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Container Shipping Marks Seven Straight Quarters of Record Profits

[Mike Schuler](#)

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Container shipping earned a “mind-altering” \$63.7 billion in profits in the second quarter, according to industry veteran John McCown’s [tally](#).

The second quarter of 2022 now marks seventh consecutive quarter of record of the highest net income ever for the industry. The \$63.7 billion is up \$35.1 billion, or a 123% improvement, from the same period last year, which was the highest quarterly net income ever for the industry at the time.

Compared to the first quarter of this year, net income was up 8.5%, or \$5 billion.

“To put 2Q22 net income into stark perspective, it is almost twice what total revenue was in quarters prior to the pandemic,” McCown notes in his report. “These actual results are diametrically opposed to what anybody could have ever contemplated, most particularly at the beginning of the pandemic just over two years ago.”

Just check out the “hockey stick” performance in the chart of net income below:

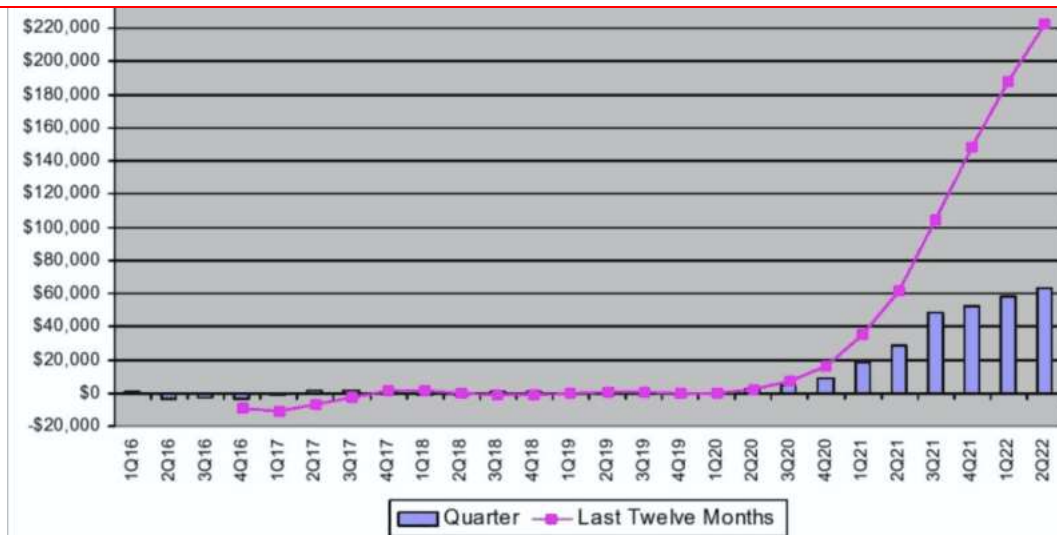


Image: John McCown/Blue Alpha Capital

In his report, McCown writes that the container shipping's upturn over the last two years is "one of the most pronounced performance changes ever by an overall industry."

What makes it even more remarkable is it came on the heels of 12 years of negative overall bottom lines following the 2008 financial crisis.

"The container industry has literally gone from being at or near the bottom in terms of overall industry performance to at or near the top in terms of overall industry performance," writes McCown.

Another interesting tidbit from the report... Container shipping's second quarter net profit came in 145% above FANG profits—an acronym for Facebook, Amazon, Netflix and Google—and 76% higher than "earnings behemoths" Apple and Microsoft combined.

As to what's causing these enormous profits, McCown points to further contract rate gains which far outweigh any decline in spot rates which only represent about 10% of the containers moved worldwide.

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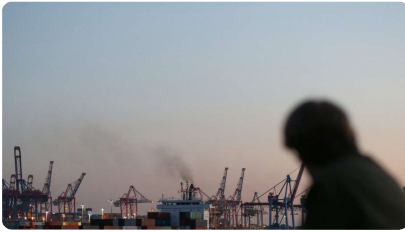
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