iXRT

Ocean Market News by Xeneta

August 22, 2025

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.

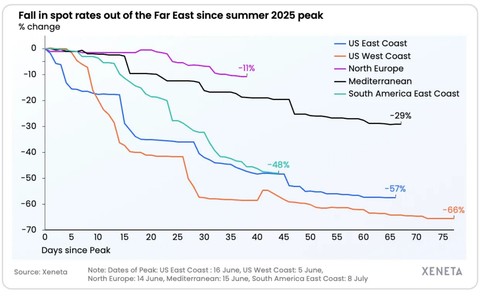
Topics covered in this iXRT Report include:

- A peak season that isn't a peak season
- Advice on PSS
- Record-high volumes at LA and Long Beach in July
- Long term rates expected to fall
- US port fees on the way
- Decarbonisation on the agenda

A peak season that isn't really a peak season

In what would usually be peak season, we are experiencing a slowdown in global container demand and falling rates on many of the world's top trades.

On each of the five top trades spot rates have fallen since their summer peak. The biggest drop is into the US West Coast where rates are down 66% from 5 June, falling to USD 1 900 per FEU, their lowest level since the Red Sea crisis escalation in mid-December 2023. Into the US East Coast spot rates have fallen 57% from their peak on 16 June. From the Far East to South America, rates are down 48%, despite them peaking a month later than rates into the West Coast.



Rates into Europe have seen smaller drops, but that is because they didn't rise as high as rates into the US in the aftermath of the tariff truce.

Spot rates from the Far East into Europe, having previously been more robust than rates on US-bound trades, are now also falling with both the Mediterranean and North Europe closing in on USD 3 000 per FEU.

Following the spiralling of spot rates from the Far East to South American East Coast, they are now falling fast, down 48% from just over a month ago.

Peak season surcharges during a quieter peak season?

In spite of - or perhaps due to - falling rates, many shippers are receiving calls from carriers wanting to push through peak season surcharges (PSS).

While a PSS may be justified if looking only at the calendar, the volatility the market is currently facing means that for many shippers the peak season has already passed. This is particularly the case into the US where volumes were brought forward ahead of tariff deadlines, but also on other trades where shippers have been keen to get goods flowing to avoid getting caught out.

Many shippers are facing with this pressure and wondering how justified the PSS push from carriers is. Looking purely at the supply/demand dynamics in the market, the simple answer is a PSS is hard to justify. On a global level at least, there is enough capacity to match the softening demand.

That doesn't mean to say every shipper should simply refuse to pay up. Each must look at their own position and assess the risk. There can be short time tightness on particular trades where paying a PSS is needed to guarantee space on board. This is due to carriers adjusting capacity in response to the evolving situation as they look for the most profitable trades to deploy their ships.

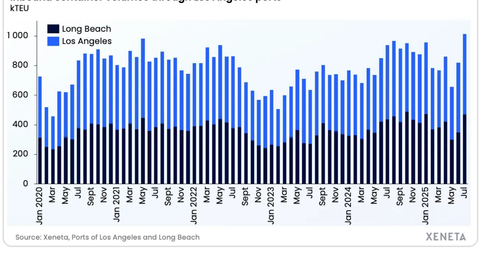
However, the bottom line is, just because the calendar says peak season, doesn't mean you should blindly pay up.

Also bear in mind the all-in rate is the all-important number. That could mean accepting a PSS now and adding it onto a lower base rate is the winning move, if the PSS surcharge has a specified timeframe beyond which you can enjoy the lower base rate.

US port throughput

The two port complexes of Los Angeles and Long Beach registered record high container imports in July at 1.01m TEU. This is the first time the two ports have imported over a million TEU in a month, with the previous record set in May 2021 at 980 450 TEU.

For many, this new record will sound the alarm bells and bring back memories from the pandemic, but the same disruption is not expected now. The pressure during the pandemic was built up over two years with only three months out of 25 seeing exports lower than 800 000 TEU, combined with inefficiencies related to the pandemic itself.



Firstly, we have since seen that the two ports can handle these volumes. Between July 2024 and January 2025, imports were consistently above 850 000 TEU with minimal impact on port operations.

Secondly, and most importantly, the high demand has a much shorter timeline, as we are already seeing volumes fall in August and September. We only have to look back to May when imports in these ports fell to 655 066 TEU, the lowest they have been since July 2023, for confirmation that the ups and downs reflect the current tariff situation, with very little room left for frontloading now.

The National Retail Federation (NRF) has published a preliminary forecast for the rest of the year expecting full year container imports through the US' major ports to be 5.6% lower than in 2024.

While measuring demand in slightly different ways, this should be compared to Container Trades Statistics (CTS) data showing total US containerized imports are up 5.2% in the first six months of the year. That leaves room for a big drop coming up in the backhalf of this year.

The drop in US bound demand will also pull global demand down, even as some other trades continue to outperform 2024. In its latest earnings report, Hapag Lloyd has expectations for full year demand landing a little higher than 3%, also showing a big drop following volume growth of 10.6% in the first half of the year.

Long term rates expected to fall

Slowing global volumes should lead to further drops in spot rates across the world's biggest trades, turning market sentiment in a shipper's favor as many prepare for Q4 tenders. We expect long term rates to continue to soften on global fronthaul trades.

Even without a further softening, long term rates on many major trades have come down significantly from where they were at the start of the year, suggesting many shippers should be able to secure lower long term rates for 2026 than they had this year. This is the case even if the long term market remains where it is today through the last months of the year, but, in reality, we expect long term rates to continue to soften

Take nothing for granted

There does however remain plenty of uncertainty in the market, both from knowns and unknowns.

Clearly the tariff situation is not yet finalized, both in terms of actual tariff levels for many countries as well as the economic impact on the US (and by extension global economy) which has yet to fully set in.

In less than two months from today, the US port fees on Chinese operators and Chinese built ships are scheduled to come into force. We are already seeing some changes from OOCL as they adjust networks and, while most carriers should be able to avoid the fees by re-deploying their ships, COSCO and the Ocean Alliance will be hardest hit.

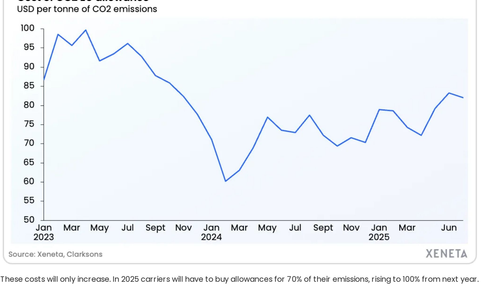
Xeneta's recent acquisition of eeSea, read more here, means we will be able to follow how carriers are deploying their fleets even more closely, as well as add more coverage on non-rate data sets such as transit times and reliability at a more granular level and on more trades.

Decarbonization on the agenda

Also coming up in the rest of the year is new regulation on decarbonization, a topic that for many has been put on the side burner this year.

Firstly, carriers affected by the EU ETS will face the deadline for surrendering EU allowances (EUA) to cover 40% of their carbon emissions on the trades set out by the EU Emissions Trading Scheme. Carriers have been adding EU ETS surcharges to rates on European trades for more than 18 months. They may have been purchasing allowances over time or have to buy enough to cover their 2024 emissions between now and the end of September.

Overall, the price of EUA has fluctuated since the regulation came into force in January 2024, bottoming out at an average of USD 60.2 per allowance in February 2024, and now stand at USD 82.4. Depending on when carriers have chosen to buy allowances, the cost of complying with this regulation can vary substantially.



These costs will only increase. In 2025 carriers will have to buy allowances for 70% of their emissions, rising to 100% from next year.

Perhaps more importantly, in October the International Maritime Organization will hold a vote to adopt mid-term measures to get shipping on the path towards net zero by or around 2050.

The regulation, which was negotiated and agreed upon back in April, would set requirements for annual emissions reduction. It would set out two tiers starting from 2028, with carriers not achieving the minimum target of a 4% reduction facing a penalty of USD 380 per ton. A lower fee of USD 100 per ton would be charged if carriers fail to meet the higher standard of a 17% reduction, with the reduction level and penalties increasing towards 2040.

The US, which withdrew from the negotiations back in April, has encouraged other countries to vote against the agreement come October. The US has also threatened retaliation, potentially in the form of tariffs, for countries who vote for the agreement.

Should these measures fail to be passed, the likelihood of achieving net zero by 2050 would decrease substantially, given the time it takes for the IMO to agree upon, adopt and then implement new regulation.

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



Selected Indices

Public Indices Report

Disclaimer

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Xeneta's powerful reporting and analytics platform and data density provide liner-shipping stakeholders the insights they need to understand current and historical market behavior – reporting live on market average and low/high movements for both short and long-term contracts.

Xeneta's data is comprised of over +600 million contracted container rates and covers over 170,000 global trade routes. Xeneta is a privately held company with headquarters in Oslo. To learn more, please visit www.xeneta.com

NOTE: The XSI® public indices reports are based on long-term contracts only.

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Xeneta rate indexes – 18th August

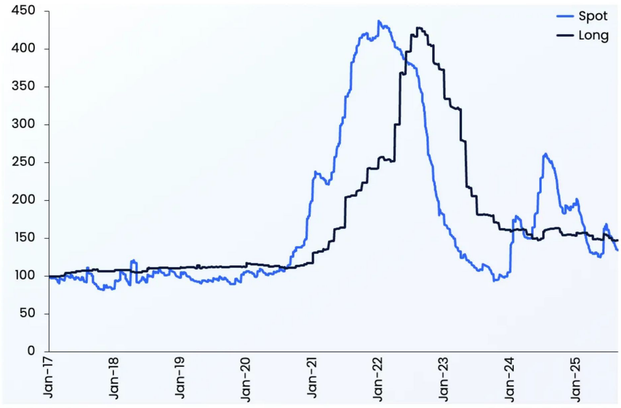
Index base January 2017

Spot rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	134.3	-10.2%	-46.6%
Europe import	65.6	-4.2%	-21.3%
Europe export	130.0	-17.6%	-60.2%
Far East import	134.8	-4.0%	-42.3%
Far east export	123.1	-1.2%	-10.5%
North America import	128.0	-9.8%	-49.7%
North America export	168.4	-0.7%	8.8%

Long term rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	147.2	-0.2%	-9.7%
Europe import	67.5	-0.8%	-38.0%
Europe export	184.3	0.0%	-14.1%
Far East import	176.5	0.5%	-7.4%
Far east export	101.0	-0.9%	-14.7%
North America import	144.1	-0.8%	-11.3%
North America export	107.8	-0.1%	2.5%

Global Average Rates

Index 100 = 2017



Source: Xeneta

XENETA

Selected Indices

Ocean – Long-term rates

Monthly market average, 40' container

XENETA

Origin	Destination	THC	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	QoQ Change	YoY change
China	North Europe	None	3 370	2 820	2 663	2 042	2 097	+3%	-38%
North Europe	China	OTHC	421	299	150	96	54	-44%	-87%
China	US West Coast	DTHC	3 158	3 288	3 063	2 560	2 030	-21%	-36%
US West Coast	China	Both	839	921	967	802	708	-12%	-16%
US East Coast	North Europe	Both	764	781	842	838	758	-10%	-1%
North Europe	US East Coast	Both	1 797	2 303	1 987	1 744	1 625	-7%	-10%
China	S. America East Coast	None	2 981	4 940	4 170	3 107	2 518	-19%	-16%
North Europe	S. America East Coast	OTHC	581	613	677	710	602	-15%	+4%

Ocean – Spot-term rates

Monthly market average, 40' container

XENETA

Origin	Destination	THC	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	MoM Change	YoY change
China	North Europe	None	7 871	5 323	3 340	4 061	5 010	4 065	2 884	2 369	2 163	1 849	2 642	3 352	3 189	-5%	-59%
North Europe	China	OTHC	376	347	271	249	243	220	166	165	152	151	204	173	142	-18%	-62%
China	US West Coast	DTHC	6 485	6 021	5 277	4 687	4 226	5 211	4 219	2 632	2 775	2 825	4 239	2 250	1 937	-14%	-70%
US West Coast	China	Both	672	649	742	729	728	674	688	631	611	610	613	632	620	-2%	-8%
US East Coast	North Europe	Both	698	708	728	745	756	755	762	759	777	776	782	767	758	-1%	+9%
North Europe	US East Coast	Both	1 939	2 426	2 992	2 951	2 930	2 681	2 340	2 263	2 245	2 163	2 206	2 097	2 074	-1%	+7%
China	S. America East Coast	None	8 402	7 881	6 808	6 111	5 870	4 876	3 760	2 583	2 020	2 064	4 814	6 573	4 379	-33%	-48%
North Europe	S. America East Coast	OTHC	814	893	906	833	864	869	978	982	941	954	963	900	822	-9%	+1%

Ocean – Long-term rates

Monthly market average, 40' reefer

XENETA

Origin	Destination	THC	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	QoQ Change	YoY change
North Europe	China	OTHC	2 002	1 898	1 714	1 475	1 348	-9%	-33%
North Europe	US East Coast	Both	3 489	4 259	4 013	3 591	3 444	-4%	-1%
North Europe	S. America East Coast	OTHC	1 669	1 547	1 438	1 432	1 310	-9%	-21%