

Ocean Freight Market Update December 21 2021

Asia → North America (TPEB)

- Strong import volumes on TPEB are expected for the first half of 2022, according to some industry experts. The slight softening in rates and opening up of space that was seen post-Golden Week have reversed, as demand is high, capacity and pre-Chinese New Year sailings are limited, and rate increases are expected.
- Rates Rate levels remain elevated and potentially large increases are expected for January due to strong pre-CNY demand; more shippers and importers are converting bookings from standard to premium.
- Space Critical
- Capacity/Equipment Critical/Severe Undercapacity
- Recommendation Book at least 4 to 5 weeks prior to CRD. Consider premium options, which may be limited.

Asia → Europe (FEWB)

- Space and equipment crunches continue as market demand consistently exceeds supply as rates stay very high for a long period. Space and equipment remain very tight due to frequent blank sailings and port omissions. Carriers are overcommitted and are limiting booking acceptance or rolling shipments. With continuous vessel delays and shifts, schedule reliability is very low and delays for pre-CNY sailings will have a significant impact into the post-CNY period.
- Rates Rates remain stable at a high level. Most carriers extended their rates going into December. As we will be entering the traditional pre-CNY peak season soon, we anticipate that there will likely be rate increases in January.
- Space Extremely critical space situation
- Capacity/Equipment Severe equipment shortage across all Asia origins.
- Recommendation Book at least 4 to 5 weeks prior to CRD. Consider premium options, which may be limited. Be flexible in regard to equipment.

Europe → North America (TAWB)

- Schedule reliability is expected to deteriorate as winter weather batters the North Atlantic. Port omissions and change in port rotations will continue in the mid-term.
- Congestion at USEC ports is manageable at the moment. Some lines are reinstating a Savannah call from January 2022. USWC remains heavily congested at both LA and LB despite improvement on the quay.
- Rates Ocean rate levels remain stable but still extremely elevated.
- Space Critical especially to the USWC
- Capacity/Equipment Capacity remains tight for both North Europe and Mediterranean services. Better equipment availability at port; shortages remain at inland depots.
- Recommendation Book 5 or more weeks prior to CRD. Request premium service for higher reliability and no-roll guarantees.

Indian Subcontinent → North America

- Slight dip in demand as shippers raced to get their shipments loaded in late Nov. - early Dec. in time for the holiday season. This dip in demand won't last long as we are heading into the ISC regions traditional peak from January - April
- Rates remain steady for December. Expecting rate increases to be implemented for January.
- Space to the USWC is and will remain a challenge into 2022. Carriers are using port of loading omissions to normalize sailing schedules for the Transpacific trade.

Unfortunately, this often means the ISC region is sometimes being omitted as a port of loading.

- Space to the USEC is less challenging but we are still seeing port of discharge omissions at Savannah and Charleston on some services.
- Equipment remains a challenge at smaller Indian ports in the South and South-East as well as inland container depots (ICDs). Equipment is normalized at key ports such as Nhava Sheva and Mundra.
- Recommendation If routing to USWC, consider rerouting to USEC and transloading/trucking to final destination. Be prepared for delays during the upcoming peak season from January to April.

North America → Asia

- Vessel arrivals and available capacity remain fluid for USWC POLs. USEC capacity has been more readily available; Deteriorating schedule integrity, in addition to creating void sailings and delays, is creating significant challenges with posted earliest return dates and vessel cut-offs at the port.
- Rates January there are a number of substantial GRI advisories for select Southeast Asia and Oceania destinations.
- Equipment Deficits on containers and chassis are still plaguing IPI origins. Availability for standard equipment at ports has not been an issue, but any special equipment is hard to come by.
- Recommendation Please place bookings 4 to 6 weeks in advance to secure your equipment and vessel space.

North America → Europe

- There is available capacity on the TAEB trade from the US East and Gulf Coasts. US West Coast service to Europe is extremely tight due to void sailings caused by systematic delays. Multiple TAEB service strings will be omitting Savannah and calling Charleston or Jacksonville instead, due to the significant congestion issues at the port of Savannah.
- Rates to remain steady Some GRI activity for North Europe destinations to be implemented in January.
- Equipment Deficits are still plaguing IPI origins. Availability for standard equipment at ports has not been an issue, but any special equipment is hard to come by.
- Please place bookings 3 to 4 weeks in advance for East Coast/Gulf sailings and 6 weeks for Pacific Coast sailings.