

FEBRUARY 2024

MONTHLY MONITOR



Market Update

India - Air capacity has tightened, with slight delays (2-3 days) primarily due to ocean-to-air conversions and flight cancellations because of weather conditions. The rates have increased by 8% - 10%. The ocean space is also tight due to an increase in demand, with rates going up by 10%. Due to space constraints, rollovers are now taking place resulting in increased transit times for the US, EU, and African regions.

Bangladesh - Air freight has been affected by the Red Sea issues and routing changes. Ocean rates will increase because of applying GRI and the Red Sea issue. The recent attacks on commercial vessels in the Red Sea are not only driving up sea freight — air freight will also increase, as global trade flows get increasingly disrupted. Major shipping companies, including CMA-CGM and Maersk, have taken proactive measures by rerouting their vessels from the Red Sea until further notice.

Sri Lanka - Carriers continue to re-route cargo due to the Red Sea issue. A backlog of transshipment cargo was reported in CMB and liners expect to clear the backlog on priority. Due to the Suez Canal restrictions, we are experiencing higher volumes ex CMB and the supply and demand situation is unbalanced. There is a large cargo backlog in Colombo for Europe and a 50-ton backlog to the US. In February we expect rates for both air and ocean to increase.

Happy Holidays From Around The Globe!

Date	Holiday	Origin
February 8th	Isra Mi'raj Nabi Muhammad SAW	Indonesia
February 8th-14th	Chinese New Year	Vietnam (Both stations)
February 9th	Joint Chinese New Year Leave	Indonesia, Philippines
February 10th	Chinese New Year	Indonesia, Philippines
February 10th-12th	Chinese New Year	Malaysia
February 10th-13th	Chinese New Year	Hong Kong
February 10th-17th	Chinese New Year	Shanghai, Shenzhen
February 14th	Election Day	Indonesia
February 21st	Shaheed Day & International Mother Language Day	Bangladesh
February 26th	Shabe Borat	Bangladesh

WPL and 4Ocean have teamed up to help clean up our US shorelines.

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Hong Kong – We anticipate that airlines will keep the air freight rate at a high level, and the situation will continue throughout February, although capacity is still sufficient. As Chinese New Year (CNY) approaches in Feb, many factories have stopped working for holidays. The number of container bookings in February has decreased. Some shipping companies have begun to reduce prices to attract more cargo for shipping after the CNY.

Shanghai - We will see demand and rates drop slightly as factories close for the long holiday. February ocean rates are likely to maintain in the first half and will fall in the second half due to factories closing for the long holiday.

Shenzhen – It is expected that from February 5th, all airlines will give special holiday rates. Because most factories have a long holiday, the overall price in February will be reduced. In addition, most charter flights will be canceled after February 10th, and are expected to resume gradually from the end of February. In early February, since the factories have more goods to ship, the rates may rise significantly before the Spring Festival holiday. In the second half of February, rates will stabilize due to the long holiday.

South East Asia

Cambodia – We expect that the volume of air shipments in the next month will decrease due to the CNY. Ocean rates will decrease due to the market slowdown of import and export cargoes.

Malaysia - The airfreight demand and capacity are expected to be in demand in 1st week of February and will be stable by 2nd week of February 2024. The ocean freight demand and rates are expected to increase in early February.

Indonesia - Air demand remains steady and no service issues are hindering movement. Due to the Red Sea issue, shipping lines have increased their rates significantly. NYK, Mitsui, and other Liners have taken action to avoid navigating through the Red Sea. Expected cargo delays could impact airfreight demand.

Philippines – There are no space issues or circumstances that are affecting either mode of transport. We expect rates to be lower for air and ocean in mid-late February.

Thailand – Expect demand and rates to increase in early February due to the export rush out from China and Vietnam before the long CNY holiday. Airfreight rates will drop, along with demand, in the second half of February. There will be container shortages and intra-Asia traffic will have a big effect as mainline carriers will prioritize deep-sea trades.

Vietnam (Ho Chi Minh) - There are currently no issues affecting air shipments; however, the ocean is a bit hindered due to the re-routing of vessels. The rate may increase by 10% due to shippers needing to ship out the cargo before the long holiday of the Lunar New Year. We forecast that the congestion situation will still last until the end of Q1 2024 if the conflict on the sea is not resolved.

Vietnam (Hanoi) – Airlines are watching the market trends this month corresponding before making any changes in rates. The rates are now unpredictable, but market demand will decrease after LNY. It is expected that the ocean rates will steadily increase in the short term due to Global issues until further notice. Both modes of transport are experiencing tight capacity for future movement.

United States

The cargo handling at US airports and seaports is good; the overall situation is stable. Continued Panama Canal restrictions are causing some delays but not currently having a significant impact on shipments.

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