		Week 52	Week 51	WoW	Week 52	Week 51	WoW	30-Dec	23-Dec	WoW
EC2412	3,396	3,445	-1%	-3%	259	336	-23%	6	8	-24%	1,269	2,304	-45%
EC2502	2,238	2,584	-13%	-36%	27,520	29,127	-6%	457	516	-11%	28,108	29,936	-6%
EC2504	1,614	1,680	-4%	-54%	14,985	22,799	-34%	170	256	-34%	19,467	20,473	-5%
EC2506	1,636	1,644	0%	-53%	7,167	8,506	-16%	82	92	-11%	13,587	10,397	31%
EC2508	1,654	1,690	-2%	-53%	5,987	7,945	-25%	70	88	-20%	10,433	10,944	-5%
EC2510	1,330	1,500	-11%	-62%	3,871	5,693	-32%	36	51	-30%	12,886	12,310	5%
Total					59,789	74,406	-20%	821	1,011	-19%	85,750	86,364	-1%

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



CoFIF Daily Closing Price

