XENETA

IXRT

Ocean Market News by Xeneta

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The Xeneta Ocean iXRT provides an overview of long and short term market movements, the key risks and issues to be aware of and insight on how these may develop in the coming weeks and months.

TOPICS COVERED IN THIS IXRT REPORT INCLUDE:

01 **Spot rates split:** US East Coast rates break through USD 10,000 per FEU while Far East to Europe falls back - and the crisis spreads into the long-term contract market

02 **Chokepoint watch:** Strait of Hormuz transits stuck in the teens since mid-July - one tenth of pre-war levels - with containership transits averaging one per day

03 **Middle East trade:** volumes from Greater China rebound 25% year-on-year in June, but regional exports remain 39% down

04 **Global demand grows 5.2%** in H1 2026 despite the crisis, led by China and Southeast Asia exports

05 **Schedule reliability:** on-time arrivals hit 39% in May, the best reading since December 2023 - and why the recovery is fragile

06 **Market voices:** the five themes dominating 151 conversations with shippers and forwarders over the past month

07 **Northern Sea Route:** two carriers schedule Arctic sailings to North Europe this summer

08 **What should shippers do:** practical actions for the weeks ahead

01 — SPOT RATES

Spot Rate Snapshot – The Market Splits in Two

Five months into the Middle East crisis, the spot market is no longer moving as one. Far East to US East Coast spot rates have broken through the USD 10,000 per FEU mark, standing at USD 10,249 on 12 August - 287% above pre-crisis levels at the end of February. US West Coast rates are at USD 6,965, up 271%. The Far East to Europe trades are past their peak: North Europe at USD 4,909 and Mediterranean at USD 5,846 are well below the July highs, with the Mediterranean down a further 1.7% this week. After the sharp split in early August - double-digit weekly jumps into the US against falls into Europe - this week brought a pause, with US rates broadly flat at their new, elevated levels.

$10,249
FE to USEC spot, 12 Aug

+287%
FE to USEC vs 28 Feb

-1.7%
FE to Mediterranean, WoW

$4,103
Spot over long-term, FE to USWC

TRADE	12 AUG (USD/FEU)	WOW	VS 28 FEB
Far East to US West Coast	**6,965**	+0.4%	+271%
Far East to US East Coast	**10,249**	+0.3%	+287%
Far East to North Europe	**4,909**	+0.6%	+121%
Far East to Mediterranean	**5,846**	-1.7%	+76%
North Europe to US East Coast	**2,741**	+1.1%	+86%

Source: Xeneta Weekly Market Update, 12 August 2026. Market average spot rates, 40' container.

How the market got here matters for what comes next. Peak season arrived early and hot: shippers pulled volumes forward from May to protect supply chains against the Strait of Hormuz disruption and expected Q3 bunker increases. Spot rates peaked in the second week of July - Far East to US West Coast reached 276% above pre-crisis levels on 10 July -

then softened through the month as frontloading demand eased and capacity kept ramping. The irony of frontloading is that it contributed to a capacity squeeze that pushed rates higher than they would otherwise have been. Because peak season effectively started in May, it will also end sooner.

The softening is slow, as it always is: rates fall far slower than they rise during a market spike. On 24 July, rates remained 231% above 28 February pre-crisis levels on Far East to US West Coast, 234% on US East Coast, and 135% on North Europe. Carriers are also working to slow the decline - using the renewed conflict and elevated bunker costs to justify surcharges, and blanking sailings at the last minute on services where weekly departures were scheduled. These late cancellations are spooking shippers who relied on the announcements only to find their cargo not moving. But no individual carrier wants to be the first to pull significant capacity when competitors can step in and take their volumes. The fundamentals of rising capacity and cooling demand are working against carriers: geopolitics may slow the softening, but it will not defy gravity. Capacity keeps coming: in the week commencing 10 August, offered capacity jumped 10.7% week-on-week on Far East to US West Coast, 20.4% to US East Coast, and 21.4% to North Europe on a four-week rolling average.

The knock-on effect of almost half a year of disruption is now spreading into the long-term contract market. Average long-term rates from Far East to US West Coast and US East Coast are up almost 40% since the end of February. Long-term rates to North Europe are up just over 40%, and rates into the Mediterranean a lesser, but still significant, 17%. This is the fire spreading from the short-term market, where increases have run to triple digits. The disruption is becoming a deep-set, structural problem that will not go away any time soon - leaving carriers in an extremely powerful position to call the shots across both the long-term and short-term markets.

The negotiating power shows in the spread between the two markets. Pre-crisis, at the end of February, spot rates sat below long-term rates on the Transpacific trade to the US West Coast. Spot rates now sit USD 4,103 per FEU higher - and that spread gives carriers the confidence to keep pushing the long-term market higher. This is the longer financial tail of a supply chain shock: a spot rate is for the here and now, but signing a long-term contract means accepting these elevated costs for at least the coming quarter. Shippers should not go out into a rising market like this and lock themselves into a one-year deal. This is a market for contracts with a shorter tenure - securing space for the coming quarter, with an adjustment mechanism if and when the short-term market turns.

02 — CHOKEPOINTS

Chokepoint Watch - Hormuz and Bab el-Mandeb

Vessel transit data shows how far the market remains from normal. Before the conflict escalated, 120 to 150 ships of all types transited the Strait of Hormuz daily. That collapsed to fewer than 20 per day in early March. A recovery attempt in late June pushed transits above 80 per day, but the window closed quickly - since mid-July, total daily transits have been in the teens, about one tenth of pre-war levels. Uncertainty over maritime safety keeps the future of strait transits in shackles.

The containership picture is starker still. Container transits of Hormuz ran at average of 22 per day before the closure and have been averaging 1 per day, with a range between zero and ten since early March. During the second half of June recovery window, container service transits only reach a daily average of four (1-8 range). Liner networks have restructured around the Strait and will not switch back on the strength of a few quieter weeks.

At Bab el-Mandeb, total transits have held in a range of 40 to 60 ships per day through the summer. The detail worth watching is the containership share of those transits: it climbed from around 15% in May to a peak near 24% in late July, before easing back to around 17% in early August. More container tonnage has been testing the Red Sea routing than at any point this year, but the pullback in recent weeks shows carriers remain cautious. There is no broad return to Suez routings yet.

Behind the curtain of relativity, sits a general decline in Bab el-Mandeb transits. 51 transits a day (1-20 July) vs 40 transits a day (21 July – 8 Aug), that's a 25% drop. Containership transits dropped during the same period from 9 to 8.

Source: Xeneta, Clarksons. Daily transit counts to 8 August.

03 — MIDDLE EAST VOLUMES

Middle East Volumes - Imports Recover, Exports Do Not

Container Trades Statistics data for H1 2026 quantifies the trade impact of the crisis - and reveals a recovery that is running in one direction only.

+25.2%	-2.6%	-39.0%
Greater China to Middle East, June YoY	Middle East imports, June YoY	Middle East exports, June YoY

Volumes from Greater China to the Middle East fell 10.1% year-on-year across H1, with the trough in March and April. But June volumes came in 25.2% above the same month last year - the first year-on-year growth since the crisis began, and a level above both 2025 and 2024. This is the restocking surge: workaround networks through alternative hubs have matured enough to carry volumes that were postponed during the worst of the disruption.

Total Middle East imports tell a similar story: down 19.5% year-on-year in H1, but only 2.6% down by June. Import flows are close to fully recovered.

Exports are not. Middle East exports fell 30.0% year-on-year in H1, and June was worse than the half-year average at 39.0% down. Import demand can be rerouted to the buyer; export capacity cannot be conjured where vessels do not call and equipment does not circulate. The region is receiving goods again but still cannot ship its own out at anything like normal levels. For shippers sourcing from the region, this is the number to plan around.

Source: Xeneta, Container Trades Statistics (CTS). H1 2026 and June 2026, year-on-year.

Global Demand Holds Up

For all the disruption, global container demand grew 5.2% year-on-year in H1 2026 - 5.4% for dry cargo and 2.1% for reefer. The growth is concentrated where the rate pressure is: China exports rose 12.4%, Southeast Asia exports 8.2%, and intra-Asia volumes 8.7%. Europe

imports grew 7.9%, consistent with frontloading ahead of feared energy-driven cost increases later in the year.

North America tells a different story: imports grew just 0.9% in H1. The 270% year-on-year spot rate increase on the Transpacific is not a demand story - it is a network story, driven by capacity absorbed into longer routings, port congestion cascading from Southeast Asia, and frontloading concentrated into the early part of the year. Europe exports fell 1.4%, the only major region in decline.

Source: Xeneta, Container Trades Statistics (CTS). H1 2026 year-on-year.

04 — RELIABILITY

Schedule Reliability – Why the Recovery Is Fragile

Global schedule reliability recovered sharply in Q2 2026, but the quality of that recovery is uneven and June signals it is not yet self-sustaining. These are the headlines from the Xeneta Q2 2026 Quarterly Reliability Report.

39%	3.4 days	9%	43pp
On-time arrivals, May (best since Dec 2023)	Average delay, May (10-month low)	Blank sailings, June (vs 12% in June 2025)	Best-to-worst carrier gap, Q2 (was 34pp)

On-time arrivals reached 39% in May, the best reading since December 2023, and average delay fell to a 10-month low of 3.4 days. But June pulled back: on-time arrivals dropped 2 percentage points to 37% and delay rose to 3.6 days, with no single trade improving in the month. Two factors flatter the Q2 figures: war-related cancellations in February removed chronically late Middle East sailings from the baseline, and many carriers continue to use blank sailings to prop up reliability. Performance narratives should not be taken at face value without unbiased assessment.

Six of eight major corridors improved quarter-on-quarter. South America East Coast gained 17 percentage points to 54% on-time - the biggest improver - and Far East to Europe gained 13 points to 38%, though that recovery leans more on blanked capacity than on operations. The Middle East remains the worst-performing corridor at 25% on-time with 4.9 days average delay, and it deteriorated through the quarter while everything else improved.

The gap between carriers is widening: the spread between the best and worst performers grew from 34 to 43 percentage points in Q2. Gemini Cooperation held around 69% on-time - a league above the rest - with near-zero blank sailings, while other networks closed part of the gap partly through blanking. At port level, congestion is rotating: Singapore and Port Klang recovered through Q2, while Colombo vessel waiting times jumped from 1.3 to 5.9 days as the port absorbs diverted Far East to Europe and India feeder traffic.

The full Q2 2026 Quarterly Reliability Report - with corridor, alliance, carrier, and port-level detail, including carrier rankings and blank sailing strategies by alliance - is available on the Xeneta platform.

Source: Xeneta Quarterly Reliability Report, Q2 2026.

05 — MARKET VOICES

Market Voices - What Ocean Freight Buyers Are Telling Us

Every week, Xeneta customer teams speak with the people who buy ocean freight: procurement leads, logistics directors, and analysts at some of the world's largest shippers and forwarders. Between 13 July and 10 August, that added up to 151 recorded conversations with 107 companies. Individually, each call is confidential. Together, they show where the market's attention is. These are the five themes that dominated, anonymised and aggregated - no individual company data is disclosed.

1. Surcharges are the new battleground

Peak Season Surcharges (PSS), Emergency Bunker Surcharges (EBS), and congestion surcharges were the single most discussed topic, raised in around 20 of the 151 conversations. The pattern is consistent: contracted base rates hold, but suppliers layer surcharges on top mid-contract - sometimes uncapped. Buyers are responding in two ways. The first is contractual: a chemicals shipper has excluded PSS from its contracts outright and is holding suppliers to it. The second is evidential: a manufacturing shipper facing PSS demands from a major forwarder benchmarked them against the market, found they sat well above prevailing levels, and is using that data to push back. A pharmaceuticals shipper fighting PSS and Middle East-related surcharges on new lanes is going further, restructuring contract validity periods to avoid renegotiating at seasonal peaks.

2. Fuel and BAF under the microscope

A distinct sub-theme in around 10 conversations: Bunker Adjustment Factor (BAF) mechanics. Buyers no longer accept supplier fuel formulas at face value. A manufacturing shipper is building a standardised BAF model across its top 20 lanes and auditing each supplier's formula against it. A retail shipper unwound double-counted fuel charges and secured retrospective corrections. Another manufacturing shipper credits its bunker mechanism - not its base rate negotiation - for sitting well below market. The lesson from the buyers doing this well: fuel is a controllable cost line, not a pass-through.

3. Geopolitics still sets the backdrop

The Middle East conflict and Red Sea situation appeared in around 12 conversations as the default explanation for rerouting, absorbed capacity, and elevated bunker costs. Buyers are now tracking against a new baseline - rate movement since the disruption began. A chemicals shipper takes weekly reports tracking rates against pre-conflict levels. Shippers with operations in the region described direct business disruption and restructuring, not just freight cost impact.

4. Budgeting blind - the forecasting gap

Roughly 1 in 10 conversations landed on the same problem: one to two months of rate visibility is not enough to set budgets or tender targets. An automotive shipper wants forward visibility across its December to February tender cycle. A manufacturing shipper is quantifying forecast reliability before committing - with its finance department in the room. That is the notable shift: forecasting demand is coming from CFO organisations, not just logistics. The market view underneath is a paradox buyers are trying to price: structural softening from newbuild capacity on one side, short-term spikes from frontloading and disruption on the other.

5. Index-linked contracts go mainstream

Around 14 conversations touched on index-linked agreements or dynamic pricing. A manufacturing shipper is operationalising carrier index-linked contracts, down to the mechanics of container-size conversion and delta calculations. A chemicals shipper validates its indexing strategy against the market every quarter. Forwarders are exploring index-based dynamic pricing for their own customer offers. And exchange-traded, index-linked hedging via brokers has moved from curiosity to briefing-room topic for retail shippers. What was an experiment two years ago is becoming standard practice on both the shipper and forwarder side.

Based on 151 recorded conversations between Xeneta customer teams and 107 companies, 13 July to 10 August 2026. Themes identified from call summaries and aggregated. All examples are anonymised and described only by industry.

Northern Sea Route Returns for the Summer

The Arctic summer window is drawing container tonnage north again. Chinese liner Sea Legend Shipping will run a Northern Sea Route service from Ningbo to Felixstowe, repeating its 2025 operation under the Ice Silk Road banner. South Korean liner PanStar Line will

perform a demonstration sailing departing 22 August, calling Rotterdam, Hamburg, and Gdansk in North Europe; its ports of origin are undisclosed.

The Northern Sea Route carries a fraction of mainline capacity and is viable only in the summer months, so these sailings will not move the market. Their significance is directional: with the southern chokepoints at Hormuz and Bab el-Mandeb disrupted, carriers are testing every alternative routing available. Transit times from North Asia to North Europe via the Arctic can undercut the Cape of Good Hope diversion by a wide margin when ice conditions allow - a capability worth tracking as the 2026 season unfolds.

06 — ACTIONS

What Shippers Should Do Now

01 **Benchmark every surcharge demand before accepting it.** The buyers pushing back successfully are doing so with market data showing where PSS and EBS demands sit against prevailing levels - and they keep surcharges separated from base rates with defined validity periods.

02 **Audit fuel formulas instead of trusting them.** Standardised BAF models across key lanes are uncovering double-counted charges and securing retrospective corrections. Fuel is a controllable cost line, not a pass-through.

03 **Take a forward-looking rate view into budget and tender planning.** One to two months of visibility is not enough for the September to February tender window - especially with long-term rates already up around 40% since February on Far East to US and North Europe trades.

04 **Contract short in a rising market.** Locking into a one-year deal now means accepting crisis-level costs for the full term. Shorter-tenure contracts - securing space for the coming quarter, with an adjustment mechanism if and when the short-term market turns - limit the damage.

05 **Treat carrier selection as a performance bet.** The best-to-worst carrier reliability gap widened to 43 percentage points in Q2, and carriers are now blanking sailings at the last minute on services where weekly departures were scheduled. Use cancellation ratios, blank sailing behaviour, and transit time data to see through performance narratives - improvement driven by blanked capacity is not the same as operational improvement.

06 **Prepare for the next tender round with market intelligence, not announcements.** RFQs go to market from September. Rates are softening but from extraordinary levels, long-term rates are repricing upward, and the spot-to-contract spread is shifting week by week. A current market view is the difference between anchoring negotiations to reality and anchoring them to a carrier narrative.

07 **Plan around the Middle East export gap.** Regional imports are close to recovered; exports remain 39% down year-on-year. Sourcing from the region needs longer lead times and alternative routings for the foreseeable future.

08 **Evaluate index-linked contract structures.** They eliminate surcharge disputes, align rates to market movements, and are moving into the mainstream on both the shipper and forwarder side.

07 — DATA APPENDIX

Selected Indices

Public Indices Report | August indices (9 August 2026). Index base January 2017.

SPOT RATES

REGION	XENETA INDEX	CHANGE FROM ONE MONTH AGO	CHANGE FROM ONE YEAR AGO
Global	**245.6**	+1.9%	+80.4%
Europe import	**194.2**	-3.8%	+43.3%
Europe export	**171.5**	+3.5%	+40.5%
Far East import	**65.3**	-0.5%	-7.2%
Far East export	**288.1**	-0.9%	+116.7%
North America import	**283.2**	+9.5%	+118.4%
North America export	**178.8**	+2.8%	+5.7%

LONG TERM (ALL) RATES

REGION	XENETA INDEX	CHANGE FROM ONE MONTH AGO	CHANGE FROM ONE YEAR AGO
Global	**159.6**	+1.3%	+7.6%
Europe import	**186.0**	+0.3%	+6.9%
Europe export	**109.3**	-1.4%	+5.5%
Far East import	**96.0**	+8.6%	+30.5%
Far East export	**204.3**	+2.0%	+9.8%
North America import	**158.9**	+1.9%	+6.6%
North America export	**127.2**	+3.2%	+19.0%

OCEAN — SPOT-TERM RATES

Monthly market average, 40' container | Updated 10 August. *Aug is month-to-date

ORIGIN	DESTINATION	THC	MAR	APR	MAY	JUN	JUL	AUG*	MOM	YOY
China	North Europe	None	2,458	2,569	2,605	4,260	5,297	**4,809**	-9%	+62%
North Europe	China	OTHC	125	216	212	210	228	**246**	-7%	+69%
China	US West Coast	DTHC	2,134	2,738	3,064	5,110	6,410	**6,956**	+9%	+270%
US West Coast	China	Both	560	542	557	602	665	**687**	+3%	+6%
US East Coast	N. Europe	Both	825	882	913	944	954	**1,024**	+7%	+39%
N. Europe	US East Coast	Both	1,609	2,307	2,560	2,465	2,703	**2,864**	+6%	+42%
China	S. America EC	None	3,056	3,113	4,299	7,825	6,775	**6,348**	-6%	+63%
N. Europe	S. America EC	OTHC	848	1,057	1,060	1,091	1,050	**1,024**	-3%	+25%

OCEAN — LONG-TERM RATES, LAST 3 MONTHS

Monthly market average, 40’ container | Updated 10 August. *Q3 is quarter-to-date

ORIGIN	DESTINATION	THC	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26*	QOQ	YOY
China	N. Europe	None	2,087	2,085	1,870	2,054	**2,550**	+24%	+22%
N. Europe	China	OTHC	59	115	148	118	**250**	+112%	+321%
China	US WC	DTHC	2,032	1,958	2,005	2,345	**2,542**	+8%	+25%
US WC	China	Both	727	847	1,043	1,018	**1,111**	+9%	+53%
US EC	N. Europe	Both	770	762	892	881	**961**	+9%	+25%
N. Europe	US EC	Both	1,717	1,501	1,428	1,824	**2,189**	+20%	+28%
China	S. Am EC	None	2,400	2,992	2,480	2,273	**2,541**	+12%	+6%
N. Europe	S. Am EC	OTHC	617	693	726	729	**730**	+0%	+18%

OCEAN — LONG-TERM RATES, 40’ REEFER

Last three months | Updated 10 August. *Q3 is quarter-to-date

ORIGIN	DESTINATION	THC	Q3 25	Q4 25	Q1 26	Q2 26	Q3 26*	QOQ	YOY
N. Europe	China	OTHC	1,328	1,395	1,273	1,670	**1,292**	+27%	-6%
N. Europe	US EC	Both	3,569	3,821	3,299	3,662	**3,573**	-2%	+0%
N. Europe	S. Am EC	OTHC	1,377	1,593	1,329	1,682	**1,485**	-12%	+8%

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