iXRT

Ocean Market News by Xeneta

July 18, 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.

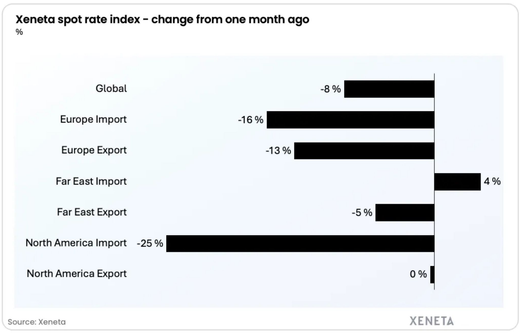
Topics covered in this iXRT Report include:

- Global spot rates continue to fall
- Dramatic increase into South America East Coast
- Port congestion in North Europe
- Long term rates fall
- US tariff rollercoaster continues
- Record global demand in May

Spot rates continue to fall at global level

On a global scale, spot rates have continued to fall in July. Xeneta's global weighted index shows rate spot rates have fallen 8% over the past month, driven by declines of 25% on trades into North America over the past month.

Only one trade flow bucks this trends – imports into the Far East - which is almost entirely backhaul trades and has seen average spot rates increase 4.3%.



The biggest drops come on the Transpacific trades which have fallen dramatically since their peak in June.

From China to the US West Coast, spot rates are down 60% from the peak in early-June at USD 2 215 per FEU. This is the lowest spot rate on this trade since the end of 2023, before the closure of the Red Sea pushed rates up. It is however still USD 1 000 per FEU higher than the USD 1 230 that rates on this trade bottomed out at in mid-2023.

Spot rates into the US East Coast have also dropped, down 40% compared to its peak in mid-June at USD 4 280 per FEU.

This leaves the spread between the two US coasts at just over USD 2 000 per FEU, about twice as high as the historical spread between them.

This could potentially attract more shippers to the US West Coast who would ordinarily send goods to the East Coast, particularly for goods that are being frontloaded and can afford the longer inland transport to the main population hubs.

As we have seen time and time again, when rates go up on one trade, others follow. The same is true on the way back down, so the question is more 'when' than 'if' the spread in sport rates between the US coasts narrows due to further declines into the East Coast.

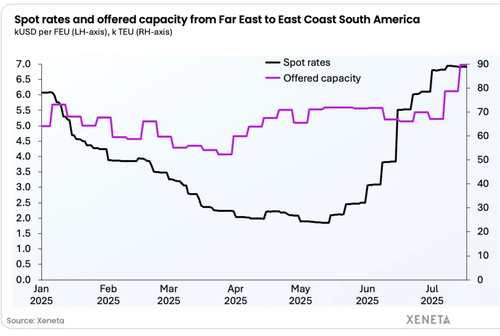
Dramatic increase into South America East Coast

Taking a look a little further south, rates from the Far East to East Coast South America remain very high, but this is set to change.

Spot rates have risen from USD 1 890 per FEU on 1 May to USD 6 945 per FEU on 16 July, an increase of more than 260%.

The explanation is found in carriers prioritizing adding capacity onto the trades into the US in the immediate aftermath of the 90-day lowering of tariffs on goods from China – just as Far East exports to East Coast South America reached record levels in May.

However, as rates began to fall on the Transpacific trades into the US, carriers have added capacity back onto the East Coast South America trades, wanting to profit from the significantly higher freight rates. This has seemingly brought an end to the spiralling spot rates into East Coast South America, with more capacity set to be added in the coming weeks.



Far East to North Europe is another trade that is bucking the downward trend seen on US-bound corridors. Rates have continued to rise, up from USD 1 913 at the end of May to USD 3 430 per FEU on 16 July.

The major driver for the increasing rates is disruption in North Europe where port congestion is building. Many things have contributed to the congestion - record high capacity that was added to this trade in late April and early May arriving at the ports, strikes and other labor disruptions affecting port operations and low water levels in the Rhine causing problems for barges and hinterland transport.

This has led to delays for shippers, while carriers have adjusted networks. Particularly interesting is the Gemini alliance, which has added two port calls in Scandinavia to its main services. These ports would ordinarily be served through Gemini's feeder network which has been the key element of the alliance's strategy since it was launched earlier this year.

Congestion in North Europe is likely to continue to be a problem over the summer months as peak season imports come in. Once volumes fall, the ports should be able to clear the backlog and avoid the problem spiralling further.

Long term market

Xeneta's global weighted index for long term rates is also continuing to fall. Long term rates are down 4% compared to a month ago, with the index now standing at 150.1 points (index 100 = Jan 2017), or around 7% lower than at this time last year.

The shorter term pressures, particularly due to tariffs, that saw spot rate increases in Q2 weren't reflected in contracted long term rates - though some shippers were pushed onto the spot market or faced extra surcharges to secure capacity. With the peak of the tariff-related rise in spot rates now behind us, there should be no significant upward pressure on long term rates.

US Tariff rollercoaster

The rollercoaster continues with a new round of tariffs being announced.

The end to the 90-day tariff pause on US imports from anywhere but China was pushed back to 1 August, with new tariff levels being set out on a country-by-country basis.

Many of these new tariffs are similar to those announced on "Liberation Day". Even for those few nations who have agreed new 'deals' with the US, tariffs have not been removed completely. The UK remains on the 10% it got on "Liberation Day", Indonesia agreed to 19% down from 32% and Vietnam is down from 46% to 20% in its deal - though with a still largely undefined tariff of 40% for goods transshipped through the country.

Notably, US imports from the EU are threatened with tariffs of 30% come 1 August, 10 percentage points higher than in April, while Brazil is facing 50% tariffs (with the explanation related to political factors rather than trade policy).

South Korea and Japan - two other important countries for container exports to the US - are both looking at tariffs in line with what was announced on "Liberation Day" at 25% and 24% respectively.

All of the above are significant tariff hikes compared to the 10% currently in place for imports from everywhere other than China, let alone the tariff levels faced pre-Liberation Day.

The response to this flurry of new tariffs has been far more muted compared to the immediate aftermath of Liberation Day and the later 90-day lowering of tariffs. This is not because of the tariff levels being announced, but rather the question marks over whether these tariffs will actually enter into force or stay in place longer than those on "Liberation Day".

On top of this, the 20-day extension of the pause to 1 August leaves little room for shippers to bring more goods in ahead of the new tariff deadline. Shippers have also already frontloaded what they can, or believe is reasonable, in the face of this geo-political uncertainty. In the absence of underlying growth in consumer appetite for these goods, the frontloading leads to lower imports in the future, regardless of tariff levels.



Frontloading driving demand

Global demand data for May shows the highest month on record, with 16.3m TEU moved. Rather than this being a testament to record high demand for containerized goods, it highlights the extent of frontloading that has taken place. It also acts as a warning signal to carriers that, while May and June saw high demand and higher rates, the rest of the year has a much poorer outlook.

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 – 15 July

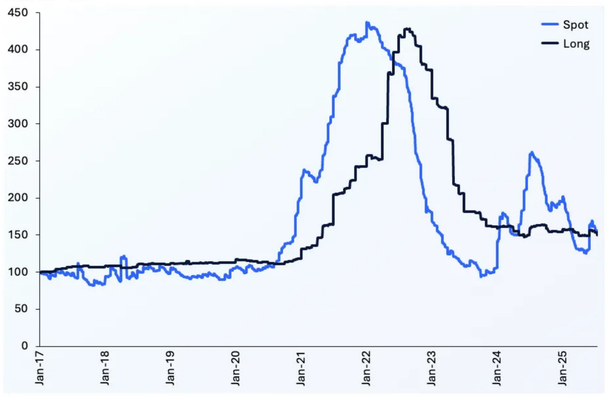
Index base January 2017

Spot rates	Xeneta index	Change from one month ago	Change from one year ago
Global	154.9	-8.4%	-40.9%
Europe import	64.6	-15.6%	-23.9%
Europe export	163.0	-13.0%	-53.6%
Far East import	142.8	4.3%	-42.9%
Far east export	125.3	-5.5%	-9.3%
North America import	147.7	-24.9%	-41.9%
North America export	168.4	-0.4%	7.0%

Long term rates	Xeneta index	Change from one month ago	Change from one year ago
Global	150.1	-4.0%	-6.7%
Europe import	70.4	-16.2%	-36.4%
Europe export	188.4	-5.9%	-9.8%
Far East import	175.9	-1.3%	-9.3%
Far east export	102.1	-4.1%	-15.8%
North America import	149.3	-3.8%	-3.2%
North America export	108.3	-2.2%	4.3%

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	3 289	2 820	2 661	2 041	2 089	+2%	-37%
North Europe	China	OTHC	419	299	150	100	61	-39%	-85%
China	US West Coast	DTHC	3 006	3 288	3 063	2 611	2 292	-12%	-24%
US West Coast	China	Both	833	921	967	811	731	-10%	-12%
US East Coast	North Europe	Both	761	781	841	835	769	-8%	+1%
North Europe	US East Coast	Both	1 788	2 303	1 987	1 737	1 693	-3%	-5%
China	S. America East Coast	None	2 902	4 940	4 170	3 113	2 597	-17%	-10%
North Europe	S. America East Coast	OTHC	588	613	677	706	621	-12%	+6%

Ocean – Spot-term rates

Monthly market average, 40' container

XENETA

Origin	Destination	THC	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	MoM Change	YoY change
China	North Europe	None	8 230	7 871	5 323	3 340	4 061	5 010	4065	2 884	2 369	2 163	1 849	2 642	3355	+27%	-59%
North Europe	China	OTHC	385	376	347	271	249	243	220	166	165	152	151	199	182	-9%	-53%
China	US West Coast	DTHC	7 429	6 485	6 021	5 277	4 687	4 226	5 211	4 219	2 632	2 775	2 825	4 244	2 419	-43%	-67%
US West Coast	China	Both	711	672	649	742	729	728	674	688	631	611	610	613	616	+1%	-13%
US East Coast	North Europe	Both	726	698	708	728	745	756	755	762	759	777	776	783	754	-4%	+4%
North Europe	US East Coast	Both	1 926	1 939	2 426	2 992	2 951	2 930	2 681	2 340	2 263	2 245	2 163	2 206	2 112	-4%	+10%
China	S. America East Coast	None	9 288	8 402	7 881	6 808	6 111	5 870	4 876	3 760	2 583	2 020	2 064	4 809	7 012	+46%	-25%
North Europe	S. America East Coast	OTHC	873	814	893	906	833	864	869	978	982	941	954	963	936	-3%	+7%

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	1 990	1 898	1 714	1 479	1 315	-10%	-34%
North Europe	US East Coast	Both	3 470	4 259	4 013	3 618	3 553	-2%	+2%
North Europe	S. America East Coast	OTHC	1 652	1 547	1 437	1 412	1 302	-8%	-21%