PAC
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Global Freight & Middle East Situation Update

13 July 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 – 30 JUN–13 JUL 2026

The 8 April US–Iran ceasefire and the 14 June memorandum of understanding – which set aside 60 days to end the conflict and reopen the Strait of Hormuz – have unravelled over the past fortnight. Iran struck three commercial vessels bypassing its preapproved transit route on 6–7 July, and the truce formally collapsed on 8 July. On 11 July the IRGC attacked a Cyprus-flagged container ship transiting the strait (one crew member reported missing) and fired a warning shot at another vessel using an unauthorised route; Iran declared the strait closed. The US responded with its third strike round of the week, hitting roughly 140 Iranian military targets. On 13 July, President Trump said the US would revive its naval blockade of Iranian vessels and impose a 20% toll on other cargo transiting Hormuz; Iran has said it will maintain the closure, and reports point to a retaliatory strike on a Kuwaiti offshore drilling platform. An estimated 6,000 seafarers remain stranded in and around the strait (UN, 10 July). Bab al-Mandeb and Red Sea routings are unaffected by this cycle of escalation.

$4,639	$660/mt	~$82/bbl	~5%
Ocean WCI / 40ft (9 Jul) – 22-mo high	Singapore VLSFO (6 Jul)	Brent crude (13 Jul, up from ~$74 on 10 Jul)	Hormuz war-risk insurance (of hull value; up from ~2% post-MoU)

MARITIME IMPACT

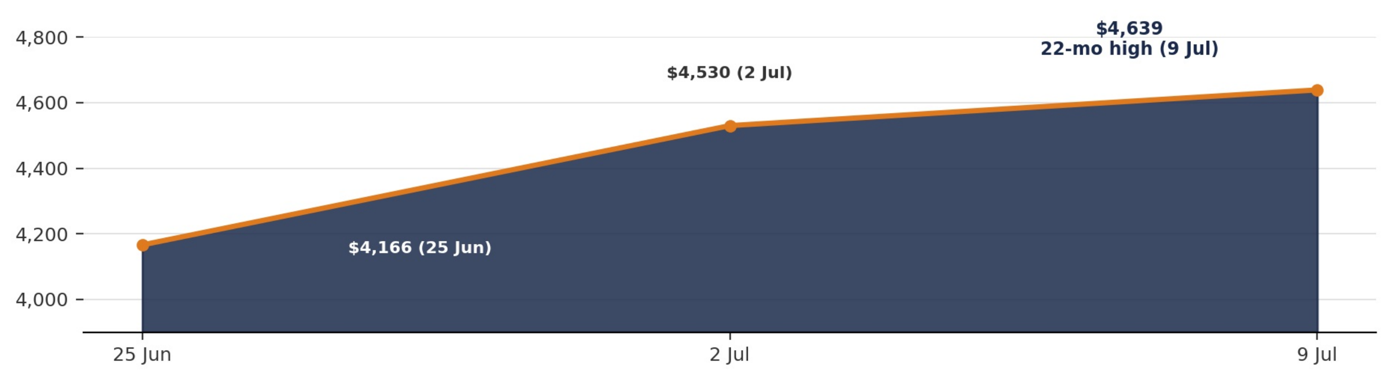
- Drewry WCI rose 2% to $4,639/40ft (9 Jul), its highest reading since September 2024 (a 22-month high), on continued Asia–Europe strength (Shanghai–Rotterdam +5% to $4,933; Shanghai–Genoa +2% to $6,463) after the prior week's Transpacific-led surge (Shanghai–NY +11% to $7,902; Shanghai–LA +10% to $6,349, 2 Jul).
- Only three blank sailings were announced on the Transpacific and four on Asia–Europe for the coming week – tight capacity as carriers hold pricing discipline.
- New GRIs and PSS take effect from 15 July: CMA CGM to $7,000/40ft on Asia–North Europe and $7,900–8,500/40ft on Asia–Mediterranean; HMM PSS of $3,000/40ft.
- Hull war-risk insurance for Hormuz transits has risen back to ~5% of vessel value (Lloyd's Market Association), up from ~2% after the June MoU; Marsh cites a wider 2–6% range depending on vessel and route.
- Singapore VLSFO eased to $660/mt (6 Jul) after a volatile first week of July, broadly tracking crude.
- Drewry's Intra-Asia Container Index (IACI) fell 4% to $993/40ft (9 Jul), a third consecutive weekly decline, suggesting the early peak-season surge is easing even as Middle East-linked lanes stay elevated.

AIR FREIGHT IMPACT

- Xeneta: global air cargo spot rates averaged $3.40/kg in June (+38% YoY), easing for a second month from May's +41% YoY peak; demand grew +7% YoY in June, led by semiconductor and AI-hardware shipments.
- Capacity has been gradually recovering through major Gulf hub airports as regional tensions had eased following the June MoU – a trend now at risk from this week's re-escalation.
- AI/semiconductor demand continues to offset softening e-commerce volumes on transpacific and Asia–Europe lanes (April chip sales +106% YoY; no fresher monthly read yet published).
- China's low-value e-commerce exports fell for a sixth consecutive month in May (-7% YoY), ahead of the EU's removal of its €150 duty-free import threshold on 1 July.
- Xeneta's Q2 outlook revision (issued after the Middle East escalation began in February) points to FY26 long-term shipper rates up 5–15%, reversing its prior forecast of a 5–10% decline.

Note: WorldACD's most recent verified lane-level reads predate this cycle's escalation; comparable Hong Kong–Europe and mainland China–Europe prints for early July were not available from public sources at time of publication and have been omitted rather than estimated.

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



REGIONAL / INTRA-ASIA RATES

Index	Latest Reading	Chg. (WoW)	Trend
Drewry Intra-Asia Container Index (IACI)	$993 / 40ft (9 Jul)	−4%	▼ Falling
Drewry IACI (prior week)	$1,035 / 40ft (2 Jul)	−4%	▼ Falling

Note: verified per-port breakdowns for Singapore, Mumbai, Kaohsiung and Laem Chabang 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 collapse of the 14 June MoU on 8 July, the US strike on ~140 Iranian targets (11 Jul), the attack on a Cyprus-flagged vessel with a crew member still missing, and the 13 July blockade/toll announcement mark the sharpest US–Iran re-escalation since the April ceasefire. A further strike cycle, or a sustained Iranian closure of the strait, would send rates and insurance costs sharply higher again.
AMBER	The 14 June MoU had offered a 60-day framework to end the conflict and reopen Hormuz, bringing brief relief to bunker and insurance costs – but that framework is now in serious doubt. An estimated 6,000 seafarers remain stranded and strait traffic has thinned; the durability of any renewed diplomatic track is untested.
GREEN	Ocean WCI gains have been driven mainly by peak-season demand rather than acute supply shock so far, and the IACI has posted three consecutive weekly declines. Air cargo rate growth continues to decelerate (38% YoY in June vs 41% in May) even before this week's 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 the 15 July GRI/FAK/PSS resets (CMA CGM, HMM) on Asia–Europe and Asia–Mediterranean routes.

▸ Build a cost buffer into Q3 planning – bunker and war-risk insurance costs have not yet fully priced in a prolonged Hormuz closure.

▸ Track the ceasefire/MoU status and Iran's blockade and toll threat weekly, alongside Bab al-Mandeb/Red Sea security – these, not the seasonal peak, remain the biggest swing factors for Q3 rates.

Prepared: 13 July 2026, for internal review.

Sources: Drewry WCI/IACI • Xeneta (Air Cargo Market Update, Jun 2026) • WorldACD Market Data • CENTCOM • Reuters • CNN • Council on Foreign Relations • Congressional Research Service (Congress.gov) • Britannica • Xinhua • Lloyd's Market Association / Marsh (via Insurance Business Magazine) • Ship & Bunker / Engine • U.S. EIA (Brent spot, via YCharts) • Trading Economics • Wikipedia (2026 Strait of Hormuz crisis/campaign, for background chronology).