Against the odds: A red-hot ocean freight market takes the headlines

At the start of the year, the analyst chorus was all singing the same tune: In 2026, container supply would significantly outweigh demand, and container carriers were looking at a dismal year ahead.

Some 8-9 months later, this chorus could not have been more wrong and yet again, it was an obvious mistake that led to this conclusion. The assumption that 2026 would not bring new waves of geopolitical turmoil was flawed; in fact, why would 2026 be different from the five previous years?

The same logic was applied when the war between Iran and the US-Israel broke out. All indicators pointed towards a quick resolution through a blitz victory by US forces. Later hopes of a swift resolution were rooted in reports that a sustainable, lasting peace agreement was imminent.

The global economy yet again proves its geopolitical resilience

There also seems to be a flawed understanding that the leading major economies across the globe are somehow closely intertwined with geopolitical turmoil; however, it is now clear that financial markets have become somewhat resilient to these developments. In turn, this means consumers keep spending money, and with AI investments further fuelling the global economy, markets are not expected to fall off a cliff anytime soon.

Global growth is, according to the IMF, projected at 3.0% for 2026 and 3.4% for 2027, broadly unchanged from the latest projection back in April. The war in the Middle East is weighing on energy importers and vulnerable economies, while AI-driven demand is lifting countries integrated into the global technology value chain.

Surging oil prices and North American trade war cloud the risk picture

Despite the current high level of economic resilience, the IMF did note that risk remains high, with especially elevated oil and gas prices presenting a continued challenge heading into the winter season in Europe and the US.

These concerns have mounted as the conflict in the Middle East has intensified following new attacks by both Iran and the US during the last weeks, and subsequently oil prices passed the USD 100/barrel mark again after several months of trading well below this mark.

Add on top a full-blown trade war between two of the world's G7 countries in the form of the US and Canada that continue to exchange tariff blows, and it is clear there is no form of economic stability in sight.

Planning on the side of caution is the recommended way forward

With the current dynamics in place and historic playbooks no longer working, the safest option right now is likely to assume that the current red-hot market situation will continue for quite a while still.

All container carriers continue to serve Peak Season and other short-term surcharges at a rapid pace, while also reducing fixed allocations, showing their determination to take full advantage of the development before demand weakens.

Some shippers still hinge hopes on a full reopening of Suez transit; however, it is clear we are seeing more of a gradual, phased approach by container carriers, and less of an instant return. Accordingly, this is unlikely to impact short- and mid-term development.

Read on as we dive further into these topics and a range of other topics that are currently shaping the global logistics and transportation landscape.

All information is given to the best of our knowledge and cannot be considered market guidance.

Best Regards,

Mads Drejer

Global CCO

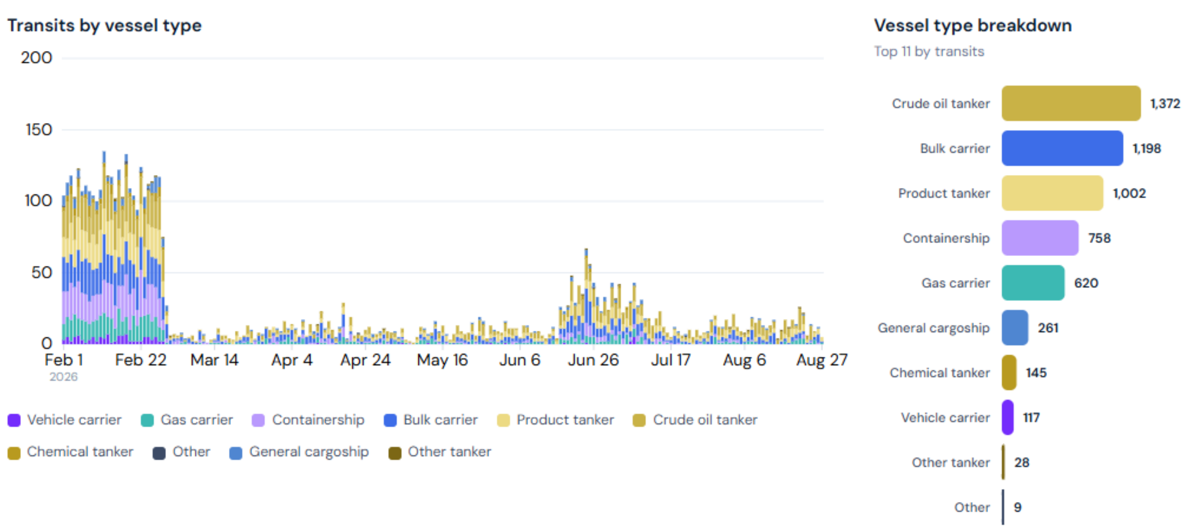
Geopolitics and ripple effects for supply chains under the microscope

Geopolitics has remained a key driver of supply chain developments. While negotiations to restore navigation through the Strait of Hormuz have continued, vessel traffic remains well below pre-conflict levels and energy markets remain highly sensitive to political developments. At the same time, oil inventories have continued to tighten, increasing the market's vulnerability to further disruptions. Beyond the Middle East, trade policy developments have also moved higher up the supply chain agenda, with new US tariff measures and, not least, increased focus on transhipment and rules-of-origin enforcement influencing sourcing decisions and trade flows across multiple regions.

The Strait of Hormuz: markets still waiting for clarity

Not a day goes by without developments in the Strait of Hormuz, underlining the importance of this chokepoint and the ripple effects on global supply chains and energy markets. While diplomatic efforts to establish a framework for managing traffic through the Strait continued throughout July and August, no lasting agreement has been reached, leaving markets highly sensitive to even small political developments.

Despite renewed diplomatic efforts, vessel traffic through the Strait of Hormuz remains well below pre-conflict levels. According to Lloyd’s List Intelligence, July recorded just 554 vessel transits, compared with 3,098 in February, before the conflict escalated, representing a decline of more than 80%.



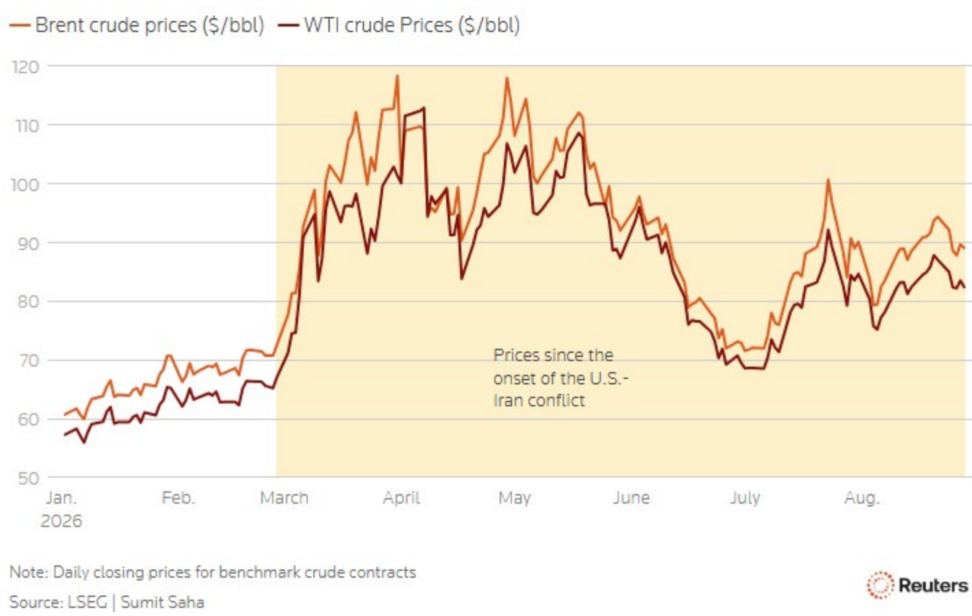
Source: Lloyd’s List Intelligence

Traffic has shown some recovery in August. 110 vessel transits were recorded during 17-23 August, up from 85 the previous week, marking the highest weekly level since the collapse of the June memorandum of understanding (MoU). However, activity remains significantly below pre-conflict levels, with around 700 weekly transits recorded before the conflict.

The golden oil

The absence of a permanent solution in the Middle East continues to leave oil markets highly sensitive to developments around the Strait of Hormuz. Diplomatic progress can quickly cause oil prices to decrease by raising expectations of restored supply, while setbacks have the opposite effect.

On 19 August, Brent crude settled at USD 91.62 per barrel, its highest close since 24 July, amid persistent uncertainty over the Strait. A week later, prices fell by around 2% as Iran and Oman resumed talks on managing the Strait and discussed establishing a temporary navigational corridor. The optimism proved short-lived, with prices rebounding as expectations of a broader diplomatic breakthrough faded.



Source: Reuters

Beneath this volatility, the global oil supply buffer stock is thinning. Global oil inventories fell by 69 million barrels in July, leaving stocks just below 7.9 billion barrels and about 410 million barrels below their level at the start of the conflict. The IEA expects the global oil market to remain in deficit in Q3, as disruptions continue to affect both crude and refined-product supply.[1]

[1] https://www.iea.org/reports/oil-market-report-august-2026

The US has also drawn heavily on its emergency reserves. Its Strategic Petroleum Reserve stood at 289.7 million barrels as of 21 August, the lowest level since 1982[2], reducing the buffer available to respond to a prolonged supply disruption. The US now plans to replenish the reserve with Venezuelan crude following a new energy agreement with Venezuela.

Until oil flows through the Strait of Hormuz return to more normal levels, geopolitical developments, inventory levels and supply expectations will remain key drivers of oil prices and transport fuel costs.

Tariffs continue to influence sourcing and trade flows

When Singapore Prime Minister Lawrence Wong warned that "*the era of rules-based globalisation and free trade is over*" in April 2025[3], he captured a shift that businesses across global supply chains are increasingly experiencing firsthand: Tariffs are no longer isolated trade measures but have become a strategic factor influencing global trade and its supply chains, and it is the U.S. that continues to lead the way.

Since our last advisory, the US has moved from tariff announcements towards implementation and enforcement. New Section 301 tariffs of 10-12.5% entered into force on 24 July across a broad range of trading partners. Singapore was among the countries affected, with approximately one-third of its domestic exports to the US becoming subject to the new measures.

Attention has also shifted towards transhipment and rules-of-origin enforcement. On 13 August, the White House published "*The Great Transshipment Scam*", identifying around 40 economies that could have been used to reroute Chinese goods and avoid US tariffs, called China's "*shadow transshipment network*".[4]

[2] https://energynow.com/2026/08/oil-stocks-in-us-strategic-petroleum-reserve-fall-by-3-7-million-barrels-to-lowest-level-since-1982/
[3] https://www.pmo.gov.sg/newsroom/ministerial-statement-by-pm-lawrence-wong-on-the-us-tariffs-and-implication/
[4] https://www.straitstimes.com/business/economy/us-flags-40-economies-including-spore-in-chinas-shadow-transshipment-network

The report divided all 40 countries into the following 3 tiers:

Tier	Label	Criteria	Transhippers
Tier 1	Diversified scale leaders	Large absolute volumes of China-linked goods; diversified industrial bases and major US-bound export platforms where transshipment risk is embedded within broad legitimate trade flows	Canada European Union India Israel Japan Mexico South Korea Taiwan
Tier 2	Scale leaders, significant economic integration with China	Significant transshipment volumes combined with deeper integration into China-linked supply chains, input sourcing, manufacturing platforms, logistics systems or regional rerouting channels	Brazil Indonesia Malaysia Thailand Turkey Vietnam
Tier 3	Small, opportunistic Chinese targets	Smaller economies with lower absolute transshipment volumes but specific weak-link advantages – including low-cost labour, free zones, port or border access, bonded warehousing, niche assembly capacity, preferential US access or limited Customs enforcement capacity – that make them attractive opportunistic targets for China-linked rerouting	Argentina Azerbaijan Bangladesh Cambodia Chile Colombia Costa Rica Dominican Republic Georgia Jordan Kazakhstan Kenya Laos Morocco Myanmar Oman Panama Peru Philippines Singapore Sri Lanka Switzerland United Arab Emirates Uzbekistan

Table: STRAITS TIMES GRAPHICS • Source: THE WHITE HOUSE

Source: The Strait Times

Singapore was among the countries named. In response, Deputy Prime Minister and Trade Minister Gan Kim Yong said on 28 August that Singapore "*plays by the rules*" and would not tolerate the use of its trade and logistics infrastructure to disguise the origin of goods.[5]

[5] https://asiatimes.com/2026/08/us-transshipment-claims-in-southeast-asia-rest-on-thin-data/

Elsewhere in Southeast Asia, Vietnam reiterated its opposition to origin fraud and expressed a willingness to address US concerns, while Indonesia rejected Washington's characterisation of its role in transshipment networks.

Trade tensions in North America also intensified during August. After a temporary postponement on 18 August, US tariffs of 50% on approximately CAD 27.6 billion of Canadian goods took effect on 22 August following the collapse of bilateral negotiations.

Canadian Prime Minister Mark Carney described the final US proposal as "*unfair, uneconomic, and called into question the reliability of any deal*."[6] Following the collapse of the talks, Finance Minister François-Philippe Champagne announced that Canada's response would be "*dollar for dollar, rate for rate*"[7], with countermeasures on selected US imports scheduled to take effect on 8 September.

[6] https://www.cbc.ca/news/politics/carney-trump-trade-tariffs-analysis-9.7317111
[7] https://www.canada.ca/en/department-finance/news/2026/08/canada-announces-targeted-countermeasures-and-substantive-support-for-workers-and-businesses-in-response-to-us-tariffs.html

Diving into the ocean freight market

Port congestion has become the defining feature of the container shipping market. What began as isolated disruptions earlier in the year has evolved into a global challenge, affecting major gateways across Asia and Europe. Weather events, labour disruptions, inland bottlenecks, and network disruptions continue to tie up capacity, drive vessel delays, and undermine schedule reliability.

It is now crystal clear that the ocean freight market development is no longer a simple equation of vessel supply on one side and demand on the other. The battle has long since moved onshore, and we are increasingly seeing the effects of inland bottlenecks.

Capacity trapped in congestion

In our latest market update in July, we reported that ports across the globe were experiencing the highest level of congestion since 2022, and since then, the situation in the world’s major gateways has gone from bad to worse. In Linerlytica's latest weekly update, they stated that over 4.3m TEU were waiting to berth at container ports, equalling 12.4% of the global fleet and 300k TEU higher than the previous peak during the COVID pandemic in 2022. [8]

Port congestion has evolved into one of the industry’s most complex challenges, with knock-on effects in terms of the ongoing increases in freight rates (port congestion = less capacity available = higher freight rates).

Furthermore, port congestion continues to hamper carriers’ efforts to restore schedule reliability, as vessel delays, missed berthing windows, and network disruptions impact the entire shipping ecosystem.

EU PORTS AND TERMINALS

- **Antwerp/Zeebrugge:** Slightly disrupted with waiting times of 1.7 days. Pilot shortages continue to impact vessel schedules and berth planning.
- **Bremerhaven:** Bremerhaven: Disrupted following port workers' strike action, with backlog recovery expected to impact operations.
- **Hamburg:** Hamburg: Disrupted by recent strike action and ongoing CTA terminal modernisation, impacting terminal productivity.
- **Le Havre:** Slightly disrupted, with terminal congestion continuing to impact cargo flows.
- **Rotterdam:** Heavily disrupted with waiting times of 1.5 days. Vessel queues, berth constraints, and Rhine River water level continue to impact operations.
- **Felixstowe/Southampton:** Operations remain stable with no major terminal disruptions reported.

US/LATAM PORTS AND TERMINALS

- **NYC/Charleston/Savannah:** Slightly disrupted, with waiting times of around 1 day. Vessel bunching and trucking constraints continue to impact operations.
- **Los Angeles/Long Beach:** Slightly disrupted, with waiting times of around 1 day. Minor congestion and schedule variability continue to affect operations.
- **Houston/Miami/Chicago:** Operations remain stable, with minor delays in Houston.
- **Vancouver and Montreal** are slightly disrupted, with waiting times of 1.8 and 1.4 days, respectively. **Prince Rupert** remains stable.
- **Santos/Paranaguá:** Slightly disrupted, as vessel bunching and export demand continue to pressure schedules.
- **Itapoá/Navegantes:** Slightly disrupted, with waiting times of around 2 days. Operations remain stable.
- **Lázaro Cárdenas:** Stable operations despite minor berth delays.

ASIA PORTS AND TERMINALS

- **Shanghai and Ningbo** remain heavily disrupted with waiting times of 4.5 and 3.1 days, respectively, while **Qingdao** is slightly disrupted at around 1 day. Typhoon Dolphin continues to cause vessel backlogs, schedule instability, and port omissions.
- **Yantian:** Heavily disrupted with waiting times of 2.5 days due to berth delays.
- **Singapore:** Slightly disrupted with waiting times of 1.6 days due to vessel bunching.
- **Port Klang/Busan:** Slightly disrupted with waiting times of 1.1 and 1.4 days. Busan continues to face berth congestion and transhipment pressure.
- **Chittagong:** Slightly disrupted with waiting times of 1.3 days due to high yard utilisation.
- **Mundra/Nhava Sheva:** Slightly disrupted with waiting times of 1.4 days due to congestion and capacity pressure.

[8] Market Pulse 2026 Week 34

Extreme weather conditions plague global port operations

Weather-related disruptions have continued to worsen port congestion across Asia's major container ports. Several typhoons affecting China's eastern and southern coastline in recent weeks have led to vessel bunching, berth delays and temporary operational shutdowns at key container gateways like Shanghai and Ningbo.

When asked about the situation in Shanghai, Hapag-Lloyd stated that "*waiting times range from approximately 7 to 11 days, depending on the vessel, service and terminal concerned*". [9]

Most recently, Typhoon Saudel was causing temporary terminal shutdowns in Shanghai and Ningbo as it made landfall in the eastern Chinese province of Zhejiang on Friday morning.

The schedule disruptions following the ongoing extreme weather conditions are likely to extend beyond Shanghai and Ningbo. This may include port omissions, delays at subsequent ports of call within vessel rotations, and increased congestion at other ports across global service networks. As we approach the national holiday period, combined with the expected volume surge in September and ongoing disruptions to capacity, equipment availability, and schedules, operating conditions are likely to resemble those experienced during the COVID pandemic period.

In Europe, extreme weather conditions have also contributed to the continued congestion challenges at major European gateways. After a prolonged dry summer period, historically low water levels on the Rhine are restricting barge operations and reducing hinterland capacity. A recent 24-hour strike at major German ports, including Hamburg, Bremerhaven and Wilhelmshaven, has added another layer of complexity to already severe congestion across North European ports. Meanwhile, minor disruptions are reported in Antwerp, where pilot shortages continue to impact vessel schedules and berth planning.

Suez transit is partly open

After a prolonged period during which container carriers avoided transits through the Suez Canal for security reasons, opting instead for the longer route around the Cape of Good Hope since late 2023, we are now seeing a gradual but steady shift back towards Suez. Carrier by carrier, service by service, shipping lines are beginning to reconfigure their networks and reintroduce Suez Canal transits.

CMA CGM has been leading the industry's return to Suez. Over recent months, however, the Gemini cooperation (Maersk and Hapag-Lloyd) has also announced a phased resumption of Suez transits, followed most recently by MSC, which has confirmed plans to gradually restore services through the canal.

[9] Congestions in Shanghai explode impeding Hapag-Lloyd vessels to berth for up to 11 days

In an updated advisory issued 14th September, Maersk has announced that further services, namely the AE5, AE11, AE12 and ME2 will now return to Suez Canal routing as well, with now 7 of 13 services having made the switch. Vincent Clerc, Maersk CEO, stated that conditions for a full return to Suez in 2026 were in place, but that Maersk was moving gradually to avoid chaos at already congested terminals.[10] A recent announcement from MSC stated that four services will restore Suez Canal transits with immediate effect.[11]

Carrier	Services routing via Suez	Current status
MSC	Jade (Asia ↔ Mediterranean) Tiger (Asia ↔ Mediterranean) Albatros (Asia ↔ North Europe) Himalaya (India ↔ Mediterranean)	MSC operates partially via Suez on selected east-west services.
MAERSK Hapag-Lloyd	AE5 (Asia ↔ North Europe) AE11 (Asia ↔ Mediterranean) AE12 (Asia ↔ Mediterranean) AE15/SE3 (Asia ↔ Mediterranean) AE19/SE4 (Asia ↔ Mediterranean) ME2 (India ↔ Europe) MECL (India/Middle East ↔ North America)	Operating via Suez. Services have been moved back to the Suez routing as part of Gemini's phased return
CMA CGM	EPIC (India/Middle East ↔ North Europe) FAL 1 + FAL 3 + OCR (Asia ↔ North Europe) MEDEX (India/Middle East ↔ Mediterranean) MEX + BEX2 (Asia ↔ Mediterranean)	Services operating partially via Suez. FAL3 is operating eastbound via Suez while westbound services remain more selective.
COSCO SHIPPING OOCL	RES4 (Far East ↔ Red Sea)	Deployed its first vessel through the Bab el Mandeb strait in more than 2 years
ONE HMM YANG MING	None, however, a slot agreement exists on MSC's Tiger service	Some cargo is routed via Suez through partner services

The Strait of Hormuz emerges as the Suez Canal joker

The general perception in the market regarding carriers' willingness to return to transits through the Red Sea and Suez Canal has largely been linked to the security situation in the region. However, in recent weeks, there have been few signs of any meaningful improvement in security conditions. On the contrary, reports continue to highlight increased tensions and renewed attacks in the area, so what is driving the carriers' decision to resume Suez Canal transits?

Ironically, several industry media sources suggest that the timing may, at least in part, be linked to the ongoing tensions surrounding the Strait of Hormuz. Higher fuel costs from the current disruption in the area have made Cape of Good Hope diversions more expensive, altering the commercial balance between the longer Cape route and the

[10] https://www.reuters.com/business/container-shipping-group-maersk-q2-profit-beats-forecasts-raises-outlook-2026-08-13/
[11] Resumption of Selected East–West Services in The Red Sea Region | MSC

shorter but higher-risk Suez routing. At current VLSFO prices, sailing around the Cape of Good Hope could mean fuel expenses of $4 million to $5.5 million for a 16,000 TEU vessel.[12]

Suez Canal Insurance concerns remain a headache for shippers

Another important consideration linked to carriers' renewed use of the Red Sea route is insurance. While most major carriers have secured war-risk cover for vessels transiting the region, the Bab al-Mandeb Strait and parts of the Red Sea continue to be classified as high-risk areas by marine insurers.

For shippers, it is important to acknowledge that a carrier's decision to resume Suez Canal transits does not necessarily reduce the underlying risk exposure.

We therefore encourage our customers to review cargo insurance arrangements to confirm whether war, strike, and terrorism risks are covered and whether any geographic exclusions apply to the Red Sea region. In the event of a major incident, additional costs from General Average, salvage operations, or emergency deviations could still impact cargo interests, making adequate insurance protection more important than ever.

SGL remains at your disposal in this regard, and please contact your designated contact person to obtain further information on how proper and full insurance can be obtained.

Diplomatic efforts to solve the Strait of Hormuz situation continue

On 25 August, the foreign ministers of Iran and Oman met in Tehran to discuss a phased framework for restoring safer navigation. The proposals included a jointly managed temporary shipping corridor, a joint mine-clearing project and continued technical negotiations on a permanent corridor. The talks also covered future traffic management, information-sharing, navigational services and security arrangements. However, the meeting ended without a final agreement or confirmed date for opening the proposed corridor.

On 27 August, Qatar's prime minister and foreign minister met Iran's foreign minister, president and parliamentary speaker in Tehran. Discussions again covered the temporary shipping corridor and mine-clearing proposal, alongside wider efforts to reduce regional tensions and create conditions for renewed dialogue. No final solution was announced.

Developments since the meetings on 25 and 27 August have made the remaining obstacles clearer. Iran has agreed to prepare a list of conditions for restoring normal

[12] https://navilinkglobal.com/news/the-worlds-biggest-shipping-lines-are-quietly-returning-to-the-suez-canal-what-this-means-for-your-freight-costs

traffic and says it has reached an understanding with Oman on a shipping corridor through Iranian and Omani waters. However, implementation remains tied to wider political demands, including sanctions relief and an end to the US blockade of Iranian ports.

At the same time, Washington has intensified its economic pressure campaign rather than returning to direct negotiations. Iran's president says foreign trade has already fallen by approximately 35% due to sanctions and the blockade, but Tehran has so far shown no sign of relinquishing its position on the Strait.

Tensions escalated further on 30 August when the US struck facilities on Larak Island, a strategically important Iranian island located at the entrance to the Strait of Hormuz. The development highlights how diplomatic efforts to restore navigation continue to unfold alongside growing military pressure, further complicating the path towards a lasting agreement.

Ocean freight rates remain red hot, despite moderate decreases from Asia to Europe

In the latest SCFI update published on 11 September, Europe and Mediterranean rates fell moderately by 3.7% and 4.2% respectively week-on-week. Carriers are responding with blank sailings, and Drewry counts 45 cancellations across the major East-West trades between 31 August and 4 October, equivalent to around 6% of scheduled capacity. [13]

These measures are expected to mitigate large rate drops, and we consider that until after China Golden Week, demand will remain strong and consequently freight rates will remain elevated.

Year-on-year rates on the Asia-Europe trade are still USD 2.782/40´ (120.5%) and USD 3.122/40´ (89.8%) above last year's levels, evidencing the drastic developments over the last months.

Transpacific rates rose again, increasing by around 1.5% to the US East Coast and 1.3% to the US West Coast and are now up by more than 200% year-on-year. Rates to the US East Coast have surpassed the $10,000 mark, and even contract customers are beginning to feel the heat as carriers tend to disregard existing contracts to capitalise on high spot rates.

Peter Sand, Chief Analyst at Xeneta, stated that: "*Given the difference between the long-term contract rates and the current spot rate, the shipping lines are saying that the long-term contract agreed upon at USD 2,000 won't be honored. Suddenly, there's no room on the ship because there are so many others who need to ship at the spot rate*". [14]

[13] Drewry - Service Expertise - Cancelled Sailings Tracker - 28 Aug
[14] Shanghai port chaos pushes container rates to US above USD 10,000

On the Transatlantic trade, which is not included in the SCFI, rates continue to rise as well, with carriers now implementing Peak Season Surcharges announced in recent weeks. According to Xeneta data, average market rates have nearly doubled since March and are now approaching the $3,000 mark as of early September.

North Europe – US East Coast (40'HC)

Source: Xeneta Ocean Freight Rate Index

Ocean reliability takes a hit

After several months of relatively stable performance, global schedule reliability deteriorated significantly in July, according to the Global Liner Performance report released by Sea-Intelligence on 26 August. [15]

On-time performance hit its lowest level recorded since February 2025 – overall performance dropped by -6.1% to 56.4%. At the same time, the average delay for late vessel arrivals increased to 6.06 days, marking the highest level since January 2024, highlighting the impact of port congestion and vessel bunching experienced in recent weeks and months.

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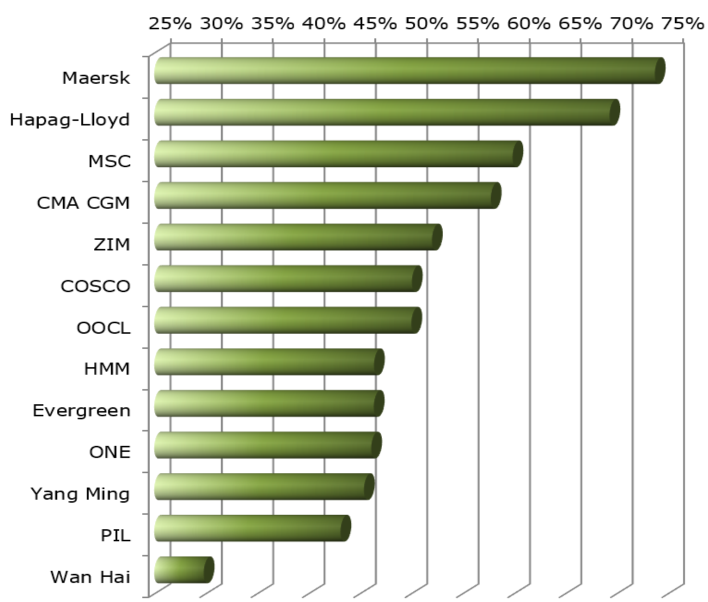
[15] Sea-Intelligence - July Global Schedule Reliability Drops to Lowest 2026 Level

TRADE LANES	JUN/JUL 2025	MAY/JUN 2026	JUN/JUL 2026	M/M change	Y/Y change
Global	65.2%	62.5%	56.4%	-6.1%	-8.8%
Asia - NAWC	79.4%	72.7%	69.7%	-3.0%	-9.7%
Asia - NAEC	68.9%	69.8%	71.5%	1.6%	2.6%
Transpacific WB	71.7%	71.8%	63.5%	-8.3%	-8.2%
Asia - North Europe	67.6%	68.6%	65.0%	-3.7%	-2.6%
Asia - Mediterranean	57.5%	65.6%	66.7%	1.2%	9.2%
Europe - Asia	68.4%	62.8%	51.7%	-11.2%	-16.7%
Transatlantic EB	73.8%	78.9%	78.8%	-0.1%	5.0%
Transatlantic WB	77.9%	77.4%	75.0%	-2.4%	-2.9%

Across the major trade lanes, performance was mixed. Asia-US East Coast was one of the few corridors to improve, reaching 71.5%, while Asia-US West Coast declined to 69.7%. Reliability on Asia-North Europe fell to 65.0%, reflecting growing congestion and operational disruptions across major hubs in both Asia and Europe. Meanwhile, Europe-Asia recorded one of the sharpest deteriorations, dropping 11.2% month-on-month to 51.7%, making it one of the weakest-performing major East-West trades.

The Gemini alliance continues to lead the pack in terms of vessel schedule reliability, while MSC and CMA CGM occupy the next positions, although they are struggling to match the performance of Maersk and Hapag-Lloyd.

Global Top 13 carrier ranking - Jul 2026



Source: Sea-Intelligence - GLP report - Aug 2026

Looking ahead, worsening congestion across Asia, persistent hinterland bottlenecks in Europe, and network adjustments linked to the gradual return to Suez routings are likely to continue challenging schedule reliability. While selective carrier returns to the Red Sea may shorten voyage durations on some trades, current data suggests that congestion and port productivity remain the primary drivers of schedule disruption.

Panama Canal restrictions return

The Panama Canal has reemerged as a significant concern as well following renewed drought conditions associated with El Niño.

The Panama Canal Authority (ACP) has announced reductions in daily transit capacity beginning in September due to lower-than-expected rainfall across the watershed feeding the canal system. Several independent reports confirm that rainfall between May and August was approximately 34% below historical averages.

The ACP has confirmed that:

- Daily transits will be reduced from 36 to 34 starting 3 September
- Capacity will fall further to 32 daily transits from 15 September
- Draft restrictions will be adjusted to 47.5 feet

These restrictions affect not only the number of vessels that can pass, but also the amount of cargo each vessel can carry, effectively reducing available capacity in the affected trade lanes. These measures will primarily affect services using Asia-US East Coast and Gulf Coast routings, where Panama remains a critical gateway, and the market has already responded as major carriers have introduced Panama Canal Surcharges ranging from $130-500 per TEU.

Airfreight demand stabilises, but rates remain resilient

Airfreight demand shows signs of stabilisation after the summer period, although significant differences remain across trade lanes. Global air cargo tonnage increased by 2% week on week in Week 34 and was 5% above the same week last year. At the same time, rates have remained resilient, supported by relatively stable capacity, elevated operating costs, and strong demand across major trade lanes.

The market is therefore not experiencing a broad correction. Instead, airfreight is moving into a more fragmented environment where individual trade lanes, specific commodity flows and capacity decisions determine market development.

Capacity discipline and cost pressure keep rates firm

Recent market data shows a more balanced picture, with global air cargo capacity up 1% week on week in Week 34, after a slight decline in each of the previous two weeks. Asia Pacific capacity rebounded 3%, while MESA (Middle East and South Asia) capacity increased 1%. Despite this recovery, capacity remains uneven across regions, with Gulf capacity still 17% below pre-Iran war conflict level.

Global average air cargo rates remained at USD 2.98/kg in Week 34, unchanged for about five weeks and 22% above last year. Average spot rates edged up 1% week on week to USD 3.36/kg, now 28% above the same period last year.

Origin Regions last 2 to 5 weeks	Capacity[1]			Chargeable weight[1]			Rate[1]		
WORLD ACD	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY	Last 5 wks	2Wo2W	YoY
Africa		+2%	+6%		+0%	+5%		-0%	+20%
Asia Pacific		-1%	+2%		-3%	+4%		+1%	+20%
C. & S. America		-2%	+4%		+3%	+6%		+2%	+10%
Europe		-1%	-0%		-6%	+7%		+3%	+23%
M. East & S. Asia		+2%	+4%		-3%	+7%		-2%	+45%
North America		-1%	+2%		-3%	+5%		+1%	+20%
Worldwide		**-1%**	**+2%**		**-3%**	**+5%**		**+1%**	**+22%**

[1] 2Wo2W compares the last 2 weeks with the preceding 2 weeks this year. YoY compares the last 2 weeks with the same 2 weeks last year.

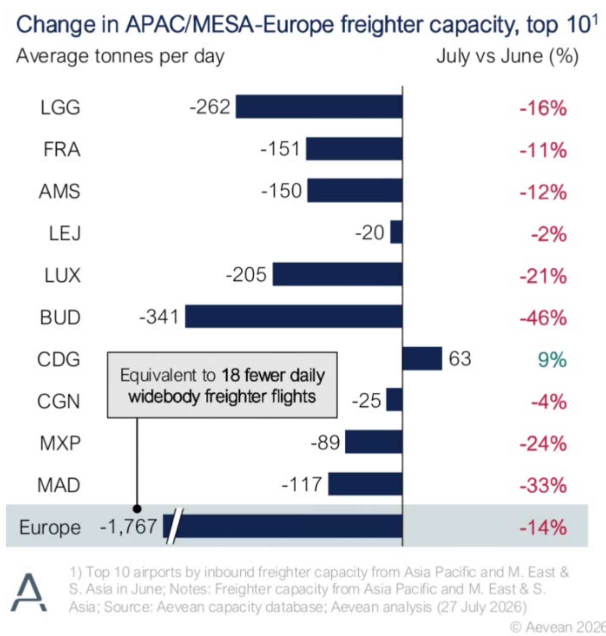
Source: WorldACD

Fuel and broader operating costs are also contributing to the current freight rate resilience. While fuel prices have stabilised compared with previous 2026 peaks, IATA expects jet fuel prices to average USD 152 per barrel for the full year, up nearly 70% from the USD 90 per barrel average recorded in 2025[16]. Many carriers continue to maintain fuel surcharges introduced when the war in the Middle East broke out in late February.

Asia-Europe remains a key area to watch

Following the EU's €3 customs duty on low-value parcels from July 1, combined with changing e-commerce flows and airline capacity adjustments, freighter capacity into Europe has tightened this summer. Capacity data shows a 14% decrease in daily freighter capacity from Asia Pacific, the Middle East, and South Asia into Europe in July versus June, equivalent to roughly 18 fewer widebody freighter flights per day. By late August, China-Europe freighter capacity dropped by nearly 30%, creating additional pressure on available space.

This is well in line with volumes that remain well below last year, with China-Europe down 8% and Hong Kong-Europe down 33%.



Source: Aevean

At the same time, Asia-Europe airfreight rates have stabilised after some form of easing during the summer period. Weaker demand, particularly from China and Hong Kong, due to the e-commerce slowdown, is offset by tighter capacity, preventing rate drops.

[16] https://www.iata.org/en/pressroom/2026-releases/06-07-middle-east-disruptions-high-fuel-prices-halve-airline-industry-profitability/

AI and high-value cargo emerge as new demand drivers

The e-commerce boom, especially in China-Europe trade, is shifting due to regulatory updates like the EU's €3 customs duty.

Rather than reducing demand, these changes spur new logistics e-commerce platforms to invest in European warehousing, reducing reliance on direct China-to-consumer parcels. This indicates a shift away from a single cargo segment dominating capacity, with e-commerce's role in global airfreight growth gradually fading.

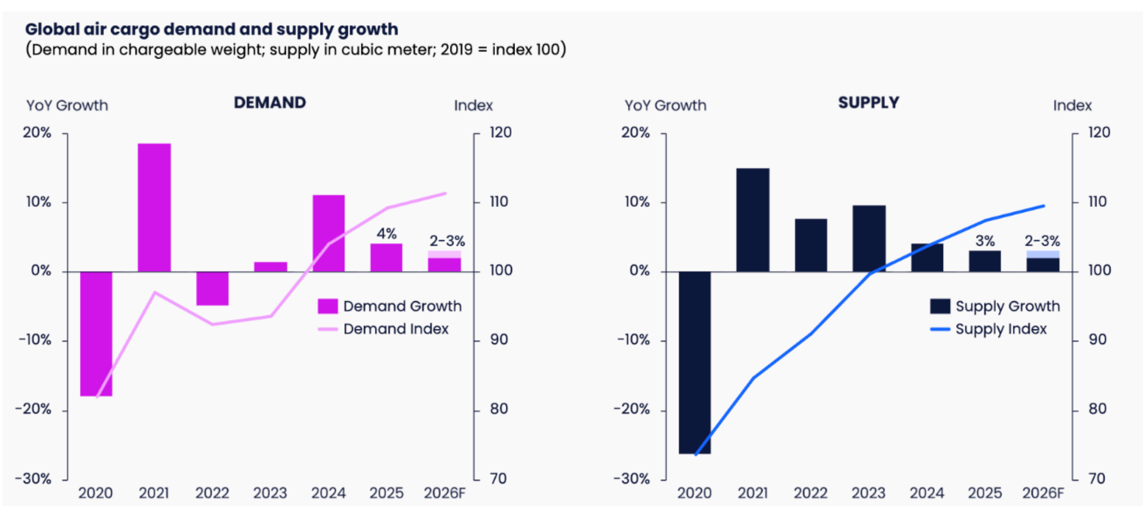
As the airfreight market becomes less dependent on e-commerce-driven volumes, high-value technology and industrial cargo are gaining importance.

AI infrastructure, semiconductors, processors and other high-value technology products are increasingly supporting air cargo demand, particularly from Asia. In early August, load factors on Asia-US lanes reached approximately 90%, with AI and semiconductor shipments emerging as key contributors to capacity demand as e-commerce flows normalise.

Peak season expectations remain moderate

The traditional fourth-quarter peak season is approaching, with demand expected to build from September as year-end retail demand, technology shipments and pre-Golden Week activity from China support increased air cargo flows.

The period ahead of China's Golden Week holiday in October may create short-term pressure as manufacturers and shippers accelerate shipments ahead of factory slowdowns.



Source: Xeneta

Current indicators point to a moderate peak season, like what was seen in 2025. Pressure is expected to remain concentrated on specific trade lanes and commodity flows rather than across the global market.

Demand and supply are expected to remain broadly aligned for the remainder of 2026, both growing by approximately 2-3%. This reduces the likelihood of a significant rate correction in either direction.

TRADE LANE OVERVIEW OF OCEAN FREIGHT

ORIGIN REGION	TRADE-LANE	CAPACITY	EQUIPMENT	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia	Asia – North Europe	Yellow	Red	Yellow	↓
	Asia – West Med	Yellow	Red	Yellow	↓
	Asia – Black Sea & Adriatic	Yellow	Red	Yellow	↑
	Asia – North America	Yellow	Red	Yellow	↑
	Asia – Middle East	Yellow	Red	Yellow	↑
	Asia – Africa	Yellow	Red	Yellow	↑
	Asia – East Coast South America	Yellow	Red	Yellow	↑
	Asia – West Coast South America	Yellow	Red	Yellow	↑
	Asia – Australia/New Zealand	Yellow	Red	Yellow	→
	Intra – Asia	Yellow	Red	Yellow	↑
EMEA & Nordics	Europe – Asia	Green	Green	Yellow	→
	Europe – Middle East	Green	Green	Yellow	→
	Europe – Africa	Green	Green	Yellow	→
	Europe – North America	Red	Green	Yellow	↑
	Europe – East Coast South America	Green	Green	Yellow	→
	Europe – West Coast South America	Green	Green	Yellow	→
	Europe – Australia/New Zealand	Green	Green	Yellow	→
	Intra – Europe	Green	Green	Yellow	→
Americas	North America – Europe	Green	Green	Yellow	→
	North America – Asia	Green	Green	Yellow	→
	North America – Middle East	Green	Green	Yellow	→
	North America – Africa	Green	Green	Yellow	→
	North America – Austr./New Zeal.	Green	Green	Yellow	→
	Intra Americas	Green	Green	Yellow	→

CAPACITY	EQUIPMENT	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Green: Capacity open	Green: No challenges	Green: No challenges	Green: Down
Yellow: Normal capacity	Yellow: Medium challenges	Yellow: Medium challenges	Yellow: Stable
Red: Capacity constrained	Red: Major challenges	Red: Major challenges	Red: Up

TRADE-LANE OVERVIEW OF AIRFREIGHT

ORIGIN REGION	TRADE-LANE	CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Asia Pacific	Asia Pacific– Europe	Capacity open	No challenges	Stable
	Asia Pacific– North America	Normal capacity	Medium challenges	Stable
	Asia Pacific – Asia Pacific	Capacity open	No challenges	Stable
	Asia Pacific – Middle East / Africa	Normal capacity	Medium challenges	Stable
	Asia Pacific – Latin America	Capacity constrained	Major challenges	Up
Europe*	Europe – Asia Pacific	Normal capacity	Medium challenges	Stable
	Europe – North America	Normal capacity	Medium challenges	Up
	Europe – Middle East / Africa	Normal capacity	Major challenges	Up
	Europe – Latin America	Capacity constrained	Major challenges	Up

* Continental Europe & Nordics combined

ORIGIN REGION	TRADE-LANE	CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
North America	NorAm – Asia Pacific	Normal capacity	Medium challenges	Stable
	NorAm – Europe	Normal capacity	Medium challenges	Stable
	NorAm – Middle East / Africa / South Asia	Normal capacity	Medium challenges	Stable
	NorAm – Latin America	Capacity constrained	Major challenges	Stable
Latin America	LatAm – NorAm	Normal capacity	Medium challenges	Stable
	LatAm – Europe	Normal capacity	Medium challenges	Stable
	LatAm – Asia Pacific	Normal capacity	Medium challenges	Stable
	LatAm – Middle East / Africa / South Asia	Normal capacity	Major challenges	Stable

CAPACITY	SCHEDULE RELIABILITY	RATE DEVELOPMENT
Capacity open	No challenges	Down
Normal capacity	Medium challenges	Stable
Capacity constrained	Major challenges	Up