Market update

DSV Air & Sea

February 2024

DSV Global Transport and Logistics

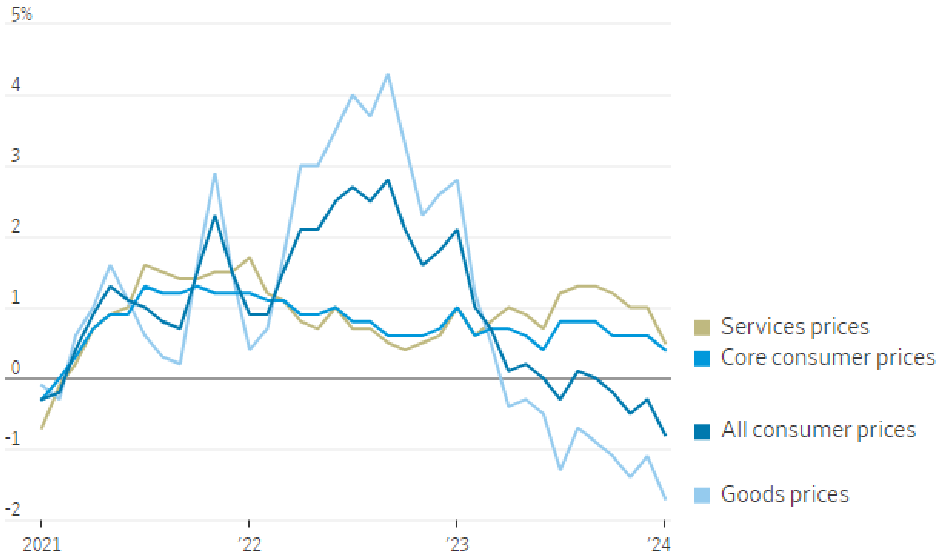
General update

China, Deflation Tightens Its Grip

Deflation is becoming more entrenched in China, with consumer prices falling in January at their steepest pace in more than 14 years

- The latest data suggest China faces a growing risk of slipping into a longer-term spell of falling prices that becomes harder to reverse the longer it lasts.
- That presents a special challenge for the rest of the world. While cheaper goods from China might help ease inflation elsewhere, it means the global economy can also expect a flood of cut-price imports as Chinese factories search out buyers overseas for products they can't sell at home. That risks squeezing other countries' domestic manufacturing, stoking already acute tensions over trade between China and the U.S.-led West.
- Consumer prices fell 0.8% in January compared with a year earlier, China's National Bureau of Statistics said Thursday, the biggest annual decline since September 2009
- Core consumer-price inflation, which excludes volatile prices for food and energy, slowed to a 0.4% annual rate from 0.6%.

Indexes of inflation, year-over-year change



Note: Core consumer prices exclude food and energy
Source: Haver Analytics

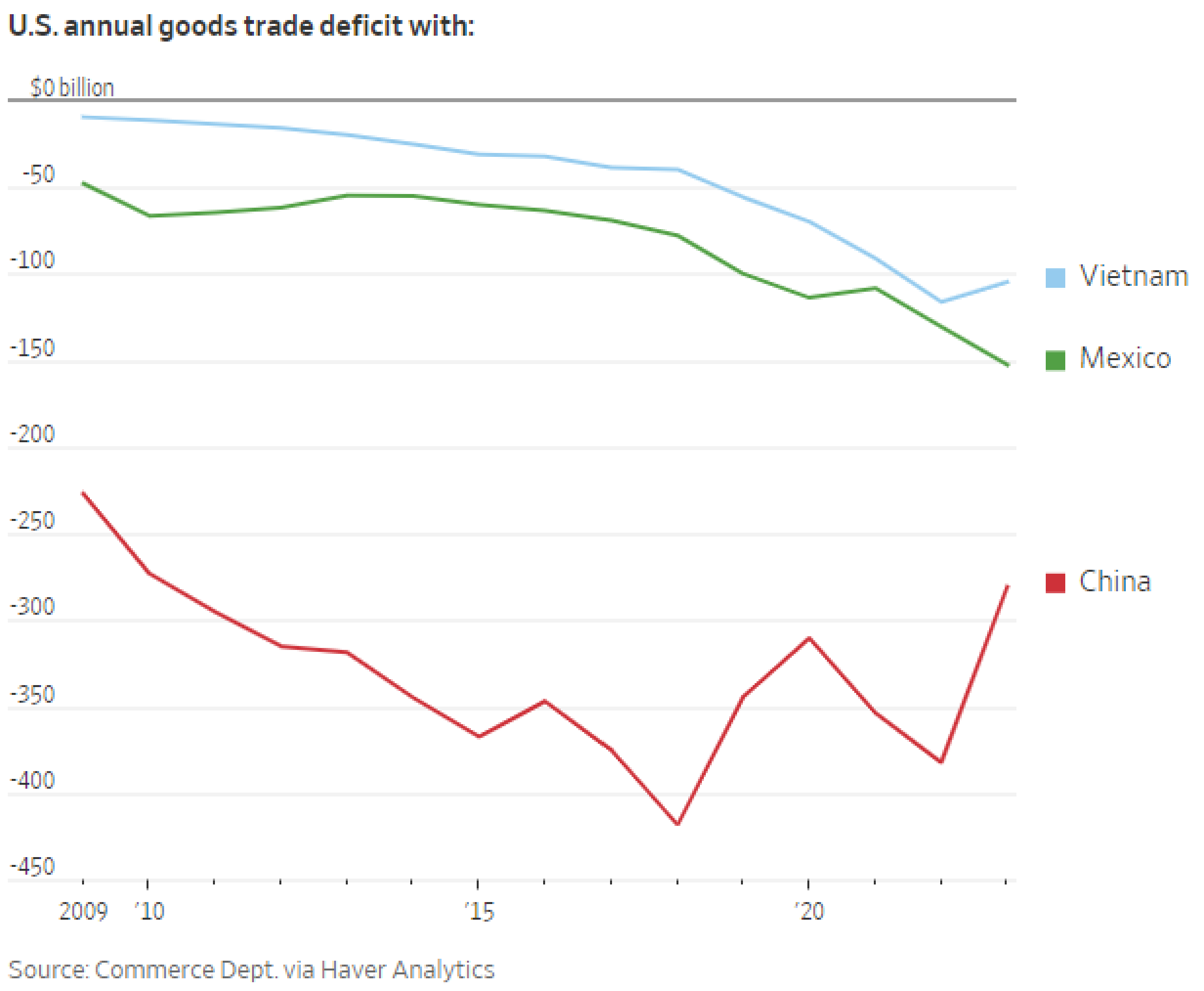
The U.S. trade deficit with China fell last year to its lowest in over a decade.

- Last year, the overall U.S. trade deficit in goods shrank to $1.1 trillion from $1.2 trillion in 2022, the Commerce Department. As a share of gross domestic product, it fell to 3.9%, the lowest in over a decade.

- Most of the reduction came via the gap with China. This dropped by more than $100 billion to $281 billion last year, the lowest since 2010.The rapid cooling of price increases has raised hopes of a soft landing, where inflation can be tamed without a surge in unemployment or a recession. .

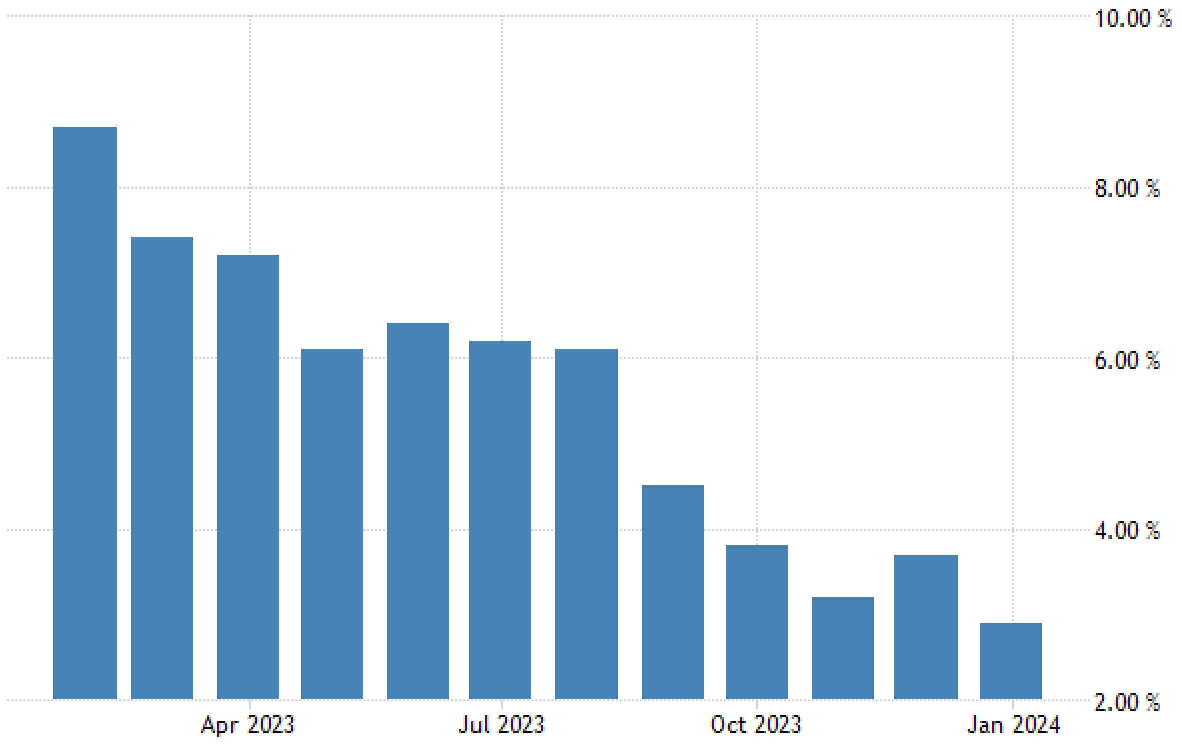
- One reason the deficit shrank is that U.S. importers might have overordered in 2022, leading to swollen inventories and less imports in 2023 even as consumption stayed strong.

- The shrinking trade deficit overstates how much the U.S. has reduced its consumption of Chinese-made products. As the trade war heated up, many manufacturers began moving production to other countries to avoid U.S. tariffs. So the U.S. trade deficit with Mexico leapt to $152 billion last year, more than double the 2017 figure. The U.S. last year imported more from Mexico than China for the first time in at least 15 years. The deficit with Vietnam ran at $105 billion last year, almost triple the level of 2017.

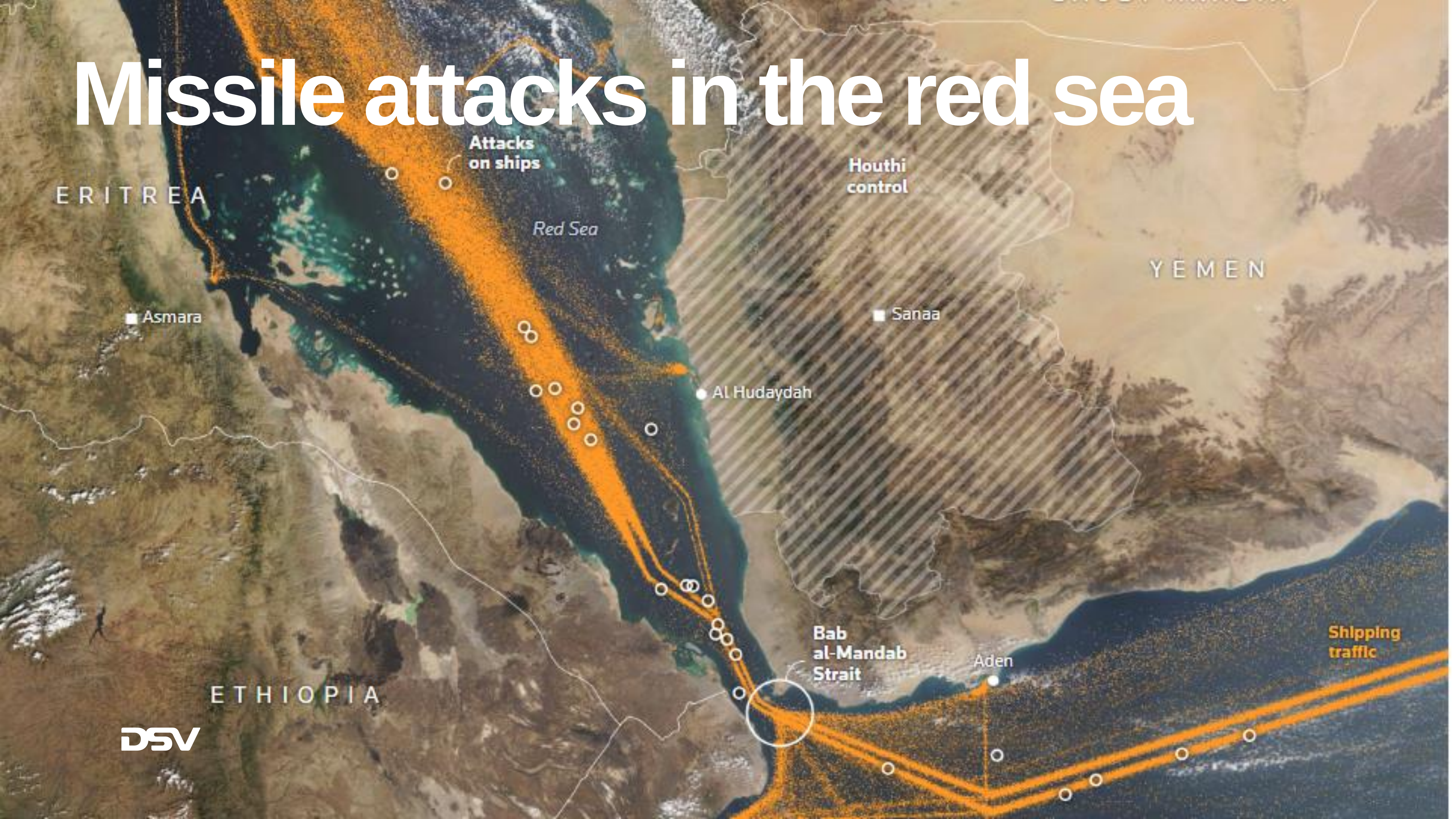


German Inflation Falls Again, Likely Pushing ECB Closer to Rate Cuts

- German inflation fell in January to its lowest level since June 2021, dragged down by falling energy prices, likely leading to further calls for the European Central Bank to start cutting rates sooner.
- Consumer prices were 2.9% higher in January than the same month a year earlier, compared with 3.7% in December,
- The lower rate was driven by energy prices, which were 2.8% lower than at the same point a year ago, despite the introduction of a new carbon tax. In December, inflation had rebounded thanks in part to resurgent energy costs.
- That could lead to more prominent calls for the European Central Bank to cut rates. Money markets are currently pricing in a first rate cut in April, although the bank’s President Christine Lagarde said at last week’s monetary-policy meeting that it was premature for policymakers to be discussing cuts.
- In other data released this week, French inflation ticked down to 3.4%, but Spanish inflation unexpectedly rose to 3.5%.

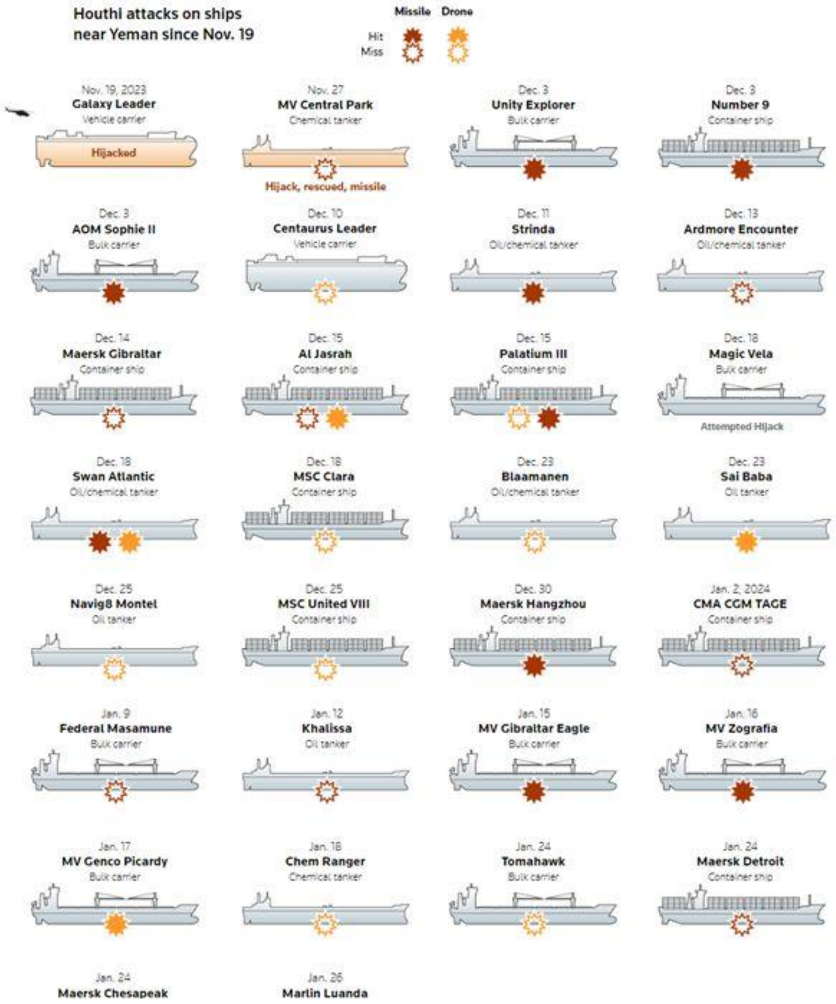


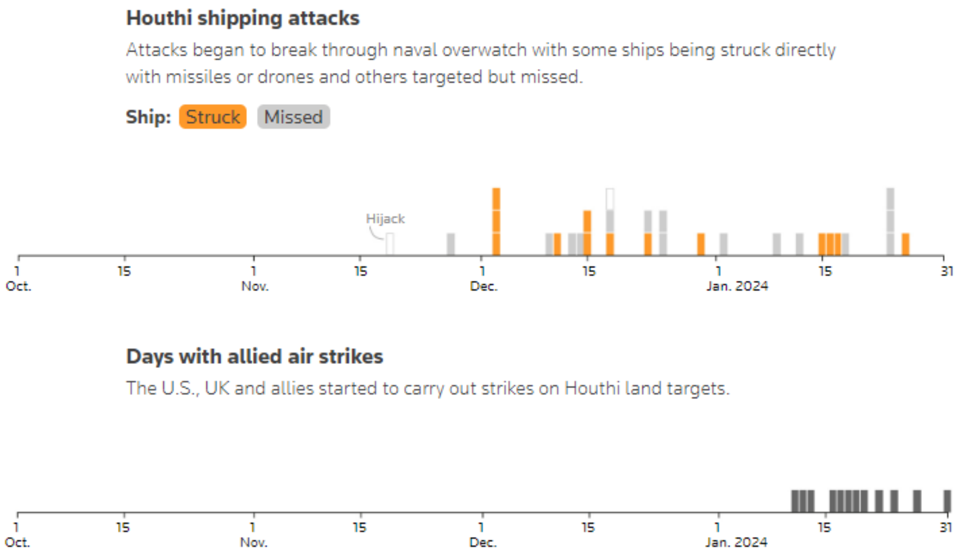
Missile attacks in the red sea



Summary of Houthi attacks

Many of the Houthi attacks have been on container vessels and dry bulk carriers





- On Jan. 26, the Marlin Luanda oil tanker - operated on behalf of international commodity trader Trafigura - was hit by a Houthi anti-ship missile in the Gulf of Aden, causing a fire that lasted several hours.
- While no casualties were reported, the incident was the most destructive of the crisis so far, shipping and insurance sources said..

Red Sea blockade ripples container volumes though Suez canal

- The ongoing crisis in the Red Sea is having a profound impact on the southern Israeli port of Eilat, one of the country's most critical trade ports. The port has experienced around 3 billion U.S. dollars in direct economic losses as its key import and export business has been brought largely to a halt by repeated long-range missiles being fired by Yemeni Houthi armed forces.
- Red Sea usually accounts for 15% of total global sea trade, incl. 8% of grain and 12% of seaborne oil trade
- In early January container flows through Red Sea were 70% below usual volumes

Source: Bloomberg

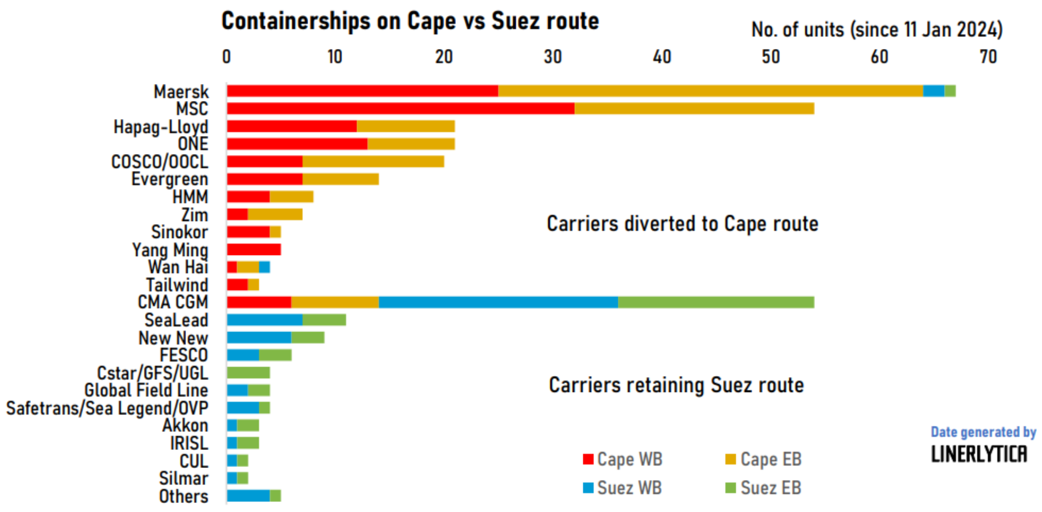
CMA CGM reroutes from Red Sea to Cape due to Houthi threat

Most of all containerships on Suez route have diverted to the Cape of Good Hope

Updated Carrier overview as per 09 February 24

Red Sea / Gulf of Aden Shipping crisis — Update 09.02.2024

	Routing via Cape of Good Hope	Comments
MSC	Y	New services from West Mediterrean to offer Red Sea ports
Maersk	Y	New services from Persian Gulf to Europe
CMA CGM	Y	Confirmation that services will be routed via Africa going forward
Cosco	Y	All Israel port suspended, Some Africa / Local services served via Red Sea
Hapag-Lloyd	Y	New service via Tangier to serve Red Sea ports
ONE	Y	
Evergreen	Y	All Israel port suspended
HMM Co LTD	Y	All Israel port suspended
Tang Ming Marine	Y	
ZIM	Y	

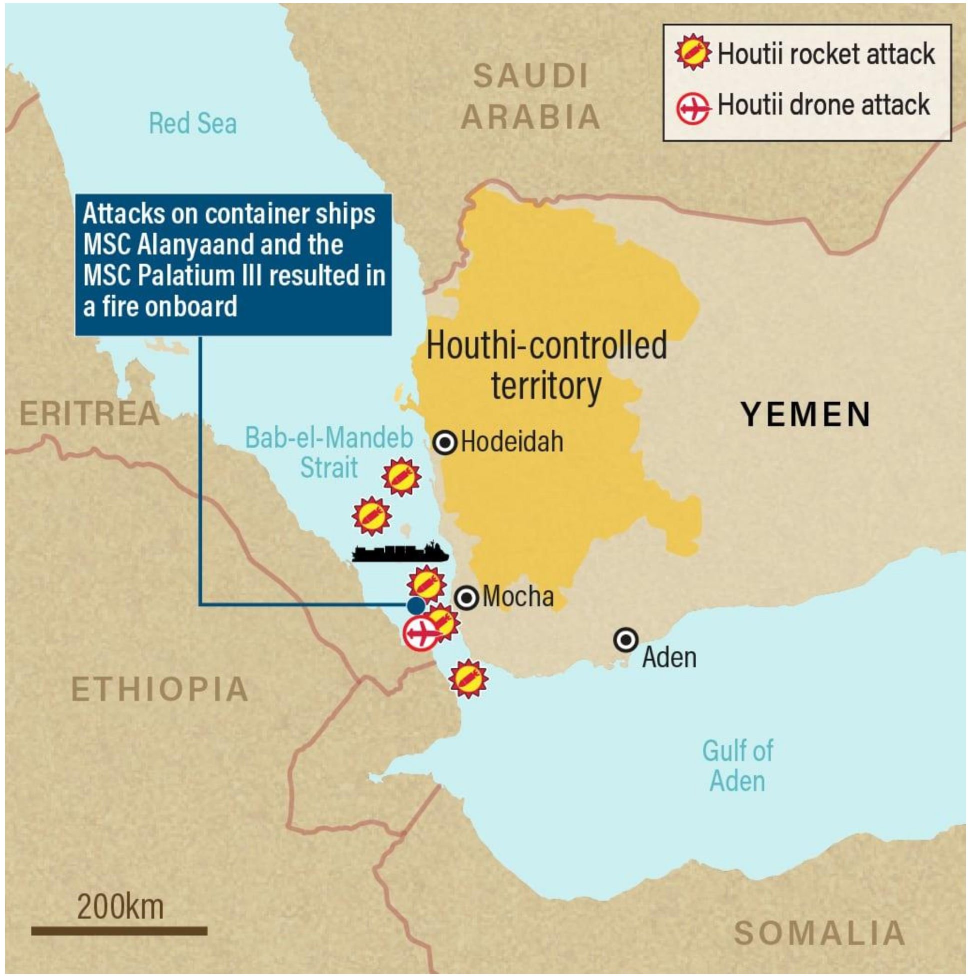


- Maersk has withdrawn all of its ships on the Gulf of Aden including its US flagged ships on the MECL service connecting India/Middle East with the US East Coast following rocket attacks on 2 of its ships on 23 January.

- CMA CGM informed that as from February 1st, 2024 and until further notice, all services initially routed via the Red Sea passage will now follow the Cape of Good Hope routing.

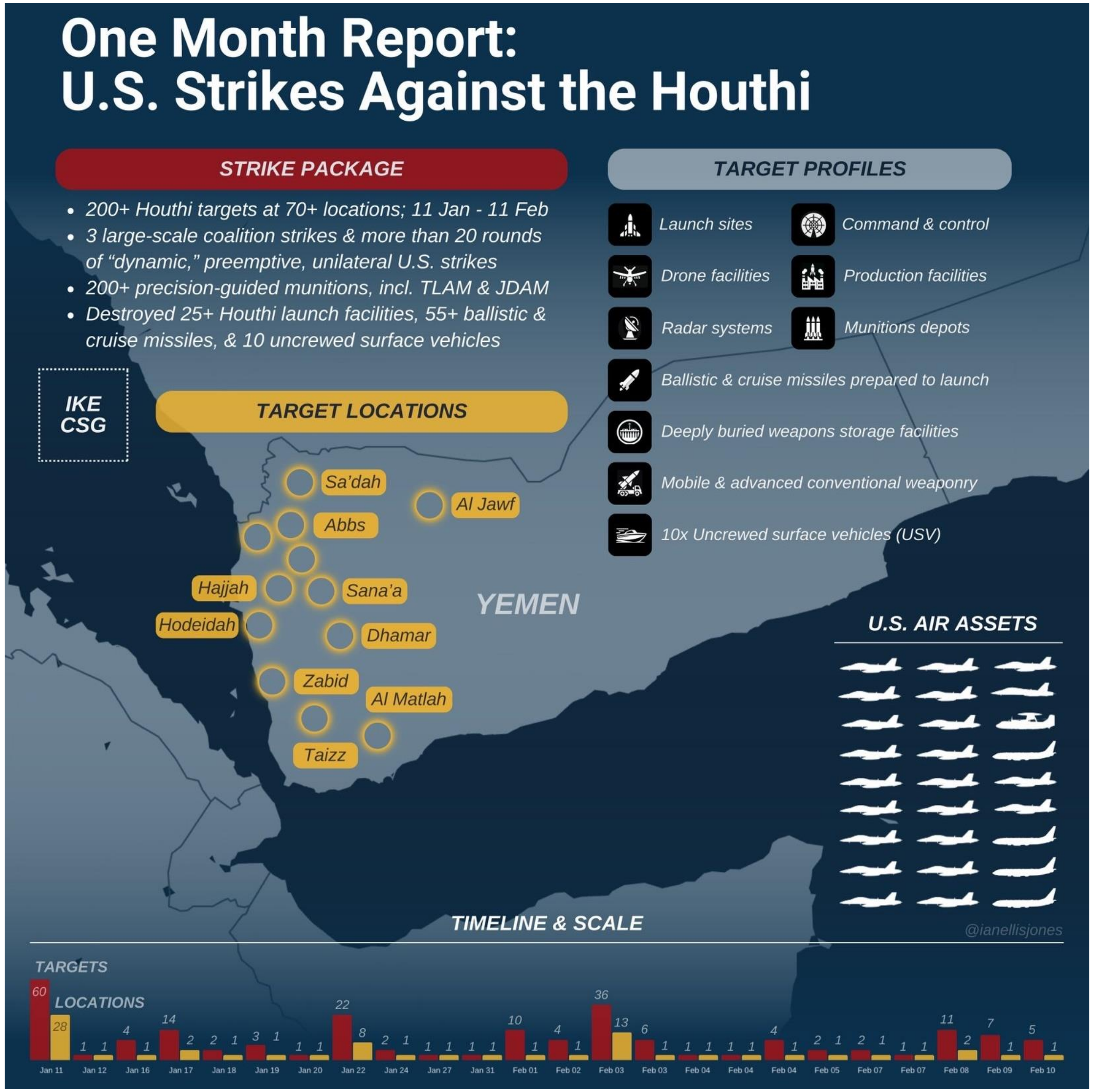
Source: Linerlytica & DSV

Marine insurers not planning to pull cover for Red Sea transits



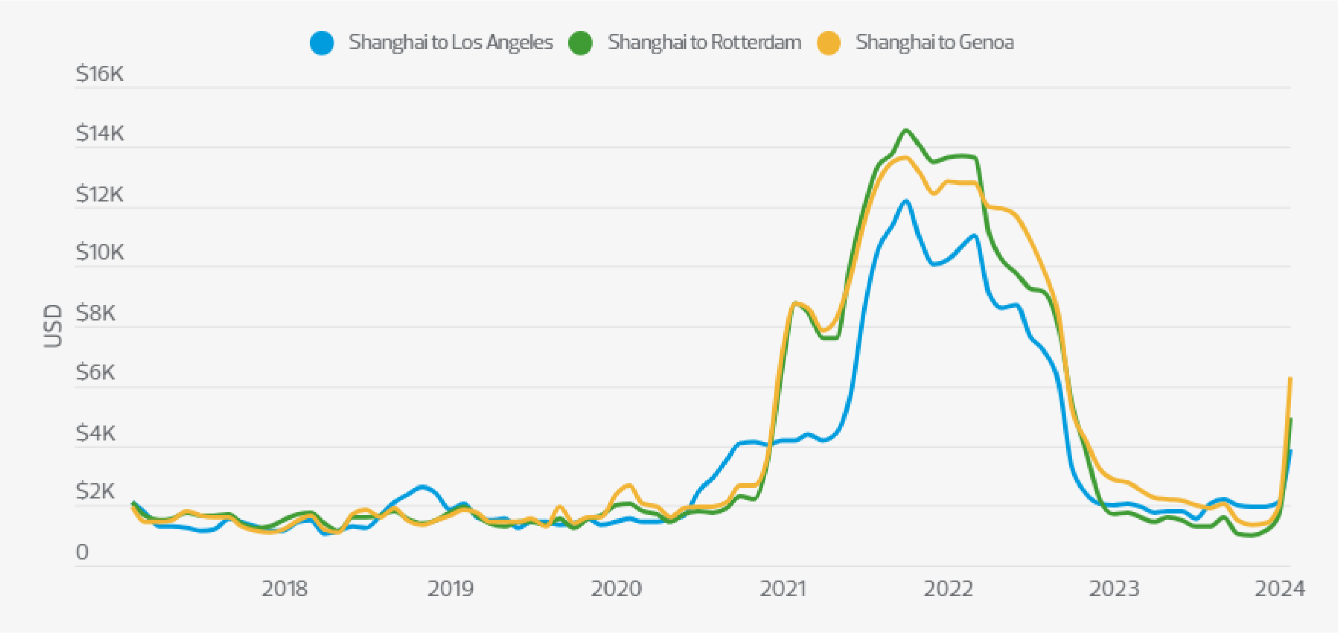
- While insurance rates were still below those of the Black Sea, they are now at a similar level, taking into account the rate varies by ship with some owners benefitting from no-claims discounts.
- For shipowners, it is a risk-reward equation to work out; the chance of injury or the ship sinking,
- There are still risks for US and UK assets, while any vessel in the area can be hit as an unintended consequence, armed guards on ships will have limited use against missiles and drones

US launches more strikes against Houthis in Yemen



- The US is planning more steps in its response to the attack in Jordan
- The US, with help from the UK, also launched air strikes against Houthi targets in 13 places across Yemen, in an attempt to stop the group's attacks on international shipping
- The Houthis, who are also backed by Iran, have been targeting commercial vessels in the Red Sea since November, in response to the war in Gaza. The Houthis have vowed to respond

How attacks on Red Sea shipping might affect inflation

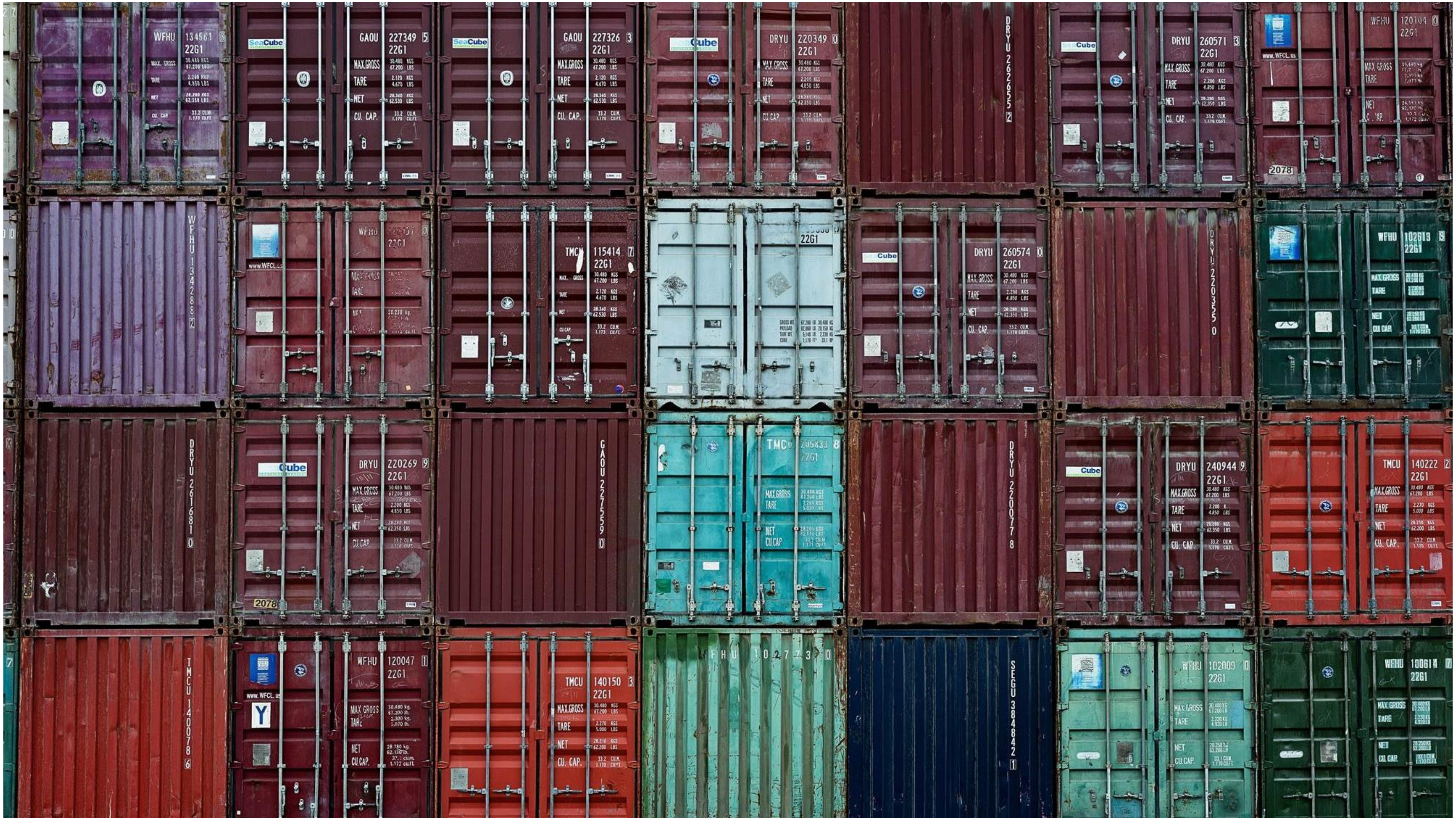


Source: Drewry; Bloomberg; RSM US LLP

*Drewry index cost of shipping a 40-foot container

- The biggest impact on prices, though, will be for low-value bulky goods that rely on low-cost shipping.
- The best estimate is that higher shipping costs could add between 0.2 and 0.7 percentage points to inflation in the UK and Europe. This impact is likely to be more muted in the United States, though that could change if the situation deteriorates.
- Commodity markets, though, have started to react. Oil prices have risen, and although they are also well below levels seen in the second half of last year, a disruption to oil or natural gas supplies is the most significant risk to the major industrial economies.

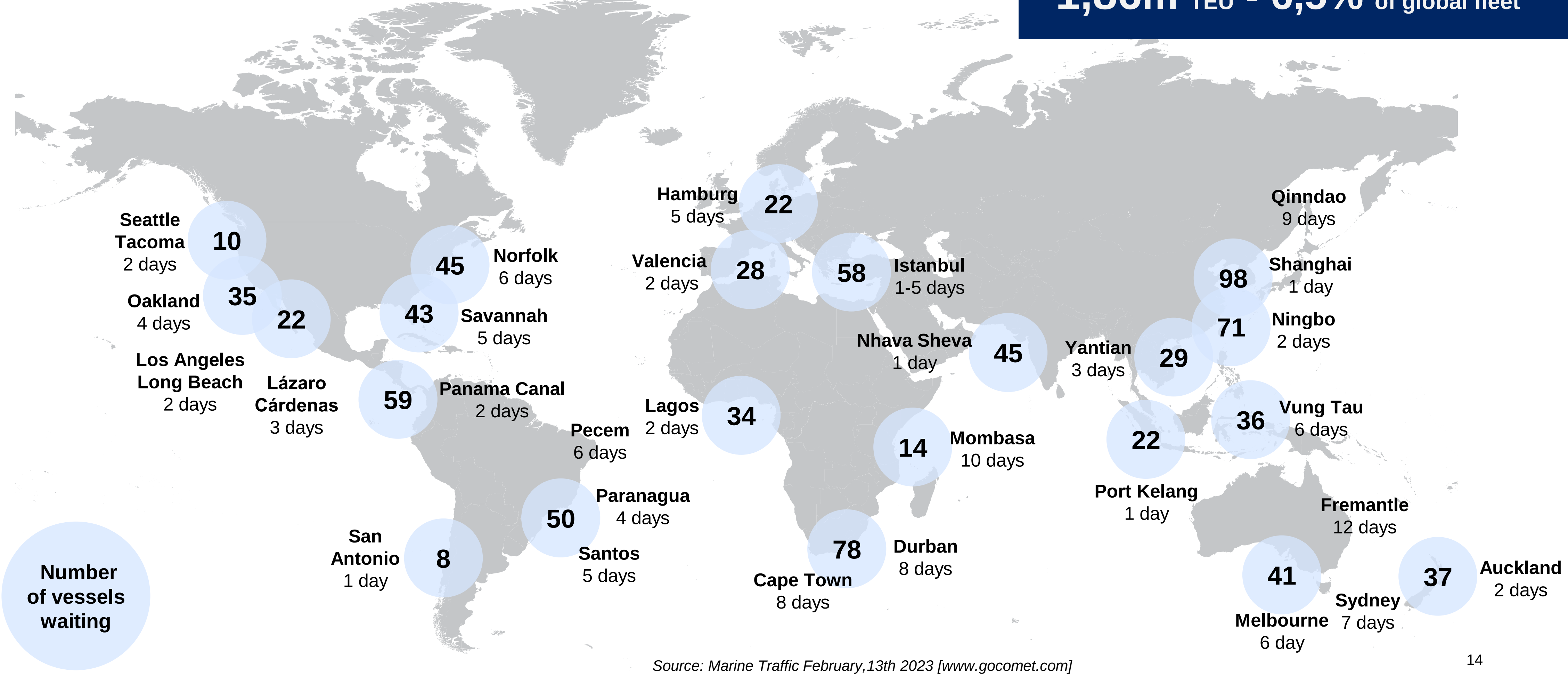
Port Congestion



Global port congestion

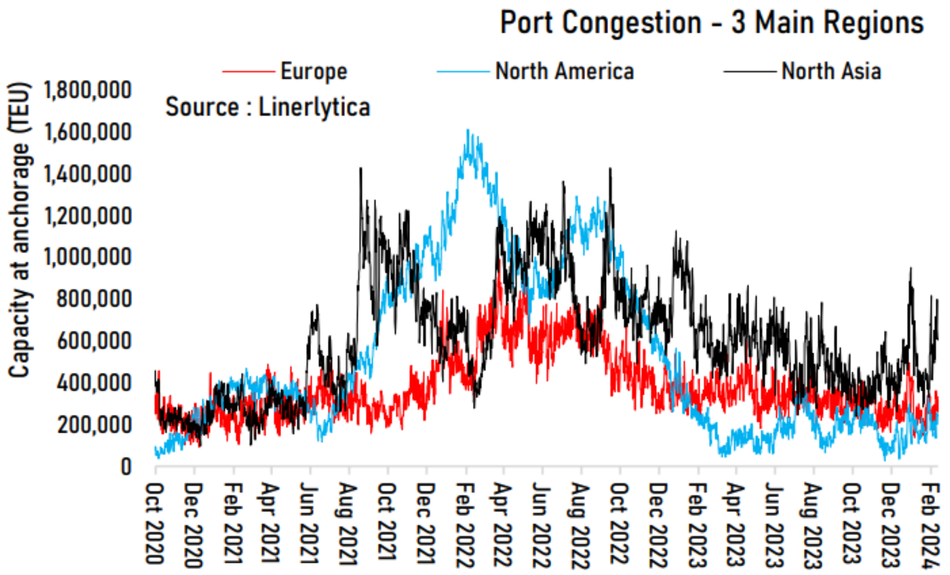
Port Congestion Week 07

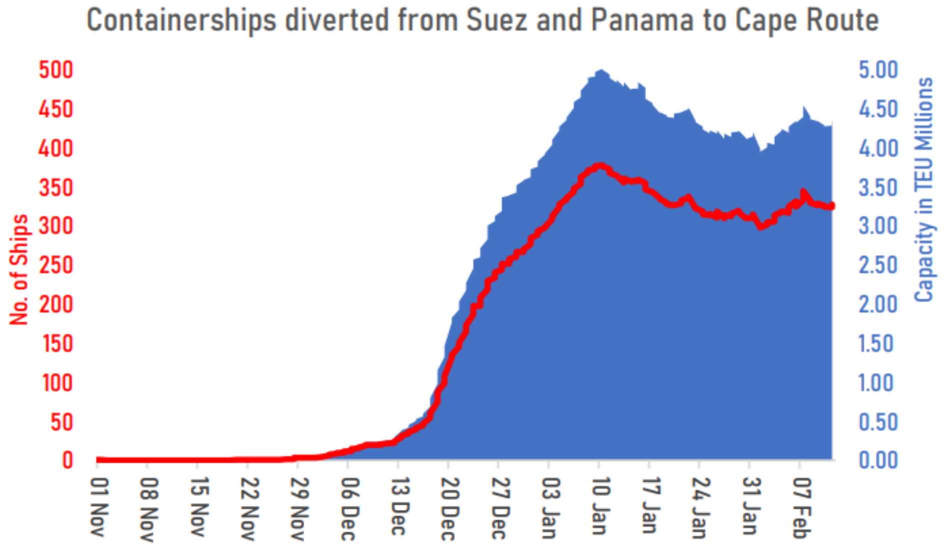
1,86m TEU - 6,5% of global fleet



Source: Marine Traffic February,13th 2023 [www.gocomet.com]

Global port congestion picked up last week with rising waiting times





- Global port congestion picked up last week with rising waiting times observed in Chinese ports ahead of the Chinese New Year, with the longest delays seen at Ningbo where waiting times have stretched to 3 days, with shorter delays seen in Qingdao, Shanghai and some of the main Pearl River Delta ports.

- Delays at Australian ports remain high at up to 10 days at Brisbane, with slightly shorter delays also seen at Melbourne and Sydney.

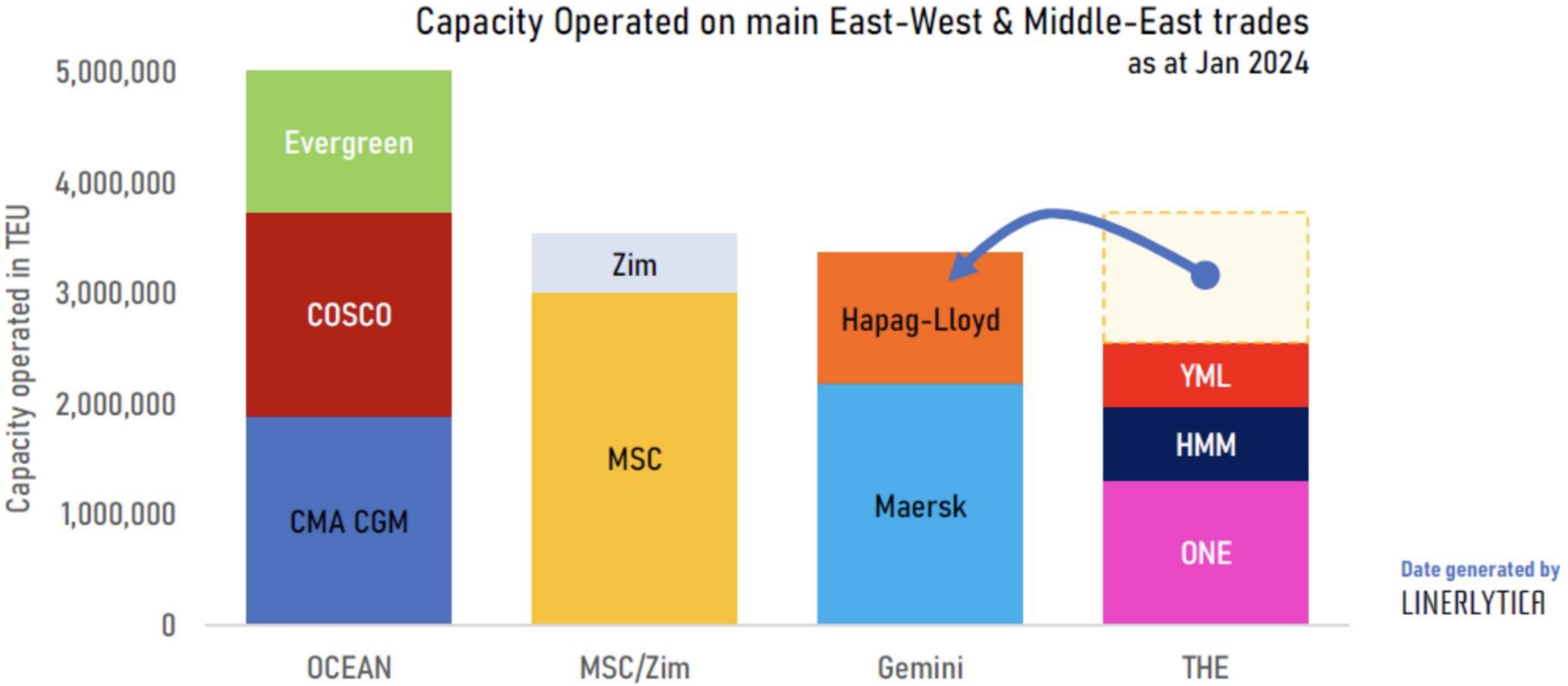
- Congestion at North American ports is limited with LA/LB and NY/NJ largely congestion-free. Delays are still recorded at Oakland and Seattle-Tacoma in the West Coast coast (up to 5 days) and Savannah and Houston (up to 3 day).

- Diversions to the Cape route has seen a minor rebound increase since the end of January due to CMA CGM’s decision to cease their Red Sea passages. Overall capacity on the Cape route is expected to remain stable at around 330 ships for 4.3m teu in the coming weeks.

Source: Linerlytica (Feb 2024)

Ocean update

Potential changes in current carrier set up



Source: Alphaliner (Jan 2023)

Is the formation of the Gemini Cooperation between Maersk and Hapag-Lloyd a new era ?

Asia to North Europe Services

AE1	AE2	AE3	AE5
Shanghai	Ningbo	Shanghai	Qingdao
Yantian	Shanghai	Ningbo	Yantian
Tanjung Pelepas	Tanjung Pelepas	Tanjung Pelepas	Tanjung Pelepas
Rotterdam	Port Tangier	Algeciras	Felixstowe
Hamburg	Wilhelmshaven	Felixstowe	Bremerhaven
Felixstowe	Bremerhaven	Rotterdam	Hamburg

Asia to Mediterranean Services

AE11	AE12	AE15	TP16
Shanghai	Ningbo	Yantian	Nansha
Yantian	Shanghai	Tanjung Pelepas	Yantian
Tanjung Pelepas	Tanjung Pelepas	Jeddah	Vung Tau
Port Said	Port Said	Port Said	Tanjung Pelepas
Barcelona	Rijeka	Izmit	Port Tangier
Valencia	Koper	Istanbul	
Genoa			

Source: Seatrade Maritime

- In view of capacity, **Maersk will contribute with 60%, while Hapag Lloyd contributes with 40%**. The combined services are focusing on the East-West trades, where the North-South and intra-regional trades, stay in the autonomy of each of the carrier.

- A **hub and spoke network** is not an entirely new concept, but it has never been implemented in the way that Maersk and Hapag-Lloyd intend to do. They come with something new, completely different from the usual alliance networks

- The main goal is obviously to achieve excellent **reliability**. By **limiting the number of calls** and having the ships mainly handled by owned terminals, you are taking out many causes for potential delays..

- In Hapag Lloyd’s view its Gemini Cooperation network will help to **improve services** and clearly differs from other offers in the market.

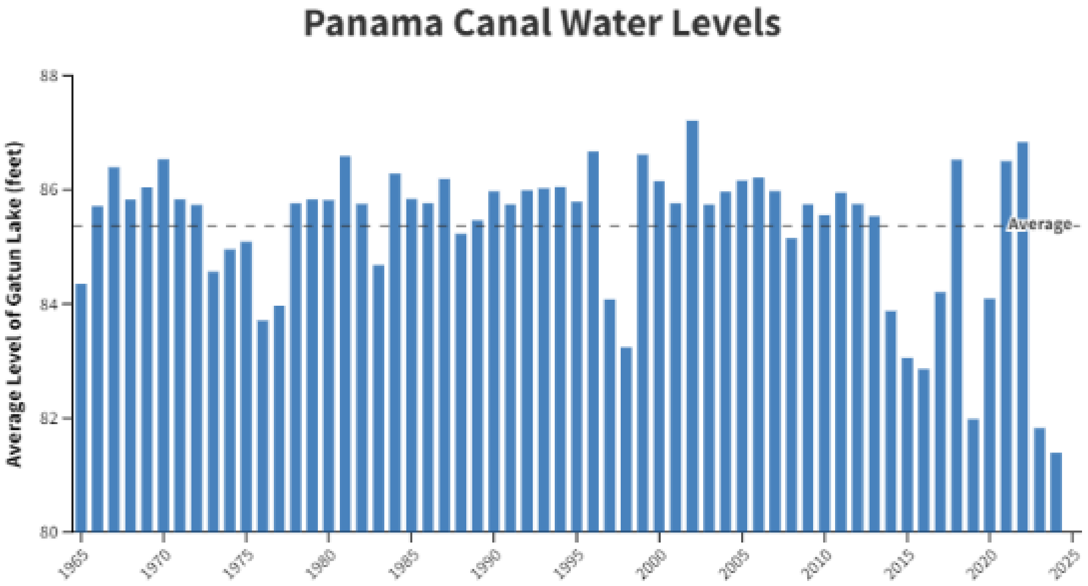
Water level projections threaten future Panama Canal transits

The Panama Canal forecast 24 daily transits in January, up from 20 previously expected for January and 18 previously expected for February.

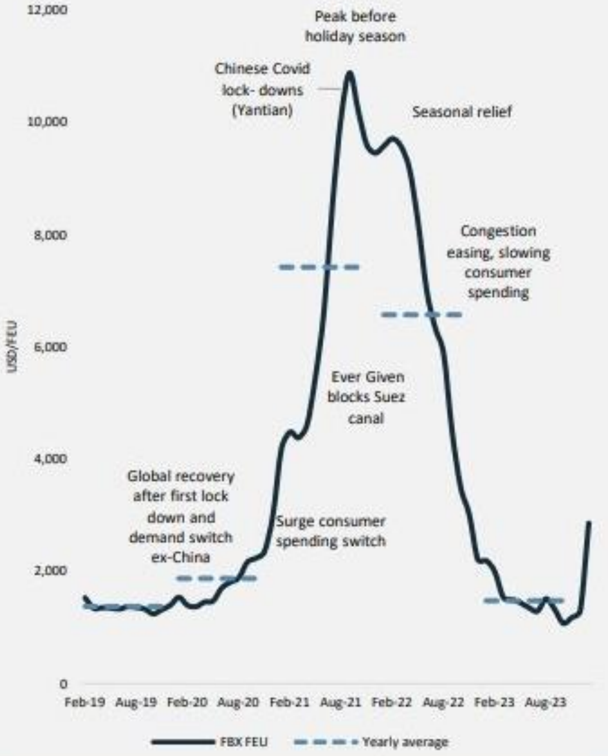
The water levels within the Panama Canal are largely to blame, but any hope for a significant rebound in water levels to boost throughput will likely be met with a harsh reality over the next few months.

The water levels are going to remain a challenge that has the potential to continue to derail vessel throughput. Gatun Lake, the manmade lake that vessels must traverse, had water levels at 81.2 feet as of Tuesday. Water levels in this critical portion of the canal have started 2024 at the lowest level on record, dating back to 1965. Projections are for even lower levels over the next two months, falling below 80 feet in early April.

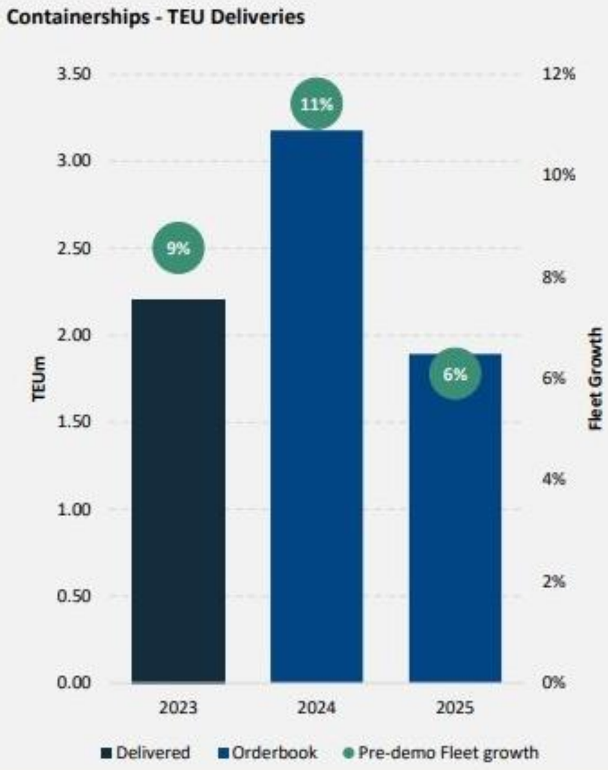
Three of the largest five ports in the U.S. rely on shipments that navigate through the Panama Canal: the Port of New York and New Jersey, the Port of Savannah, Georgia, and Port Houston. Over the past month, these three ports combined to handle 30% of total twenty-foot equivalent unit throughput. For reference, the two largest ports in the country: the Port of Los Angeles and the Port of Long Beach, accounted for 32% of the total U.S. throughput.



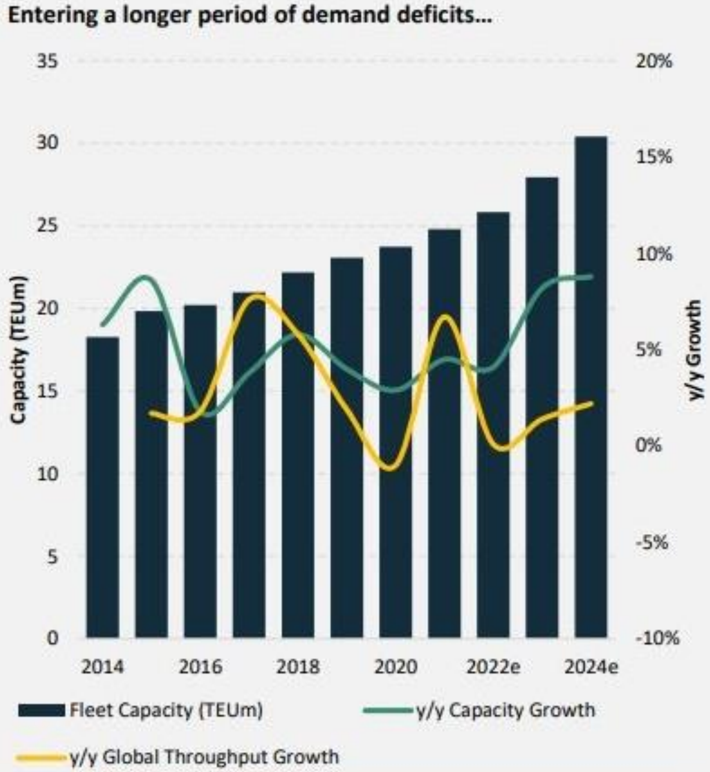
Global market: It is expected an oversupply market, it also depends on how long the Res Sea Crisis lasts



Rates "normalized", now the spike is all depending on the duration of Red Sea Crisis



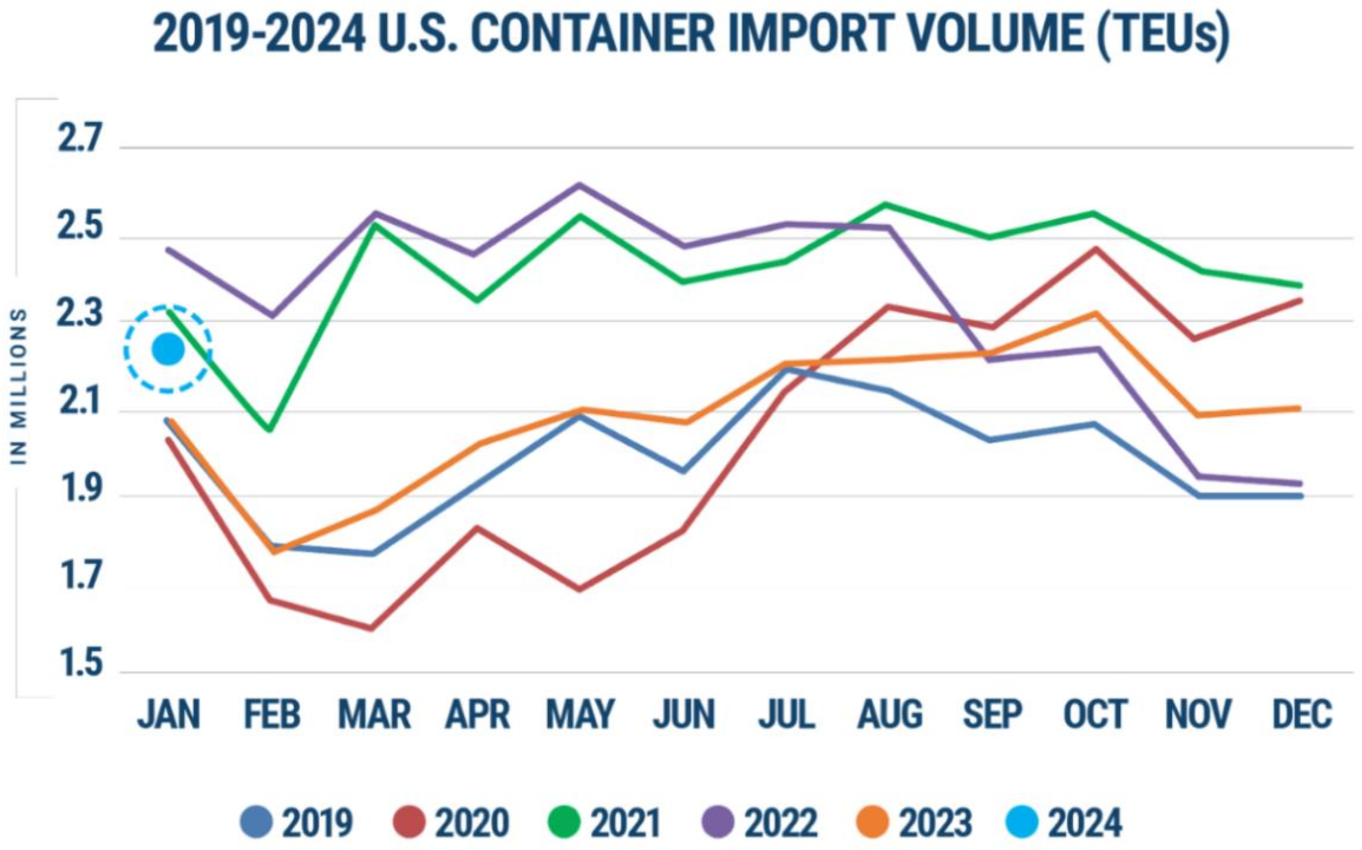
...As the capacity additions continue to pressure markets + macro risks



...Entering longer period of demand deficits (ex. Red Sea Crisis) – NB orders continues as well...

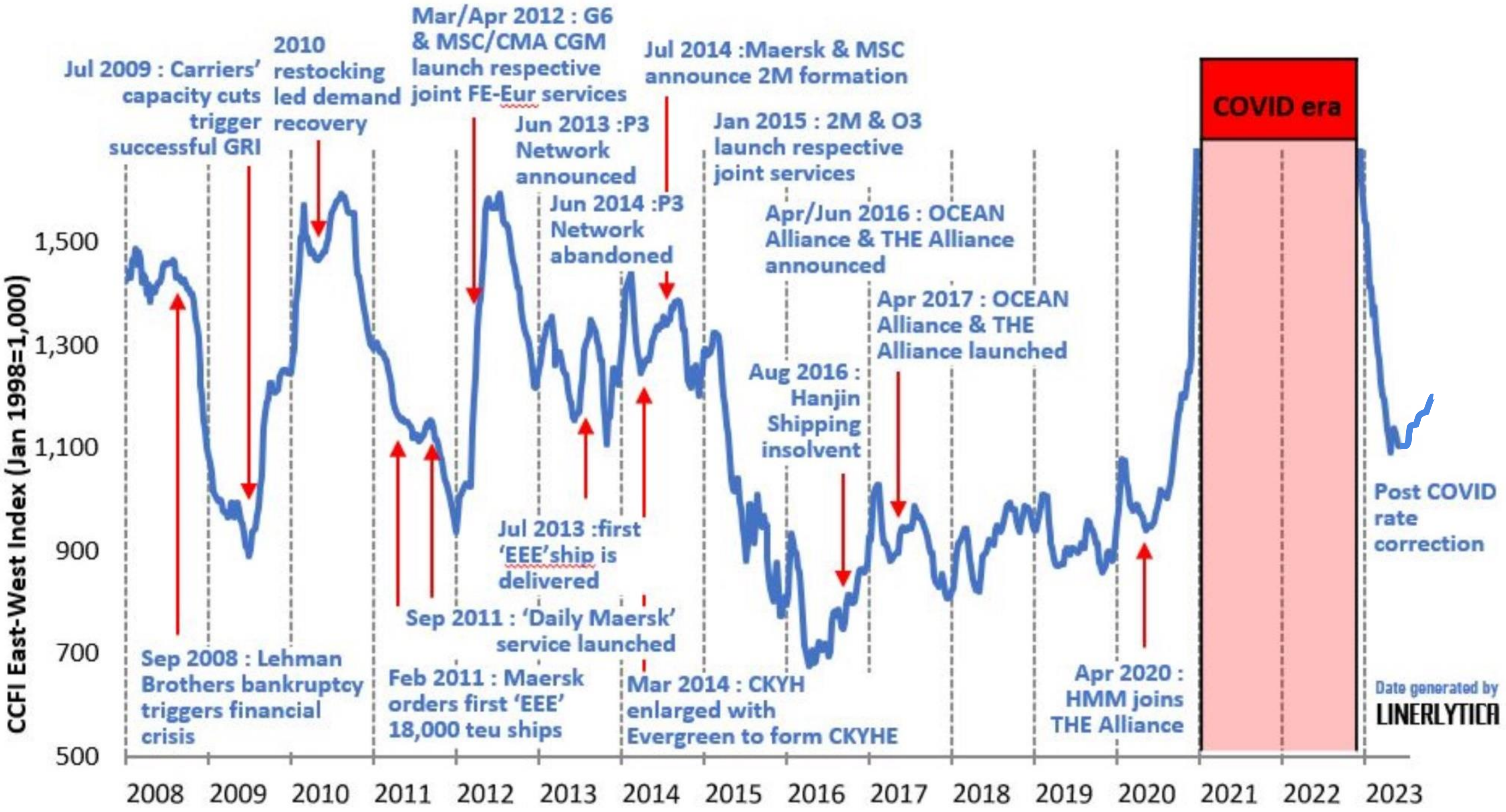
Source: FBX, Alphaliner, Fearnleys, SIN

US: Despite dim outlook, January imports grew at fastest pace in 7 years



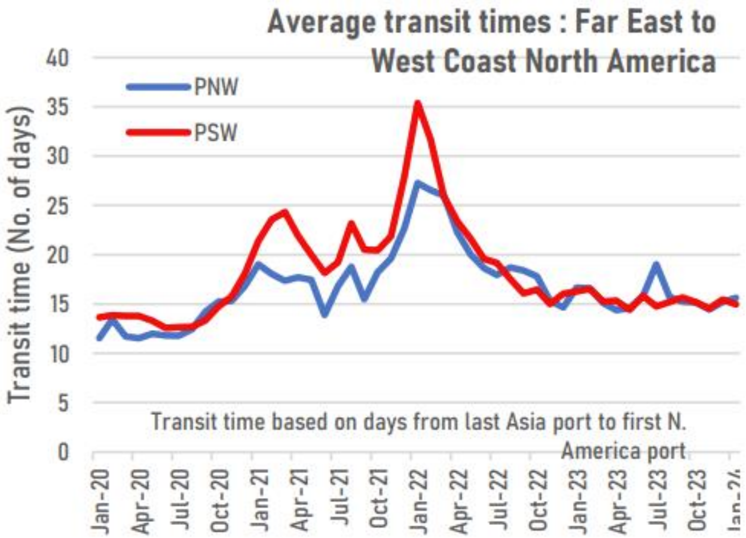
- The U.S. imported 2,273,125 twenty-foot equivalent units of containerized goods in January, up a surprising 7.9% from December and 9.9% year over year, said Descartes. This 7.9% gain marks the largest month-over-month growth for January since 2017.
- January is not typically the most active month for containerized imports, though it does benefit from the run-up to China's celebration of Lunar New Year. During the two-week holiday, which began on Saturday, nearly all manufacturing plants and port facilities shut down.
- In the weeks leading up to Lunar New Year, then, there is a rush to get goods from China closer to their final destinations. A 14.9% m/m rise in Chinese imports indicates seasonal trends are playing out as usual, very much unlike 2023's anemic performance.
- It stands to reason that West Coast ports would benefit most from this surge of Chinese imports, as in fact they did. There were some other bright spots on the East Coast, albeit at smaller ports like that of Norfolk, Virginia, where volumes rose 6,087 TEUs or 5.1% m/m, and Baltimore, which saw TEUs rise 1,558 for a 3.4% m/m gain.

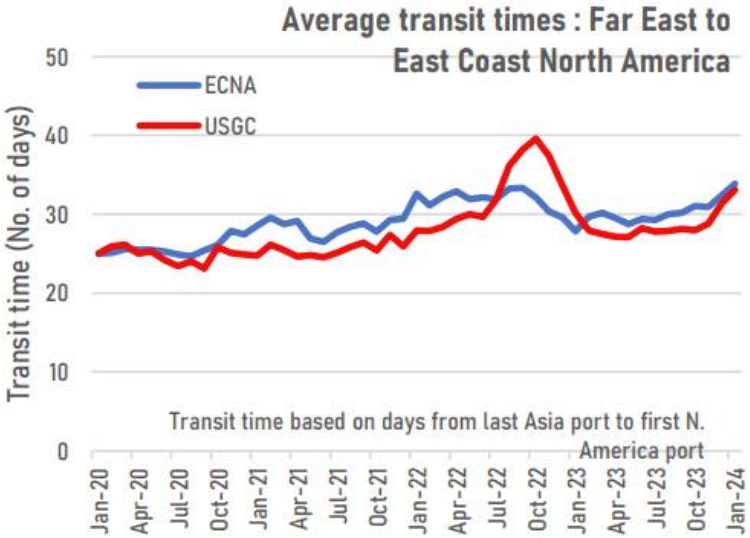
Container freight market has entered a new era of volatility

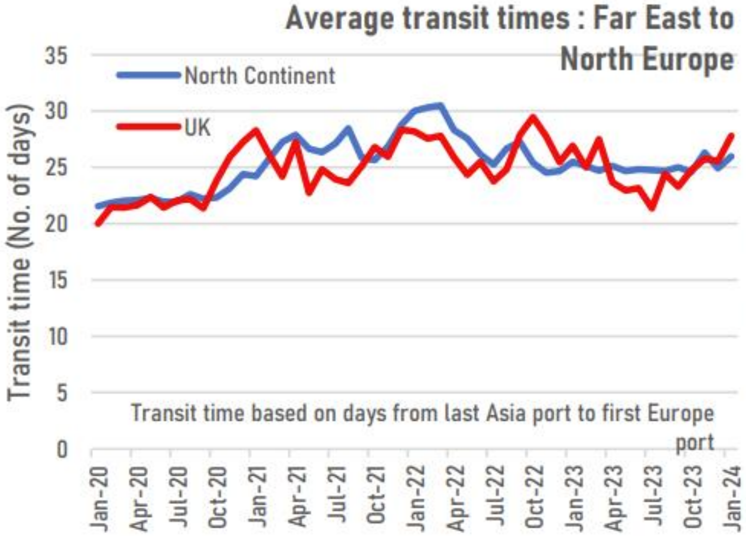


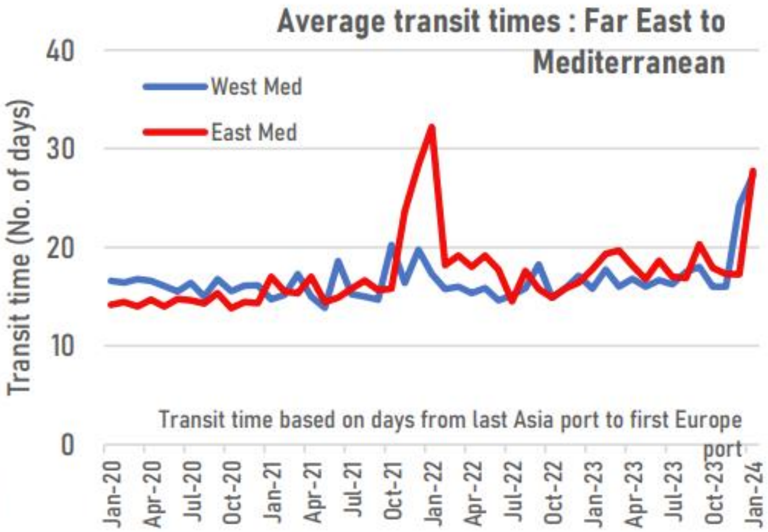
- After the red Sea events the CCFI is averaging 1,250 YTD in 2024, we see a new era of potential volatility with a new alliance scheme taking place

Transit times increased Far East to Mediterranean and US East Coast









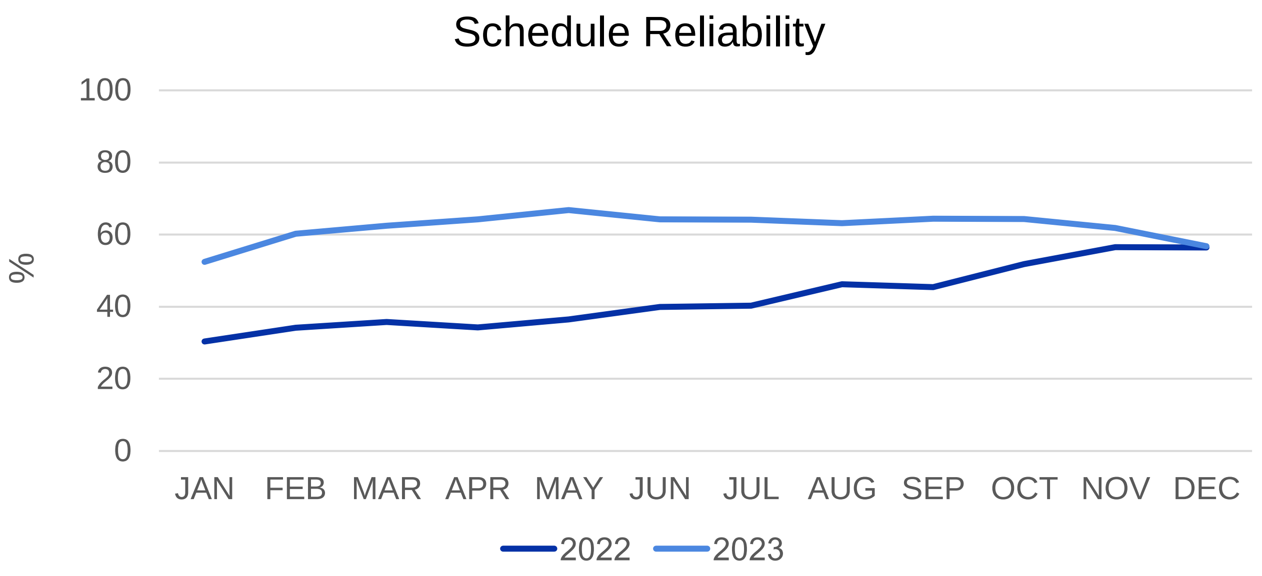
Source: Linerlytica (Jan- 2023)

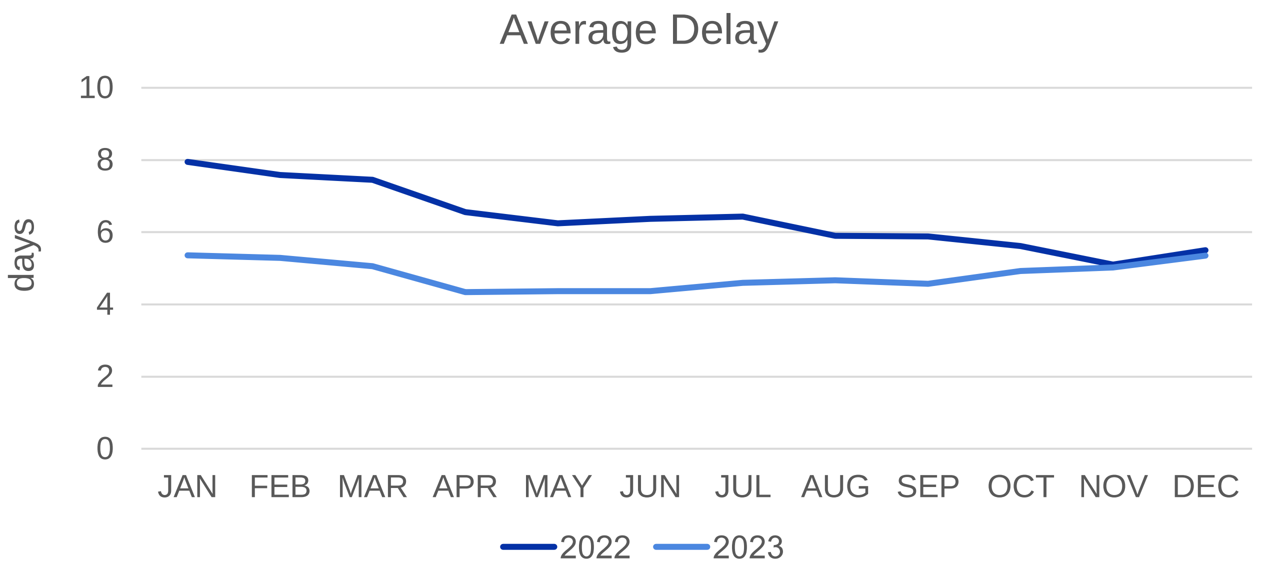
Carrier Reliability

Initial signals of Red Sea Crisis

Amidst the Red Sea crisis, global schedule reliability decreased by -5.0 percentage points M/M in December 2023 – the largest M/M drop since February 2021 – to 56.8%. This drop means that the December 2023 schedule reliability was the second-lowest of 2023. On a Y/Y level, schedule reliability in December 2023 was only 0.4 percentage points higher than December 2022.

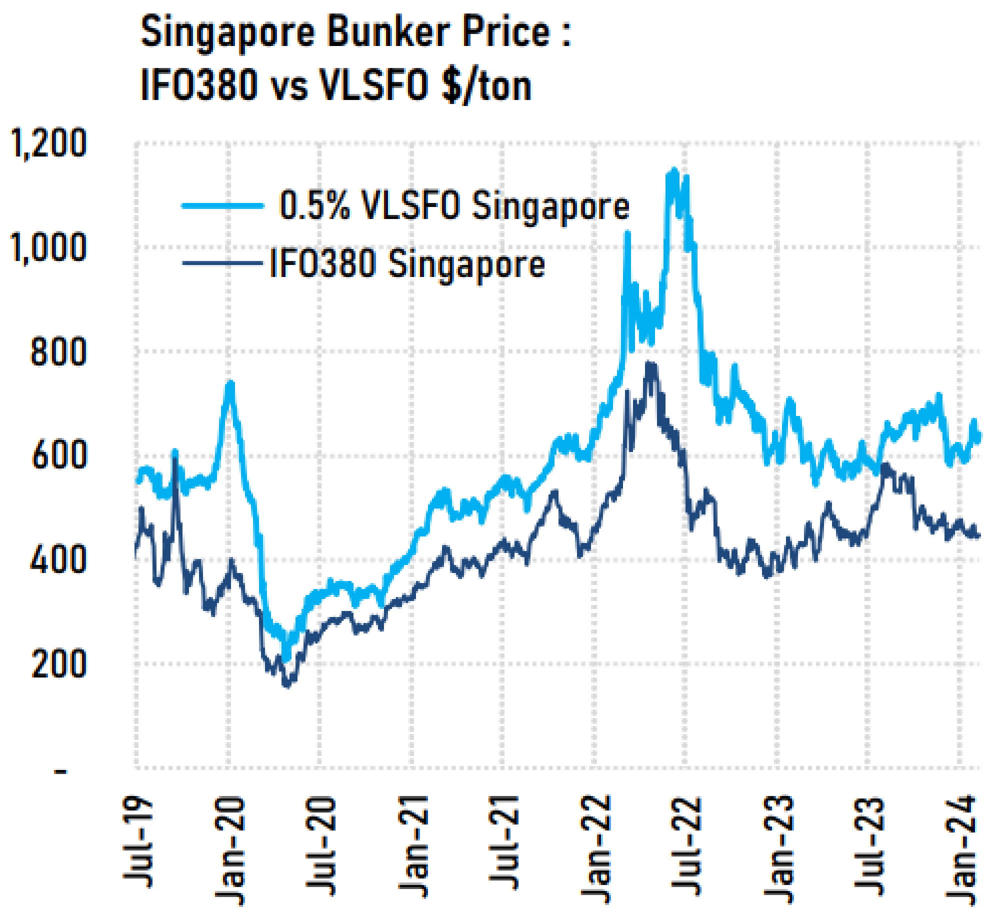
Due to the round-of-Africa sailings, the average delay for LATE vessel arrivals deteriorated, increasing by 0.30 days M/M to 5.35 days. The average delay figure is now close to the December figures of 2020 and 2022, with LATE vessels arrivals being 0.15 days more late in December 2022 than in December 2023.

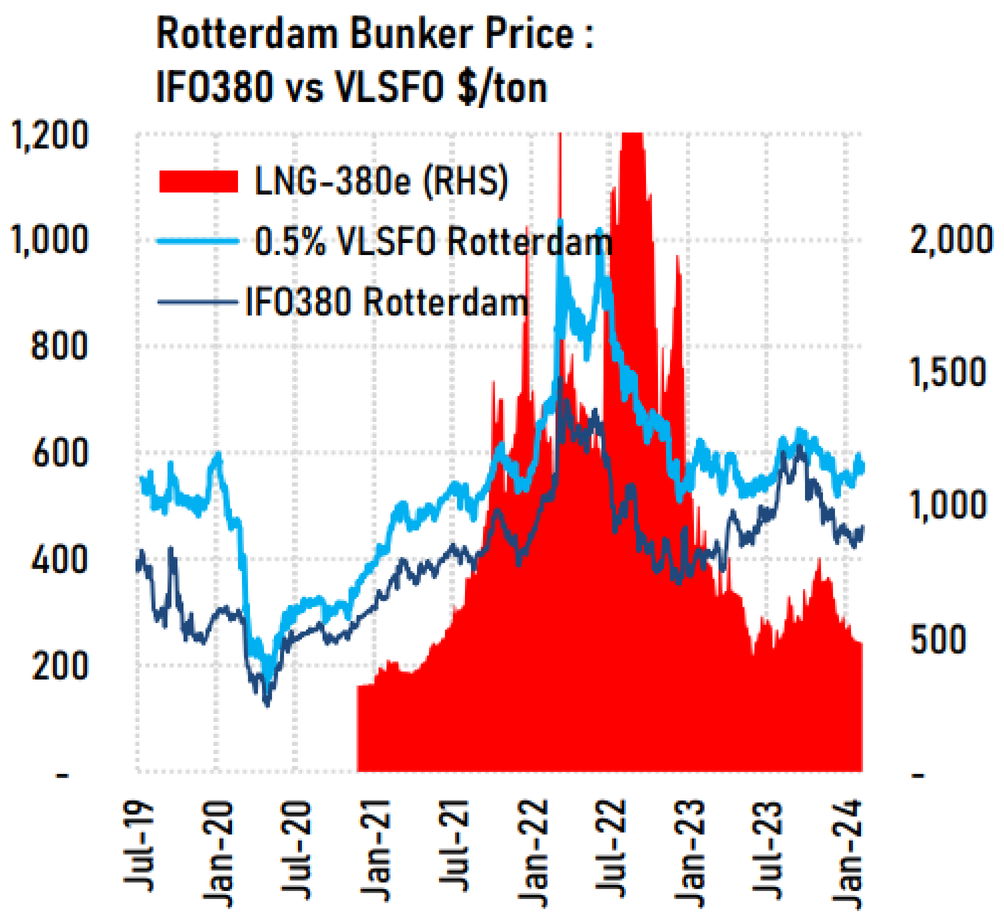




Source: Sea-Intelligence Maritime Analysis - Global Liner Performance Report February 2024

Bunker gap between Low Sulfur and standard IFO increases due to Red Sea effect

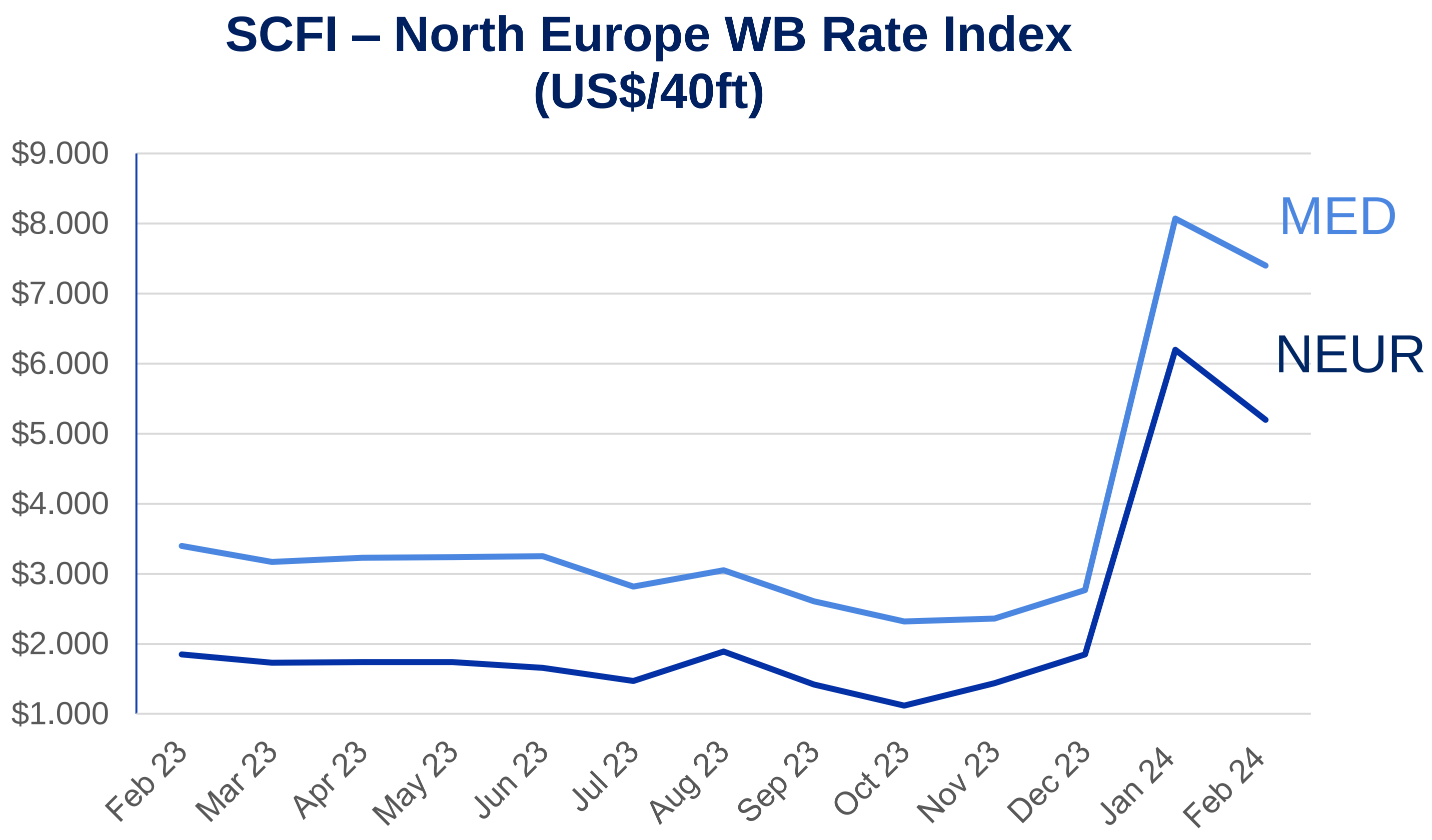




Source: Ship&Bunker - LinerLytica

Ocean Freight Asia - Europe

Ocean freight rates declined slightly after increases caused by the Red Sea



Source: SCFI Week 06-2024

Carriers implementing a massive blank sailing programme

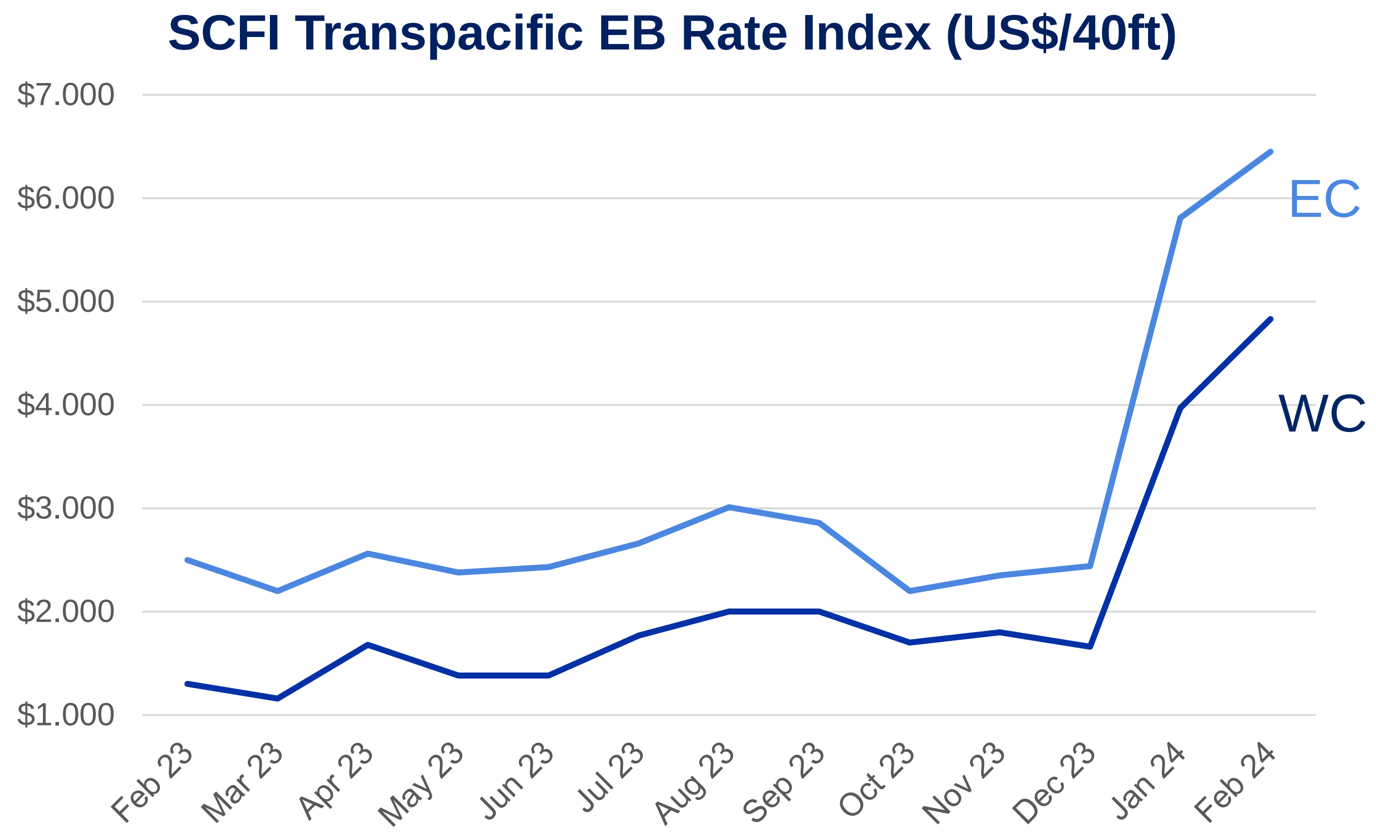
SCFI Levels Week 06-2024:

Shanghai – North Europe: USD 5,296/ FEU
Shanghai – Mediterranean: USD 7,410/ FEU

- January 2024 showed healthy volumes, on par with the pre-covid year of 2019
- This downward trend is expected to continue now the market has found its "new normal" in dealing with the longer, and costlier, routing via Cape the Good Hope. CMA is indicated to have changed position early FEB and route via Cape exclusively, like other carriers. Adding to potential capacity shortage.
- Lack of vessels and equipment may push the market up in the short run. In the longer run there seem to be enough capacity to yet again challenge the market and push rates downwards, unless strong capacity discipline is administered by the carriers.

Ocean Freight Asia - North America

West Coast and East Coast shipping rates surge, demand is strong



Source: SCFI Week 06 2024

The market seems to be slowing further and we are seeing some slack to the USWC

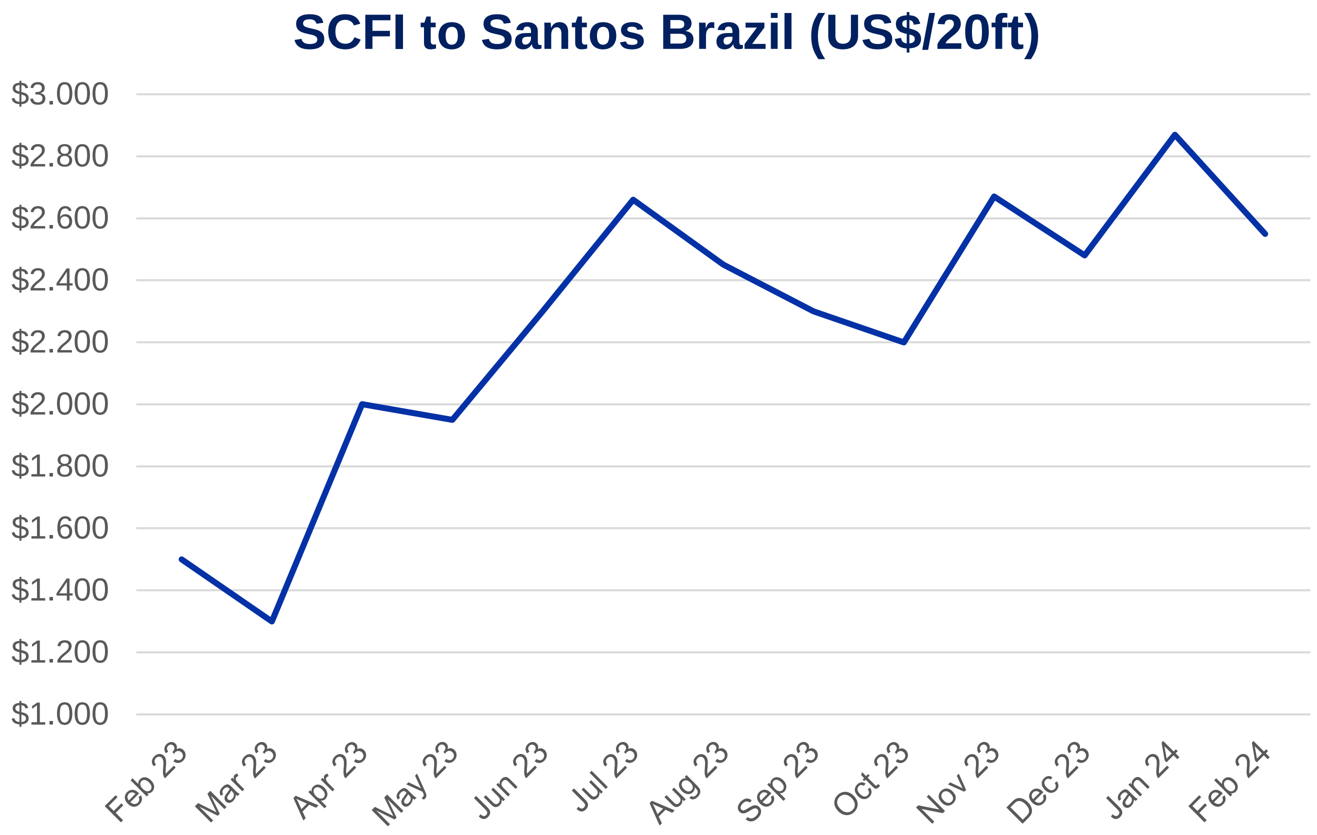
SCFI Levels Week 06-2024:

Shanghai – US West Coast: USD 4,833/ FEU
Shanghai – US East Coast: USD 6,452/ FEU

- Feb FAK has inflated 200-300% compared to Dec, since Red Sea situation
- Panama Canal Charge is now applicable in full
- Space continues to be tight before CNY, carriers are restricting NAC space release, some rolling already happened, and will continue until end of Feb
- Panama Canal daily capacity remains restricted since Nov 1 due to drought conditions with slight improvement recently

Ocean Freight Asia – South America (East Coast)

Rates start to downtrend after Chinese New Year effect



Source: SCFI Week 05-2024

SCFI Levels Week 05-2024:

Shanghai – Santos: USD 2,552/ TEU

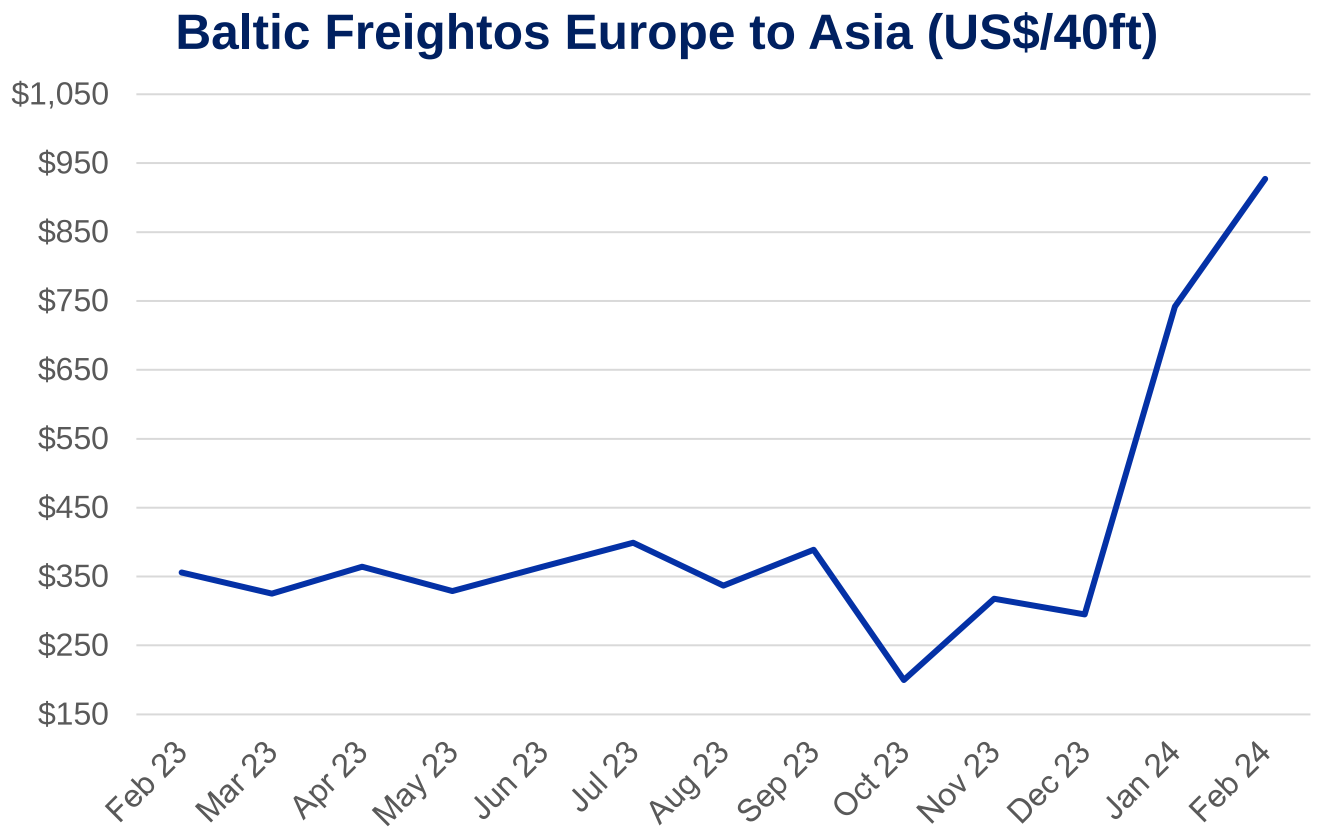
We start to see lack of equipment and Chinese new year rush

As for North America rates are also going up

ECSA: demand is strong and carriers announcing stop booking,

Ocean Freight Europe – Asia

Longer transit times will affect vessel availability



Source: Freightos Baltic Week 06-2024

Freightos Baltic (FBX12) index Levels Wk 06-2024:

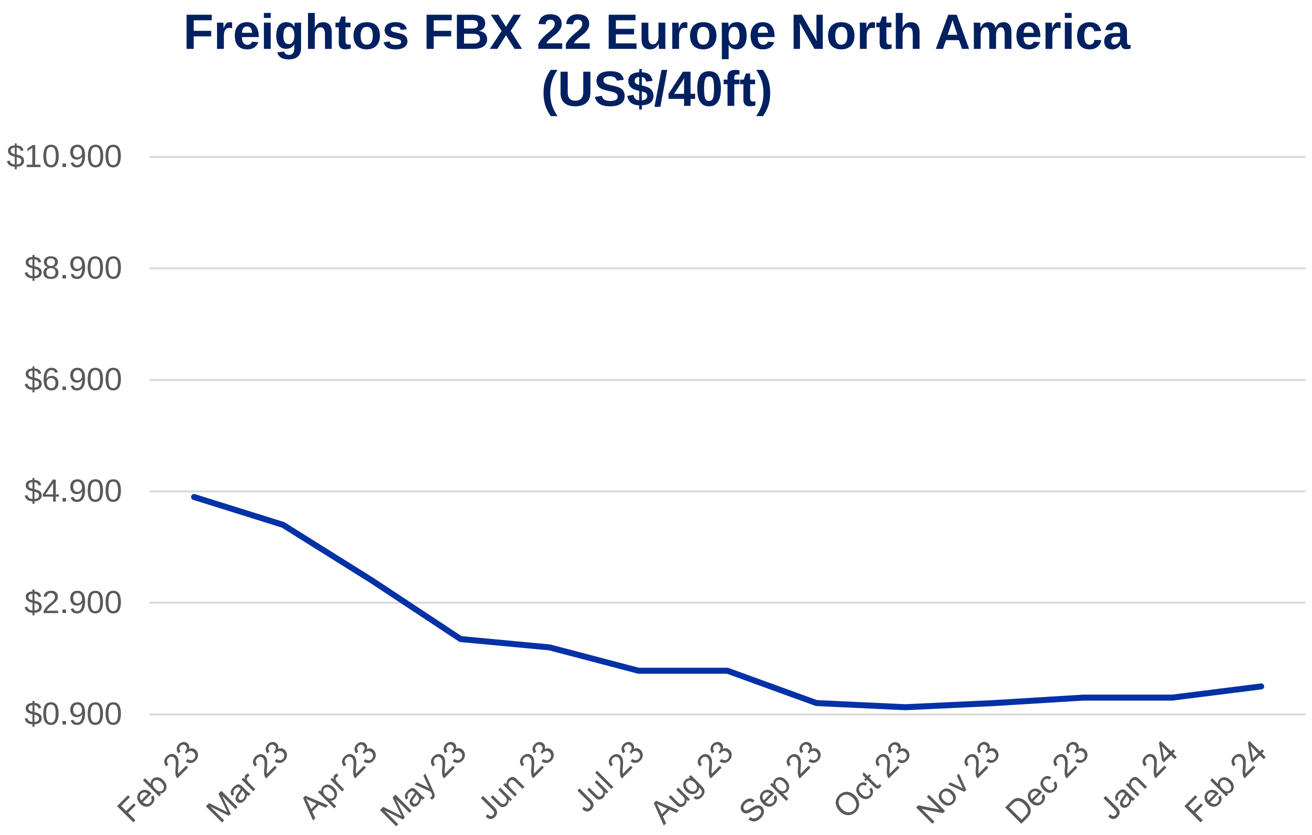
- Europe to ASIA : USD 927/ FEU

Stabilization at lowest level

- Ocean Freight rates remained stable, but all carriers have imposed Red Sea related emergency surcharges which are fully applicable until further notice
- Depending on further developments additional surcharges (port congestion, equipment imbalance surcharges etc.) might be introduced on short notice

Ocean Freight Europe – North America

Small increases being push on the trade from the Red Sea Situation

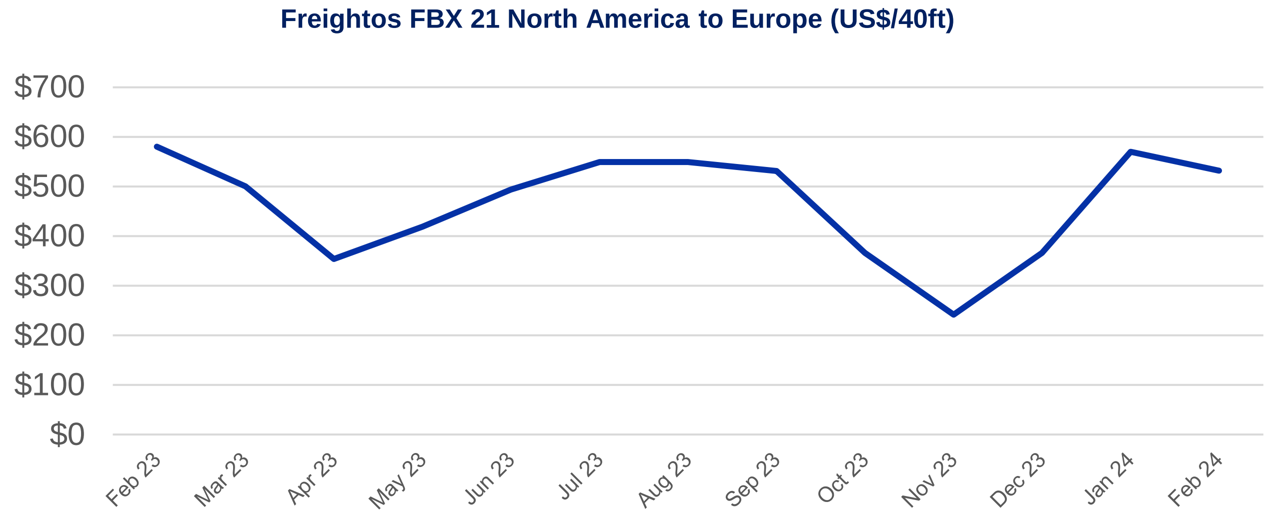


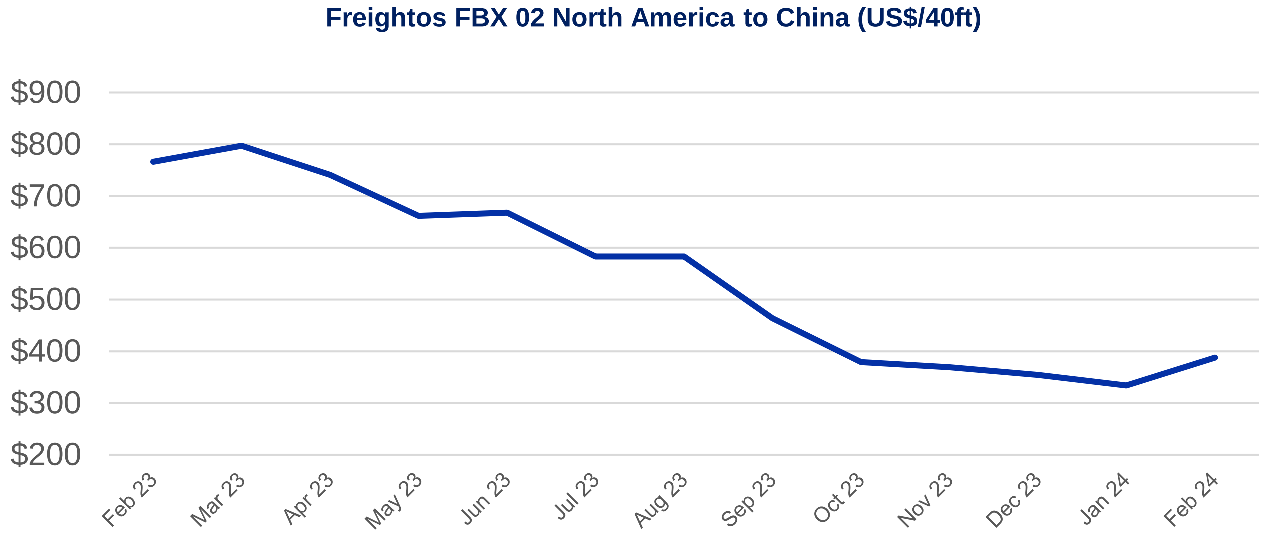
Source: Freightos Baltic W06-2024

Freightos Baltic index (FBX22) Levels Week 06-2024:

- Rotterdam – New York: USD 1,472/ FEU
- Carriers have been trying to push through their announced emergency/contingency surcharges as much as possible
- Due to the known schedule disruption/delays of vessels coming in from the Far East, equipment is becoming more of an issue in Europe
- First carriers have announced an Equipment Imbalance surcharge (which, unsurprisingly) is supposed to be charged on top of the already introduced Emergency/Contingency Surcharge

US outbound lanes
Rates are stable for the time being





Freightos Baltic index (FBX21) Levels Week 06-2024:

- New York - Rotterdam: USD 532/ FEU

- Soft market through December 2023
- Carrier preference to maintain quarterly rate reviews
- Service reliability at 70%

Freightos Baltic index (FBX02) Levels Week 02-2024:

- Los Angeles - Shanghai: USD 388/ FEU
- Soft and Stable market through December 2023, blank sailings might affect capacity
- Truck Power has stabilized

Source: Freightos Baltic W49-2023

Intra Asia

Demand

- The demand out of China is trending very strong. Various carriers reports space sold out for the month of January already as the shippers are increasing the output up to Chinese New Year. Utilizaton is above 100% with roll pools being created to keep the few
- The demand out of South-East have stabilized and we are seeing utilizations above 97% with demand on the rise out of Thailand, Indonesia and Vietnam.
- Stock inventory is being replenished in a normal inventory cycle where the stock is being filled up as a result of the halted production, during and after the Chinese new year.

Rate

- The market is increasing as higher demand vs a disrupted capacity supply is the new norm GRI's/RR's are widely implemented on the front haul lanes in the short sea market.
- We recommend customers to make longer contracts to avoid being caught in the summer peak which is the next catalysator for short term market increases. We recommend customers to pick up the equipment as early as possible and to place the bookings as far in advance as possible to get access to the equipment and avoid any disruption.

Supply

- Service reliability greatly affected by strong demand and vessel traffic up to the holidays. Ningbo and Haiphong recorded up 3 days waiting time to berth.
- Utilization have been very strong up to the Chinese new Year resulting in GRI's across various short sea corridors ex China in particular. The injected capacity is fully utilized for the short-sea corridors up to the Chinese New Year and carriers have been able to build roll pools to fill the deployments over the new year.
- Charter market is picking up sharply for vessels above 1700 TEU as a result of the red-sea crisis with carriers willing to charter in new capacity to premium rates. Vessel types below 1.700 TEU's is still under pressure with a high number of capacity open for hire. New vessels below 1.700 TEU is delivered to the market every week which adds to the pressure on the charter hire rates for this vessel class.

Ocean freight market overview – Rates to stabilize

TRADE LANE	COMMENTS	RATES AND SPACE
ASIA to Europe	• We start to see a normalization on schedules • Chinese New Year will be use by carriers to position equipment • New capacity is being injected to the traes	
ASIA to NAM	• We saw last increase of rates last week • Space is starting to become an issue • Panamá canal situation will be a long term issue and increase of rates to East Coast	
Europe to NAM	• Less congestion in both North American and European ports affects service • Ripple effect and situation with lack of space will start in coming months • Demand is stable and carriers are pushing for rate increases	
Exports from India	• Space is starting to be tight • There are new services by carriers opening new services to connect the red sea • Maersk has suspended the India, Middle East service through red sea	
ASIA to LATAM	• After Chinese new year we see rates to downtrend • Cargo to East coast is strong and stable in West Coast • There is still congestion in Brazil	
INTRA ASIA	• Port congestion increased due to operational disruption • Australia has still issued with port strikes • Some services to Australia are full at the moment	

Airfreight update

Summary Air cargo demand back to single digit decline near 2019 levels, while CBEC making up ~9% of air trade

Demand

1. Global air trade back to **single digit** declines (-4%) versus 2022 levels in October 2023

2. Air trade between USA and Asia Pacific Jan-Nov 2023 down **-21%** versus 2022, driven by China decline

3. Significant decline in **high tech**, offset by strong perishables trade growth

4. Cross-border Ecommerce (CBEC) compensates part of decline in air cargo, making up **~9%** of global air trade

Capacity

5. 2023 air cargo capacity grew **+7%** versus 2022, exceeding 2019 capacity

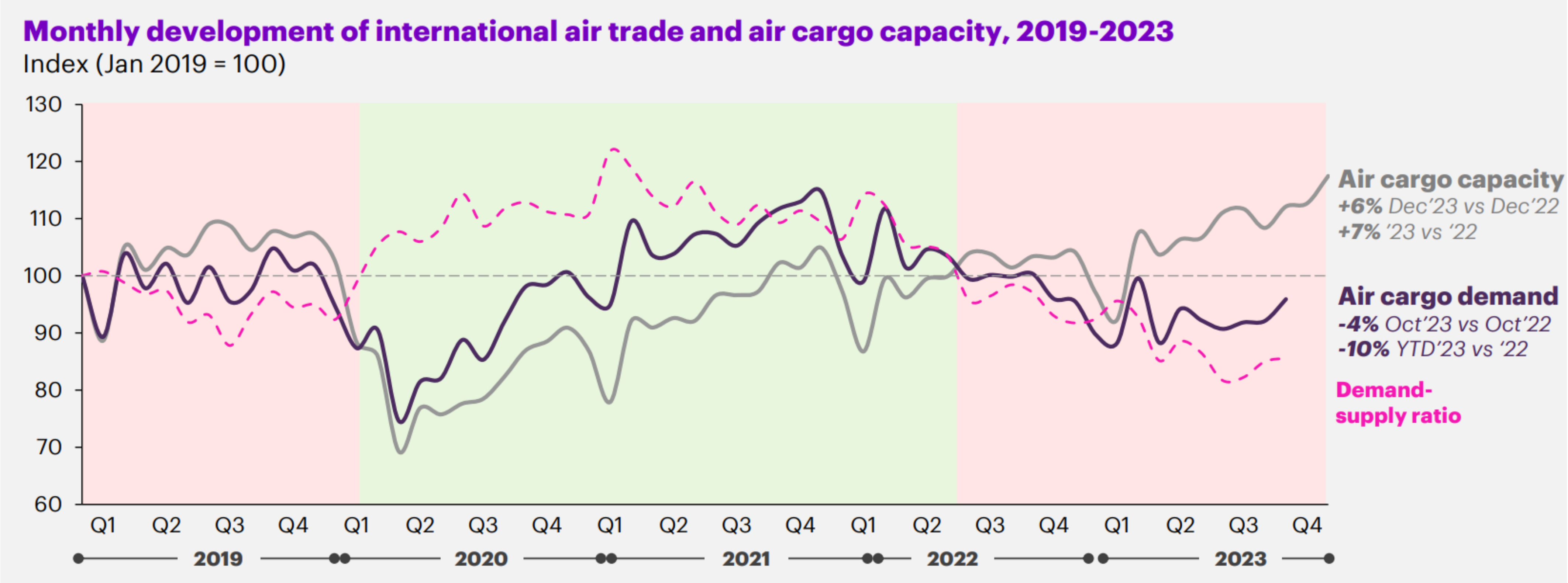
6. After strong recovery in 2022 and 2023, widebody passenger capacity may only grow **5-10%** short-term

7. Freighter block hour utilization slightly above 2019 levels (**+7%**), while aircraft utilization is at-COVID levels

8. **Capacity outlook:** ~3% growth per annum until 2030, with a normalization of freighter's share of capacity

Source: Accenture

Air cargo capacity and demand continue to grow in Q4 2023, demand-supply balance still out of sync



Strong demand for Ecommerce in Q4 2023 keeps air cargo capacity robust against drops in general cargo demand

Source: Accenture

The impact of the Red Sea attacks on air freight demand have yet to materialize

While shipping lines are diverting capacity...

FINANCIAL TIMES

Red Sea security fears cut container shipments through Suez Canal

A container ship navigates the Suez Canal which has experienced a huge drop-off in traffic travelling to and from the Red Sea since Houthi rebels in Yemen began attacking cargo vessels © Fareed Kotb/Anadolu/Getty Images

"**The number of container ships** at the mouth of the Red Sea on their way to or from the Suez Canal was **90 per cent down** in the first week of January compared with the start of 2023, according to research showing the disruption to world trade by attacks on ships by Yemen's Houthi rebels."

... impact on air freight demand is currently limited

16 / 01 / 2024 By Damian Brett

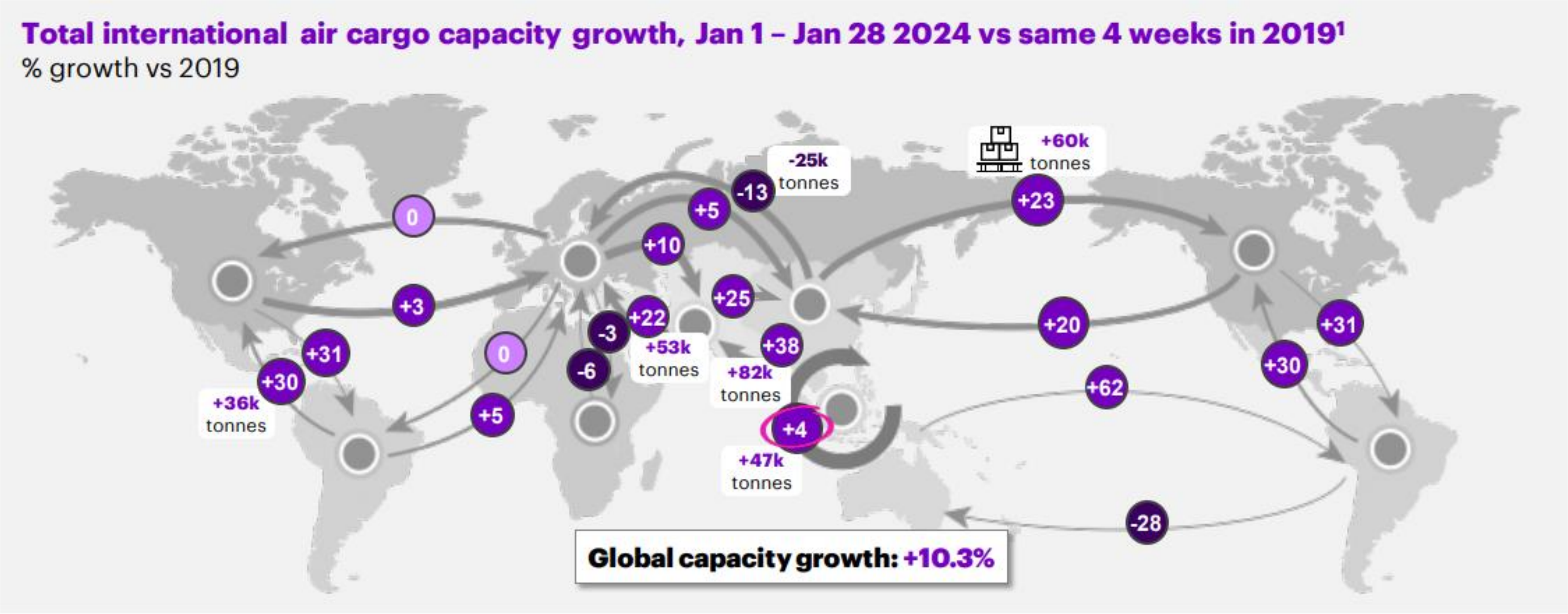
aircargo news

Red Sea-related demand yet to materialize but enquiries rise

"The airfreight sector is **yet to see any solid rise in demand** related to the **Red Sea crisis** but customers are enquiring about alternatives to sea transport. While there is an expectation that vessel diversions away from the Suez Canal route and around the Cape of Good Hope due to attacks on vessels will result in supply chain disruption, this is yet to materialize."

Source: Accenture

Global international air cargo capacity was up +10.3% (vs. 2019) between January 1st-January 28th in 2024



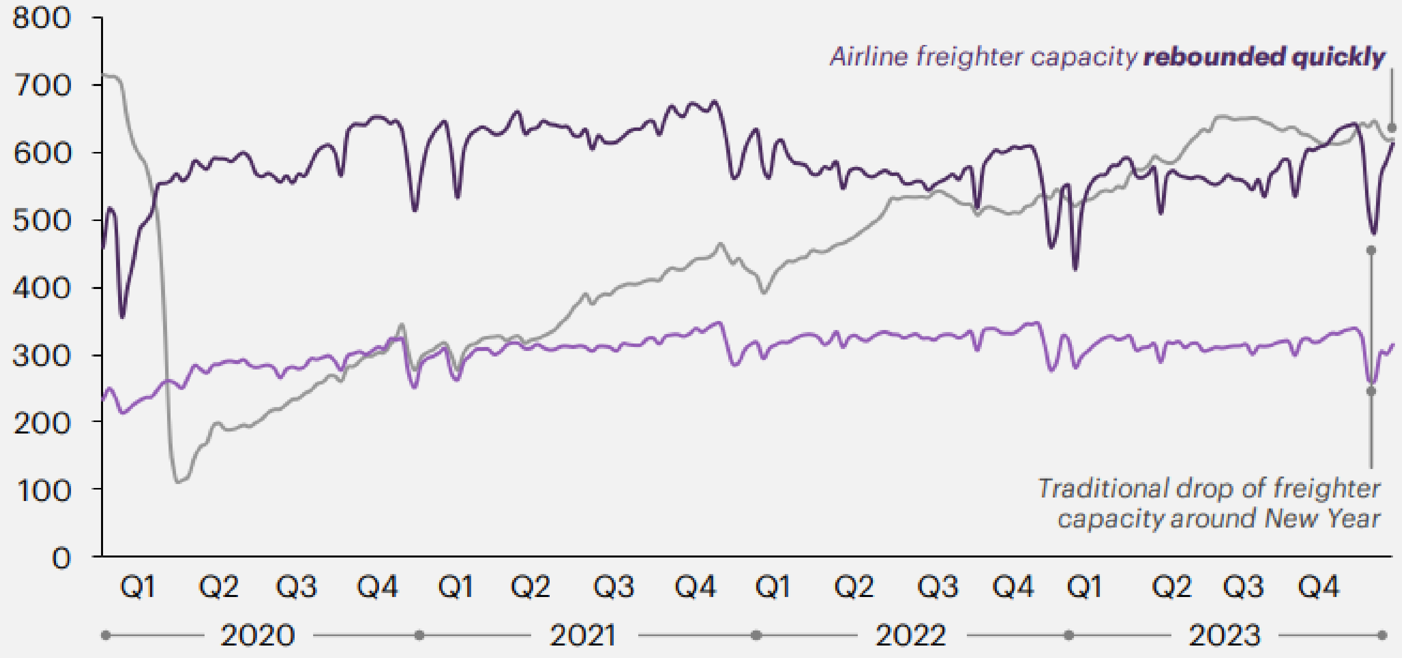
Intra-Asia air cargo capacity is up on 2019 levels solely due to high freighter activity

Source: Accenture

Global international air cargo capacity has decreased by -4.2% in the last four weeks (vs four weeks prior)

International air cargo capacity, Jan 2020 – Jan 2024

Thousand tonnes per week

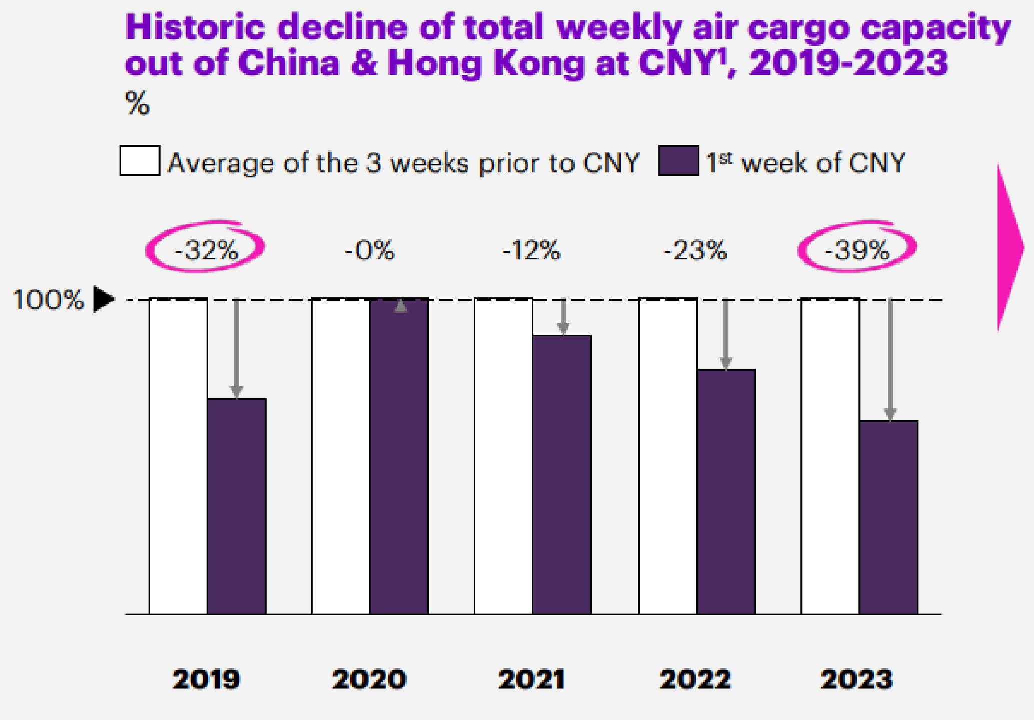


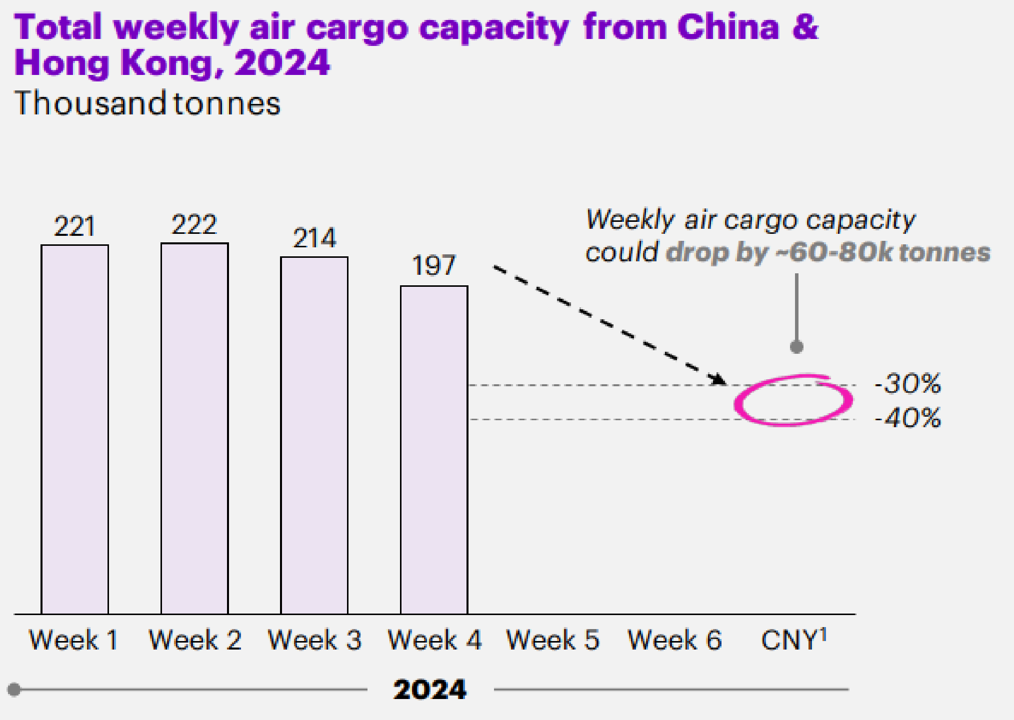
	vs. 2019[1]	vs. previous four weeks[2]
Total capacity	**+10.3%**	**-4.2%**
Passenger belly (42%) Widebody aircraft only	-9%	-1%
Airline freighters (38%)	+26%	-7%
Integrator freighters (20%)	+37%	-7%

Airline freighter capacity rebounded to near passenger belly level in the most recent weeks

Source: Accenture

The effect of Chinese New Year on air cargo capacity out of China & Hong Kong has returned over the past years

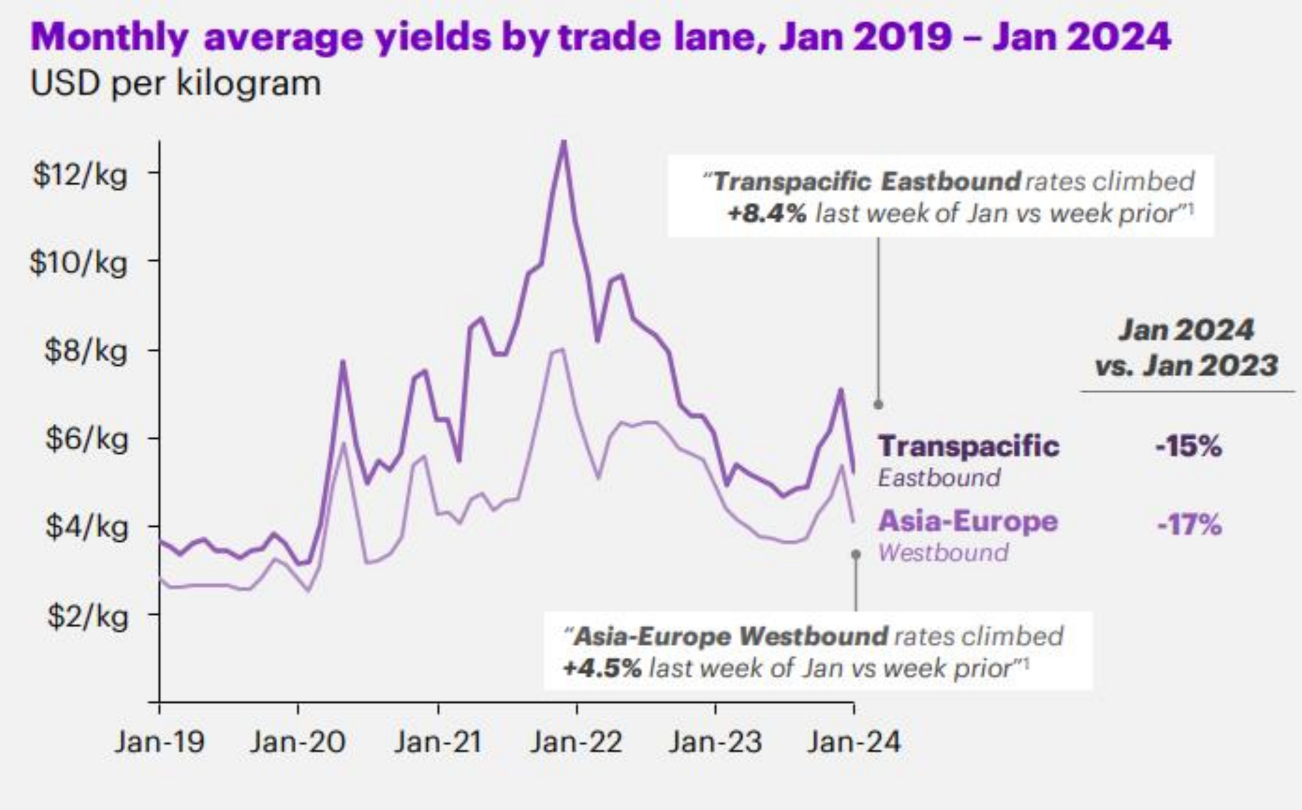




Based on historic patterns, weekly air cargo capacity out of China & Hong Kong may drop by roughly 30-40% during this year's Chinese New Year

Source: Accenture

Transpacific and Asia-Europe yields rise in the last weeks of January due to Red Sea crisis and Chinese New Year



Airfreight rates on the up as January draws to a close

aircargo news

30/01/2024

"Airfreight rates climbed as the month progressed due to the approaching **Lunar New Year** holiday and anecdotal **reports of a move from sea to air due to the Red Sea crisis.**

While rates increased this week, **for the month overall prices were down on a year ago.**

At the same time, **consumer spending has been hit by a cost of living crisis** resulting in **a downturn in air cargo demand.**

Average January 2024 yields still down versus January 2023

Source: Accenture

Air rates soar as Bangladesh garment exporters switch from ocean

Airfreight rates in Bangladesh almost doubled over the past month, thanks to a significant rise in volumes and a capacity crunch linked to the Chinese New Year holiday and the Red Sea crisis causing shipping delays of at least two weeks.

Data shows that in December, some **10,410 tonnes** of cargo was airlifted through Dhaka Airport, which increased to **14,451 tonnes in January**. Most of these shipments were destined for the US, Europe, Turkey and Egypt.

Dwell Time from Bangladesh is that the moment from 2 days to **5/6 days**

It is expected some freighter operations to happen during Feb 10 – 20th which will help to reduce some backlog in the Market, however large demand orders are increasing constantly and **beyond Feb 20th is expected to be strong**

After 20th Feb and Early March will start the traditional peak and **EID holidays will come in early April this means that pressure in March will be much greater**

Air freight market overview

Rates are slowly softening after the e-commerce large demand before holiday season

TRADE LANE	COMMENTS	RATES AND SPACE
Exports from China / Hong Kong	• For the time being there is no conversion on ocean to air by most of the shippers, Belly capacity is growing • After Chinese New Year we see volumes going down	
South East Asia	• End of the e-commerce campaign, no ocean conversion for the time being • More capacity being open of passenger flights both to Europe and North America • Time to clear backlogs from Chinese New Year	
Exports from India/Bangladesh	• Demand is high, and supply is not in balance. • Capacity is yet to recover to coop with high demand. • Bangladesh is very congested, and backlog is building up.	
Export from Europe	• Market is stable • Cold temperatures has closed FRA airport adding some congestion	
Exports from NAM	• Export demand remains steady from all markets.US airports are running at a normal pace. Capacity is opening up further, especially into Europe	

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