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Global Research
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First Read

China Industrials

Shipping supply chain weekly: trade flows, freight and Hormuz updates (week 19)

Equities

China

Industrial

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Key highlights from high-frequency data

We compile weekly data from UBS Evidence Lab, the Ministry of Transport and other third-party data providers to track the latest trade flows across shipping, shipbuilding, ports, international freight flights and land transportation.

BDI & earnings of bulker picked up; new build price remained strong

BDI and average earnings of capesize bulker increased 10%/11% WoW last week and reached the highest level in the past two years, supported by increasing bauxite exports from Guinea and the start of shipments from the Simandou iron ore project. The shipbuilding new build price index remained strong and picked up 0.5% WoW last week, achieving WoW growth in six consecutive weeks and total gain of 1.3%. We are upbeat on the shipbuilding demand, as we have seen new build demand for bulker and VLGC pick up after strong new build demand for VLCC squeezed the remaining slots in shipyard.

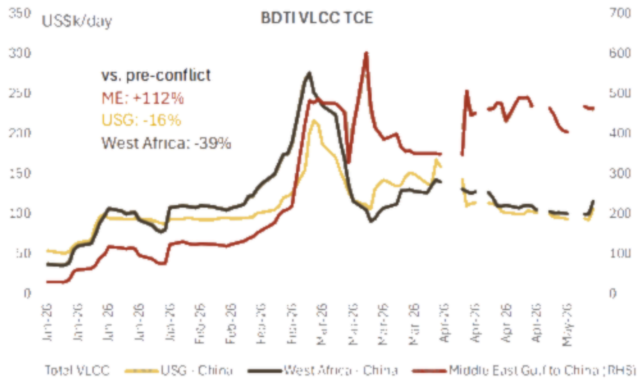
Resilient port container throughput and stable container freight rates

Container throughput at key ports in China decreased by 4% WoW, but remained at +7%YoY last week, with MTD throughput increasing 6% YoY. Port of Los Angeles import estimates indicated notable YoY volume increase in week 20. Overall SCFI freight rates increased by 2% YoY last week, with Shanghai-Europe +5% WoW and Transpacific +3-4% WoW; Shanghai to South America recorded 13% WoW growth last week. Intra-Asia containership chartering index retreated by 1% WoW last week.

Improved earnings for VLCC and VLGC

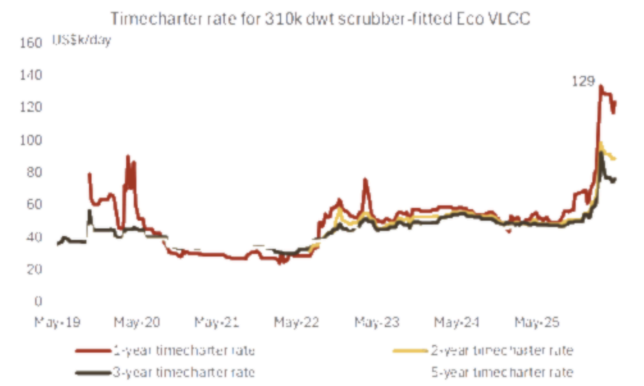
Daily vessels transits through the Strait of Hormuz remained very low in May, with an average of 7 transits per day in May MTD vs 13 per day in April and 125 pre-conflict. VLCC TCE from Middle East/US Gulf/West Africa to China improved ~10% WoW, with +112%/-16%/-39% vs. pre-conflict level. For VLGC, a surge in long-haul US exports and delays in Panama Canal have led to notable increase in the earnings, with VLGC TCE from USG to Japan increased by 65% vs April average.

Figure 1: Middle East/US Gulf/West Africa-China VLCC TCE +112%/-16%/-39% vs. pre-conflict level



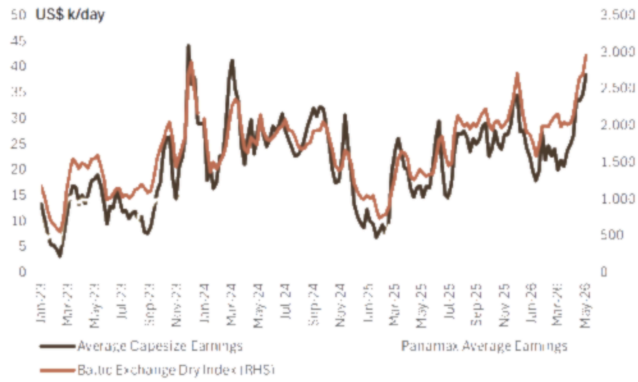
Source: Clarksons, data as of 8 May

Figure 2: VLCC 1 year charter rate remain elevated



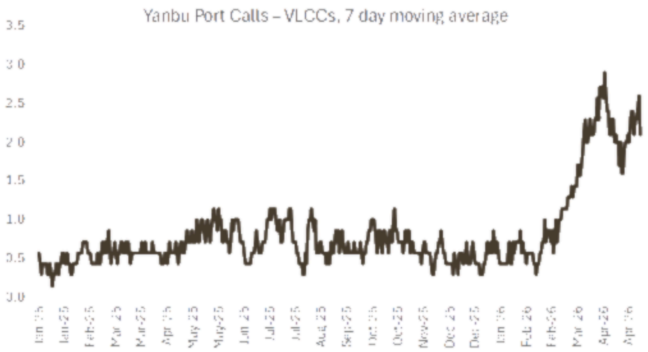
Source: Clarksons, data as of 8 May

Figure 3: Average earnings of Capesize increased by 10% WoW last week, a record high over past two years



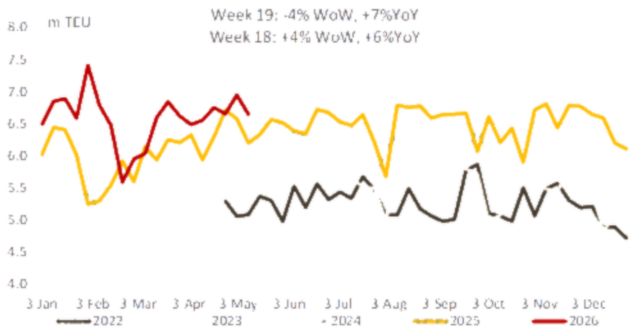
Source: Clarksons, data as of 8 May

Figure 4: Daily VLCC calls at Yanbu port dropped to MTD low, with +187% YoY and +196% vs. pre-conflict level



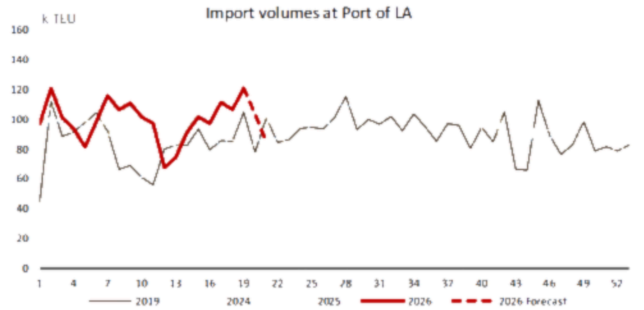
Source: Clarksons, data as of 8 May

Figure 5: Container throughput at China's key ports -4% WoW, +7% YoY last week



Source: Ministry of Transport

Figure 6: Port of LA forecasts -18% YoY import volume for week 21 vs. +22% YoY for week 20



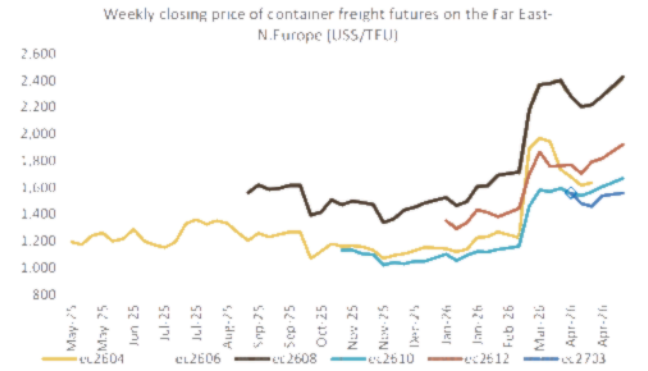
Source: Port of Los Angeles, the portal gives planned volumes three weeks ahead for week 16-18, i.e. 17 May- 30 May

Figure 7: SCFI +2% WoW and +45% YoY

WoW/YoY	SCFI	CCFI	SCFI Europe	SCFI W/C US	SCFI E/C US	NCFI Thailand&Vietnam
2026-04-03	2%/33%	4%/7%	-3%/24%	0%/2%	3%/1%	2%/-5%
2026-04-10	2%/36%	2%/9%	-6%/14%	8%/16%	5%/9%	2%/-1%
2026-04-17	0%/38%	0%/9%	-3%/14%	2%/24%	2%/10%	4%/3%
2026-04-24	-1%/39%	2%/10%	0%/19%	-1%/21%	0%/10%	4%/14%
2026-05-01	2%/43%	3%/13%	2%/27%	5%/20%	3%/12%	-1%/21%
2026-05-08	2%/45%	1%/16%	5%/37%	4%/20%	3%/14%	2%/18%

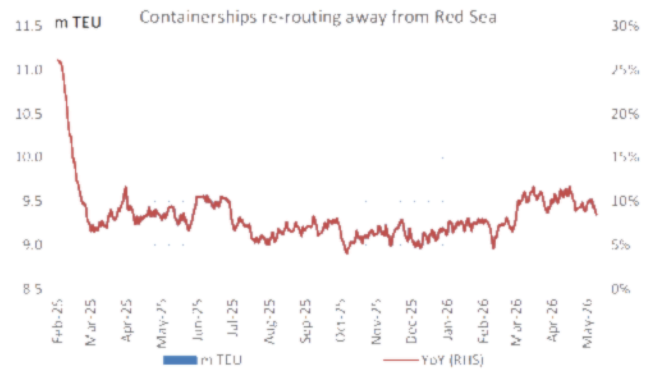
Source: Shanghai Shipping Exchange, Clarksons, data as of 11 May 2026

Figure 8: Container freight futures on Far East-Northern Europe continued to recover



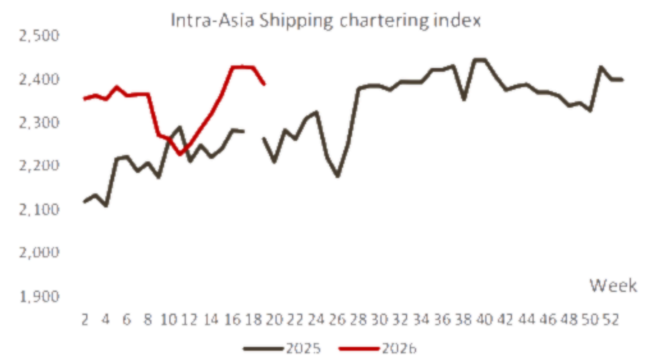
Source: Shanghai Futures Exchange

Figure 9: Container ships re-routing away from Red Sea still at high levels (+8-10% YoY)



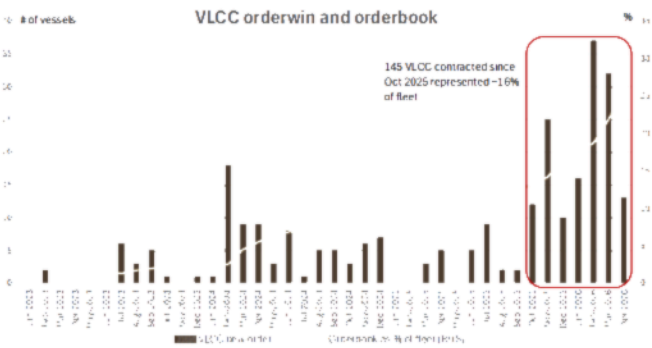
Source: Clarksons; Note: data as of 26 April 2026

Figure 10: Intra-Asia chartering index retreated WoW last week, while remain elevated



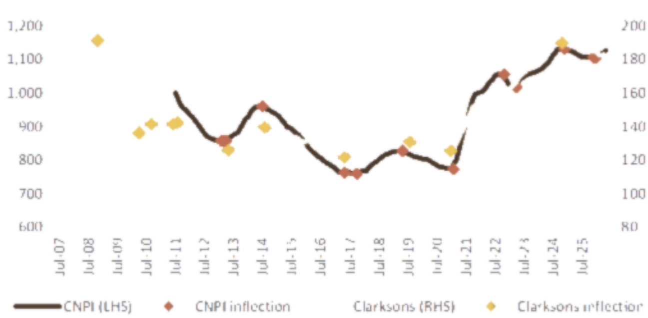
Source: Company data

Figure 11: Strong VLCC demand drives up the global shipbuilding demand



Source: Clarksons

Figure 12: Both Clarksons and CNPI indicate new build price continue to increase



Source: Clarksons, CNPI, as of 8 May 2026

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Global Maritime Destination Monitor

This report leverages the following UBS Evidence Lab asset: Global Maritime Destination Monitor UBS Evidence Lab uses hourly AIS (Automated Information System) data to monitor the locations of more than 35,200 commercial maritime vessels sailing around the globe. Each ship has a unique identification number (IMO number) which is connected to vessel characteristics data including cargo type, size, and capacity in order to calculate the quantity and aggregated cargo tonnage (DWT) moving through global maritime points of interest (regions, ports). UBS Evidence Lab has conducted thorough benchmarking and has designed proprietary cleaning techniques to ensure the data is accurate by reducing the noise associated with AIS data.

Global Maritime Fleet Monitor (>Access Dataset)

This report leverages the following UBS Evidence Lab asset: Global Maritime Fleet Monitor. UBS Evidence Lab uses hourly AIS (Automated Information System) data to monitor the locations of more than 35,200 commercial maritime vessels (tankers, bulkers, containers) sailing around the globe. Each ship has a unique identification number (IMO number) which is connected to vessel characteristics data including cargo type, size, and capacity in order to calculate the quantity and aggregated cargo tonnage moving through global maritime points of interest (regions, and ports). UBS Evidence Lab has conducted thorough benchmarking and has designed proprietary cleaning techniques to ensure the data is accurate by reducing the noise associated with AIS data.

Global Maritime Trade Monitor (>Access Dataset)

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Daily Maritime Trade Disruption Monitor (>Access Dataset)

This report leverages the following UBS Evidence Lab asset: Daily Maritime Trade Disruption Monitor. UBS Evidence Lab uses hourly AIS (Automated Information System) data to monitor the locations of more than 35,200 commercial maritime vessels sailing around the globe. Each ship has a unique identification number (IMO number) which is connected to vessel characteristics data including cargo type, size, and capacity in order to calculate the quantity and aggregated cargo tonnage (DWT) moving through global maritime points of interest (choke points, ports and regions).

Valuation Method and Risk Statement

Investment downsizing at the macroeconomic level remains a key risk for China's industrial sector. If China's economy remains weak, demand for industrial goods or import/export volume could shrink, resulting in slow growth. If preferential policies, such as tax incentives for high-tech companies, are cancelled it could affect earnings. Intense competition with domestic or foreign enterprises could cause market share losses.