TP report for April

	Summary	Supplement
TP News		**Source: enews@gccports.com, S&P Global**
1	**US Trade Deficit Widens in February As Imports Offset Record Exports**	WASHINGTON, April 2 (Reuters) - The U.S. trade deficit widened in February as a rebound in imports offset strong growth in exports, which increased to a record high, potentially keeping trade on track to subtract from economic growth in the first quarter. The trade gap increased 4.9% to $57.3 billion, the Commerce Department's Bureau of Economic Analysis and Census Bureau said on Thursday. Data for January was revised to show the deficit narrowing to $54.7 billion instead of $54.5 billion as previously estimated. Economists polled by Reuters forecast the trade deficit rising to $61.0 billion in February. The BEA and Census Bureau are still catching up on data releases following last year's government shutdown. Trade data continues to be volatile amid shifting policy. The U.S. Supreme Court in February struck down President Donald Trump's broad tariffs, which he pursued under a law meant for use in national emergencies. Trump, however, responded by imposing a global tariff for up to 150 days. Trump has defended the tariffs as necessary to address the trade deficit and revive the nation's industrial base, though 100,000 factory jobs have been lost since January 2025. Economists expect the U.S.-Israeli war with Iran, which has led to shipping restrictions impacting goods ranging from energy products to fertilizers through the Strait of Hormuz, to reduce trade volumes. Imports increased 4.3% to $372.1 billion in February. Goods imports rose 5.0% to $291.5 billion. They were boosted by imports of capital goods, which increased $7.8 billion, mostly reflecting computers, computer accessories and semiconductors. These imports are likely linked to artificial intelligence and the construction of data centers. Imports of industrial supplies and materials increased $3.1 billion, mostly lifted by crude oil. Consumer goods imports rose $2.2 billion amid a $1.0 billion increase in pharmaceutical preparations. Imports of automotive vehicles, parts and engines increased $1.6 billion. Exports jumped 4.2% to a record high $314.8 billion. Goods exports soared 5.9% to an all-time high of $206.9 billion. Exports of industrial supplies and materials increased $10.2 billion to a record high, driven by monetary gold and natural gas. Exports of non-petroleum goods were also the highest on record. The goods trade deficit widened 3.0% to $84.6 billion in February. When adjusted for inflation, the goods deficit increased $0.5 billion, or 0.6%, to $83.5 billion. Trade subtracted from gross domestic product growth in the fourth quarter. The Atlanta Federal Reserve is forecasting GDP increasing at a 1.9% annualized rate in the first quarter. The economy grew at a 0.7% pace in the fourth quarter.
2	**On April 2, 2026, the United States announced further adjustments to its tariff policies on imported steel, aluminum, and copper products. The following is an integrated interpretation with detailed rules:**	Core Changes: I. Tariff Calculation Method for Steel, Aluminum, Copper, and Their Derivatives The original method, which allowed tariffs to be calculated based on the declared steel/aluminum content separately, has been adjusted to a "full-value basis of the product." Specific application rules are as follows: 50% Full-Value Ad Valorem Tariff - Applies to products made entirely or almost entirely of steel, aluminum, or copper. 25% Full-Value Ad Valorem Tariff - Applies to derivatives made of steel, aluminum, or copper. 15% Weight as the Key Threshold - For derivative products whose HS codes do not fall under Chapters 72, 73, 74, or 76 (i.e., non-base metals): If the combined weight of steel, aluminum, or copper is > 15% of the total product weight, a Section 232 surtax will be imposed. If the combined weight is < 15% of the total product weight, the Section 232 surtax is exempt. II. Industrial / Grid Equipment (Transitional Preferential Period) Applicable during the period from April 6, 2026, to December 31, 2027: If the base tariff rate of the product is < 15%: An additional Section 232 tariff of 15% applies. If the base tariff rate of the product is >15%: No additional Section 232 tariff applies. Effective January 1, 2028: The standard tariff rate of 25% is reinstated. Effective Date: Starting from 00:01 EDT on April 6, 2026, for goods entering consumption or withdrawn from warehouses for consumption. These changes are favorable for exports of steel-type products from the northern region. However, due to the impact of 5H inspections, whether customers will rapidly increase bookings remains to be seen.
3	**Container Rates Rise Again as Fuel Costs, Hormuz Uncertainty Ripple Through Global Trade**	Container spot rates edged higher this week, with mounting fuel costs and continued uncertainty around the Strait of Hormuz beginning to reshape pricing dynamics across key trade lanes. Drewry's World Container Index (WCI) rose 1% to $2,309 per 40-foot container, driven primarily by gains on Transpacific and Transatlantic routes—even as Asia-Europe pricing softened. The biggest surprise came on the Transatlantic, where Rotterdam-New York rates jumped 25% to $1,968 per container, breaking from the lane's typical stability. Drewry attributed the spike to a 13% month-over-month drop in available capacity for April, tightening supply in a market that rarely sees sharp moves. On the Transpacific, rates continued their upward climb. Shanghai-New York rose 7% to $3,671 per 40-foot box, while Shanghai-Los Angeles increased 9% to $2,910. Carriers are now actively pushing for further increases, citing rising operating costs tied to the Middle East crisis. A.P. Moller - Maersk has moved to introduce an emergency bunker surcharge, seeking U.S. regulatory approval to bypass the standard 30-day notice period. The proposed fees—$200 per TEU on head-haul and $100 on backhaul shipments—highlight how volatile fuel markets are quickly feeding into freight pricing. Meanwhile, Asia-Europe rates moved in the opposite direction. Shanghai-Genoa fell 3% to $3,420, and Shanghai-Rotterdam dropped 9% to $2,308. Capacity on the lane appears relatively stable, with only one blank sailing scheduled for next week. The broader backdrop remains dominated by the fragile situation in the Strait of Hormuz. While a temporary two-week ceasefire has allowed limited shipping activity to resume, operations remain tightly controlled. Vessels are being required to coordinate transits with Iranian authorities, with no clear guidelines and reports of potential transit fees adding further friction. As a result, carriers are prioritizing the clearance of vessels already stranded inside the Persian Gulf rather than committing new ships to the region. At the same time, disruptions to oil flows—roughly 20% of global supply typically moves through the strait—are continuing to constrain bunker fuel availability. That pressure is now feeding directly into container shipping costs, with Drewry warning that elevated fuel prices and operational uncertainty are likely to keep freight rates trending higher in the weeks ahead.
4	**Six-Week Container Spot Rate Rally Runs Out of Steam (4/16)**	The six-week rally in global container freight rates has come to an end, with the latest reading from the Drewry World Container Index (WCI) showing a 3% decline to $2,246 per 40-foot container. The pullback follows a sharp run-up driven by rising bunker fuel costs in the wake of late-February disruptions tied to the Middle East conflict. After weakening through January and early February, rates surged as oil markets reacted to supply shocks linked to instability around the Strait of Hormuz. That momentum has now reversed. Across the major east-west trades, spot rates softened. Shanghai-New York rates fell 3% to $3,552 per FEU, while Shanghai-Los Angeles dropped 3% to $2,810. Drewry said carriers are already moving to manage capacity on the Transpacific, with nine blank sailings scheduled for next week. At the same time, some lines have announced Peak Season Surcharges (PSS) of roughly $2,000 per container effective May 1, suggesting an effort to stabilize pricing ahead of the summer shipping season. On Asia-Europe routes, the trend was similarly weaker. Rates from Shanghai to Rotterdam declined 3% to $2,229 per FEU, while Shanghai to Genoa slipped 2% to $3,343. Unlike the Transpacific, capacity discipline has been more limited, with only one blank sailing announced so far—pointing to looser supply conditions on the trade. Additional cost pressures may still be building beneath the surface. Israeli carrier ZIM Integrated Shipping Services has announced a new bunker factor of $850 per container effective May 1, reflecting elevated fuel costs that could filter back into freight pricing. For now, Drewry expects rates to remain relatively stable in the near term, with volatility likely subdued until the new surcharges take effect. But the broader geopolitical backdrop continues to cast a long shadow over the market. The U.S.-led naval blockade targeting Iranian-linked shipping has disrupted vessel movements across the Gulf, with multiple ships reportedly turned back. The resulting strain on global oil supply chains has pushed energy prices higher—raising operating costs for carriers and increasing the risk of further supply chain disruptions. Drewry warned that if negotiations fail to ease tensions, shippers should brace for deteriorating schedule reliability, potential port omissions, longer transit times, and renewed upward pressure on freight rates.
5	**Port of Long Beach Outpaces Rivals as Tariffs and War Risks Cloud Outlook**	The Port of Long Beach emerged as the busiest seaport in the United States through the first quarter of 2026, even as cargo volumes eased from last year's record pace and global supply chain risks continue to build. Dockworkers and terminal operators at Long Beach handled 774,935 TEUs in March, down 5.2% compared to the same month in 2025. The decline comes against a strong baseline, with last year marking a record period for cargo movement at the port. Imports slipped 1.6% to 374,412 TEUs, while exports edged up 0.5% to 104,554 TEUs. Empty containers saw the sharpest drop, falling 11.1% to 295,970 TEUs. Through March, the port processed 2,390,225 TEUs, a 5.7% decrease from the first quarter of 2025—but still enough to lead all U.S. ports. "While not our strongest month on record, we handled nearly 775,000 TEUs, making us the busiest gateway in North America," said Port of Long Beach CEO Noel Hacegaba during the port's monthly media briefing. Volumes Hold—For Now Despite escalating tensions in the Middle East and severe disruption to shipping through the Strait of Hormuz, Long Beach has yet to see a direct impact on container volumes. "Despite these global pressures, the conflict has not yet reduced cargo volumes at the Port of Long Beach," Hacegaba said. Instead, he pointed to tariffs, shifting shipment timing, and comparisons to last year's surge as the primary drivers behind the modest decline. But the port is watching developments closely. "When ships are being rerouted to avoid conflict zones, it sets off a chain reaction," Hacegaba said. "Cargo has to move differently. Routes get longer. Costs go up. And ultimately, consumers pay more." Across the channel, the Port of Los Angeles is tracking a similar pattern. The port handled 752,520 TEUs in March, down 3% year-over-year, bringing first-quarter volumes to 2,388,843 TEUs—essentially in line with its five-year average. "Even with the seasonal slowdown tied to Lunar New Year, cargo flow in March was solid," said Executive Director Gene Seroka, who pointed to tariff uncertainty, inflation, and rising fuel costs linked to the Middle East conflict as key headwinds shaping cargo flows.
6	**New Maritime Law officially effect on May 1, 2026**	The newly revised Maritime Law will officially come into effect on May 1, 2026. The responsibility determination for "unmanned pickup at the destination port" in Article 93 has been significantly transferred: costs and risks will be directly traced back to the "booking party". For foreign trade export and overseas exhibition companies, this means that 'whoever books the shipment, whoever holds the bottom line'. Foreign trade companies/exhibitors directly book shipping with the shipping company, and as the contracted shipper, they need to bear the corresponding costs; Entrusting a freight forwarder to book a shipment with the shipping company in the name of the freight forwarder, with the freight forwarder as the contracted shipper (with priority to the shipping company), but the freight forwarder will later pursue compensation from the principal (foreign trade company/exhibitor) based on the agency agreement; Under FOB terms, the overseas buyer designates a freight forwarder to book the shipment, and the buyer (or its designated freight forwarder) is the contracted shipper. The direct risk for the domestic exporter is relatively small

7	**FMC Judge Orders OOCL to Pay $45.6 Million in Landmark Bed Bath & Beyond Shipping Case**	Three years after bankrupt retailer Bed Bath & Beyond accused Orient Overseas Container Line of auctioning off contracted vessel space to higher-paying cargo during the pandemic supply chain crisis, a Federal Maritime Commission administrative law judge has ordered the carrier to pay more than $45.6 million in reparations in a closely watched ruling with potentially broad implications for ocean shipping contracts. In a 203-page initial decision issued April 24, Chief Administrative Law Judge Erin Wirth found OOCL violated multiple provisions of the Shipping Act, siding with claims brought by the retailer's bankruptcy estate following Bed Bath & Beyond's 2023 Chapter 11 filing and liquidation. The ruling awarded $45.6 million in reparations, well below the $165 million sought, but significant nonetheless for what it says about carrier obligations under service contracts during periods of extreme market disruption. The judge found violations tied to unreasonable practices surrounding service commitments, service not provided in accordance with contract terms, retaliation, and refusal to deal, while rejecting separate claims involving detention and demurrage. The decision marks a remarkable turn in one of the earliest and most prominent shipper complaints to emerge from the pandemic freight boom, when importers accused carriers of prioritizing soaring spot rates and premium surcharges over long-term service commitments. At the heart of the case was whether carriers could effectively sideline contract obligations when supply chains were under stress and freight markets overheated. The FMC's decision says no. Citing long-standing FMC precedent, Wirth found ocean carriers must equitably apportion available space among contract customers even when demand exceeds supply, concluding OOCL's conduct crossed into unlawful territory. "The evidence shows that OOCL did not make a good faith effort to make available to BBBY the space which it had promised," the decision states, finding the carrier's space allocation practices failed to reasonably allow the retailer to use contracted capacity while steering cargo toward higher-priced alternatives. Bed Bath & Beyond alleged in its original 2023 complaint that OOCL provided only about 70% of contracted capacity in 2020 and just 52.9% during part of 2021-22, forcing the retailer into the costly spot market as it struggled financially ahead of bankruptcy. The ruling also carries potentially broader implications for the treatment of service contracts under the Shipping Act. OOCL had argued many claims amounted to breach-of-contract allegations outside the Commission's authority. The judge rejected that view, finding the dispute raised broader statutory questions about unreasonable practices and carrier conduct squarely within FMC jurisdiction. Because the ruling is an initial decision, it remains subject to Commission review and possible appeal. But it already stands as one of the most consequential private Shipping Act cases in recent years – and a notable signal from the FMC that pandemic-era market chaos did not suspend carriers' contractual obligations.
Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**COSCO buy the space from ONE PS1**	COSCO will purchase cabin space on the Japan US West Coast "PS1" route operated by ONE, sell 400 TEUs (cargo weight limit of 10.5 tons) of cabin space to COSCO Shipping for each complete voyage, and provide 35 refrigerated container plugs. COSCO SHIPPING will operate this route under the name "JPSW" to the outside world. The port of call sequence is: Kobe Nagoya Tokyo Los Angeles Auckland Tokyo Kobe
2	**Zim president and CEO Glickman announces departure**	Zim announced that its president and CEO Eli Glickman informed the board of directors on 15 April that he had decided to leave the company. Glickman will continue to serve as CEO throughout his six-month notice period and the board will begin searching for his successor, the company said in an SEC filing. The announcement follows a busy year for the CEO and the shipping line. Last month, Glickman sold Zim shares worth a total of around $40m, with other senior Zim management also offloading stakes in the company. The shares sold were all below the $35 offered under Hapag-Lloyd's proposed buyout of Zim, which came after a period of market rumours. The German line announced in February its plans to acquire 100% of the shares in New York-listed Zim in a $4.2bn deal structured to appease interests in Israel. The deal would create a new shipping line to hold Zim's brand, 16 ships serving Israeli routes, and the Israeli government's golden share in the company – Hapag-Lloyd would acquire the rest, including charters for 99 vessels. Zim has scheduled a special general meeting on 30 April when shareholders will vote on the merger proposal. The Hapag-Lloyd offer is the first firm development after a prolonged period of speculation over the line's future ownership, including a privatisation bid in August 2025 led by Glickman and Ray Shpping chairman Abraham Ungar. The failed buyout eventually led to the appointment in December 2025 of two new board members to appease a group of dissident shareholders concerned about a management-led buyout of the company.
3	**Cosco Shipping Energy Transportation Q1 profits up 207%**	In the first quarter of 2026 Cosco Shipping Energy Transportation reported a net profit of RMB2.17 billion ($310 million) up 206.7% year-on-year. Operating revenues for the company were RMB 7.3 billion, a year-on-year increase of 26.9%. Cosco Shipping Energy Transportation's oil tanker segment reported operating revenue of RMB6.38 billion, representing a year-on-year increase of 28.3%. The group's international oil shipping business reported a gross profit of RMB 2.24 billion. with a increase of 317.6%; the domestic oil shipping business realized gross profit of RMB450 million with a growth of 34.9%. Crude oil tanker freight rates were already strong the first two months of 2026 and soared to record levels in March following Iran's closure of the Strait of Hormuz. The group's LNG shipping business reported cumulative operating revenue of RMB733 million, representing a year-on-year increase of 18.8%, which contributed RMB238 million in net profit, up 16.5%. It's LPG shipping business cumulatively realised a gross profit of RMB24 million, increasing 60.43%; the chemical transportation business reported a gross profit of RMB12 million, a decrease of 17.7%. "Faced with risks and challenges brought about by geopolitical events, the Group coordinated and responded flexibly and maintained orderly operation of all business segments and stability and controllability of the overall operations," stated the company. In the oil shipment business, Cosco Shipping Energy Transportation implemented flexible route adjustments and dynamic capacity allocation to ensure smooth operation of transportation services. All existing LNG shipping businesses have long-term time charter contracts, ensuring strong revenue security and immunity from short-term geopolitical events, while LPG shipping businesses are operating normally during the first quarter. "The Group pays close attention to the changes in the situation in the Strait of Hormuz, and takes effective measures to ensure the safety of ships' anchoring and operation, ensure adequate supplies for the fleet, and maintain the stability of the crew," said Cosco Shipping Energy Transportation.
4	**PIL and PSA launch Singapore's first green transhipment shipping service**	Pacific International Lines (PIL) and PSA International (PSA), supported by DNV, announced the launch of Singapore's first joint land-sea green value-added service for transhipment cargo, aimed at enabling shippers to cut Scope 3 emissions. The service will allocate verified carbon reductions generated using lower-carbon fuels across shipping, port and landside operations, giving cargo owners a mechanism to secure measurable emissions savings across the logistics chain. Trials are scheduled to begin in May. The new green shipping service follows a Memorandum of Understanding signed in March 2025 between the three parties to develop emissions measurement and reporting frameworks for the maritime sector. PIL will generate emissions reductions within its shipping value chain through vessel deployment, fuel selection and voyage execution, while PSA will integrate terminal and landside operations to extend emissions reductions across end-to-end supply chain activities. DNV provides digital infrastructure to standardise data flows and independently verify emissions data, supporting allocation and transparency of reductions. "PIL is advancing maritime decarbonisation by leveraging carbon in setting as a practical and impactful lever within our own value chain. By investing in initiatives that directly reduce or remove emissions across our operations, PIL ensures that emissions reductions are real, measurable, and closely tied to our business activities. This approach not only accelerates progress toward our climate targets but also enables customers to access lower-carbon shipping solutions," said Lionel Patrice Chatelet, chief commercial officer at PIL "Our collaboration with PIL and DNV marks an important step in advancing low-carbon initiatives to support the decarbonisation of maritime supply chains and strengthen Singapore's position as a hub for sustainable maritime and low-carbon energy solutions," added Eddy Ng, group head of operations, technology and sustainability at PSA International. "This initiative is a strong example of how a trusted data ecosystem can deliver real value across the maritime value chain. When shipowners, ports, and cargo stakeholders are connected through standardised, verifiable data, emissions reductions can be measured, shared, and applied with confidence. At DNV, we see this as a key step in enabling transparency and trust at scale – helping the industry move from ambition to measurable impact," said DNV executive director, Mikkel Skou.
TP Trend forecasts		
1	In early May, the USWC base port remained unchanged for most carriers, while the USEC and IPI increased by $50- $200	
Carrier indications for fixed levels		
1	In terms of the new 2026 FIX contract in May, there is a high probability of a 0- $200/40HQ increase in the FIX rate for 26-27 compared to 25-26. Considering the resolution of fuel and other filing issues, as well as the increase in FIX costs, FAK also needs to maintain a corresponding price difference, so it is possible for FAK to make a corresponding increase. However, whether the market can support it remains to be seen. It is highly likely that after a collective increase in FAK, there will be a gradual decline, and then the open FIX will be the main theme.	