TP report for June

	Summary	*Supplement*
TP News		**Source: enews@gccports.com, S&P Global**
1	**Container peak season arrives early as freight rates skyrocket**	Drewry's World Container Index jumps 23% in one week driven by Transpacific and Asia – Europe Container shipping rates are surging as lines roll out a flurry of peak season surcharges (PSS). The Drewry World Container Index (WCI) was up 23% at $3,433 per feu on 4 June compared to $2,800 per feu a week earlier driven by increases on the Asia – Europe and Transpacific trades. "Drewry has received confirmation from multiple sources that this year's peak season began earlier than usual, which is supporting stronger demand and higher freight prices," the analyst said in its weekly assessment. On the Transpacific trade the Shanghai – Los Angeles route reported a 31% increase week-on-week to $4,565 per feu. On the Asia – Europe trade Shanghai to Rotterdam saw a 25% jump in freight rates week-on-week to $3,579 per feu. The sharp upturn in freight rates could already be seen happening a week earlier with the Shanghai Containerized Freight Index (SCFI) up 16% at 2571.73 points on 29 May. Fluctuations in rates on the SCFI and WCI often track around a week apart and we will update the SCFI index for 5 June when it is announced later in the day. On the Transpacific Drewry commented, "Carriers successfully implemented PSS on Transpacific eastbound trade route starting this month. With peak season now underway and seasonal demand strengthening through June." On Asia – Europe lines have announced a slew of peak season surcharges (PSS) in recent weeks with CMA CGM rolling a $500 per teu on Asia – North Europe from 1 June, and MSC announced a new base rate for Asia – North Europe of $3,900 per teu and $6,000 per feu from 15 June until further notice but not beyond 30 June. Meanwhile Hapag-Lloyd and Maersk have announced further PSS on the Asia–Europe trade route, effective 8 June and 10 June, ranging from $300–$500 per 20ft container and $600–$1,000 per 40ft container. Drewry said it expects further freight rate rises in coming weeks on both Asia – Europe and the Transpacific. In a report on AP Moller – Maersk issued on 4 June HSBC Global Investment Research commented, "Container shipping markets have entered an early peak season with momentum that looks set to persist through the peak season, as front loadings, port congestion, and liners capacity management tighten available capacity. The SCFI has surged for five consecutive weeks to its highest point since Sept 2024, as carriers successfully implemented 1 June GRI/FAK hikes and PSS." The demand and supply balance is in carriers favour with very limited spare capacity in the market. In its 26 May weekly report Alphaliner said the idle fleet had stood at "historically low levels" over the previous two weeks. The idle fleet stood at just 0.6% of global fleet capacity of 31.4 million teu with just 59 ships idle with a combined capacity of 189,285 teu. Over the previous two weeks to the 26 May report lines brought 21 ships back into service with a capacity of 46,542 teu.
2	**Port of Long Beach Posts Third-Busiest May on Record as Imports Surge 40%**	The Port of Long Beach handled 842,030 twenty-foot equivalent units (TEUs) in May, marking its third-busiest May on record and a sharp rebound from the tariff-driven slowdown that weighed on cargo volumes a year ago. The Southern California gateway reported a 31.7% increase in overall cargo volumes compared to May 2025, driven by a surge in imports as retailers continued to front-load shipments amid ongoing trade policy uncertainty. Imports climbed 40% year-over-year to 418,851 TEUs, while exports increased 32.9% to 109,168 TEUs. Empty container movements rose 21.8% to 314,012 TEUs. The strong performance partly reflects favorable comparisons with last year's tariff-driven slowdown, when tariffs and trade uncertainty sharply reduced cargo volumes. In May 2025, Long Beach processed just 639,160 TEUs, an 8.2% decline from the previous year as importers pulled back shipments following the Trump administration's "Liberation Day" tariff announcements and subsequent disruptions to global trade flows. ILWU Local 13 President Mario "Moe" Medina joined Port of Long Beach CEO Dr. Noel Hacegaba in announcing the latest cargo figures. Year-to-date, the port has handled 4,050,247 TEUs through the first five months of 2026, essentially matching last year's pace and remaining on track with its busiest year on record. Volumes are up 0.2% compared to the same period in 2025. The latest numbers align with forecasts from the National Retail Federation's Global Port Tracker, which projected stronger containerized imports during the first half of 2026 as retailers accelerate shipments ahead of potential tariff changes and rising transportation costs. According to the June Global Port Tracker report, U.S. ports are benefiting from favorable comparisons to last year's tariff-related slowdown, while many importers continue pulling cargo forward to avoid possible cost increases later this year. "We have increased our outlook for June cargo volume as retailers bring forward their peak season cargo," Hackett Associates Founder Ben Hackett said in the report, citing concerns over higher shipping costs, fuel prices, and potential tariff changes. The report projects U.S. container imports to remain elevated through June before softening later in the summer as inflation concerns and economic uncertainty weigh on demand. While Long Beach's May results suggest import activity remains resilient, industry forecasters continue to expect a more challenging environment in the second half of 2026. Global Port Tracker forecasts year-over-year declines in July, August, and September volumes at major U.S. ports as the effects of front-loading fade and retailers adjust inventories. For Long Beach, the latest results mark a significant turnaround from the cargo declines experienced during the tariff disruptions of 2025 and reinforce expectations that the traditional peak shipping season may arrive earlier than usual this year.
3	**Container freight rates continue march northwards**	Container lines' turnaround in fortunes continues as Red Sea diversions lengthen lead times and retailers prepare for major sales events. The Shanghai Containerized Freight Index (SCFI) enjoyed another strong week up 9.5% on 6/12 at 2,985.22 points. This follows a 6% increase for the week ended 5 June, and a 16% jump on the week ended 29 May. Drewry's World Container Index (WCI) also continued to move northbound with a 3% rise to $3,549 per feu on 11 June, having jumped a massive 23% for the seven-day period ended 4 June. While as if often the case SCFI and WCI grow somewhat out of step with each on a week-by-week basis both show a strong overall upward trend. Freight rate growth on the Asia – Europe reported Drewry was higher than the overall WCI with Shanghai – Rotterdam up 5% at $3,768 per feu. Growth on Transpacific matched overall WCI with Shanghai to Los Angeles increasing 3% to $4,683 per feu. In terms of demand on Transpacific Drewry noted: "Demand is supported by shippers bringing forward bookings ahead of potential US tariff changes expected in July and additional cargo demand linked to the 2026 FIFA World Cup." On a wider level across the East – West trades the peak season is seen as arriving early this year with diversions via the Cape of Good Hope by major lines remaining a factor. "Continued Red Sea diversions are extending transit times and encouraging importers to place orders earlier to ensure cargo arrives ahead of the traditional peak season," Drewry said. Retail trends are another factor and the analyst noted, "Retailers are also replenishing inventories earlier than normal in preparation for major sales events, including Amazon Prime Day and TikTok's mid-year promotions in June and July." Geopolitical tensions in the Middle East and closure if the Strait of Hormuz to the majority of traffic is increasing fuel costs and bunker surcharges which in turn push up freight rates.
4	**Chinese Oil Imports May Never Fully Recover From Iran War**	(Bloomberg) — Chinese oil imports may never fully recover from the Iran war, with analysts saying the conflict accelerated a permanent shift away from fuels like gasoline and diesel. Rystad Energy estimates that 200,000 to 600,000 barrels a day of transportation demand lost during the conflict from the world's biggest crude importer may not return this year. Energy Aspects Ltd. puts the permanent loss at about 300,000 barrels a day. China's crude imports will fall by 3.3 million barrels a day this quarter from a year earlier, according to FGE NexantECA, as supply disruptions coincide with a halt in stockpiling, run cuts and a ban on fuel exports. While much of that decline is down to slower stockpiling activity, losses in transport fuel demand are likely to be more durable. Imports of crude averaged around 12.6 million barrels a day in February. The spike in oil prices in the early stages of the war looks to have accelerated the electrification of China's transport fleet. Registrations of fully electric vehicles accounted for almost 42% of the total in April, from around 38% in March, according to the China Automotive Technology and Research Center. Prices for new and used gasoline cars have also slumped as the oil shock from the conflict cooled demand. "Consumer behavior can be a bit sticky," said Lin Ye, the vice president of oil markets at consultancy Rystad Energy. "For those who shifted to electric cars during the war, there might be little reason to switch back unless fuel prices becomes substantially cheaper." The war has also exposed how much of China's oil demand had been driven by stockpiling rather than consumption. While inventory buying could return as Middle Eastern supplies recover, demand lost to electrification is unlikely to come back, potentially leaving China less able to absorb surplus barrels. The implications extend far beyond China. Long viewed as the oil market's buyer of last resort, the country helped cushion one of the largest supply shocks in decades by curbing imports and consumption during the war. As Middle Eastern crude returns, the extent to which Chinese buyers re-enter the market could become a key determinant of global oil prices. Part of the crude demand recovery could come from renewed stockbuilding, higher refinery runs and potentially looser fuel export curbs. Industry consultant JLC said that Beijing is likely to ease wartime restrictions on fuel exports, with about 17 million tons of quota still available this year, paving the way for gasoline and diesel shipments to return toward pre-war levels. Beijing would probably only rebuild inventories if crude falls to about $65 to $70 a barrel, FGE NexantECA Chairman Emeritus Fereidun Fesharaki said in a Bloomberg Television interview this month, noting that strategic and commercial reserves still cover roughly 100 days of demand. The International Energy Agency expects China's average oil demand this year to go down by 360,000 barrels a day, the "first significant annual drop" since the oil crises of the 1970s and early 1980s, it said in its monthly report in June. It appears that utilization of EVs has risen substantially since the increase in oil prices, and there are indications that EV charging in cities is also accelerating, the agency said. "There will be a number of people that find electric vehicles more attractive than previously, and you will have a slight uptick in terms of switching," from gasoline and diesel fuel, said Rogan Quinn, a senior analyst at Rhodium Group. "This is primarily a trend that coincided with the conflict and then was exacerbated by the conflict."
Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**MSC smashes liner market share record**  	Mediterranean Shipping Company (MSC) has broken the all-time record for market share held by a single containerline, reaching 21.5% of total global container capacity in May – a milestone no carrier has come close to achieving in the history of the industry, according to Alphaliner data. The only previous benchmark worth comparing was Maersk's 19.3% share in 2018, itself a product of the Danish carrier's aggressive consolidation drive. MSC has now surpassed that by more than two percentage points and, as of Alphaliner's latest ranking on June 9, has extended its fleet to 7.329m teu and 21.6% of the global market. MSC has effectively doubled its share since 2010. The Swiss line's ascent from a strong but conventional number-two position to structurally dominant market leader was built on a strategy that its peers chose not to match: turning pandemic-era cash generation into hard assets at a pace and scale the container sector had never seen. MSC began its buying spree in August 2020, acquiring secondhand tonnage from non-operating owners as rivals debated capital discipline. By November 2025, Splash put the cumulative secondhand tally at 461 ships. Alongside that, its newbuilding programme delivered 54 vessels totalling 695,185 teu in 2025 alone, pushing total capacity additions that year to 831,400 teu – fleet growth of 11.7% in a single twelve-month period, compared with 7.3% across the top 12 carriers combined. The fleet accumulation was the means, not the end. When MSC and Maersk announced the dissolution of their 2M alliance in January 2023, with an exit date set for February 2025, MSC used the intervening two years to build for life without alliance cover. Its standalone east-west network, unveiled in September 2024 and launched the following February, offered 34 loops across five trades with both Suez and Cape of Good Hope routings. A slot-exchange agreement with the Premier Alliance on Asia-Europe trades gave it cooperative reach without dependency. MSC's own assessment was unambiguous: it had, it said, "the fleet size and strength to operate as an alliance-free carrier." The vertical dimension of MSC's expansion has been equally deliberate. It raised its stake in terminal operator TiL to 60% in 2019, acquired Brazil's Log-In Logistica in 2021, completed the €5.7bn purchase of Bolloré Africa Logistics in 2022 – later rebranded AGL – and secured a minority stake in Hamburg's HHLA in 2024. The combined effect was to extend MSC's influence from the quayside through inland logistics networks in Europe, Latin America and Africa, tightening its grip on cargo flows at both ends of the chain. Rivals pursued markedly different strategies. Maersk, for instance, deepened its integrator model and forged the Gemini Cooperation with Hapag-Lloyd, prioritising reliability over raw capacity growth. The concentration story extends beyond MSC alone. The 10 largest container carriers collectively held 84.8% of global capacity in January 2021, an all-time high reached as the major lines proved uniquely placed to capitalise on pandemic disruptions. Nearly 500,000 teu in newbuilding tonnage was delivered to those same ten carriers in the five months from December to April this year, pushing their combined share to 84.7% of the total market at end-May – just 0.1 percentage points short of the all-time record, according to Alphaliner.
2	**MSC taking stake in Hapag-Lloyd dismissed as 'fairy tale'**	Maersk and Hapag-Lloyd were both quick to respond to enquiries about MSC's interest in acquiring a stake in the German carrier, saying they did not respond to rumours. MSC denied that their owner was ready to splash the cash on another carrier, denying the story altogether to Reuters, after the story was published in a German language report in Manager Magazin. "Looks more like a fairy tale than a true story," noted one observer close to Hapag-Lloyd. Chilean liner operator CSAV and Klaus-Michael Kühne, a billionaire businessman and part owner of Lufthansa and a majority shareholder, said to be more than 53%, in logistics company Kühne+Nagel, both are 30% shareholders in Hapag-Lloyd.
3	**Zim appoints new CEO with non-shipping background**	Zim has announced Dr. Chen Lichtenstein as its new President and CEO as the NYSE-listed continues to move forward on a merger with Hapag-Lloyd. Lichtenstein will take over from Eli Glickman on 1 July, who announced he was standing down from the role on 15 April. Lichtenstein has a diverse background of non-shipping related senior management roles. Between 2020 and 2023 he was CFO for agri-tech company Syngenta having previously been the CEO of ADAMA prior to its merger with Syngenta in 2020. Earlier in his career he worked as an investment banker for Goldman Sachs. Yair Seroussi, Chairman of Zim's board, stated, "Dr. Chen Lichtenstein is a highly experienced top-tier international executive, with a unique combination of extensive managerial experience, financial depth, strategic insight, and the ability to lead complex global organizations. His broad experience in managing international companies, working with global markets, shareholders, and boards of directors, together with his judgment and experience in leading transformation and integration processes, make him the right executive to lead ZIM at this time." Zim is currently pursuing a merger deal with deal with Hapag-Lloyd and its shareholders have approved the $4.2 billion deal which still requires regulatory approvals. It is not clear what Lichenstein's role would be post-merger, if the deal completes. Lichtenstein, commented, "I thank Zim's Board of Directors for its confidence and for the opportunity to lead a global Israeli company with a meaningful legacy, growth and business success, broad international operations, and outstanding people. ZIM operates in a dynamic, competitive, and complex market, and I attach great importance to maintaining the Company's stability, strengthening its performance and business capabilities, and continuing to create value for customers, employees, partners, and shareholders."

4	**MSC returns to megaship ordering with up to 20 new giants**	Mediterranean Shipping Co (MSC) has returned to the newbuilding market in a big way, with the world's largest containerline understood to have placed an order for up to 20 ultra-large containerships at China's Hengli Heavy Industry. According to MB Shipbrokers, the Geneva-headquartered liner operator has signed for a series of 20,000 teu LNG dual-fuel vessels comprising a firm order with options that could take the total to as many as 20 ships. If confirmed, it would represent MSC's first major newbuilding order of the year and one of the largest containership contracts placed in 2026. The vessels are expected to be delivered from the first half of 2029 onwards, extending MSC's already substantial orderbook at Hengli, one of China's fastest-growing shipbuilders. Neither MSC nor Hengli has publicly confirmed the order.

TP Trend forecasts

1	From the perspective of Carrier, the primary goal is to improve profitability by leveraging the momentum of the past two months. Therefore, there is a 50% chance that on July 1st, there will be a further increase of 800-1500/40HQ. Even if it rises by $1500 and falls by $1000, the Carrier will still make a profit with a final increase of $500. Once the TP price drops, it will first drive a price reduction in Europe within half a month, and then drive a price reduction across all routes within one month, which is something that all Carriers do not want to see.
2	Carrier and BCO PENDING BOOKING have not been released yet. These bookings can be fully loaded and are expected to last for 1-2 voyages. Secondly, there is dynamic adjustment of FIX ratio.
3	Christmas goods are too early, tariffs are not significantly favorable, the demand for World Cup restocking is very small, shipping costs are high, transportation capacity is abundant, strong CPSC supervision affects some products, and e-commerce goods inspection rates remain high: the turning point in the TP has arrived. It's only a matter of time before rates turn downwards.