Global Research Marketing

Pinch points in Red Sea and Panama; higher Europe prices, lower Asia exports

29 January 2024

Equity
Global

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See Team Page for List of Analysts

CNY = Chinese New Year

GM = Gross Margin

CCFI = China Containerized Freight Index

FND = Floor and Decor

DLTR = Dollar Tree

Houthi attacks continue to disrupt the Red Sea corridor

Prior to the attacks, about 28% of containership volumes transited through the Suez Canal. Those volumes are now down 90% with tanker and bulk volumes down 20%. A much smaller portion of crude tanker and dry bulk volumes traverse the canal. MENA economist Jean-Michel Saliba thinks there's risk of a continued tit-for-tat between US/UK forces and Houthis in the near-term, suggesting disruptions could last a while. However, the Houthi movement announcement that they would not target Saudi or UAE reduces the risk of a regional escalation, according to Jean-Michel.

Higher rates translate to some inflationary pressures

Shipping costs from China to Europe have increased over 300% since 12/3 while rates from China to the US East and West Coasts have increased ~100%. The bigger increase in rates to Europe could translate to a 1% q/q increase in Europe if disruptions persist. The impact on US inflation would be smaller at about 0.3% q/q. Muneeba Kayani recently raised numbers for freight forwarders, putting us 2% above consensus. The Global Transport and Shipping research team forecasts 1Q24 CCFI rates to be 50% above 4Q23 levels and then to decline sequentially until 4Q24 as the disruption eases and new vessels are added to the global container shipping fleet. Nathan Gee upgraded COSCO to Buy on 1/24 as shares trade at 0.5x PBV and our earnings estimates are well ahead of consensus. Low water levels in the Panama Canal have added to disruptions.

Energy hasn't been impacted much, that could change

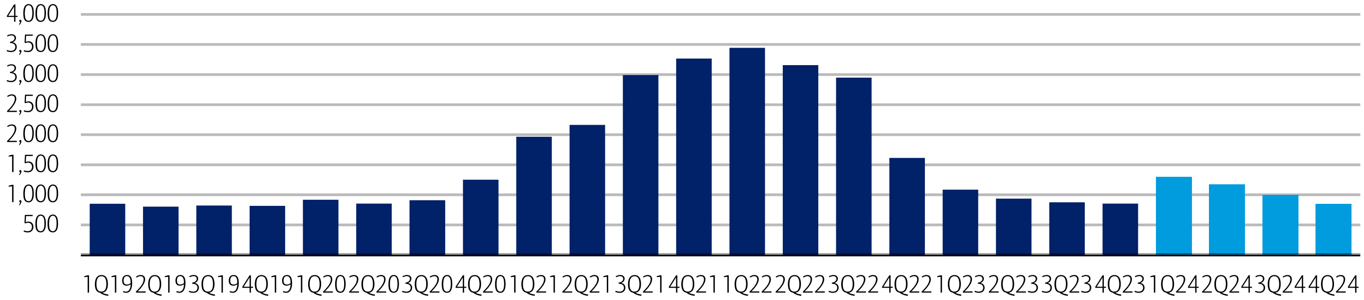
Francisco Blanch points out that natural gas and coal prices in Europe on warmer weather and renewable generation. That's despite a 96% reduction in LNG tankers crossing the Bab El-Mandeb strait. But persistently longer trade routes and other disruptions could disrupt the calm and the mild oil surplus we forecast in '24.

Impact from chems to retail, 43 notes linked within

This note expands on our compilation from early Jan and offers key notes from around the globe covering impact from the trade disruptions. Higher freight costs from Asia mean that chemical import prices could rise 10-20%, a positive for European chemical companies. While 2023 saw an unwind in transport inflation for many US retailers, Lorraine Hutchinson sees less GM upside from here with Red Sea a factor. Still, Lorraine expects inbound freight costs to rise less than 50bps. Robby Ohmes suggests FND, YETI and DLTR face some margin risk as China is a key source of imports. Horst Schneider suggests that BEVs are more reliant on Asia components, explaining some of the production pauses. EU tires may see benefits as Asia imports become more costly. John Murphy points out that North America auto manufacturers are mostly supplied by vessels navigating the Pacific.

Exhibit 1: China Containerized Freight Index, 2019-24E

1Q24 peak before a gradual fade on new deliveries & 2H24 return to Red Sea



Source: BofA Global Research estimates, Shanghai Shipping Exchange

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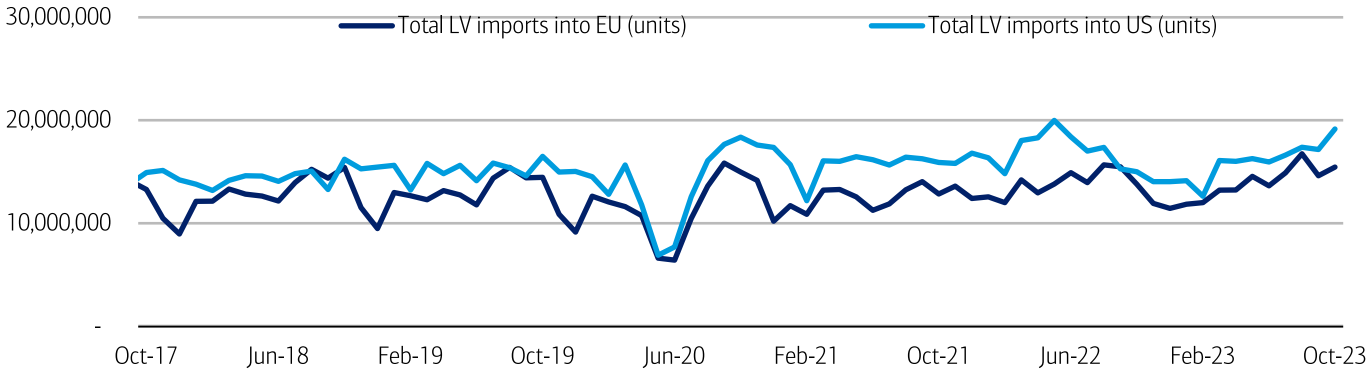
Exhibit 2: Monthly imports of Asian LV tires into Europe and the US (units)

Europe sees a 6% m/m increase in Oct-23 and the US 12% m/m Increase in Oct-23 bringing the YTD figures to +0.6% and -5.3% y/y respectively



Source: LMC

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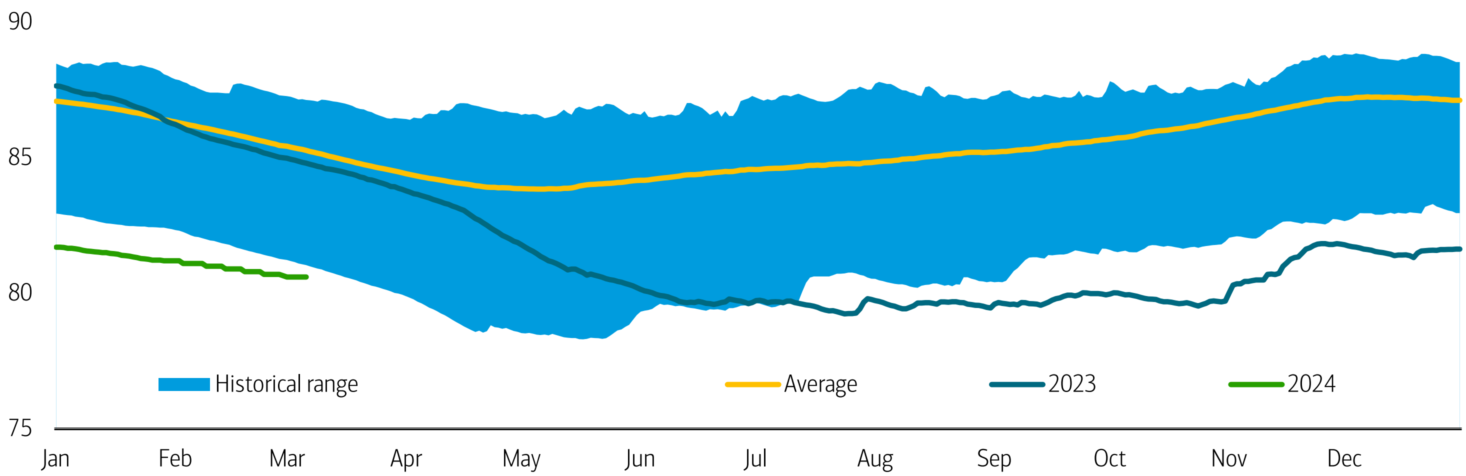
Exhibit 3: Panama Gatun lake water level (ft)

Current water level remains well below historical water level



Source: Panama Canal Authority. Note: 2024 data is Panama Canal Authority's estimates

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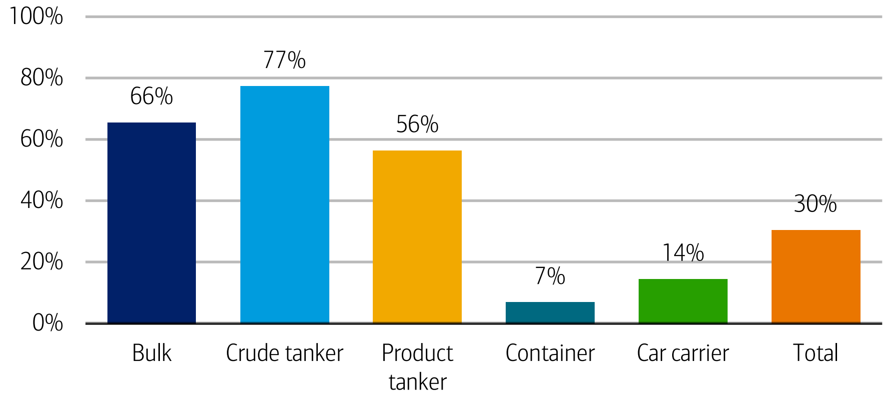
Exhibit 4: Red Sea vessel arrivals - last 7 day MA as % of 1H Dec 2023
Red Sea diversions persisting with Houthi attacks continuing



Source: Clarksons

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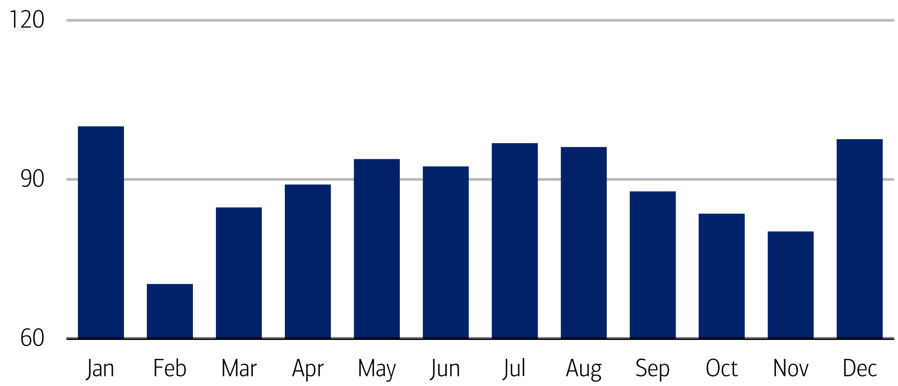
Exhibit 5: Asia Europe monthly container volumes (Jan set at 100), 2010-19 average monthly volumes
Trade sees a mini-peak in the four weeks ahead of CNY



Source: CTS

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Exhibit 6: China Containerized Freight Index (CCFI), 1999-2024
WoW: +9% MoM: +54% YoY: +26% vs 2019: +59%

Source: Shanghai Shipping Exchange

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Recent Notes on Red Sea Implications

Macro

Mikhail Liluashvili – The EEMEA FX Strategist: Not yet time to turn bullish 23 January 2024

- We remain cautious on EEMEA FX in the short term as our EMFX sentiment indicator triggered a tactical sell signal in January.
- Fed's cutting cycle + China's recovery should ultimately lead to a weaker dollar and, hence, stronger EEMEA FX from Q2.
- We are bullish ZAR, neutral on PLN, CZK and ILS, bearish HUF.

Savita Subramanian – Earnings Tracker: Week 2: Green shoots into the busiest earnings week 29 January 2024

- 30% of earnings are in and reported companies beat by 5% (73% beat on EPS). Alpha for beats has been more muted vs. history.
- Semis and Trucking show more green shoots. Company commentaries also suggest an improving macro environment for earnings.
- Cold weather hit Jan, but likely a temporary blip. Red Sea might be a headwind to retail, but a tailwind to manufacturing.

Sebastian Raedler – European Equity Strategy: Geopolitical challenges to the bullish consensus 19 January 2024

- Rising geopolitical tensions in the Middle East present a challenge to a market priced close to macro perfection.
- Higher shipping costs could bring rising inflation & real yields; higher uncertainty weighing on multiples; margin pressure.
- We stay negative on European equities, with c15% downside by mid-year, but are marketweight on Europe vs global equities.

Ruben Segura-Cayuela – Europe Economic Weekly: Back to school: it's really never easy 12 January 2024

- Back to school with the same Euro area story: insufficient demand and too tight policy mean a 2025 inflation undershoot.
- First ECB cut in June. Risk of faster 2H24 cuts > risk of earlier start. Shipping cost developments add to our conviction.
- New BoE call: quarterly cuts starting in Aug-24 (vs Feb-25). Disinflation is faster than expected, but slower the elsewhere.

Jean-Michel Saliba – Global Watch: A Sea of Red 25 January 2024

- Red Sea disruptions remain acute as US/UK strikes have not prevented more Houthi attacks.
- The main takeaway from our conference call is that the conflict is likely to remain confined to the Red Sea area.
- Shipping costs continue to rise, especially on Europe-bound routes, posing inflationary pressures if disruptions persist.

Jean-Michel Saliba – Global Economic Viewpoint: Global rate cuts lost at (Red) Sea? 12 January 2024

- Escalation of Houthi attacks in the Red Sea could cause temporary but acute trade disruptions and inflation pressures.
- Higher shipping costs could push inflation by 0.2% in the US, and 0.6% in Europe over a quarter, with Asia less affected.
- Further escalation could impact Saudi fiscal and diversification; weigh on Egypt's external funding needs but IMF could help.

Barnaby Martin – The European Credit Strategist: Another year of living dangerously 05 January 2024

- Hubris comes back to bite: early '24 weak price action reflective of how "bubbly" some markets had become in late '23.
- We would buy corporate bonds on corrections though. The story remains intact: big ECB rate cuts ahead, and stronger inflows.
- Flies in the ointment for when the dust settles: rising shipping costs, rising food prices. Inflationary jitters possible.

Miao Ouyang – Taiwan Watch: December export orders weakened unexpectedly 22 January 2024

- Dec export orders surprised on the downside, falling by 16.0% yoy (vs. +1.0% in Nov) and trailing market consensus (-1.0%).
- Electronic parts (mostly semis) dropped by 12.9% yoy; info & comm products plunged by 25.3% despite structural AI boost.
- Exports could remain under pressure in 1Q, due to the off-peak season for tech, Red Sea disruptions and demand weakness.

Transport

Muneeba Kayani – Transport: A voyage of earnings discovery – DSV our top pick 26 January 2024

- We raise our yield estimates for the forwarders because of the Red Sea disruption, putting us 2% above consensus on average.
- Ocean rates likely peak near CNY but remain elevated through mid-2024, driving another increase to 2024 est for Maersk & ZIM.
- We present our 4Q23 earnings season playbook.

Muneeba Kayani – APM Maersk: Goodbye 2M, Hello GC 17 January 2024

- Maersk and Hapag Lloyd to enter an operational collaboration called 'Gemini Cooperation' commencing in February 2025.
- HL will leave THE alliance in January 2025. This new alliance raises questions around the response from other liners.
- Gemini cooperation is unlikely to improve capacity discipline in the industry, in our view.

Muneeba Kayani – [Europe Transport: Takeaways from Red Sea disruption – implications for air cargo 16 January 2024]

- We hosted Mr. Neil Wilson, Editor at TAC Index to discuss the impact of Red Sea disruptions on air cargo market.
- Impact of disruption is not yet reflected in air freight rates and visibility on timing of impact from disruption is limited.
- Mr Wilson believes that even a small shift of volumes from sea to air could lead to material increase in demand and price.

Muneeba Kayani – [Transport: BofA Freight Follower: Ocean spot rates likely to rise further 15 January 2024]

- Sea: Spot rates spike 100% m-m on Red Sea disruption. Asia-EU rates were up c200% m-m.
- Air: Rates decrease -26% m-m. Air cargo demand improved by +8% y-y in Nov while capacity was up +14% (now +4% vs'19).
- Red Sea disruption leads to Ocean spot rates spiking, as carriers reroute vessels to Africa - journey time and costs increase.

Muneeba Kayani – [Shipping: Takeaways from Red Sea disruption – implications for container shipping call 04 January 2024]

- We hosted Mr Lars Jensen, CEO of Vespucci-Maritime to discuss the impact of Red Sea disruption on container shipping.
- Rerouting of ships around Africa will remove c6% of capacity from the market, putting global supply-demand in better balance.
- Longer route adds 7-9 days to Asia - Europe services and extra costs of c$2-3m, however, is offset by sharply increased rates.

Muneeba Kayani – [ZIM: Red Sea disruption – raising 2024E EBITDA estimates 04 January 2024]

- Red Sea disruption has resulted in a spike in spot rates; rates outlook is skewed to the upside at least for the next month.
- We now forecast a lower decline of -5% in ZIM's average freight rate in 2024E driving our EBITDA estimate to $0.8bn.
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Muneeba Kayani – [APM Maersk: Red Sea disruption sends rates soaring – upgrade to Neutral 04 January 2024]

- Red Sea disruption has resulted in a spike in spot rates; rates outlook is skewed to the upside at least for the next month.
- With a less bearish outlook for 2024 contracting season, we raise our 2024E EBITDA estimate to $6.8bn and upgrade to Neutral.

- We still forecast share buyback to end, but just a cut is possible given improving cash flow outlook.

Nathan Gee – Shipping - Global: Key takeaways from Red Sea disruption call with Linerlytica 11 January 2024

- We hosted an expert call on Red Sea disruptions with Linerlytica. Crisis could last for longer than a few months with...
- no easy solution. Asian exports unimpacted so far, but more upside to spot rates that could peak in Feb 2024 before...
- gradually declining. Container liners could see 1Q24 windfall gains with EBIT margins above 10% before gradually normalizing.

Nathan Gee – SATS Limited: Takeaways from SATS meeting on air cargo 11 January 2024

- We hosted ground hander SATS Limited ("SATS") at the BofA ASEAN Conference.
- Mgmt identified signs of air cargo demand bottoming; contract negotiations to pass through some cost inflation ongoing.
- WFS integration 15% of synergies achieved. Management focuses on deleveraging, ramping ROE and resuming dividends.

Nathan Gee – Singapore Airlines: Key takeaways from Singapore Airlines at the BofA ASEAN Conference 14 January 2024

- SIA at the BofA ASEAN Conference on 12 January 2024. Demand is holding up for now with no real signs of cracks to pricing...
- although it acknowledged some risk of price moderation ahead. Air cargo has seen a December demand upturn, while.
- inflation pressure could build with some service providers seeking price resets.

Nathan Gee – Shipping - Global: Key takeaways from Red Sea disruption call with COSCO Shipping Holdings 17 January 2024

- We hosted one of the world's largest container liners - COSCO - to discuss the Red Sea disruptions & 2024 industry outlook.
- COSCO is largely avoiding the Red Sea now and would be prepared to return to the Red Sea only if other major liners return.
- COSCO sees spot rates may stay higher-for-longer, possibly defying the post CNY lull, with some clients delaying shipments.

Nathan Gee – Shipping - Global: Key takeaways on car carrier outlook and Red Sea disruptions with Höegh Autoliners 18 January 2024

- We hosted Per Øivind Rosmo and My Linh Vu from Höegh Autoliners to discuss the 2024 outlook for car carriers.
- Car carriers seeing lost volumes due to Red Sea disruptions but plan to passthrough higher costs to customers via surcharges.

- Contract repricing could still bring average unit revenues higher. Market normalization could take a few more years.

Nathan Gee – Shipping - Asia-Pacific (H/A): COSCO up to Buy on Red Sea disruptions, but fading the rally for other names 24 January 2024

- Red Sea disruptions could persist with 1Q24 rates up +50% QoQ and 1Q24 EBIT margins up to 20-25%.
- We upgrade COSCO to Buy - trading at near all-time low PBV of 0.5x despite big consensus 2024 estimate lift on its way.
- But we stay U/P on J3 - trading at near 1x PBR with spot nearing the peak and 2024 shareholder return mostly priced in.

Nathan Gee – Shipping - Global: Supply chains, interrupted 01 January 2024

- Red Sea supply chain disruptions worsened in 2H December. Container looks most disrupted, but tanker and bulk less impacted.
- Upside risks to container rates in Jan 2024, but our base case is supply chains and rates normalize in Feb-Mar 2024 on...
- ...post-CNY slack season and note that peak disruptions might have passed with some liners already returning to the Red Sea.

Technology

Didier Scemama – European Technology: Limited impact of Red Sea disruptions on our Tech coverage 29 January 2024

- We discuss in this note the potential impact of the Red Sea crisis on our EU Tech companies.
- We see no direct impact on IT HW/semis but see pot'l indirect impact from OEMs customers reducing production.
- No direct impact on Software, but indirect coming from clients asking from greater discounts/macro on IT Services.

Consumer

Lorraine Hutchinson – Specialty Retailing: Supply chain delays: here we go again! 22 December 2023

- Retailers' significant 2023 gross margin recapture is now at risk from supply chain disruption (Red Sea attacks).
- 30% of all containers go through Suez Canal; the move to avoid it adds 1-2 weeks to retailers' shipping timeframe.
- Jan/Feb are lower volume months; we do not think a 1-2 week delay in receipts will materially impact spring selling season.

Robby Ohmes – Broadlines, Hardlines & Food Retailers: Assessing potential negative impacts of Red Sea disruption 26 January 2024

- If global shipping prices continue to rise & capacity shortages occur due to the spillover effects of Red Sea disruptions...

- …we would expect all of our coverage to see some degree of potential profit margin headwinds and/or late shipments in 2024.
- We see FND, YETI & DLTR most exposed to sourcing cost pressure & Food Retailers least so as grocery is largely sourced in US.

Ronald Leung – Consumer - Asia Pacific: Taiwan OEMs YA 2024: Upcycle has started and momentum could build up 03 January 2024

- Upcycle has started: we expect revenue growth for OEMs to turn positive in 4Q23 and last through 2024.
- We see room for earnings upgrades and multiple expansion as the upcycle progresses.
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Ronald Leung – Bicycles - Asia Pacific: Takeaways from bicycle expert call: Expects sales growth YoY in 2024 12 January 2024

- US and EU bike sales were down YoY and vs. COVID in 2023; Channel inventory remains high but getting better.
- Expert expects 20% YoY growth in bike sales quantity in US/EU in 2024 with positive signs potentially to be seen in 3Q/2Q24.
- Supply chain costs hold up due to diseconomies of scale at OEMs and increasing ESG costs.

Chen Luo – Shenzhou International: Call takeaways: so far so good; direction matters more than speed of recovery 15 January 2024

- We recently hosted a call with Shenzhou and present our takeaways. 1) Guidance maintained; recovery so far so good.
- 2) Limited impact from Nike's guide cut, and updates of other key branded customers.
- 3) Capacity expansion; updates on Indonesia. 4) Topical discussions: red sea and OECD global minimum tax.

Autos

Horst Schneider – European Automobiles: Limited impact of Red Sea on EU Autos, positive impact on EU Tires 17 January 2024

- Red Sea disruption adds 1-2 weeks to shipping, forcing TSLA & Volvo Cars to halt production as BEV value chain most impacted.
- RNO and Volvo Cars have the highest exposure to freight costs and P911 to delivery delays, while VW and STLA least vulnerable.
- Pos. for legacy EU OEM BEV share on Chinese export delay + pos. for EU Tire maker market share as Asian cost advantage erodes.

John Murphy – Automotive Industry: A supply chain shock of a different color and magnitude 17 January 2024

- Red Sea/Suez Canal disruption appears to be creating a 2-week lag in shipping some auto components to Europe.

- Ramifications for North America production likely limited as the region is mostly supplied via the Pacific Ocean.
- Tesla currently the only company in our coverage affected. Companies with Europe exposure likely to be most impacted.

Kei Nihonyanagi – Japan Automobiles/Auto Parts: Red Sea disruption has limited impact, rising container costs need watching 18 January 2024

- We envisage only limited impact on Japanese companies from Red Sea transport disruption at present.
- Rising global container costs are a potential risk, though repeat of 2021-22 production/transport constraints unlikely.
- Higher container costs could have relatively large impact on tier 2 tire companies, MMC, SUBARU, Mazda, and Yamaha Motor.

Ming Hsun Lee – Greater China Auto, EV and EV battery: First take on Red Sea disruption to China Auto supply chain – manageable impact 19 January 2024

- Red Sea disruptions are constraining container operators, and some of them reroute, leading to extra 10-13 days journey time.
- Total China vehicle export to Western Europe accounts for 8% of total, which equals to low-single digit to total wholesales.
- See limited impact to OEMs on little sales in Western Europe, auto parts given most leading suppliers have localized capacity.

Joon-Ho Lee – Global Electric Vehicle Battery (H/A): Unrest in Red Sea, select pause so far, risk to battery suppliers in EU 19 January 2024

- According to Reuters news on 14 Jan, TSLA/Volvo so far announced production pause in EU due to the shipping crisis in Red Sea.
- We see potential risks to key EV battery suppliers in EU such as LGES, CATL, Samsung SDI, Panasonic supplying to TSLA/Volvo.
- Our US Auto team expects little ramification to NA EV industry as mostly supplied from vessels navigating the Pacific Ocean.

Ming Hsun Lee – CALB: Takeaways from conference call: expects battery shipments of 70-80GWh in 2024 23 January 2024

- CALB shipped 40-45GWh battery in 2023, and expects 70-80GWh shipment in 2024, including 50GWh+/20GWh EV battery/ESS battery
- Management also guided effective capacity will be 70GWh/120GWh/160GWh in 2023/24/25, respectively
- CALB estimates battery's export shipment contribution will be 10-20% for EV battery, and 20-30% for ESS battery in 2024

Capital Goods

Alexander Virgo – Capital Goods: Red Sea implications: timing, freight costs & inventory 29 January 2024

- Rea Sea disruptions are not comparable to '22/'23 issues, meaning implications for the sector are likely relatively limited.

- Post-COVID, component availability was the issue, now it's timing & freight costs. Higher inventory levels will help mitigate.

- Wind (Vestas) & mining/machinery (Epiroc, Sandvik, SKF) are most likely to see an impact, as they were before.

Alexander Virgo – Capital Goods: Year Ahead 2024: Caution is the watchword 05 January 2024

- SXNP +9% rel SXXP in 2023 takes sector to c11.5x '25E EV/EBITA vs 10yr avg 10-12x. BofA 3% below cons revs/EBITA for '24E.

- US best region for '24. Px t/winds & capex growth slow. Short cycle weak, ests falling. Construction, energy transition mixed.

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Alexander Virgo – Capital Goods - Global: Marketing feedback: sympathy with cautious view 22 January 2024

- EU/US marketing feedback suggests broad sympathy with our cautious YA view & shift to cyclicality. Debate, as ever, on ratings.

- Most pushback: SU & LR U/P ratings (quality, resilient), ASSA & SAND Buy ratings (timing vs u/lying investment thesis appeal).

- Positioning: SU, LR, EPIA still well held but directional conviction is low. Capital at risk also feels low, in line with FMS.

Chemicals

Matthew Yates – European Chemicals: Red Sea rebound? 22 January 2024

- Red Sea disruption has the potential to shift chemical trade flows from Asian imports to more domestic production in Europe.

- Higher freight costs require a 10-20% increase in chemical import prices, which restores European cost competitiveness.

- We see BASF and Brenntag as potential beneficiaries from supply chain challenges, with Akzo as the most vulnerable.

Sashank Lanka – MENA Energy and Chemicals: Year Ahead 2024: Uncertainty to continue; stay defensive 17 January 2024

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- We downgrade SABIC to Underperform, as we believe future mid-cycle petchem spreads are unlikely to reach historical avg.

- We expect 2024 to witness weak global macro in 1H, volatile energy pricing, geopolitics and excess Chinese chems capacity.

Industrials

Andrew Obin – Industrials/Multi-Industry: Red Sea impact on US multi-industrials 29 January 2024

- Red Sea/Suez Canal disruptions are decreasing container fleet capacity and increasing logistics costs.

- SE Asia represents approx. 10% of US imported components, including electrical equipment, semis, and forging/castings.

- Medium term we think this is another driver of reshoring and near-shoring as manufacturers seek to shorten supply chains.

Utilities

Gary Tsang – [Solar - China: Key takeaways from solar expert call with Rystad Energy 10 January 2024]

- 2024 solar demand growth could slow sharply on high rates & installation costs, waning policies & lengthy permit times.
- High European inventory at 85GW, but perhaps not as much impact to shipment given fire sale and obsolete risk.
- Rystad expects China's TOPCon module price to average RMB0.9/W in 2024 with challenging outlook on worsening oversupply.

Oil

Franscisco Blanch – [Global Energy Weekly: Non-OPEC supply low cost but not low risk 29 January 2024]

- Long-dated oil prices of $70bbl should support healthy non-OPEC project FIDs, but macro, investor returns are key headwinds
- Non-OPEC 2024-29 project lineup marginally better vs 2018-23, but geopolitical/technical risks may cause supply to fall short
- If Middle East tensions persist, oil trade routes could lengthen, and oil output and developments may be disrupted altogether

Christopher Kuplent – [The Oil Gusher #575: Seeking cash return resilience in <$70/bbl vs. >$100/bbl break-even Brent oil prices 12 January 2024]

- As our 2024 Year Ahead outlook expects Big Oil cash flows to decline, we focus on source of resilience #2: Payout headroom.
- We expect 15-20% distribution cuts at Repsol, Galp and OMV - yet still see oil price break-evens >$90/bbl.
- We see steady returns covered <$70/bbl for Shell and TotalEnergies, while Equinor uniquely benefits from its net cash exception

Financials

Hubert Lam – [3i: Concerns seem overdone on Red Sea disruption for Action 16 January 2024]

- We retain our Buy rating on 3i as we think concerns on recent shipping disruptions in the Red Sea for Action are overdone.
- Fixed shipping contracts, lower freight costs vs. peers, superior scale and pricing flexibility protect Action's margins.
- Products sourced from the Far East are usually ordered months in advance while shipping delays are currently only 1-2 weeks.

Insurance

Freya Kong – [Insurance Pan-Euro: Claims inflation bubbling in the Red Sea? 25 January 2024]

- Middle East tensions will cause indirect issues for motor insurers even if direct impacts (eg war cover) for most are minimal

- Red Sea supply chain disruption could prolong inflation challenges for motor insurers, just as prices were catching-up.
- Some (e.g. UK motor insurers) which rely more on imports will see greater impacts. Wider sector impacts seem low.

Upcoming Events on Red Sea Implications

January 30, 2024 – [Tanker shipping outlook with Gibson – Transporting into 2024 call series]

- BofA Transport team is pleased to host Richard Matthews, Director of Consultancy & Research at EA Gibson Shipbrokers.
- Mr. Matthews will discuss the outlook for tanker freight markets into 2024 across crude, product and LNG shipping.
- The call will be held on Tuesday 30 January 2024 at 5pm Hong Kong time, 6pm Tokyo time, and 9am London time.

February 1, 2024 – [Supply chain outlook with Flexport – Transporting into 2024 call series]

- BofA Transport team is pleased to host Sanne Manders, COO, and Trine Nielsen, Head of EMEA Ocean, Flexport.
- Mr. Manders and Ms. Nielsen will discuss the 2024 outlook for supply chains.
- The call will be held on Thursday 1 February 2024 at 5pm Hong Kong time, 6pm Tokyo time and 9am London time.

February 5, 2024 – [Container outlook with Hapag Lloyd – Transporting into 2024 call series]

- The BofA Transport team is pleased to host Mark Frese, Chief Financial Officer, Hapag-Lloyd.
- Mr. Frese will discuss the 2024 outlook for container shipping and supply chain market.
- The call will be held on Monday 5 February 2024 at 5pm Hong Kong time, 6pm Tokyo time and 9am London time.

Disclosures

Important Disclosures

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R1]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R1]Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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