

OCEAN MARKET UPDATE

CURRENT STATE

The Strait of Hormuz remains a key source of uncertainty for global shipping. Diplomatic discussions have progressed and vessel movements have modestly improved, but recent security incidents involving commercial vessels show the risk hasn't gone away. War-risk insurance and related surcharges remain elevated as a result, and while talks continue toward a framework for normalized transit, operational disruption and market uncertainty are expected to persist in the near term.

For the latest updates on the Middle East disruption, please visit:
[Middle East Logistics Operations Update | Crane Worldwide Logistics](#)

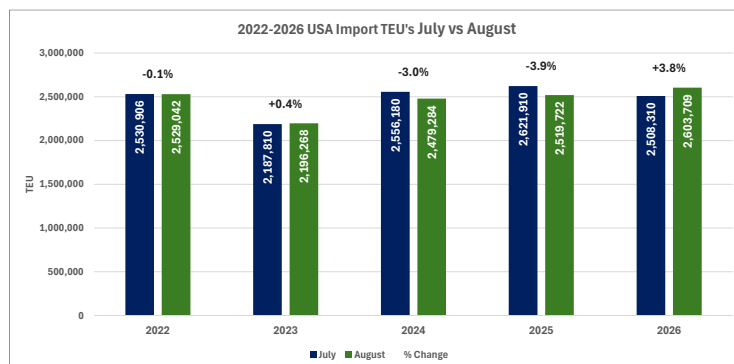
Panama Canal draught restrictions are forcing carriers to reroute ships and reduce cargo weight, adding to schedule disruption on East Coast services. The canal's draught limit dropped from 50 feet to 48 feet recently, reducing a Neopanamax ship's capacity by roughly 300 containers per foot lost, while the Panama Canal Authority also removed one daily Neopanamax transit slot and reduced total auction slots from 34 to 32. In response, several carriers have begun bypassing the canal entirely on select voyages, opting instead for Suez Canal or Cape of Good Hope routings. That adds significant transit time, while other services are skipping return calls at Panama ports to limit delays. Carriers are also prioritizing lighter cargo for Panama transits and diverting heavier cargo to other routes, pushing more customers toward West Coast ports and rail-to-truck transloading as a workaround.

MARKET FORECAST

Cargo owners could face severe schedule disruption on Asia-Europe and Mediterranean services in the latter half of October, according to Sea-Intelligence Maritime Analysis, as vessels delayed by summer storms in China return to service and create 12 double sailings on those routes between Oct. 1 and 14, just as factory closures for the Golden Week holiday cause exports to fall sharply and faster Suez Canal routings free up additional vessel space. That combination is expected to push the market into sharp oversupply and force carriers into chaotic, last-minute cancellations, even as scheduled weekly capacity on Asia-North Europe for the four-week Golden Week period rises 27% year over year to 1.5 million TEUs. Despite the expected disruption, some carriers believe that resulting capacity shortages could keep fourth-quarter freight rates elevated compared with last year, a view reinforced by newly announced rate increases on Asia-North Europe and Mediterranean services.

Following this week's summit between President Donald Trump and Chinese Premier Xi Jinping, shipping groups appear to have won a two-month reprieve on port fees for Chinese-built ships, with the resumption of those fees now expected to be deferred from Nov. 10 to Jan. 10 pending formal implementation details. The extension comes as part of a broader trade truce, and maritime insurers expect any wider US-China trade agreement to also cover the port fee issue going forward. The reprieve offers relief to trade groups, including the World Shipping Council and International Chamber of Shipping, who had urged the USTR recently to extend the fee suspension, warning that resuming the charges would add cost and uncertainty across shipping networks. While the groups support the administration's goal of rebuilding the US maritime industry, they argued that vessel fees alone can't achieve that and called for a broader, long-term strategy instead.

U.S. containerized imports rose to 2,603,709 TEUs in August 2026, the third-highest monthly total on record, up 3.8% from July and 3.3% year-over-year, leaving year-to-date volume just 0.4% below 2025 levels. China-origin imports increased modestly, though they remained well below their 2024 peak and their overall share of U.S. imports slipped. Vietnam, Thailand, and Indonesia posted the strongest monthly gains among top origin countries. Port activity strengthened broadly, with eight of the top 10 U.S. gateways posting higher volumes, led by NY/Newark and Savannah. At the same time, transit delays increased at every major port, with Houston and Seattle seeing the largest jumps. Reports point to resilient import demand overall but note that ongoing disruptions around the Strait of Hormuz and Red Sea, new Panama Canal constraints, and expanded U.S. tariffs continue to create uncertainty for routing and sourcing decisions.



BIMCO's latest outlook warns that container ship supply will grow faster than demand in 2027, with capacity up 6% versus only 2.5% demand growth, as ships returning to normal Suez Canal routings add to an already heavy delivery pipeline. Shipyards are set to deliver 3.2 million TEUs of new capacity next year, double 2026's total, pushing global fleet capacity to 37.7 million TEUs, while only 140,000 TEUs are currently forecast to be scrapped, though new carbon emission rules and an aging fleet could push that scrapping figure higher. The outlook also hinges on a potential reopening of the Strait of Hormuz, which would free up additional vessels and likely boost overall shipping demand.

The Vincent Thomas Bridge, a key truck route out of the Port of Los Angeles, will close completely on Nov. 1 for a 16-month redecking project, raising concerns about congestion as terminal and truck dwell times are already elevated. With strong import volumes expected through September and more than 4,600 heavy trucks using the bridge daily, stakeholders are relying on planned detours and close coordination to prevent significant disruption.

Hong Kong plans to strengthen freight train services with Chongqing and Chengdu, targeting a reduction in cargo transit times to approximately three days from the current two to four weeks. The measures are part of Hong Kong's 2026 Policy Address and five-year plan, both announced in September, with the government also planning to expand the port community system and other intermodal connections.