
Spot/FAK rates will not increase on June 15th. This being said, there is some confusion in the market relative to the direction the trade will go over the coming weeks. While organic demand has weakened over the past month, **we are reluctant to conclude too quickly that the trade is in a longer-term structural oversupply** until the impact of a fully reopened and export-operational Shanghai can be accounted. Given current conditions following the reopening of transport networks, we estimate that the earliest the market will see full velocity of containerized exports from Shanghai will be the last week of June. **If the recovery is strong, and if organic holiday season exports build during the same period, carriers might be able to successfully halt rate erosion by July 1st.** There is also the continued pressure in South and Southeast Asia, markets that are seeing some – but not enough – relief from tight feeder/short-leg space and container shortages. However, carriers are expanding their cargo canvassing into secondary markets in the hope to help back-fill space left unfilled by weaker export conditions in China. **If a recovery in Shanghai – and the trade as a whole - fails to jump-start a volume re-balancing, then the run of week-to-week rate declines will continue through late June and into July.**

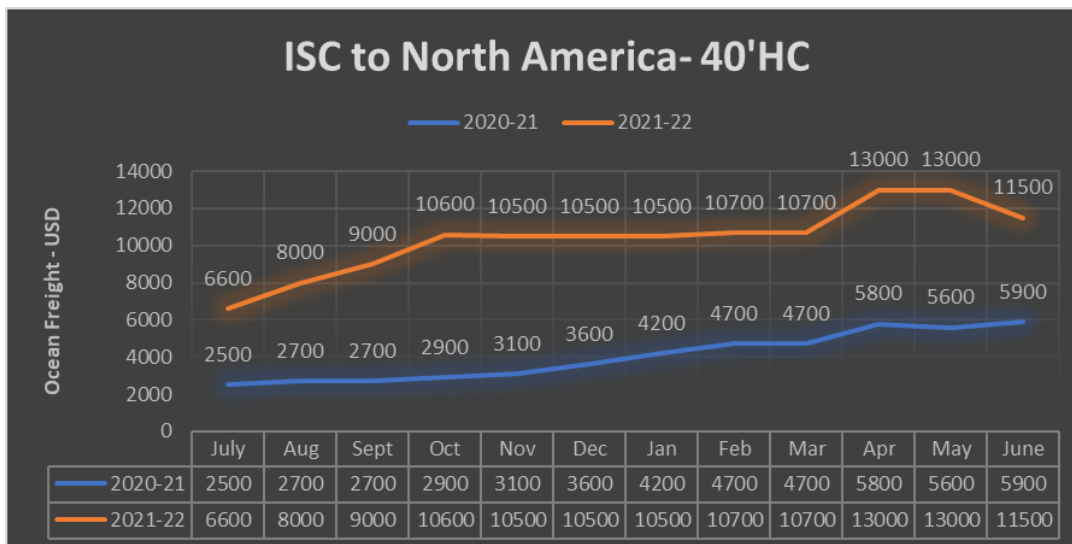
FORWARD FAK RATE PROJECTIONS AS OF JUNE 9

SPECIAL INSERT – FOCUS INDIA

INDIA – US MARKET UPDATE - JUNE

- May 2021 merchandise exports from India grew by 15.5% compared with May 2020
- Freight rates to the US also softening in light of weaker volumes and recent supply increases
- Space to US East Coast has eased, and carriers have retrained focus on driving more FAK volume
- Equipment availability at gateways and ICD's remains stable

RATE UPDATE



MARKET OUTLOOK – JUNE

- Empty container availability will remain stable through June
- Overweight surcharges might be rolled back as carriers consider more incentives to drive freight volumes
- Space will remain generally available through early July when traditional peak season commences
- Rates will most likely not increase in June