

MARKET UPDATE NOVEMBER 2024

FJT LOGISTICS
Your Freight Solutions Partner





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Demand Outlook

Global economic conditions are improving with decreasing inflation and potential monetary policy easing. However, recent indicators suggest a slowdown in economic activity and weaker global trade. Despite this, a strong post-Golden Week demand is anticipated.

Capacity Outlook

A record number of new containerships have been delivered this year (2.5 mTEU), with additional deliveries scheduled (0.5 mTEU).

Some carriers are also renewing their fleets. While the Golden Week holiday has led to a slight increase in idle ships, the overall idle fleet remains unusually low for this time of year. Despite the age of many ships (683 ships of the top 10 carriers are over 20 years old, totaling 2.6 mTEU), scrap sales remain low.

Freight Rates

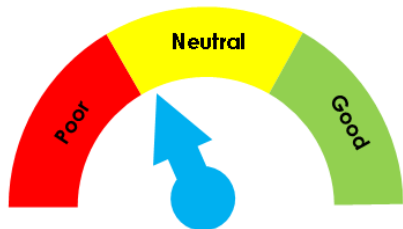
After peaking in July, freight rates have declined for the past three months. However, rates have begun to rebound post-Golden Week. While carriers plan to implement rate increases in November, the sustainability of these higher rates is uncertain due to overcapacity. Despite the recent decline, rates remain significantly higher than the same period last year.

News

LNG ship orders dominating as future availability of green methanol is a concern.

Market Pulse - 1

CONTAINER MARKET BAROMETER 2024 WEEK 44



Port Congestion
Week 44

2.27m TEU
7.3% of fleet

Idle
Containerships

34 ships
97,531 TEU
0.3% of fleet

Ships Delivered
Last 30 days

27 ships
202,889 teu

Ships Deleted
Last 30 days

4 ships
7,814 teu

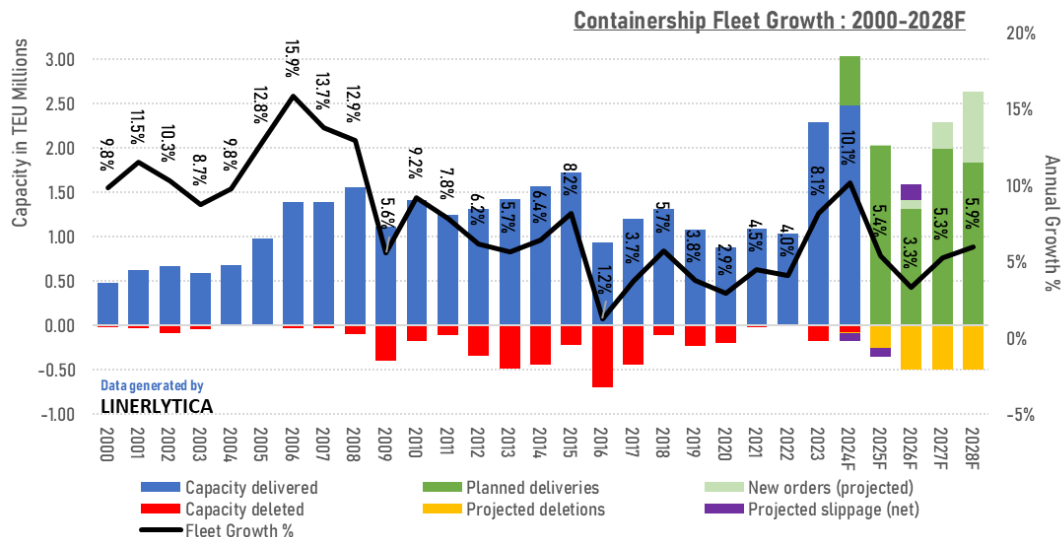
Freight Rates
SCFI Week 44

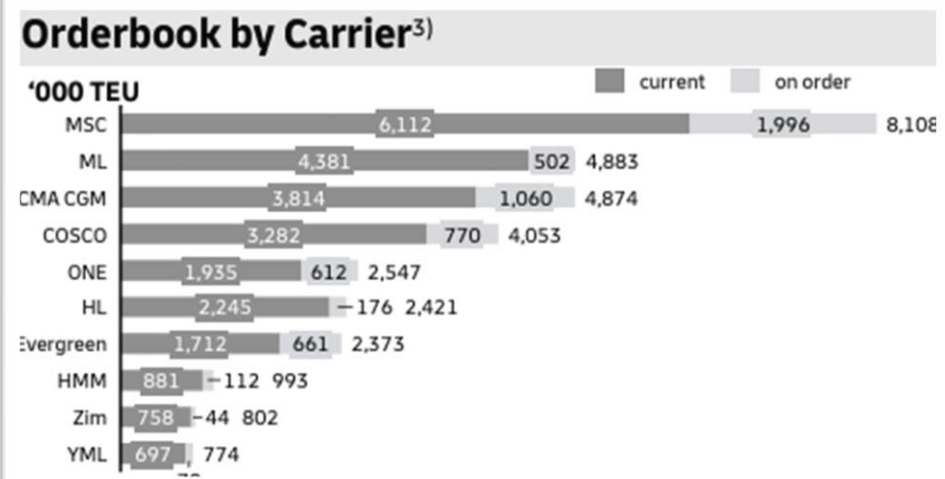
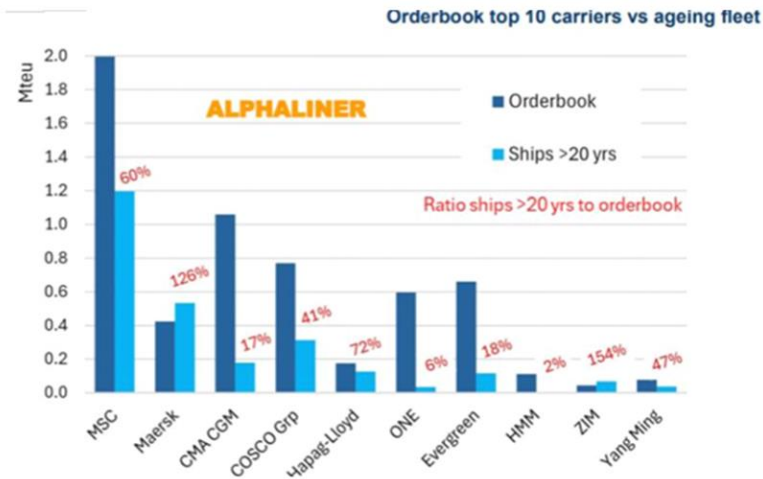
2,185
6.0% WoW
+116% YoY

New containership deliveries hit new high

Year to date new containership deliveries have already surpassed last year's record of **2.3m teu** with **2.5m teu** already handed over this year and a further **0.5m teu** is still due to be delivered before the year is over. Full year fleet growth is expected to reach 10.1% with limited scrapping and delivery slippage.

Just 78,200 teu have been scrapped so far this year, with the current run rate at less than 5,000 teu deleted each month as the strong demand for elderly ships have kept them away from the scrapyards. Fleet growth is expected to drop in the next 2 years





- The top ten ocean carriers have a significant order book of 431 container ships, totaling over 5.9 million TEU.

Despite having 2.6 million TEU of vessels over 20 years old, many carriers are holding onto older ships due to current capacity constraints.

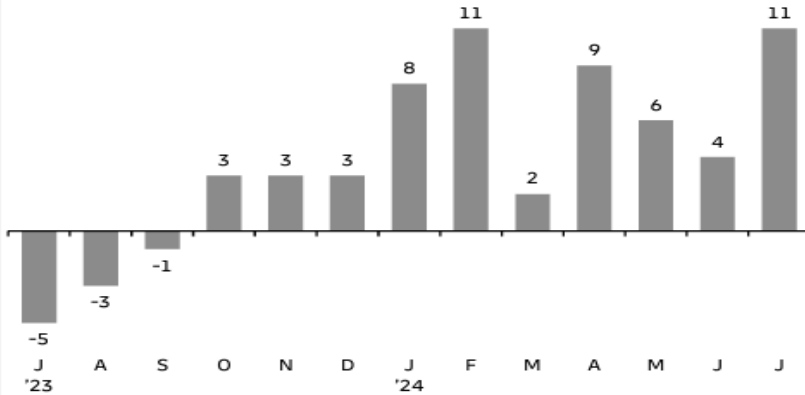
Some carriers are ordering new vessels to rejuvenate their fleets rather than expand capacity.

MSC, for example, has allocated 60% of its order book to replace aging vessels.

Market Demand

Global Demand Development¹⁾

% change YoY in TEU

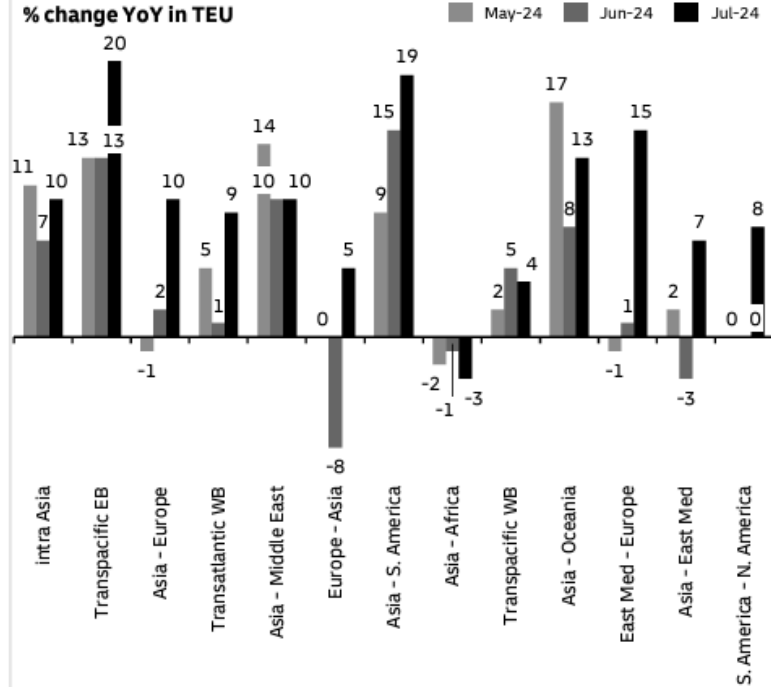


- Mid-term outlook more uncertain than the current market conditions suggest.

- Global container market was recovering in H1 2024, particularly on the Asia-AMLA, intra-Asia, and AMNO import lanes.

Volume Development by Trade³⁾

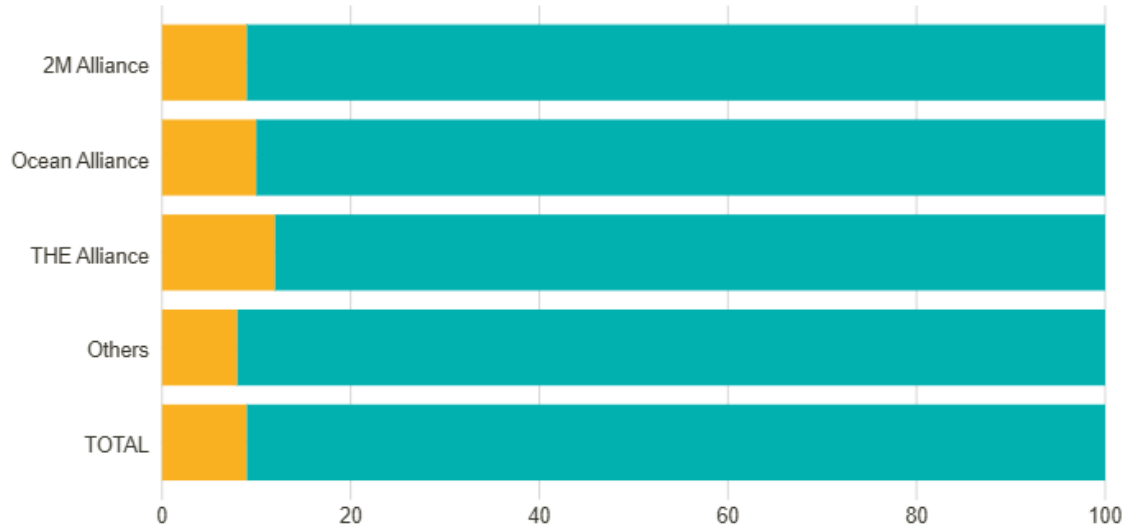
% change YoY in TEU



Cancelled Sailings Tracker

Drewry cancelled vs scheduled sailings (Wk 44 to Wk 48)

■ % Cancelled Sailings ■ % Actual Sailings as Scheduled



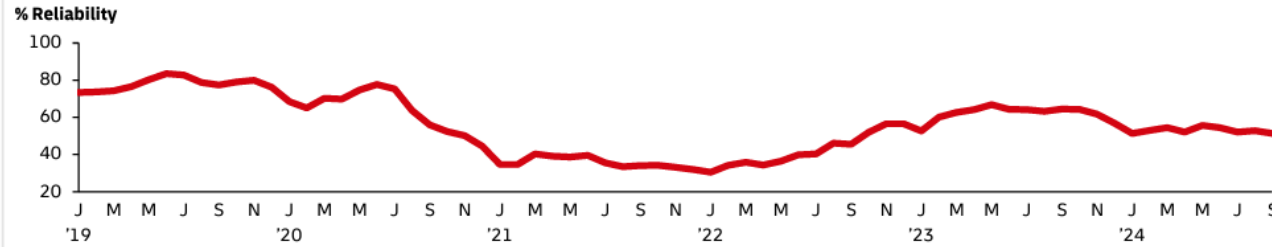
Across the major East-West trades: Transpacific, Transatlantic and Asia-North Europe & Med, **64** cancelled sailings have been announced between week 44 and week 48, out of a total of **693** scheduled sailings, representing **9%** cancellation rate.

During this period, **61%** of the blank sailings will occur on the Transpacific Eastbound, **27%** on the Asia-North Europe and Med and **12%** on the Transatlantic Westbound trade.

Service Reliability: **91%** of ships are expected to sail as scheduled over the next five weeks.

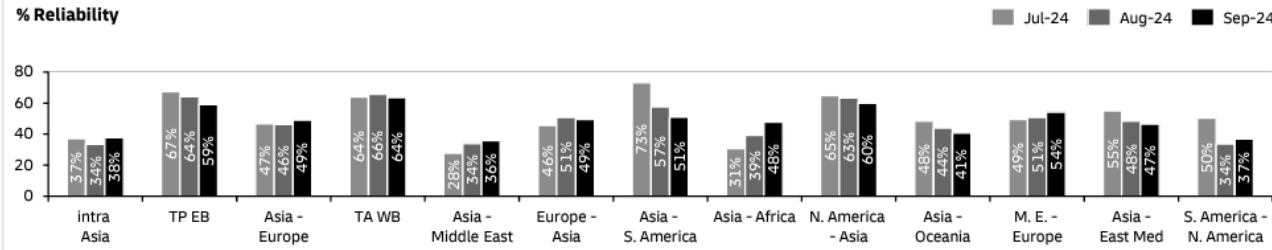
Schedule Reliability

Global Schedule Reliability



Recent disruptions, including Typhoon Trami in Vietnam, the Philippines, China, and Southeast Asia, have led to increased port congestion.

Schedule Reliability by Trade



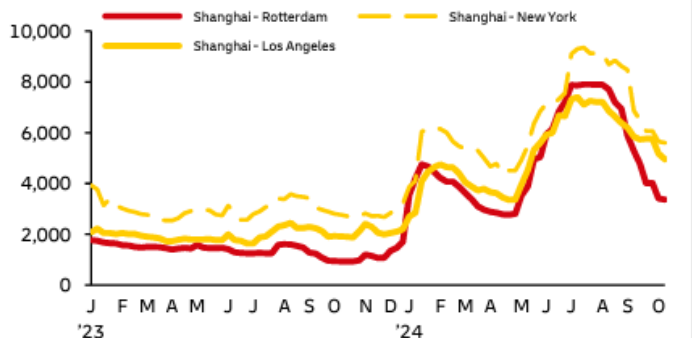
Additionally, ports in South America (Peru, Mexico, Brazil) and the US East Coast are facing severe congestion. European ports (UK, Germany) and Mediterranean hubs (Algeiras, Tangier, Valencia, Piraeus) are experiencing sporadic delays.

References : intra Asia = Asia - IBPC, TP EB = Asia-NAWC, Asia-Europe = Asia-North Europe, Asia-AMLA = Asia-WCSA, AMNO-Asia = Transpacific WB, Asia-East Med = Asia-Med

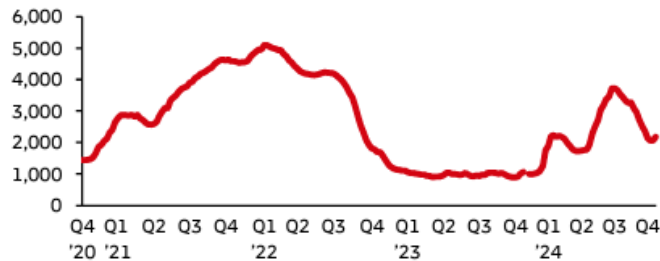
World Container Index (WCI)



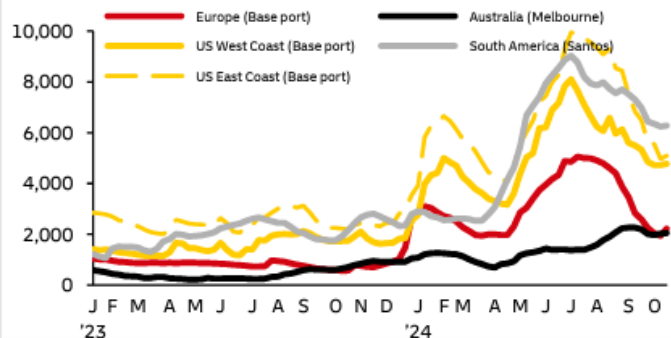
WCI Deep Dive Key Trades



Shanghai Containerized Freight Index (SCFI)



SCFI Deep Dive Key Trades



After reaching a plateau, freight rates have begun to decline.

However, they remain significantly higher than the previous year.

Pre-Golden Week demand was stronger than expected, leading to renewed rate increases.

While carriers have yet to adjust vessel capacity for the winter season, the new alliance schedules, commencing in December and lasting through Q1, may influence market dynamics.

Note: Surcharges related to e.g., equipment & space availability are not reflected in WCI & SCFI;

Drewry, in USD/40ft container, including BAF & THC both ends, 8 individual routes, excluding intra-Asia routes;

Shanghai Shipping Exchange, in USD/20ft ctnr & USD/40ft ctnr for US routes, including BAF, EBAF, CAF, PSS, WRS, PCS & SCS/SCF/PTF/PCC, excl. THC, 15 routes from Shanghai

Port Congestion Update

• China:

Shanghai: 2-day delays, improving from September
Ningbo: Backlog clearing from Golden Week/typhoons
Q4 shipping surge causing vessel bunching

• Australia:

Brisbane faces longest delays (labor actions)
Sydney/Melbourne: Moderate congestion
Issues worsened by regional hub constraints

• SE Asia Hubs:

Singapore/Port Klang: Stable but impacted by Red Sea crisis → Affects China-Australia routes

Blank Sailings Update - Oct 2024

Carriers adjusting China-Oceania routes post-Golden Week:

- CMA CGM/ANL implementing selective cancellations
- THE Alliance optimizing schedules for Australian ports
- Lower blank sailings vs major East-West routes
- Adjustments to continue through November

Reason: Managing capacity amid softer demand and seasonal fluctuations.

Container Availability

China Status:

- Post-Golden Week pickup restrictions eased but still active
- Peak season demand straining supply
- Transshipment delays in SE Asia affecting repositioning

Outlook: Minor improvements by late Nov, shortages to continue until Q1 2025 normalization.

Current APAC Containership Port Congestion



Singapore

TEU at Anchorage: 68,915.5
TEU at Port: 304,323
Ships at Anchorage: 11.5
Ships at Port: 43.5
Queue to Berth Ratio: 0.26

Qingdao

TEU at Anchorage: 229,777.5
TEU at Port: 112,907.5
Ships at Anchorage: 38
Ships at Port: 20
Queue to Berth Ratio: 1.90

Shanghai/Ningbo

TEU at Anchorage: 317,678
TEU at Port: 359,643
Ships at Anchorage: 64
Ships at Port: 51.5
Queue to Berth Ratio: 1.24

European Port Operations

Felixstowe: some challenges during berthing and extended port stays for incoming vessels.

Bremerhaven: both terminals remain stable as well as yard levels.

Mediterranean Hubs: Overall stable with a crane under repair in Port Tangier which affect productivity and vessel line up

Barcelona : improvement in vessel lineup, which has consequently improved waiting time for incoming vessels.

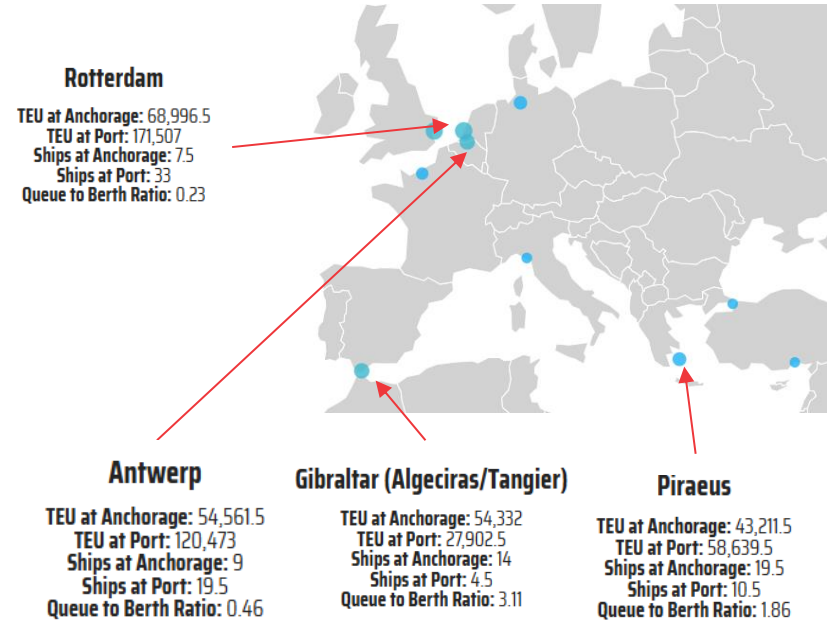
Yard density levels remain high, and customers are kindly asked to pick up their import units as soon as possible after discharge.

China to Europe:

Rates from China to Europe have stabilized in October after recent fluctuations, with some slight decreases for Northern Europe due to increased capacity.

However, there is an expected increase of up to 2-3% for November, particularly to Mediterranean ports, as carriers anticipate a demand surge for the upcoming holiday season and are carefully managing capacity.

Current Europe Containership Port Congestion



THANK YOU



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