

# Ocean Freight Market Update January 4 2022

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## Asia → North America (TPEB)

- Pre-Chinese New Year cargo rush pushes the ceiling for premium rates even higher, as some shippers with urgent cargo are willing to pay sky-high rates for sought-after space. Capacity and sailings are limited relative to demand, largely due to sliding schedules, accumulating delays, and blanked sailings related to severe port congestion. Rate increases were implemented for the first half of January, some of which are near the GRI levels seen over the summer.
- 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. Some carriers slightly increased their rates for the first half of January. Due to the traditional CNY peak season, we anticipate that there will be likely a rate increases for the second half of January as well.
- Space Extremely critical space situation
- Capacity/Equipment Severe equipment shortage across all Asia origins.
- Recommendation Book at least 3 to 4 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 changes in port rotations will continue in the mid-term.
- Congestion at USEC ports is manageable at the moment. Some services have reinstated their Savannah call as 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

- Demand for space is increasing as we are heading into the ISC region's traditional peak from January - April. This time period is the last quarter of India's financial calendar where we see demand rise as manufacturers look to close their books strongly to end the year.

- Rates slight increase for 1H January rates. Further GRIs are expected to be implemented in 2H.
- 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.

#### 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 continues to create significant challenges with posted earliest return dates and vessel cut-offs at the port.
- Rates There have been a few GRI advisories posted for early February specific to transshipment ports as well as 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 continue to omit the port of Savannah and are calling Charleston or Jacksonville instead, due to the significant congestion issues at the port of Savannah.
- Rates January saw some modest increases from the US East Coast and US Gulf get implemented. No advisories for February and anticipate rate levels to remain steady through the month.
- 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.