



# TRADE DASHBOARD

Global Freight Procurement - November 2022



# EUROPE

## EUROPE TO NORTH AMERICA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Transatlantic Westbound is still reporting well utilized vessels and rather stable rate levels, as a strong USD has supported imports. **Freight rates are now higher than on Transpacific**, but with demand (impacted by inflation and higher US stock levels) possibly slowing down in the winter, whilst capacity may increase (among others larger vessels by Ocean Alliance), access to space should ease up.

However disruption is not gone, with ports congestions still there : Savannah, Houston show up to 28 vessels waiting at berth. Oakland also seeing increased delays. Also in Vancouver as inland rail ramps are clogging up... Same time a potential rail strike lingers in the clouds, a situation that if not resolved could devastate inland transportation.

## EUROPE TO OCEANIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

With the 15th vessel now added, **the direct service to Australia is showing improving schedule reliability**, of well over 50%. Demand remains strong, keeping rates at high levels. There are more opportunities on the relay services, although the pricing still remains relatively high and Asia-Europe blank sailings herald strong unreliability.

The **direct service to New Zealand (CMA CGM/Marfret) still has to omit ports in Australia and USEC to maintain its weekly schedule**. Relay services to NZ are plagued by limitations in space on 2<sup>nd</sup> leg from Asia, but also by blank sailing programs from the carriers involved.

# EUROPE

## EUROPE TO ASIA / MIDDLE EAST

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Spot rates to Far East have been dropping lately, driven by a worsening supply/demand balance. **Rates levels to Far East are now around the pre-pandemic levels.**

Blank sailings are expected to continue, and more will be announced shortly for the period following Chinese New Year, end of January 2023, which will then affect supply ex Europe from March onwards. Meantime, complete loops suspension are now happening.

**Situation is slightly different to the Middle East where there is no drop noticed nor expected in rates and in volumes.** Vessels are sailing relatively full and ocean rates should remain stable, one of the reasons being that Jebel Ali is not called any longer by FAL3 and 5 (Ocean Alliance) on their way to Asia.

# NORTH AMERICA

## NORTH AMERICA TO EUROPE

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Carriers reduced the number of blank sailings and changed the size of some vessels on Transatlantic trade. Space available made carriers lowered their spot rates ex USEC, however ex USWC rate levels are stable because of the unknowns. **USEC and Gulf ports are still congested from the migration of US imports from USWC.**

**Till this improves, rotation changes, port omissions will keep being the norm.** THE Alliance will keep not calling Los Angeles, Tacoma and Vancouver Eastbound till January'23. CMA CGM started their MEDGULF service from Houston/Miami to Valencia/Genoa.

Rail strike is still a risk all over the country till November 19<sup>th</sup> when the remaining unions will vote again.

## NORTH AMERICA TO SOUTH AMERICA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Generally rate levels are stable**, however, increases are on the table for operationally difficult PODs. As imports from Asia ease and ports are being relieved, **services get into better structure, but it does not mean an open door !** Indeed schedule integrity is still terrible : 27,9% assessed by Sea-Intelligence in September, highlighting continuous operational constraints... Especially to SAWC, by comparison services and capacity are more available to Central America and to SAEC.

**CMA-CGM has 2 new services** : America XL (direct from San Antonio into New York and Philadelphia) and Brazex XL, direct from Santos into Houston and New Orleans).

## NORTH AMERICA

### NORTH AMERICA TO ASIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Rates have been on a downwards trend, as demand ex North America went down, current strength of the dollar also being a burden. Equipment is getting more accessible in the US, as the demand for empty returns in Asia declined. Carriers are reacting to this excess of space, combining or re-shuffling the services : **capacity offered lowered by 10% in October**, especially further 2M and Wan Hai services change. As this tradelane is now extremely unbalanced (North American exports to Asia are a quarter of the imports) there is obviously more than enough capacity available, but there would be less options, fewer number of port calls and several rotations change.

### NORTH AMERICA TO OCEANIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

No change in capacity, and services on this trade are still very much in demand, especially **USEC services which are heavily occupied**. Overall, **utilization is around 90-95%** for all carriers of the two different slings. That enables rates stability going forward. Positive developments are that congestion at AU/NZ ports has eased, and that services calling USWC ports are in a better shape as well. However when the cargo comes from inland points, it is still problematic to ensure connection via rail to the congested USEC ports.

# ASIA

## ASIA TO EUROPE

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Vessels utilization has fallen below 80%** as cargo volumes decreased with the geopolitical tensions. With prospects of recession in Europe, and inflation levels impacting imports, **freight rates have kept dropping and additional blank sailings are announced by carriers in return.**

**Congestion remains an issue in Europe** : in **Antwerp** problems at the rail hub continue, leading to trains cancellations, in **UK** Liverpool dockers just ended a two-weeks strike, and now Southampton is severely congested, in **Hamburg** yard utilization still is very high, impacting productivity negatively, and demurrage/storage charges are to be expected.

## ASIA TO NORTH AMERICA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Volumes have been falling **as North American consumers struggle with inflation, and higher US stocks, causing a drop in freight rates.** Spot indices as assessed by SCFI and Drewry between China and US East Coast declined by 58% since the start of the year. There are still issues on inlands, notably most carriers are experiencing **chassis shortage issues**, but on the water there is a clear oversupply. However carriers are addressing that fast, they **already reduced capacity by 10%**, first on Asia-USWC trade with Wan Hai closing two services, and 2M closing the TP3 / Sequoia and merging the TP9 / Eagle with the TP1 / Maple. More space rationalization shall be expected.

# ASIA

## INTRA ASIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Services integrity improved in this region** as ports congestion in China resorbed, however covid-outbreak related **lockdowns in manufacturing hubs are still affecting the trade and inland operations**. In particular lately with Ningbo. Transshipment operations can also take much longer than 'normal', especially in Singapore. In general, advance planning is advisable, also as carriers are making plans for blank sailing/port omission. **Freight rates remained rather stable recently**, Drewry for instance only reported a 2% dip between September and October on their Intra-Asia Index.

## ASIA TO OCEANIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

Space and equipment are now readily available due to an **increased capacity**, with more loops and new entrants on the trade since the summer, and to a **weakened demand** not expected to pick up soon as inventory levels are high. **Supply rationalization is expected** after Chinese New Year, but till then we are expecting a **decrease of spot rates to Australia**.

**New Zealand market rates are rather stable** because of the ports congestions, operational troubles and lesser supply. Bookings to New Zealand should be placed at least a month in advance.

# OCEANIA

## OCEANIA TO NORTH AMERICA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Space remains constrained**, and Adelaide still is a fortnightly call only. Schedule reliability is poor at under 50%, and whilst more of the congestion and delays is at US Gulf & East Coast ports, Oakland is also again slipping with extended delays. **New Zealand** has also seen changes to the way certain carriers feed containers from Nelson to connect with the deep sea sailing. This will entail more planning by the local teams to ensure smooth connections are maintained.

**20ft equipment remains critical in Adelaide & Nelson**, and could lead to delays in shipping.

## OCEANIA TO ASIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Ex Australia, demand remains solid, and generally it takes a window of three to four weeks to to secure bookings.** Only limited space, for shipments from the East Coast, can be available at a shorter notice. A new tugboat workers' strike occurred late October, situation that might reiterate.

**Ex New Zealand, space remains challenged**, particularly ex Nelson, so we shall expect delays in obtaining required space.



# OCEANIA

## OCEANIA TO EUROPE

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Ex Australia, service is now stable**, with schedule reliability well over 50%. However **shippers' demand for the direct service (MSC & CMA-CGM) remains high** and space can't be made available without within a 3-4 weeks window. Space is more readily available via Asia, but quite unreliable due to blank sailings, port omissions, and loops suspensions.

**In New Zealand the effects of the congestion continue to hit the trade**, and delays have even worsened. 6 days at Tauranga, which yards are occupied 130%, and 10 days at Auckland, with off windows vessels even up to 20 days due to vessels bunching.

20ft equipment remains critical in Adelaide and Nelson, and could lead to delays in shipping. Globally **equipment supply in the region is affected by the downfall of exports from China**.

## SOUTH AMERICA

### SOUTH AMERICA TO NORTH AMERICA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

From **South America West Coast, services integrity had improved**, notably to California, thanks to the lesser congestion, but, as assessed by Sea-Intelligence, has returned to a poor 37% in September though and congestion in Oakland is increasing again. Space remains tight and rates have however remained stable lately, and should continue stable, also with the introduction of the new CMA CGM service from Chile to US East Coast.

From **South America East Coast, demand is still strong** and should remain robust in the coming month with the reefer season kicking off.

### SOUTH AMERICA TO ASIA

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**Cherry season is now about to start, with services adapted so to better serve the trade Chile to China / Hong Kong** with direct calls. Hong Kong will be inserted as first call in Asia on the AN1 (Hapag Lloyd, ONE, HMM, MSC) 'Cherry Express', enabling a direct Valparaiso-HK connection in 22 days. Access to space for other commodities like wine will be tougher, though three extra loaders will be deployed in the peak season in weeks 50 and 51.

Lack of equipment is persisting in Chile, as always for containers suitable flexitanks, but also for standard equipment for cased goods.

# SOUTH AMERICA

## SOUTH AMERICA TO EUROPE

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

**From the West Coast**, there are still operational hiccups, in particular with San Antonio calls. **Actually schedule reliability deteriorated lately**, with barely more than half of vessels on time last month. Ocean rates have eased up to an extent, but operational challenges remain a serious concern.

**From South America East Coast**, **access to space has become more manageable** due to a demand decrease on commodities segments such as wood, retail, as importers built up inventory stocks.

# SOUTH AFRICA

## SOUTH AFRICA TO EUROPE

Space availability	
Ocean rates, <b>next 3-months</b>	
Ocean rates, <b>last 3-months</b>	

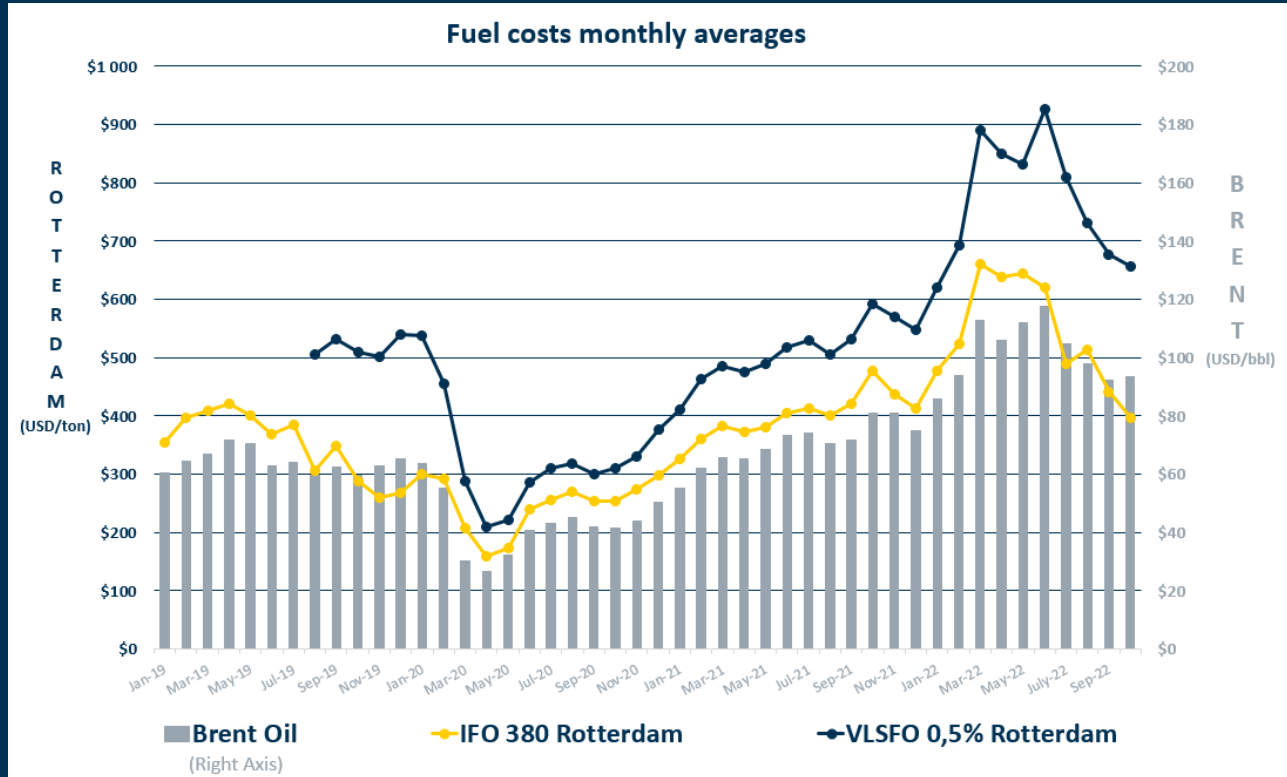
Strikes at the port of Cape Town ended late October, after Transnet found a compromise with the unions on the wages increases. **However the "normalisation" of ports operations in South Africa will take time** in order to resorb the backlog of containers still waiting to be shipped. At the moment the equipment situation remains tensed, carriers are repositioning containers from Durban port to Cape Town in order to tackle the backlog of volumes, but this will take weeks before operations run smoothly.

# LEGEND

Space availability:

Space extremely limited (or stop booking)	
Space limited	
Space available	

# BUNKER WATCH





# Thank you



Hillebrand ***GORI***

A company of

