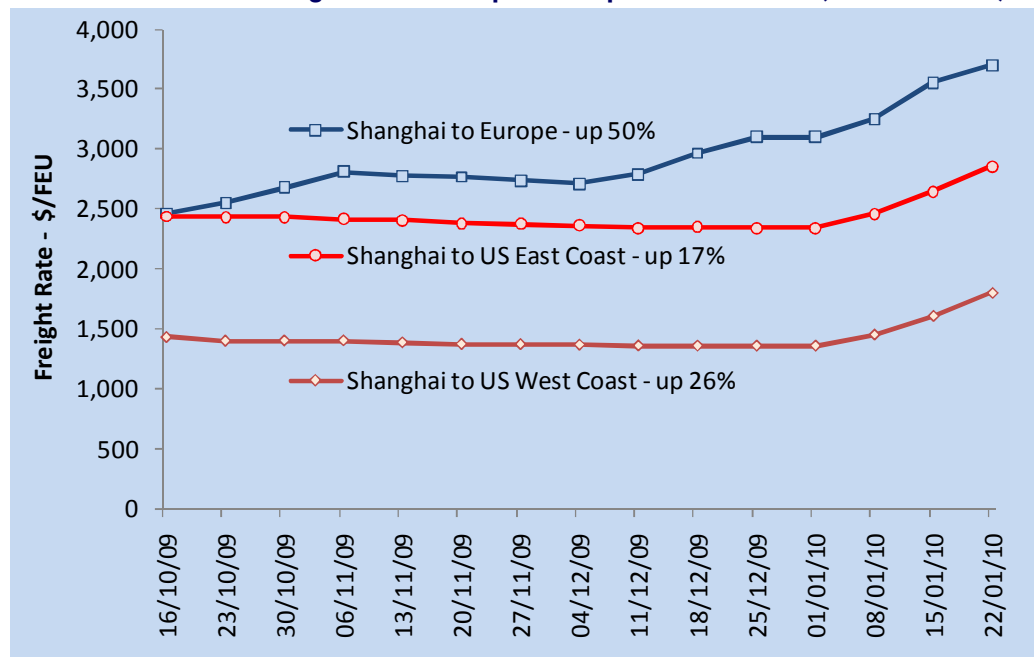




- Spot market rates in key headhaul liner trades have risen over the last 3 months based on latest rate filings from the Shanghai Shipping Exchange.
- Asia-Australia and Asia-Africa rates have also risen in tandem over the same period.
- However, rates to the Middle East especially to the Gulf region remain under pressure.

Chart of the week

Container freight rate development - Spot Market Rates (Last 3 months)



Rising freight rates offer hope for liner recovery

Container freight rates on the main export trades out of China have risen by 24% over the last three months, providing some relief for shipping lines as they seek to return to profitability in 2010. The rate of recovery is much faster than expected, although rates on some of the short-sea sectors are still depressed. The situation has been helped by the surge in demand since December, with continued high vessel utilization rates on certain trades, especially for services to Europe since Christmas. It has also created some shortage of empty containers in a number of locations, which has helped to keep rates firm.

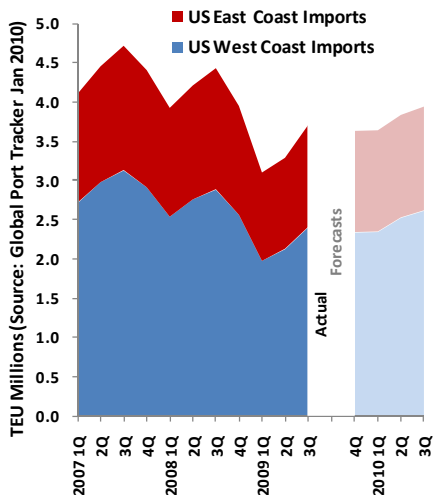
The strongest performance was in the Far East-Europe trade where spot rates have risen by 50% since October, from \$2,500 per FEU to \$3,700 per FEU based on rates filed with the Shanghai Shipping Exchange. This was a result of successive rounds of rate increases imposed since October and the extension of the Peak Season Surcharge which has been applied until February. It remains to be seen, if the rates are sustainable as the Lunar New Year holidays in China in mid-February could lead to some weakening in freight rates.

The high spot market rates have come at a key period as contract rates for 2010 have also strengthened. 12-month contract rates for the Far East-Europe trades starting in January/February 2010 are reported to be about 200% higher than last year, reflecting renewed optimism about trade prospects.

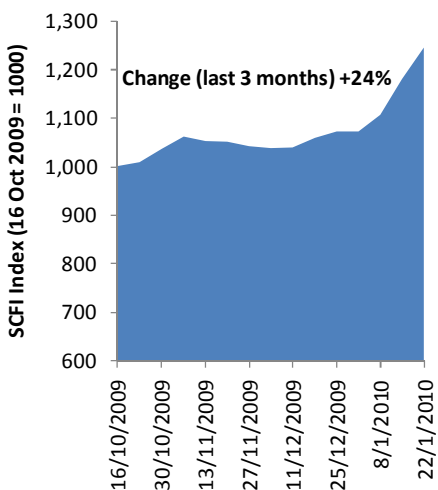
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 - DPW throughput drop by 7% in 2009

US import volumes are expected to increase in 2010 after suffering two consecutive years of decline



Freight rates from Asia have increased by 24% in the last 3 months based on SCFI filings



The rates for the Transpacific trade have also risen since October, with spot rates to the US West Coast up by 26% to \$1,800 per FEU and rates to the US East Coast up by 17% to \$2,850 per FEU. The member lines of the Transpacific Stabilization Agreement (TSA) are pressing ahead with rate increases as they voice optimism about the outlook for the Asia-U.S. trade in 2010. The TSA said that 2009 volumes on the eastbound Asia-US trade fell by 15-20% below 2008 levels, but expect volumes to recover to in 2010 due to:-

- a likely bottoming of the U.S. job market;
- better-than-expected 2009 holiday sales;
- rising U.S. consumer confidence and spending;
- the need to replenish inventories and to upgrade physical and technology infrastructure in North America.

Forward bookings by the individual TSA lines suggest that vessel utilisation levels in the trade will remain in the mid to high 90% range in the coming months, with a short dip for the Lunar New Year period in Asia when factories are closed.

TSA carriers have been focused on imposing the Emergency Revenue Charge (ERC) of \$400/FEU effective from 15 January, with the carriers reporting “a high degree of success” despite opposition from their customers. The Asian Shippers’ Council (ASC) issued a statement on 15 January criticizing the TSA move. It denounced the TSA as a “near monopoly” and called on Asian governments “to take decisive action to remove the anti-trust immunity accorded to shipping lines.”

The volatility in liner freight rates has led to the introduction of the Container Freight Swap Agreement (CFSA), a new container freight derivative developed by Clarkson Securities aimed at both shippers and carriers to protect themselves against market rate fluctuations as well as financial investors. The settlement for the over-the-counter swap will be based on the Shanghai Shipping Exchange’s newly created Shanghai Containerised Freight Index (SCFI). The first trade was made by between Morgan Stanley and Delphis on 18 January.

The new SCFI index was introduced on 16 October 2009 and comprises of weighted freight rates from Shanghai to 15 global destinations. The rates are assessed on an ‘all-in’ basis which includes all surcharges (before THC) for spot shipment by 30 panelists, which comprise container lines and freight forwarders.

However, it is unclear if the new freight derivative can take off widely as the characteristics of the liner freight rates are very different from the dry-bulk and tanker freight rates. Most major shippers have locked-in long term contract rates which may differ significantly from spot market rates upon which the SCFI is based.

TRADE UPDATES

**Top 10 US Ports
2009 Throughput**

Port	M Teu	Change
Los Angeles	6.75	-14.0%
Long Beach	5.07	-21.9%
NY/NJ	4.50 (f)	-14.5%
Savannah	2.36	-9.9%
Vancouver	2.15	-13.6%
Oakland	2.05	-8.2%
Virginia/Norfolk	1.75	-16.2%
Houston	1.63 (f)	-9.2%
Seattle	1.58	-7.1%
Tacoma	1.55	-16.9%

**Asian Shippers' Council (ASC)
reactions to the TSA's Emergency
Revenue Charge (ERC) on 15
January**

"What good are service contracts if shipping lines can just alter them without proper consultation with shippers?"

**Willy Lin,
ASC Greater China Convenor**

"We have no doubt that the weight of this surcharge will fall on small and medium sized shippers who can least afford it, as major shippers will not pay as they know their rights and they have the capacity to enforce them. It is well recognised that service contracts are legally binding contracts which shipping lines have to fulfill."

**Lee Sun-June,
ASC North East Asia Convenor**

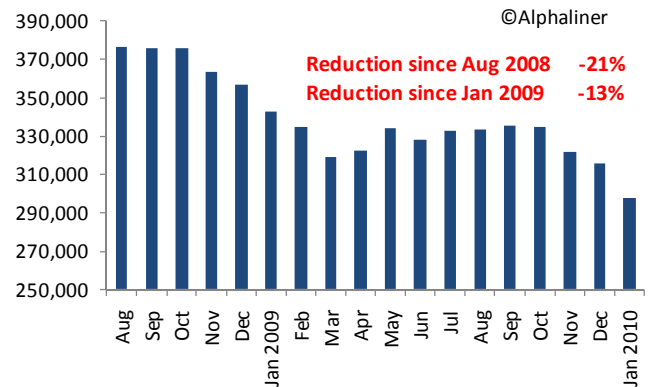
"While TSA may be able to exploit its monopolistic position in the Asia-US trade to push through the ERC, what recourse do shippers have? We want to call on Asian governments to take decisive action to remove the anti-trust immunity accorded to shipping lines. By allowing liners to continue to organise, they are jeopardising the viability of millions of shippers across the continent."

**John Y. Lu,
ASC Chairman**

Transpacific capacity down 13% year-on-year

Capacity on the Far East–North America tradeline has declined by 13% over the last 12 months as carriers continue rationalising services – a process which had started in October. The move matches the last 12 months reduction in demand. According to TSA forecasts, the 2009 trade volumes will have fallen by 15% to 20% compared to the year 2008. The throughput at the Top 10 ports in the US is expected to record a 14.5% drop from 34.4 Mteu to 29.3 Mteu in 2009. It would be the second straight year of decline for the main US ports, after a 5.1% drop in 2008.

Far East-North America Weekly Capacity (TEU) Aug 2008-2010



The capacity reduction is one of the measures taken by carriers to restore equilibrium in the trade. Despite having agreed to 12 month service contracts that are valid to April 2010, the member lines of the TSA have imposed a "voluntary" Emergency Revenue Charge (ERC) of \$320/\$400 per 20'/40, effective January 15, 2010. The TSA Chairman had justified the charge as "without some improvement in the economics of this trade in the very near future, (carriers) will be left with some very tough choices that involve either moving even more aggressively to individually consolidate or reduce the number of services now offered, or incur further losses that in the longer term are simply not sustainable."

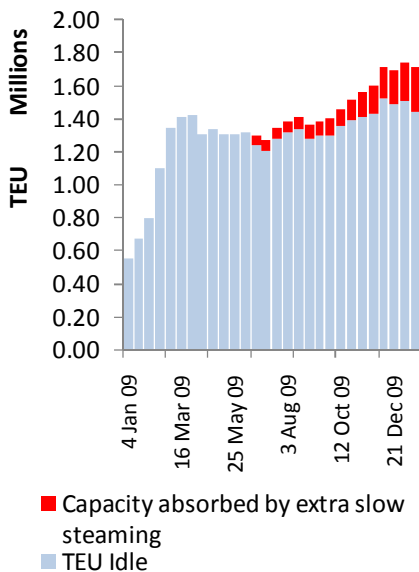
Although it is understood that the ERC is to apply only to volumes that are in excess of the MQC (Minimum Quantity Commitment) in the service contracts, shippers have reacted strongly to the ERC with the Asian Shippers' Council denouncing the move as an anti-competitive act of collusion by the carrier group.

Despite the opposition, carriers appear to have pushed through part of the increase based on the latest spot rates reported last week. The ERC is to expire when the next service contract rates are negotiated in May. The TSA carriers are seeking a General Rate Increase (GRI) of \$800/FEU to the US West Coast and \$1,000/FEU for the East Coast for the 2010/2011 contract season.

SLOW STEAMING WATCH

Extra Slow Steaming (ESS) has been applied on 64 longhaul services and is expected to absorb 365,000 teu of excess vessel tonnage, based on the currently known deployment profile recorded by Alphaliner.

Impact of ESS and the growth of the idle containership fleet



Further Transpacific strings slowed down

Two more transpacific loops serving the Far East-US West Coast route are to be slowed down in extra steaming mode: the Grand Alliance-Zim transpacific PNX service and the CSCL transpacific AAC service.

The PNX rotation will be extended to seven weeks with addition of the 8,440 teu ZIM SAN DIEGO. The service is currently run with 6 vessels of 5,300-10,000 teu with three each contributed by OOCL and Zim.

The AAC rotation will be extended to six weeks. No ship is added for the moment with one sailing skipped. The AAC is currently operated with five CSCL units of 8,500 teu.

The latest moves bring the number of FE-USWC services slowed down to 12. This represents 32% of the total number of strings on the trade. If all of the remaining strings were to stretch their existing rotations by one week through the addition of an extra vessel, this would require the employment of 25 ships in the size range between 3,000 and 8,000 teu. Such a move would absorb about 137,000 teu of capacity.

Far East - US West Coast services slowed down since May 2009

Operator	Svc	Ships Deployed	Notes
CSCL	AAC	5 x 8,500 teu	One sailing skipped from Feb 10
Grand Alliance	SSX	6 x 8,000 teu	Sixth vessel added in Jan 10
Grand Alliance/Zim	PNX	7 x 5,500-10,000 teu	Seventh vessel to be added in Feb 10
Zim	ZCS	16 x 4,200-5,000 teu	Extended FE/US/Med rotation stretched in Dec 09
Maersk	TP-6	14 x 9,500-10,000 teu	Extended Med/FE/USWC rotation stretched in May 09
Maersk/CMA CGM	TP-9	15 x 5,000-6,500 teu	Extended USEC-FE-USWC rotation stretched in Nov 09
Maersk/CMA CGM/MSC	TP-8	6 x 8,000 teu	Sixth ship to be added in Feb 10
CMA CGM/MSC	PRX	6 x 8,000 teu	Sixth ship to be added in Feb 10
New World Alliance	SAX	7 x 5,500-7,000 teu	Seventh ship added in Jan 10
New World Alliance	PS1	7 x 5,000-5,500 teu	Sin-PKL-Sin leg dropped in Dec 09
New World Alliance	PS2	7 x 4,500-5,500 teu	Seventh ship added in Dec 09
New World Alliance	PCE	5 x 5,100 teu	Xingang call dropped in Dec 09

SERVICE UPDATES

AAS**Service Details**

Asia-Australia Service (AAS)
Hapag-Lloyd / Hamburg Süd / HMM /
APL / slots : Evergreen / Maersk / MSC

Vessels Deployed:

5 x 3,400-4,800 teu

Port Rotation

Kaohsiung, Yantian, Hong Kong, Melbourne, Sydney, Brisbane, Kaohsiung

HDS Lines AMEL**Service Details**

HDS Lines - Asia Med Europe Line (AMEL)
New Rotation from Jan 2010

Vessels Deployed:

8 x 2,000-6,500 teu

Port Rotation

Shanghai, Ningbo, Chiwan, Laem Chabang,
Singapore, Jeddah, Damietta, Istanbul,
Marsaxlokk, Singapore, Shanghai

Maersk/MSK takes Asia-Australia slots on AAS

Maersk Line and MSC are to add a service connecting Taiwan and South China to Australia through slots-buying on the loop run jointly by Hapag-Lloyd, Hamburg Süd, HMM, APL, Evergreen (AAS). Maersk brands the service as 'Yoyo' and MSC as 'New Panda'. It completes the 'Boomerang / New Wallaby' service, offered jointly by Maersk and MSC.

HDS Lines alters FE-Med service

HDS Lines is to alter its Far East-Med service (AMEL). In particular, a direct call at Istanbul is added to the service while the Nhava Sheva and Karachi calls are dropped.

The new rotation of the AMEL will be Shanghai, Ningbo, Chiwan, Laem Chabang, Singapore, Jeddah, Damietta, Istanbul, Marsaxlokk, Singapore, Shanghai. (Former rotation until Jan 2010 was: Shanghai, Ningbo, Chiwan, Laem Chabang, Singapore, Port Kelang, Nhava Sheva, Karachi, Jeddah, Damietta, Marsaxlokk, Port Said, Shanghai).

Eight ships with a capacity of up to 6,500 teu are operated under this line by the newly-established Iranian carrier. The service provides coverage of Asian ports to ports in the Red Sea, Mediterranean, North Africa and Europe either directly or by transshipment.

MOL adds Vigo to Europe-WAF service

MOL has added Vigo to its North Europe-West Africa service (ARN). Vigo is served both ways. The ARN now covers Zeebrugge, Antwerp, Felixstowe, Vigo, Tangier, Lagos, Tema, Takoradi, Abidjan, Vigo, Zeebrugge. The ARN was initially launched in May 2009 to provide an Asia-West Africa service through transshipment at Zeebrugge with Asia-Europe MOL services ensured within the New World Alliance framework.

Maersk replaces Yantian with Hong Kong call on FM-1

Maersk will replace the Yantian call on its Far East-Middle East FM-1 service with a new call at Hong Kong effective from 28 January. The FM-1 will also change its Shanghai port call from Waigaoqiao to Yangshan from early February.

The new rotation of the service will be Xingang, Qingdao, Shanghai (Yangshan), Ningbo, Hong Kong, Dachan Bay, Tanjung Pelepas, Jebel Ali, Dammam, Bandar Abbas, Jebel Ali, Singapore, Xingang.

CORPORATE UPDATES

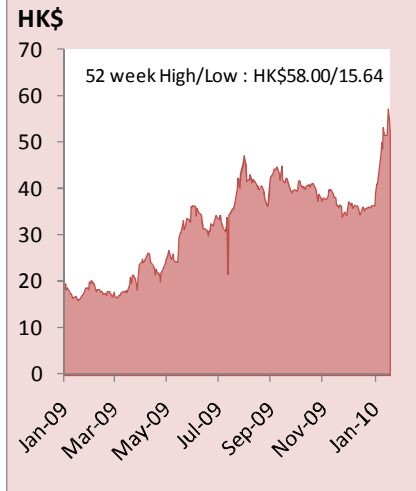
**OOCL Liftings 2009 vs 2008
Breakdown by Trade**

Trade (TEU)	2009	2008	Change
Trans-Pacific	1,157,900	1,324,382	-12.6%
Asia/Europe	678,869	812,835	-16.5%
Trans-Atlantic	349,308	424,650	-17.7%
Intra-Asia/ Australasia	1,972,410	2,272,822	-13.2%
TOTAL	4,158,487	4,834,689	-14.0%

**OOCL Revenue/Teu 2009 vs 2008
Breakdown by Trade**

Trade (TEU)	2009	2008	Change
Trans-Pacific	1,289	1,691	-23.8%
Asia/Europe	1,013	1,638	-38.1%
Trans-Atlantic	1,397	1,766	-20.9%
Intra-Asia/ Australasia	595	709	-16.1%
TOTAL	924	1,227	-24.7%

OOIL Share Price 2009-2010

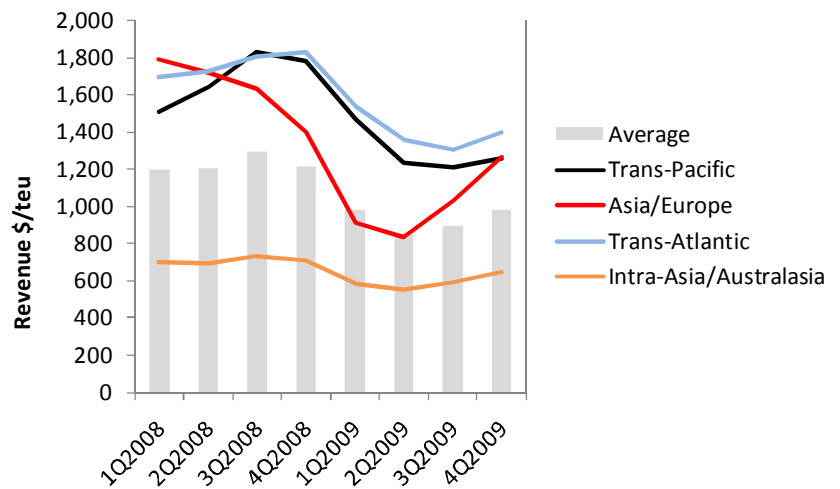


OOCL reports 35% drop in revenue for 2009

OOCL has kicked off the full year reporting for 2009 with a 35.2% reduction in freight revenue. Liftings dropped by 14% to 4.16 Mteu in 2009 compared with 4.83 Mteu in 2008.

Although OOCL's average freight revenue dropped by 24.7% from \$1,227/teu to \$924/teu on a year-on-year basis, the fourth quarter saw rates recover by 9% overall compared to the previous quarter, with the Asia-Europe trade enjoying the largest increase of 23%.

OOCL Average Revenue/TEU by Quarter - Breakdown by Trade

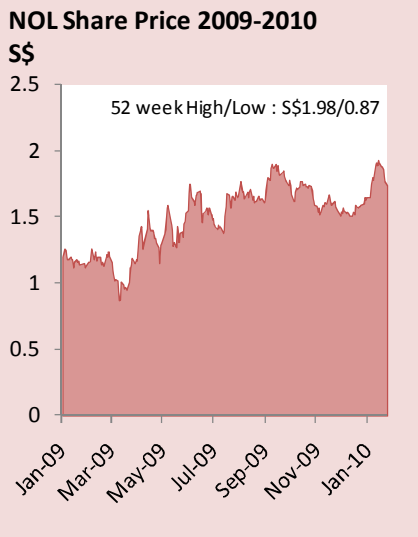


OOCL said that its effective capacity has been reduced by 16.8% in the 4th quarter as it returned excess chartered tonnage and re-balanced its supply to meet trade demand. As a result, its utilization levels improved by 10.7% compared to the same period last year. OOCL saw its market ranking drop from 12th to 14th between January 2009 and January 2010, based on Alphaliner records.

OOCL's parent company, OOIL will present its full year financial results only in March. For the first half of 2009, OOIL had reported a net loss of \$232M. Last week, OOIL announced the disposal of OODL, its property investment arm in China for a total consideration of \$2.2 billion.

The sale is expected to be completed by the end of March 2010 and will contribute a net gain of \$1.055 billion from the transaction. Upon completion, OOIL will have one of the strongest balance sheets amongst liner operators, with a net cash position which will enable the Hong Kong listed company to embark on potential acquisition in the liner shipping market.

OOIL's share price has risen to reach a 12-month high of HK\$58/ share last week following the announcement of the sale.



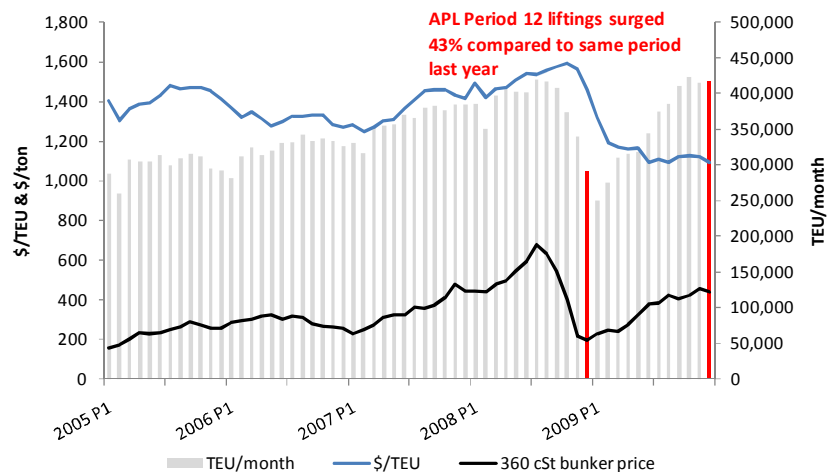
APL revenue falls 30% as volumes drop by 7% in 2009

Neptune Orient Lines (NOL) has released operating figures for APL in 2009, showing a 7% decline in liftings for the Singapore-based carrier. Total liftings came in at 4.58 Mteu in 2009 compared to 4.93 Mteu in 2008.

Total freight revenue for APL is estimated to have dropped by 30% over the period to about \$5.3M. NOL will only report full financial results in February.

The latest monthly operating update for APL's Period 12 for the six weeks ended 25 Dec 2009 shows a strong volume recovery with liftings during the period reaching 625,000 teu, 43% higher than the 436n,200 teu reported in the corresponding period of 2008. However, average revenue fell by 25% to \$1,095/teu compared to \$1,461/teu in December 2008.

APL Monthly Operating Performance—2005-2009



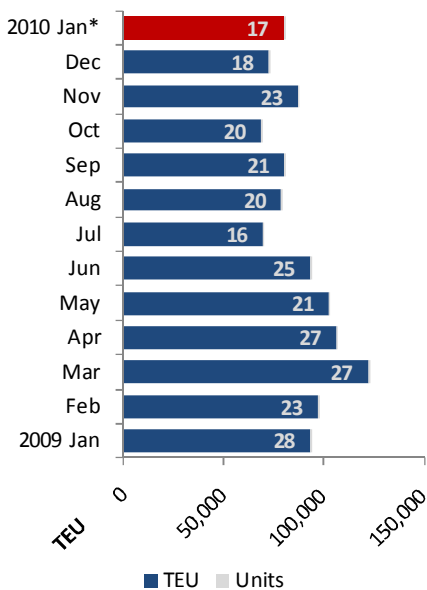
Unlike OOCL, APL's average revenue has remained flat over the 2nd half of 2009. The company's average rates have not increased due to APL's relatively smaller exposure in the Asia-Europe trade where rates have seen the strongest recovery as well as its larger exposure to the Transpacific trade where the TSA's new revenue measures are to take effect only in 2010. The flat revenue curve is also due to the relatively higher growth in APL's intra-Asia volumes, where rates are lower than in long haul trades.

DELIVERY UPDATES

January 2010 Deliveries

Name	Teu	Operator
VIENNA EXPRESS	8,750	H-L
CPO BREMEN	8,750	H-L
ZIM NINGBO	8,440	Zim
OOCL WASHINGTON	8,063	OOCL
OOCL SEOUL	8,063	OOCL
MOL EMPIRE	5,087	MOL
BERNHARD SCHULTE	4,600	Ham. Sud
OOCL LE HAVRE	4,578	OOCL
ASTORIA BRIDGE	4,298	K Line
HAMMONIA CALABRIA	4,256	CSAV
JPO TAURUS	4,178	UASC
MAERSK BATUR	3,200	Maersk
STX DALIAN	1,732	STX-PO
MAERSK WIESBADEN	1,713	Maersk
MAERSK WELLINGTON	1,708	Maersk
WARNOW MATE	1,496	MCC
UNISKY	1,012	SITC

2009-2010 Deliveries By Month



* Deliveries recorded month-to-date

The ZIM NINGBO (8,440 teu) is delivered

Zim Integrated Shipping Services is to receive the 8,440 teu ZIM NINGBO, second of four sister ships ordered at Hyundai-Samho in June 2006. The new ship is assigned to the Grand Alliance-Zim trans-pacific PNx loop where it will be the additional ship needed to slow down of this loop and yet maintain the weekly sailing frequency. The ZIM NINGBO follows the ZIM LOS ANGELES, delivered in July.

The BERNHARD SCHULTE (4,600 teu) joins Hamburg Süd

The Schulte Group (Bernhard Schulte) is to receive the BERNHARD SCHULTE, first of two ships of 4,600 teu ordered by this owner at the DSME shipyard (Daewoo). The vessel is on a long term charter to Hamburg Süd who has renamed it CAP INES. She is expected to join the Asia-WCSA service Sling 1 run jointly by Hamburg Süd and CCNI, with MSC and MOL as co-loaders. Hamburg Süd is to receive four ships in this series, two of which chartered (including the CAP INES) and two owned. Four ships in this Daewoo series have been already delivered in 2009 to Norddeutsche Reederei, three of which chartered by K Line and one by MISC Bhd.

The JPO TAURUS (4,178 teu) joins UASC

German owner Oltmann Schifffahrt has received the JPO TAURUS, second of six 4,178 teu ships ordered in April-May 2006 at CSBC (Taiwan) by Peter Döhle, Hammonia Reederei and JP Oltmann. The JPO TAURUS is chartered by UASC, which has taken her in charge today as UASC AJMAN. She is assigned to the UASC's FE-ME AGX service. She follows the AMALTHEA, delivered in October.

WARNOW MATE (1,496 teu) joins MCC

German owner Schifffahrtskontor Warnow has received the WARNOW MATE, sixth unit in a new series of 1,496 teu ships built in China by the Ouhua Shipyard (Zhejiang province). The vessel has been chartered by MCC Transport, the intra Asia arm of the APM-Maersk Group, for assignment to MCC's service connecting Taiwan, South China and SE Asia (IA-7). Here, WARNOW MATE replaces the 1,732 teu WILLIAM STRAIT.

TERMINAL UPDATES

Top 20 Container Ports 2009
 (Based on preliminary estimates)

No	Port	2009 (Mteu)	% vs 2008
1 (1)	Singapore	25.9	-13.5%
2 (2)	Shanghai	25.0	-10.7%
3 (3)	Hong Kong	20.9	-14.6%
4 (4)	Shenzhen	18.3	-14.8%
5 (6)	Busan	12.0	-11.0%
6 (5)	LA/LB	11.8	-17.6%
7 (9)	Guangzhou	11.2	1.7%
8 (7)	Dubai	11.2	-5.7%
9 (8)	Ningbo	10.5	-6.4%
10(11)	Qingdao	10.3	-0.6%
11(10)	Rotterdam	9.8	-9.6%
12(15)	Tianjin	8.7	2.4%
13(13)	Kaohsiung	8.6	-11.3%
14(16)	Port Kelang	7.3	-7.9%
15(14)	Antwerp	7.3	-16.0%
16(12)	Hamburg	7.1	-27.1%
17(17)	Tg Pelepas	6.0	7.3%
18(21)	Xiamen	4.7	-7.0%
19(20)	Laem Chabang	4.6	-10.0%
20(22)	Dalian	4.6	1.1%

DP World volumes drop 7% in 2009

DP World has announced a 7% drop in gross throughput across its 50 operated terminals to 43.4 Mteu in 2009. In 2008, it handled 46.8 Mteu in 2008 at 46 operational terminals. The terminal operator said that excluding contributions from new terminals which joined its portfolio during 2009, volumes declined by 10% after having been down 13% in the first half, reflecting a recovery in the 2nd half of the year.

DP World estimates the industry as a whole reported a decline of almost 12% in container volumes for 2009 (compared to Alphaliner's estimate of a 10% global decline). DP World said that its marginally better performance reflects the group's focus on more resilient emerging markets which have not been as impacted by the slowdown in global trade.

During 2009, DP World commenced operations at two new terminal developments at Doraleh Container Terminal in Djibouti at the beginning of the year, and at Ho Chi Minh City in Vietnam in the fourth quarter. In addition, DP World was awarded concessions for two terminals in Algeria - at Algiers and Djendjen.

Its flagship UAE region terminals centered around Jebel Ali handled volumes of around 11.2 Mteu, dropping from 7th to 8th position in the global rankings.

DP World's performance compares against PSA International which also reported a drop of 9.9% to 56.9 Mteu. PSA Singapore Terminals contributed 25.1 Mteu (-13.1%) and PSA terminals outside Singapore handled 31.8 Mteu (-7.1%). The declines in 2009 represents the first annual drop for both DP World and PSA International due to the contraction in world trade.

DP World and PSA International Throughput (Gross) 2005-2009

