



# **GEOPOLITICS & FREIGHT**

## **Effects to rates of the current disruptions – a global perspective**

27 June 2024

# Today's Agenda



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Chief Analyst

- 1 Xeneta In Brief
- 2 Current Freight Rate Trends
- 3 Demand and supply factors to consider
- 4 **Get in touch:** [www.Xeneta.com](http://www.Xeneta.com)

# Transform how you procure freight with actionable market intelligence



Decision-making based on facts



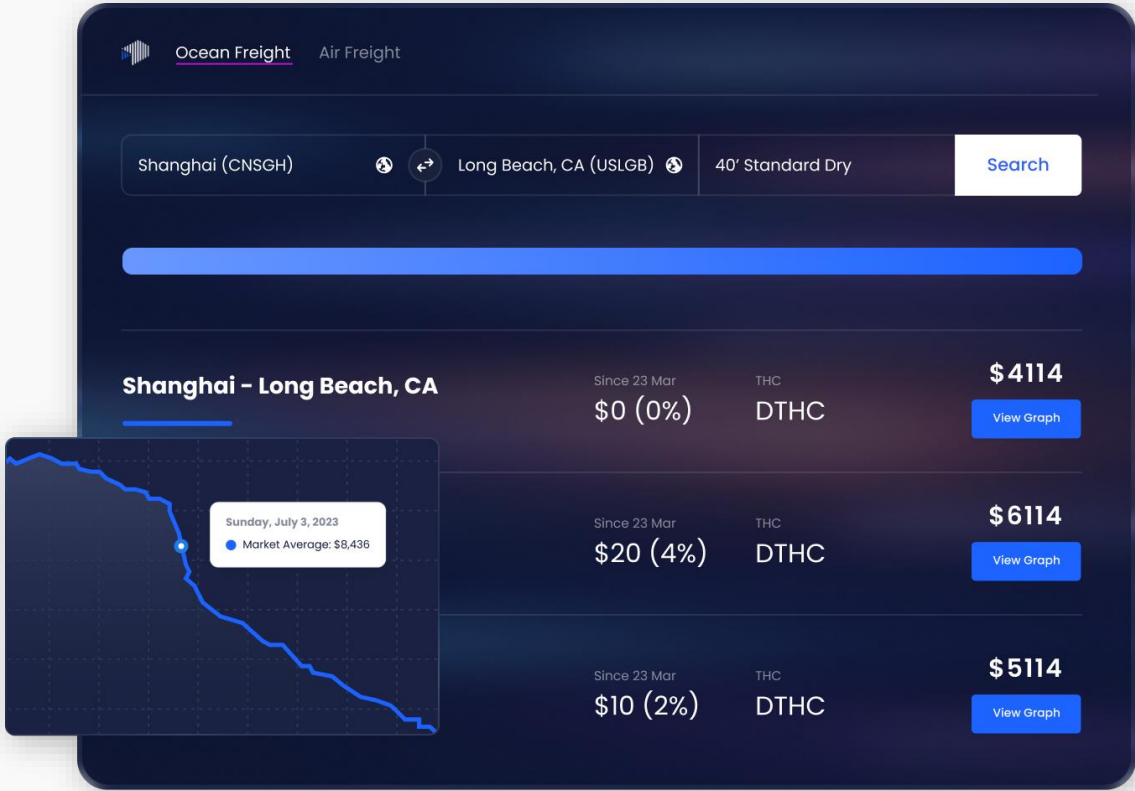
Follow market developments as they happen, at a port level



Compare your rates to the market, on short and long-term

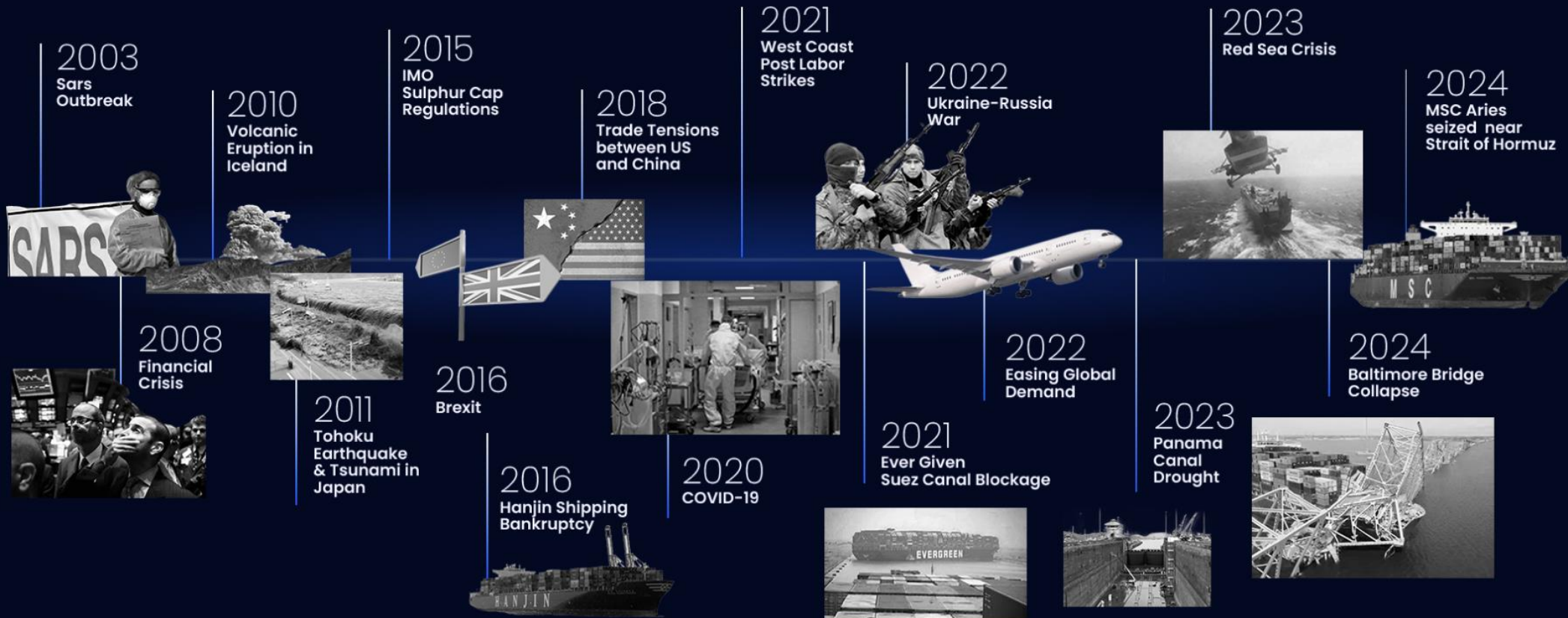


Monitor service level data, i.e. reliability, capacity and emissions



# Supply Chain Risk #1: Geopolitics

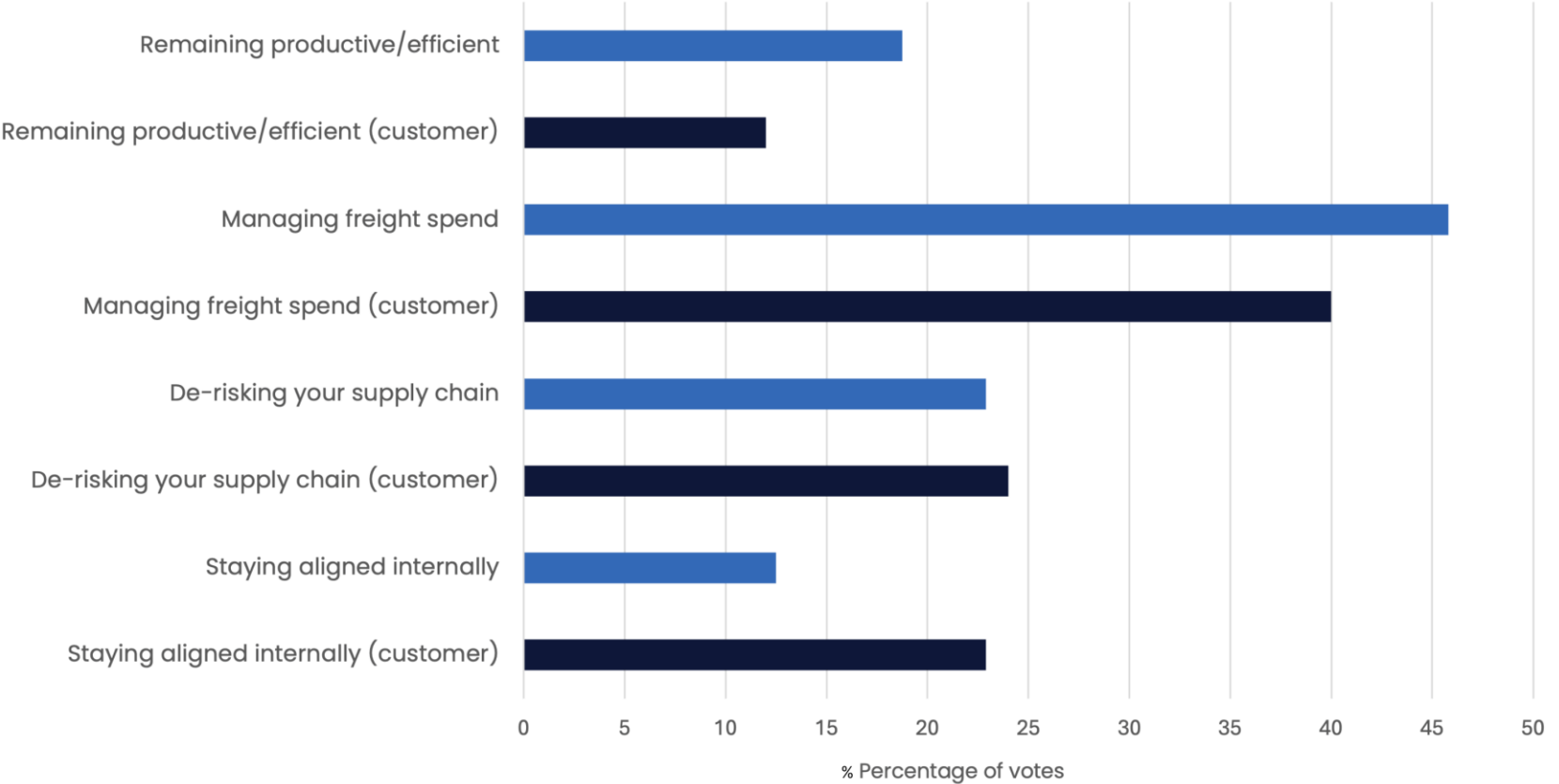
## Global Events Affecting Container Shipping



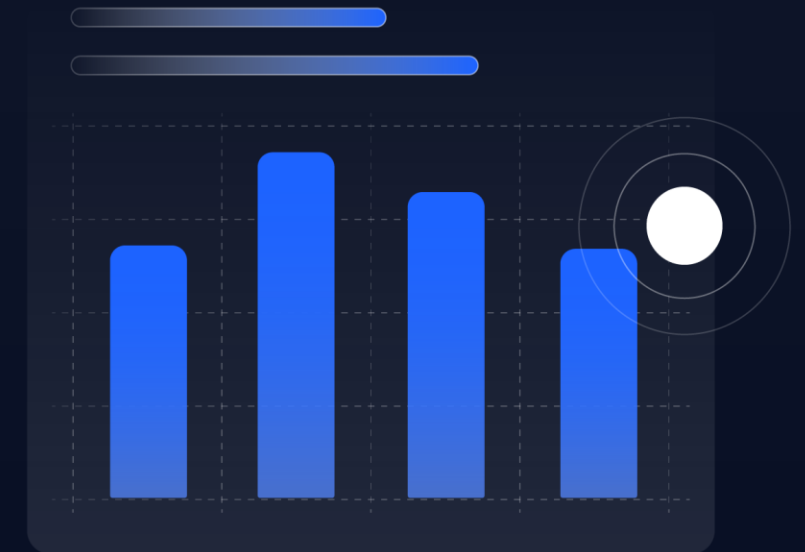
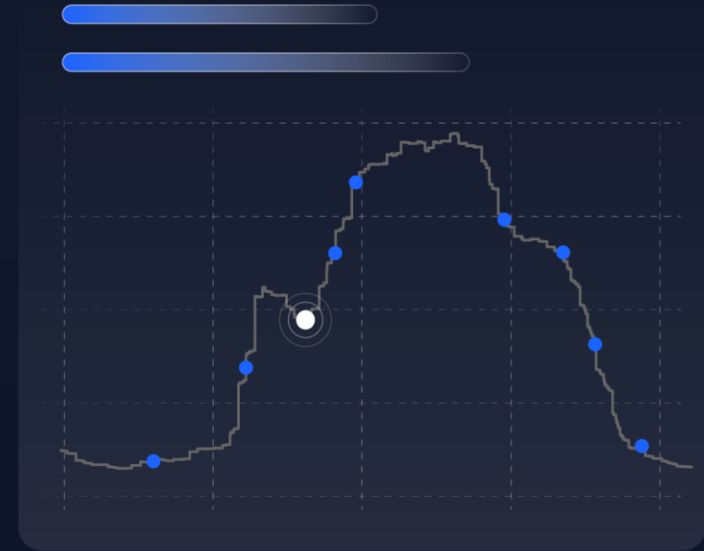
# Primary challenges of shippers and freight forwarders in 2024

We asked. Your peers answered.

Amidst the turbulence of 2024, what has been the primary challenge for you and your team in navigating market volatility?



# Current Freight Rate Trends

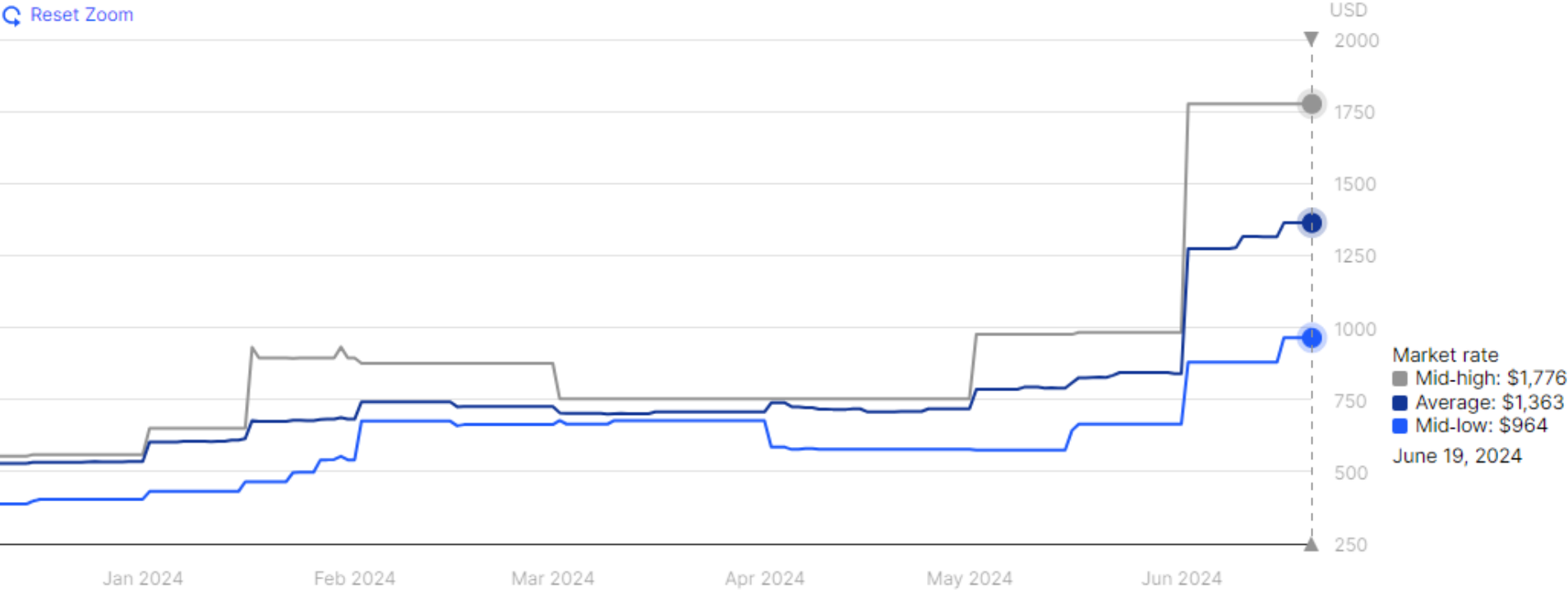


# This is what uncertainty looks like

## Rate movement

Market Average, Mid-low, Mid-high<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' standard dry<sup>+</sup> container type and THC Origin.<sup>+</sup>  
From Shanghai (CNSGH)<sup>+</sup> to Singapore (SGSIN)<sup>+</sup> trade lane  
Days, Dec 2023 - Jun 2024(CUST),<sup>+</sup> USD. (Edited) [Restore original](#)

[Reset Zoom](#)



Rates

Reliability

Capacity

Surcharges

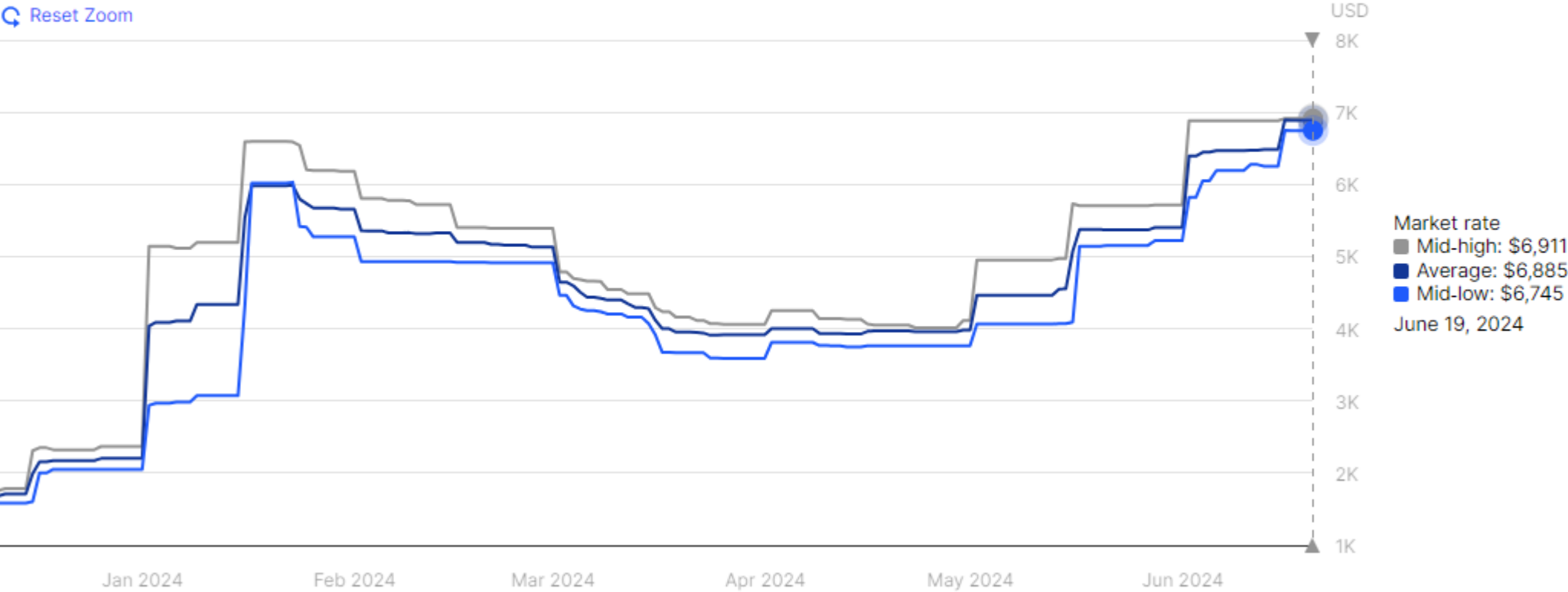
CO2 emissions

# This is what uncertainty looks like – the sequel

## Rate movement

Market Average, Mid-low, Mid-high<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' standard dry<sup>+</sup> container type and THC None.<sup>+</sup>  
From Singapore (SGSIN)<sup>+</sup> to Barcelona (ESBCN)<sup>+</sup> trade lane  
*Days, Dec 2023 - Jun 2024(CUST),<sup>+</sup> USD. (Edited) [Restore original](#)*

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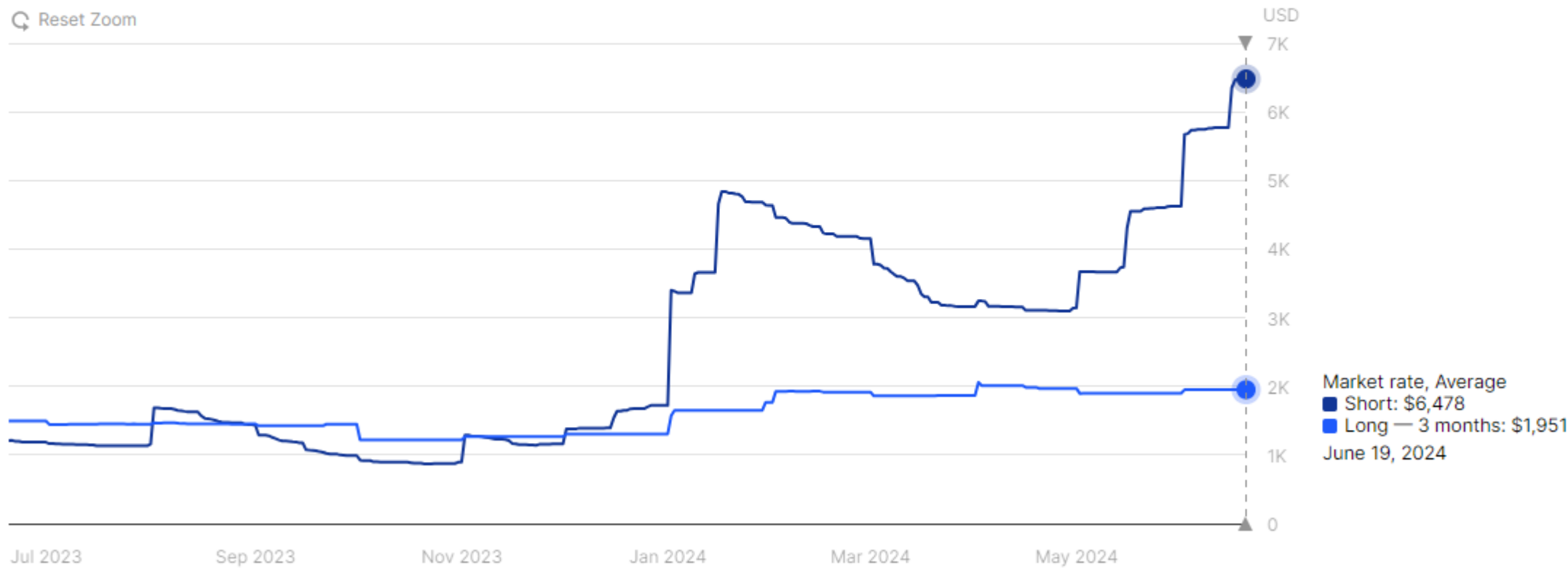




During Covid-19. Long-term rates hit \$10k and short-term freight rates \$14k respectively

## Rate movement

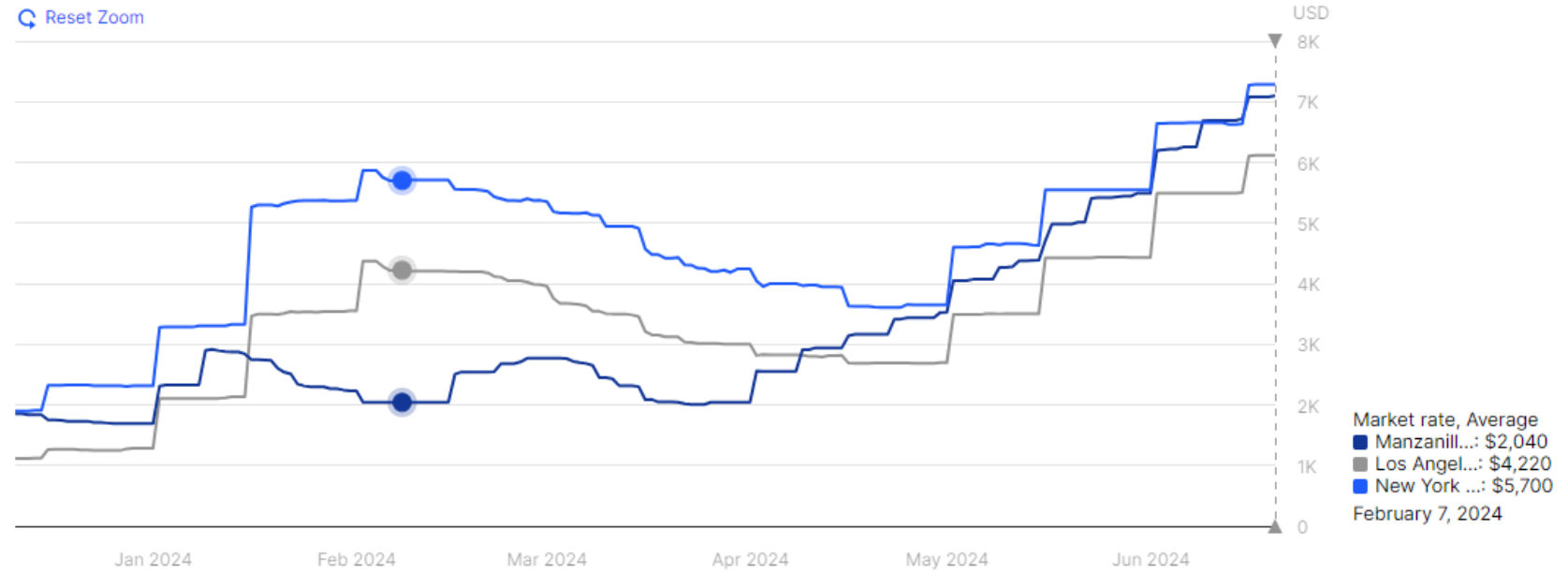
Market Average<sup>+</sup> for Short-term, Long-term — Last 3 Months<sup>+</sup> contracts, 40' standard dry<sup>+</sup> container type and THC None.<sup>+</sup>  
From Ningbo (CNNBO)<sup>+</sup> to Hamburg (DEHAM)<sup>+</sup> trade lane  
Days, Jun 2023 - Jun 2024(1Y),<sup>+</sup> USD. (Edited) [Restore original](#)



# China to Mexico, US West and East Coasts

## Rate movement

Market Average<sup>+</sup> for Short-term<sup>+</sup> contracts, 40' standard dry<sup>+</sup> container type and THC None.<sup>+</sup>  
From Shanghai (CNSGH)<sup>+</sup> to Manzanillo, MX (MXZLO), New York City/Newark, NY&NJ (USNYC), Los Angeles, CA (USLAX)<sup>+</sup> trade lane  
Days, Dec 2023 - Jun 2024(CUST),<sup>+</sup> USD. (Edited) Restore original



Rates Reliability Capacity Surcharges CO2 emissions

### Legend

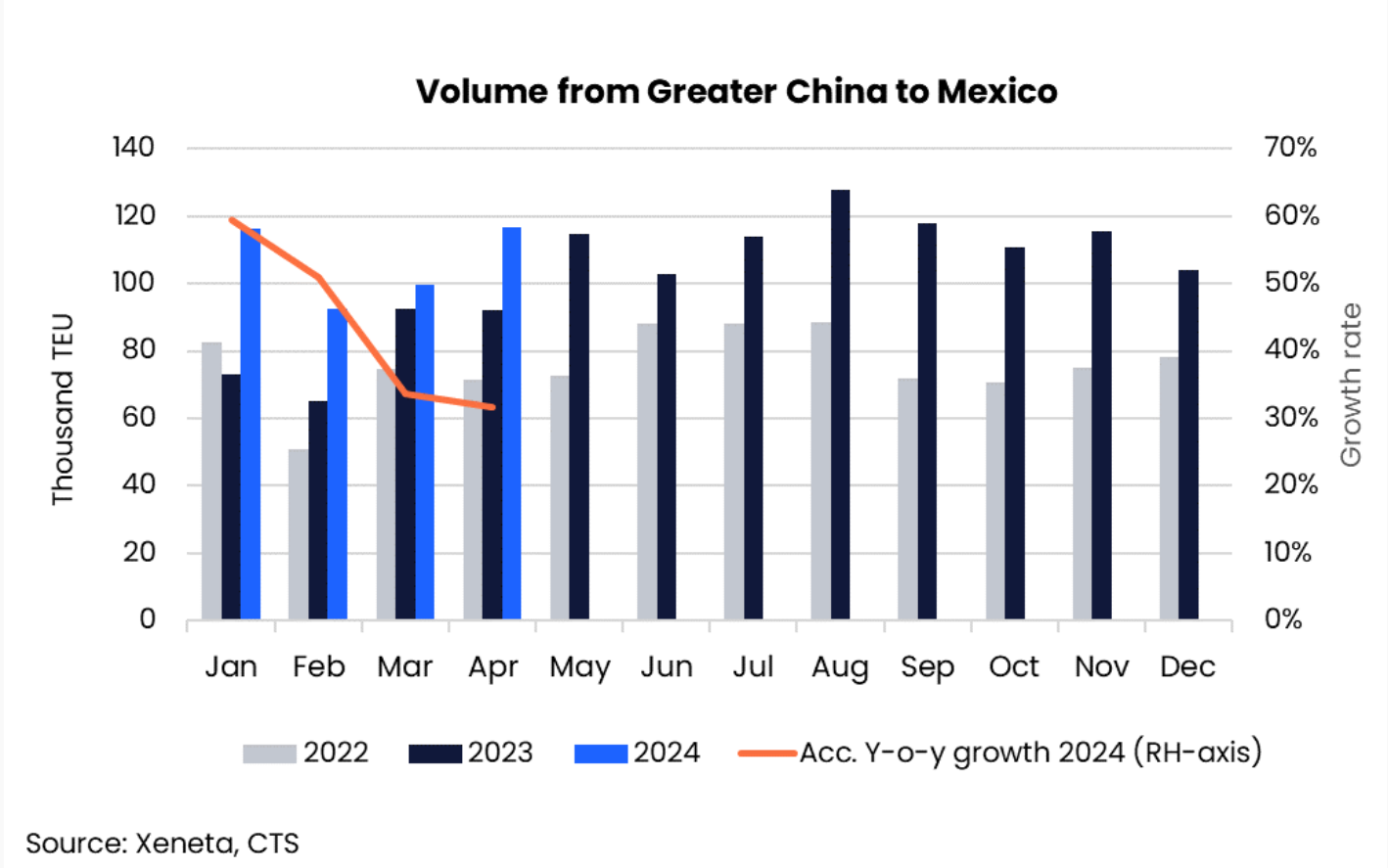
- Trade lanes — market rate, average
  - Shanghai to Manzanillo, MX, port level
  - Shanghai to New York City/Newark, NY&NJ, port level
  - Shanghai to Los Angeles, CA, port level
- Add more

### Highlight

With significant volatility on all fronthaul trades, we recommend choosing +10 days to better track the short term market. To guarantee space on vessels, some carriers are converting existing rates to premium service levels with surcharges ranging from **\$1,000 to \$2,000**.

Market Average rates for this corridor have increased by 42.51% (\$2 117) compared to last month.

# Fastest growing trade lane on planet Earth



**Services:**

Three new container shipping services connecting China/Korea/(Japan) to Mexico commenced mid-May.

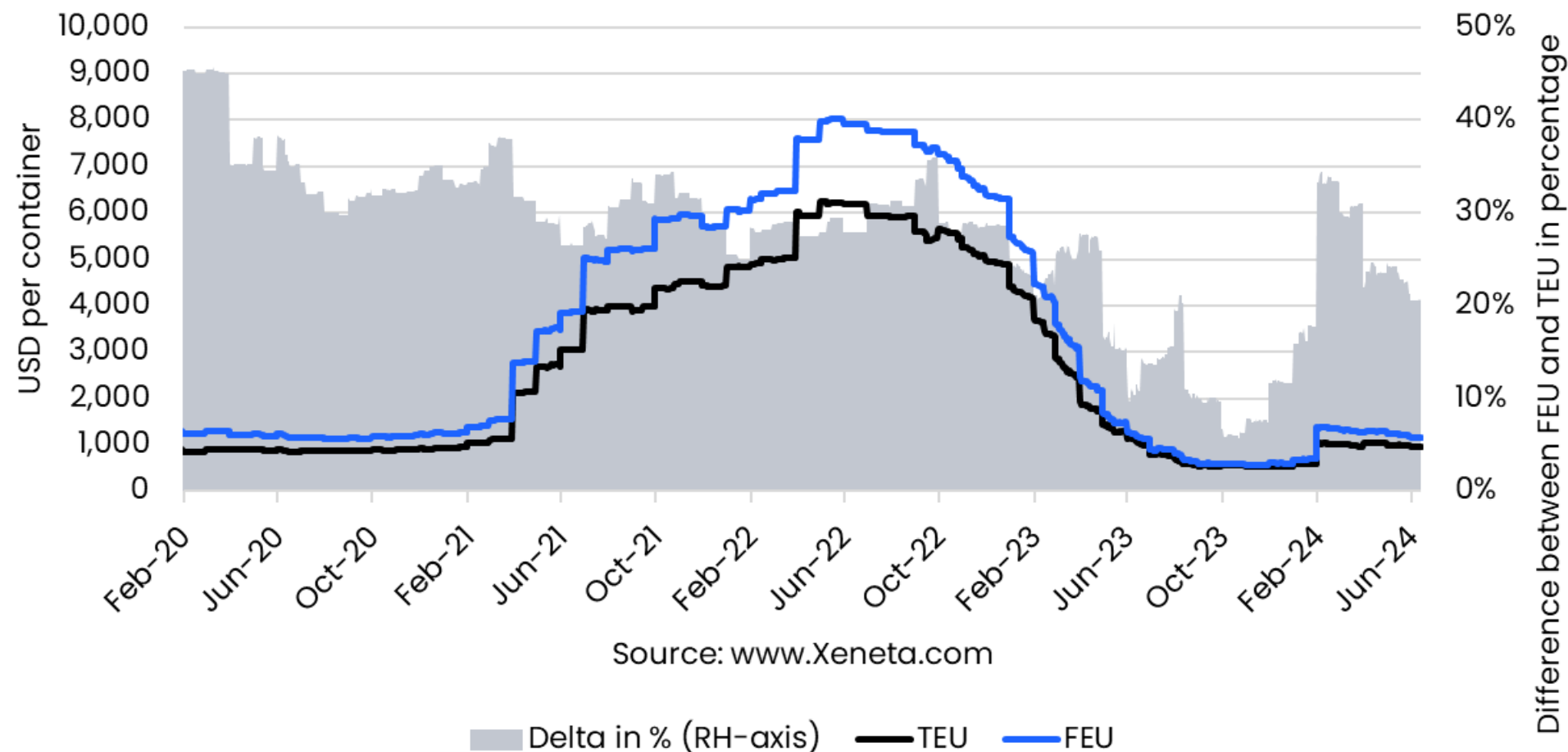
**Since 2023:** Mexico is biggest exporter to the US

**Why:**

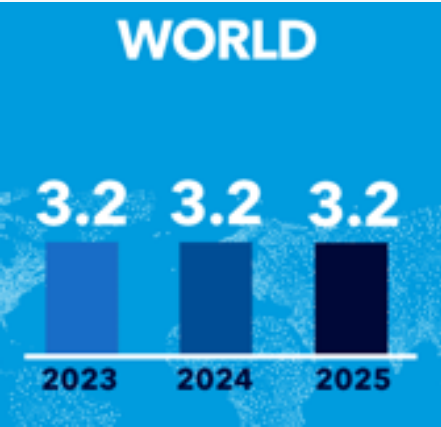
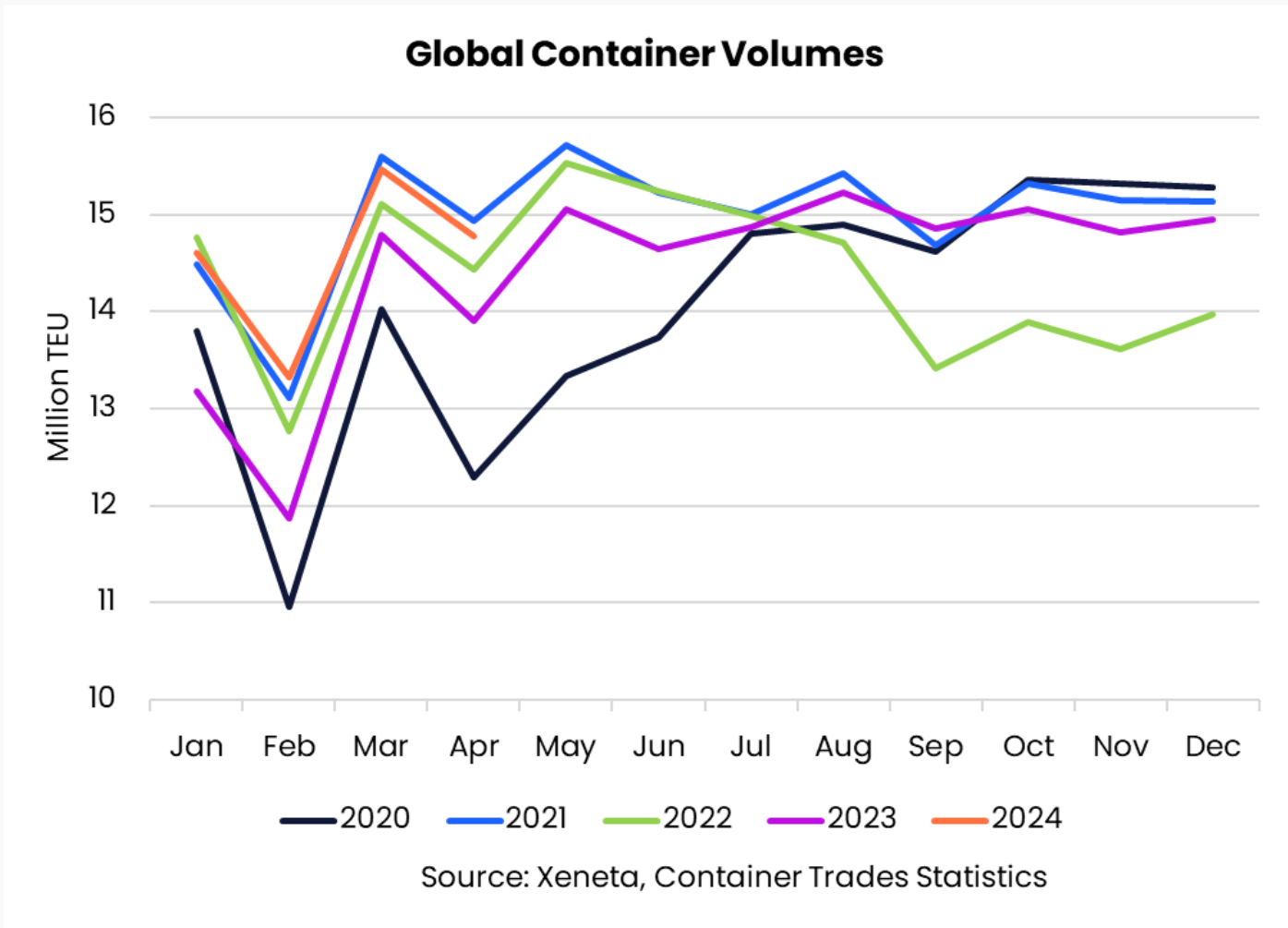
- Geographic proximity
- Cheaper labor cost
- Tariff (present and future)

## TWO Twenty-Footers *ARE NOT* the same as ONE Forty-Footer

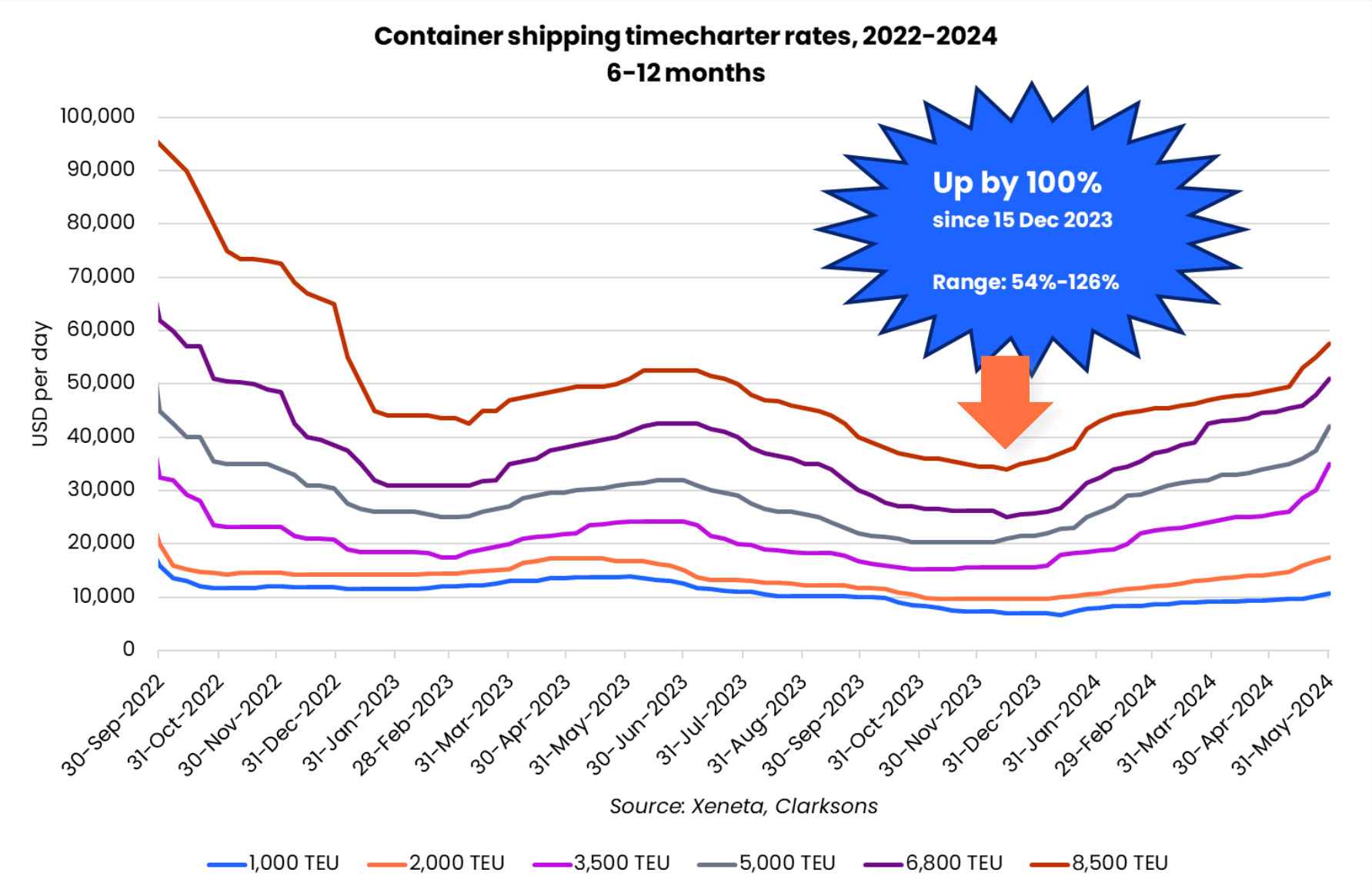
**Container shipping short term freight rate,**  
*North Europe-US East Coast, 2020-2024*



# 4m-2024: Demand is up by 8.2% y-o-y, but on par with 2021

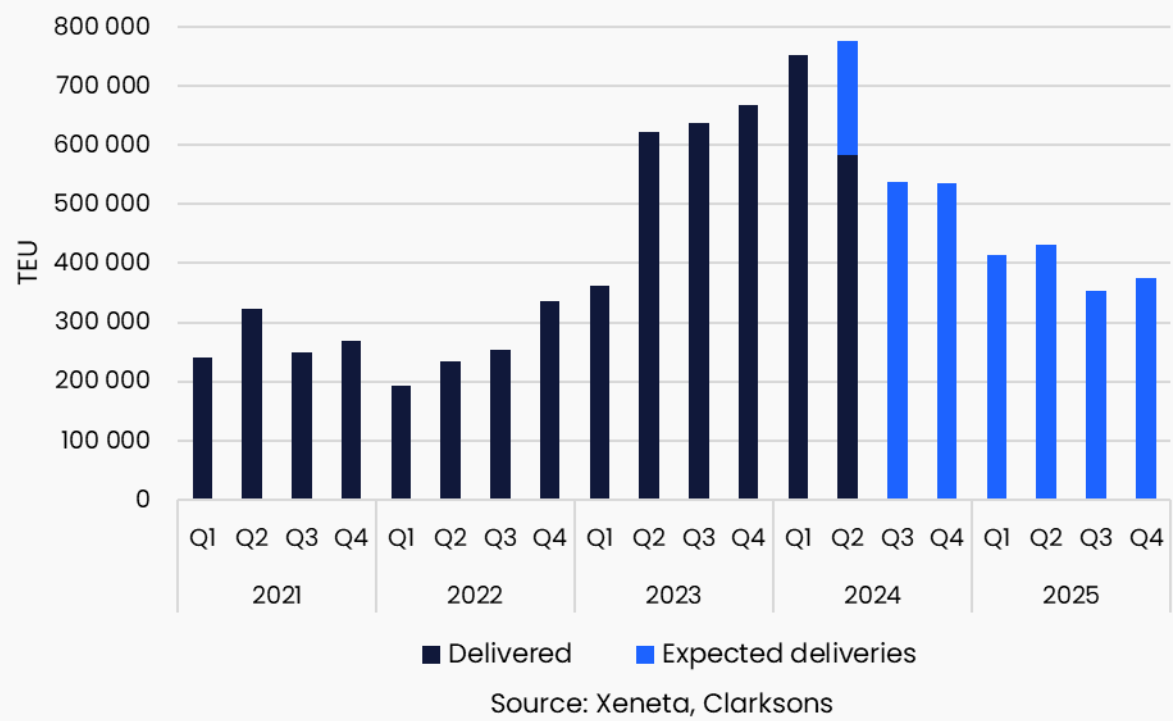


# My Heart Will Go On

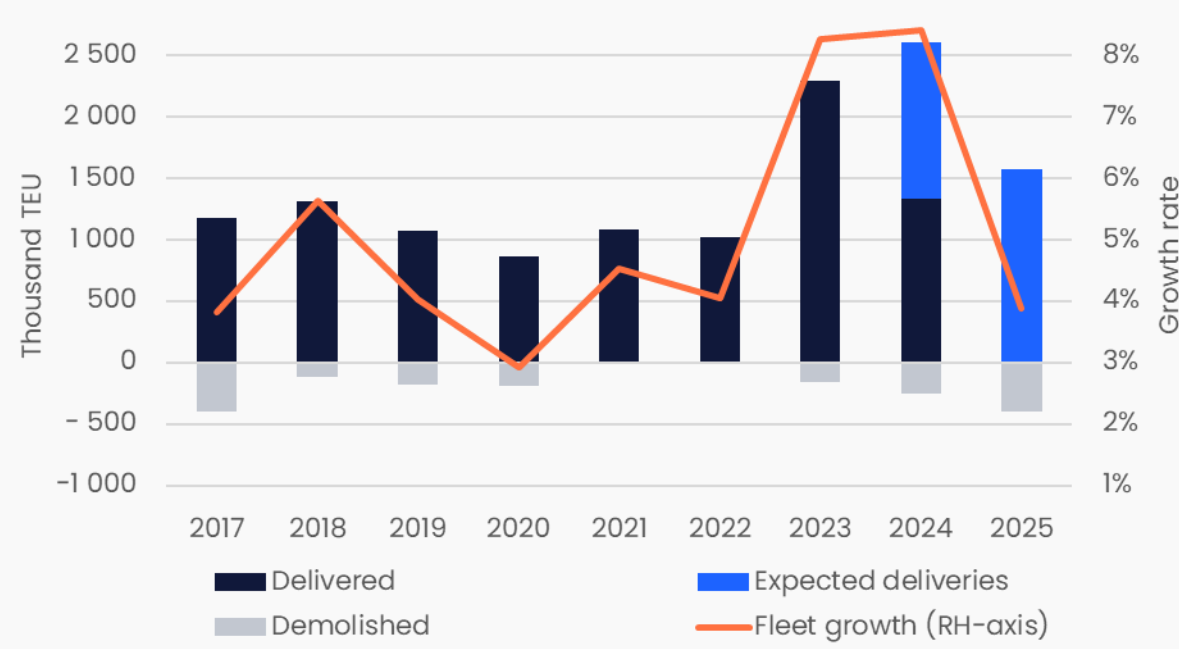


# Record breaking number of new ships delivered

Deliveries and expected deliveries



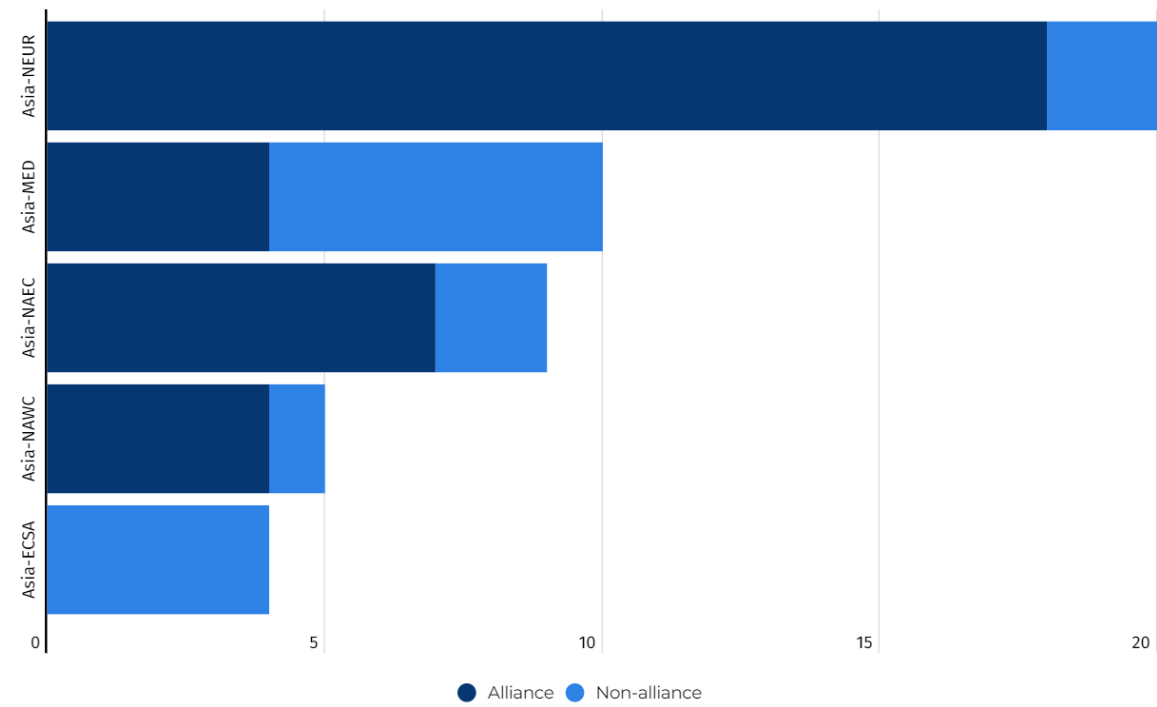
Containership fleet growth



Source: Xeneta, Clarksons

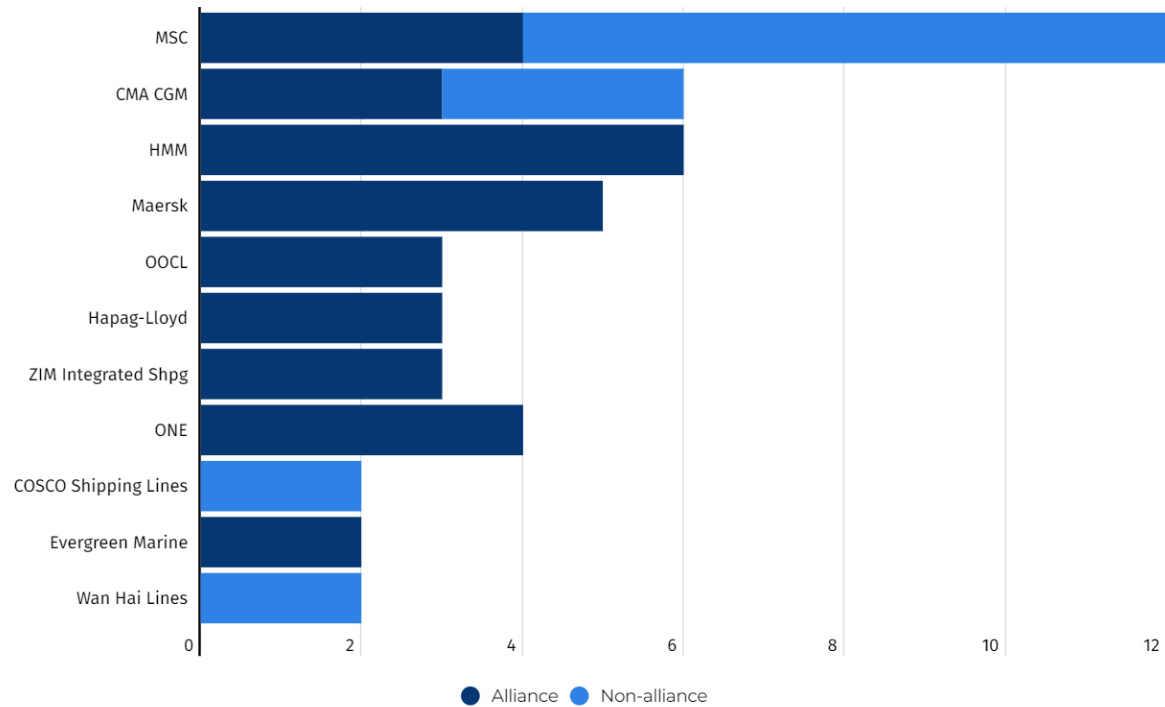
# Where is the newbuilt capacity deployed?

Deployment of new ships over 8 000 TEU



Source: Xeneta, Clarksons, Sea-Intelligence

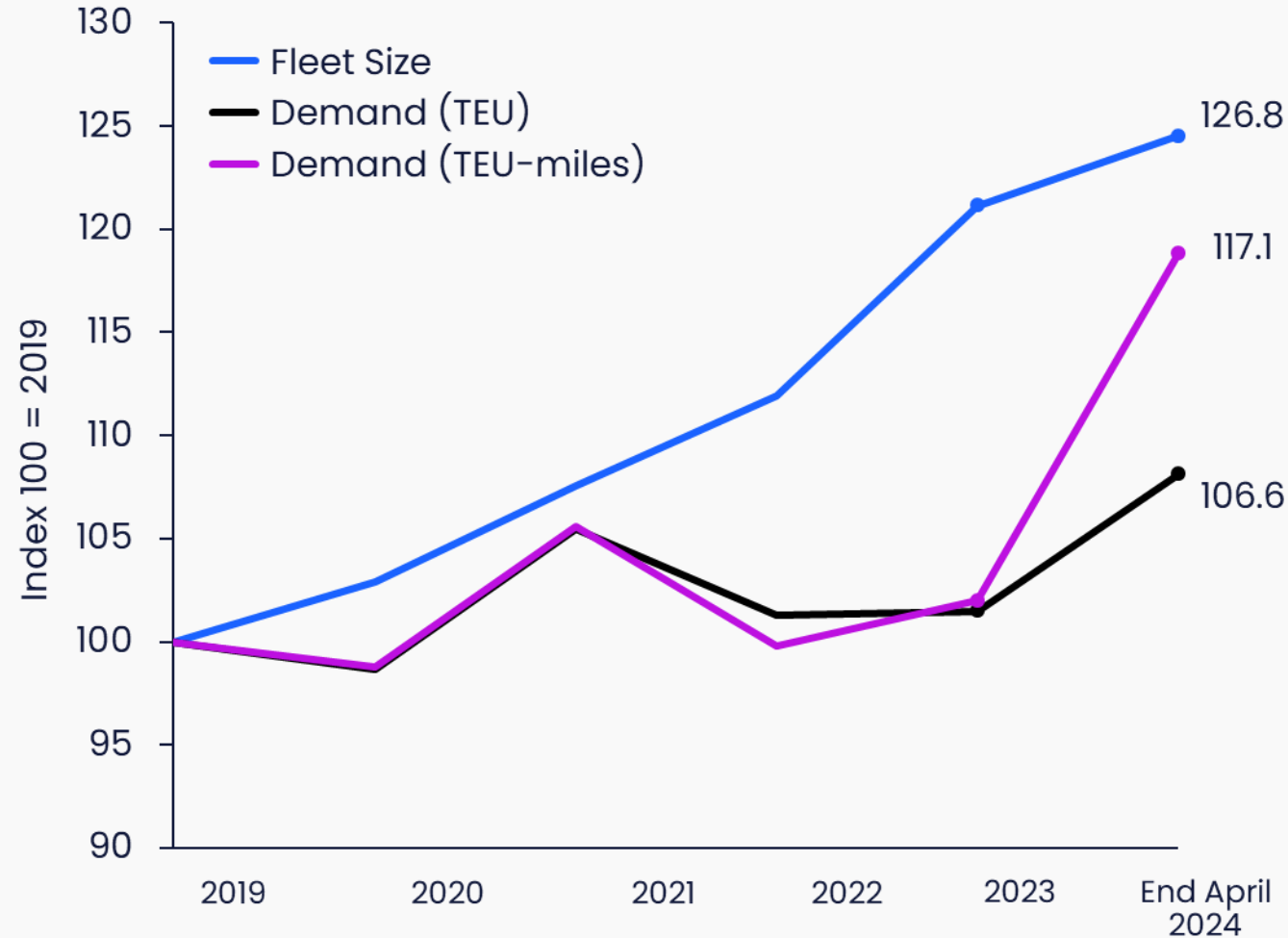
Deployment of new ships over 8 000 TEU



Source: Xeneta, Clarksons, Sea-Intelligence

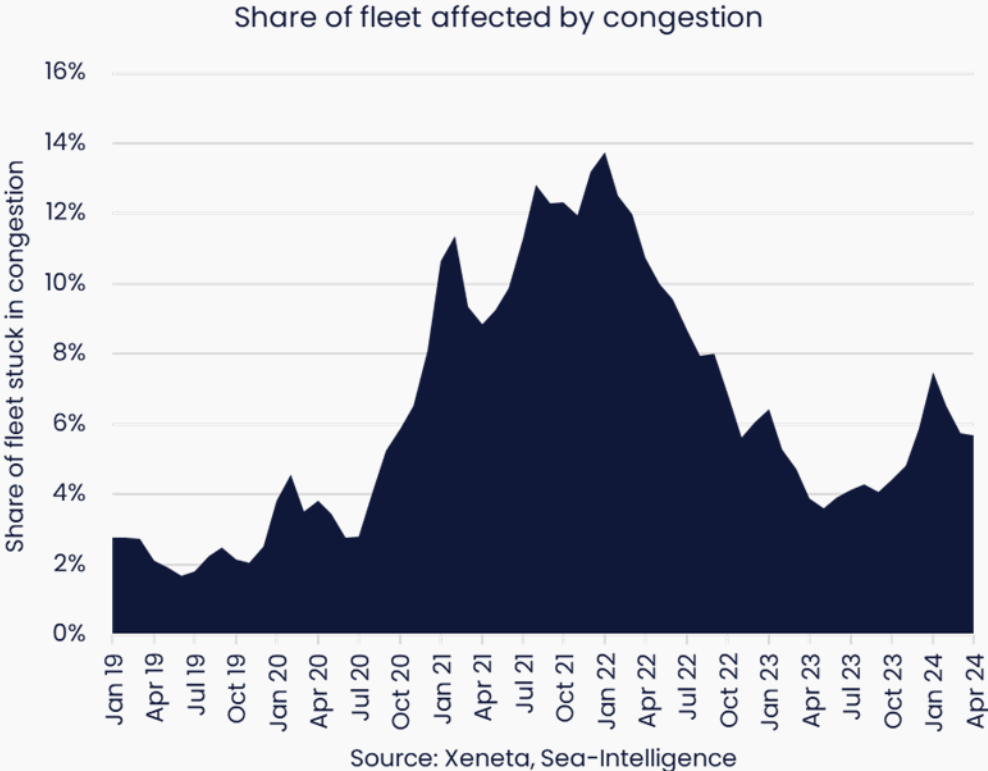


# Carriers doing what they can in a pressed market



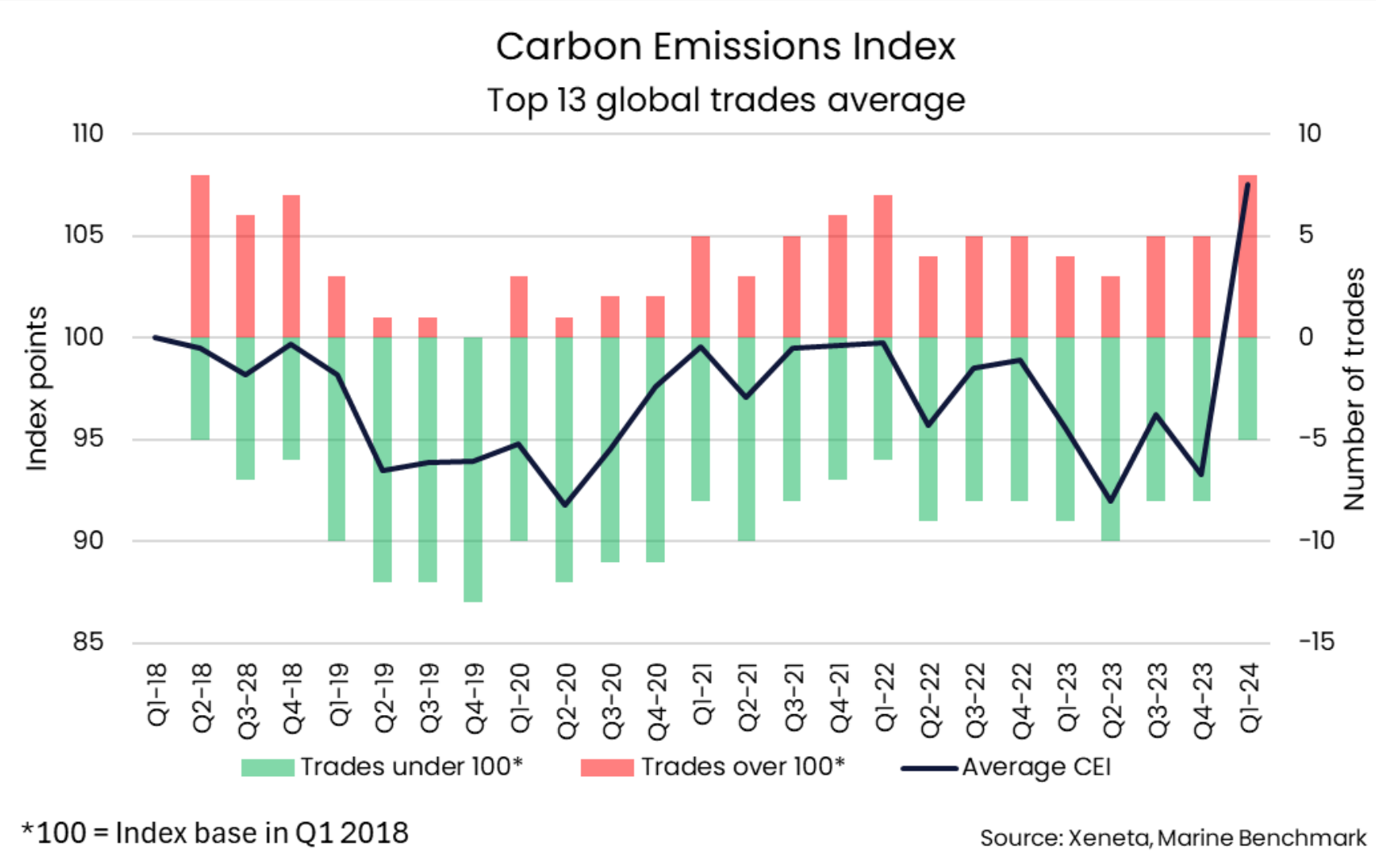
Source: Xeneta, Clarksons, CTS

XENETA



Source: Xeneta, Sea-Intelligence

# Supply Chain Risk #6: Environmental, Social and Governance (ESG)





# Thanks!

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