Sea-Intelligence sees carriers as “bullish” for the peak season

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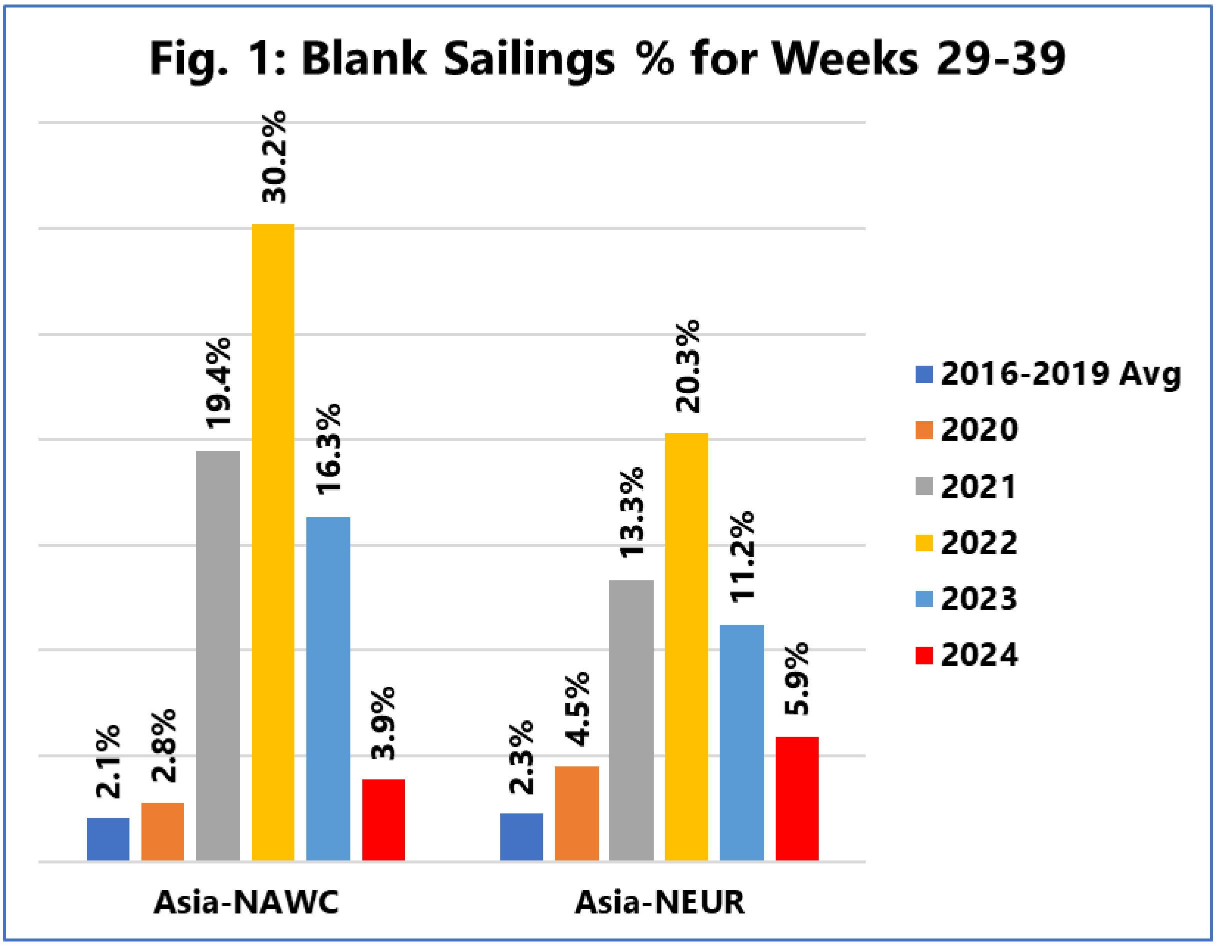
As we approach the end of the first third of the traditional container shipping peak cargo season, examining the levels of blank sailings and planned capacity deployment for the remainder of the third quarter provides valuable insights into carriers’ confidence for the 2024 peak season.

Sea-Intelligence's following graph illustrates the percentage of blanked capacity scheduled for the rest of the peak season (weeks 29-39) for two major East/West trade routes: Asia-North America West Coast and Asia-North Europe.



"Source: Sea-Intelligence.com, Sunday Spotlight, issue 674"

For the Asia-North America West Coast route, carriers have planned to blank 3.9% of the total capacity. This figure aligns closely with the pre-pandemic average and 2020 levels, though it is significantly lower than the pandemic years, during which blank sailings were necessitated by port congestion.

Capacity growth for the same weeks in 2024 is projected to be 24.6% higher than in 2023 and 10.2% higher than in 2020, which saw peak capacity deployment in terms of TEUs.

"Given this strong capacity growth and the relatively low blank sailings level, it suggests that the carriers are bullish for the peak season on this trade lane," commented Alan Murphy, CEO of Sea-Intelligence.

On Asia-North Europe, blanked capacity is slated to be 5.9% for the coming 11 weeks, which is only higher than 2020 and the pre-pandemic average, although the difference from 2020 is not that high.

In 2024, there is no year-on-year growth in deployed capacity. However, in 2023, Y/Y capacity growth on the trade was 13.1%, which was not only high relative to historical reference points, but also too high for the demand levels on the trade lane (evidenced by the falling freight rates).

Murphy pointed out, "The fact that carriers are willing to maintain that level of elevated capacity on Asia-North Europe in 2024, coupled with the relatively low level of blank sailings, indicates the carriers have a confident strong outlook for the peak season on Asia-North Europe."