

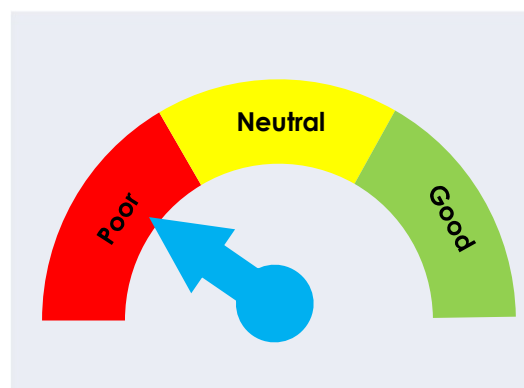
Market Pulse 2025 Week 39

MARKET BRIEF 2025 WEEK 39

Extreme weather conditions in South China and North Vietnam have severely disrupted vessel schedules with elevated port congestion in the Far East persisting through the week. The disruptions failed to support freight rates which remain in freefall even as attention shifts to carriers' mid-October rate restoration efforts to stop the bleeding. However, prospects are bleak given the weak cargo volumes and lack of capacity curbs. New US tariffs targeting kitchen cabinets and furniture will further hit container volumes already reeling from earlier import tariffs.

Operating margins have already dropped below breakeven on several key routes after the recent rate slide but carriers have continued to prioritise market share over profitability as the disconnect between charter and freight rates has widened to a record high.

CONTAINER MARKET BAROMETER 2025 WEEK 39



Port Congestion
Week 39

3.08m TEU
9.4% of fleet

Idle
Containerships

49 ships
138,343 TEU
0.4% of fleet

Ships Delivered
Last 30 days

23 ships
167,283 teu

Ships Deleted
Last 30 days

No ships
deleted

Freight Rates
SCFI Week 39

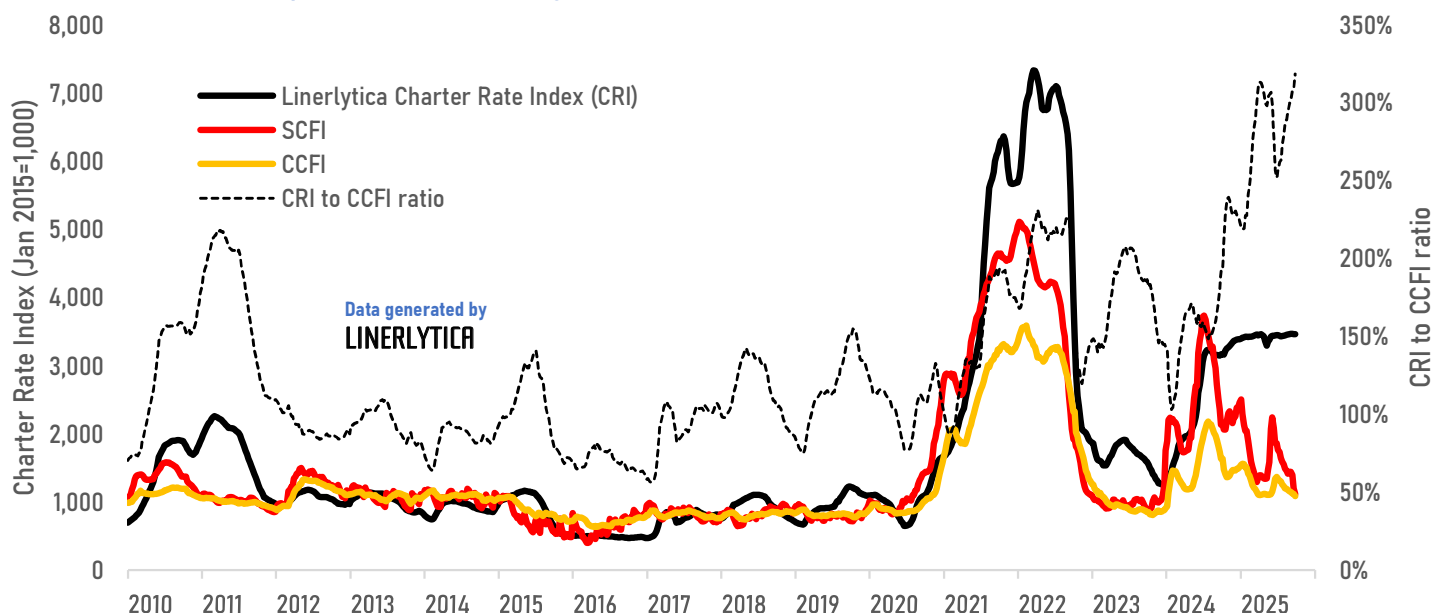
1,115
-7.0% WoW
-47.8% YoY

Charter rates remain elevated despite free-falling freight rates

The SCFI and CCFI have slipped by 70% and 50% respectively since their 2024 peaks, but Linerlytica's Charter Rate Index (CRI) has continued to rise throughout this period. The CRI to CCFI ratio has reached a record high of 318%, but charter rates and second hand prices show no signs of weakening as carriers continue to chase after tonnage in an early warning that capacity management remains elusive.

The mid-October rate hikes are unlikely to succeed given the lack of capacity cuts even as the market enters the slack season. Service withdrawals for the winter season announced so far have been negligible, which could portend further freight rate weakness in the 4th quarter.

Containership Charter Rate vs Freight Rate Indices : 2010 to 2025



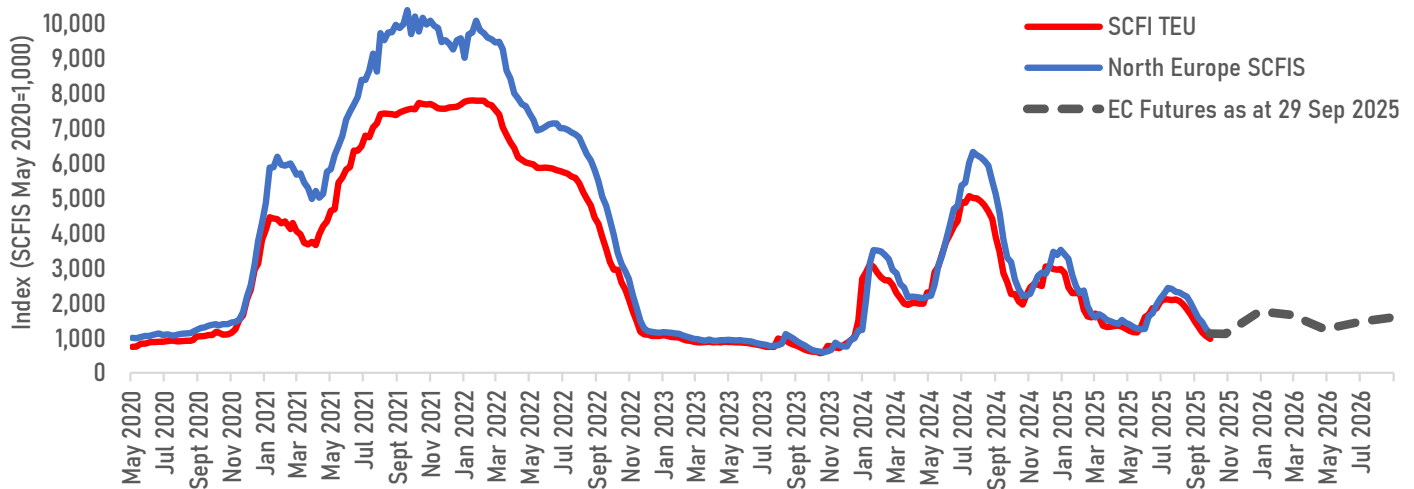
Mid-October GRI and short covering drive EC futures rally

Near-term EC contracts expiring in the next 5 months rallied last week after several carriers' announced mid-October rate hikes aimed at raising rates to \$2,000 per FEU even as current spot rates continued to slide with online FAK quotations at \$1,400-1,600 per FEU while offline rate quotations have dropped to \$1,100-1,200 per FEU. Capacity utilization remains weak, undermining efforts to build roll pools ahead of China's Golden Week holidays, with the lack of capacity curbs clearly backfiring.

The re-opening of Poland's border with Belarus on 25 September after being shut since 12 September have re-established rail links between China to Western Europe, ending hopes of a boost to ocean shipments. After an 11% week-on-week slide in the SCFIS and a corresponding rebound in futures, the forward curve has reverted to contango with forward rates trading at 12-57% above the latest SCFIS index but market conviction is low. Open interest has dipped below 70,000 contracts for the first time in nearly a year, with open interest for the bellwether EC2512 dropping by a notable 6% last week.

| | Closing Price | | | Vs SCFIS | Avg Daily Volume (contracts) | | | Avg Daily Turnover (\$M) | | | Open Interest (contracts) | | |
|-----------|---------------|--------|-----|----------|------------------------------|---------|------|--------------------------|---------|------|---------------------------|--------|------|
| Contracts | 29-Sep | 22-Sep | WoW | 1,120 | Week 38 | Week 37 | WoW | Week 38 | Week 37 | WoW | 29-Sep | 22-Sep | WoW |
| EC2510 | 1,115 | 1,094 | 2% | 0% | 30,589 | 34,759 | -12% | 243 | 273 | -11% | 29,314 | 46,030 | -36% |
| EC2512 | 1,756 | 1,654 | 6% | 57% | 18,688 | 14,515 | 29% | 225 | 170 | 32% | 20,683 | 21,956 | -6% |
| EC2602 | 1,667 | 1,574 | 6% | 49% | 4,613 | 2,761 | 67% | 53 | 30 | 73% | 8,852 | 7,398 | 20% |
| EC2604 | 1,253 | 1,275 | -2% | 12% | 1,661 | 1,486 | 12% | 15 | 13 | 11% | 9,110 | 8,922 | 2% |
| EC2606 | 1,453 | 1,455 | 0% | 30% | 134 | 124 | 8% | 1 | 1 | 8% | 930 | 950 | -2% |
| EC2608 | 1,595 | 1,609 | -1% | 42% | 103 | 77 | 34% | 1 | 1 | 34% | 530 | 487 | 9% |
| Total | | | | | 55,787 | 53,721 | 4% | 538 | 489 | 10% | 69,419 | 85,743 | -19% |

Shanghai-North Europe Freight Rate Trend & Futures Prices



Open Interests For EC Contracts

