

Stormy waters ahead and laid-up boxships likely



The Xeneta Shipping Index (XSI) has fallen more sharply in November than at any time since it was launched in 2019 plunging by 5.7%.

[Paul Bartlett](#) | Dec 01, 2022

All major trade corridors underwent negative import and export trends in November, the Oslo-based analyst firm said, notching up a third successive month of softening rates. According to Patrik Berglund, Xeneta CEO, the easing of rates was no surprise, but the scale of the decline demonstrates a significant change in market fortunes.

“I think this month’s XSI gives an unmistakable sign of the shift in market fundamentals,” Berglund declared. “Average rates are now falling, marking an end to the record-breaking quarters that we’ve almost grown accustomed to seeing from the leading

carriers. As we approach 2023, stormy waters await for a segment that is so often a bellwether for global economic well-being.”

However, Berglund was also keen to put Xeneta’s real-time data, crowd-sourced from leading global shippers, into context. The market is falling from a high, he said, and global rates are still about 67% higher than they were in November 2021. However, he conceded that this is the first month since October 2021 when the index rose by less than 100%.

The firm expects further rate falls in the new year, with volumes potentially dropping by 2.5% or more. This, combined with a significant number of new ship deliveries, could lead to a rise in lay-ups, with the idle fleet expected to exceed one million teu.

“It’s difficult to see how the declines will be arrested in the short- to mid-term,” Berglund noted. “China’s continued zero-covid policy means much of the country is now in some form of lockdown, while in the US and Europe, the expected peak season for cargoes has been a non-starter, with worrying macro-economic indicators front of mind.”

Earlier this week fellow analyst Sea Intelligence warned of a possibility of a protracted container freight war next year, which it rated an 80% chance versus a managed decline.

One positive point identified by Berglund is the fall in congestion levels in both the US and Europe. But he said that many European ports are still heavy with cargoes as shippers are increasingly using them as storage for goods they don’t currently need due to lower demand.”