

Ningbo Containerised Freight Index – an overview

Introduction

The weekly ***Ningbo Containerised Freight Index*** (NCFI) covers the movement of 20 ft, 40 ft and High Cube containers. The index is a composite of the three box types and covers Ningbo to East Mediterranean (Piraeus & Istanbul), West Mediterranean (Barcelona, Valencia, Genoa), Europe (Hamburg & Rotterdam) and the Middle East (Dammam & Dubai). It is based on transactional data from business conducted by a panel of 11 Ningbo based freight forwarders on Ningbo Exchange's e-trading platform and factors in various surcharges including bunkers, port congestion, peak season and Suez Canal fees.

It is produced by Ningbo Shipping Exchange Co. Ltd, a state-owned enterprise, sponsored by Ningbo municipal government, Jiangdong District, Bonded Zone and Daxie Development Zone, founded on 14 November 2011.

Ningbo Shipping Exchange provides a Ship Exchange Market, Shipping Service HR Market, Shipping Space Exchange Market, Ship Chartering Market for Liquids, and Shipping Finance Service Market. It also provides services in consulting, shipping finance and insurance, government policy and industry development research.

Production model

NCFI selects the data of the freight in the terms of export CIF and CY-CY. The freight contains basic freight and surcharges.

Surcharges included in the total ocean freight reported by the index:

- Bunker Adjustment Factor/ Fuel Adjustment Factor/ Low Sulphur Surcharge
- Emergency Bunker Surcharge/ Emergency Bunker Additional
- Currency Adjustment Factor/ Yen Applica Surcharge
- Peak Season Surcharge
- War Risk Surcharge
- Port Congestion Surcharge
- Suez Canal Transit Fee/Surcharge/ Suez Canal Fee/ Panama Canal Surcharge/ Panama Canal Charge

Surcharges not included in the total ocean freight reported by the index:

- Terminal Operation Fee
- Security Charge
- Origin Received Charges
- Inland Point Intermodal
- Booking Fee
- Customs Clearance Fee

Index routes

Route	From	To
Ningbo-Europe	Ningbo	Hamburg
	Ningbo	Rotterdam
Ningbo-W. Mediterranean	Ningbo	Barcelona
	Ningbo	Valencia
	Ningbo	Genoa
Ningbo-E. Mediterranean	Ningbo	Piraeus
	Ningbo	Istanbul
Ningbo-Middle East	Ningbo	Dammam
	Ningbo	Dubai

Panellists

The panel members are leading freight forwarders active on the reported routes and with considerable market shares in Ningbo. All trade on the Ningbo Exchange's e-trading platform.

- CCL Logistics Co., Ltd
- Headwin Logistics Co., Ltd.
- Ningbo E-Union Group of China
- Zhejiang Xinggang International Freight Co., Ltd.
- Perfectever Logistics (Ningbo) Co., Ltd
- Ningbo Jet Express International Freight Forwarding Co., Ltd.
- Dashing International Logistics
- Huanji International
- De Well Group
- Whale Logistics Co., Ltd.

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- Sinotrans Ningbo Logistics Co., Ltd.

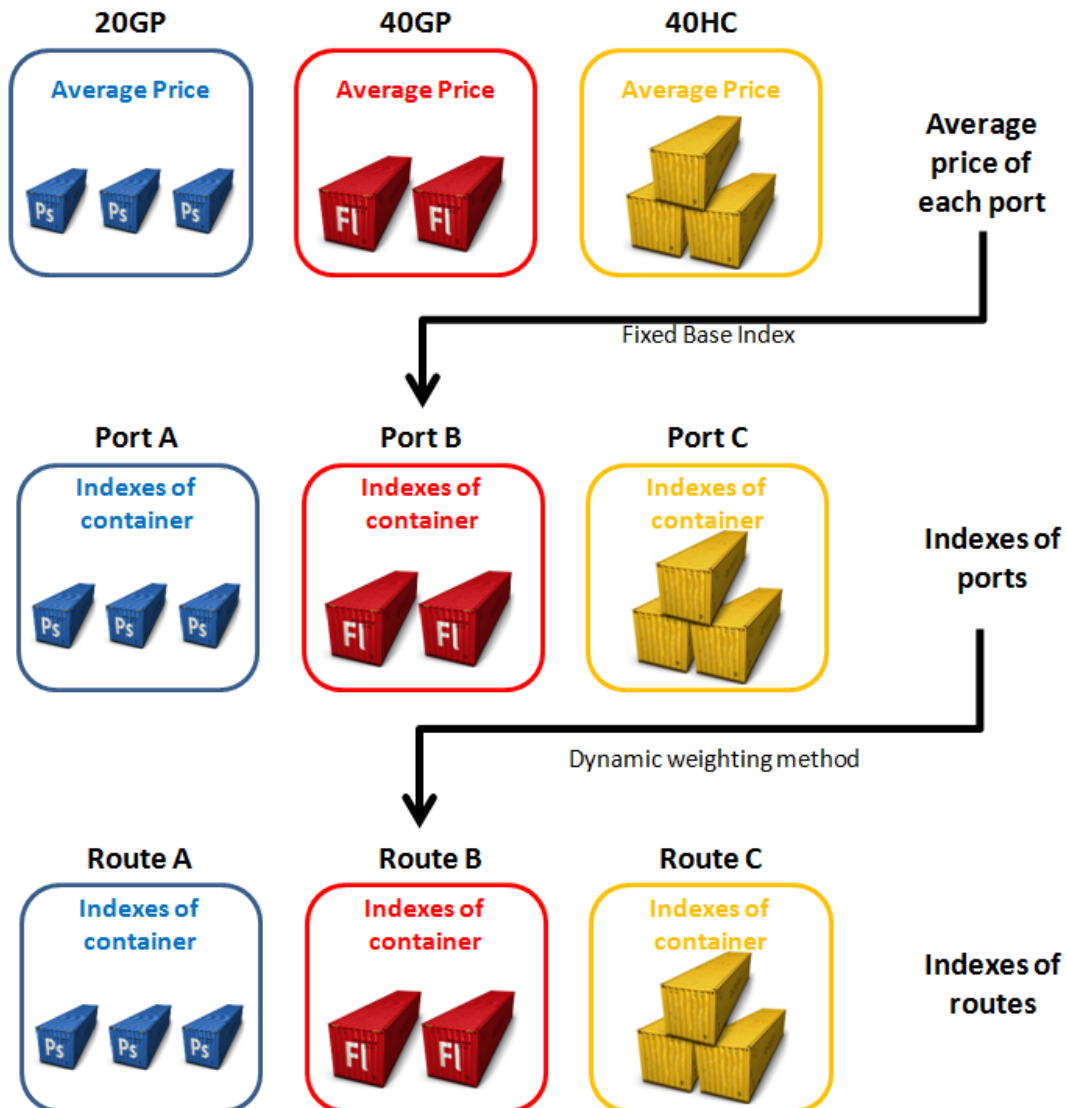
Basis Period

The basis period of NCFI is the 10th week of 2012 (3 March, 2012 - 9 March, 2012), and the basis index is 1,000 points.

Index calculation

NCFI is created by the application of a classical price index model. The sample data are calculated into the indices using the following method:

- 1) Delete abnormal data by 3 Sigma Criteria. Abnormal data refers to the individual outlier data which would affect the calculation results in the process of index preparation.
- 2) Calculate each type of container's average price of each port by the index calculation model.
- 3) Calculate the indexes of container of each port by the each type of container's average price and the basis average price of each port.
- 4) Calculate the index of each route which is weighted for the volume on its representative trade.



Index Release

NCFI is released by Ningbo Shipping Exchange at 1600 (Beijing) every Friday.

Supplemental rules of release: If the order quantity of a particular route is less than 50 in the week, the index of the route will be suspended to release and the issue will be announced on the website; if the normal release time falls on a statutory holiday, the release will be extended to the first working day after the holiday.