



e4L eye for Logistics


Newsletter

Since 2012

Jan. 2022

 [SamsungSDS.com](https://www.samsungsds.com)

 Cello@samsung.com

 [Youtube.com/SamsungSDSGlobal](https://www.youtube.com/SamsungSDSGlobal)

Copyright © 2022 Samsung SDS Co., Ltd. All rights reserved.

SAMSUNG SDS

Economic Indicators

Logistics Market Trends

News Brief

↑ **Exchange Rate - USD/KRW**
1,198.5 (▲12.0)
Jan. 26

↑ **Crude Oil Prices - WTI**
87.35 (▲10.07)
Jan. 26

↓ **Manufacturing PMI - USA**
57.7 (▼1.4)
Dec. 2021

↑ **SCFI**
5,053.12 (▲294.18)
Jan. 21

↓ **BAI - Hong Kong to USA**
10.56 (▼1.34)
Jan. 24

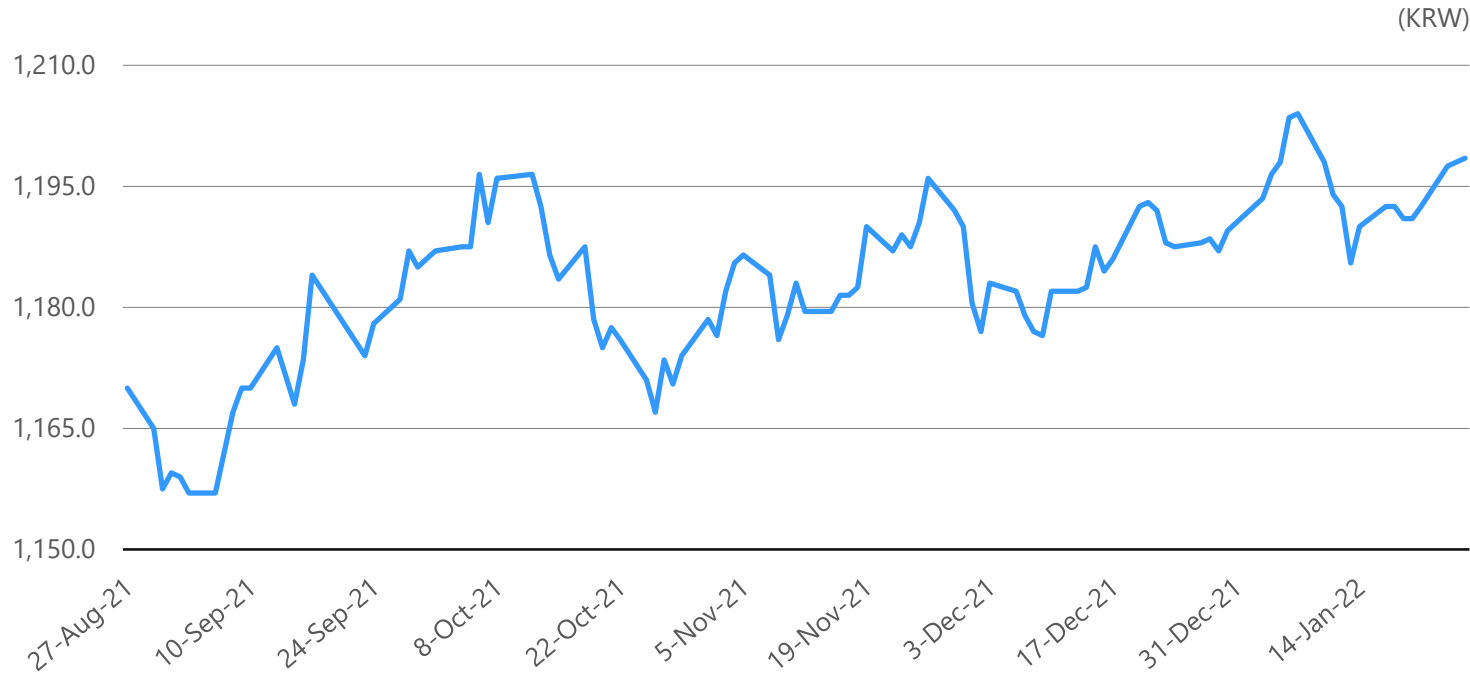
↑ **Diesel Price - USA**
3.78 (▲0.10)
Jan. 24

✓ **Economy**
Fed Keeps Tapering Schedule,
Concerned About Inflation

✓ **Sea Freight**
Shipping Rates Expected To Stay
High In 2022, Stoking Inflation

✓ **Air Freight**
Air Cargo Records Strong Year
With December Performance

* () : compared with average of last 3 months

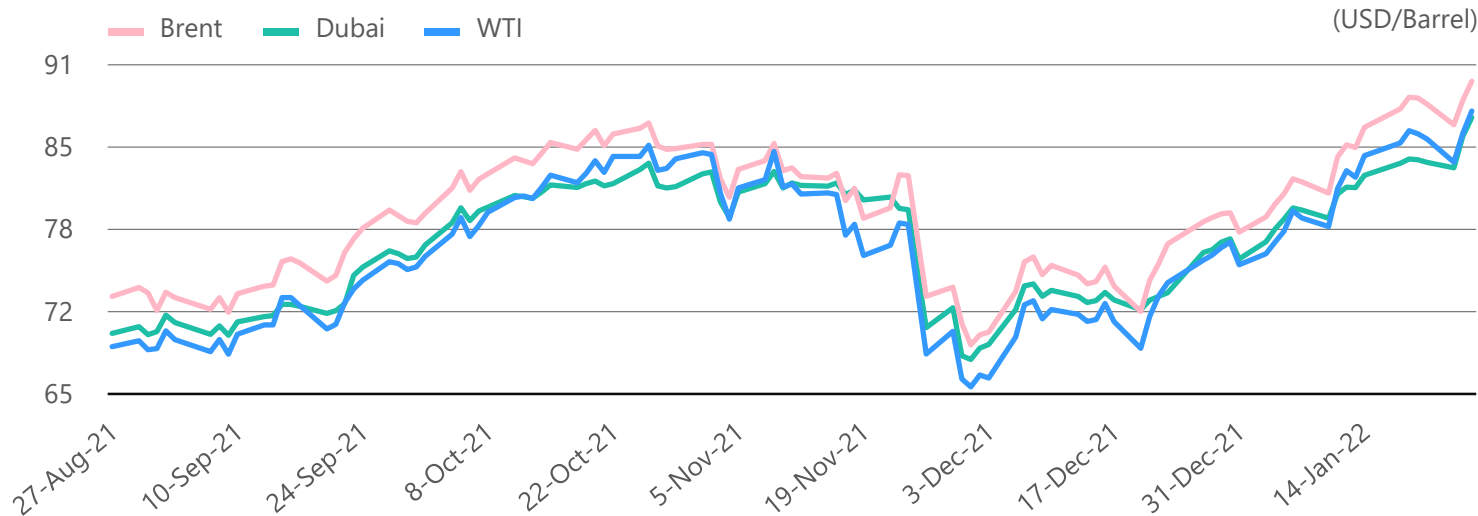


Date	Jan. 6	Jan. 13	Jan. 21	Jan. 25	Jan. 26
USD/KRW	1,203.5	1,185.5	1,192.5	1,198.0	1,198.5

Source: KEB Hana Bank

USD/KRW exchange rate reached 1,200 for the first time in 1.5yrs

- 1/6, Strong dollar with the Fed's faster- than- expected tightening. Even with the involvement from the exchange rate authority, the exchange rate hit 1,200 for the first time in 1year and 6months since July 2020 when the first effects of the COVID-19 pandemic had been felt.
- 2 1/13, Dec. US consumer price inflation met market expectations following Fed Chair Jerome Powell when he showed his intention to adjust the speed of QT(Quantitative Tightening). The exchange rate dropped to 1,180 for the first time since the last trading day of 2021.
- 3 1/21, Rates rose due to a clear risk in Asian stock market along with NYSE futures weakening.



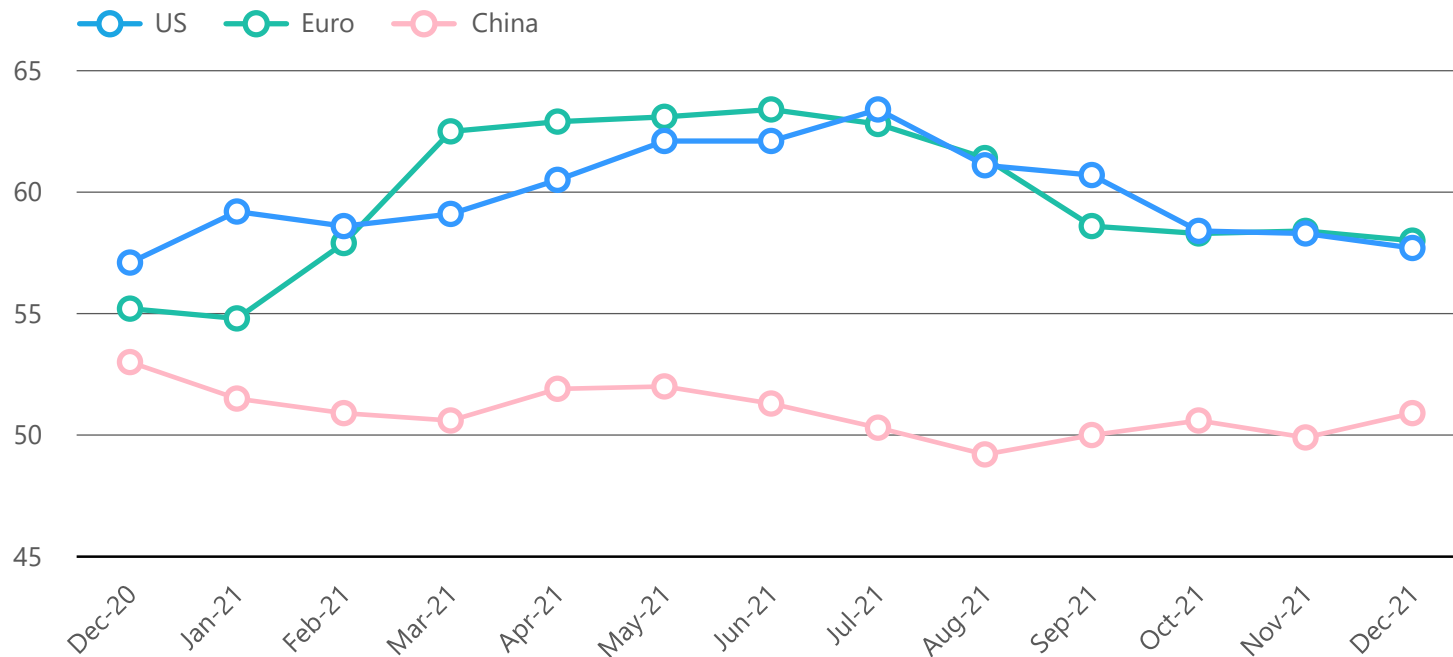
Oil prices skyrocketed due to geopolitical risks

- 1/6, Prices rose due to concerns over protests against gas price hike in Kazakhstan and lack of supply due to Libya's suspension on oil exports.
- 1/19, Prices recorded the highest level since Oct. 2014 due to the explosion at a crude pipeline from Iraq to the Turkey port along with geopolitical risks including Russia's threat to invade Ukraine and the Yemen rebel Houthi's attacks on an oil facility in UAE.
- 1/24, Prices showed their biggest drop for the first time in a month since Dec.20 due to the widespread risk aversion, triggered by the possibility of Fed's tightening plan.

Date	Jan. 6	Jan. 19	Jan. 24	Jan. 25	Jan. 26
Brent	81.99	88.44	86.27	88.20	89.70
Dubai	79.69	83.56	82.87	85.35	86.83
WTI	79.46	85.80	83.31	85.60	87.35

Source: NYMEX, ICE

Manufacturing PMI (Purchasing Managers' Index)



Manufacturing PMI, China's manufacturing sector to rebound

- 1 US 57.7, Dropped from the last month due to a lack of materials and delayed supply. The slowest growth rate outside of Oct. and Nov. in terms of production growth and the lowest mark in terms of obtaining new orders.
- 2 EU 58.0, Fell slightly to the lowest record since Feb.2021 due to continued lack of supply with port congestion, shipment issues, and problems surrounding omicron variant.
- 3 CN 50.9, Recorded above 50 due to the government supply increase and price stability measures leading to stable raw material price.

Country	US	Euro	China
Manufacturing PMI	57.7 (0.6 ↓)	58.0 (0.4 ↓)	50.9 (1.0 ↑)

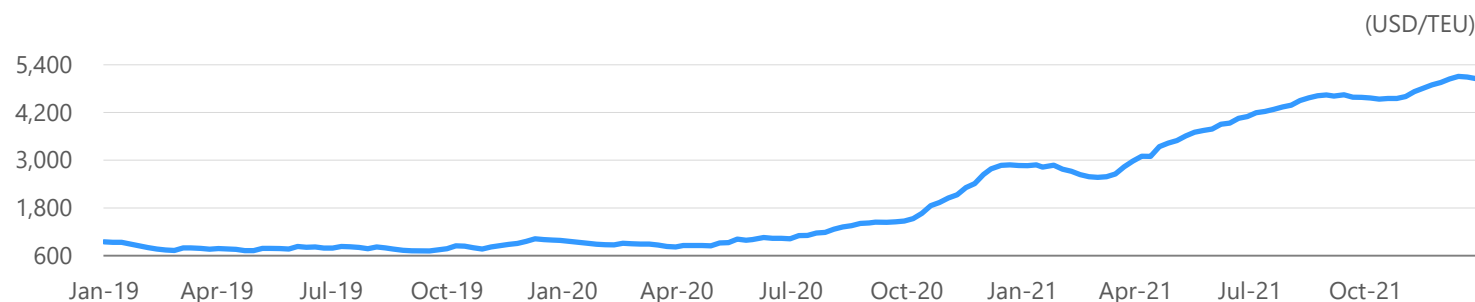
* As of Dec. 2021

* Copyright © 2022, Markit Economics Limited.

All rights reserved and all intellectual property rights retained by Markit Economics Limited.

Source: IHS Markit

SCFI (Shanghai Containerized Freight Index)



Description	Previous	Current	Change	Change (%)
	Jan. 21	Jan. 28		
Comprehensive Index	5,094.36	5,053.12	-41.24	-0.81%
Europe (Base port)	7,797	7,783	-14.00	-0.18%
Mediterranean (Base port)	7,520	7,522	2.00	0.03%
USWC (Base port) (FEU)	7,994	7,976	-18.00	-0.23%
USEC (Base port) (FEU)	11,729	11,337	-392.00	-3.34%
Persian Gulf and Red Sea (Dubai)	3,695	3,575	-120.00	-3.25%
Australian/New Zealand (Melbourne)	4,673	4,610	-63.00	-1.35%
East/West Africa (Lagos)	7,473	7,396	-77.00	-1.03%
South Africa (Durban)	6,316	6,278	-38.00	-0.60%
South America (Santos)	10,168	9,988	-180.00	-1.77%
West Japan (Base port)	318	341	23.00	7.23%
East Japan (Base port)	288	281	-7.00	-2.43%
Southeast Asia (Singapore)	1,523	1,510	-13.00	-0.85%
Korea (Busan)	456	449	-7.00	-1.54%

* Mediterranean Sea: Barcelona, Valencia, Genoa, Naples
Europe: Hamburg, Antwerp, Felixstowe, Le Havre

USWC: Los Angeles, Long Beach, Oakland
USEC: New York, Savannah, Norfolk, Charleston

West Japan: Osaka, Kobe
East Japan: Tokyo, Yokohama

Source: Shanghai Shipping Exchange

Container shipping rates on a downward trend two consecutive weeks

- 1/21 SCFI, fell 0.8% to 5,053.12, compared to the last week's mark of 5,094.36.
- 2 Rates dropped for two weeks consecutively as the shipping prices fell in the US, Europe and the Middle East.
- 3 In particular rates in the US dropped the most, 3.3% (\$392) from last week to \$11,336 per 1FEU. Rates on the west coast dropped by 0.2%(\$18) to \$7,976 per 1FEU.
- 4 Recent container shipment rates continue to show a downward trend, however, as congestion in the major global ports continues, rates are expected to remain strong.

BDI (Baltic Dry Index)



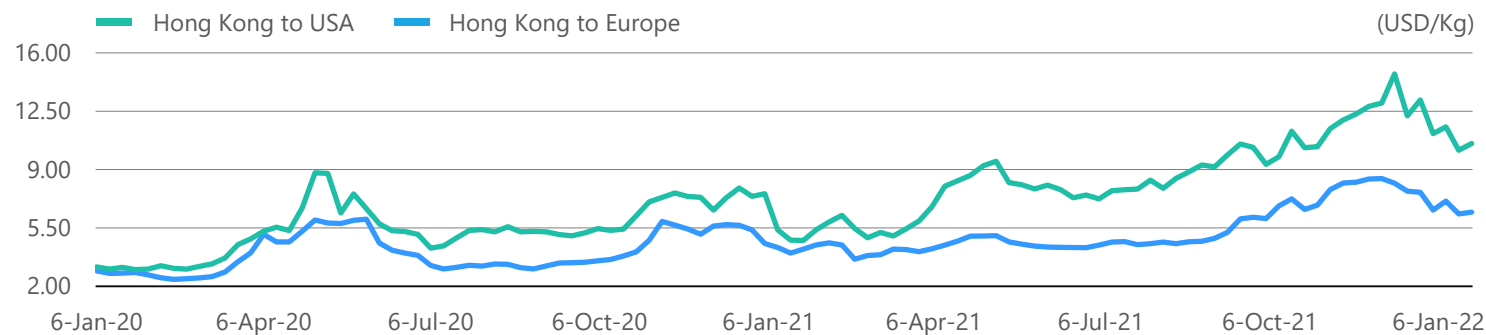
Date	Jan. 20	Jan. 21	Jan. 24	Jan. 25	Jan. 26
BDI	1,474	1,415	1,391	1,343	1,296

Source: The Baltic Exchange

Dry bulk shipping rates fell below 2,000 points due to slow demand

- 1 11/26 BDI 1,296, Fell below 2,000 points for the first time in 10 months since March 2021.
- 2 Normally, the Q1 in dry bulk market is slow. In addition, there is an export issue due to Brazil's suspension of iron ore operations because of heavy rain. Rates are on a downward trend.
- 3 Importing iron ore and coal to China accounts for 30% of overall dry bulk volume, however, the demand is decreasing due to the government's iron ore reduction plan. Shipping rates are expected to remain low.

Baltic Air Freight Index (BAI)



Source: BAI powered by TAC data

- 1 Avg. rate of Hong Kong on 3rd week of Jan.,
Hong Kong to USA \$10.56
Hong Kong to Europe \$6.45
- 2 Korean Air's air freight rates reached an all-time-high due to the spread of the Omicron coronavirus variant.

Fuel Surcharge per Country by Korean Air

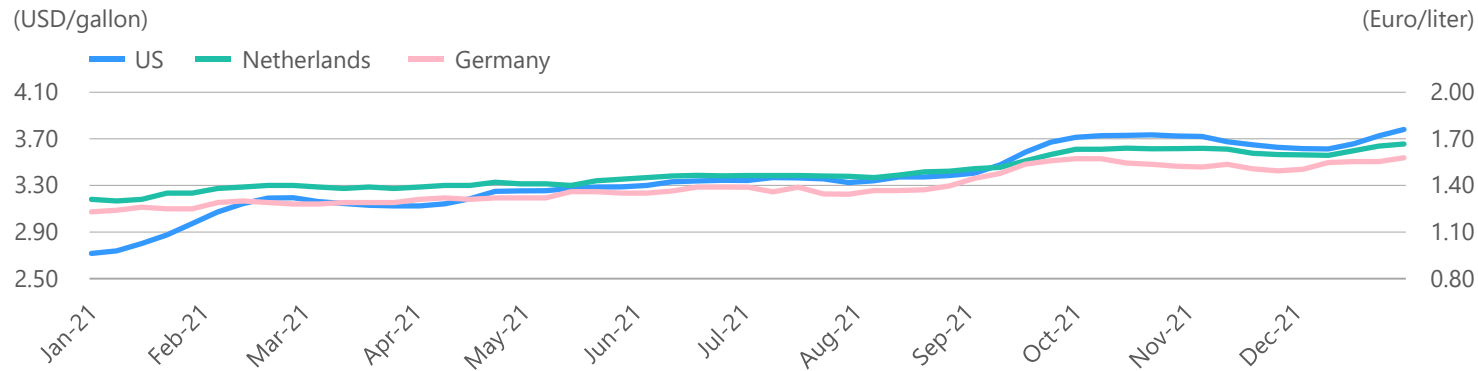
Country	Fuel Surcharge (kg)	Change (%)	Area
Korea	KRW 370	-27.5	TC 1,2, India, Sri Lanka, Maldives, Australia, N.Z., Fiji
	KRW 350	-25.5	TC 3 ex. Short Haul & India, Sri Lanka, Maldives, Australia, N.Z., Fiji
	KRW 330	-26.7	within 2 hours [Block Time]
China	CNY 8.0	-	TC 1
	CNY 5.5	-	TC 2, OCN
	CNY 2.5	-	TC 3 ex. OCN
Hong Kong	HKD 2.4	-	TC 1,2, OCN
	HKD 0.7	-	TC 3
Singapore	SGD 1.38	3.8	TC 1,2
	SGD 0.70	7.7	TC 3
Vietnam	USD 1.00	38.9	TC 1,2
	USD 0.50	38.9	TC 3

* TC 1: America / TC 2: Europe and Africa / TC 3: Asia and Oceania

Source: Korean Air

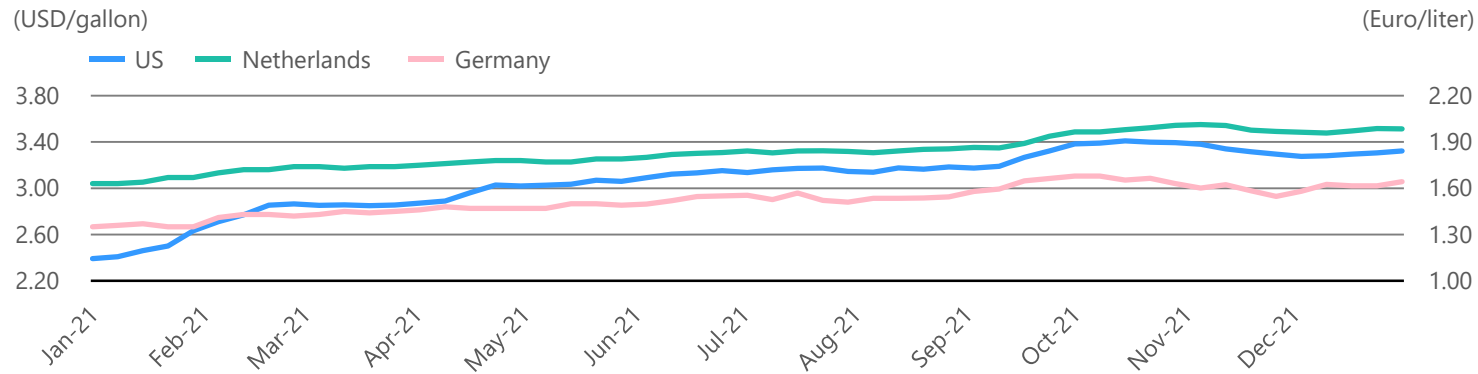
- 1 KE FSC: 370 KRW/kg
(TC 1,2 / Jan. 16 ~ Feb. 15)
- 2 MOPS: US \$1.9896/Gallon
(Dec. / MoM 6.3% ↓)

Diesel Price



Source: EIA, Global Petrol Prices

Gasoline Price



Source: EIA, Global Petrol Prices

Economy



Fed Keeps Tapering Schedule, Concerned About Inflation

(Investopedia)

Sea Freight



Shipping Rates Expected To Stay High In 2022, Stoking Inflation

(The Straits Times)

Air Freight



Air Cargo Records Strong Year With December Performance




(Engineering News)

* Click the title to see the original text of the article.

SAMSUNG SDS

Samsung SDS doesn't guarantee the reliability and accuracy of the contents of this e4L Newsletter, including data, facts and other information, etc. Samsung SDS further disclaims all responsibility for any actions taken by subscribers or users in reliance on the information contained in this newsletter.

All contents of this newsletter are the intellectual property of Samsung SDS and are protected by copyright. Any use, copying, display or distribution of this material, for any purposes other than original purpose of this newsletter, may be regarded as copyright infringement.

 SamsungSDS.com  Cello@samsung.com  Youtube.com/SamsungSDSGlobal

Copyright © 2022 Samsung SDS Co., Ltd. All rights reserved.