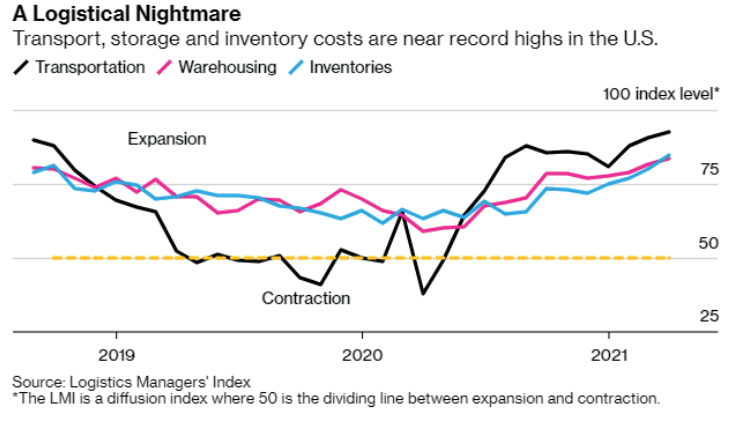
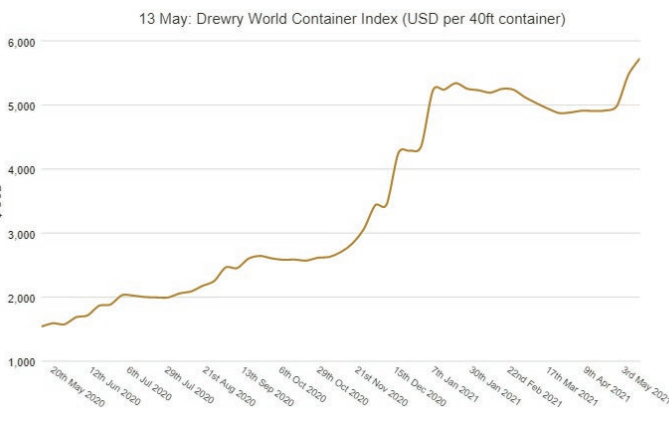


MARKET INTELLIGENCE

The global sea freight index rose another 4.7% last week. It is currently 285% higher than at the same time last year.

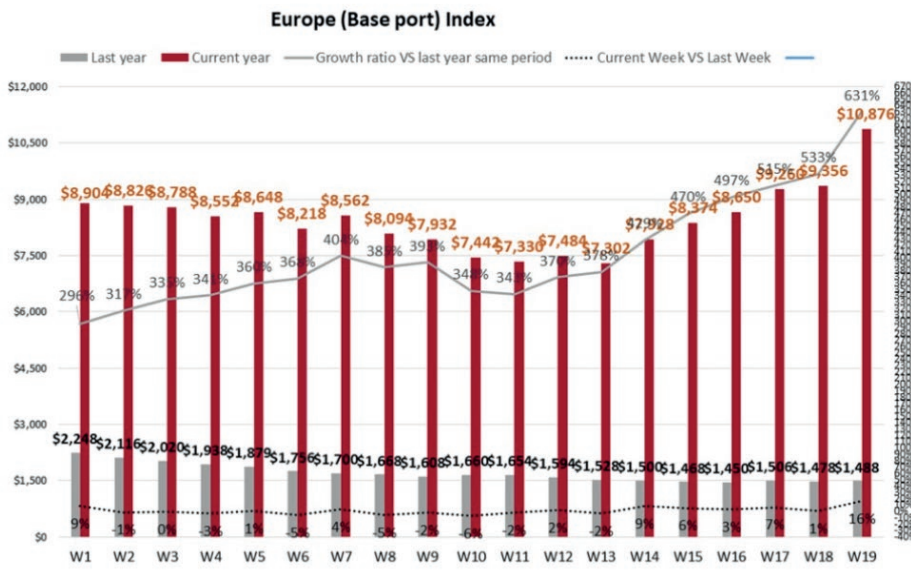


EUROPE / USA

Increasing US imports, congested ports, and a lack of available containers and vessels have created a situation in which cargoes no longer leave Europe, and tariffs are still on the rise. Average USD 3600 per 40' excluding surcharges. The demand for freight greatly exceeds the capacity of the vessels and despite this situation, the companies do not plan to add vessels on the Europe / USA route, preferring the China / USA one, by increasing their capacity to transport by 45% compared to 2020. Import volumes on the US East Coast increased by more than 35% in March 2021 compared to March 2019.

ASIA / EUROPE

The Shanghai Containerized Freight Index (SCFI) hit a record high last week. The trade is still severely affected by the Suez Canal incident blocked for six days by M/S EVER GIVEN. Cancellations of stopovers (blank sailings) are still expected, to overcome the delay and repatriate empty containers as quickly as possible to China, where the need is strongly felt. Lloyd's said this week that some shippers have agreed to pay freight at \$ 18,000 per 40' for urgent shipments between Asia and northern Europe. With vessels booked at 100% capacity several weeks in advance, there is a race to get space on board in priority.



RELIABILITY OF TRANSIT TIMES



According to eaSea's data on the reliability of rotations, in January 2021, only 10% of Asia-Europe crossings arrived on time, this figure rising to 13% in February and to 41% in March, before the M/S Ever Given has run aground in the Suez Canal, thus canceling the efforts of the sector to respect the schedules. The blank sailings ahead for June will not help matters. ONE announced on Monday that THE Alliance will be canceling three crossings on FE2 and FE3 services from Asia at the end of May and early June, "due to regrettable delays".

ROLL OVER / UNSHIPED CONTAINERS: A NEW REALITY ?

The number of roll overs in the main ports around the world continued to increase last month, affecting 39% of all shipments, according to Project44, an expert in visibility for the supply chain. "Carriers have seen their roll over rates increase for over a year, and so far have failed to alleviate the situation," said Josh Brazil, vice president of Ocean Markets. "Shippers need to accept this as a new reality. They are going to have to start making structural adjustments to their supply chains and improving their visibility if they want stores to stay stocked and factories to continue operating," he added.

CONTAINERS AVAILABILITY



Port congestion all over the world penalizes the average length of use of containers. Hapag Lloyd estimates that a container is used on average 20% more than in 2020 due to congestion. For this reason, Shipping lines are trying to reduce the demurrage free times, to allow faster turnaround of their containers. Even today, the lines prefer to re-embark empty containers to reposition them in the right place, rather than wait for a shipper to reuse the containers. It should be noted that CMA-CGM has just ordered 560,000 new containers for delivery in the coming months to meet the very strong demand for consumption.

OCEAN NETWORK EXPRESS IS INCREASING ITS FLEET OF REFRIGERATED CONTAINERS



ONE now has one of the largest and youngest reefers fleet in the world, adding 27,500 new containers to meet the growing demand for refrigerated goods around the world. Despite the challenges triggered by COVID-19, the global reefer containers trade has shown strong resilience in 2020 compared to dry containers and ONE expects this growth to continue in 2021.

EAST MED / NORTH EUROPE : NEW PREMIUM SERVICE

CMA CGM will expand its East Med NC Levant Express service. With a weekly direct service from Turkey to Northern Europe and a very short Transit Time, CMA CGM thus offers a 1st class service. This one will offer ten-day crossings with the 878 Teu's container M/S LOTUS.



DECARBONIZATION OF SHIPPING : MSC ALSO ADOPTS LIQUEFIED NATURAL GAS TO POWER ITS NEXT SHIPS



MSC enters into an 18-year charter agreement with EPS for 11 LNG-fueled 15,300 TEU vessels. After CMA-CGM, Hapag-Lloyd and ZIM, MSC is betting on LNG as the propulsion mode of the future for container ships. MAERSK recently decided to move away from LNG and wants to invest in other modes of propulsion to make the transition to low carbon fuels.