

LIVRO GLOBAL SHIPPING NEWS

1. Baltic Dry Index Hits New Low as Shipping Rates Decline

The Baltic Dry Index (BDI, Financial) has fallen to 1,537 points, marking its lowest level since November 8, 2024, and extending a five-day losing streak with a 2.47% drop. This decline is attributed to losses across all shipping segments. The Panamax Index (BPI) decreased by 2.08% to 1,083 points. Panamax vessels, which typically carry 60,000-70,000 tons of coal or grain, saw their average daily earnings decrease by \$204 to \$9,747. The Capesize Index (BCI) fell by 3.60% to 2,626 points. Capesize vessels, often used to transport 150,000 tons of cargo such as iron ore and coal, experienced a drop in average daily earnings by \$817 to \$21,778. The Supramax Index (BSI) also saw a slight decline of 0.30%, bringing it to 984 points. Supramax vessels are smaller ships used for various cargo types. The decline in the Baltic Dry Index is partly due to heightened risk aversion in financial markets amid escalating tensions between Ukraine and Russia, which has also led to a drop in iron ore futures prices.

Source: <https://www.gurufocus.com/> 23-11-2024

2. Workers at Canadian ports return to work, begin clearing backlog

Workers at Canada's largest ports have resumed operations following government intervention, focusing on clearing significant backlogs caused by recent labour disputes. Workers at Canada's largest ports, Vancouver and Montreal, have returned to work after Federal Labour Minister Steven MacKinnon issued an order to end labour disputes, citing the economic risks of prolonged disruptions. The Canada Industrial Relations Board (CIRB) mandated binding arbitration to resolve the conflicts and ensure operations resumed promptly. On the West Coast, 700 foremen in British Columbia, returned to work on November 14 after a 10-day lockout, while on the East Coast, 1,200 dockworkers in Montreal resumed operations on November 16 following a week-long lockout. ILWU Canada was not happy with the decision saying this was the fourth time this year the government has used Section 107 provisions to order workers back to work and send bargaining into binding administration. The move was described as "trampling on the normal bargaining process and infringing the right to strike." CUPE and ILWU have called on Canadian Labour Congress affiliates to condemn the action and call for the bargaining process to be maintained.

Source: <https://www.worldcargonews.com/> 20-11-2024

3. Asia's freight rate surge shocks Indian importers

Given how unstable the market is, Indian importers who depend on commodities from Asia, especially China, are seeing yet another wave of container freight pricing shocks. Market data shows that over the past month or two, spot prices for intra-Asia-India trading have more than doubled. Ocean carriers are now charging \$1,600 per teu and \$1,900 per feu for space booked to Nhava Sheva from Shanghai, up from \$800 and \$900 a month earlier. Singapore-Nhava Sheva shipments are now moving at \$1,250 per teu and \$1,550 per feu, respectively, compared to the mid-October averages of \$700 and \$1,000. Rates from other Asian ports to India have also sharply improved. Several regional and mainline carriers that had opportunistically deployed extra tonnage to capitalize on the China export rush earlier repositioned vessels elsewhere, with some phased into Red Sea/Mediterranean trades, causing a significant capacity shortage in the Asia-India market over the past two weeks, according to industry sources. To exacerbate that worry, CMA CGM has informed Indian clients that the Zhong Gu Nan Ning, ONE Matrix, and TS Keelung are the three impending blank sailings on its AS9 (Asia-Subcontinent Express) service in December.

Source: <https://www.maritimegateway.com/> 20-11-2024

LIVRO GLOBAL SHIPPING NEWS

4.Chennai-Vladivostok maritime corridor becomes operational, says Sonowal

The Chennai-Vladivostok maritime corridor, which is likely to boost maritime ties between India and Russia, is operational now, and container ships carrying crude oil, metal and textile have started coming to Indian ports, Union Minister Sarbananda Sonowal said on Monday. The Chennai-Vladivostok Sea route will cover a distance of about 5,600 nautical miles. "The Eastern Maritime Corridor between Vladivostok and Chennai is operational now. Container ships carrying crude oil, metal and textile have started coming to Indian ports," Sonowal told reporters here. The Eastern Maritime Corridor is estimated to reduce the time required to transport cargo between the Indian and Russian Ports of the Far East Region by up to 16 days. The time taken will come down to 24 days compared to more than 40 that it currently takes to transport goods from India to Far East Russia via Europe. The current trade route between Mumbai and St Petersburg in Russia covers a distance of 8,675 nautical miles, and the time taken for transportation is around 35 to 40 days. A large container ship that travels at the normal cruising speed of 20-25 knots (37-46 kilometers/hour) will be able to cover this distance in approximately 10 to 12 days.

Source: <https://www.business-standard.com/> 18-11-2024.

5. Mixed margins as container lines net \$26.8bn in Q3

Container line profits rose again in the third quarter, continuing a steep growth trend for 2024. Container lines reported net profits totaling \$26.8bn in the third quarter of 2024. The third quarter result was a 164% increase over the second quarter this year, and more than eight times the \$2.8bn recorded in the Q3 2024. The performance in 2024 is a reverse of the trend seen in 2023, when profits fell through the year as post-pandemic disruption eased, ending in a \$700m loss in the fourth quarter. Rates in 2024 have been supported by disruption in the Red Sea causing lines to divert ships around the Cape of Good Hope rather than the shorter Suez Canal route, soaking up growing fleet capacity. Demand for container shipping has also increased, said McCown: "The third quarter saw a 4.7% year-over-year increase that followed even stronger 6.2% and 8.2% increases in the second and first quarters. "These biggest volumes growth since the pandemic has led to 3Q24 being the largest worldwide volume quarter ever. Net profit to revenue margins ranged from 49.0% at the high end and 17.2% on the low end, with an average of 28.0%. HMM topped the margin leader board, with CMA CGM bottom of the table.

Source: <https://www.seatrade-maritime.com/> 21-11-2024.

6.Bearing AI unveils advanced deployment planner for optimizing Tramp shipping operations

Building on the success of its Deployment Planner for liner shipping companies, Bearing AI has unveiled a suite of powerful new features tailored specifically for tramp shipping companies. Unlike liner operators, tramp shipping companies manage one-time contracts between specific loading and discharge ports, creating unique challenges in balancing emissions performance with profitability. The updated Deployment Planner for tramp shipping directly addresses these complexities. Leveraging advanced AI models, it processes vast amounts of historical and real-time data to deliver actionable insights for tackling critical operational issues. Key features include instant insights into the environmental impact of upcoming contracts, enabling chartering, operations, and environmental teams to test and compare vessel deployment scenarios for optimal outcomes. Powered by sophisticated machine learning, the Deployment Planner forecasts end-of-year (EOY) performance for every vessel in a fleet, even during unscheduled periods. These predictions provide unparalleled visibility into emissions, empowering tramp operators to enhance both environmental and financial performance despite constantly shifting schedule

Source: <https://container-news.com/> 20-11-2024