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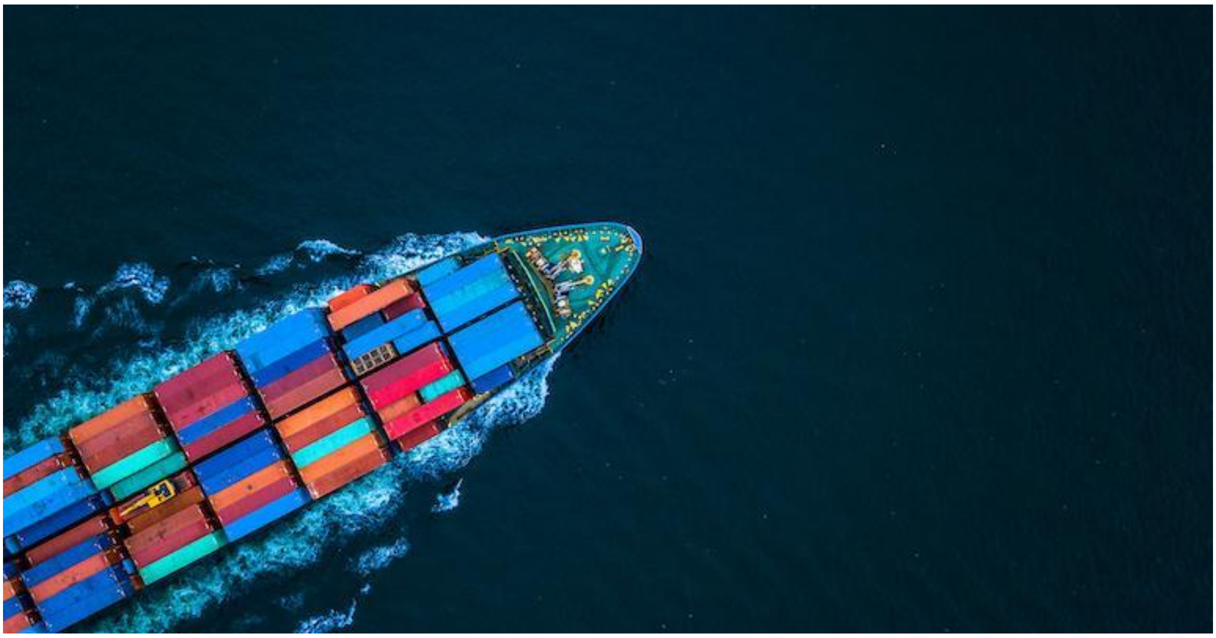
Container spot rates surge across major trades



Spot container freight rates have jumped by 30% over the last two weeks as demand rebounds ahead of the peak season.

Marcus Hand | May 17, 2024

The Shanghai Containerized Freight Index (SCFI) rose 9.3% on Friday compared to the previous week and was up 214.97 points at 2,520.76 points. This followed a 365.16 point jump the previous week and the SCFI is now 29.8% higher than it was just two weeks.

The last two weeks of gains sees container spot rates recovering the ground lost in recent months as the Red Sea situation with re-rerouting via the Cape of Good Hope appeared to normalise. However, despite taking delivery of 1.14 million teu of new capacity this year container lines still have a shortage of 36 ships on the Asia – Europe trade according to analyst Alphaliner.

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A similar picture was reported by analysts Drewry with its World Container Index (WCI) up 11% on 16 May at $3,511 per feu. The WCI had risen 16% the previous week ended 9 May. The WCI is now 104% higher than it was at the same time in 2023.

Increases were seen on both the Asia – Europe and Transpacific trades. Drewry said freight rates from Shanghai to Rotterdam, Shanghai to Los Angeles, and Shanghai to New York increased 12% to $4,172, $4,476 and $5,717 per 40ft container respectively. While Shanghai – Genoa was up 11% at $4,776 per feu.

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Looking ahead the analyst said: "Drewry expects ex-China freight rates to rise due to increased demand, tight capacity, and the need to reposition empty containers."
