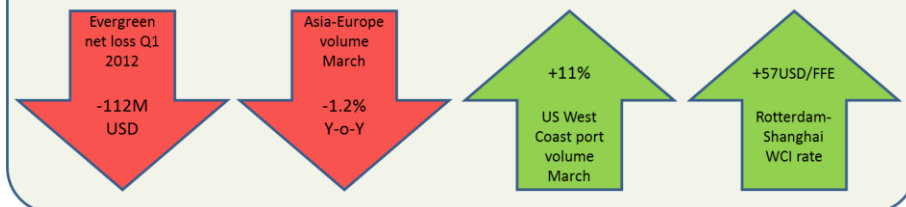


# SUNDAY SPOTLIGHT

6 MAY 2012, ISSUE 59

## SEAINTEL MARITIME ANALYSIS

Indicators from the week 30 Apr – 6 May 2012



Fundamental Container Shipping Training Course. 10 sessions, only 499 Euro. **New classes from 15 May.**

## RATE DEVELOPMENTS

The carrier push continues – but momentum appear to wane, and 0% success on Pacific EB on May 1<sup>st</sup>

The container carriers have been highly successful in implementing significant rate increases during the first 4 months of 2012. Given the financial losses sustained in 2011 and Q1 2012 for most of the carriers, there is no doubt that significant increases were needed in order to restore profitability.

This week we take a closer look at a number of key questions related to the rates increases on the two major trades from Asia to Europe and North America. We take a closer look at the rate developments as they appear when they are corrected for the effect of BAF – this provides a better insight into the actual rate developments once the rapidly increasing bunker costs are taken out of the equation.

Furthermore, we take a look at how effective the carriers have been in achieving the increases they have been requesting on each of the two main trades.

Finally, we take a look at whether the momentum the carriers have had in applying rate increases are likely to continue or whether we are getting to the end of the streak of increases. From the perspective of

### The test – part 2

Last week we mentioned the test of discipline facing the carriers, as steadily increasing capacity is not matched by demand growth – and yet rate increases are announced in order to restore profitability. We have therefore chosen to devote a significant part of this week's Spotlight to quantifying the actual success rate the carriers are having. Despite perception of high success rates, the numbers clearly show this was mainly the case earlier in 2012, but now the success rate is beginning to wane.

### Content

- 1...Rate developments
- 7...Inventory correction?
- 11...X-Press Feeders
- 13...Service changes

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