PAC OCEAN SOLUTIONS

Global Freight & Middle East Situation Update

7 September 2026

As the security situation in the Middle East continues to evolve, PAC Ocean Solutions is issuing this fortnightly briefing to keep customers and partners informed of developments and their impact on global ocean and air freight. The situation remains fluid – both fuel and freight markets are directly affected.

LATEST DEVELOPMENT – 25 AUG–7 SEP 2026

A brief diplomatic opening has been overtaken by the sharpest US–Iran escalation since spring. On 25–26 Aug, Iran and Oman agreed a framework for a temporary joint navigation corridor through Hormuz (inbound via Iranian waters, outbound via Iranian/Omani waters) plus a joint mine-clearing project, with 30–60 days set aside to negotiate a permanent arrangement; the US separately confirmed it had cleared mines from the Hormuz Traffic Separation Scheme. That momentum reversed from 1 Sep, when US forces struck roughly 100 IRGC targets (air-defence, radar, mine-laying and comms sites) under a new “tanker-for-tanker” retaliation policy. On 5 Sep, the IRGC fired ballistic missiles at a US carrier and destroyer (both evaded, no US casualties); US forces responded by destroying the tanker Kylo/Noxen in the Gulf of Oman and disabling the Downy (off Kharg Island) and Stark 1 (near Jask). Iran claims retaliatory strikes on three tankers and US-linked vessels, and says it will declare a new “restricted zone” beyond Hormuz within days, warning any vessel entering will be sanctioned. Bab al-Mandeb remains under a declared Houthi blockade of Saudi ports (since 22 Jul); no new fatality has been confirmed since the 12 Aug Tihamah strike (6 killed).

$4,465	$836/mt	~$96/bbl	7.5–10%
Ocean WCI / 40ft (3 Sep)	Singapore VLSFO (2 Sep)	Brent crude (7 Sep, up from ~$92 late Aug)	Hormuz war-risk insurance (of hull value; unchanged range, still elevated)

MARITIME IMPACT

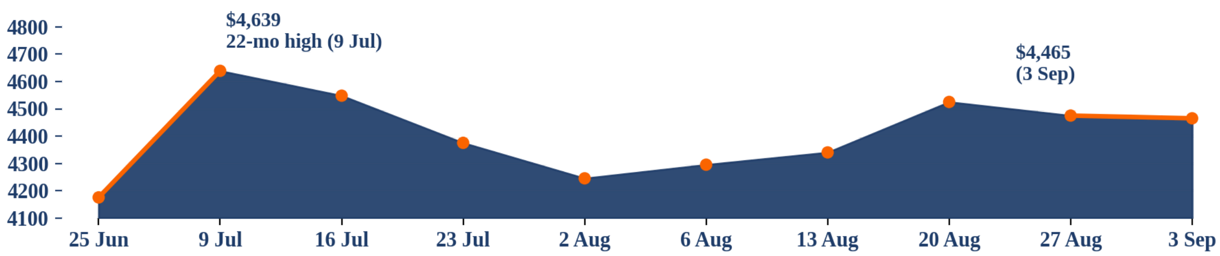
- Drewry WCI eased 1% to $4,465/40ft (3 Sep) as Transpacific gains (Shanghai–LA +5% to $7,185; Shanghai–NY +3% to $9,587) were offset by softer Asia–Europe rates (Shanghai–Genoa –10% to $4,368; Shanghai–Rotterdam –5% to $4,092).
- Hormuz traffic remains near a standstill despite the late-Aug Iran–Oman corridor breakthrough: commodity-vessel transits fell to 6/day (3 Sep) vs a 10-day average of ~13/day and a pre-war baseline of ~130–138/day, as the 1–5 Sep US–Iran strikes reversed the de-escalation.
- Iran has signalled a new “restricted zone” beyond the strait, effective within days, threatening to sanction any vessel entering it — a fresh source of uncertainty for the corridor just agreed with Oman.
- War-risk insurance for Hormuz transits holds at 7.5–10% of hull value (unchanged range since late July); Bab al-Mandeb premiums remain near 0.5%, with the Houthi blockade of Saudi ports still in force.
- Singapore VLSFO rose to $836/mt (2 Sep), near its highest levels of the year, tracking elevated crude and tight regional bunker supply.
- New Panama Canal and Emergency Fuel Surcharges take effect in September on Asia–USEC/Gulf Coast routes; blank sailings stay elevated (45 across major East–West trades, Wk36–40, a 6% cancellation rate) as carriers manage capacity.

AIR FREIGHT IMPACT

- Xeneta’s mid-year outlook still stands: FY26 long-term shipper rates forecast +5% to +15%, with H1 2026 combined spot/long-term rates up 17% YoY.
- Xeneta’s most recent read shows momentum cooling, though: global spot rates averaged $3.12/kg in July (+28% YoY), down from +38% YoY in June and a +41% peak in May, as capacity gradually recovers.
- Asia–Europe air softness is now driven as much by trade policy as by Middle East risk: WorldACD data show Hong Kong–Europe spot rates falling to $4.96/kg by late July (from $5.80/kg in June, –15%) and mainland China–Europe to $3.86/kg (from $5.43/kg, –29%), largely reflecting new EU rules on low-value imports from 1 Jul.
- Middle East air cargo capacity remains materially below pre-crisis levels on key routes, even as carriers add alternative Asia–Europe and transpacific routings (per 24 Aug briefing; no fresher regional capacity read published this cycle).
- AI/semiconductor demand continues to offset the structural e-commerce slowdown on transpacific and Asia–Europe lanes (April chip sales +106% YoY; no fresher monthly read yet published).

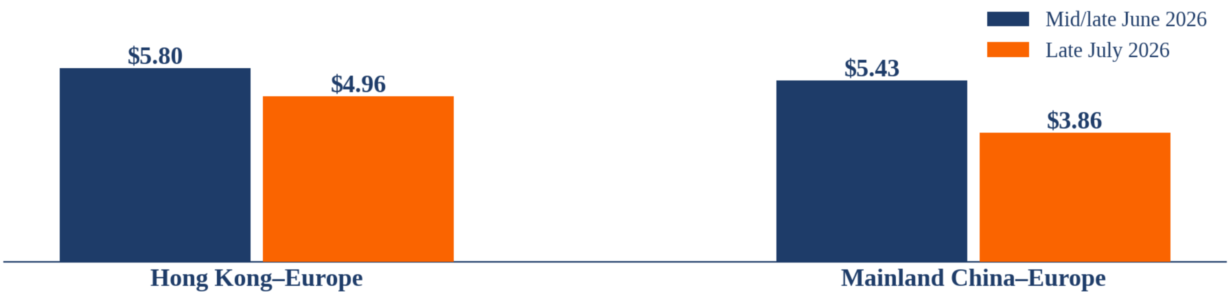
OCEAN FREIGHT RATE TREND – DREWRY WCI ($/40FT)

Drewry World Container Index — $/40ft (25 Jun–3 Sep 2026)



AIR FREIGHT RATE TREND BY LANE ($/KG)

Air Freight Spot Rates by Lane — $/kg (WorldACD, Jun vs Jul 2026)



Note: this cycle's verified lane-level reads (WorldACD) cover Hong Kong–Europe and Mainland China–Europe; comparable September prints for Asia–N.America, HK–N.America and India–Europe were not available from public sources at time of publication and have been omitted rather than estimated.

REGIONAL / INTRA-ASIA RATES

Index	Latest Reading	Chg. (WoW)	Trend
Drewry Intra-Asia Container Index (IACI)	$1,312 / 40ft (3 Sep)	+9%	▲ Rising
Drewry IACI (prior week)	$1,199 / 40ft (27 Aug)	+10%	▲ Rising

Note: verified per-port breakdowns for Singapore, Mumbai, Kaohsiung and Laem Chabang (as shown in the 24 Aug edition) were not available from public sources this cycle; the Drewry aggregate index is shown instead rather than estimating individual port rates.

30–60 DAY OUTLOOK

RED	The 1–5 Sep exchange of strikes — US action against ~100 IRGC targets, the destruction/disabling of three Iranian tankers, and Iran's claimed retaliation plus planned "restricted zone" beyond Hormuz — is the sharpest escalation since spring. A further strike cycle, or collapse of the fragile Iran–Oman corridor deal, would send rates and insurance costs sharply higher again.
AMBER	The 25–26 Aug Iran–Oman temporary corridor agreement and US mine-clearance claim offered a rare diplomatic opening, with 30–60 days set aside for a permanent arrangement — but this is now overshadowed by the Sept strikes, and its durability is untested. Traffic remains near a standstill (~6/day vs ~130–138/day pre-war).
GREEN	Ocean WCI eased slightly to $4,465/40ft (3 Sep), still below its 9 Jul peak. Xeneta's July data show air rate growth decelerating (28% YoY vs a 41% May peak) even before the latest Hormuz flare-up, and EU de-minimis-driven Asia–Europe air softness is partly offsetting the maritime risk premium.

RECOMMENDED ACTIONS

- Extend booking lead times to 4–6 weeks ahead of cargo-ready date on Asia–Europe and transpacific lanes.
- Lock in allocations ahead of published GRIs/FAK resets and the new September Panama Canal surcharges on Asia–USEC/Gulf Coast routes.
- Build a cost buffer into Q3–Q4 planning — the 1–5 Sep escalation points to sustained, not temporary, elevation in Hormuz-linked costs.
- Track the US–Iran strike cycle and Iran's planned "restricted zone" beyond Hormuz weekly, alongside Bab al-Mandeb/Red Sea security — these, not diplomacy, remain the biggest swing factors for Q4 rates.

Prepared: 7 September 2026, for internal review.

Sources: Drewry WCI/IACI • Xeneta (Air Freight Outlook, Jul 2026 update) • WorldACD Market Data • CENTCOM • Reuters • Bloomberg • CNN • ABC News • Al Jazeera • Axios • NBC News • Trading Economics • Oilprice.com/Investing.com • Ship & Bunker/Engine • The National • S&P Global Platts • Marsh • i-law • Wikipedia (2026 Strait of Hormuz crisis/campaign, for background chronology).