August 6, 2026 **NEWS FLASH**

Transpacific Eastbound Market Update

Congestion, Port Omissions, and Container Rolling Continue as Carrier Constraints & Storms Contribute to Disruptions

As we reported last month, the surge of volumes remained strong through the month of July, as shippers raced to beat the July 24th expiration of the Section 122 tariffs while the market also experienced a healthy outcome due to increased product orders and a need for inventory replenishment. Where some analysts had predicted a drop off, or believed we had already seen the "peak of the peak," the continued levels of volume have many surprised that the market remains strong and vessel utilization high, as we enter into August. This has led to yet another General Rate Increase on the Transpacific trade, as ocean carriers implemented one on August 1st as demand remains strong, but have also increased due to ocean carrier constraints.

While the strong market is positive news, and at some point, will see a pullback, we have unfortunately entered typhoon and hurricane season, particularly in China, where the impact has already been felt, with delays up to nearly a week, and new storms are approaching. As a result, such storms have created significant delays to vessel schedules; created a rise in origin port congestion; and left carriers to manage a combination of void sailings and port omissions, in order to get vessels back on schedule as quickly as possible. It has certainly caused disruption as ocean carriers have to react and make difficult decisions in rolling containers, changing vessels, but also a need to suddenly omit ports in their rotations to avoid further delays. As rotations are impacted, this brings about more equipment shortages and the need to book in advance to help secure space and equipment needed, often without guarantee and subject to the local and overall market conditions.

While the U.S. & Iran conflict remains a concern to shipping and with it a significant level of uncertainty, the Strait of Hormuz and surrounding waterways, remain under high alert. As ocean carriers have had to implement new strategies in the region, it will continue to have an impact on global capacity and of course fuel costs.

While China and Southeast Asia have been fortunate to manage through a strong market the past couple of months, India is now seeing an impact, experiencing higher demand since the end of July and what is shaping up to be a strong August. This has included rising ocean freight pricing, to both the U.S. East and West coasts, and tight space that has already been booked out in advance for several weeks. This is not uncommon to India, which often experiences a bump upward after the Asia region has had a strong performance. However, we do suggest that those importing from India be prepared for further constraints ahead as volumes continue to steadily increase. We have been recommending our clients to book closer to a month in advance and prepare for some of the same issues as China and Southeast Asia with regards to void sailings, container rolling and delays.

While we continue to work closely with our core carriers to improve the level of reliability and mitigate the disruptions, we do expect the current market conditions to remain volatile for now and with a heightened expectation of delay and disruption.

There is always the unforeseen which makes the market very unpredictable at times. It is always best to make sure you are planning your supply chain in advance and that you have contingency plans in place. Should you need assistance, please do not hesitate to contact your account manager or local handling office to further strategize.

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