

OCEAN MARKET UPDATE



CURRENT STATE

The Strait of Hormuz remains a major source of uncertainty for global shipping, with attacks on commercial vessels continuing in October and normal transit yet to resume. Congestion at UAE contingency ports, particularly Khor Fakkan, is causing berth constraints, yard delays and cargo diversions to Jebel Ali. War-risk insurance premiums and carrier surcharges remain elevated, while ongoing security threats and restrictions continue to disrupt vessel movements. With no clear timeline for a return to normal operations, disruption and 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](#)

Port congestion in Asia is easing after successive typhoons between July and September caused closures and vessel waits of up to two weeks. The improvement is driven largely by lower cargo volumes and blank sailings around China's Golden Week holiday. At Shanghai and Ningbo, wait times have fallen to a little over two days, down from at least five days in August and September, and vessel queues are well below their storm-related peaks. Hotspots remain, however, including specific Shanghai terminals with waits of up to 14 days. Yard congestion is also still a problem at ports such as Shekou, Busan, Kaohsiung, Singapore and Vung Tau. Furthermore, the recovery now faces a fresh test from Typhoon Champi, which closed Taiwanese ports on Friday. The closures are pushing carriers to warn of further delays to their intra-Asia services.

More than seven months into the Middle East crisis, global spot rates remain elevated amid ongoing market volatility, with shippers continuing to face uncertainty through year-end. Easing Asian port congestion, lower exports during China's Golden Week, and weaker demand are influencing market conditions, while further disruptions could renew pressure on capacity.

On the trans-Pacific, rates remain more than 300% above pre-crisis levels, although the pace of increases has slowed. Additional capacity deployed to the US earlier in the autumn and slowing imports as peak season winds down are weighing on demand, while planned capacity reductions and vessel delays could tighten space availability and complicate bookings in the coming weeks.

A similar trend is evident on routes into Europe, where capacity continues to outpace demand. Fourth-quarter utilization is forecast to reach 79% on Asia-North Europe and 70% on Asia-Mediterranean routes, highlighting ongoing market imbalances despite additional carrier surcharges.

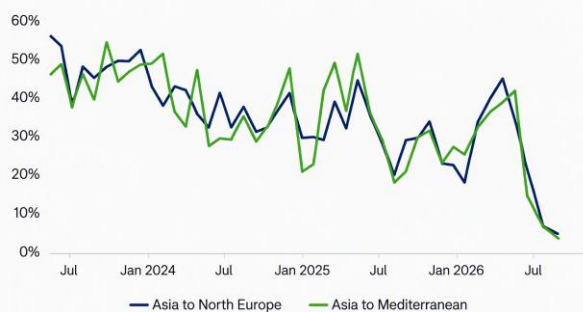
The India-US export market is also softening, with weaker bookings and additional capacity from larger vessels following the holiday peak affecting market conditions on routes to the US East Coast. Carriers expect the slowdown to deepen in November.

While conditions in other markets are beginning to cool, the Middle East continues to face sustained disruption. The Strait of Hormuz has now been closed to container shipping for over seven months, contributing to significant rate increases to Jeddah and Khor al Fakkan of roughly 260% and 480%, respectively, surpassing Covid-era highs. Shippers have limited alternatives, with overland corridors remaining critical for cargo moving into the Gulf.

MARKET FORECAST

Carriers are accelerating their return to the Suez Canal and Red Sea, hopeful to see a full-scale return by the first quarter of 2027, despite escalating fighting between Yemen's Houthis and Saudi Arabia. Scheduled weekly capacity through Bab el-Mandeb has doubled in six weeks to 48% of pre-crisis levels, with 16 services changing routes since early July. Asia-North Europe services have begun returning to Suez, though carriers could reverse these decisions if security deteriorates. The shorter route is also creating congestion risks at North European ports, as earlier arrivals overlap with Cape-routed vessels, potentially bunching volumes at Rotterdam, Antwerp and Hamburg through Q4. Schedule reliability remains poor, with Asia-Europe on-time performance falling to just 4% in September amid typhoon-related congestion in Asia. Despite the accelerating recovery, renewed Houthi attacks or further escalation with Saudi Arabia could prompt carriers to return to Cape routings.

Asia to North Europe and Mediterranean ocean reliability (eeSea)



Source: eeSea

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The Vincent Thomas Bridge, which connects the Port of Los Angeles to local freeways, will close completely on Nov. 1 for a 16-month redecking project. Terminal operators and truckers are bracing for new supply chain strains, since the full shutdown is uncharted territory after months of minor one-way closures that caused little disruption. Container dwell times at the LA-LB complex are already elevated, with rail dwells at a 17-month high and truck dwells near 18-month highs. Truckers are also worried about longer turn times, empty containers piling up around the harbor, and tighter chassis availability, all while import volumes from Asia are expected to remain strong.

According to Xeneta's latest ocean market report, rates are expected to remain flat to modestly higher in 2027 despite supply continuing to outpace demand. Container trade growth is forecast to slow to 3.5–4.5% in 2026, while newbuild deliveries rise from roughly 1.7 million TEU in 2026 to a record 4.7 million TEU in 2028, pushing annual fleet growth to 11%. Longer routings are currently absorbing excess capacity, but this support could fade once the Red Sea fully reopens. The rate outlook will depend on the return to normal Red Sea and Suez routings, whether demand growth slows or fresh frontloading emerges, and how the return of vessels from Cape diversions coincides with new ship deliveries. El Niño also remains a risk between January and April 2027, particularly for Asia to US East Coast services, although Panama Canal disruption has so far been less severe than earlier forecasts suggested. In early January, US spot rates are expected to correct without collapsing, while rates to Europe decline. Shippers negotiating 2027 contracts are advised to assess each disruption separately, accounting for both its cost and operational impact.

Sources: Alphaliner, Journal of Commerce (JOC), The Loadstar, Freightos Terminal, Sea-Intelligence, Container-News.com, Seatrade Maritime, Descartes, eeSea, MaritimeGateway, WiseTech, Xeneta, S&P Global Statistics