CRANE WORLDWIDE LOGISTICS

OCEAN MARKET UPDATE

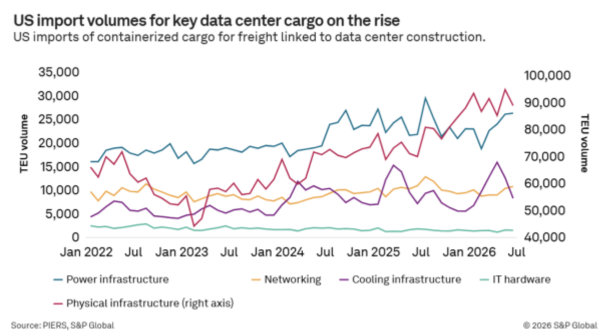
CURRENT STATE

Uncertainty continues to cloud the reopening of the Strait of Hormuz after the ceasefire behind it collapsed earlier this month. The US Iran truce broke down following attacks on three tankers transiting the strait that prompted US strikes on Iranian targets and Iranian missile attacks on US bases in the Persian Gulf. This was a sharp reversal from the cautious optimism of the weeks before, when the signing of a memorandum of understanding had opened two transit corridors and eased fears of a prolonged shutdown. Iranian state media had earlier pointed to the grounding of the sanctioned containership Arista as a warning to ships over its designated passage route, though the vessel was later found to have been aground since mid-March, suggesting the incident was overstated. The IMO has urged shippers to avoid the strait entirely, and its Persian Gulf evacuation plan was suspended only three days after it was launched after an attack on an Evergreen containership, while the primary traffic separation scheme remains closed due to mine contamination. The renewed hostilities have also driven bunker fuel prices sharply higher, with Singapore VLSFO up 24% since early July. Full recovery of energy and commodity exports will likely be delayed further by damaged infrastructure, mine clearance, and elevated insurance requirements, leaving supply chains exposed to deepening uncertainty.

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

In 2026 most of the newbuild capacity has gone toward Europe, the Middle East and India trades with over 603,000 TEUs delivered through June. The Europe trades absorbed the largest share at 17 vessels, while N. America trades saw only 7 newbuilds, split across the trades. The pattern reflects both normal dynamics, and the need to offset disruption, as longer Cape of Good Hope transits and the Strait of Hormuz closure require more ships to maintain schedules. Analysts note the capacity boost has been muted so far by slow steaming, port congestion and blank sailings, which have widened the gap between theoretical schedules and actual vessel availability on this trade.

Growth in U.S. imports is increasingly being supported by data center and AI infrastructure investments. Rising demand for servers, networking equipment, cooling systems, and power infrastructure is driving additional containerized cargo volumes, creating a key source of import growth that is less dependent on traditional retail demand.



MARKET FORECAST

In August carriers are set to roll out a fresh wave of emergency fuel surcharges as the escalating Middle East conflict disrupts oil flows through the Strait of Hormuz driving bunker fuel prices sharply higher after a brief dip tied to hopes the US-Iran ceasefire would hold. Looking ahead, carriers plan to layer in additional charges over the coming weeks, with surcharge effective dates expected to fall between Aug. 1 and Aug. 15. Regional inland surcharges are also shifting, with some carriers reviewing costs weekly and others folding temporary emergency charges into standard fuel surcharge structures by the end of July or mid-August. With fuel markets remaining highly sensitive to the trajectory of the conflict, shippers should expect continued volatility, and the possibility of further surcharge increases or new charges in the months ahead if hostilities persist or supply tightens further.

Global container fleet capacity is set to grow sharply at around 9.1% in 2027 and 12.7% in 2028. The most dramatic surge is concentrated in ultra-large ships over 18,000 TEU. Their fleet size is projected to jump 20.4% in 2027 and 31.1% in 2028, far outpacing any realistic trade growth. These mega-vessels are overwhelmingly deployed on Far East–Europe routes today, so carriers have limited room to absorb more of them there. Upgrading loops to 20,000+ TEU ships could add at most about 8.6% of nominal capacity before risking oversupply. This is pushing alliances to seek other trades and deep-draft terminals capable of handling bigger ships. One example is TIL's stake in Vizhinjam, India, which could unlock new India-linked double-dip services to Europe, the Persian Gulf, Southeast Asia, and Africa. The resulting cascade of displaced tonnage into secondary trades and terminals means oversupply pressures are likely to keep resurfacing in new pockets across the network, even as carriers try to manage the 2027–2028 capacity deluge.

Looking ahead, US East Coast capacity is expected to stay tight in the near term but could loosen depending on how tariff policy plays out. With new, potentially higher tariffs widely expected to take effect in the second half of July, and if shippers prioritize speed to market, cargo could shift toward the faster West Coast routing. Import volumes from Asia are forecast to remain strong into September given heavy frontloading since spring, before pulling back sharply through at least November as retailers work through inventory already brought in ahead of the holidays. Even as carriers continue pushing for another general rate increase on Aug. 1 despite loosening capacity to both coasts, betting that shippers eager to avoid the hike will book ahead of the deadline.

Further out, an emerging El Niño is expected to reduce water levels in Gatun Lake, the freshwater reservoir supplying the Panama Canal's locks. Prompting the canal authority to tighten neo-Panamax draft restrictions in stages. From 50 feet to 49.5 feet on July 3, down to 49 feet July 24th, and to 48.5 feet by Aug. 15. with In a July 9 update the NOAA had a warning that the phenomenon could intensify through 2026 and persist into early 2027, as the canal authority forecasts Gatun Lake could drop nearly another foot in depth by September. Carriers have already begun passing those costs on to shippers through new per-container surcharges on Asia to East and Gulf Coast shipments, echoing the last major El Niño in late 2023, when the canal authority was forced to cut neo-Panamax drafts to 44 feet and nearly halved daily ship transits. Meanwhile elevated bunker fuel costs tied to the Strait of Hormuz disruption are also expected to keep favoring West Coast deployments, since those routings burn less fuel and avoid the added canal fees altogether.

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