

Market Pulse 2025 Week 32

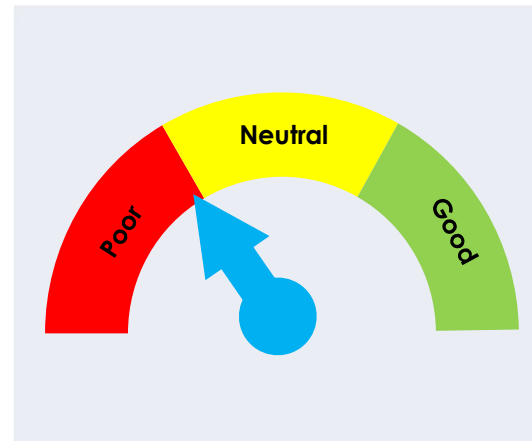
MARKET BRIEF 2025 WEEK 32

Market speculation of a management buyout at Zim has sparked a rally in the company's shares with CEO Eli Glickman reported to have partnered with Abraham Ungar who owns Ray Shipping to make a bid to acquire the Israeli carrier. Zim's share price has been trading at a discount of over 50% to its book value and is expected to release its 2nd quarter financial results on 20 August.

The move comes as freight rates continue to slip with the SCFI falling for the 9th consecutive week and carriers' earnings are starting to reflect the worsening rates. Maersk reported declining 2Q EBIT margins at 2.7% compared to 8.3% in 1Q, with network costs rising by 10% despite the purported cost savings from the Gemini cooperation. Maersk has continued to slash freight rates to bolster volumes as average revenue dropped by 7% in the quarter.

Freight rates will continue to be tested in the next 2 months, with carriers' ability to defend key support levels coming under question.

CONTAINER MARKET BAROMETER 2025 WEEK 32

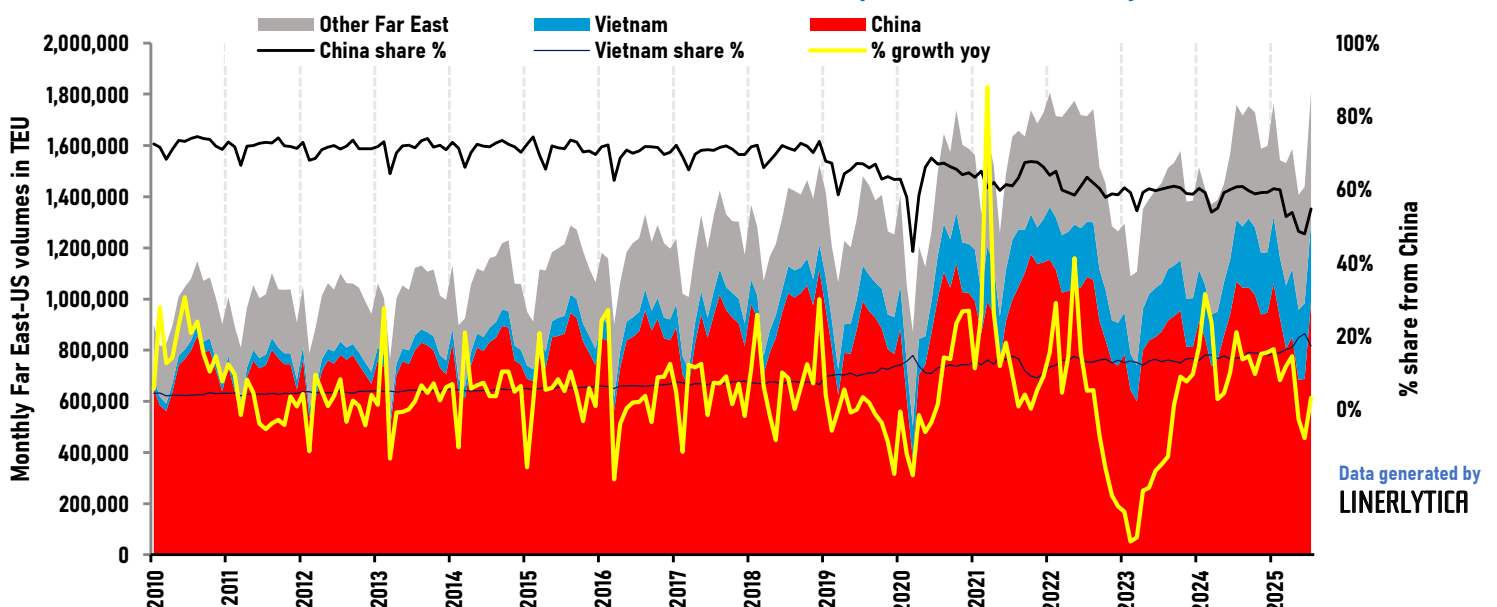


Transpacific volumes rally before higher tariffs kick in

Transpacific cargo volumes rebounded sharply in July, with total Far East-US container arrivals reaching 1.810m TEU, surpassing the previous record of 1.805m TEU in January 2022. China's share of the total volumes recovered to 55%, up from 48% in the previous 2 months. Although Vietnam's share slipped from the peak of 20% last month to 17%, total volumes from Vietnam still reached a record high of 310,500 teu.

The rally comes as higher US import tariffs take effect on 7 August 2025, with Transpacific liftings already dropping in the last 2 weeks while freight rates to the US West Coast have slipped by more than 60% since 1 June.

Transpacific eastbound TEU by month : 2010 to 2025



Carriers' ability to hold Asia-North Europe floor rates at \$2,000/feu will soon be tested

The SCFIS index to North Europe dropped for the 4th consecutive week, shedding 2.7% on 11 August to 2,235 points with further weakness expected through October, with EC2508 and EC2510 trading at a 7% and 37% discount. Average EC trading volumes dropped to 50,000 contracts last week but open interest rose 9% on the week to above 80,523. The EC2510 contract is now the most hotly traded, with 56,688 open positions—the third-highest on record, behind only EC2404 and EC2406 positions in December 2023 at the start of the Red Sea crisis.

EC2510 contracts are finding support at the 1,400 index level, which corresponds to an effective floor of about \$2,000 per FEU. This support may be tested over the coming weeks, as peak season demand comes to an end and the carriers' severe rate cuts on the Transpacific potentially shifting to the Asia-Europe route.

Average spot rates have dropped for August shipments have already dropped below \$2,900/feu, compared to the SCFI assessment of \$3,234/feu on 8 August. Maersk continues to price aggressively, with the lowest rates at \$2,600/feu.

Longer-dated contracts for EC2512 and beyond rose 2-4% over the past week despite an acceleration in rate cuts by carriers as the market continues to wait for further clarity on the direction that rates will take next year.

	Closing Price			Vs SCFIS	Avg Daily Volume (contracts)			Avg Daily Turnover (\$M)			Open Interest (contracts)		
Contracts	11-Aug	4-Aug	WoW	2,235	Week 31	Week 30	WoW	Week 31	Week 30	WoW	11-Aug	4-Aug	WoW
EC2508	2,080	2,122	-2%	-7%	371	1,378	-73%	5	20	-74%	3,330	4,367	-24%
EC2510	1,409	1,422	-1%	-37%	41,341	44,055	-6%	412	445	-8%	56,688	51,053	11%
EC2512	1,750	1,677	4%	-22%	5,938	4,330	37%	72	52	40%	10,238	8,387	22%
EC2602	1,517	1,470	3%	-32%	1,200	1,066	13%	13	11	13%	4,202	4,139	2%
EC2604	1,345	1,315	2%	-40%	1,100	1,256	-12%	10	12	-13%	5,295	5,146	3%
EC2606	1,497	1,453	3%	-33%	141	160	-12%	1	2	-11%	770	795	-3%
Total					50,091	52,245	-4%	514	541	-5%	80,523	73,887	9%

Open Interests For EC Contracts

