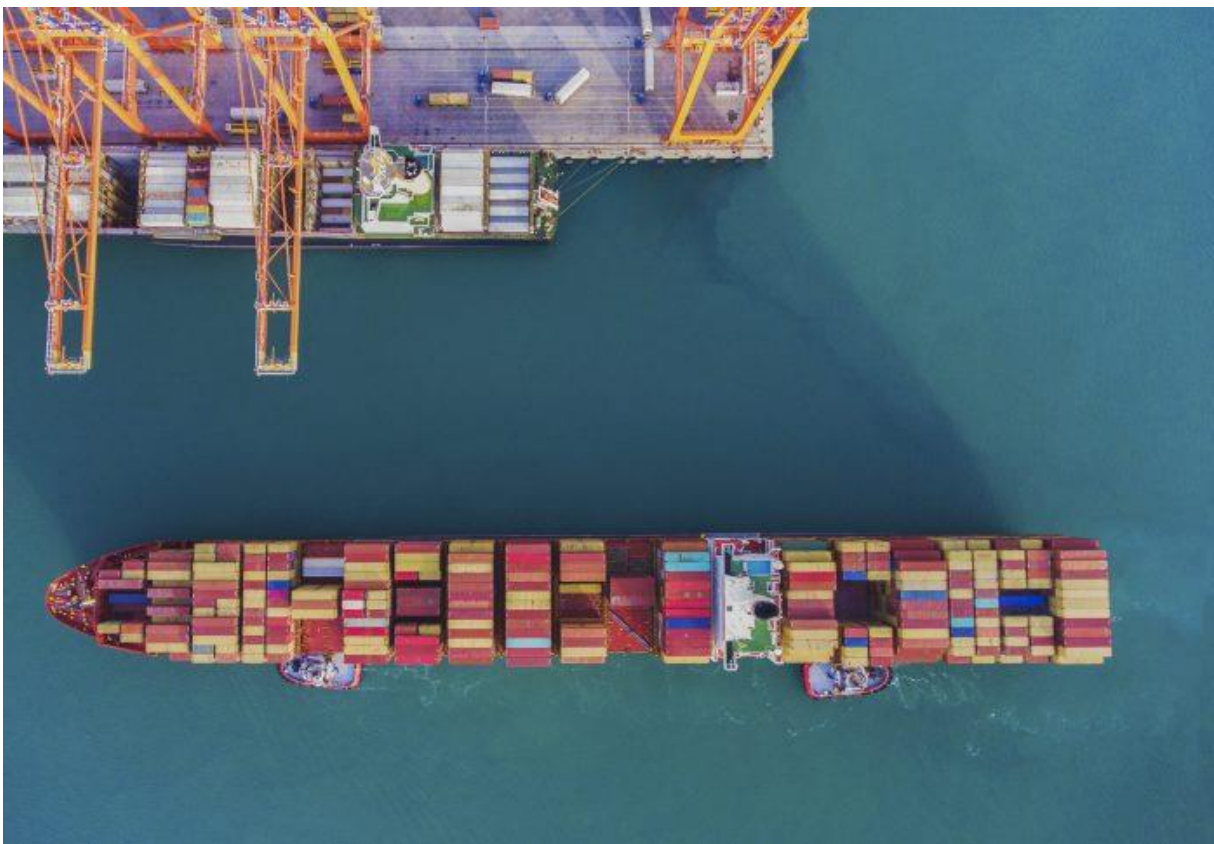
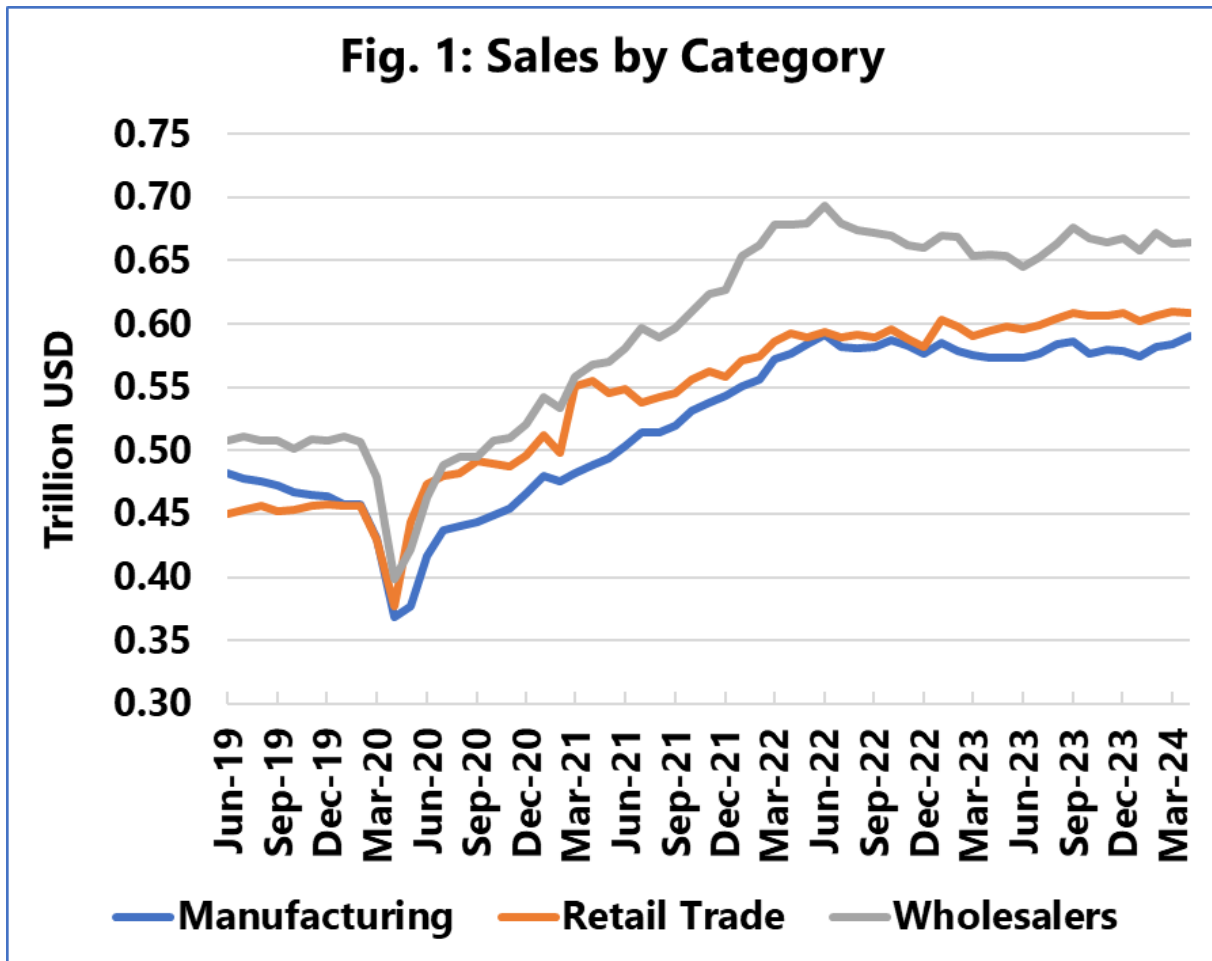


# US inventory data gave no sign of rate spike

June 27, 2024



New data from the US Census Bureau, covering sales and inventory changes in the United States up until the end of April 2024, indicates no signs of a sudden surge in container demand before the sharp increase in container spot rates in early May 2024.

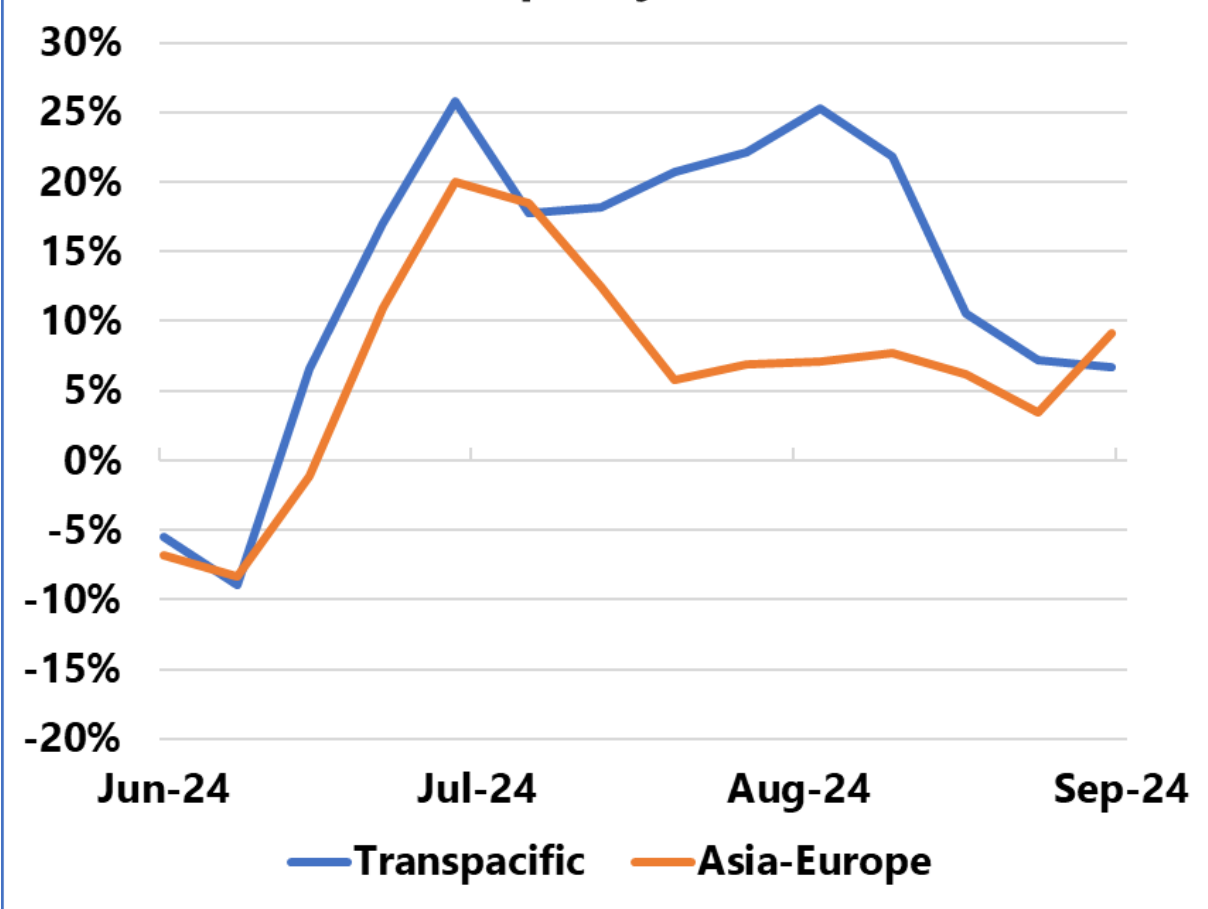


For instance, Figure 1 demonstrates that the overall trend for all three categories of US sales remained flat from the end of the pandemic through April 2024. Similarly, inventories by category and inventory-to-sales ratios show no deviations from long-term trends.

This lack of demand surge would have made it virtually impossible for carriers to proactively deploy additional capacity to prevent shortages and rate spikes. Consequently, this data challenges the notion that the recent rate spikes are solely due to carriers deliberately manipulating the market to induce such spikes.

"What we are seeing though, is that carriers are now planning to increase capacity sharply the main East/West trades, as shown in Figure 2," stated Alan Murphy, CEO of Sea -Intelligence.

**Fig. 2: Transpacific & Asia-Europe Y/Y Capacity Growth**



On the Asia-Europe route, a significant capacity increase is planned for the first two weeks of July, followed by a reduction to a year-over-year capacity growth of around 6% for the remainder of July and August. On the Transpacific route, there is not only a sharp imminent increase in capacity but also a plan by carriers to maintain this high level of supply growth until mid-August.

The success of these capacity expansions—and their ability to ease market pressure—depends on whether growing port congestion allows carriers to adhere to their planned sailing schedules.