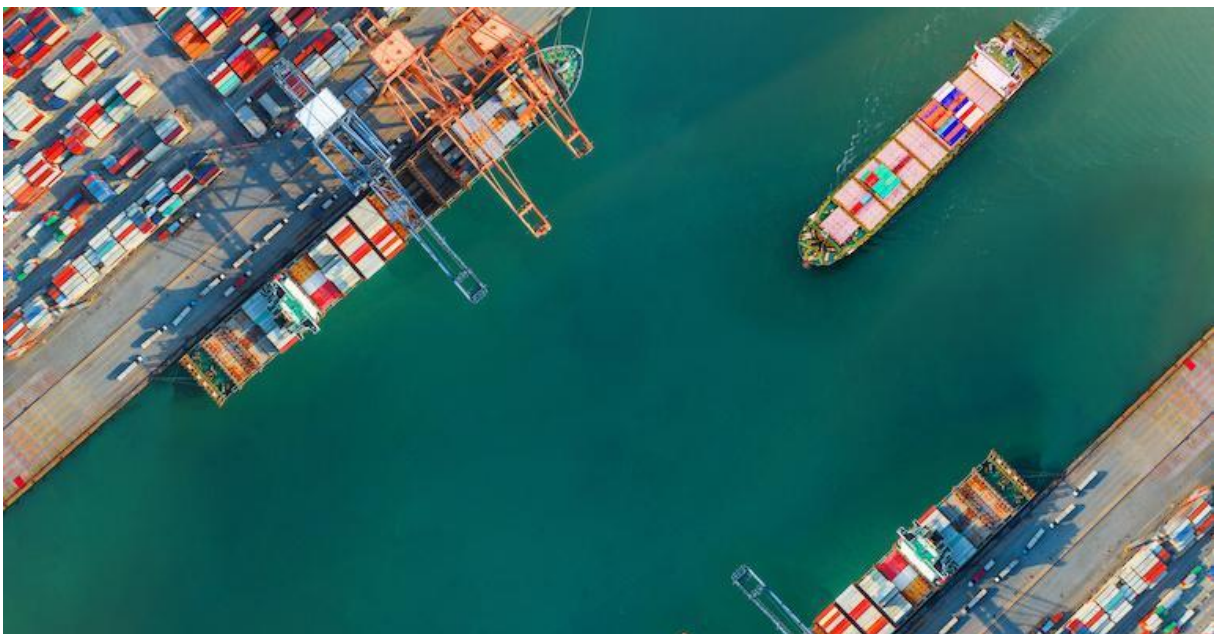


## Peak season comes early as container rates continue to soar



**Spot container freight rates have continued to increase sharply in the last week powered by the Red Sea crisis, increased demand, and supply disruption fears.**

Marcus Hand | May 24, 2024

The Drewry World Container Index (WCI) jumped a further 16% over the last week to hit \$4,072 per feu on 23 May and is 142% higher than it was at the same time in 2023. This follows 11% and 16% rises in the weeks ended 16 May and 9 May respectively.

Gains by the benchmark Shanghai Containerized Freight Index (SCFI) were more muted, but still significant rising 7.24% to hit 2,703.43 points on 24 May. In the prior two weeks the SCFI had jumped 29.8%.

**Related:** [Container spot rates surge across major trades](#)

Drewry's WCI showed sharp increases on both the Asia – Europe and Transpacific trades. Freight rates from Shanghai to Rotterdam increased 20% or \$827 to \$4,999 per 40ft container while rates from Shanghai to Los Angeles increased 18% or \$801 to \$5,277 per feu.

Meanwhile spot rates on the Shanghai to New York trade were up 13% or \$746 to \$6,463 per per feu.

**Related:** [RCL profits from increased freight rates, cost control in Q1](#)

In their monthly container market report, published before this week's rate numbers, analyst Maritime Strategies International (MSI), said the unexpected rally outside the "traditional" peak season had caught shippers by surprise. The increases also filtered down to secondary trades as well as the main routes.

MSI said the increase were most likely driven by a combination of the ongoing Cape Of Good Hope diversions, a stronger-than-expected demand rebound and weather delays in major Chinese ports.

"This confluence of factors is the most likely explanation for a freight rate rally outside of the "traditional" peak season but it is still too early to draw definitive conclusions. The barrage of General Rate Increases (GRIs) by major liners in April and the 1st and 15th of May have also contributed to the spot freight rate surge," MSI said.

The analyst sees US and European shippers as being in a restocking phase and that is possible that fears of supply disruption, especially in the US, during the summer months has led to a small "early peak season".

MSI expects to see further GRIs in June. Meanwhile Drewry said it expected the spike in spot freight rates to lessen in the next few months.



*Copyright © 2024. All rights reserved. Seatrade, a trading name of Informa Markets (UK) Limited.*