# Global Freight & Middle East Situation Update

**24 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 - 19-24 AUG 2026**

The US has quietly run a southern shipping corridor along Oman's coast for several weeks, moving ~10m bbl/day of oil (about half pre-war volume) via 15-20 tankers nightly - but broader Iran-Oman talks remain stalled, with Iran's IRGC insisting on its own conditions, and overall tracked Hormuz transits stay near a standstill (~7-9 vessels/day on 20-21 Aug vs ~130/day pre-war). Houthi attacks have escalated in parallel: a 12 Aug strike killed six aboard a cargo ship in Bab al-Mandeb - the first fatalities there in a year, alongside a declared Houthi blockade of the strait - and Houthis claimed a fresh strike on the Saudi tanker "Amzan" off Yanbu on 24 Aug.

| $4,526 | $834/mt | ~$92/bbl | 7.5-10% |
|---|---|---|---|
| Ocean WCI / 40ft (20 Aug) | Singapore VLSFO (21 Aug) | Brent crude (24 Aug, eased from ~$96 mid-Aug) | Hormuz war-risk insurance (of hull value, was 0.25%) |

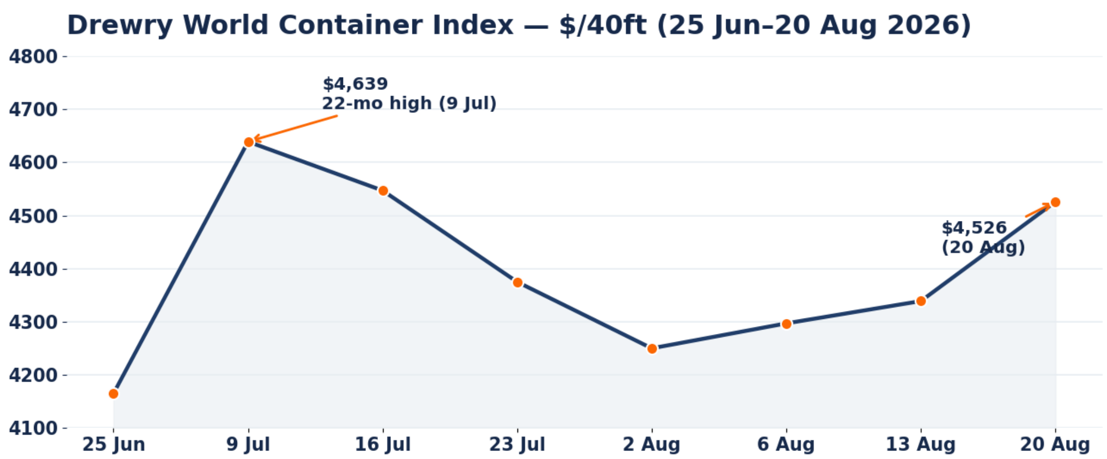
## MARITIME IMPACT

- Drewry WCI rose 4% to $4,526/40ft (20 Aug), a second straight weekly gain closing in on the 9 Jul peak of $4,639; Shanghai-New York rose 9% to $9,507/40ft and Shanghai-Los Angeles rose 9% to $6,802/40ft as carriers tightened capacity via blank sailings.
- The US is quietly running a southern Hormuz corridor via Oman's coast, moving ~10m bbl/day (about half pre-war volume); broader Iran-Oman talks remain stalled and overall tracked transits stay near a standstill (~7-9 vessels/day vs ~130 pre-war).
- War-risk insurance for Hormuz transits remains elevated at 7.5-10% of hull value (from 0.25% pre-war); Bab al-Mandeb premiums stay around 0.5% of hull value following the 12 Aug fatal strike and renewed Houthi activity.
- Singapore VLSFO eased slightly to $834/mt (21 Aug) but remains near its highest levels of the year, tracking elevated crude and tight regional bunker supply.

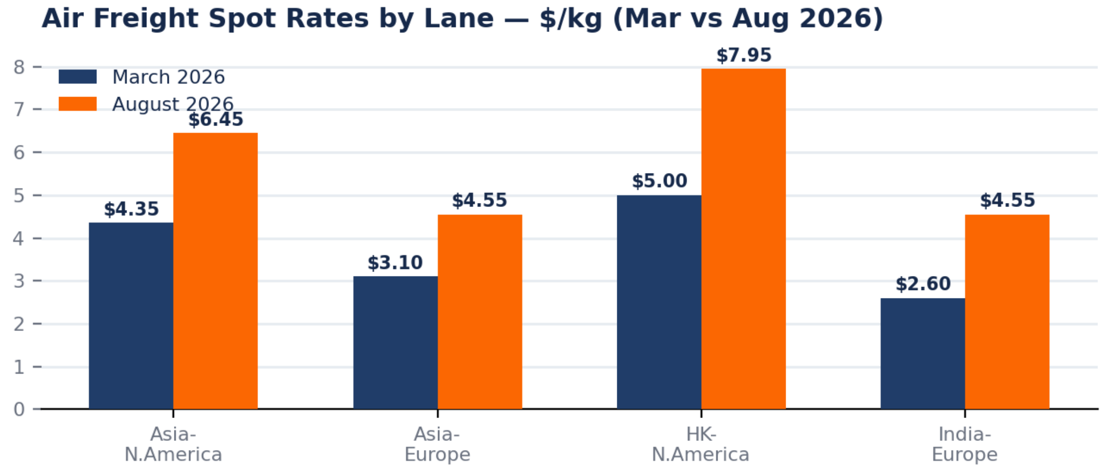
## AIR FREIGHT IMPACT

- 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; the TAC Index global Baltic Air Freight Index was +19.2% YoY as of 17 Aug, with rates broadly plateaued week on week.
- 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 (20 Aug) | Chg. since 6 Aug | Trend |
|---|---|---|---|
| Singapore | $3,160 | +4% | ▲ Rising |
| Mumbai | $3,830 | +9% | ▲ Rising |
| Kaohsiung | $3,140 | -1% | → Stable |
| Laem Chabang | $2,860 | +2% | → Stable |

## 30-60 DAY OUTLOOK

| | |
|---|---|
| **RED** | Houthi attacks have escalated sharply: a 12 Aug strike killed six in Bab al-Mandeb (first fatalities there in a year, alongside a declared blockade), and Houthis claimed a fresh strike on a Saudi tanker off Yanbu on 24 Aug. A breakdown of the US-run Hormuz corridor or a Bab al-Mandeb closure would send rates and insurance costs sharply higher again. |
| **AMBER** | The US southern Hormuz corridor is moving ~10m bbl/day (about half pre-war volume) but is not a formal reopening - it rests on continued US naval control, not a peace settlement; Iran-Oman talks remain stalled, with Iran's IRGC setting its own conditions. |
| **GREEN** | Brent has eased back to the low $90s after testing ~$96 in mid-August; Ocean WCI has climbed to $4,526/40ft, though still below its 9 Jul peak. Xeneta's FY26 air rate forecast of +5% to +15% remains the most concrete quantified range for Q3-Q4 planning, and global air rates have broadly plateaued per TAC Index. |

## 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.
- Consider multimodal or alternative routing on India-Europe/US and Red Sea-adjacent lanes, where surcharges and security risk remain elevated.
- Build a cost buffer into Q3-Q4 planning - current signals point to sustained, not temporary, elevation.
- Track both the US-run Hormuz corridor and Bab al-Mandeb/Red Sea security weekly - these, not diplomacy, are now the biggest swing factors for Q4 rates.

**Prepared:** 24 August 2026, for internal review.

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