

Listed box lines see reduced market capitalisation as stock prices fall

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The 11 largest publicly listed container shipping companies have lost US\$135 billion of their stock valuations over the last 1.5 years as investors dumped stocks as freight rates slumped.

Alphaliner said today that just three container lines have a market capitalisation exceeding US\$10 billion today, down from seven in May 2022.

Among the carriers whose capitalisation transcended US\$10 billion for the first time in 2022 were Taiwan's Evergreen, Yang Ming and Wan Hai Lines and South Korea's HMM.

Steep falls in the carriers' share prices have returned them to mid-capitalisation territory of US\$2 billion and US\$10 billion, where they re-joined the league of companies such as SITC Container Lines and Matson Lines.

Container shipping stocks soared when freight rates hit historical peaks during Covid-19-induced logistical bottlenecks, but freight levels have deteriorated to pre-pandemic levels.

ZIM Line, whose stock rose nearly fourfold in the four months after its listing on the New York Stock Exchange in January 2021, quickly regressed to mid-capitalisation levels, and today has declined to small capitalisation levels, with a capitalisation of US\$1.15 billion as of 17 October.

So far, Hong Kong-listed COSCO Shipping Holdings, parent of COSCO Shipping Lines, has held onto its large-capitalisation ranking, despite operating as a mid-capitalisation company prior to 2020. COSCO Shipping Holdings has a capitalisation of CNY147.58 billion (US\$20.18 billion) today.

Hapag-Lloyd, whose market capitalisation stands at €28.19 billion (US\$29.79 billion), has held the highest US dollar market capitalisation since January, above its larger competitors Maersk and COSCO.

While the German carrier reported industry-beating per TEU earnings in the first half of 2023 at US\$1,766 (versus US\$1,329 for Maersk Ocean), its larger market capitalisation mainly reflects the company's small 3.6% free float, with sale transactions having a larger impact on the stock price. Collectively, the 11 listed carriers today have a combined market capitalisation of just under US\$110 billion, versus US\$243 billion in May 2022.

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