

XSI

XENETA

XENETA SHIPPING INDEX
OCEAN FREIGHT CONTRACT MARKET
FEBRUARY 2021



Global Index
Up +9.6%

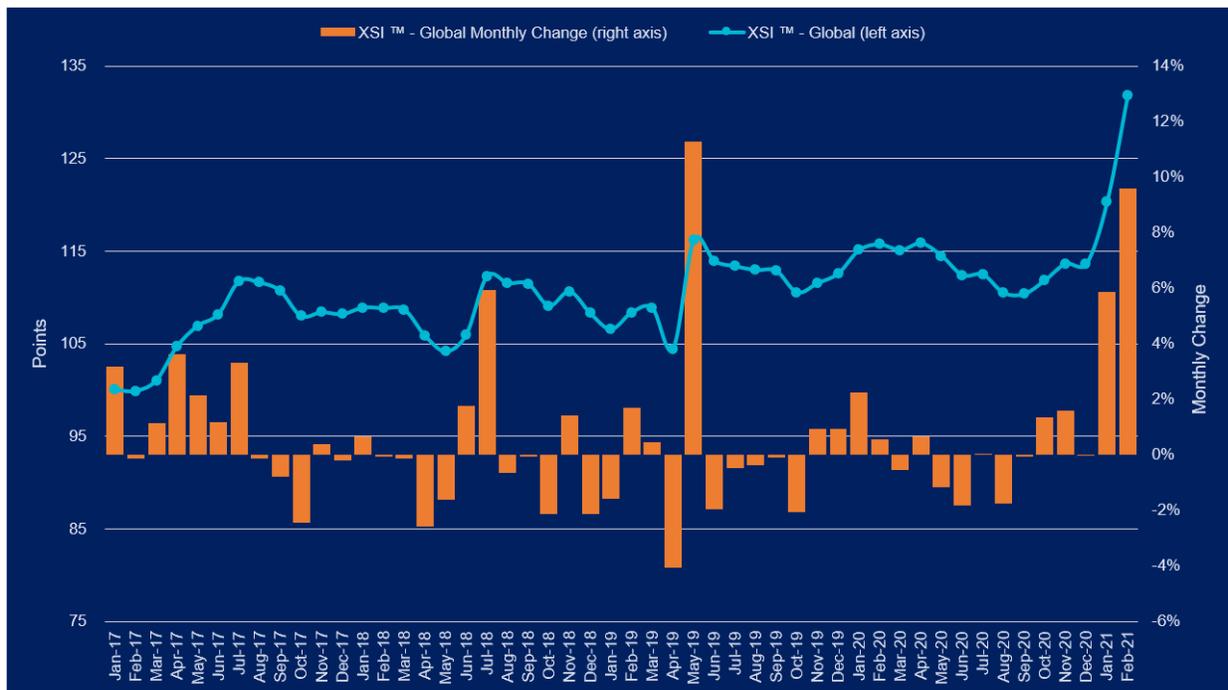
Carriers continue efforts to keep rates at their elevated levels.

XSI[®] - Global

The global XSI[®] continued its rise in Feb-21, jumping by a further 9.6% month-on-month to 131.82 points. The index is now substantially higher than at any time since its inception and coincides with significant increases across many trades. Compared to the same period of 2020, the benchmark is up 13.9% and has increased by 16.0% since the end of last year.

The most recent increase in the global XSI[®] ties in with carriers' efforts to keep spot rates at their elevated levels. Given the current climate and the well-reported increase in demand, they will not be rushed into discounting rates, particularly when annual contracts are being negotiated. As the index shows, shippers should prepare themselves to agree to much higher contract rates or run the risk of playing the spot market. Furthermore, smaller shippers are likely to be sidelined for larger or more profitable customers and so the spread between the lowest and highest paying customers is expected to remain at historically high levels.

Fig 1: XSI[®] - Global

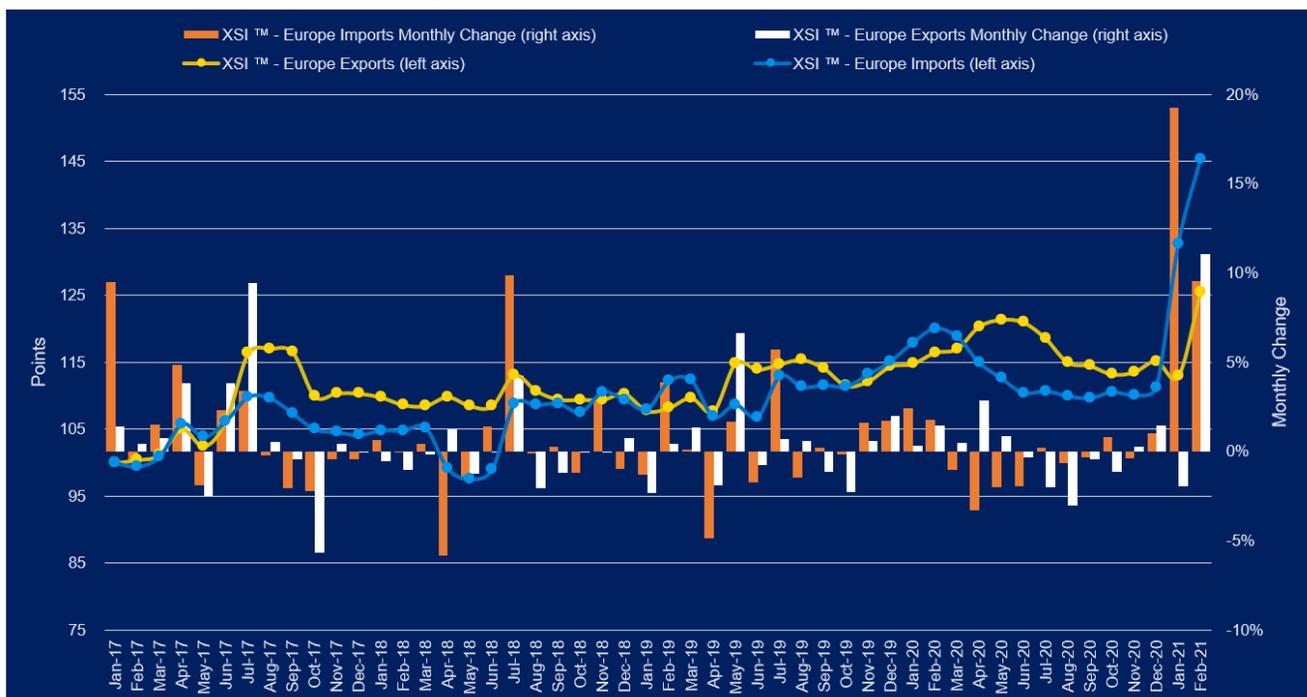


XSI[®] - Europe Imports / Exports

European imports on the XSI[®] rose by an additional 9.6% in Feb-21 to 145.37. While this represents a substantial increase, the month-on-month rise was lower than the figure of 19.3% reported in Jan-21. Compared to the equivalent period of 2020, the index is 21.1% higher after rising by 30.7% since the end of 2020. Imports on the benchmark had been consistent over the second half of 2020, however, with the spot market still feeling the impact of supply constraints and changing consumer spending habits, contracted rates are beginning to follow suit. Meanwhile, the exports index jumped by 11.1% in Feb-21 to 125.44 points, which represents the single largest month-on-month increase on record. As a result, the benchmark is up 7.7% year-on-year and has increased by 8.9% since Dec-20.

It was recently reported that a new entrant had begun providing services on the Far East - Europe trade via a small 2,700 TEU vessel. China United Lines and XSTAFF joined forces so that the German-based company can offer its clients an improved, more secure cost framework and better reliability. With spot rates remaining high, it may end up being an astute decision. Preparations are already underway to offer a second voyage in the first half of this year. It is not uncommon in other markets for cargo owners to manage their own fleets, and if rates do not decline to more reasonable levels, then it could become a more attractive option for those seeking alternatives to the mainstream carriers.

Fig 2: XSI[®] - Europe Imports / Exports

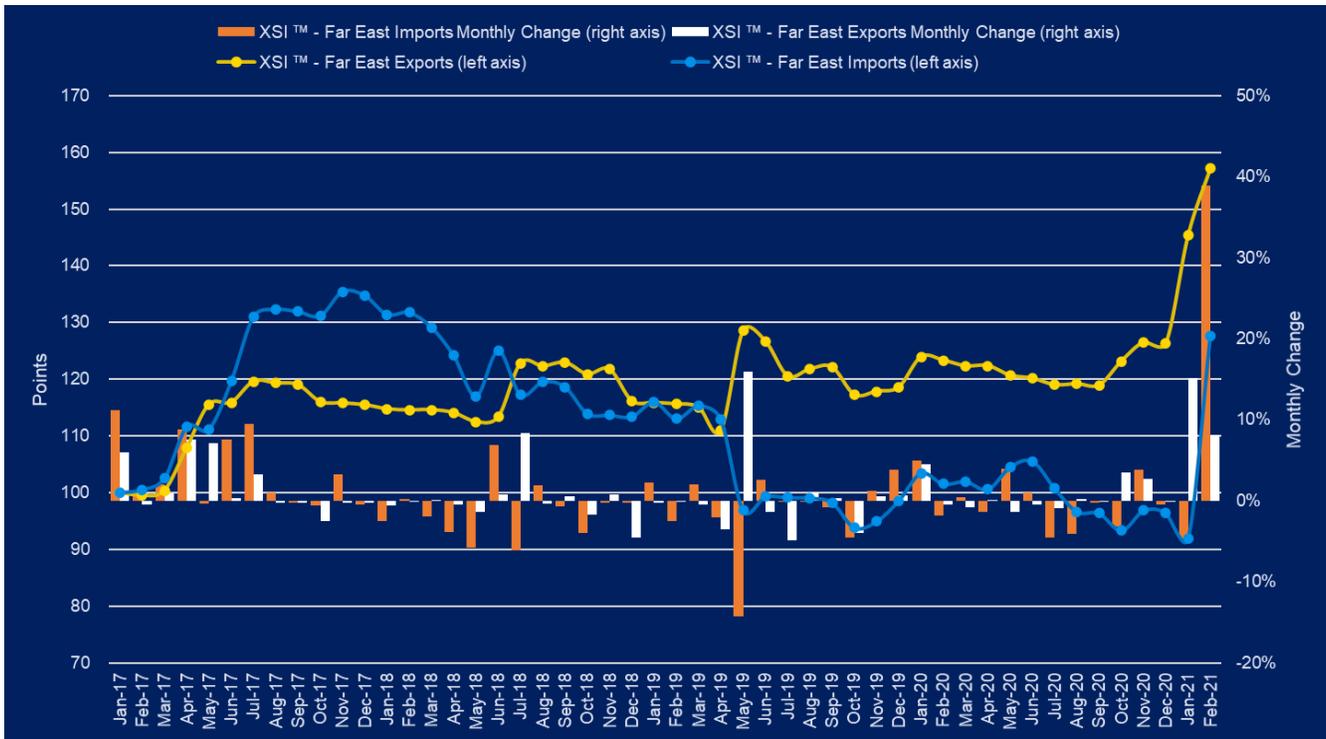


XSI® - Far East Imports / Exports

Far East imports on the XSI® jumped by 38.9% month-on-month to 127.66 points. This represents the largest monthly increase reported on the benchmark since its inception. The index is now 25.7% higher than the same period of 2020 and is up 32.4% since Dec-20. Despite the significant increase reported this month, the index remains lower than the all-time high of 135.43 reported in Nov-17.

Meanwhile, exports rose by 8.1% in Feb-20 to 157.13. While substantial, the pace of growth is lower than that reported in the previous month. Nevertheless, the index is up 27.4% year-on-year and has risen by 24.4% since the end of 2020.

Fig 3: XSI® - Far East Imports / Exports

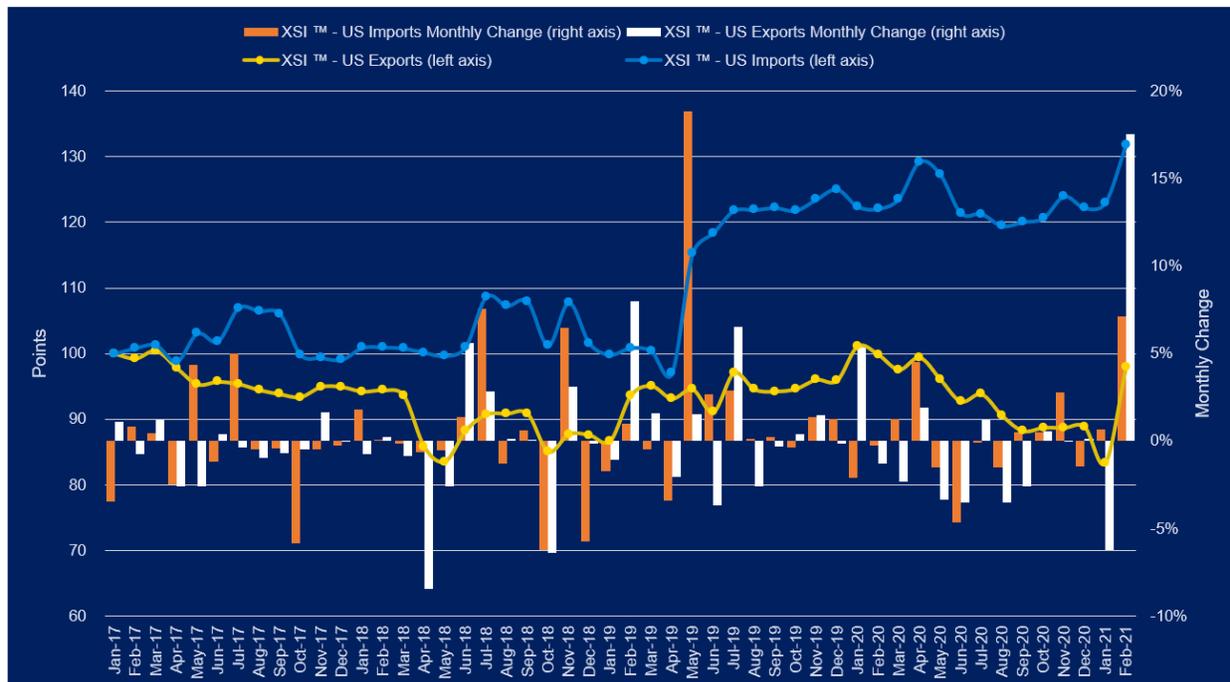


XSI[®] - US Imports / Exports

US imports on the XSI[®] increased by 7.1% in Feb-21 to 131.73 points. As a result, the index has reached another all-time high and is up 7.9% compared to the same period of 2020. It is also 7.8% higher than in Dec-20. US exports jumped by a massive 17.6% month-on-month to 97.89. While this represents the largest ever monthly increase, the benchmark is still down 2.0% compared to Feb-20, albeit it is up 10.3% since the end of last year.

The main story dominating the US markets, apart from the sky-high rates, is the continued congestion at key ports. With improvements unlikely to materialize soon, carriers have been looking at west coast alternatives to ensure the impact on services is somewhat reduced. However, the danger is that this cascading of cargo will lead to bottlenecks at additional ports. Recent reports suggest that there were 21 vessels anchored at Los Angeles/Long Beach, with an average waiting time of eight days. These delays follow reports from the National Retail Federation (NRF) that indicate imports into major US gateways reached all-time highs in the second half of 2020. The NRF is anticipating the momentum will continue into at least the first five months of 2021, leading carriers to launch new transpacific services to destinations such as Oakland and Seattle.

Fig 4: XSI[®] - US Imports / Exports



XSI® Public Indices Report METHODOLOGY

- Rates delivered from freight forwarders and shippers
- Based on long-term contracts only
- Rates pulled from Xeneta's ocean freight platform of +220MM contracted rates
- Indices based on an aggregation of trade-weighted corridors
- Indices rates surcharges are based on all-in CY/CY pricing methodology
- Global index is a combination of worldwide trade-weighted corridors not limited to US, Europe and Far East indices

Learn More About Xeneta

Learn more about Xeneta and get ocean freight visibility with a freight spend analysis on your major trade lanes. Find out where you can optimize your freight procurement strategy and stay one step ahead of the market no matter the current rate and capacity conditions. [Contact Us Here.](#)

DISCLAIMER

The monthly XSI® Public Indices report gives an indication of the global market movements for the long-term contract market in the container shipping industry focusing on the biggest regions in the world.

Xeneta does not recommend price setting on this market report as it is based on an aggregation of trade-weighted uncorrelated corridors. If you are interested in index-based contracting, we recommend our XSI® index-linked contracting product. For more information, please contact us via www.xeneta.com.

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NOTE: The XSI® public indices reports are based on long-term contracts only.