

# OCEAN MARKET UPDATE



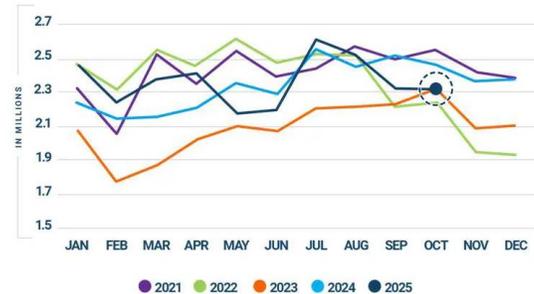
## CURRENT STATE

China's growing gap between exports and imports is increasingly absorbing functional container ship capacity, as more containers must be repositioned and handled to meet trade flows. Exports have surged into regions such as Latin America, the Middle East, Africa, and Europe despite US tariffs, while domestic consumption remains weak and imports have not kept pace. The imbalance is driving a rise in empty container moves globally, adding costs and operational strain for carriers, and limiting the effective use of available vessels. Although new container capacity continues to come online, the mismatch between head-haul and return flows is putting additional pressure on the system. Over time, however, the effects of this imbalance may lessen as carriers rely on traditional tools such as vessel scrapping, idling, and slow steaming to restore equilibrium between supply and demand.

The Port of Hamburg reported an 8.4 percent increase in container throughput in the first nine months of 2025, reaching 6.3 million TEUs as strong Asian imports and growing trade within Europe helped offset a sharp 23.9 percent decline in United States volumes caused by tariff and trade complications. Traffic with major Asian partners rose significantly, including steady growth with China and very large increases in Malaysia and India, while trade with European neighbors such as Denmark, Finland, and Poland also strengthened. Hamburg's solid performance contrasted with slower growth at competing ports Rotterdam and Antwerp Bruges, where throughput fell in the third quarter due to limited terminal capacity, congestion, changes in shipping alliances, and a series of strikes. Antwerp Bruges expects its market share to recover once more capacity becomes available.

In October 2025, U.S. containerized imports totaled 2.31 million TEUs, nearly unchanged from September but 7.5% below last year, marking only the second October in a decade to record a month-over-month decline. The slowdown reflects importer caution amid shifting tariff policies, softer consumer demand, and earlier frontloading that pulled typical peak-season volumes forward. Imports from the top 10 countries of origin fell 9.4% year-over-year, driven largely by a sharp drop from China and broader weakness across key sourcing markets, though modest gains from Southeast Asia helped offset declines. At the port level, throughput remained steady, with modest gains at some West Coast and Gulf ports balancing declines elsewhere. Transit delays edged higher across most major gateways due to seasonal variation and continued Red Sea rerouting, but operations remained efficient with no signs of systemic congestion. Underscoring a cautious yet stable trade environment as 2025's early import surge gave way to softer year-end activity.

2021-2025 U.S. Container Import Volume (TEUs)

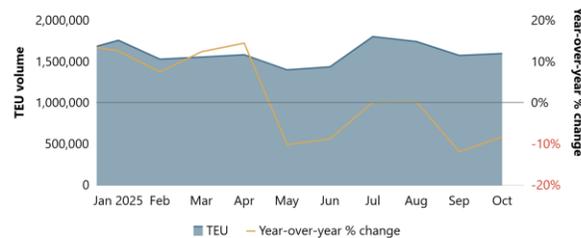


## MARKET FORECAST

Industry experts say two major uncertainties will shape container shipping next year, a potential surge in U.S. inventory restocking and the broader return of Red Sea and Suez Canal transits. U.S. inventories are considered unsustainably low, and trans-Pacific imports from Asia have fallen roughly 12 percent from their July peak of 1.81 million TEUs, meaning a strong replenishment cycle could lift demand by more than 4 percent. At the same time, a full shift back to the Red Sea and Suez Canal, avoided since late 2023 due to Houthi attacks, would likely create significant congestion across the Mediterranean, Northern Europe, Asia, and even trans-Atlantic trades as vessel bunching and landside shortages strain terminals and equipment. Some limited Suez Canal transits have restarted under naval escort, and carriers with naval-backed service are proceeding cautiously, but the majority of carriers remain hesitant to commit. Experts say the period just after Lunar New Year in early March, when demand normally dips, would be the least disruptive window for a wider return to the route.

Carriers are leaning heavily on capacity withdrawals, using extensive blank sailings across both the Asia-North Europe and Asia-Mediterranean trades to shape the rate environment during the current tender season. These blank sailings remove large volumes of scheduled capacity each month, creating a deliberately tighter supply scenario even as overall deployed tonnage is reaching record levels and will continue rising into the new year. By pulling sailings while simultaneously introducing more vessels into service, carriers are able to manage short term availability in a way that keeps spot levels elevated and stable. This tightening of supply is critical because it strengthens the negotiating position of carriers as long term contracts for the European trades are being set. Higher spot levels, supported by blank sailings, provide a pricing floor that carriers can point to when pushing for stronger long-term agreements. Even though the market is seeing historically high deployment, the temporary removal of sailings gives the appearance of a constrained environment, helping carriers drive long term rates upward.

Trans-Pacific imports down 12% since July peak  
Containerized US imports from Asia, in laden TEUs, with year-over-year change



Belgium will face widespread logistics disruption from November 24-26th as nationwide strikes affect ports, rail, air, and public transport. At the Port of Antwerp, operations will continue but at reduced capacity, with delays and intermittent standstills expected across certain services. Rail and ferry movements may also be limited, while all flights at Brussels and Charleroi airports are cancelled on the peak strike day. Unions provide no advance notice of specific actions, meaning port and transport conditions could change rapidly. Overall, the strikes are expected to significantly impact cargo flows, passenger movement, and overall port efficiency, with updates issued as new information becomes available.

Sources: Alphaliner, Journal of Commerce (JOC), The Loadstar, Freightos Terminal, Sea-Intelligence, Container-News.com, Seatrade Maritime, Descartes