

Ocean Freight Market Update January 11 2022

Asia → North America (TPEB)

- Congestion at LA/LB continues to worsen, causing port omissions and limiting available capacity as 120+ vessels wait for their chance to berth before continuing to other destination ports or returning to origin for subsequent sailings. The congestion at LA/LB is so severe that ocean carriers are limiting bookings for local deliveries, preferring IPI cargo through the PSW gateway. Shippers with urgent cargo, or those working to replenish depleted inventories, are willing to pay premium rates for scarce space.
- Rates Rate levels remain elevated, and the premium market is strong for pre-CNY sailings, driving up premium rates. Some carriers are expected to increase rates for the second half of January, while others are extending until post-CNY.
- Space Critical
- Capacity/Equipment Critical/Severe Undercapacity
- Recommendation Book at least 4 weeks prior to CRD. Consider premium options and carrier IPIs through the PSW gateway. Be flexible in regard to equipment and routings.

Asia → Europe (FEWB)

- Space and equipment crunches continue into the new year as market demand consistently exceeds supply. 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 have increased slightly in the first half of January and are expected to go up further in the second half of January due to the traditional pre-CNY peak season.
- 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 of January 2022. USWC remains heavily congested at both LA and LB despite improvement on the quay. Some blank sailings announced by lines in February.
- 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 expected to slightly increase in 2H.
- Space to the USWC is and will remain a challenge into 2022. Port omissions on services to the USWC continue to cut capacity out of the ISC.
- Space to the USEC remains steady; however, schedule delays have occurred due to terminal congestion at destination.
- Equipment remains a challenge at smaller Indian ports in the South and South-East as well as inland container depots (ICDs). Carriers are encouraging shippers use of their own origin carriage services to mitigate equipment shortages. 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, There continues to be void sailings and delays in schedules creating 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 continue to plague 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 and skipped ports 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 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.

Fuente: 2021 Flexport Inc.