iXRT

Ocean Market News by Xeneta

June 20, 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:

- Middle East conflict
- Demand – global and regional perspective
- Tariffs see rising and falling volumes on US trades
- China finding other markets
- Expiry of 90-day tariff pause is fast approaching
- Spot rates starting to fall on Transpacific

Middle East conflict

Escalation in conflict between Israel and Iran has dominated news cycles in recent weeks. This is a conflict with major global consequences, but this iXRT will focus specifically on implications for ocean container shipping.

It should be noted, major global events do not always have as significant impact on ocean supply chains as may be expected/feared. While other events, such as the Ever Given running aground in the Suez Canal, bring chaos to global supply chains.

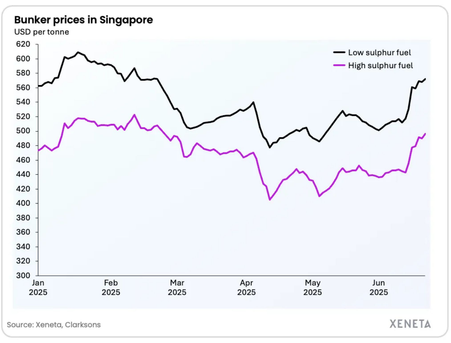
Middle East conflict impact so far – bunker fuel surcharges

Two developments that affect container shipping are the rising oil price and increased risk of collision due to ships in the region experiencing electronic interference.

The Strait of Hormuz is a maritime chokepoint and a key passage for the transport of oil in the Arabian Gulf. Around a third of global seaborne oil trade transits the strait.

There are fears the conflict could see a de facto closure of the Strait of Hormuz. For now it remains open but disruption would put upward pressure on oil prices.

Looking at the bunker fuel market in Singapore (the world's largest bunkering hub) prices have risen, though they remain lower than levels in January and February. The average fuel surcharge on ocea container shipping trades between the Far East and North Europe had fallen to USD 272 per FEU (40ft container) in late Q1. This now risen to USD 530 per FEU on 19 June.



Middle East conflict impact so far – safety concerns

Electronic interference in ships' communications and GPS systems due to conflict in the region increases the risks of sailing in and out of the Arabian Gulf.

This is on top of wider threats for ships sailing between ports in the Arabian Gulf. This includes the threat of severe escalation in conflict that would close the Strait of Hormuz while the vessel is in the Arabian Gulf – effectively leaving it in a dead end with no way out.

These risks have led to a substantial rise in insurance premiums for ships on affected trades, with some reports of 60% increases.

Middle East conflict impact so far – global context

Clarksons estimates around 3% of global container trade travels through the Strait of Hormuz. This means that, while the worst case scenario of a full closure of the Strait of Hormuz would have a huge impact within the region, only small percentage of global trade would be directly impacted.

Under normal circumstances, shippers in the rest of the world would essentially be unimpacted. However, global container shipping is already under strain (not least due to ongoing diversions in the Red Sea due to attacks by Iran-back Houthi militia), so a further deterioration in the Middle East could have a knock-on effect for the rest of the ocean container shipping industry.

Demand – global and regional perspective

Events in the Middle East may have pushed the US tariffs down the newsfeeds over the past week, but the impact of container shipping is ongoing and significant.

This can be seen in the latest ocean container shipping demand data – but it important to view this data this at global level and not only focus on the US trades.

For example, despite the tariff headwinds, global container demand remained strong in April. According to Container Trades Statistics, 15.6m TEU (20ft equivalent container) was transported in April, which is a year-on-year increase of around 850 000 TEU.

In fact, in the first four months of the year, global container shipping demand is record high with 60.8m TEU moved. This is an increase of 5.1% compared to the first four months of 2024 and more than 2m TEU higher than the previous record of 58.1m TEU set in the corresponding period of 2021.

Demand – tariffs see rising and falling volumes on US trades

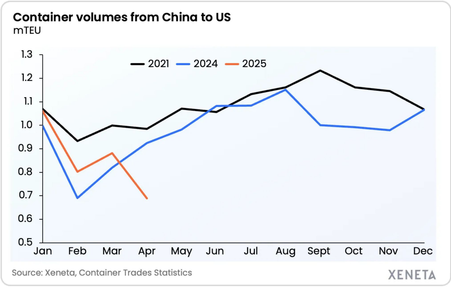
It is a more nuanced demand picture when looking at volumes between the US and China.

China exports to the US were down 25.4% year-on-year in April (a month that saw the introduction of 145% higher tariffs in the wake 'Liberation Day'). The last time demand on this trade fell below this level was back in March 2020 at the height of pandemic disruption in Chinese supply chains.

The drop in demand means total US imports fell 5.5% in April, despite seeing higher imports from everywhere but the Far East.

Higher imports from the rest of world can be explained by the 'Liberation Day' tariffs only being in place for a short period of time before the US announced a 90-day pause, meaning for most of April shippers were looking to increase imports during the window of opportunity.

Imports from North and South East Asia increased 6.8% year-on-year in April. However, this was not enough to make up the loss in volumes out of China, leaving total exports out of the Far East to the US down 12.3% in April.



Freight rates remained elevated and carriers manage capacity

The fact total imports into the US were down in April despite year-on-year increases in volumes from all countries except China gives an indication of the massive impact of the US-China trade war.

However, the increasing volumes from non-China nations was still enough to help keep average spot rates flat despite the 25.4% drop in volumes out of China.

This is due to volumes out of other countries being moved on the same services as those calling at Chinese ports, while carriers also blanked sailings to manage capacity against falling demand (carriers took a similar approach in the first few months of the Covid-19 pandemic).

China finding other markets

Strong global demand volumes in April are largely explained by China finding new markets for its goods. While exports to North America were down 20.1%, exports to every other region saw growth (exports to North America would have been even lower had some of the lost volumes into the US not being partly offset by higher volumes to Mexico and Canada).

In fact, compared to April 2024, total containerized exports out of China were up 11.7%.

The biggest increase came in exports within the region, possibly suggesting a rise in the transshipment of goods to other Asia nations before being sent to the US as a way to avoid tariffs.

This is also likely to explain some of the 25.1% growth in exports to South and Central America.

Expiry of 90-day tariff pause is fast approaching

There remains huge uncertainty over where tariff levels will be when the 90 day pause on Liberation Day tariffs ends on 9 July for all countries other than China and on 13 August for China itself.

Whatever the outcome, the frontloading of imports taking place during the 90-day window of opportunity will lead to lower demand later this year as shippers start drawing down on the inventories that are currently being built up.

The flipside of frontloading later in 2025 should see spot rates coming down quite quickly as lower demand takes hold.

This is not a guarantee that rates will come down - they didn't in the first months of the pandemic, nor in the weeks following Liberation Day. However, in both those situations, keeping rates elevated required carriers to blank substantial amounts of capacity.

Whether carriers are willing – or able - to do so in the face of lower demand this time around remains to be seen.

Spot rates starting to fall on Transpacific

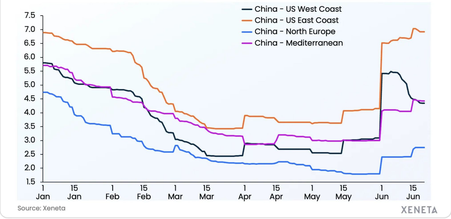
We are already seeing an easing of the pressure, with spot rates from China to the US West Coast down 20% from the start of June to USD 4 340. In contrast, rates into the US East Coast have continued to increase, though at a slower pace. They have risen 6% from the start of the month to USD 6 920.

The softening rates into the US West Coast is partly due to the capacity that carriers are injecting on the trade, but also the continued uncertainty around where the US-China trade war is heading.

With many no longer expecting the tariffs to jump back to 145% on US imports from China, this eases some of the pressure to bring as many goods as possible in before the end of the 90-day pause.

Shippers are trying to find the balance between the costs that come with frontloading against the benefit of avoiding tariffs, a very tricky equation when future tariff levels are still very much up in the air.

The diverging paths on the world's top fronthaul trades reflects the continued uncertainty in the market, with every shipper needing to find their own path in these turbulent waters, but we still expect these shorter term pressures to give way to lower rates in the second half of the year.





Selected Indices

Public Indices Report

Disclaimer

Xeneta is the leading ocean and air freight rate benchmarking, market analytics platform and ocean container rate index, Xeneta Shipping Index (XSI®).

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 – 20 June

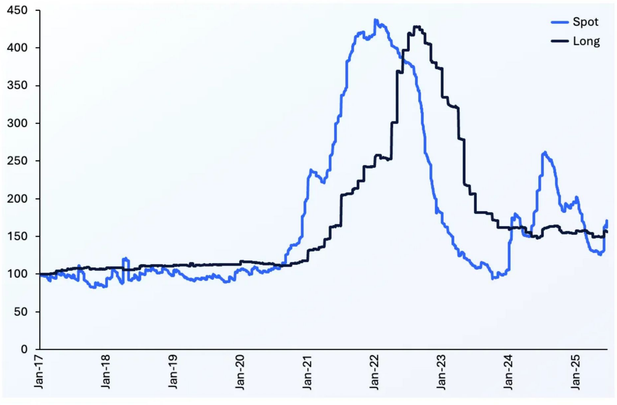
Index base January 2017

Spot rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	169.4	31.35	-26.4%
Europe import	135.9	20.2%	-35.9%
Europe export	132.9	2.0%	-4.7%
Far East import	80.5	17.3%	-7.0%
Far east export	186.8	55.8%	-38.6%
North America import	199.0	33.8%	-7.8%
North America export	168.2	1.4%	12.8%

Long term rates	Xeneta Index	Change from one month ago	Change from one year ago
Global	156.2	4.7%	4.1%
Europe import	177.6	2.6%	-2.4%
Europe export	107.2	-1.0%	-12.8%
Far East import	85.4	-2.2%	-26.9%
Far east export	199.9	9.3%	14.0%
North America import	153.0	6.9%	9.3%
North America export	112.8	1.6%	2.2%

Global Average Rates

Index 100 = 2017



Source: Xeneta

XENETA

Selected Indices

Ocean – Long-term rates

Monthly market average, 40' container

XENETA

Origin	Destination	THC	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	QoQ Change	YoY change
China	North Europe	None	2 067	3 289	2 820	2 661	2 041	-23%	-1%
North Europe	China	OTHC	424	419	299	150	115	-23%	-73%
China	US West Coast	DTHC	1 956	3 006	3 288	3 063	2 649	-14%	+35%
US West Coast	China	Both	878	833	921	967	815	-16%	-7%
US East Coast	North Europe	Both	737	761	781	841	829	-1%	+12%
North Europe	US East Coast	Both	1 730	1 795	2 317	1 988	1 706	-14%	-1%
China	S. America East Coast	None	2 455	2 902	4 940	4 170	3 131	-25%	+28%
North Europe	S. America East Coast	OTHC	762	588	613	678	709	+5%	-7%

Ocean – Spot-term rates

Monthly market average, 40' container

XENETA

Origin	Destination	THC	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	MoM Change	YoY change
China	North Europe	None	6 383	8 230	7 871	5 323	3 340	4 061	5 010	4065	2 884	2 369	2 163	1 849	2 452	+33%	-62%
North Europe	China	OTHC	513	385	376	347	271	249	243	220	166	165	152	151	204	+35%	-60%
China	US West Coast	DTHC	6 531	7 429	6 485	6 021	5 277	4 687	4 226	5 218	4 221	2 632	2 775	2 825	5 266	+86%	-19%
US West Coast	China	Both	622	711	672	649	742	729	728	674	688	631	611	610	622	+2%	0%
US East Coast	North Europe	Both	700	726	698	708	728	745	756	755	762	759	777	778	785	1%	+12%
North Europe	US East Coast	Both	2 063	1 926	1 939	2 426	2 992	2 951	2 930	2 681	2 340	2 264	2 249	2 172	2 217	2%	7%
China	S. America East Coast	None	8 483	9 288	8 402	7 881	6 808	6 111	5 870	4 876	3 760	2 583	2 020	2 064	3 678	78%	-57%
North Europe	S. America East Coast	OTHC	854	873	814	893	906	833	864	869	978	982	940	954	979	3%	+15%

Ocean – Long-term rates

Monthly market average, 40' reefer

XENETA

Origin	Destination	THC	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	QoQ Change	YoY change
North Europe	China	OTHC	2 003	1 990	1 898	1 714	1 467	-14%	-27%
North Europe	US East Coast	Both	3 606	3 470	4 259	4 013	3 630	-10%	+1%
North Europe	S. America East Coast	OTHC	1 569	1 652	1 547	1 437	1 423	0%	-9%