

OCEAN FREIGHT MARKET UPDATE

DHL GLOBAL FORWARDING

June 14, 2022



Introducing our speakers...



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2022 Market Outlook



Demand not uniformly strong

- Inventory stocks in major markets back to healthy levels
- Short haul trades are still going strong
- Industries hit by lockdown now sees more orders and demand movements



Carrier Outlook

- Blank sailing upto 30-35% in individual trades
- Order books climb to 27% of total container ship fleet
- Equipment supply still disrupted despite record high inventory levels



Economic Parameters

- Inflationary pressures are evident in markets like Europe and Latin America
- Global economic outlook have revised their forecast for all regions
- Fuel prices have gone up resulting in increased Bunker prices



Freight Rates Fluctuations

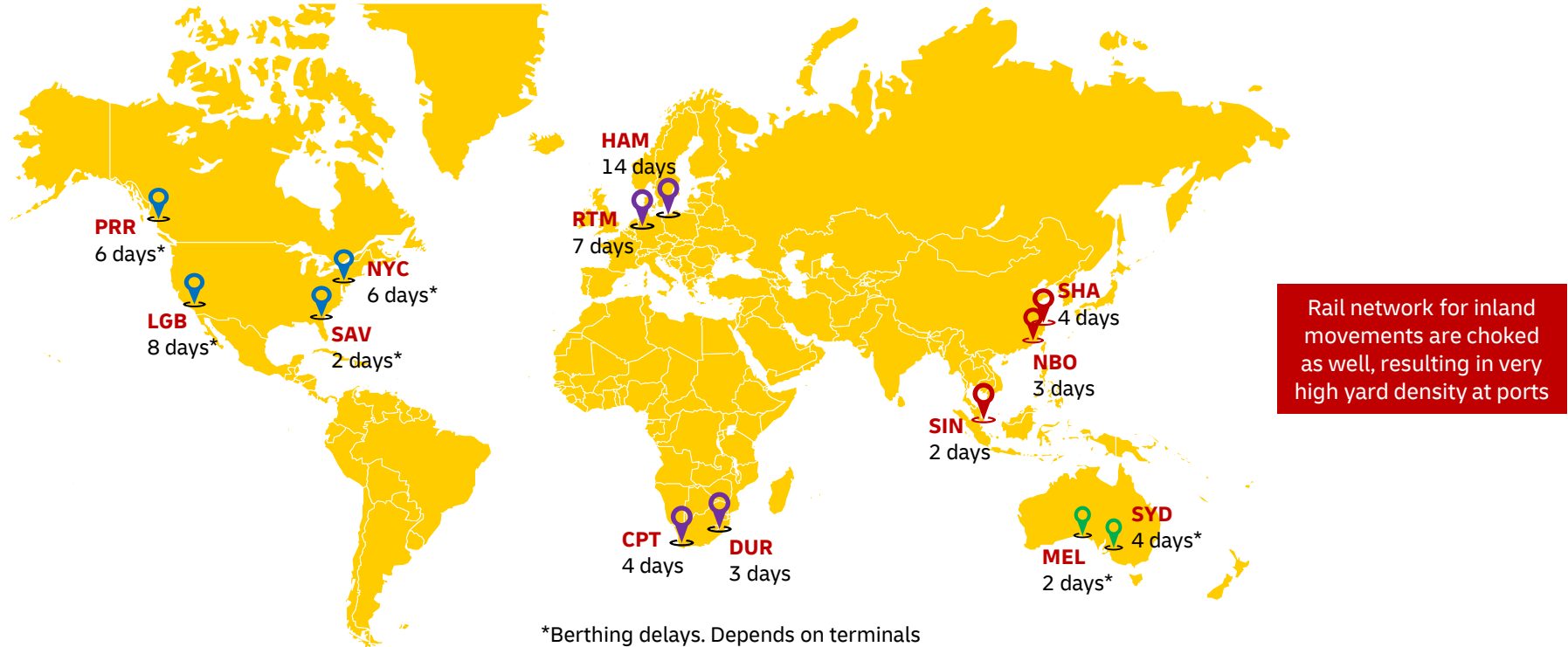
- Long Term rates remain strong
- Spot rates are fluctuating, creating gaps with Long term rates
- Demand expected to get stronger in Q3 and Q4



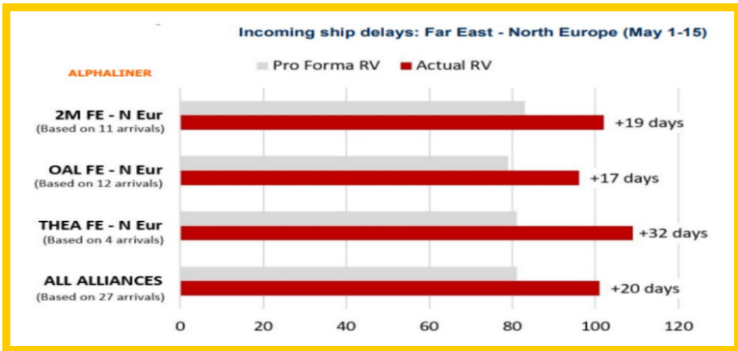
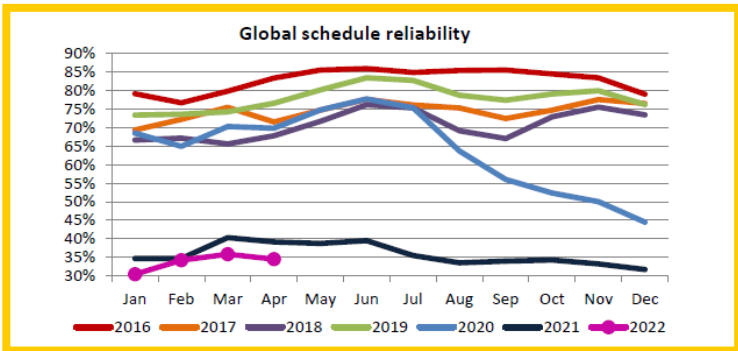
Supply Chain Disruptions

- Covid related shutdown
- War impact on Black Sea Trade
- ILWU negotiations still remains a major milestone

Port Congestion At a Glance



Just In Time Or Just In Case?

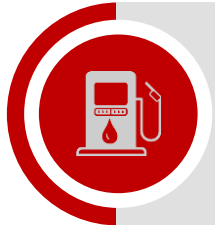


Ocean Freight Outlook



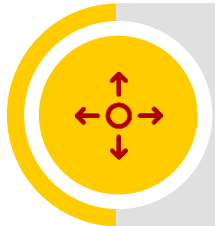
Short Term

- Production rebalancing is back on the table - raw material supply, demand disruption etc
- Outcome of inflationary pressure will be evident on demand
- Blank sailings and port omissions will continue



Mid Term

- Increasing fuel costs will add more burden on the economy and commodity prices
- Demand is expected to resurface in some of the big markets as the situations improve
- Return of production in China with Shanghai opening up



Long Term

- IMO 2023 is expected to have impact on the available capacity
- Towards the end of 2023, effective available capacity is expected to grow significantly
- Long Terms Freight rates will sustain for longer period as the spot market will fluctuate



How to Prepare for the 2022 Peak Season



- Focus on honoring the volume commitments to the carriers



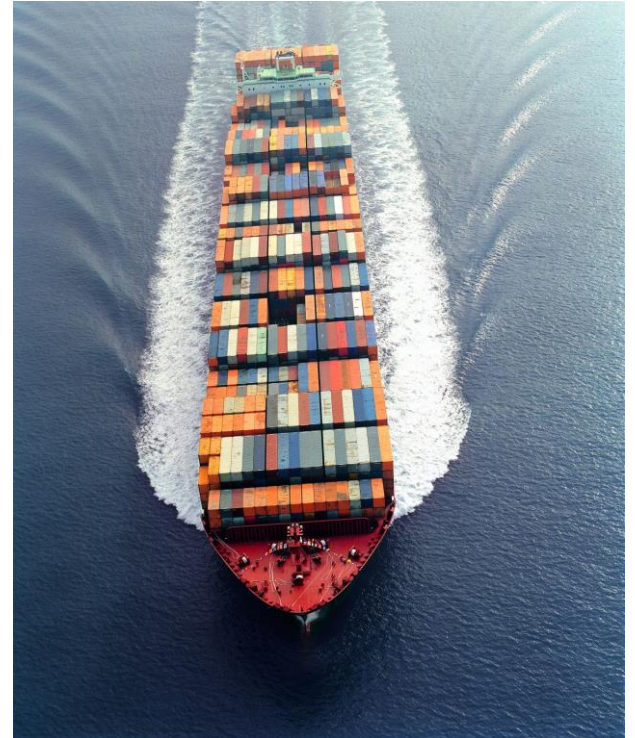
- Enter long term binding deals with ocean carriers



- Still consider congestions and hence higher lead time in planning process



- Share reliable and consistent forecast on weekly requirements



Q&A SESSION

If you have any further questions, contact your usual Account Manager or Customer Service Representative or visit us at [dhl.com](https://www.dhl.com)



Ocean Freight
Market Update



Ocean Freight
Market Outlook
2022 - 2024

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Rail Freight



June 15
10:00 CEST



Air Freight



June 30
09:00 CEST



June 30
16:00 CEST