MARKET INSIGHTS
Mainfreight – Albany, NY

MAY 17, 2022

Shanghai

Shanghai Covid-19 Lockdowns – Hit ‘Zero’… re-opening?

- Shippers and forwarders in the Asia-US trade have mixed views about how quickly import volumes will rebound when China lifts COVID-19 factory shutdowns in Shanghai, with some anticipating a strong, sustained spike in imports, and others expecting a gradual — and more manageable — buildup in volumes along normal seasonal trends.
- “It’s interesting there are so many different perspectives on this,” said Lawrence Burns, president of Lawrence Burns Consulting and a former senior vice president of trade and sales at carrier HMM. “I think there is only one perspective. There’s a tremendous amount of pent-up demand. I see a surge.”
- On the operational side, the severe congestion problems and vessel backlogs that plagued gateways on the US West and East coasts have significantly improved.

PORT SITUATION

Shanghai
WGQ berth congestion slightly stabilized these days, but still with heavy waiting/delay in 2-3 days. SIPG keeps shifting vessels out from WGQ to YS to ease congestion in WGQ terminals.
In YS1, berth congestion further worsened these days with heavy waiting/delay in 3-4 days, mainly due to extra calls with vessels diverted out from WGQ terminals.

Shekou
One-way traffic applied for all vessels berthing/unberthing via Mawan channel in Hong Kong, due to construction of a subsea pipeline at Urmston Road Fairway.
Heavy berth congestion these days with waiting/delay about 2 days, mainly due to less flexibility in pilotage arrangement (berthing/un-berthing) with prolonged vessels port stay.

Qingdao
Moderate congestion these days in QQCT with waiting/delay around 0.5-1 day, mainly due to port closure in previous days.

		INDUSTRY DATA			
RANGE	PORT	Vessels At anchor	vs Last Week	Waiting Time	vs Last Week
NORTH CHINA	QINGDAO	15	+ 4	2	+ 1
CENTRAL CHINA	SHANGHAI	56	+ 24	5	- 1
CENTRAL CHINA	NINGBO	19	- 7	3	- 1
SOUTH CHINA	XIAMEN	3	- 3	1	- 1
SOUTH CHINA	YANTIAN	5	- 3	1	-
SOUTH CHINA	SHEKOU	70	+ 30	3	+ 1
SOUTH KOREA	BUSAN	0	-	2	-
VIETNAM	VUNG TAU	0	- 2	1	-

https://www.joc.com/maritime-news/container-lines/shippers-wary-over-lack-clarity-shanghai-reopening_20220512.html?utm_source=Eloqua&utm_medium=email&utm_campaign=CL_JOC%20Daily%205%2F13%2F22%20NONSUBSCRIBER_PC015255_e-production_E-137683_KB_0513_0617

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CHASSIS SHORTAGES

CHICAGO STRUGGLES WHILE MID-SOUTH & GULF IMPROVE

- “BNSF is really struggling right now, and our drivers are spending hours inside the terminal to get containers lifted onto our chassis,” a Chicago-based trucking executive who did not want to be identified told JOC.com. Chassis providers are struggling for the second straight year to handle the flow of ocean containers moving on trains into Chicago rail ramps as shippers continue to hold onto equipment too long.
- Today few ocean containers, if any, are grounded and UP’s operations are running normally in Chicago, according to trucking executives and non-vessel operating common carriers (NVOs).
- Beyond Chicago, chassis providers are doing significantly better than a year ago supplying equipment, with far fewer chokepoints in mid-South and Gulf Coast markets that were congested last spring.

Chassis struggles return to Chicago despite lower demand (002).pdf – JOC.com

EDI CHARGES

- Moving forward Mainfreight has initiated an EDI Fee of $25
- WHY?
  - Upkeep/technology/electronic processes/communication/online tracking
- Mainfreight continues to inject $60M a year into our global technology efforts to better serve our partners

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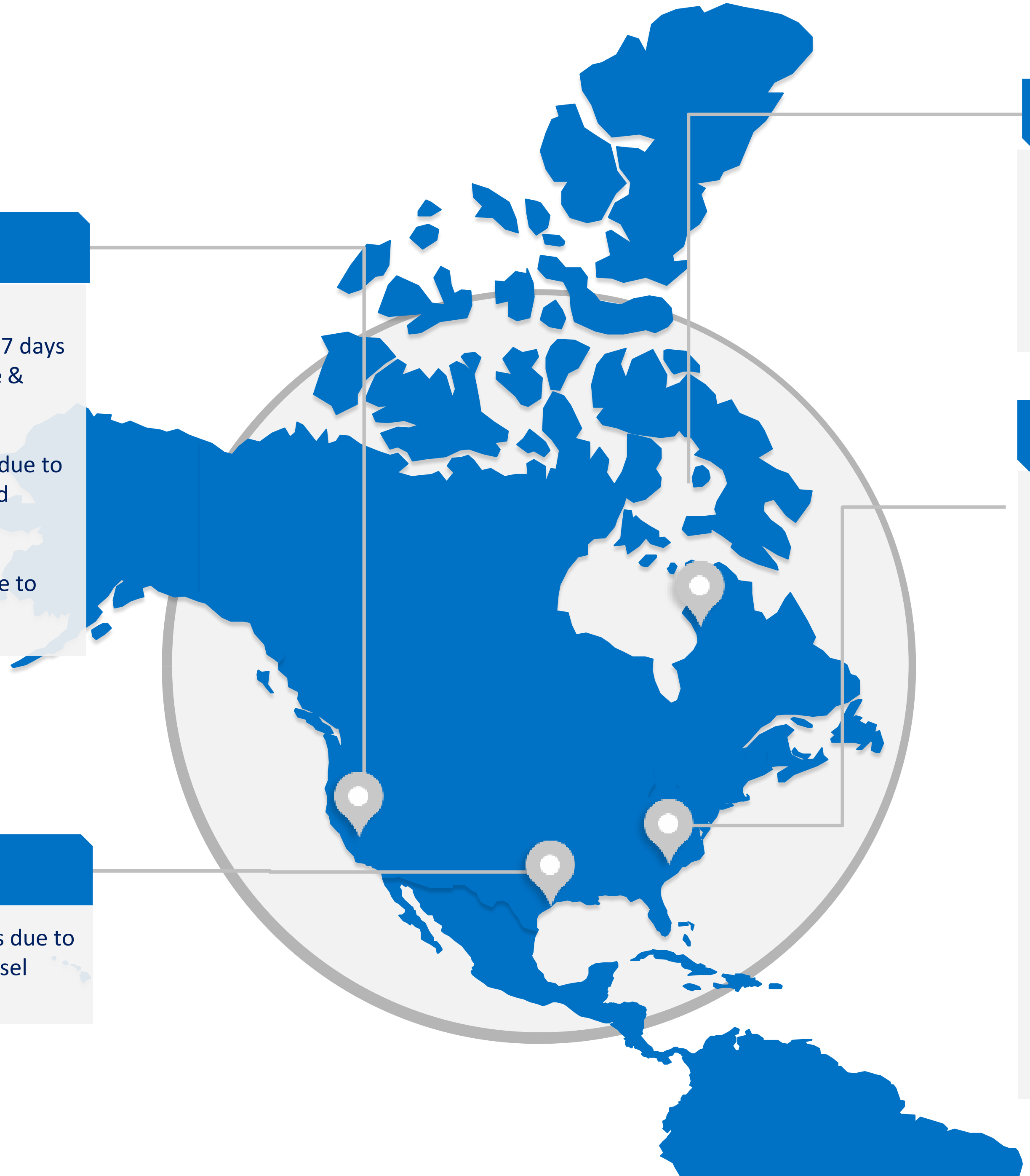
Port Updates



U.S. West Coast

Los Angeles: Vessel waiting time is 16-17 days due to high import dwell, labor shortage & yard congestion

Oakland: Vessel waiting time is 10 days due to high import volume, labor shortage. Yard utilization is at 90% of capacity.

Seattle: Vessel waiting time is 2 days due to high import volume, labor shortage.

U.S. Gulf Coast

Houston: Vessel waiting time is 2-8 days due to high import volume, labor shortage, vessel bunching

Canada

Prince Rupert: Vessel wait time is 14 days. Yard is at 113% capacity.

Vancouver: Vessel wait time is 28 days. Yard is at 100% of capacity.

U.S. East Coast

New York: Vessel waiting time is 2-10 days due to severe berth congestion.

Philadelphia: Vessel waiting time is 0-1 day due to a certain level of import volume.

Norfolk: Vessel waiting time is 2-3 days due to high import volume, berth congestion due to vessel bunching and construction.

Charleston: Vessel waiting time is 0-2 days due to high import volume & low productivity.

Savannah: Vessel wait time is 2-4 days due to certain level import volume.

Miami: Vessel waiting time is 2-3 days due to high level of import volume and holiday closures.

Rail / IPI

Canada

Delayed rail operations in the region around and north of Seattle. Substantial backlog of traffic accumulated due to multiple track outages caused by significant rainfall and snow in British Columbia, Impacting interchange operations with Canadian carriers.

U.S. West Coast

LAX/LGB: Due to gate capacity restrictions, limited reservations (RVs), rail car shortages and daily ingate restrictions at our major rail facilities in LAX/LGB (BNSF & UP), import rail units (both on-dock and off-dock) are experiencing increased delays.

Terminal Dwell Fee - SSA Terminals (Pier A (LGB), OICT (OAK), T-18 (SEA)) have implemented a temporary storage charge in addition to the normal port demurrage charges on all import loaded containers discharged at facilities on the West Coast

Chassis Shortages

Mid-West / IPI Points

Chicago: Reminder - Effective April 29, CSX is realigning Chicago service to increase capacity and streamline operations. Service changes for Baltimore and Port Newark are listed in the charts below in local time. April 28 is the last day to in-gate freight at the origin terminal for these lanes.

Houston Chassis Shortage - Chassis deficits continue to be reported on a weekly basis due to ongoing congestion in the area. TRAC chassis can be utilized as our approved secondary provider

U.S. East Coast

Chassis Shortages: Charleston, Savannah & Jacksonville leading to extended delays in pickups, deliveries, and drayage to/from rail facilities

CSX Update - Effective 04/26. Rail reservations from all origin locations to Charleston have been restored to standard line allocation.

NS Update – Effective 05/09, rail traffic from all Norfolk Southern origin facilities delivering to Charleston have opened for ingate. Prior Communicated exceptions remain in effect. Greer and Meridian remain closed for exports aside from communicated exceptions. NS allocation limits are in place for Austell, Huntsville, and Rossville facilities for delivery to Charleston.

Local Port / Rail Conditions

Branch	Truck power & Lead-time	Equipment availability & Waiting time	Congestion	Additional information
TORONTO/ MONTREAL	Truck power: no issues Dray costs are way up due to FSC increase Rail congestion in Toronto CY (2-3 days after full discharge)	No issues with equipment for Toronto or Montreal	Montreal: Dwell vessel discharge: 3-5 days Dwell rail loading: 2-3 days Toronto: RV: 1-2 days. Dwell rail loading: 2-3 days	
VANCOUVER/ PRINCE RUPERT	Fuel prices going up in BC. Dray availability is stable, no issues. Warehousing space is an issue.	Dwell time (container discharge): +18 days Container loading on rail: +6 days EXPORT: no issues with equipment	Vancouver: 105% of capacity (terminal handling) Port still very congested with +25 vessels waiting	
LOS ANGELES / LONG BEACH	Truckers are booking up weeks in advance, months in some cases. So advanced notice/dispatch is highly recommended.	Equipment shortages continue, container street turning remains a top strategy.	Nearly 50 ships in the queue at the port compared to 109 near its worst. Count will likely increase once Shanghai opens up again.	Labor negotiations will kick off in May. The best approach is to suggest front loading from customers (both import and export).
HOUSTON	Approximately 2-3 week lead time needed to get the best rate. If dispatched with less time allowed, rates can be triple.	Chassis shortage and limited supply of equipment. Truckers will charge an extra $250 for congestion fee.	Dwell time 5-7 days	The key is planning ahead in order to get capacity and reasonable prices.
Norfolk	Trucking is fully booked 6 weeks in advance of ETA or ETD	Chassis availability: extremely low	Dwell time increasing: 5-7 days Vessels waiting to berth increasing daily.	FSC is beginning to rise again as well as increased congestion surcharges from trucking carriers.

Local Port / Rail Conditions (continued)

Branch	Truck power & Lead-time	Equipment availability & Waiting time	Congestion	Additional information
NEW YORK	Pre-booking of 2-3 weeks required to secure trucking capacity. Truckers unable to accommodate last minute volumes. HAZ drivers in short supply.	Very limited equipment and chassis available. No container empty returns for specific carriers tying up chassis even further, port situation is deteriorating.	Vessel dwell to 2-10 days with an average of 4 Days	21 vessels at anchorage **Expect delays in coming weeks to climb toward 7-10 days**
MIAMI	Limited Availability. -2 weeks' notice required.	Shortage in special equipment such as flat rack and reefer containers. Chassis available upon request	Terminals congested causing drivers in line for at least 2-3 hours. Port congestion fee is charged for every container.	bookings must be requested within 2-4 weeks in order to secure space. No guarantee for special equipment.
CHARLESTON	Trucking is fully booked 6 weeks in advance of ETA. Continuing to dispatch upon departure for imports.	Chassis availability: low but improving.	Dwell time: 3-5 days	FSC is beginning to rise again as well as increased congestion surcharges from trucking carriers.
CHICAGO	Exports : required lead-time is 1-2 weeks out. Imports : delivery lead time remains at 1 week.	Exports: chassis shortage is still a thing. Specific carriers are experiencing shortages for containers too (Cosco + OOCL) Truckers have also reported shortages for CMA + ANL but the carriers are reporting a lot of containers present. Imports: Chassis shortages are slowing carriers ability to pull boxes from the rail. This has lead to increased waiting time, dry-runs, and increased likelihood of rail storage.	EXPORTS: Due to congestions, it is hard to secure RV at the rail. In most cases, by reaching out to the carriers Rail billing team this can be resolved. Maersk will not assist with this process.	

Local Airport Conditions

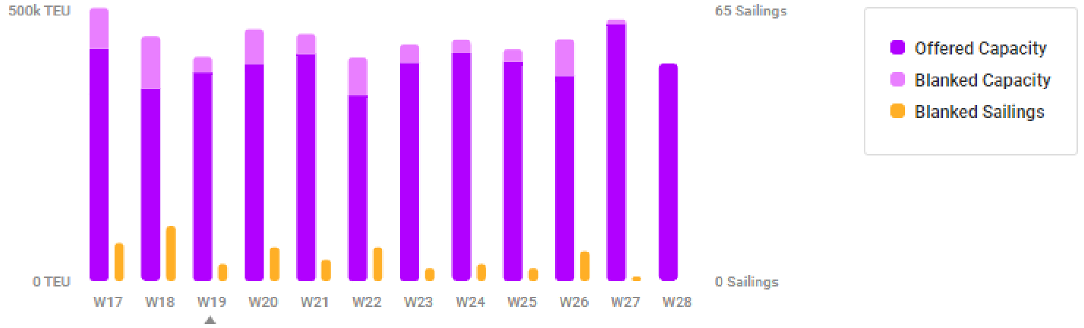
Branch	Import	Export	Additional Information
YUL, YYZ, YVR	Airports and warehouses are operating as usual, following the CoviD-19 restrictions. Terminal fees have been increased and storage guidelines are more strict.	Space to China and Oceania is tight, requiring priority rates for some cases.	
JFK/EWR	ISC fees have increased to \$170-\$200 at most agent warehouses, also WFS and Alliance Ground buildings now only offering 24hrs free time before storage starts. Turnaround from arrival to availability around 6 hours on average, Wait times sitting anywhere between 2-6 hours	All of china is difficult to get into to, you'll most likely need to pay express. DG cargo embargo from what we've been hearing from the airlines, ID8000 into CKG is doable. Currently no rises in surcharges. Everything else seems to be status quo	Final Trucking costs have increased due to the Fuel
ORD	Congestion improving with most airlines. Breakdown still not back to pre COVID levels however most airlines are making cargo available within 42-48 hours. Imports from PVG have been cut drastically over the last month. Expecting congestion to increase once PVG is up and running.	We're seeing signs of the market softening in a few areas. AU is still tight but not as tight. PVG is an issue. Europe is running relatively smoothly.	More capacity is coming back to the market however rates are not decreasing. We're seeing fuel increases across all airlines.
DFW	We are continuing to see issues with the ground handlers due to lack of manpower, breakdown is still taking 6 hours to 3 days and there is wait time on most recoveries. We have seen improvement on China Airlines breakdown but are trying to avoid Singapore airlines and Forward Air as they seem to take the longest. We've seen an increase in lost shipments and not receiving shipments in full. It's taking a lot of effort to get dock checks done by the ground handlers and in some cases, we are going to the airport ourselves to check, if they allow.	The airport transfers are moving smooth due to the newly implemented DFW airport scheduling system. Cathay Pacific anticipates coming back to the DFW market on June 1 which will open up more capacity into Asia. We have had issues getting dry ice into Shanghai but have found solutions. We are successfully moving to PVG, BKK, HKG, PRG and FRA 3x a week – if anyone is needing space or airline options please reach out to the export team!	
SCL	Working Normally.	Working normally.	
MIA	Congestion and long lines to recover freight. 4 hours average	Space is tight, allocations not been honored, need to check space on a daily basis.	It's recommended to request export bookings at least 1 week in advance as space is very tight
CLT	Operating as normal.	Airlines have suspended flights to PVG and are overbooked causing capacity issues.	Still need 24 hours to transfer to the airline.

12 Week Capacity Snapshot – Trans-Pacific Inbound

Asia - US West Coast

Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
396 711 TEU / week	9.9% (521 187 TEU)	65 Sailings

Weekly Breakdown : Offered vs Blanked Offered per Alliance



Alliance & Carrier Capacity

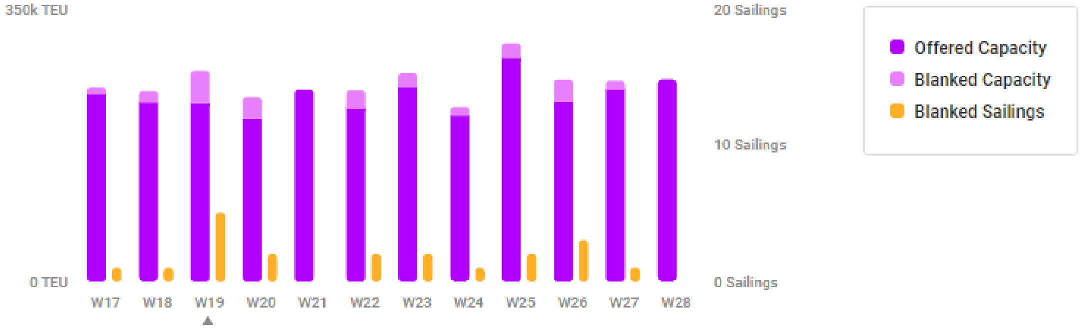
Alliance	Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
2M	47 035 TEU / week	27.0% (209 767 TEU)	21 Sailings
Ocean Alliance	136 644 TEU / week	4.0% (69 542 TEU)	7 Sailings
THE Alliance	93 609 TEU / week	11.0% (137 018 TEU)	16 Sailings
Other Carriers	119 423 TEU / week	7.0% (104 860 TEU)	21 Sailings

- *Spot rate market is down due to the Shanghai COVID issue. At time of writing there a 400+ vessels waiting to call the port. We do not expect this to last long. Once Shanghai is open there will be an influx on goods needing to leave causing a significant impact in the market.*

Asia - US East Coast

Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
236 476 TEU / week	6.5% (197 871 TEU)	20 Sailings

Weekly Breakdown : Offered vs Blanked Offered per Alliance



Alliance & Carrier Capacity

Alliance	Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
2M	48 321 TEU / week	14.0% (95 688 TEU)	11 Sailings
Ocean Alliance	92 241 TEU / week	2.0% (24 408 TEU)	2 Sailings
THE Alliance	52 619 TEU / week	10.0% (69 129 TEU)	6 Sailings
Other Carriers	43 295 TEU / week	2.0% (8 646 TEU)	1 Sailing

12 Week Capacity Snapshot – Europe Inbound

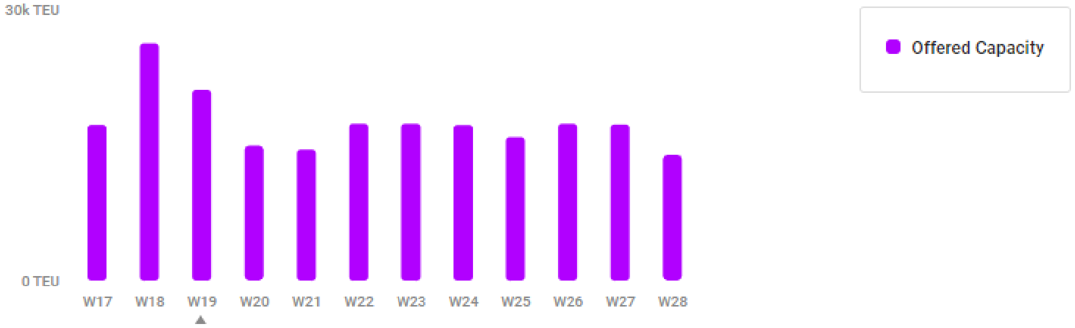
North Europe Main - US West Coast

Offered Capacity - Avg / Week
17 328 TEU / week

Blanked Capacity - Total / 12 Weeks
0.0% (0 TEU)

Blanked Sailings - Total / 12 Weeks
0 Sailings

Weekly Breakdown : Offered vs Blanked Offered per Alliance



Alliance & Carrier Capacity

Alliance	Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
THE Alliance	5 248 TEU / week	0.0% (0 TEU)	0 Sailings
Other Carriers	12 080 TEU / week	0.0% (0 TEU)	0 Sailings

- Rates remain stable although we are hearing that the vessel are only running at 70% capacity. We do not expect any rate reduction as a result but it is a space we continue to watch closely.

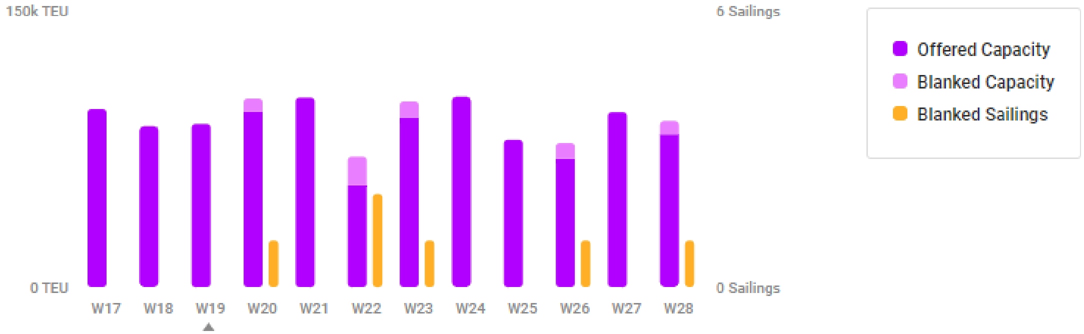
North Europe Main - US East Coast

Offered Capacity - Avg / Week
86 360 TEU / week

Blanked Capacity - Total / 12 Weeks
4.3% (46 155 TEU)

Blanked Sailings - Total / 12 Weeks
6 Sailings

Weekly Breakdown : Offered vs Blanked Offered per Alliance



Alliance & Carrier Capacity

Alliance	Offered Capacity - Avg / Week	Blanked Capacity - Total / 12 Weeks	Blanked Sailings - Total / 12 Weeks
2M	17 510 TEU / week	18.0% (46 155 TEU)	6 Sailings
Ocean Alliance	16 236 TEU / week	0.0% (0 TEU)	0 Sailings
THE Alliance	21 679 TEU / week	0.0% (0 TEU)	0 Sailings
Other Carriers	30 936 TEU / week	0.0% (0 TEU)	0 Sailings

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Thank you!

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