

The background of the slide is a photograph of a large red ship hull being hoisted by a crane. The ship is oriented vertically, with its bow at the top. The crane's cables and pulleys are visible on the left side. The scene is set against a dark blue sky. A semi-transparent white rectangular box is overlaid on the left side of the image, containing the title and date.

Market and Business Update

February 2025

Commodity Prices Under the Impact of Geopolitical Uncertainties

The overall commodity index has increased by 7% since the beginning of January 2025, driven by especially metals, whereas meat, vegetable oil and sugar prices have been decreasing since December 2024. The expected higher U.S. tariffs imposed on goods from all imports create uncertainty and could keep the container index on the downward trend. Despite these geopolitical uncertainties, we will continue towards a seamless and efficient trading environment in close collaboration with our customers.

This Market and Business Update intends to give you an indication of the expected price development of the most important commodities within provisions and stores, freight rates, supply chain obstacles and challenges in major ports - including Rio de Janeiro, Macaé, Vitória and Recife.



Transit times
Stable



Freight rates
Decreasing



Oil prices
Decreasing



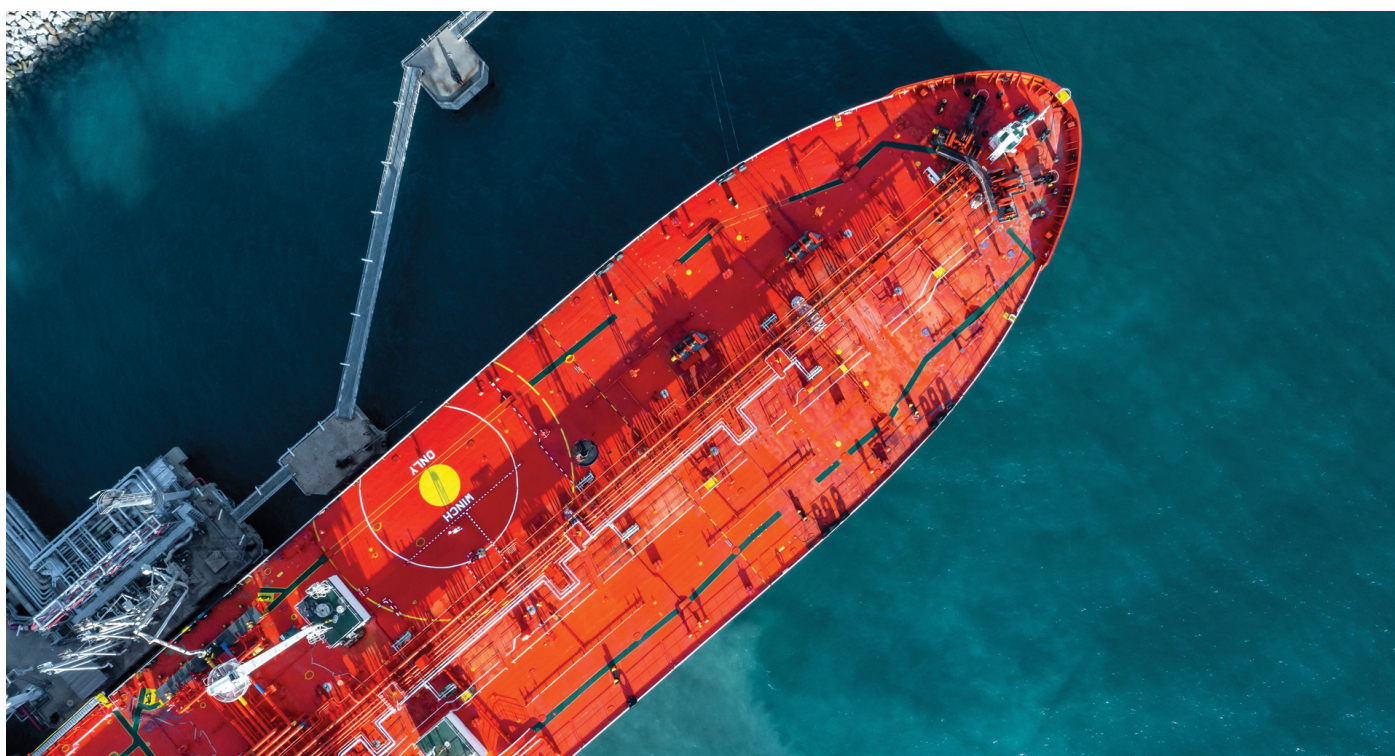
Commodity prices
Increasing



Extreme weather
Increasing

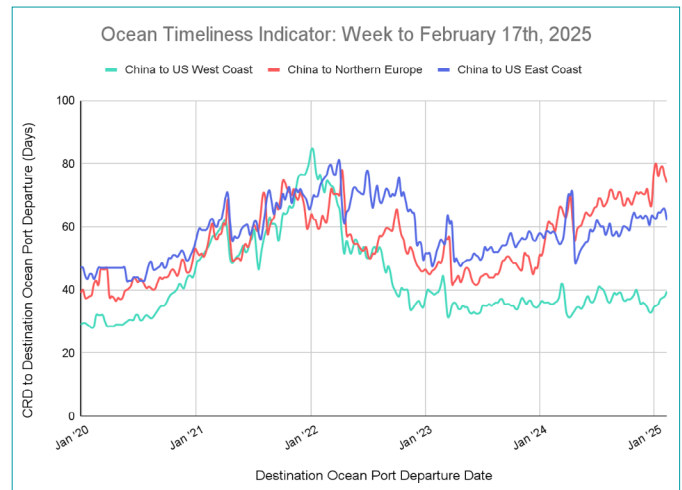


Geopolitical uncertainties
Increasing



Transit times have stabilized, but still affected by the rerouting around the Cape of Good Hope

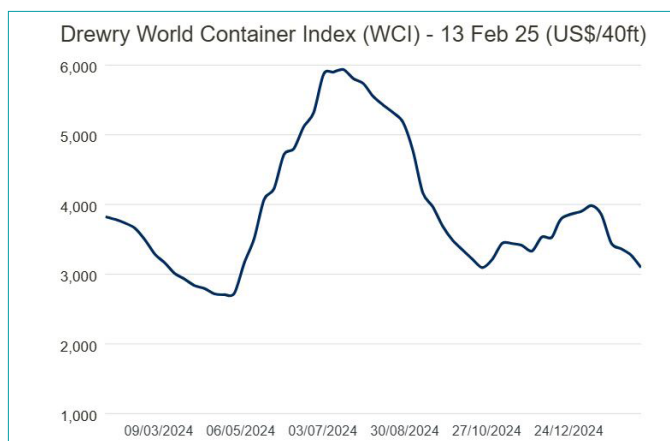
According to [Flexport Ocean Timeliness Indicator](#), the Ocean Timeliness Indicator (OTI) from China to Northern Europe has remained stable at around 78 days after having been on a stable rise over the past 9-12 months, primarily due to the continuous rerouting around the Cape of Good Hope. The OTI from China to the US West Coast has stayed at around 38 days whereas the OTI from China to the US East Coast stays at around 65 days.



40ft container prices are decreasing, but still 25% higher than the recent 10-year average rate

Since July 2024, the 40-foot overall container index has been on a downward trend, except for the spikes in container rates in December and January up to the Chinese New Year. This week, the index decreased by 5% to USD 3,095 per 40ft container ([Drewry - World Container Index](#)). However, the average index of USD 3,560 per 40ft container is still 25% higher than the recent 10-year average index of USD 2,880.

The traditional spikes in container rates up to the Chinese New Year explain the downward tendency on container prices over the last few weeks.



According to [FreightWaves](#), some of the rate decrease may also be due to increased competition between carriers as the new carrier alliances prepare to launch.

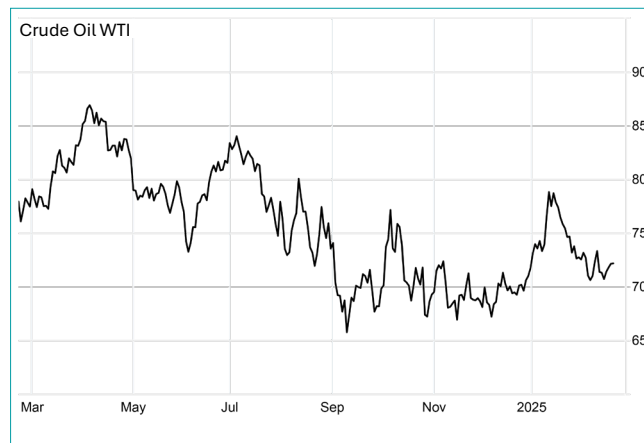
If we look ahead, several factors could keep the container index on the downward trend. A potential ceasefire in the Gaza war and the Red Sea conflict may reestablish the Suez Canal as a safe shipping route, reducing transit times and container shortages, thereby putting downward pressure on the container index. Also, higher US tariffs imposed on goods from all imports to the US by 10-25% and on goods from China by 10-60% could reduce demand in the container market followed by a continuous downward container index. However, it is difficult to predict what the container market will look like in 2025.



Oil prices on a downward trend since January 2025

After reaching USD 79 in January 2025, oil prices decreased to USD 71 a barrel this week as we saw weakened oil demands in major economies (tradingeconomics.com). Additionally, the diplomatic talks between U.S. and Russia, aimed at ending the war in Ukraine, also cut the crude oil prices.

Gradual push in global oil demand is expected to increase oil prices by the end of this quarter, where oil is expected to trade at USD 74 per barrel.

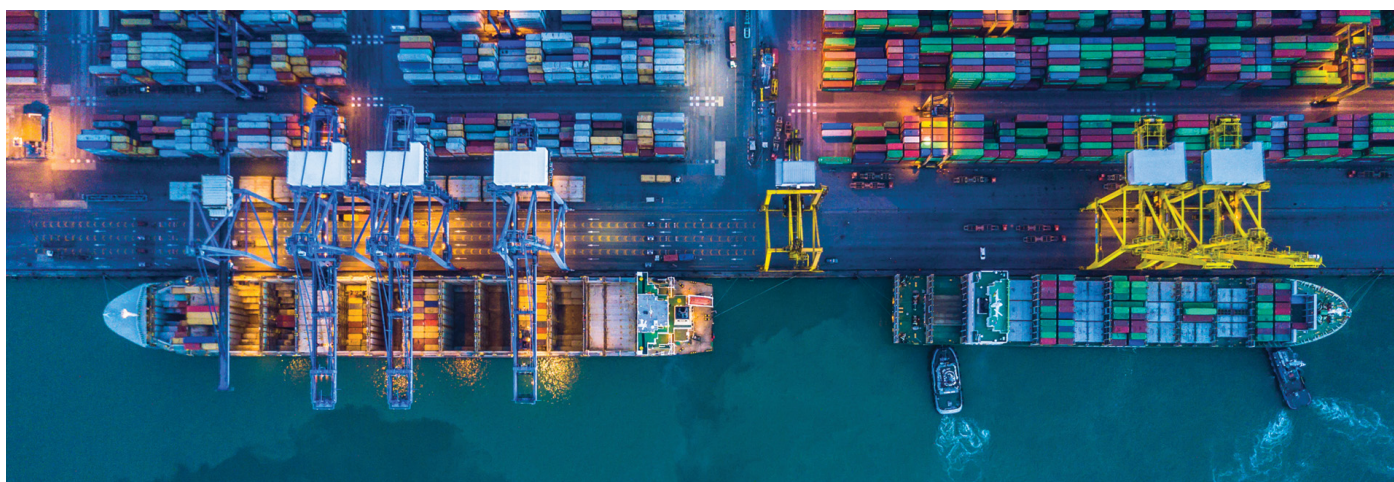


Commodity index increased by 7% since January 2025

According to the [CRB Index](#), the overall commodity price index has increased by 7% since the beginning of January 2025, rising to Index 381 this week, driven especially by metals, including copper, platinum and silver. Gold reached a one-month high in January. Investors see gold as a safe haven during times of financial instability caused by wars, currency concerns and inflation.



The CRB Commodity Index is expected to trade at 372 by the end of this quarter, however, looking forward, it is estimated to reach index 383 within 12 months.



Food price index decreased in January 2025

The [FAO Food Price Index](#) stood at 125 points in January 2025, down by 1.6% from December, mainly driven by lower sugar, vegetable oil and meat prices. However, the overall index was 6.2% higher than its corresponding level one year ago.

Cereal Price Index averaged 111 in January 2025, up 0.3% from December, but still 7% below its level one year ago. Wheat and rice prices decreased slightly, mainly due to a drop in demand for wheat and increased competition among rice exporters. On the contrary, maize prices increased in January due to unfavorable weather conditions in Argentina, slow progress in Brazil's main crop and lower maize production in the United States.

The FAO Vegetable Oil Price Index, reflecting prices across palm, soy, rapeseed and sunflower seed oils, averaged 153, down by 5.6% from December 2025. The decline was mainly driven by lower palm, rapeseed and olive oil prices, whereas soy and sunflower oils remained stable.

The FAO Dairy Price Index averaged 143 in January, up 2.4% compared to December 2025 and 20% above its corresponding average price level the year before. International quotations for cheese increased the most (7.6% month-to-month), reflecting rising global import demand.

In August, **the FAO Meat Price Index** averaged index 118, down 1.4% from December 2025, while staying 8% above its level a year ago.

The overall decline in meat prices was mainly driven by lower ovine, pig and poultry prices due to a decreased demand after the New Year holidays. However, the poultry index is expected to be challenged in 2025 due to continued outbreaks of bird flu which have a negative impact on supply channels and price levels.

The FAO Sugar Price Index decreased by 7% from December 2025 and was as much as 25% from its value a year ago. The decline was mainly driven by better supply prospects for the 2024/25 season, following favorable weather in Brazil in recent months that is expected to benefit the sugarcane harvest in April 2025.

The global juice market has been impacted by the citrus crisis in Spain, Brazil and the United States, driving up the prices. The decreased production in Spain was caused by the devastating floods in Valencia in October 2024. The supply disruption mainly influences the broader European market for orange juices. Additionally, drought and citrus greening have heavily affected the citrus crops in Brazil and the United States, which collectively produce more than 85% of the world's orange juice ([Fooddigital.com](#)).

The global cocoa and coffee prices have hit record highs over two consecutive months from December 2024 and January 2025, mainly driven by extreme weather. According to [The Guardian](#), the price rises for cocoa and coffee, which are up by 163% and 103% respectively, were due to a combination of higher rainfall and temperatures in producing regions.

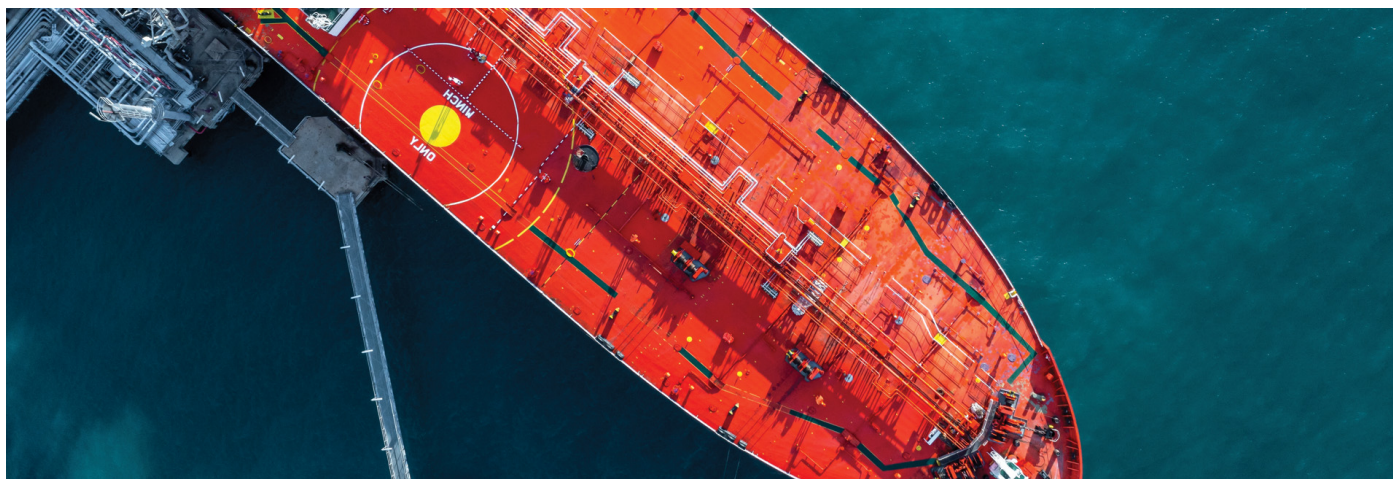
Price expectations for provision categories (excluding freight)

In this Update, we describe price expectations within provision categories in the following four regions: Europe, Middle East, Far East and North America. The commodity markets are

characterized by a certain volatility, and the price expectations are subject to uncertainty and changes. The tables of provision categories are not exhaustive.

Middle East, Far East and European regions					
Category	Name	Price expectation Q1 2025	Price expectation Q2 2025	Price expectation Q3 2025	Factor
Meat	Beef	Increase	Increase	Increase	
	Pork	Decrease	Increase	Increase	
Poultry	Chicken	Increase	Increase	Increase	Outbreak of avian bird flu is pushing up the price
Seafood	Salmon	Decrease	Decrease	Decrease	Seasonal pattern
Dairy & eggs	UHT milk	Increase	Stable	Stable	
	Cheese	Stable	Stable	Stable	
	Eggs	Increase	Increase	Increase	Outbreak of avian bird flu is pushing up the price
Butter, Margarine & Oil	Butter	Stable	Stable	Stable	
	Sunflower oil	Increase	Stable	Stable	Marked is at a high level. We see customer changing to other oil types
	Canola/rapeseed oil	Stable	Increase	Increase	This could change if Trump implements the tariffs on Canadian oil
	Soyabean oil	Decrease	Decrease	Decrease	
	Olive oil	Decrease	Decrease	Decrease	After two bad crops, this season the outlook is good.
Juice	Juice	Increase	Increase	Increase	Citrus crisis in Spain, Brazil and the United States, driving up the prices.
Rice & Oats	Rice	Stable	Decrease	Stable	Increased competition
Sugar	Sugar	Decrease	Decrease	Decrease	Better supply prospects
Pasta & Noodles	Pasta	Stable	Stable	Stable	
Flour	White flour	Stable	Stable	Stable	
Potato product	Potato product	Increase	Decrease	Decrease	
Bread	Bread	Stable	Stable	Stable	
Cakes & Cookies	Cakes and cookies	Stable	Stable	Stable	
Cereals	Corn-based	Increase	Increase	Increase	
	Wheat-based	Stable	Stable	Stable	
Coffee & Tea	Coffee	Increase	Increase	Increase	The crop outlook is very bad for both arabica and robusta

North American region					
Category	Name	Price expectation Q1 2025	Price expectation Q2 2025	Price expectation Q3 2025	Factor
Meat	Beef	Increase	Increase	Increase	Driven by shrinking beef cow numbers and steady consumer demand.
	Pork	Decrease	Increase	Increase	
Poultry	Chicken	Increase	Increase	Increase	Outbreak of avian bird flu is pushing up the price
Seafood	Salmon	Decrease	Decrease	Decrease	Seasonal pattern
Dairy & eggs	UHT milk	Increase	Increase	Increase	
	Cheese	Increase	Increase	Increase	
	Eggs	Increase	Increase	Increase	Outbreak of avian bird flu is pushing up the price
Butter, Margarine & Oil	Butter	Stable	Stable	Stable	
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Sugar	Sugar	Decrease	Decrease	Decrease	Better supply prospects
Pasta & Noodles	Pasta	Stable	Stable	Stable	No significant change expected
Flour	White flour	Decrease	Decrease	Decrease	
Potato product	Potato product	Increase	Decrease	Decrease	
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Cakes & Cookies	Cakes and cookies	Stable	Stable	Stable	No significant change expected
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Price expectations for stores categories (excluding freight)

In this Update, we describe price expectations within provision categories in the following four regions: Europe, Middle East, Far East and North America. The commodity markets are

characterized by a certain volatility, and the price expectations are subject to uncertainty and changes. The tables of stores categories are not exhaustive.

Middle East, Far East, European & North American Region					
Category	Item	Price expectation Q1 2025	Price expectation Q2 2025	Price expectation Q3 2025	Factor
Tableware & Galley Utensils	Paper- Plastic and Bags	Slight Increase	Increase	Increase	Polyethylene increased in Q4 2024, recently dropped but is expected to increase 10.7% the coming 9 months
	Paper Pulp	Increase	Stable	Stable	Paper pulp increased in 2024 which is now impacting the finished products. Paper pulp prices are forecasted to stabilize throughout 2025
Rigging & General Deck	Lifting Equipment	Stable	Stable	Stable	No significant change
	Oil Funnels & Sample Cans	Stable	Stable	Stable	No significant change
	Waste and Rags	Stable	Stable	Stable	No significant change
Petroleum Products	Aerosol Lubricants	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility
	Charcoal	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility
	Grease	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility
	Molybdenum disulf. lubric.	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility
	Silicone Grease & Comp.	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility
	Misc. Petroleum Products	Stable	Stable	Slight Increase	Expected stable situation but increases are expected around Q3 – general market volatility

Metals	Aluminum Materials	Slight increase	Slight increase	Increase	Raw material is increasing and is expected to increase 6.2% over the next 9 months. Imposed 25% US tariffs expected to increase prices even further.
	Brass & Bronze Materials	Increase	Stable	Stable	Raw material has increased in 2024, though expected to stabilize over the coming 9 months
	Copper Materials	Increase	Stable	Stable	Raw material has increased in 2024, though expected to stabilize over the coming 9 months
	Gratings	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
	Lead and Zinc Materials	Slight increase	Stable	Stable	Raw material has increased in 2024, though expected to stabilize over the coming 9 months
	Stainless Steel Materials	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
	Steel Materials	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
	Misc. Metal Sheets-Bars	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
Pipes & Tubes	Pipes	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
	Tubes	Increase	Stable	Stable	Raw material has increased in 2024, though expected to stabilize over the coming 9 months
	Misc. Pipes and Tubes	Stable	Stable	Slight decrease	Steel has decreased during 2024, currently stable but is expected to decrease the coming 9 months
Pipe & Tube Fittings	High Press. Steel Coupl.	Stable	Stable	Stable	No significant change expected
	Fittings	Stable	Stable	Slight decrease	Decrease in main commodity is expected
	Flanges	Stable	Stable	Slight decrease	Decrease in main commodity is expected
	Flexible Pipe Couplings	Stable	Stable	Stable	No significant change expected
	HP pipes and fittings	Stable	Stable	Slight decrease	Decrease in main commodity is expected
	Misc. Pipe and Tube Fittings	Stable	Stable	Stable	No significant change expected

Global Port Trends

Houston

- A potential strike at East Coast and Gulf Coast ports has been avoided with the announcement of a tentative labor agreement, but the nation's major container ports have already seen a surge in imports that is expected to continue because of potential increases in tariffs, according to the Global Port Tracker report released by the National Retail Federation and Hackett Associates.

New Orleans

- Grain terminals continue to operate at capacity in 2025. Grain operations are expected to continue for the next 2-3 months. The development of a new grain terminal in New Orleans is expected to continue after resolution of some legal challenges. It is possible that construction will begin in 2025.

Long Beach & San Francisco/Oakland

- The ports of Los Angeles & Long Beach closed out 2024 with record volumes. The Port of Long Beach reported that it started 2025 with its strongest January on record and the second busiest month ever. This is largely driven by retailers moving cargo ahead of the anticipated tariffs on goods from China, Mexico & Canada. The Port of Oakland announced a 5-year strategic plan (2025 – 2030) which will focus on investing in the port's infrastructure which will create economic prosperity.
- The proposed tariffs will have a significant impact in the state of California such as the agriculture industry and other products that we get from China, Mexico and Canada. Egg prices in California have soared to over 80% compared to prior year due to a severe bird flu outbreak. The outbreak has decimated poultry flocks, leading to shortages and economic strain to the state.

New York/New Jersey/Jacksonville

- A potential strike at East Coast and Gulf Coast ports has been avoided with the announcement of a tentative labor agreement, but the nation's major container ports have already seen a surge in imports that is expected to continue because of potential increases in tariffs, according to the Global Port Tracker report released by the National Retail Federation and Hackett Associates.

- Snow and ice storms continue to hit the East Coast. The surge in imports has also been driven by President-elect Trump's plan to increase tariffs because retailers want to avoid higher costs that will eventually be paid by consumers. The long-term impact on imports remains to be seen.
- Several factors are affecting product pricing in the Southeast. Rising production costs, increased market demand and overall economic conditions, including inflation and wage costs, are giving companies more pricing power. Product availability in the region is also influenced by ongoing supply chain disruptions. These disruptions, combined with the high demand for products, are impacting the availability of certain goods in the market.

Montreal

- Canadians depend on ports to bring their products to market and access affordable essentials. The integration of technological upgrades, including automation projects, has been a source of conflict between unions and port owners. This led to a lack of productivity in our ports which makes it harder for the Canadian goods to reach markets in Europe and Asia. This makes us more vulnerable given the current trade uncertainties with the United States.
- Even though the strike at the end of last year, which shut down major facilities like ports of Montreal and Vancouver, ended and activities returned to normal, the arbitration between workers and employers through the country's Canada Industrial Relations Board (CIRB) continues as the two sides work to forge a new contract.

Vancouver

- The trade relationship between Canada and the United States will significantly influence supply operations in Vancouver as the President and Prime Minister threaten to impose reciprocal tariffs which will increase prices on many items imported to Canada for supply to the vessels. Also, during periods of heightened trade tensions, tariffs have resulted in increased shipping costs and longer lead times due to additional customs inspections.
- In the past year, we have seen a few disruptions

at our ports due to strikes imposed by various unions at the ports. The CN Railways employment contract comes to an end in 2025 which may lead to rail disruptions.

- The Grain export projections for 2025 indicate a stable outlook with some variations depending on the crops. Also, the new tanker terminal which opened in 2024 will have a positive impact on the number of tankers that Vancouver will see in 2025.

Portland/Seattle

- Portland and Seattle have no operational issues. Bonded stores continue to be a challenge with a limited selection of items. Egg prices continue to trend upwards as we are required to supply only cage free on the US West Coast. Additionally, the issues continue nationally with the bird flu.
- The grain business has been very steady in Portland, but not in Seattle, with the majority of ships calling the Columbia River over the Puget Sound. Soybean ships are starting to tail off after their peak in the Fall, and now we are primarily doing corn and wheat ships. Tankers are the primary ships we are serving in Seattle this winter.

Panama

- There is a shortage of meat products, which makes it difficult to offer certain cuts requested by customers. To mitigate this, we are offering alternatives at higher prices.
- The rain is making it difficult for certain fresh fruit & vegetable products, such as broccoli, cauliflower and potatoes. The prices are increasing steadily.
- Local strikes have posed some challenges to the overall supply chain in Panama.

UAE

- We do not foresee any challenges in the supply chain.

Singapore

- Wrist Singapore is fully operational now after Chinese New Year holiday, and there are no issues and challenges in the supply chain.

- This week, Wrist Singapore inaugurated its new Distribution Center with 95,000 sq ft of expanded space, tripling our stock holding capacity. It is a state-of-the-art warehouse that provides higher delivery accuracy, advanced cold storage facilities and a streamlined inventory and delivery process.

Dalian, Shanghai, Shenzhen & Qingdao

- Wrist China and the vendors are fully operational now after Chinese New Year holiday, and there are no issues and challenges in the supply chain.

Rio De Janeiro, Macaé, Vitória & Recife

- Brazil has been facing extreme weather conditions, such as the recent heat wave in Rio de Janeiro, where temperatures reached up to 44 degrees Celsius — the highest in a decade. These conditions affect the agricultural production, contributing to rising food prices.
- The rise in fuel prices in Brazil has been a constant concern for consumers, transporters and productive sectors, leading to cost increases across the country.
- Food and Beverages saw a 7.69% increase in the past 12 months, influenced by adverse weather conditions affecting various regions of Brazil. Among the most impacted products were coffee (46.1%), soybean oil (37.3%), pork (35%), eggs (31.2%) and beef (24.2%).
- Depreciation of the Brazilian Real: The real reached R\$ 6.18 per dollar in December 2024 having previously trended around R\$ 5 in the past couple of years.

Rotterdam

- We do not foresee any challenges in the supply chain.

Algeciras, Valencia & Las Palmas

- We do not foresee any challenges in the supply chain.

Aalborg

- We do not foresee any challenges in the supply chain, nor abnormal fluctuation in price levels.

What Wrist Global Procurement does to ensure a consistent and reliable supply chain and to mitigate and reduce price increases



Analysis and commodity index reporting

- We do in-depth analysis of the raw material cost impact on our products/categories.
- We link products/categories to official commodity index reports to evaluate if our prices are within fair correlation.



Long-term vendor relationships and network extensions

- We extend our agreements with existing suppliers when possible.
- We fend-off price increases or delay price increases, utilizing our long-term vendor relationships.
- We continuously search the markets to investigate better options, also extending our supplier network.



Consolidation and large volumes

- We consolidate volumes into our Global Assortment to utilize our purchasing power
- We source in full loads in LCC (e.g. China, India, Pakistan, Vietnam, Egypt, Germany, Cyprus, Poland, Czech etc.), increasing our inventories and consolidating in our sourcing offices from where we distribute to Wrist branches
- We forecast, secure, and contract large volumes to avoid shortages of products



Warehouse capabilities

- We combine and optimize our global warehouse capabilities to leverage scale and store the right products



Vendor consolidation and eSourcing

- We have consolidated our vendors, applying stringent criteria to support digitalization and compliance
- This approach ensures consistent quality, reliability and competitive pricing
- The introduction of eSourcing tools has been instrumental in driving significant cost improvements, in enhancing compliance and in fostering market transparency



Inhouse specialization and market intelligence

- We leverage our global and local network of procurement specialists to optimize purchases and contracts.
- We utilize our market intelligence and purchasing power as well as expertise in negotiations.



Alternative product offerings

- We actively propose lower quality products to customers who cannot work with quality products impacted by price increases.