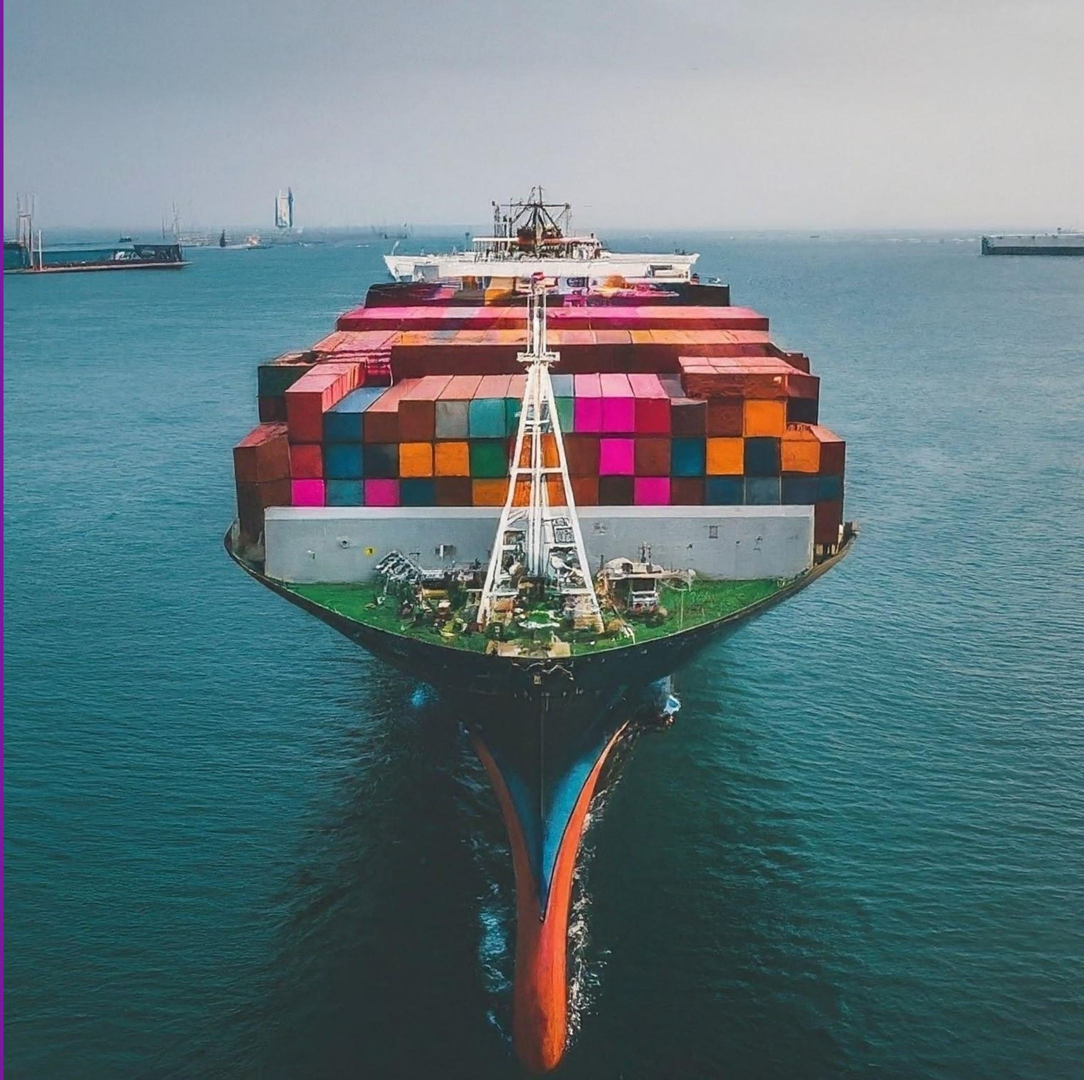
Ocean Freight Market Update - July 2026

August 18, 2026

CastleGate Forwarding



Contents

Overview

Economy & Demand

- US container imports hit 2.51M TEUs in July (+4.5% MoM), making it the 4th highest July volume on record (Descartes).
- US Retail Sales pulled back -0.6% MoM in July to $763.6B (+5.0% YoY), signaling resilient baseline consumer spending.
- US headline CPI inflation edged down to 3.4% YoY in July (vs. 3.5% in June), indicating steady macroeconomic cooling.
- The Global Supply Chain Pressure Index (GSCPI) dropped to 0.79 points in July (down 33.6% MoM from 1.19 in June), reflecting improved throughput despite elevated freight costs.

Operational Outlook

- Security risks in the Red Sea and Strait of Hormuz continue to enforce long-haul re-routing around the Cape of Good Hope, absorbing roughly 10%–12% of global active fleet capacity.
- Hub port congestion moderated slightly across major Asian hubs like Shanghai and Ningbo, though equipment imbalances (40ft HC shortages) persist in inland locations.
- Transpacific East Coast (USEC) and Gulf ports saw volume rebounds, while West Coast (USWC) terminals managed steady dwell times under elevated seasonal volumes

Ocean Freight Rates

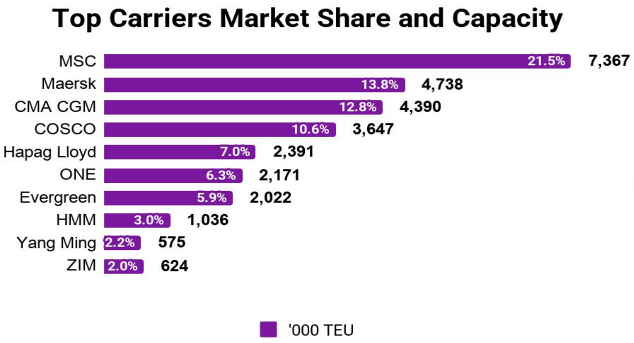
- Spot rates began stabilizing late July after 10–12 weeks of consecutive rate increases across key trades.
- The SCFI index hovered above 3,425 points, supported by elevated baseline pricing and front-loading momentum.
- Transpacific Eastbound rates held firm as early peak season demand plateaued before traditional autumn levels.
- Front-loading momentum remains robust as shippers move peak inventory early to mitigate Q3/Q4 ocean disruption and potential port labor delays.

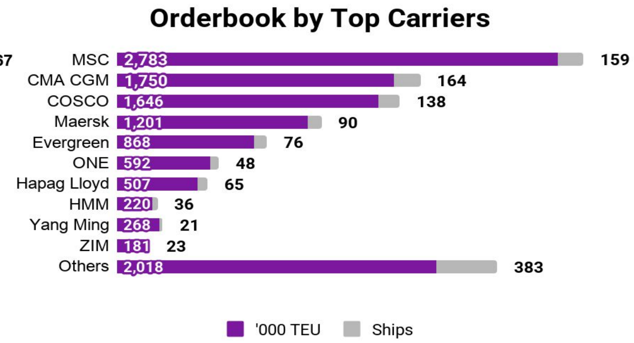
Policy / Regulations

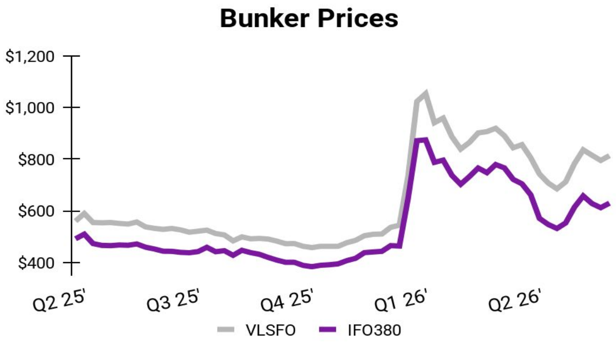
- Section 122 tariffs expired late July, transitioning into updated origin schedules up to 12.5% across 60 origins.
- CBP intensified strict identity and verification audits targeting foreign Importers of Record (IOR).
- FMC continued active enforcement on carrier detention & demurrage billing compliance and dispute rules.

Source: Federal Reserve Bank of NY, US Bureau of Labor Statistics, US Census Bureau, Alphaliner, Linerlytica, Descartes Datamyne, CGF

Market Development



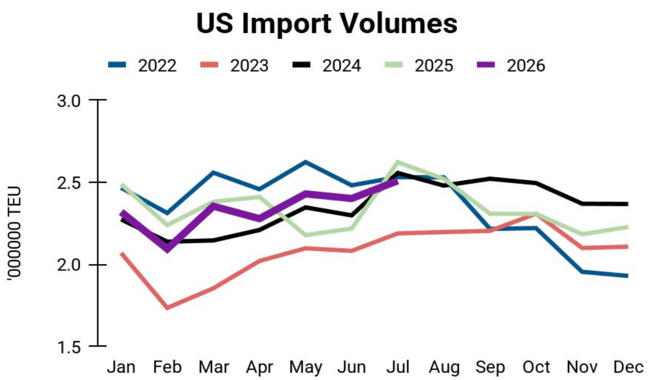


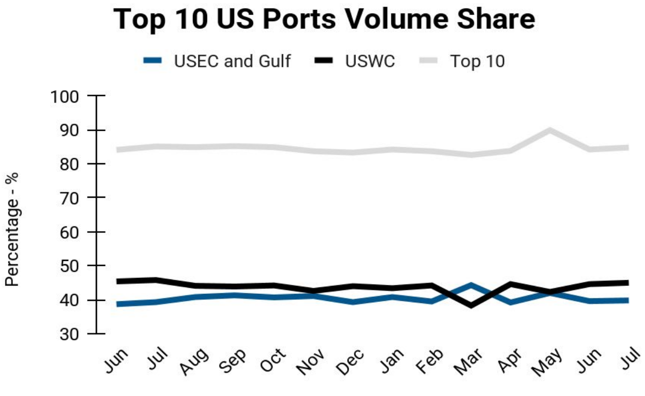


- **New Vessel Deliveries:** 24 new container ships entered global service in July, injecting 192,400 TEU of active capacity into main east-west loops.
- **Scrapping Near Zero:** Demolition activity remains negligible, with only 2 feeder vessels (4,100 TEU total) scrapped during the month.
- **Carrier Concentration:** The top 10 ocean lines control ~84.8% of active global fleet capacity, effectively managing capacity via blank sailings.
- **Bunker Fuel Normalization:** Global VLSFO marine fuel prices averaged $615/MT (-4.2% MoM), helping stabilize carrier fuel surcharges.

Source: Alphaliner Public Top 100, Ship & Bunker G20 Average, Linerlytica

Demand and Capacity





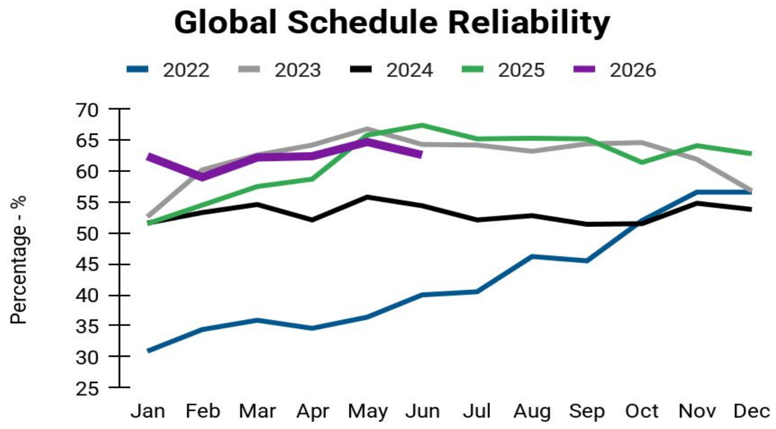
Trade Lane	Status
China to USEC	
China to USWC	
SE Asia to USEC	
SE Asia to USWC	

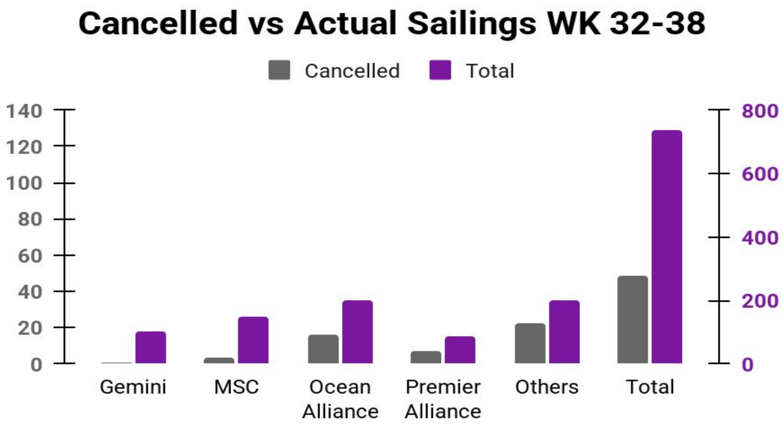
	Demand < Capacity
	Demand = Capacity
	Demand > Capacity

- **Strong Import Momentum:** US container imports grew **+4.5% MoM** in July to reach **2,508,310 TEUs**, representing the 4th highest July on record.
- **China Import Spike:** Inbound shipments from China surged **+7.2% MoM** to 873,129 TEUs, achieving a 12-month high.
- **West Coast Gateway Shifts:** Port of Long Beach posted notable gains (+15.8% MoM) as shippers routed cargo westward to avoid East Coast Cape delays.
- **Capacity Utilization:** Vessel utilization across Transpacific routes held above 90%, driven by extended transit times around Africa.

Source: Descartes Datamyne Global Shipping Report (July 2026), CastleGate Forwarding

Schedule Reliability and Cancelled Sailings

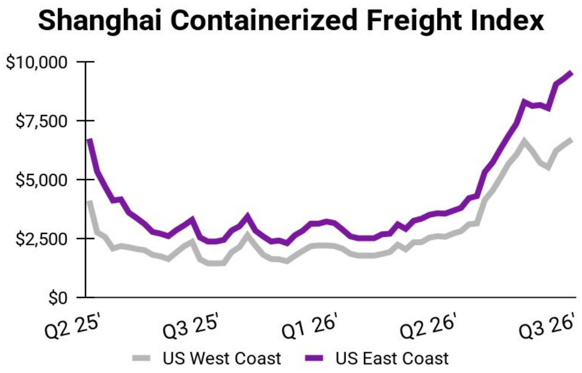


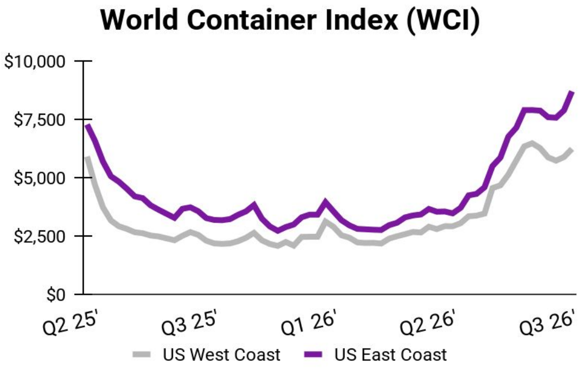


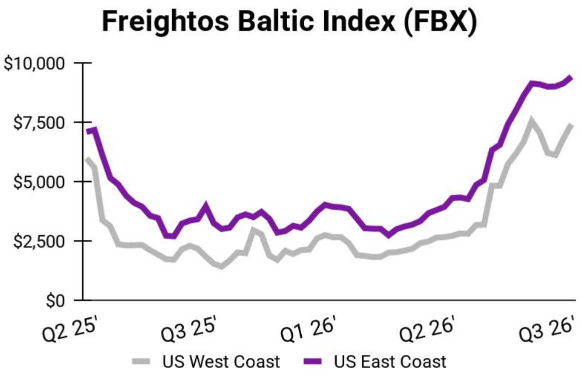
- **Reliability Baseline:** Industry-wide schedule reliability averaged **54.2%** in July, holding steady relative to second quarter averages.
- **Blank Sailings Rate:** Ocean carriers blanked approximately **8% of scheduled sailings** across weeks 32–36 on key east-west routes.
- **Trade Lane Distribution:** Cancelled sailings remained concentrated on Transpacific Eastbound (~9%) and Asia-Europe (~7%).
- **Port Delay Assessment:** Port delays remain localized; vessel wait times at major USWC hubs and Asian origin ports are manageable.

Source: Sea-Intelligence Schedule Reliability Report, Drewry Cancelled Sailings Tracker

Ocean Freight Rates







- **Rate Ascent Cresting:** After 10–12 consecutive weeks of aggressive spot rate gains, price momentum began leveling off in late July.
- **SCFI:** The SCFI index remains elevated above **3,425** points, keeping spot rates substantially higher than early 2026 levels (+3.8% MoM vs. June; +88% YoY)
- **WCI**: Averaged **$4,680** per 40ft container in July (+3.3% MoM vs. June's $4,530 average), driven primarily by sustained Asia-USWC and Asia-NEUR rate levels.
- **East/West Spread:** US East Coast spot rates hold a ~$1,400/FEU premium over US West Coast rates due to extended transit around Africa.
- **August Horizon:** Spot rates are projected to plateau at current high bands before experiencing gradual moderation heading into Q4.

Source: Shanghai Shipping Exchange (SCFI), Freightos Baltic Index (FBX), Drewry World Container Index (WCI)

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