iXRT

Ocean Market News by Xeneta

March 20, 2026

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:

- Middle East conflict: Strait of Hormuz shutdown and its cascading impact on global shipping
- Emergency surcharges: the full carrier-by-carrier picture and what shippers should accept
- Port congestion crisis: relay corridors, secondary congestion, and schedule collapse
- Freight rate increases: latest data showing sharp spot increases across major trades
- Tender season disruption: how the conflict is reshaping 2026/27 contracting strategies
- What shippers are doing: customer actions, roundtable insights, and procurement advice

Middle East Conflict — Three Weeks In

Three weeks after the escalation of conflict in the Middle East on 28 February, the situation has evolved from an acute shock into a structural disruption affecting ocean container trade lanes in the region as well as further away from the epicenter of disruption.

The Strait of Hormuz remains closed to major container shipping and the Red Sea is once again a no-go zone after Houthi militia resumed threats against merchant shipping. As the conflict widens more ports are impacted, for example Salalah in Oman was identified as a viable alternative port in the early days of conflict but that has also been the target of military attacks.

The disruption is no longer contained to the Persian Gulf. It is global.

Around 800,000 containers per month used to travel into the region affected by this crisis. Those goods still need to reach customers, and the industry is finding different ways to make that happen.

One in four arrivals at neighbouring ports are now forecast to be over seven days delayed.

Example - Damietta Express: This Gemini Alliance-deployed vessel was on its way to Salalah when it was caught up in the disruption. Over 10 days it changed course at least 3–4 times: first turning back towards Tanjung Pelepas, then returning to Salalah, before finally discharging cargo originally meant for Salalah at Nhava Sheva. No two voyages look alike during this crisis.

Carrier response

Carriers are rerouting through four main corridors: via Colombo/Tanjung Pelepas/Singapore relaying at Khor Fakkan or Sohar; via Indian ports (Mundra, Nhava Sheva, Karachi); via East African ports (Mombasa, Dar es Salaam, Durban); and via Jeddah/Mersin with land bridge options into Iraq and the Gulf.

MSC has announced relay to Abu Dhabi from Hambantota. CMA CGM has launched a new service called the Phoenicia, shipping to Mersin with onward trucking into Iraq.

A Suez return in 2026 is now considered unlikely, with major carriers reverting any services that had returned to Red Sea transits back around the Cape of Good Hope. While the situation remains highly-volatile, Xeneta expects a potential return to the Red Sea in mid-2027.

Carriers are taking very different approaches to frustrated cargo. At one extreme, MSC has called end-of-voyage to all affected shipments, meaning they can discharge containers at any port, leaving shippers with the bill for onward carriage. At the other extreme, Maersk has offered to handle frustrated Gulf-bound cargo for USD 3 000 per container until delivery can resume. Shippers need to understand where their carrier sits on this spectrum.

Freight rates rising

The trade from China to Nhava Sheva in India illustrates the ripple effect of Middle East conflict. Market average spot rate has surged almost 70% over the past month from USD 1,358 to USD 2,305 per FEU. The market mid-high rate has nearly doubled (+98%) to USD 2,936 per FEU. The widening spread between the lower and higher end of the spot market signals a fight for capacity, with shippers who desperately need their cargo to move willing to pay top dollar.

Far East to Mediterranean spot rates are up 26% to USD 4,211 per FEU. Far East to North Europe has jumped 22% to USD 2,705 per FEU. Xeneta analysis from early March indicated that quotes of $4,000 for Far East to North Europe and $5,000 for Far East to Med were being heard for the second half of March — and the latest data confirms the market is tracking towards those levels.

Trade	Spot Rate (USD/FEU)	Change
Far East to US West Coast	2,118	+12% MoM
Far East to US East Coast	3,008	+13% MoM
Far East to North Europe	2,705	+22% MoM
Far East to Mediterranean	4,211	+26% MoM
China to Nhava Sheva (avg)	2,305	+70% MoM
China to Nhava Sheva (mid-high)	2,936	+98% MoM
North Europe to US East Coast	1,482	+0.1% MoM

Prior to escalation of conflict in Middle East, global average spot rates were projected to fall 25% in 2026. This is now revised to a 10–15% decline on a global scale.

Long-term contract rates will still decline due to underlying market fundamentals, but the pace has slowed significantly. Once the uncertainty premium caused by Middle East dissipates, the fundamental drag of overcapacity in the market will become more influential.

Emergency Surcharges

Every major carrier has now announced or implemented emergency surcharges, with confirmed levels ranging from USD 800 to USD 3,500 per FEU, depending on carrier and trade. Beyond Middle East-specific charges, emergency bunker surcharges of USD 10 to USD 150 per TEU are being applied across most trades by CMA CGM, Hapag-Lloyd, Maersk, MSC, and ONE.

Bunker costs are up around 30% week-on-week.

Carrier	Surcharge (40DC)	Status
MSC	FE to Red Sea: $800/40DC	Confirmed
CMA CGM	World to ME: $3,000/40DC (baked into rate)	Confirmed
Hapag-Lloyd	NEU to Gulf: $1,500 | MED/NEU to RS: $3,000–$3,500	Confirmed
ONE	World to ME: $2,400/40DC	Confirmed
Maersk	World to ME: $3,000/40DC	Announced
Emirates SL	World to ME: $3,500/40DC	Confirmed
Arkas Line	MED to Red Sea: $3,000 (WRS)	Confirmed
HMM	World to ME: $1,000 (recovery of deviation costs)	Announced

Note: COSCO, Evergreen, and OOCL have suspended services but not announced emergency surcharges. War Risk surcharges for Persian Gulf: $3,000 dry / $4,000 reefer per 40'. Trans-Pacific fuel surcharges of $300–$500/TEU are being applied on non-directly impacted lanes.

Bunker adjustment factors are already in place for all long-term contracts and shippers can reasonably argue they should also cover extraordinary circumstances. Emergency fuel surcharges are ultimately an item for negotiation. The carriers' position is that they cover costs not captured by standard BAF mechanisms, but shippers should challenge this where BAF clauses already exist.

Port congestion and schedule disruption

Primary relay ports — Khor Fakkan, Sohar, Mundra, Nhava Sheva, Karachi, and Colombo — are experiencing sustained congestion. 36% of vessels are arriving 7+ days late at Mundra and 50% at Karachi during peak disruption.

As of 20 March, transshipment hub congestion is spreading: Port Klang at 50%, Colombo at 45.5%, Tanjung Pelepas at 36.8%, and Singapore at 36% — rising again since 16 March after a brief improvement.

These congestion numbers are volatile and shifting daily. Monitoring congestion and schedules once a week is simply not enough during a crisis of this nature.

Port	Congestion %	Trend
Port Klang (Malaysia)	50%	Elevated throughout crisis
Colombo (Sri Lanka)	45.5%	Down from 55.6% three days ago
Tanjung Pelepas (Malaysia)	36.8%	Volatile, down from 41.2% prior day
Singapore	36%	Rising again since 16 March
Nhava Sheva (India)	45%+	Spiked from 10% to 63% on 3 March

The Xeneta port congestion map measures the ratio of vessels waiting to total vessels in port. Nhava Sheva spiked from 10% to 63% congested between 2 and 3 March and has sustained levels above 45% since. Even services that appear unaffected — such as Asia-Europe strings — may have scheduled calls at Jebel Ali, Abu Dhabi, or Singapore, and will face knock-on delays as a result.

Tender season disrupted

The Middle East conflict has landed in the middle of the annual contracting cycle for many shippers. Tenders are at varying stages — Round 2 to Round 3 — and many shippers are preparing to launch 2026/27 contracts with typical July–June validity.

Round 2 rates on major East–West trades were described as relatively stable, but carriers are now unwilling to close at pre-conflict levels, creating a pricing vacuum.

The negotiating dynamic has shifted dramatically. Going into TPM (just as conflict escalated), shippers were in the driving seat — they could delay, postpone, or extend. With this crisis, the tables have turned. Carriers are now in no rush to sign the long-term contracts that were intended to be negotiated at TPM, and are unlikely to close at pre-conflict rate levels.

Some shippers are extending current contracts by around 3 months to avoid locking in rates during peak uncertainty. Others are proceeding but keeping all emergency surcharges as separate line items — the same playbook as the Red Sea disruption.

Asia–Latin America lanes into Santos are seeing disproportionate rate spikes as Cape diversions absorb 8,000–14,000 TEU vessels from Asia-LatAm services, making Latin America a 'capacity donor' trade.

Index-linked contracts continue to prove their value as a tool for navigating volatility. During periods of market upheaval, both shippers and carriers benefit from a mechanism that keeps cargo moving without either party being exposed to surcharge disputes or contractual deadlock.

What shippers are doing

Through Xeneta customer webinars and Round Tables held in response to the Middle East conflict, clear patterns are emerging across the Xeneta shipper community:

- Pushing back hard on emergency surcharges — demanding line-item breakdowns and benchmarking against market data. Several shippers are questioning double-payment risk where BAF clauses already exist. Only accepting fuel surcharges justified with cost methodology.
- Keeping all surcharges separate from base rates and time-limiting them (30–60 days) so they are renegotiable. Treating emergency fuel surcharges as monthly floating charges with automatic removal triggers.
- Extending current contracts by ~3 months rather than closing tenders in a volatile market. Some carriers have proposed extending by a full year. CMA CGM flagged as a consistent first mover on surcharges.
- Building budget scenarios for extended disruption. Pre-crisis transit time and cost assumptions — even from weeks ago — are no longer reliable.
- Monitoring congestion maps and schedules daily, not weekly. Establishing task forces across procurement and supply chain. Adding 10-day buffers to transit-time estimates.
- Evaluating alternative routings: Turkey (feeder + truck into Gulf markets), Jeddah land bridge (being reassessed due to congestion), diversions via Mundra/Nhava Sheva (adding ~6–8 weeks for Gulf-bound cargo).
- Negotiating demurrage and detention at ports where cargo is trapped or discharged at unplanned locations. Some cargo insurance contracts have been cancelled entirely.
- Bringing forward raw material purchases in anticipation of further disruption, accepting working-capital pressure.

Bunker fuel costs

Bunker prices posted the sharpest single-week spike since the Red Sea crisis. Rotterdam HSFO is up +55% (~$420 to ~$650), VLSFO +32% (~$476 to ~$631), and Singapore HSFO +64% (~$440 to ~$722). Marine bunker costs are up ~30% overall. The oil market remains in contango, suggesting no near-term shortage, but widening cracks point to sustained supply-side constraint. Carriers adjust fuel surcharges on a 30–60 day lag — today's spot prices will flow through as surcharge increases on most lanes by April–May 2026.

32 countries have now decided to open their strategic petroleum reserves, which may calm oil markets. However, even a ceasefire would take an estimated 7–10 days before normal operations could resume. The longer the disruption continues, the more structural damage accumulates across networks, and the longer the eventual unwinding process will take.

Xeneta Advice for Shippers

- The situation remains unstable and is evolving daily. A full-scale return to the Red Sea in 2026 has been ruled out; the earliest realistic return is mid-2027.
- Ocean schedules will remain in flux for at least 4–8 weeks even under immediate de-escalation. One of the first casualties of any conflict is reliable information. Access to updated, independent market data is critical for making sound decisions during a crisis like this.
- Establish repeatable monitoring routines — congestion maps, schedule updates, service watch lists. Consistency beats ad hoc information gathering.
- Map your service exposure across the full network. Any rotation touching Singapore, Indian ports, or East African hubs is potentially affected.
- Ask carriers for line-item breakdowns on every emergency surcharge and benchmark against market data. Time-limit surcharges (30–60 days).
- Build buffer into lead times. With 36% of vessels arriving 7+ days late at Mundra and 50% at Karachi, pre-crisis assumptions are unreliable.
- Track schedules daily using Xeneta's Ocean Schedules platform. Build budget scenarios and prepare freight spend variance analysis.
- Consider index-linked contracts as a way to keep cargo moving through volatility while maintaining fair pricing for both parties.

The latest Xeneta data is provided on Page 2 of this iXRT report.



Selected Indices

Public Indices Report

Disclaimer

Xeneta is the leading freight intelligence platform transforming how global shippers, freight forwarders, and carriers manage their supply chains. Trusted by industry leaders such as Nestlé, Volvo, and Coca-Cola, Xeneta provides the most complete and independent ocean and air freight data available, giving procurement, supply chain, and finance teams the clarity and insight needed to act.

Through award-winning platforms, expert analysis, and reliable data services, Xeneta helps customers reduce freight costs and delays, strengthen supplier relationships, and improve contracting and service levels.

Our solutions simplify daily operations, support effective planning, and build supply chain resilience—delivering the transparency and confidence needed to stay ahead in a changing market.

Unlike supplier-driven data, manual processes, or limited alternative tools, Xeneta delivers:

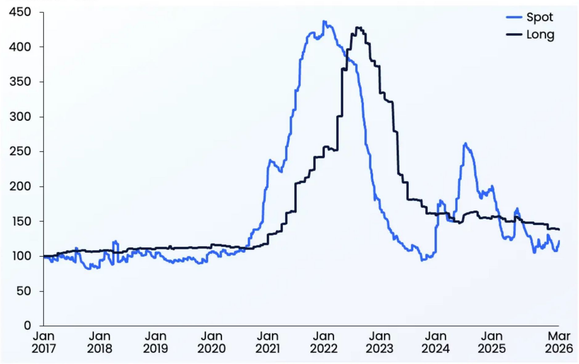
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- Tools and expert support that transform data into actionable intelligence
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NOTE: The XSI® public indices reports are based on long-term contracts only.

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Global Average Rates

Index 100 = 2017



Source: Xeneta

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Selected Indices

Xeneta rate indexes – 17 March

Index base January 2017

Spot rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	121.9	13.1%	-4.3%
Europe import	127.0	9.5%	3.1%
Europe export	101.0	-0.6%	-26.6%
Far East import	53.4	0.3%	-22.8%
Far East export	128.1	23.3%	4.5%
North America import	105.4	8.1%	-22.2%
North America export	161.0	-1.3%	-1.5%

Long term rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	138.8	-0.6%	-9.7%
Europe import	166.2	-0.4%	-6.5%
Europe export	94.4	-0.2%	-19.1%
Far East import	74.6	-0.3%	-28.5%
Far East export	165.1	-0.8%	-12.3%
North America import	142.2	-0.4%	-4.3%
North America export	112.6	-0.3%	-0.9%

Ocean – Spot-term rates

Monthly market average, 40' container

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Origin	Destination	THC	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	MoM Change	YoY change
China	North Europe	None	2 366	2 162	1 847	2 642	3 363	2 969	1 940	1 746	2 214	2 400	2 650	2 162	2 266	+5%	-4%
North Europe	China	OTHC	162	148	149	202	177	136	123	110	95	95	110	108	110	+2%	-32%
China	US West Coast	DTHC	2 627	2 772	2 819	4 218	2 253	1 881	2 007	1 862	2 246	1 996	2 414	1 901	2 010	+6%	-23%
US West Coast	China	Both	631	611	610	612	664	646	660	645	621	597	568	537	523	-3%	-17%
US East Coast	North Europe	Both	758	776	779	789	768	735	726	729	770	781	763	795	791	+0%	+4%
North Europe	US East Coast	Both	2 266	2 247	2 167	2 211	2 116	2 021	1 871	1 656	1 628	1 624	1 611	1 593	1 552	-3%	-32%
China	S. America East Coast	None	2 583	2 020	2 064	4 816	6 573	3 896	3 383	3 007	2 521	2 102	2 047	1 884	3 098	+64%	+20%
North Europe	S. America East Coast	OTHC	982	940	953	962	906	820	833	735	757	714	827	839	839	+0%	-15%

Ocean – Long-term rates, last 3 months

Monthly market average, 40' container

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Origin	Destination	THC	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	QoQ Change	YoY change
China	North Europe	None	2 594	2 020	2 089	2 089	1 865	-11	-28%
North Europe	China	OTHC	149	96	59	108	110	+2%	-26%
China	US West Coast	DTHC	2 951	2 636	2 045	1 958	1 990	+2%	-33%
US West Coast	China	Both	1 002	805	732	847	1 008	+19%	+1%
US East Coast	North Europe	Both	833	783	777	762	904	+19%	+9%
North Europe	US East Coast	Both	1 977	1 773	1 722	1 478	1 371	-7%	-31%
China	S. America East Coast	None	4 011	2 991	2 403	2 918	2 484	-15%	-38%
North Europe	S. America East Coast	OTHC	684	647	619	693	659	-5%	-4%

Ocean – Long-term rates

Monthly market average, 40' reefer

XENETA

Origin	Destination	THC	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	QoQ Change	YoY change
North Europe	China	OTHC	1 658	1 474	1 327	1 395	1 272	-9%	-23%
North Europe	US East Coast	Both	4 064	3 613	3 558	3 818	3 271	-14%	-20%
North Europe	S. America East Coast	OTHC	1 387	1 428	1 363	1 593	1 274	-20%	-8%