TP report for May

	Summary	Supplement
TP News		**Source: enews@gccports.com, S&P Global**
1	**Ningbo-Zhoushan port posts double digit growth in Q1**	Ningbo-Zhoushan port logged year-on-year increases in both cargo and container throughput in the first quarter. Against the backdrop of intricate global geopolitics and a shifting international trade landscape, Ningbo-Zhoushan's port sector has secured a solid opening for the year with steady production and infrastructure development. At Ningbo-Zhoushan Port, total cargo throughput amounted to 370 million tons, rising by 4.1% year-on-year. Container throughput stood at 11.55 million teu, representing a 14.7% year-on-year growth. During the first quarter, the throughput of iron ore and crude oil each surpassed 10 million tons, greatly bolstering the stability of industrial and supply chains across the Yangtze River Delta. Commodities for daily needs such as coal and grain were delivered in a well-organized and efficient manner. A total of 80,000 vehicles were shipped out via international ro-ro services in Q1, marking a sharp year-on-year surge of 96.1%. This strong momentum further facilitates the export of China's three major new strategic export categories. The port handled 507,000 teu via sea-rail intermodal transport in the quarter, reflecting a 5.6% year-on-year growth. The port said significant progress had been made in green port development: LNG bunkering infrastructure has been expanded, and East China's first cross-border bonded biofuel bunkering service has been launched. The volume of bonded fuel oil bunkering reached 261,000 tons, climbing 25.5% compared with the same period last year.
2	**9H inspection officially launched in full**	The wave of returns caused by the 5H inspection has not yet subsided, and the US Customs and Border Protection (CBP) has released another big move - the 9H inspection has officially been fully launched, and the regulatory focus has completely shifted from "inspection of goods" to "inspection of people". At the end of April, the veteran guarantee company Roanoke took the lead in tightening bond audits, and a large number of non compliant bonds were suspended. At the end of 2025, Avalon Insurance Company has issued a notice announcing that it will no longer provide single transaction bonds to non resident importers in China (including Hong Kong and Macau), Vietnam, Thailand, Malaysia, Laos, Indonesia, and Cambodia. In recent years, some importers have used DDP terms to falsely declare product categories, underreport invoice amounts, and even directly refuse to pay tariffs in order to avoid tariff costs. It is worth noting that the issue of insufficient Bond quotas is rapidly worsening. According to US Customs data, a total of 27479 cases of insufficient Bond quotas were recorded in the United States for the fiscal year 2025, involving a total amount of nearly $3.6 billion. Both the number of cases and the amount reached a historical high, twice the level of 2019. As a result, many e-commerce goods will face the situation of tariff increases, and the tariff amount of e-commerce goods will be reshuffled, inevitably leading to an increase in costs.
3	**El Nino unlikely to restrict Panama Canal ship traffic**	The Panama Canal Authority (ACP) said it was unlikely there would be restrictions on ship traffic this year due to the El Niño phenomenon. The Panamanian Institute of Meteorology and Hydrology (IMHPA) reported that, according to national climate monitoring criteria, Panama is currently on alert for the El Ni ño phenomenon. El Niño is a natural phenomenon that occurs when the waters of the tropical Pacific Ocean warm up more than usual, approximately every two to seven years. El Niño influences the global climate and increases droughts, torrential rains and other extreme weather events. The ACP said that the impacts of this phenomenon, such as drought, are usually felt "in the following year". For the time being, El Niño has not affected operations on the interoceanic waterway, "The results of the monitoring do not currently indicate any restrictions on transit until 31 December 2026," the ACP said in a statement. In 2023, due to a prolonged drought caused by El Niño, the Panama Canal was forced to reduce the number of ships allowed through from 38 to 22. 'The Canal Authority updates its reservoir level forecasts on a weekly basis, assessing potential water shortages for May and June 2026' and, for the time being, is maintaining 'the schedule of 38 daily transits', said the ACP. The authority added that, since last year, it has implemented preventive water-saving measures that have helped to bolster water reserves in the reservoirs. The ACP plans to begin construction of a $1.6 billion - additional 4,600-hectare reservoir at Rio Indio in 2027. From there, the water would be carried through a nine km-tunnel to Gatun Lake. It is scheduled for completion in 2032. With this new reservoir, the authorities hope to guarantee the canal's operations for the next 50 years.
4	**Transpac spot rates on the way up**	Consultant Drewry's latest weekly report shows Pacific rate are rising to both Los Angeles and New York, 10% and 14% respectively. Increases have reached at $3,357/feu to LA and $4,252/feu to New York due to emergency fuel surcharges imposed as a result of the blockade on the Strait of Hormuz and the expected demand surge as peak season begins. In addition, Yang Ming has announced a general rate increase of $2,000/feu from 15 May, and the consultant said it expects rates to increase further in the coming week. In an apparent contradiction, Drewry reports that there are seven blank sailings on the Pacific trades for the coming week, as carriers continue to manage capacity, suggesting demand remains weak. Xeneta, which reports regional rates rather than port-to-port, said that rates had plateaued over the past month, 50% higher than pre-war levels, but at a lower level than Drewry's index, $2,884/feu to the US West Coast and $3,974/feu to the US East Coast, up 2% to both ports. "One factor behind the short-term market plateau on the Transpacific is US shippers delaying signing new long-term contracts due to the uncertainty caused by the Middle East crisis and the risk of locking in rates for the next 12 months at a higher level than necessary," said Xeneta chief analyst Peter Sand. That means more cargo is moving on spot, but Sand believes that shippers will not want to rely on the spot market and will be tempted by carriers offering discounts on contracts in an effort to win market share. "As new long-term contracts are finalised and come into force, volumes will shift back to contracted rates and that should translate into a softening of the short-term market. This will be gradual softening rather than a dramatic fall off a cliff edge back to pre-conflict levels, particularly ahead of the traditional peak season build-up later in the summer," according to Sand. Capacity to the US West Coast from the Far East is up 1.6% week-on-week, while East coast capacity is falling over the same period by 1.7%. It is a very different story on the Asia to Europe trades, with Drewry's reporting significant increases for freight to Rotterdam and Genoa, 11% and 20% respectively. Meanwhile, Xeneta's regional index indicates significant declines to North Europe and the Mediterranean of 8% and 12% respectively. "The Asia-Europe peak season is expected to start earlier than usual as higher cargo bookings, tight vessel space, and disruptions linked to the US/Israel-Iran conflict are prompting shippers to move cargo earlier," said Drewry.
5	**China imposes penalties on nine international container lines**	China's Ministry of Transport issued an announcement on penalties imposed on nine international container liner shipping companies and seven Non-Vessel Operating Common Carriers (NVOCCs). In August, September and November 2025, the Ministry of Transport conducted inspections on the implementation of freight rate filing by international container liner shipping companies and NVOCCs at the ports of Guangzhou, Qingdao and Ningbo. It was found that nine international container liner shipping companies and seven NVOCCs committed violations such as failure to go through freight rate filing procedures or charging freight rates inconsistent with the filed rates. The nine international shipping companies' list includes CMA CGM Group, TS Lines (Singapore), Wan Hai Lines (Singapore) , SM Lines, Emirates Shipping Line, Evergreen Marine (Asia), Hapag-Lloyd AG, MSC, and Ocean Network Express (ONE) Pte Ltd. In accordance with Article 38 of the Regulations of the People's Republic of China on International Maritime Transportation, the Ministry has imposed administrative penalties on the above mentioned enterprises and held talks with those with serious violations, stated the Ministry. All international container liner shipping companies and NVOCCs are urged to take warning, improve their internal freight rate filing management systems, assign clear responsibilities to personnel, and earnestly fulfil their freight rate filing obligations. Going forward, the Ministry and provincial transport authorities authorised by the Ministry will intensify inspections on enterprises' compliance with freight rate filing requirements and correct violations in accordance with the law.
6	**China leads the global shipbuilding market in Q1**	From January to March 2026, China's three major shipbuilding indicators achieved all-round growth, and its international market share remained the world's largest. During the January–March period, shipbuilding completions hit 15.68m dwt, a year-on-year increase of 46.0% and accounting for 57.3% of the global total. New ship orders stood at 59.53m dwt, surging 195.2% year-on-year and making up 84.9% of worldwide volume. Orders on hand as of the end of March were 322.30m dwt, up 43.6% year-on-year, accounting for 69.8% of the world total. China's share of the world's completed shipbuilding output, new orders and orders on hand reached 57.3%, 84.9% and 69.8%, respectively. In Q1 2026, export ships built in China accounted for 96.1% of completed output, 94.6% of new orders, and 92.1% of orders on hand. China's ship export value amounted to $14.92 billion in the first quarter.
7	**Hapag-Lloyd acquisition target Zim in the red for Q1**	Israeli-headquartered and NYSE-listed Zim Integrated Shipping Services fell into the red in the first quarter of 2026. Zim reported a net loss of $86 million in the first quarter of 2026 compared to a $296 million profit in the same period of 2025. The loss comes as Hapag-Lloyd moves forward with a proposed $4.2 billion acquisition of Zim. The Israeli line stated recently that the merger agreement was binding after a surprise rival $4.5 billion bid was revealed from the Sakal Group in Israel. The Hapag-Lloyd deal has already been approved by Zim's shareholders. The transaction remains subject to approvals by various regulatory authorities including the State of Israel. Figures for Zim were down across the board for Zim in Q1 with revenues of $1.4 billion – a 30% year-on-year decrease, volumes carried down 8% year-on-year at 866,000 teu, and average freight rates of $1,310 per teu – a drop of 26% year-on-year. "Our first quarter results were broadly in line with our expectations, reflecting a softer freight rate environment, coupled with weaker demand. Importantly, as the proposed transaction with Hapag-Lloyd moves forward and we continue to navigate the ongoing hostilities affecting Israel and the Middle East, Zim remains firmly focused on service reliability and disciplined execution" said Zim President & CEO Eli Glickman. Glickman said it had seen minimal impact from the US – Israel war in Iran in Q1 however the impact of sharply rising and volatile fuel costs would impact Q2. "While the impact on first quarter results was minimal, we expect a more meaningful effect in the second quarter, before our actions to offset these costs, including increased freight rates and bunker-specific surcharges, begin to take hold," he said.
Market dynamics		**Source: Shipping Gazanette, S&P Global**
1	**HPL announces its first quarter financial report for 2026**	The pre tax profit (EBIT) was $157 million, a decrease of $645 million compared to the same period in 2025. The overall net loss of the company was $256 million, compared to a loss of $469 million for the same period in 2025. In terms of business volume, the year-on-year decrease in cargo volume in the first quarter was only about 22000 TEUs, with a total transportation volume of about 3.2 million TEUs.
2	**Yang Ming Marine's profit drops 81.5% in Q1**	Due to a slight downward freight rate trend in Q1 compared to last year and ship deployment caused by the geopolitical situation in the Middle East, Yang Ming's consolidated revenues for the first quarter totalled NT$38.66bn ($1.22bn), a fall of 15%. Net profit for the period stood at NT$1.44bn, down by 81.5%. "Looking ahead to global economic and trade developments in 2026, geopolitical risks and evolving trade policies remain major sources of uncertainty," said Yang Ming. In response to market uncertainties, the line said it continues to strengthen its business deployment and cost competitiveness to capitalise on the recovery of post-Labor Day shipments and the upcoming peak-season demand. The company will continue expanding cargo sourcing, improving schedule reliability and slot utilisation, and flexibly deploying its fleet to enhance market share and strengthen revenue performance. To strengthen its core business competitiveness, the board also approved a container renewal plan to introduce new self-owned containers to provide customers with safer, more sustainable transport services while simultaneously reducing maintenance and leasing expenses. Moving forward, Yang Ming said it will maintain a close watch on market demand and shifts in cargo flows to provide a comprehensive and competitive shipping network.

3	**ONE full year profit down 92%, Q4 in the black**	Ocean Network Express (ONE) was back in the black in Q4 FY2025 ended 31 March 2026 however full year profit was down 92%. Singapore-headquartered, Japanese-owned ONE reported a full year net profit of $338 million for FY2025 a drop of 92% of $4.24 billion in the previous year. Full year revenues were down 14% at $16.62 billion in FY2025. Jeremy Nixon, CEO of ONE, said, "Despite heightened volatility in the fourth quarter of FY2025, our disciplined cost control and operational efficiency enabled us to deliver a profitable full-year result. " The container line saw an improvement in Q4 FY2025 ended 31 March 2026 reporting a $55 million profit compared to an $88 million loss in the preceding quarter. As a result ONE reported an FY2025 second half loss of $33 million. Commenting on Q4 the company said: "Overall cargo demand remained subdued, although the Asia-Europe route saw steady demand ahead of the Lunar New Year. While the continued delivery of newbuild vessels increased market supply, this was partially offset by pressures from port congestion and severe weather conditions." It said that the war in the Middle East had led to increased costs but the impact was limited on the company's Q4 result. Despite the uncertain environment ONE is forecasting a full year profit of $300 million for FY2026, 11% lower than for FY2025. The company said the FY2026 forecast reflected the continued impact of the Middle East conflict, and assumed that operational conditions will stabilize to pre-conflict levels by summer. Looking ahead Nixon said, "We continue to navigate a complex and volatile global environment as we enter the new fiscal year, and the safety of our people as well as the security of our operations and customers' cargo remain our top priorities. Supported by our new leadership structure and enhanced services in FY2026, we will sustain a reliable network and leverage a lean and agile operating model to deliver better service to our customers." Nixon has helmed ONE since the company was founded in April 2018 and will stand down on 1 July to become a senior advisor to the Japanese owned container line. Nixon's successor Till Ole Barrelet will join ONE on 1 May as CEO-designate and move into the CEO role on 1 July.
4	**Kuehne+Nagel to cut ocean freight emissions with Hapag-Lloyd**	Hapag-Lloyd and Kuehne+Nagel are expanding their long-standing partnership and collaborating for the first time on emission-reduced ocean transport solutions. As part of this agreement, Kuehne+Nagel will utilise Hapag-Lloyd's "Ship Green" product to reduce the carbon footprint of its ocean freight shipments. During the period from April to December 2026, approximately 3,300 teu of cargo transported on the East Asia to North Europe trade lane will be covered under the agreement. Using certified waste- and residue-based biofuels (SMF), the initiative is expected to avoid around 2,979 tonnes of CO2 equivalent emissions on a well-to-wake basis. "We are proud to take our partnership with Kuehne+Nagel to the next level," said Danny Smolders, managing director global sales at Hapag-Lloyd. "With Ship Green, we offer a scalable solution that enables our customers to actively reduce their Scope 3 emissions today. This agreement shows how strong partnerships can translate into tangible climate impact." Paolo Montrone, Head of Trade Global Sea Logistics at Kuehne+Nagel, said: " decarbonising shipping requires transparency, collaboration and commercially viable solutions. By having strong partnerships, making emissions data transparent, and enabling scope 3 reductions, we help customers navigate in a credible, market-based way, designed to accelerate the uptake of alternative fuels. We are pleased to extend our collaboration with Hapag Lloyd to make this come true." The agreement is based on a book-and-claim chain-of-custody mechanism that allows customers to claim verified emission reductions, regardless of the physical fuel allocation to specific vessels or routes. Only emissions reductions from biofuel that has been used in Hapag-Lloyd's operated fleet is allocated to Kuehne+Nagel. This model enables scalable climate action, utilising waste-based biofuel as a bridge solution.
5	**Cosco Shipping Lines upgrades Transpacific services**	Cosco Shipping Lines has officially unveiled a full-scale upgrade covering 14 direct Transpacific routes bound for the US West Coast. In 2026, to further optimise its transpacific route network and boost service coverage, operational efficiency and operational stability of Far East-US West Coast lanes, Cosco Shipping Lines has rolled out brand-new direct shipping services connecting the Far East and the US West Coast. Through route scheduling, dual-brand in-house operational strengths with Orient Overseas Container Lines (OOCL) and expanded multi-port direct calls, the liner operator is aiming to deliver more time-efficient, flexible and dependable China-US cross-border logistics services. Among the 14 upgraded direct routes, ten serve the Far East-to-US Southwest market, while the remaining four link the Far East with the US Northwest region. Core service advantages include Yantian port is designated as a key departure hub; exclusive e-commerce express lanes with a transit time of 12 to 14 days to the US West Coast and the adoption of dual-brand independent operation mode.

TP Trend forecasts

1	CMA 6.1-6.14 rate USWC $4800/40' USEC $6000/40' GULF $6100/40' Toronto/Montreal $6950/40'
1	ONE 6.1-6.14 rate USWC $4800/40' USEC $6000/40' GULF $6100/40'
1	YML 6.1-6.8 rate USWC $4800/40' USEC $6000/40' GULF $6000/40' Toronto/Montreal $6900/40'

Carrier indications for fixed levels

1	Starting from June 1st, ONE will charge PSS amount of $450/20'; $500/40'; $500/40HC; $633/45'
1	MSC 06.08 starts increase PSS $480/20 '$600/40' $675/40HQ $760/45 '