

TRANSTAR INTERNATIONAL FREIGHT
Market Update**Welcome to the last month of the Peak Season.**

As we've outlined, carriers servicing the Far East have been trying to better match supply and demand with a view to stopping their haemorrhaging by withdrawing capacity from the berth.

Following Golden Week, lines have removed two sailings per week, totaling some 9000 TEU and have brought the permanent capacity reduction from end November to end October with a view to forcing through another increase from October 24. The Vessel Management Scheme (VMS) has been formalised and the chart enclosed shows how individual services will be 'blanked' over the next 7 months.

There's no doubt removal of a large amount of capacity has had the desired effect, from the lines perspective at least, and has resulted in 'roll over' pools of cargo that gives the carrier's the whip hand at least for the very short term. We will therefore see a short term spike in rates this week prior to them starting to retreat again as the season ends. Over the next week or so, your vessel choice may not be immediately available but certainly we have enough options in hand to ensure your supply chain is not impeded.

From South East Asia, we are seeing containers that would normally be transhipped at Hong Kong or Taiwan being rolled as space for transshipment cargoes dries up. This is affecting only some players and the mainline carriers appear to be having no problem in moving their containers as intended.

Longer term, it still remains difficult to see anything other than a continued volatile market as giant ships continue to be ordered and launched and smaller ships need to be employed somewhere. With slow global trade growth, there seems little doubt that supply will exceed demand for the next 18 – 24 months and this will impact on our trades.

REDUCTIONS	Blank weeks
AAS N (HL, HMM, HSUD, ML, MSC)	7, 8, 9, 10, 11, 12
AANA (ANL, CSCL, OOCL)	48, 2, 8, 14, 20, 26
NEAX (KLINE, MOL, NYK, OOCL)	47, 1, 7, 13, 19, 25
AAS S (HL, HMM, HSUD, ML, MSC)	51, 5, 11, 17, 23, 29
ACE (ANL, CSCL, OOCL)	46, 49, 6, 12, 15, 21
SAS (COSCO, ANL)	44, 50, 4, 10, 16, 25
CKA (HJ, TSL)	45, 51, 1, 5, 6, 12, 18
CAT (EMC, YML)	50, 7, 9, 14, 15, 23


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