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SUCAFINA

Logistics Report



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Following the Aug. 10 earthquake in Colombia, Buenaventura port is slowly resuming capacity (as of Aug. 19). Backlog is building, with possible vessel omissions during dock inspections. Road access is still limited (landslides, single lane, humanitarian priority). Sucafina continues to divert coffee via Cartagena and Santa Marta (both running smoothly). We'll keep monitoring and update as things develop. All Sucafina colleagues and partners are safe, and our thoughts remain with those affected.

MIDDLE EAST CHOKEPOINTS PUSH GLOBAL SHIPPING TO CRITICAL LEVELS

Shipping activity through the Strait of Hormuz and the Bab el-Mandeb Strait has fallen to critically low levels as security concerns continue to escalate across the region. Latest vessel-tracking data shows that just two ships transited the Strait of Hormuz and one vessel crossed Bab el-Mandeb in week 32, compared with normal pre-conflict volumes of approximately 130–140 vessels per day through Hormuz.



The decline follows ongoing restrictions in the Gulf and renewed Houthi attacks on Saudi-linked shipping, including reported missile strikes on oil tankers near Yanbu in the Red Sea and in the Gulf of Aden.

For global supply chains, disruption at these critical maritime chokepoints creates significant risks, including higher freight rates, war-risk insurance costs, equipment imbalances and longer transit times as vessels divert around the Cape of Good Hope.

Cont. on Pg. 2



Middle East Chokepoints... *(cont. from pg. 1)*

The impact is particularly significant for Asia–Europe and Middle East trades, where carriers continue to reassess networks and routing options. Market participants should expect continued volatility, schedule disruptions and additional surcharges until security conditions improve and confidence in both waterways is restored.

Attention is also turning to Saudi Arabia's East–West Petroline, which allows the kingdom to move crude to the Red Sea while bypassing the Strait of Hormuz. Reports suggest Tehran could threaten this remaining export route, increasing the strategic importance of Bab el-Mandeb as a maritime gateway. Any further disruption there could place additional pressure on global energy supplies and compound existing risks to shipping and trade..



THE NEVER-ENDING PEAK SEASON

Are several peak seasons the new normal in shipping?

For many years, global shipping followed a predictable cycle. Demand would gradually build through the summer months, reach its highest point during August and September, and then ease once year-end holiday cargo had departed Asia.

Over the past few years, however, this pattern has shifted significantly. The industry's busiest period is now arriving much earlier, with demand and freight rates reaching their peak during June and July. While spot rates have recently started to decline, this should not be interpreted as a return to normal market conditions. Rather, it signals the transition into a new phase of what has become a much longer and more complex peak season.

Early Demand Surges Are Here to Stay

Peak season is starting earlier. For the past three years, shipping demand has risen sharply in early summer, although the reasons have varied. In 2024, the Red Sea crisis pushed companies to ship earlier. In 2025, changes in U.S. trade policy shifted purchasing patterns. This year, Middle East disruptions, longer transit times and higher bunker surcharges are again encouraging cargo owners to bring shipments forward.

The triggers may change, but the response is increasingly the same. Companies are shipping earlier to protect inventory, manage supply chain risks and avoid higher transport costs. What began as a reaction to disruption is increasingly becoming standard supply chain practice. *Cont. on page 3*





A Second Wave of Demand Is Still Expected (*cont. from pg. 2*)

Although freight rates have eased from their July highs, demand is unlikely to fall sharply in the months ahead. The strong summer market has established a higher baseline, with another increase in activity expected in the fourth quarter. Two familiar events are likely to drive this next wave: China's Golden Week in early October, when exporters accelerate shipments ahead of factory closures, and the lead-up to Chinese New Year, when manufacturers rush to complete orders before the extended holiday. Rather than replacing the traditional peak season, the early summer surge has effectively extended it. At the same time, continued diversions around the Cape of Good Hope are adding 10–14 days to Asia–Europe transit times, reducing effective vessel capacity and extending supply chain lead times. Businesses are responding by ordering earlier, holding inventory longer and building more contingency into their planning. Practices that became widespread during the pandemic are now increasingly part of day-to-day logistics.

Demand's Second Wave

Although freight rates have eased from their July highs, demand is unlikely to drop sharply in the months ahead. The strong summer market has set a higher baseline, paving the way for another increase in activity in the fourth quarter.

Two key events will drive this next wave:



China's Golden Week (early October)
Exporters speed up shipments ahead of manufacturing shutdowns.



The lead-up to Chinese New Year
Factories rush to complete export orders before extended holiday closures.

Rather than replacing the traditional peak season, the early summer surge has extended it—creating a longer period of elevated demand.



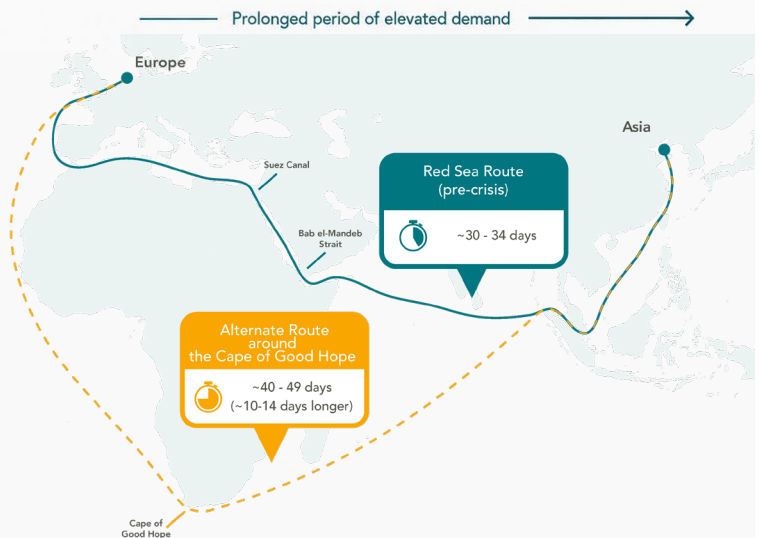
Diverted routes add time and pressure

Vessels avoiding the Red Sea via the Cape of Good Hope add 40–49 days to Asia–Europe transit times (10–14 days longer), reducing capacity and lengthening supply chains.



Planning has changed for good

Businesses are ordering earlier, holding inventory longer, and building more contingency into their supply chains—practices that have become part of day-to-day operations.





GLOBAL CAPACITY TIGHTENS

While the global vessel fleet continues to grow through new ship deliveries, carriers have remained disciplined in managing capacity. Blank sailings, selective service adjustments, and network optimization measures continue to prevent significant overcapacity across many major trade lanes.

This disciplined approach should help support freight rates even as demand moderates, reducing the likelihood of a sharp market correction. Instead, **rates are likely to ease gradually, with periods of volatility** depending on regional demand and how carriers respond.

In addition to seasonal demand patterns, several external factors could also influence the market during the second half of the year. **Typhoon activity** across Asia remains a recurring risk to port operations and sailing schedules, while concerns around a potential **El Niño event** have renewed attention on Panama Canal water levels and possible transit restrictions. If Panama Canal constraints return while Red Sea routes remain disrupted, cargo moving to the U.S. East Coast **could** face longer transit times and tighter capacity.

Against this backdrop, **businesses should plan inventory further ahead, secure transportation capacity earlier** and **maintain flexibility** in routing and distribution, rather than relying on traditional shipping calendars.

GLOBAL CAPACITY TIGHTENING

More ships on order, but carriers are intentionally managing capacity to support freight rates.

AGAINST THIS BACKDROP, BUSINESSES SHOULD:



PLAN INVENTORY FURTHER AHEAD

Build inventory positions earlier to stay ahead of potential disruptions and capacity constraints.



SECURE TRANSPORTATION CAPACITY EARLIER

Book space earlier to lock in capacity and reduce the risk of delays or higher costs.



MAINTAIN FLEXIBILITY IN ROUTING & DISTRIBUTION

Keep routing and distribution options flexible—don't rely solely on traditional shipping calendars.



Disciplined capacity management helps support freight rates and reduces the risk of a sharp market correction.



FUEL SURCHARGE IMPACT UPDATE

Fuel surcharges, often called Bunker Adjustment Factors (BAF), are additional fees added to container shipping rates to account for changes in fuel prices. Because bunker fuel represents 20% to 30% of total operating expenses, carriers frequently pass volatile energy costs onto shippers to protect their margins. They can significantly increase overall container freight costs, often adding 15% to 20% to base rates.

How Fuel Surcharges Function:

- *Bunker Adjustment Factor (BAF)*: The standard floating fee calculated by carriers to react rapidly to global oil price shifts without having to constantly renegotiate the base contract rate.
- *Emergency Surcharges*: During geopolitical crises (such as tensions in the Middle East restricting oil supplies), carriers implement Emergency Fuel Surcharges (EFS). For example, recent regional conflicts added roughly \$200 to \$1,000 per FEU (Forty-Foot Equivalent Unit) across major routes, drastically inflating spot market pricing.

Broad Market Impacts:

- *Price Volatility*: With fuel costs dictating a larger portion of the final all-in rate, the validity periods of shipping quotes are shrinking. Shippers are increasingly seeing quotes locked in per single shipment rather than the traditional 15-day validity period.
- *Slow Steaming*: When bunker prices surge, carriers often mandate "slow steaming" to save on fuel consumption. While this effectively mitigates immediate fuel expenses, it delays vessel arrivals and extends the overall transit time for cargo.
- *Cost Layering*: The frequent introduction of short-term disruption fees atop existing BAF structures has led to growing concern among shippers regarding fee transparency and overlapping costs.

Managing these extra costs requires understanding how different carriers calculate their indexes. **To better navigate the market, Sucafina can analyze the specific carrier you are using and the trade lanes you operate on.**

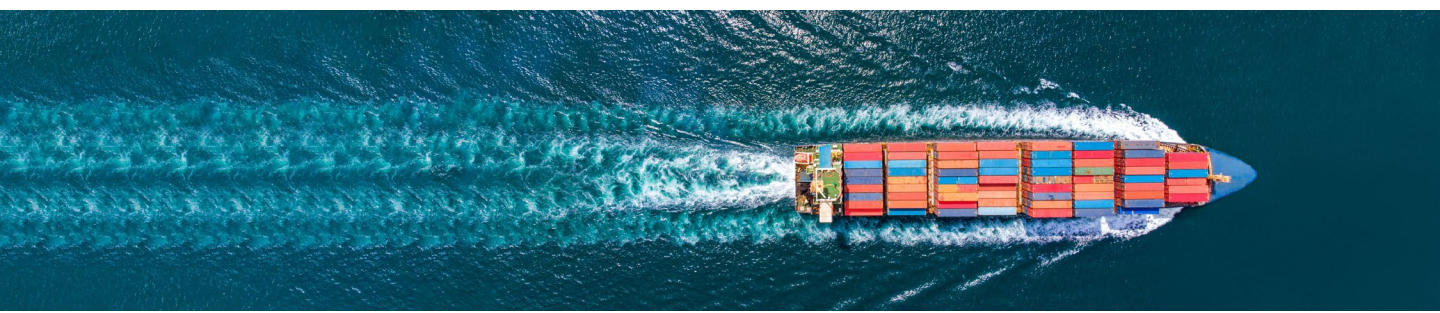


FREIGHT RATE DEVELOPMENT

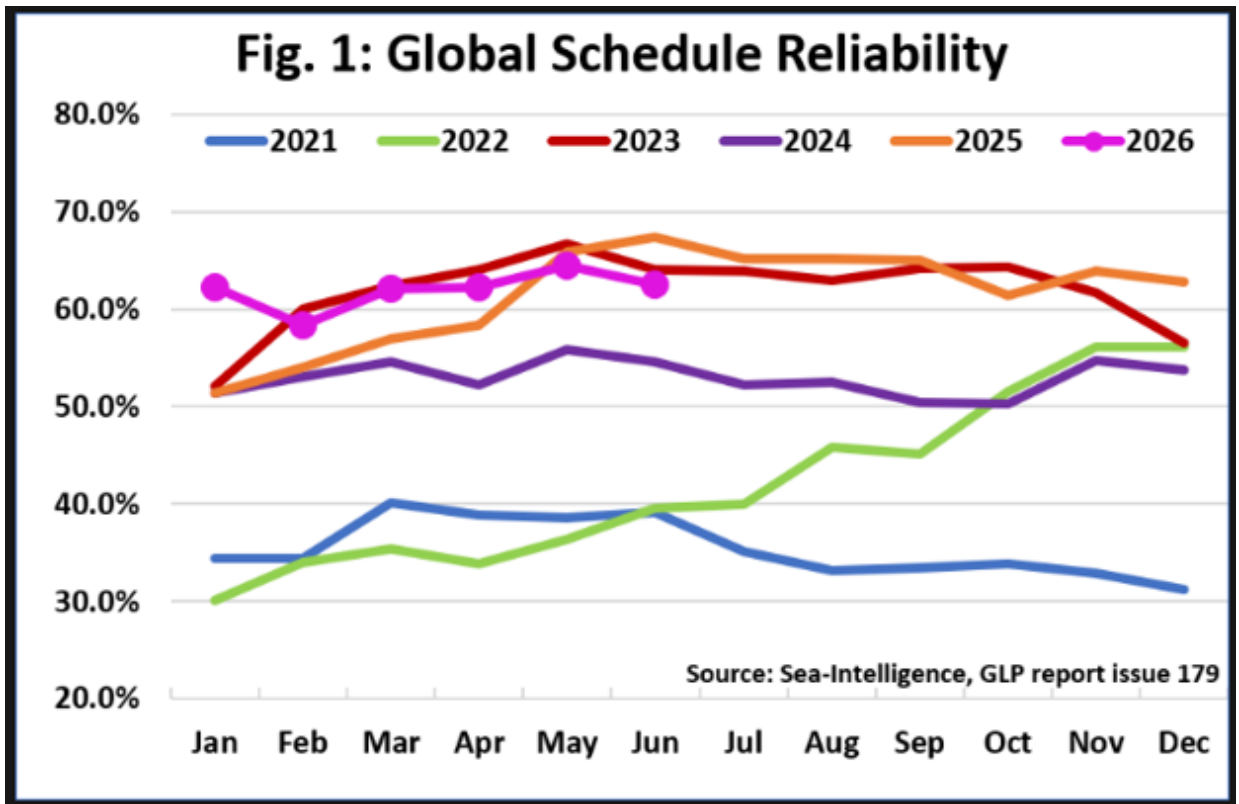
WCI - ROUTE	Route code	16 Jul 2026	23 Jul 2026	30 Jul 2026	Weekly change (%)	Annual change (%)
Composite Index	WCI-COMPOSITE	\$4,547	\$4,374	\$4,255 ▼	-3%	70%
Shanghai - Rotterdam	WCI-SHA-RTM	\$4,873	\$4,824	\$4,667 ▼	-3%	42%
Rotterdam - Shanghai	WCI-RTM-SHA	\$605	\$607	\$589 ▼	-3%	19%
Shanghai - Genoa	WCI-SHA-GOA	\$6,300	\$5,988	\$5,630 ▼	-6%	67%
Shanghai - Los Angeles	WCI-SHA-LAX	\$6,272	\$5,878	\$5,739 ▼	-2%	118%
Los Angeles - Shanghai	WCI-LAX-SHA	\$825	\$839	\$859 ▲	2%	20%
Shanghai - New York	WCI-SHA-NYC	\$7,879	\$7,598	\$7,578 ◀▶	0%	83%
New York - Rotterdam	WCI-NYC-RTM	\$1,037	\$1,050	\$1,103 ▲	5%	26%
Rotterdam - New York	WCI-RTM-NYC	\$2,667	\$2,635	\$2,719 ▲	3%	36%

The Drewry World Container Index declined for the third consecutive week, falling **3% to USD 4,255 per 40ft container**, mainly due to softer rates on Asia-Europe and Transpacific routes. Transpacific rates from Shanghai to Los Angeles dropped **2%**, while Shanghai to New York remained stable. On Asia-Europe, rates fell **6% to Genoa** and **3% to Rotterdam** as demand continued to ease. Despite the decline, carriers are actively managing capacity through blank sailings and service adjustments to avoid sharp rate erosion. Drewry expects rates to remain relatively stable in the near term, although the broader East-West market remains under pressure from softer demand, new U.S. tariff measures, Middle East tensions, Emergency Fuel Surcharges from August, port congestion, and ongoing uncertainty in global trade policy.

Source: [Drewry Supply Chain Advisors](#)



SCHEDULE RELIABILITY



Maersk was the most reliable top-13 carrier in June 2026 with schedule reliability of 77.1%. Hapag Lloyd followed with 75.6%, and MSC with 72.1%; they were the only three carriers with schedule reliability over 70%. CMA CGM was the only carrier in the 60-70% range, while eight of the remaining nine carriers were in the 50-60% range. Wan Hai was the least reliable carrier in June 2026 with schedule reliability of 35.6%. Only two carriers recorded a M/M improvement in schedule reliability in June 2026, with ZIM recording the largest increase of 0.8 percentage points. Coincidentally, only two carriers also recorded a Y/Y improvement in June 2026, with MSC recording the largest increase of 5.0 percentage points.



MARKET OVERVIEW

TRADE LANE	COMMENTS
APAC > Global	• Capacity is flat, no issue with space • Sharp increase in Spot rates especially to NA and ME
INDIA > Global	• Capacity is tight • Ports are congested • Rates have a slight upwards trend
Brazil > Global	• Capacity is tightening • Port congestion and gate windows still an issue • 1-2 roll overs still expected for some cases • Rates are stable
CAM > Global	• Capacity is tight • Container shortages in 20s and 40s from Honduras/Nicaragua
EA > Global	• Capacity is good • Containers available • Some congestion challenges in Dar and Mombasa





MAIN PORTS: STATUS UPDATE