Global Freight & Middle East Situation Update

10 August 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 - 6-9 AUG 2026

Iran and Oman have agreed a draft framework for a temporary, toll-free shipping corridor through the Strait of Hormuz (announced 6 Aug), but it still needs sign-off from Iran's senior leadership, runs for an initial 2-4 months only, and leaves separate US conditions unresolved - Israel says it has "not agreed to anything." Attacks have continued in parallel: an ADNOC tanker was attacked in Hormuz over the weekend of 8-9 Aug, and Houthi forces claimed strikes on Saudi Arabia's Jazan refinery and a Saudi oil tanker.

$4,297 Ocean WCI / 40ft (6 Aug)	**$857/mt** Singapore VLSFO (4 Aug, near-record)	**~$83/bbl** Brent crude (early Aug, down from >$100 in late Jul)	**7.5-10%** Hormuz war-risk insurance (of hull value, was 0.25%)

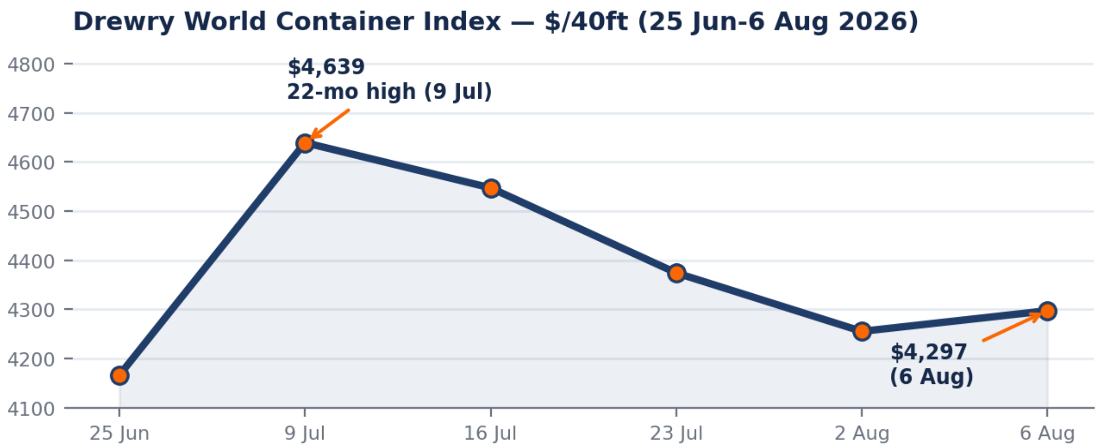
MARITIME IMPACT

- Drewry WCI rebounded 1% to $4,297/40ft (6 Aug) after three straight weekly declines from its 9 Jul peak of $4,639; Shanghai-New York rose 4% to $7,893/40ft on firm Transpacific demand.
- Iran-Oman have a draft Hormuz corridor framework, but implementation still requires Iran's senior leadership approval and doesn't resolve US conditions.
- War-risk insurance for Hormuz transits remains at 7.5-10% of hull value (from 0.25% pre-war); Bab al-Mandeb premiums have also risen, to around 0.5% of hull value.
- Singapore VLSFO jumped to $857/mt (4 Aug), among its highest levels of the year, as bunker costs track the wider volatility in crude.

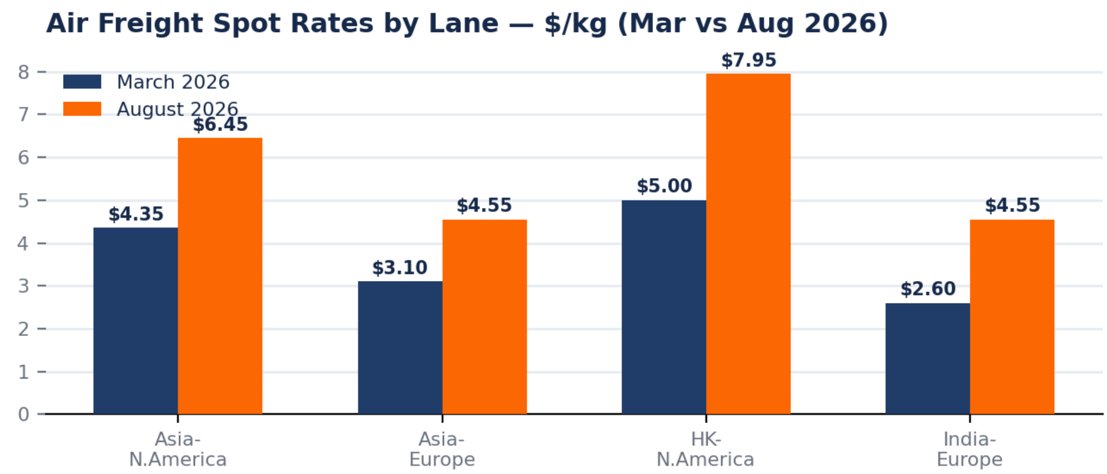
AIR FREIGHT IMPACT

- Xeneta's mid-year outlook still stands: FY26 long-term shipper rates now forecast +5% to +15%, reversed from a -5% to -10% decline forecast in Dec 2025.
- Combined spot/long-term global air cargo rates were up 17% YoY in H1 2026; spot rates spiked ~40% in May before partially stabilising.
- Middle East air cargo capacity remains roughly 50% below pre-crisis levels on key routes, even as carriers add alternative routings via Asia-Europe and transpacific lanes.
- AI/semiconductor demand (April chip sales +106% YoY) continues to offset a structural e-commerce slowdown on transpacific lanes.

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



AIR FREIGHT RATE TREND BY LANE ($/KG)



REGIONAL / INTRA-ASIA HUB RATES

Hub Port	40ft Rate (6 Aug)	Chg. since 25 Jun	Trend
Singapore	$3,040	+2%	→ Stable
Mumbai	$3,520	+3%	▲ Rising
Kaohsiung	$3,190	+2%	→ Stable
Laem Chabang	$2,810	+2%	→ Stable

30-60 DAY OUTLOOK

RED	Attacks continue alongside diplomacy: an ADNOC tanker was attacked in Hormuz (8-9 Aug) and Houthis claimed strikes on Saudi Arabia's Jazan refinery. A breakdown in the Iran-Oman framework would send rates and insurance costs sharply higher again.
AMBER	The Iran-Oman draft corridor framework (announced 6 Aug) is a fragile, partial normalisation path, not a reopening: it needs Iran's senior leadership sign-off, runs only 2-4 months initially, and doesn't resolve separate US conditions.
GREEN	Brent has retreated to the low $80s from its late-July spike above $100; Ocean WCI has stabilised around $4,300/40ft. Xeneta's FY26 air rate forecast of +5% to +15% remains the most concrete quantified range for Q3-Q4 planning.

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 where possible.
- Consider multimodal or alternative routing on India-Europe/US lanes, where surcharges remain elevated.
- Build a cost buffer into Q3-Q4 planning - current signals point to sustained, not temporary, elevation.
- Track the Iran-Oman Hormuz framework weekly - it's the single biggest swing factor for Q4 rates.

Prepared: 10 August 2026, for internal review.

Sources: Drewry WCI • Xeneta (Air Freight Outlook, Jul 2026) • Freightos FBX • ICIS • Ship & Bunker / Engine • The National • S&P Global Platts • CNN • Al Jazeera • Bloomberg • Reuters • Lloyd's List • IATA • UKMTO.