

MARKET INTELLIGENCE

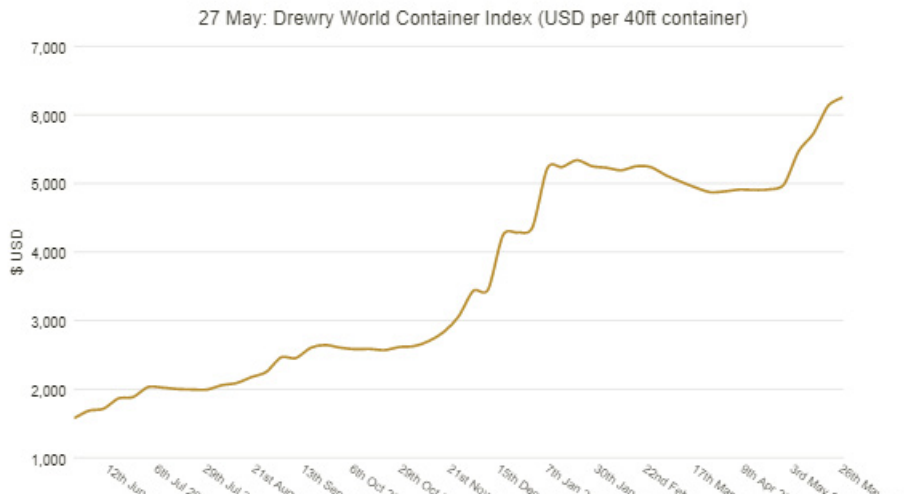
For European Importers in ex-Asia traffic, the week was still painful. The FBX spot rate for Asia-North Europe rose 9.1%, to \$ 9,871 per 40ft, while Asia-Mediterranean rose 6.1%, to \$ 10,214 by 40ft.

Meanwhile, Drewry's World Container Index (WCI) for the Shanghai-Rotterdam section came in at \$ 10,174 per 40ft, up 3% from last week.

In reality, many customers pay much more than these rates because shipping companies charge additional fees such as space guarantees "Seapriority Go or Shipping guarantee".

Clearly, there is a will to push the cap higher, and companies are raising fares as long as "the market can pay." Indeed, they grab the current opportunity materialized by a strong consumer demand.

For example, companies would forecast a GRI of \$ 500 to \$ 2,500 per TEU on traffic between Europe and the United States from mid-June, and on such a favorable basis, there is a good chance that they manage to reach that level.

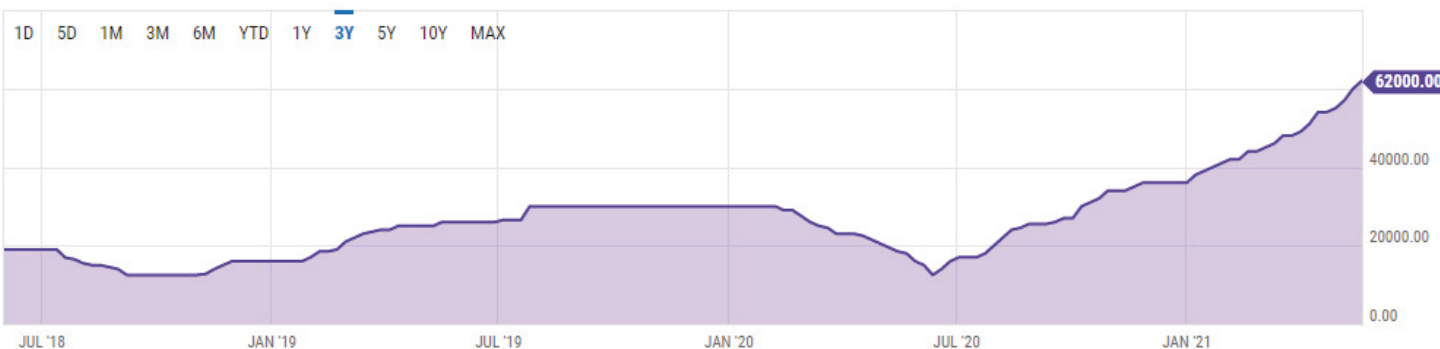


SHIP CHARTERING: A STRONG DEMAND

Thanks to high freight rates, the shipping lines are less reluctant to charter vessels to increase* their capacity, even if the charter rate has doubled.

For example, a vessel of 8,500 TEUs now rents for \$ 62,000 per day compared to an average of \$ 28,000 usually.

The proportion of inactive vessels is currently very low. Less than 3% of global capacity do not sail, this figure being mainly due to ships undergoing repair.



CHINA: THE SITUATION IS SEVERING - THE PORT OF YANTIAN CLOSED

Congestion in China is worsening, especially in the Shenzhen area, following the closure of the Yantian port after the discovery of positive Covid19 cases.

The port of Yantian suspended exports from May 21 to May 31, creating massive congestion.

While around 30 ships were already waiting in Yantian Port, some companies have decided to cancel calls at this port, so as not to delay ships rotations.

On the inland transportation side, congestion is also important (see photos), drivers must be detected, and the lack of truckers is being felt.

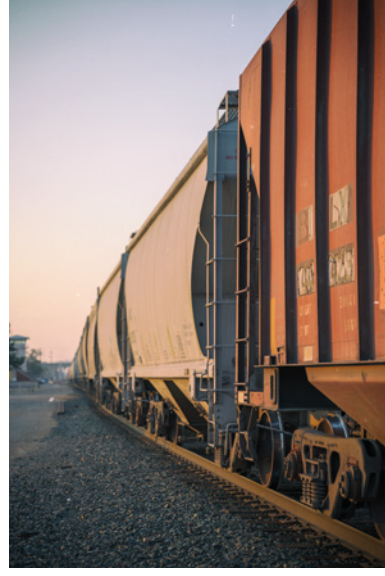
This situation will lead to blank sailings and will exacerbate the shortage of containers.

THE Alliance (Hapag-Lloyd, HMM, ONE, and Yang Ming) has already announced around nine blank sailings out of 35 departures in June.

The 2M and Ocean Alliance alliances have not yet communicated their blank sailings but their rotations are already very disrupted.



THE GROWTH OF THE RAIL FOR TRANSPORT BETWEEN EUROPE AND CHINA

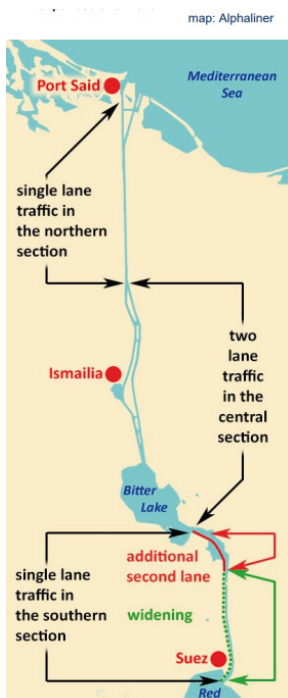


The growth of flows between Europe and China is an opportunity for railway operators who are constantly developing by offering solutions, increasing reliability and adding new services and new lines. This alternative makes it possible to have a Door-to-Door service, with a faster transit time than sea transport and at lower prices than air, especially for heavy products.

Rail trade jumped nearly 80% in the first quarter of 2021 compared to the previous year.

Keep in mind that rail transport is also an environmentally conscious means of transport, which reduces CO2 emissions, compared to air.

SUEZ CANAL : GREEN LIGHT TO ENLARGE



Egypt has just given the green light to widen and deepen the Suez Canal.

Work has just started and is expected to be completed in mid-2023.

After the incident with the M/S EVER GIVEN which blocked the canal for 6 days, this work will not increase the canal's navigation capacity, but will improve navigation safety, in particular for very large vessels with strong draught, in this single-track part.

LARGEST CONTAINER SHIP ARRIVES ON THE ASIA / NORTH-EUROPE AXIS ON JULY 30.



EM/S EVER ACE : The largest container ship lands in the fleet, on the Asia-North Europe axis on July 30.

With 23,992 TEUs, the vessel EVER ACE, built by Samsumg for EVERGREEN and the Ocean Alliance, becomes the world's largest container ship.

M/S "X-PRESS PEARL": ON FIRE FOR MORE THAN 10 DAYS OFF SRI LANKA

Obsolete regulations? Associations point out flaws and deplore the lack of control. Last November, a report from shipping insurer Gard pointed out that a fire involving containerized cargo now occurs on average once every two weeks.

The 2,700 TEU vessel X-Press Pearl, built just three months ago, was destroyed by a fire, apparently from a container containing hazardous goods, located on the deck. The situation deteriorated on May 25 when an explosion occurred.

It is a level II oil spill which threatens the Sri Lankan coasts very frequented, in particular by the dolphins.

