IGP Grain Transportation Report

Wheat, Corn, Grain Sorghum, and Soybean Complex

5th December 2025

by Guy H. Allen – Senior Economist, International Grains Program, Kansas State University *News and information noted below are articles of interest and gathered from numerous sources. This news and information do not reflect the opinions of KSU-IGP but are provided as a matter of interest.*

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KSU Agriculture Today Podcast Link: https://agtodayksu.libsyn.com/timeliness-of-corn-and-soybean-plantingworld-grain-supply-and-demand

KSU Ag Manager Link: https://www.agmanager.info/grain-marketing/publications/us-grain-exports-and-trade

USDA Transportation Report: https://www.ams.usda.gov/services/transportation-analysis/gtr

USDA FAS Historical Grain Shipments: https://apps.fas.usda.gov/export-sales/wkHistData.htm, https://apps.fas.usda.gov/export-sales/complete.htm

Contents

- **This summary based on reports for the 4th of Dec. 2025**
- **Outstanding Export Sales (Unshipped Balances) on the 28th of Nov. 2025**
- **Export Shipments in Current Marketing Year**
- **Daily Sales Reported for the 4th of Dec. 2025**

OCEAN FREIGHT

- **Baltic Dry Freight Index – Daily = 2814**

Source: https://www.tradingview.com/chart/?symbol=INDEX%3ABDI
The Baltic Dry Index is reported daily by the Baltic Exchange in London. The index provides a benchmark

for the price of moving the major raw materials by sea. The index is a composite of three sub-indices that measure different sizes of dry bulk carriers: Capesize, which typically transport iron ore or coal cargoes of about 150,000 tonnes; Panamax, which usually carry coal or grain cargoes of about 60,000 to 70,000 tonnes; and Supramax, with a carrying capacity between 48,000 and 60,000 tonnes.
Not restricted to Baltic Sea countries, the index provides "an assessment of the price of moving the major raw materials by sea. Taking in 23 shipping routes measured on a time-charter basis, for dry bulk carriers carrying a range of commodities including coal, iron ore, grain, and other commodities.
Because dry bulk primarily consists of materials that function as raw material inputs to the production of intermediate or finished goods, the index is also seen as an efficient economic indicator of future economic growth and production.

- **A weekly round-up of tanker and dry bulk market**

05 December 2025 Baltic Exchange - This report is produced by the Baltic Exchange - Source: https://www.balticexchange.com/en/data-services/WeeklyRoundup.html.

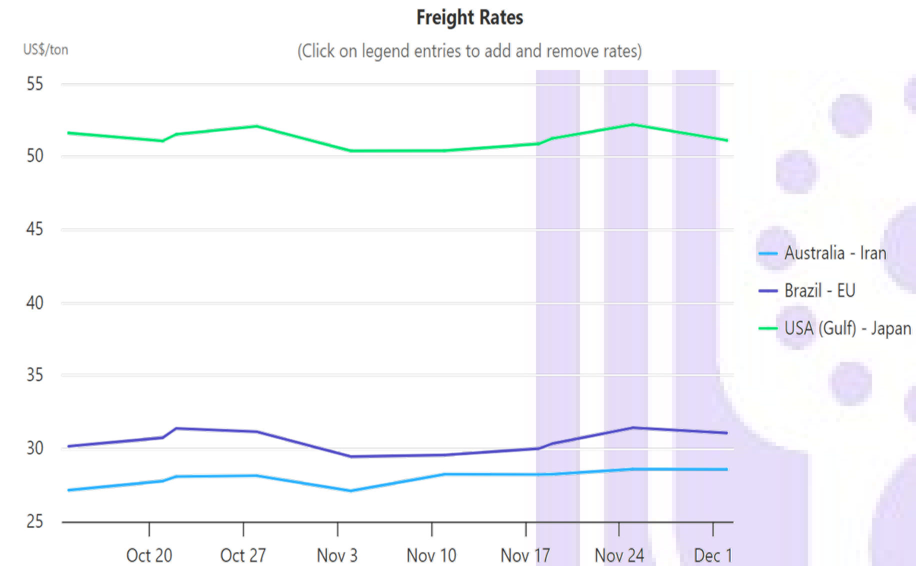
Capesize: The market delivered a firm performance this week, characterised by early strength, a mid-week surge and a measured correction thereafter. Positive momentum was established in the Pacific, where steady miner activity and tightening tonnage lists kept C5 values anchored in the low-to-mid $12s. While sentiment eased slightly toward the end of the week, the return of additional miners helped maintain underlying support. The defining feature of the week was the pronounced tightness in the North Atlantic, which triggered a sharp mid-week rally. Exceptionally scarce tonnage and a couple of standout Seven Islands fixtures propelled trans-Atlantic and fronthaul rates markedly higher, pushing the BCI 5TC upward to reach $44,000. The South Brazil and West Africa to China market also showed incremental improvement, with C3 levels edging higher mid-week on fresh fixtures before quietening again toward the week's close.

Panamax: The week opened on a softer tone as prompt tonnage increased across the Atlantic and Asia, pushing owners to become more negotiable and easing last week's firmness. Through Tuesday and Wednesday, limited fresh enquiry failed to offset rising vessel supply, keeping sentiment muted while charterers remained selective, particularly in the Pacific where Indonesian and NoPac trades stayed under pressure amid swelling tonnage lists and weaker grain demand. Period activity was fairly active with several reported fixtures. By Thursday, the Atlantic saw brief support following a sharp Cape rise and talk of possible stem splits, but wide bid-offer spreads and limited cargo flow capped gains. Overall, cautious charterers, resistant owners and ample tonnage continued to weigh on market momentum, with the P5TC sliding to $16,767.

Ultramax/Supramax: Brokers described a somewhat positional week for the sector during the course of the week. The Atlantic started in a fairly subdued manor but as it progressed it became clear that the US Gulf saw a return to strong demand and better levels being achieved. A 52,000-dwt was heard to have been fixed in the low $30,000s for a US Gulf trans Atlantic run. An altogether more negative tone from the South as demand weakened, a 63,000-dwt fixing delivery Santos trip to Karachi at $16,750 plus $675,000 ballast bonus. A similar story from Asia, as demand waned and rates came under negative movement. A supramax was heard fixed in the upper $15,000s delivery SE Asia trip via Indonesia redelivery China. Stronger demand was seen from the Indian Ocean, a 63,000-dwt was heard being fixed basis delivery EC India trip via South Africa redelivery China at $17,000. With the Christmas season soon to be upon many, it remains to be seen how things will progress.

Handysize: The market displayed a mixed performance this week, with some regions holding steady while others recorded stronger gains. In the Continent and Mediterranean, activity was limited, with only marginal improvements as rates edged slightly higher than previous levels. A 38,000-dwt was fixed for a trip delivery Continent for a trip to US East Coast at $15,000. The U.S. Gulf and South Atlantic held very firm, supported by a very tight tonnage list that encouraged charterers to gradually increase their bids, as a 40,000-dwt reported fixed from Port Alfred for a trip via St Lawrence to Casablanca with wheat at $24,000 and a 37,000-dwt was reported fixed delivery Santos via Argentina to Dakar with grains at $20,150. Meanwhile, Asia remained subdued, with fundamentals broadly stable and rates hovering near last-done levels, as a 43,000-dwt open Adelaide 20th December fixed for a trip from Bunbury to China with alumina at $17,500.

	2 Dec	Weekly Change	Annual Change	52 Week Low	52 Week High
Australia - Iran	$29	-	37 %	$18	$29
Brazil - EU	$31	-	42 %	$20	$35
USA (Gulf) - Japan	$51	-1	26 %	$38	$56

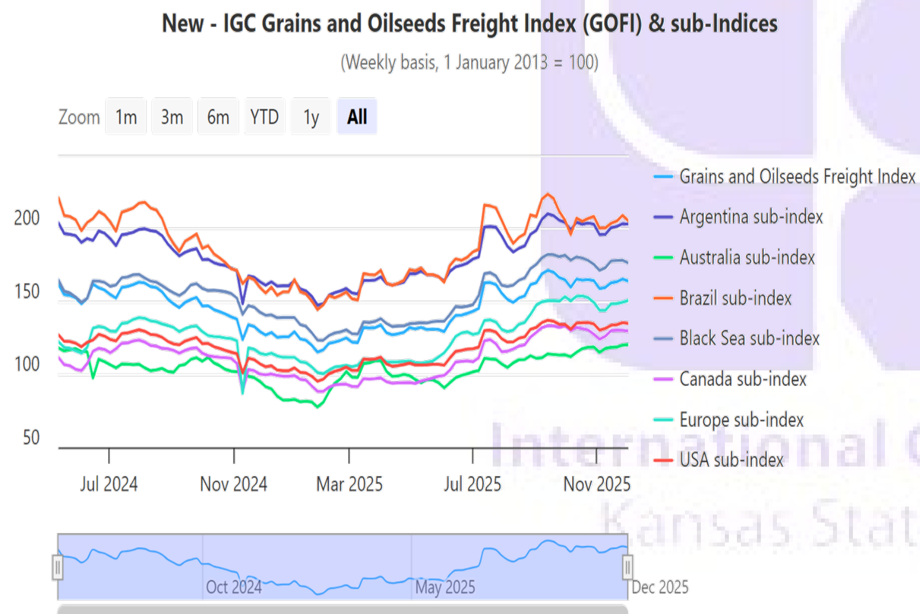


Source: IGC https://www.igc.int/en/markets/marketinfo-freight.aspx

	2 Dec	Weekly Change	Annual Change	52 Week Low	52 Week High
IGC Grains and Oilseeds Freight Index	164	-1	22 %	115	171
Argentina sub-Index	203	-	-%	147	210
Australia sub-Index	120	-	20 %	78	120
Brazil sub-Index	205	-4	23 %	144	223
Black Sea sub-Index	176	-2	21 %	123	182
Canada sub-Index	130	-	26 %	88	133
Europe sub-Index	151	+2	26 %	100	154
USA sub-Index	135	-	28 %	95	137

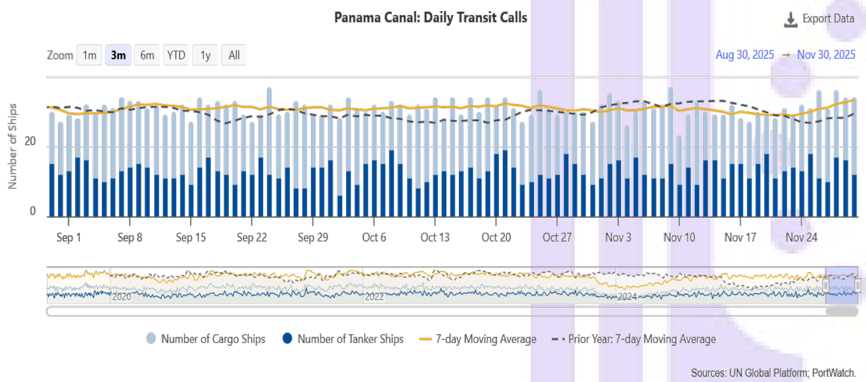
Source: IGC https://www.igc.int/en/markets/marketinfo-freight.aspx

- **IGC Grains Freight Index – 2nd December 2025**



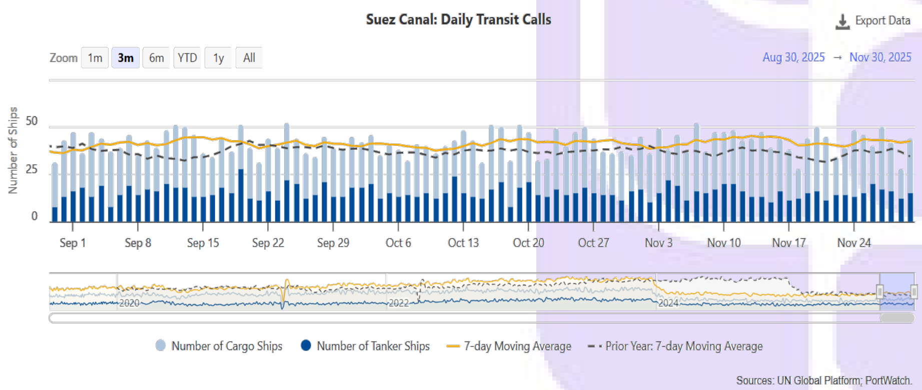
Logistics

➢ Panama Canal – Daily Transit Calls



30 November 2025 Source: IMF PortWatch
https://portwatch.imf.org/pages/76f7d4b0062e46c5bbc862d4c3ce1d4b

➢ Suez Canal – Daily Transit Calls



30 November 2025 Source: IMF PortWatch Source:
https://portwatch.imf.org/pages/c57c79bf612b4372b08a9c6ea9c97ef0

➢ Red Sea Shipping Route Likely to Reopen

02 December 2025 by USA Rice— The Red Sea shipping route is likely to reopen in the year ahead as major carriers are signaling a willingness to resume transits as soon as security conditions allow.

Over the last two years, container carriers shifted routes in the region due to security concerns from militant attacks, resulting in increased costs and transit times. Carriers traveling through the area were forced to increase insurance rates and reduce capacity, causing uncertainty in the supply chains. U.S. rice exporters faced significant unpredictability around rates and container availability.

The U.S. rice industry relies on container carriers to ship rice to seven out of the top twenty export markets. Primary markets for containerized U.S. rice can be found in the Middle East and Asia such as Saudi Arabia, Jordan, Israel, Turkey, Japan, South Korea, and Taiwan. In 2024, those markets combined accounted for nearly 22% of all U.S. rice exports, compared to the average 10% of total U.S. grain (non-rice) exports.

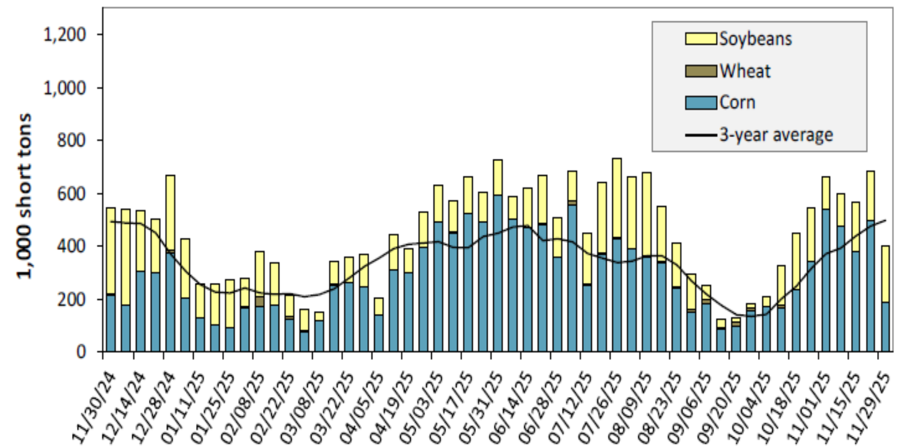
As major container lines are signaling a gradual return, the extra capacity will ease overall costs for U.S. exporters including those related to insurance rates, shorter transit times, and increased container availability.

"We're encouraged to hear this development," said Derek Alarcon, director of export sales at Farmers' Rice Cooperative and chair of the USA Rice Europe, Africa, Middle East Trade Policy Subcommittee. "During a time with low global prices, easing of container rates will only help our industry stay competitive, lowering the landing costs in our overseas markets and keeping U.S. rice top of mind."

Jim Wisemeyer, Pro Farmer analyst and speaker at next week's USA Rice Outlook Conference, recently reported on a new ING economic analysis indicating the return of the Red Sea-Suez Canal route as the biggest story in container shipping for 2026 as the Canal handles more than 15% of global goods trade and nearly 30% of that in container traffic.

Barge Movements

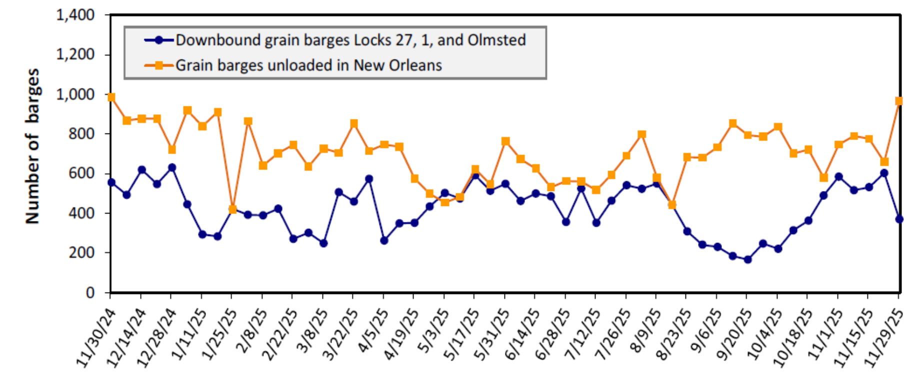
Figure 12. Barge movements on the Mississippi River (Locks 27-Granite City, IL)



Note: The 3-year average is a 4-week moving average.
Source: U.S. Army Corps of Engineers.

For the week ending the 29th of November, barged grain movements totaled 604,900 tons. This was 31% less than the previous week and down 24% from the same period last year.

Figure 14. Grain barges for export in New Orleans region



Note: Olmsted = Olmsted Locks and Dam.
Source: U.S. Army Corps of Engineers and USDA, Agricultural Marketing Service.

Table 10. Barged grain movements (1,000 tons)

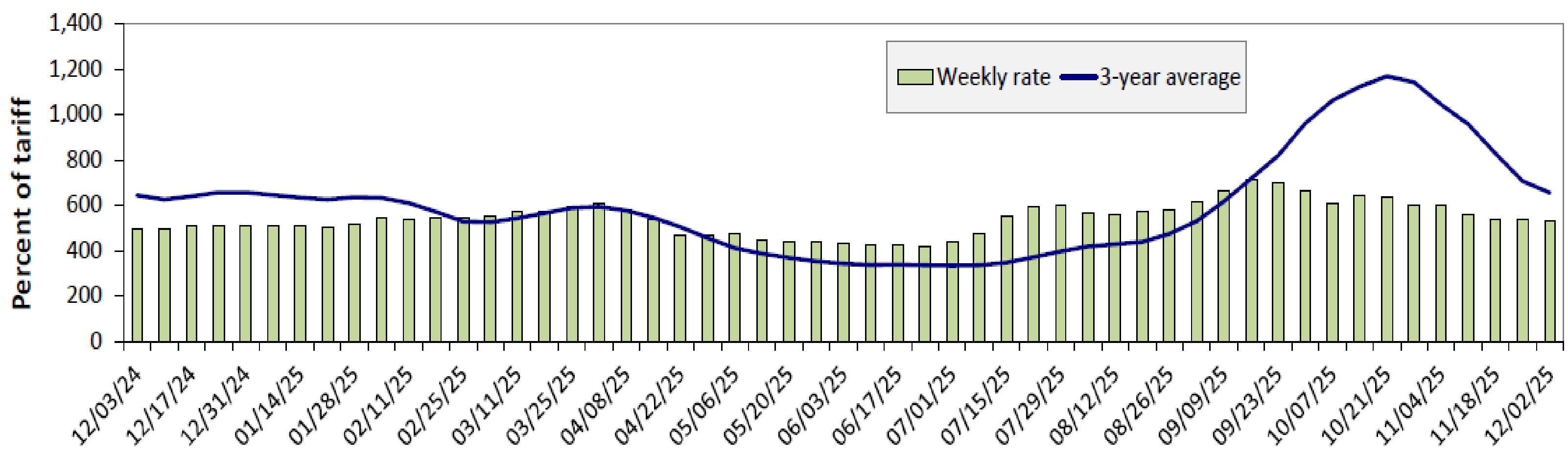
For the week ending 11/29/2025	Corn	Wheat	Soybeans	Other	Total
Mississippi River (Rock Island, IL (L15))	72	6	80	0	159
Mississippi River (Winfield, MO (L25))	125	2	96	0	222
Mississippi River (Alton, IL (L26))	137	0	158	0	296
Mississippi River (Granite City, IL (L27))	187	0	216	3	406
Illinois River (La Grange)	42	0	64	0	105
Ohio River (Olmsted)	66	14	115	4	199
Arkansas River (L1)	0	0	0	0	0
Weekly total - 2025	253	14	331	7	605
Weekly total - 2024	303	19	471	0	793
2025 YTD	18,238	1,184	10,081	155	29,658
2024 YTD	13,633	1,484	10,953	185	26,255
2025 as % of 2024 YTD	134	80	92	84	113
Last 4 weeks as % of 2024	127	107	67	167	95
Total 2024	15,251	1,564	12,598	214	29,626

Note: "Other" refers to oats, barley, sorghum, and rye. Total may not add up due to rounding. YTD = year to date. Weekly total, YTD, and calendar year total include Mississippi River lock 27, Ohio River Olmsted lock, and Arkansas Lock 1. "L" (as in "L15") refers to a lock, locks, or lock and dam facility.
Source: U.S. Army Corps of Engineers.

Figure 11. Benchmark tariff rates

Source: USDA, Agricultural Marketing Service.

Figure 10. Illinois River barge freight rate



Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year average.
Source: USDA, Agricultural Marketing Service.

Table 9. Weekly barge freight rates: southbound only

Measure	Date	Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Ohio River	Cairo-Memphis
Rate	12/2/2025	n/a	479	531	441	475	383
	11/25/2025	475	563	538	457	479	393
$/ton	12/2/2025	n/a	25.48	24.64	17.60	22.28	12.03
	11/25/2025	29.40	29.95	24.96	18.23	22.47	12.34
Measure	**Time Period**	**Twin Cities**	**Mid-Mississippi**	**Illinois River**	**St. Louis**	**Ohio River**	**Cairo-Memphis**
Current week % change from the same week	Last year	n/a	-9	7	14	20	18
	3-year avg.	n/a	-25	-19	-21	-23	-23
Rate	January	n/a	n/a	534	434	446	372
	March	n/a	266	484	388	400	338

Note: Rate = percent of 1976 tariff benchmark index (1976 = 100 percent); 3-year avg. = 4-week moving average of the 3-year avg.; ton = 2,000 pounds; "n/a" = data not available. The per ton rate for Twin Cities assumes a base rate of $6.19 (Minneapolis, MN, to LaCrosse, WI). The per ton rate at Mid-Mississippi assumes a base rate of $5.32 (Savanna, IL, to Keithsburg, IL). The per ton rate on the Illinois River assumes a base rate of $4.64 (Havana, IL, to Hardin, IL). The per ton rate at St. Louis assumes a base rate of $3.99 (Grafton, IL, to Cape Girardeau, MO). The per ton rate on the Ohio River assumes a base rate of $4.69 (Silver Grove, KY, to Madison, IN). The per ton rate at Memphis-Cairo assumes a base rate of $3.14 (West Memphis, AR, to Memphis, TN). For more on base rate values along the various segments of the Mississippi River System, see AgTransport.
Source: USDA, Agricultural Marketing Service.

For the week ending the 29th of November, 370 grain barges moved down river—233 fewer than last week. There were 964 grain barges unloaded in the New Orleans region, 46% more than last week.

Benchmark Tariff Rate

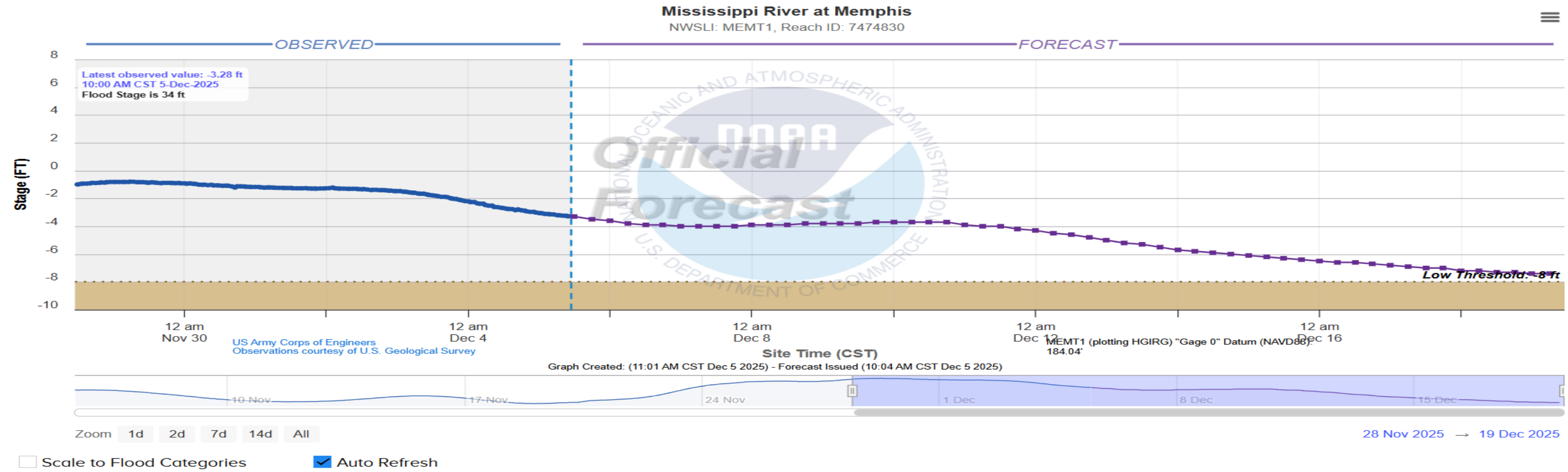
Calculating barge rate per ton:

Select applicable index from market quotes are included in tables on this page.

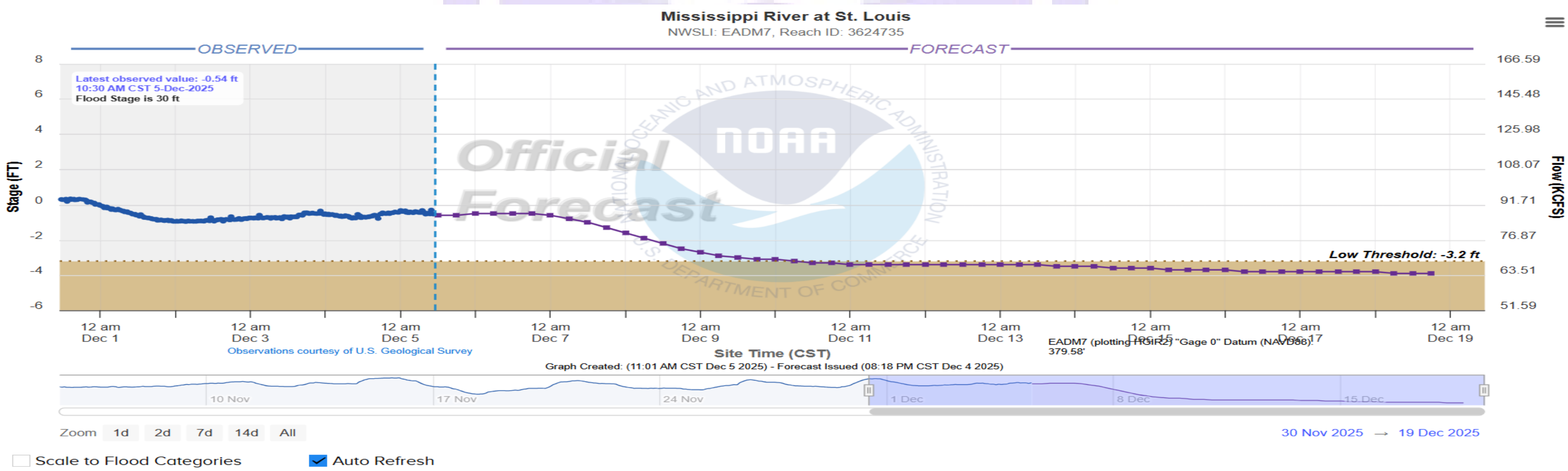
The 1976 benchmark rates per ton are provided in map.

(Rate * 1976 tariff benchmark rate per ton)/100

➢ Current Critical Water Levels on the Mississippi River



28 November 2025 Source: NOAA – NWPS: https://water.noaa.gov/gauges/memt1



30 November 2025 Source: NOAA – NWPS: Mississippi River at St. Louis ; https://water.noaa.gov/gauges/EADM7

River forecasts for this location take into account past precipitation and the precipitation amounts expected approximately 24 to 48 hours into the future from the forecast issuance time.

For the latest navigation status update from the U.S. Army Corps of Engineers-St. Louis District:
https://www.mvs.usace.army.mil/Missions/Navigation/Status-Reports/

BARGE CAPACITIES | CORN

ST. LOUIS FULL DRAFT vs LOW WATER CONDITIONS

Controlling Depths:

- St. Louis-Herculaneum (RM 185-152); Mile 160.6: Meramec, (LWRP -3.2 @ STL); 9-ft at St. Louis gage of -1.5.
- Herculaneum-Grand Tower (RM152-80); Mile 128.5: Establishment (LWRP -0.4 @ Chester); 9-ft at Chester gage of 0.4.
- Grand Tower-Cairo (RM 80-0) Mile 39.0: Commerce (LWRP 5.4 @ Cape Girardeau); 9-ft at Cape Girardeau gage of 6.

Current Barge Freight Rates

IL RIVER FREIGHT	12/3/2025	12/4/2025	
wk 11/30	525/550	525/550	UNC
wk 12/7	525/550	525/550	UNC
wk 12/14	500/550	500/550	UNC
Dec	500/550	500/550	UNC
LH Dec	500/550	500/550	UNC
Jan	475/525	500/525	
Feb	475/500	475/500	UNC
Mar	475/500	475/525	
April	450/475	450/475	UNC

UPPER MISSISSIPPI ST PAUL/SAVAGE	12/3/2025	12/4/2025	
April	475/525	475/525	UNC

MID MISSISSIPPI McGregor	12/3/2025	12/4/2025	
wk 11/30	525/550	525/550	UNC
wk 12/7	525/550	525/550	UNC
wk 12/14	525/550	525/550	UNC
Mar	475/525	475/525	UNC
April	450/500	450/500	UNC

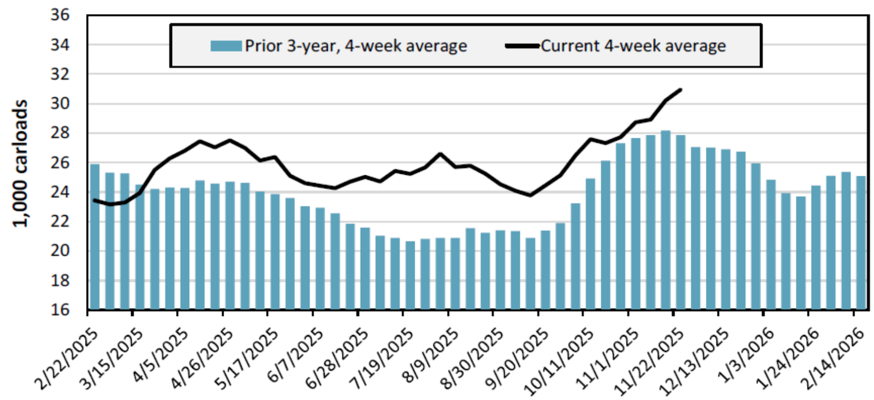
ST LOUIS BARGE FREIGHT 14'	12/3/2025	12/4/2025	
wk 11/30	425/450	425/450	UNC
wk 11/30	425/450	425/450	UNC
wk 12/7	425/450	425/450	UNC
wk 12/14	425/450	425/450	UNC
Dec	425/450	425/450	UNC
LH Dec	425/450	425/450	UNC
Jan	425/450	425/450	UNC
Feb	400/425	400/425	UNC
Mar	375/400	375/400	UNC
April	350/375	350/375	UNC

LOWER OHIO RIVER	12/3/2025	12/4/2025	
wk 11/30	475/500	475/500	UNC
wk 12/7	475/500	475/500	UNC
wk 12/14	475/500	475/500	UNC
Dec	450/475	450/475	UNC
LH Dec	425/475	425/475	UNC
Jan	425/450	425/450	UNC
Feb	400/425	400/425	UNC
Mar	375/400	375/400	UNC
April	350/375	350/375	UNC

MEMPHIS CAIRO	12/3/2025	12/4/2025	
wk 11/30	375/400	350/400	
wk 12/7	375/400	350/400	
wk 12/14	350/400	350/400	UNC
Dec	350/400	350/400	UNC
LH Dec	350/375	350/375	UNC
Jan	350/375	350/375	UNC
Feb	325/350	325/350	UNC
Mar	300/325	300/325	UNC
April	300/325	300/325	UNC

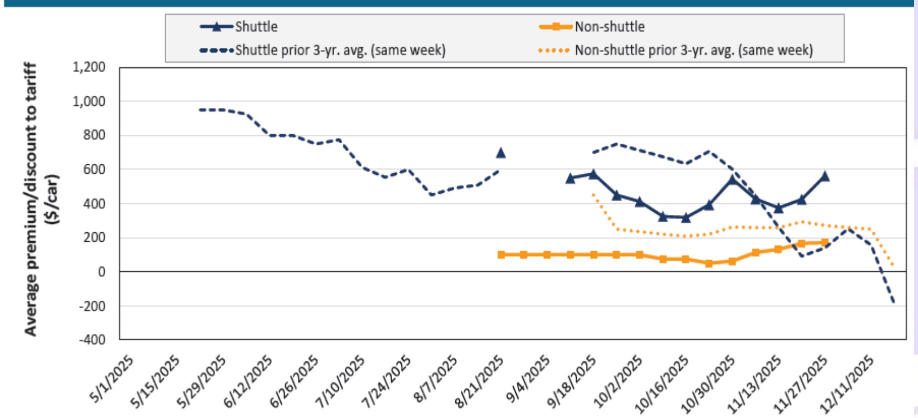
Rail Movements

Figure 3. Total weekly U.S. Class I railroad grain carloads



Source: Surface Transportation Board.

Figure 6. Secondary market bids/offers for railcars to be delivered in December 2025



Note: Shuttle bids/offers are for shuttle trains—90+ grain cars that travel from a single origin to a single destination. Non-shuttle n/a = not available; avg. = average; yr. = year; BNSF = BNSF Railway; UP = Union Pacific Railroad.
Source: USDA, Agricultural Marketing Service analysis of data from Tradewest Brokerage Company and the Malsam Company.

- U.S. Class I railroads originated 31,058 grain carloads during the week ending the 22nd of November. This was a 2% decrease from the previous week, 8% more than last year, and 16% more than the 3-year average.
- Average December shuttle secondary railcar bids/offers (per car) were $563 above tariff for the week ending the 27th of November. This was $138 more than last week and $588 more than this week last year.
- Average non-shuttle secondary railcar bids/offers per car were $171 above tariff. This was $4 more than last week and $179 more than this week last year.

➢ **Current Secondary Rail Car Market**

BN SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	- / -	500 / -	
F/H December	500 / -	500 / -	UNC
L/H December	500 / 1000	500 / 1000	UNC
January	1000 / -	1000 / 2000	
Jan, Feb, Mar	1000 / 1750	1000 / 1750	UNC
April May 2026	250 / 600	250 / 600	UNC
June, July 2026	0 / 500	0 / 500	UNC
April - September	150 / 300	150 / 300	UNC

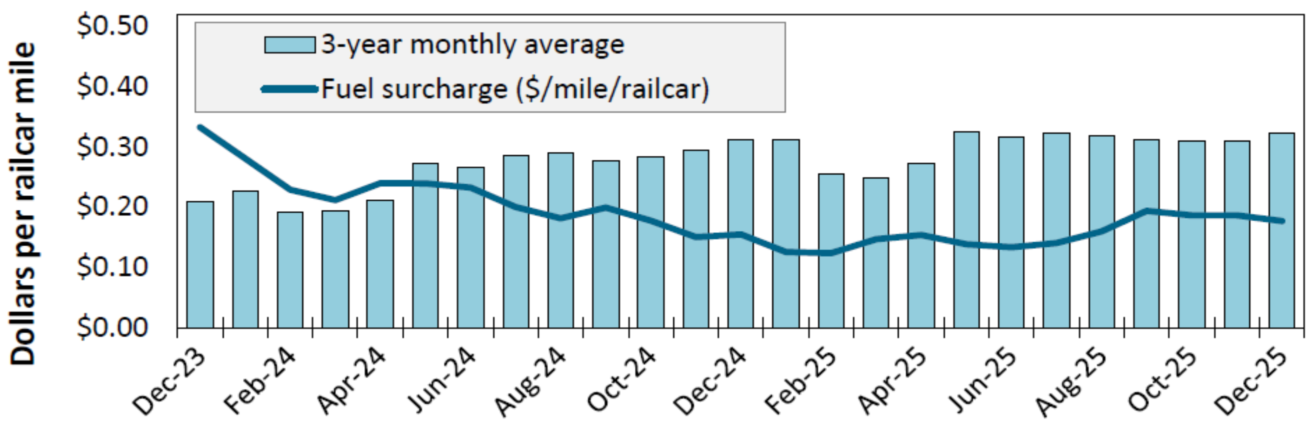
UP SHUTTLE	Bid/Ask/Last	Bid/Ask/Last	
Return Trip	- / -	50 / -	
F/H December	50 / 200	50 / -	
MP December	- / -	50 / -	
L/H December	- / 200	- / 250	
January	200 / 500	200 / 500	UNC
Jan, Feb, Mar 2026	150 / 500	150 / 500	UNC
Jan, Feb, Mar (Mex. Opt.)	250 / -	250 / -	UNC
April May 2026	- / 100	- / 100	UNC

Table 8. Rail tariff rates for U.S. bulk grain shipments to Mexico, December 2025

Commodity	US origin	US border city	US railroad	Train type	US Tariff Rate per car (USD)	US Fuel Surcharge per car (USD)	US Rate Plus Fuel Surcharge per car (USD)	US Tariff Rate + Fuel Surcharge per bushel (USD)	US Tariff Rate + Fuel Surcharge per metric ton (USD)	Percent Y/Y
Corn	Adair, IL	El Paso, TX	BNSF	Shuttle	$4,641	$115	$4,756	$1.19	$46.81	1.7%
	Atchison, KS	Laredo, TX	CPKC	Non-shuttle	$5,080	$501	$5,581	$1.40	$54.93	0.5%
	Council Bluffs, IA	Laredo, TX	CPKC	Non-shuttle	$5,550	$555	$6,105	$1.53	$60.09	0.5%
	Kansas City, MO	Laredo, TX	CPKC	Non-shuttle	$5,005	$479	$5,484	$1.37	$53.97	0.5%
	Marshall, MO	Laredo, TX	CPKC	Non-shuttle	$5,190	$508	$5,698	$1.42	$56.08	0.5%
	Pontiac, IL	Eagle Pass, TX	UP	Shuttle	$4,535	$409	$4,944	$1.24	$48.66	-2.4%
	Sterling, IL	Eagle Pass, TX	UP	Shuttle	$4,655	$424	$5,079	$1.27	$49.99	-2.4%
	Superior, NE	El Paso, TX	BNSF	Shuttle	$4,622	$91	$4,713	$1.18	$46.39	-7.4%
Soybeans	Atchison, KS	Laredo, TX	CPKC	Non-shuttle	$5,080	$501	$5,581	$1.49	$54.93	0.5%
	Brunswick, MO	El Paso, TX	BNSF	Shuttle	$4,325	$98	$4,423	$1.18	$43.53	-18.4%
	Grand Island, NE	Eagle Pass, TX	UP	Shuttle	$4,950	$389	$5,339	$1.43	$52.55	-19.3%
	Hardin, MO	Eagle Pass, TX	BNSF	Shuttle	$4,325	$98	$4,423	$1.18	$43.53	-18.4%
	Kansas City, MO	Laredo, TX	CPKC	Non-shuttle	$5,005	$479	$5,484	$1.47	$53.97	0.5%
	Roelyn, IA	Eagle Pass, TX	UP	Shuttle	$5,035	$407	$5,442	$1.46	$53.56	-19.0%
Wheat	FT Worth, TX	El Paso, TX	BNSF	DET	$3,000	$71	$3,071	$0.82	$30.22	-25.2%
	FT Worth, TX	El Paso, TX	BNSF	Shuttle	$2,800	$71	$2,871	$0.77	$28.26	-21.8%
	Great Bend, KS	Laredo, TX	UP	Shuttle	$4,099	$292	$4,391	$1.18	$43.22	-8.5%
	Kansas City, MO	Laredo, TX	CPKC	Non-shuttle	$5,005	$479	$5,484	$1.47	$53.97	0.5%
	Wichita, KS	Laredo, TX	UP	Shuttle	$4,024	$257	$4,281	$1.15	$42.13	-6.7%

Note: After December 2021, U.S. railroads stopped reporting "through rates" from the U.S. origin to the Mexican destination. Thus, the table shows "Rule 11 rates," which cover only the portion of the shipment from a U.S. origin to locations on the U.S.-Mexico border. The Rule 11 rates apply only to shipments that continue into Mexico, and the total cost of the shipment would include a separate rate obtained from a Mexican railroad. The rates apply to jumbo covered hopper ("C114") cars. The "shuttle" train type applies to qualified shipments (typically, 110 cars) that meet railroad efficiency requirements. The "non-shuttle" train type applies to Kansas City Southern (KCS) (now CPKC) shipments and is made up of 75 cars or more (except the Marshall, MO, rate is for a 50-74 car train). BNSF Railway's domestic efficiency trains (DET) are shuttle-length trains (typically 110 cars) that can be split en route for unloading at multiple destinations. Percentage change month to month (M/M) and year to year (Y/Y) are calculated using the tariff rate plus fuel surcharge. For a larger list of to-the-border rates, see AgTransport.
Source: BNSF Railway, Union Pacific Railroad, and CPKC (formerly, Kansas City Southern Railway).

Figure 9. Railroad fuel surcharges, North American weighted average

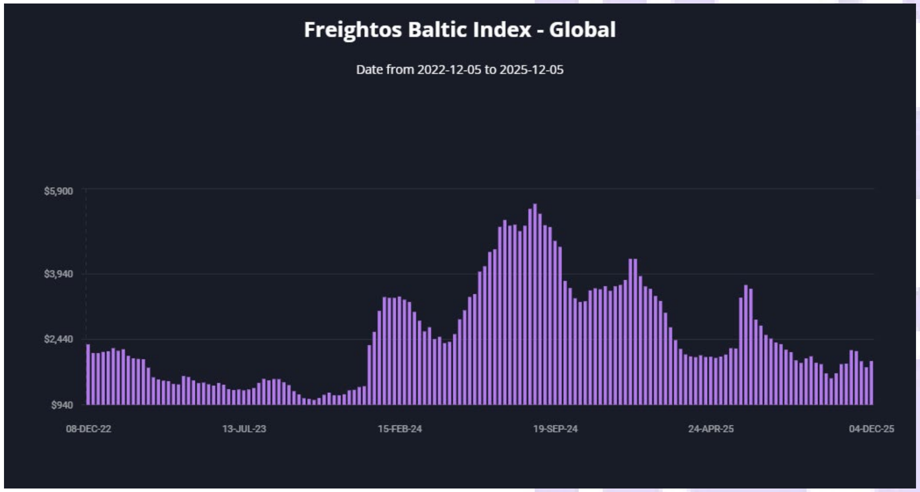


December 2025: $0.18/mile, down 1 cent from last month's surcharge of $0.19/mile; up 3 cents from the December 2024 surcharge of $0.15/mile; and down 14 cents from the December prior 3-year average of $0.32/mile.

Note: Weighted by each Class I railroad's proportion of grain traffic for the prior year.
Source: BNSF Railway, Canadian National Railway, CSX Transportation, Canadian Pacific Railway, Union Pacific Railroad, Kansas City Southern Railway, Norfolk Southern Corporation.

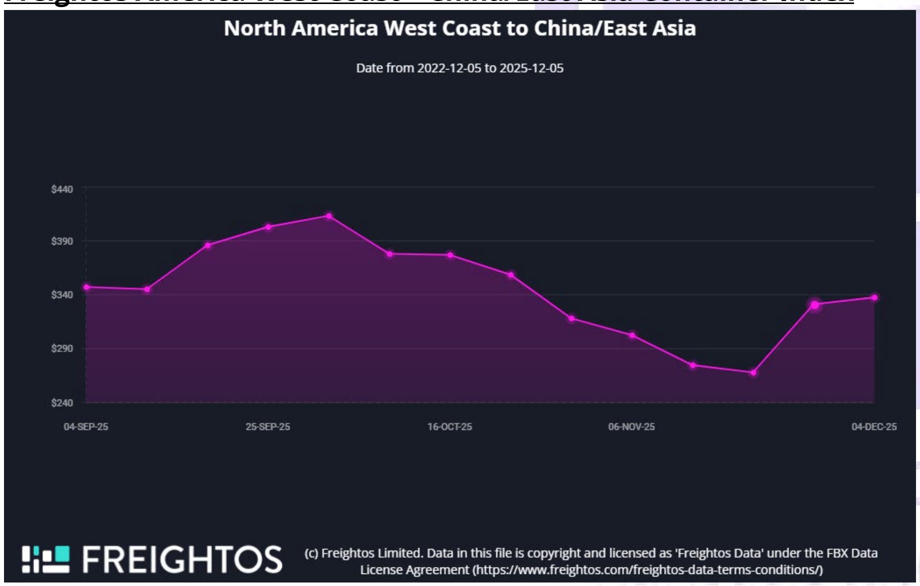
Container Movements

➢ **Freightos Index (FBX): Global Container Freight Index**



Source: https://fbx.freightos.com/

➢ **Freightos America West Coast – China/East Asia Container Index**



Source: https://fbx.freightos.com/

FBX stands for Freightos Baltic Index. It is the leading international Freight Rate Index, in cooperation with the Baltic Exchange, providing market rates for 40' containers (FEUs).

Prices used in the index are rolling short term Freight All Kind (FAK) spot tariffs and related surcharges between carriers, freight forwarders and high-volume shippers. Index values are calculated by taking the median price for all prices (to ignore the influence of outliers on active lanes) with weighting by carrier. 50 to 70 million price points are collected every month. The weekly freight index is calculated as an average of the five business days from the same week and published each Friday.

➢ **Weekly Update: Red Sea rebound false start?**

04 December 2025 by AJOT — **Key insights:**

- Maersk has denied any imminent return to the Red Sea, suggesting that last week's excitement may have been mostly a misunderstanding, though Maersk is testing the waters through third party partners.
- The eventual return to the Suez will ultimately increase available container capacity, even with overcapacity already evident in the market. Transpacific rates continued falling to close November, with West Coast rates at $1,715/FEU and East Coast rates at $2,863/FEU, bringing prices close to year lows. But daily rates are trending upward this week, potentially signaling another GRI attempt.
- More aggressive capacity management on Asia-Europe lanes has helped carriers maintain October/November GRIs, with rates at about $2,500/FEU to Europe and $2,900/FEU to the Mediterranean. Daily Asia-Med rates are up to $3,400/FEU this week suggesting another GRI push.
- Severe storms in South East Asia disrupted freight operations across Sri Lanka, Thailand, Vietnam and Malaysia last week, with Sri Lanka's Port of Colombo experiencing the most significant delays as services restart.
- Airbus temporarily grounded 6,000 A320s for a critical software update, though most returned to service over the weekend; meanwhile, FedEx and UPS have grounded their MD11s, with inspections taking longer than anticipated.
- Air cargo rates to Europe rose 4% to $4.14/kg from China last week while holding steady at $3.67/kg from South East Asia; China-North America prices

were level at $6.50/kg but show signs of increases this week as peak season enters its final stretch.

- The UK will terminate its de minimis exception by 2029, like the US did this year and the EU will by 2028 at the latest, raising concerns that e-commerce goods could surge to the UK once the other markets close their exemptions.

Ocean rates - Freightos Baltic Index:

- Asia-US West Coast prices (FBX01 Weekly) decreased 10% to $$1,715/FEU.
- Asia-US East Coast prices (FBX03 Weekly) decreased 17% to $2,863/FEU.
- Asia-N. Europe prices (FBX11 Weekly) stayed level at $2,467/FEU.
- Asia-Mediterranean prices (FBX13 Weekly) decreased 2% to $2,930/FEU.

Air rates – Freightos Air Index:

- China - N. America weekly prices stayed level at $6.49/kg.
- China - N. Europe weekly prices increased 4% to $4.14/kg.
- N. Europe - N. America weekly prices increased 5% to $2.44/kg.

Analysis:

"Last week, statements by the Suez Canal Authority indicated that Maersk's return to the Red Sea was imminent. Maersk quickly denied they had set a date, and now it appears all the excitement may have been mostly a misunderstanding, though there are signs that Maersk is at least dipping some toes back to the lane through third parties.

So a Red Sea rebound may not be coming as soon as it seemed a few days ago, but a return is likely still closer than it has been for the last two years. The resumption, whenever it occurs, will cause congestion at European hubs – where congested ports are leading some carriers to already adjust port call plans – during the transition back before releasing significant amounts of capacity back into rotation and adding downward pressure on rates once schedules normalize.

Even before a Red Sea reset, there are already signs of growing overcapacity in the market. This fleet growth even with Red Sea diversions still in place has meant lower container rates year on year for most of 2025.

Transpacific rates fell further to close November, with West Coast rates down 10% to $1,715/FEU and East Coast rates easing 17% to $2,863/FEU. These dips brought transpacific prices within a couple hundred dollars of year lows after climbing on mid-October and early November GRIs Demand is estimated to be at its lowest since early 2023, but supply side growth is also contributing to lower rates. Daily rates this week are trending up though, which could signal another GRI attempt to start December.

More aggressive capacity management on Asia - Europe lanes are likely responsible for carriers succeeding to maintain October and November GRIs on these trades. Prices were level last week at about $2,500/FEU to Europe and $2,900/FEU to the Mediterranean. Daily rates to the Mediterranean are up to about the $3,400/FEU level so far this week suggesting a GRI push, though prices to Europe have stayed about level. New EU emissions surcharges will mean higher costs to carriers on these lanes that will start to be passed on to customers in January.

Severe storms in South East Asia last week disrupted ocean and air freight operations in countries including Sri Lanka, Thailand, Vietnam and Malaysia. Of these, Sri Lanka may have been the hardest hit, with delays reported at the Port of Colombo as services restart.

Also late last week, Airbus grounded 6,000 of its A320s for a critical software update with a hardware fix needed for about 1,000 of these aircraft. Most vessels were updated and returned to service over the weekend, with no significant delays reported yet. FedEx and UPS have grounded their MD11s following a deadly crash, and though FedEx anticipated a rapid inspection process, aircraft are taking longer than expected to get back in the air.

The US cancelled its de minimis exemptions over the summer driving a significant reshuffle of e-commerce air cargo volumes and capacity over the last few months. The EU has committed to revoking its de minimis rules by 2028, though it may do so as early as next year. The UK has now also decided to terminate the exception. But with a later target date of 2029, there is concern that an even stronger surge of e-comm goods could enter the country once de minimis to the other major markets close.

Freightos Air Index rates to Europe climbed 4% to $4.14/kg out of China last week and were about level at $3.67/kg out of South East Asia. China - N. America prices were level at $6.50/kg last week but show signs of increases this week as peak season enters its home stretch. SEA - N. America rates are at about $5.50/kg so far this week."

➢ **<u>Return to Suez will be Gradual, Hapag-Lloyd CEO Says</u>**

04 December 2025 by Vera Eckert, MarineLink — There is no specific timeline for when the shipping industry will resume sailing through the Suez Canal, but any return would be gradual, the chief executive of Hapag-Lloyd, the world's fifth-largest container company, said on Thursday.

Shipping companies have been sailing costly routes around Africa since November 2023 to avoid attacks on commercial vessels in the Red Sea by Yemen's Houthi militants, who said they were acting in solidarity with Palestinians over Israel's war in Gaza.

Hapag-Lloyd and bigger rival Maersk stressed caution last week on a possible return strategy following a ceasefire deal in October aimed at ending the two-year Gaza war, saying they were monitoring the situation for evidence of increased security.

"No date is set (for a resumption), and once it comes it will be gradual," said Hapag-Lloyd CEO Rolf Habben Jansen in an online call with customers, adding there would be a transition period of 60 to 90 days to adjust current logistics and avoid sudden port congestion.

"We will inform people as soon as we have news on that," he added.

Hapag-Lloyd and Maersk formed the Gemini network earlier this year, a collaboration to cut their shipping costs and improve schedule reliability.

Habben Jansen said that demand in November had been encouraging, following a weak October, when export volumes declined especially out of China.

"When I look at the last four weeks, bookings have been really strong," he said.

The company last month reported a 50% drop in nine-month net profit and lowered the top end of its full-year earnings forecast, blaming volatile markets.

Habben Jansen reiterated a pledge to be strict on costs.

"We have a plan to take a significant chunk of costs out over the next 12 to 18 months. I also think that within the Gemini set-up, we will further improve," he said.

- **[Xeneta Weekly Ocean Container Shipping Market Update]**

05 December 2025 by Niall van de Wouw and Wenwen Zhang -- Christmas came early for global air cargo volumes in November with a further +5% year-on-year boost in demand adding to the seasonal cheer, but the industry's e-commerce 'growth engine' of the past two years is slowing down, according to the latest market analysis from Xeneta.

While the demand outlook for the traditionally busiest time of year looked flat heading into the last four months of 2025, September and October's demand levels were surprisingly robust at +3% and +4% year-on-year respectively. The continuation of this upward trend in November kept the market on track to deliver +4% growth for 2025 ahead of what looks set to be a more challenging year in 2026.

Capacity expansion in November broadly matched demand, although growth in supply over the year remained slower than the demand surge. This gradual rebalancing of demand and supply has still to show up significantly in lower global cargo spot rates, although November's -5% decline year-on-year to USD 2.73 per kg was above the corresponding -3% drop recorded in October.

The disconnect suggests carriers are chasing market share at the expense of price discipline, squeezing yields in an already downbeat market. Month-on-month, global air cargo spot rates rose by +6% in November, a more subdued increase than the +9% recorded a year ago.

Actual US tariffs not as bad as feared

"We are now seeing studies on the impact of actual implemented US tariffs and despite all the noise, the global average seems to be in the 10-12% range and not the 30, 40, 50 or 100% levels that were threatened in April. So, while the impact is there and it is unsettling for the airfreight market, it's not as dramatic as was feared and is not yet hitting consumer demand to a concerning level," he said.

This situation, however, is likely to change in 2026, van de Wouw added. "Some shippers have absorbed the increases and are yet to pass on these extra costs to consumers, but with stocks running low and inventory replenishment on the horizon, we expect to see more tariff impact on air cargo volumes next year. US consumer confidence is reportedly starting to fall, and higher prices next year are likely to exacerbate this sentiment." he said.

While acknowledging the air cargo market is 'busy getting through the quarter' in Q4, latest data for the industry's demand 'growth engine' of the past two years is concerning, van de Wouw said.

"For e-commerce and traditional air freight, this is by no means a peak season, but it's a busier season than looked possible a few months ago. But after two years in which the growth of air cargo has been so reliant on e-commerce, there is now a question mark over demand for cargo capacity in the coming year. I doubt the global economic concerns will greatly impact the likes of Temu because of the ability of China's factories to produce stuff at a very low cost for consumers willing to buy them, but the big question for the air cargo industry is whether China's e-commerce volumes to the world can keep on growing as they have been?

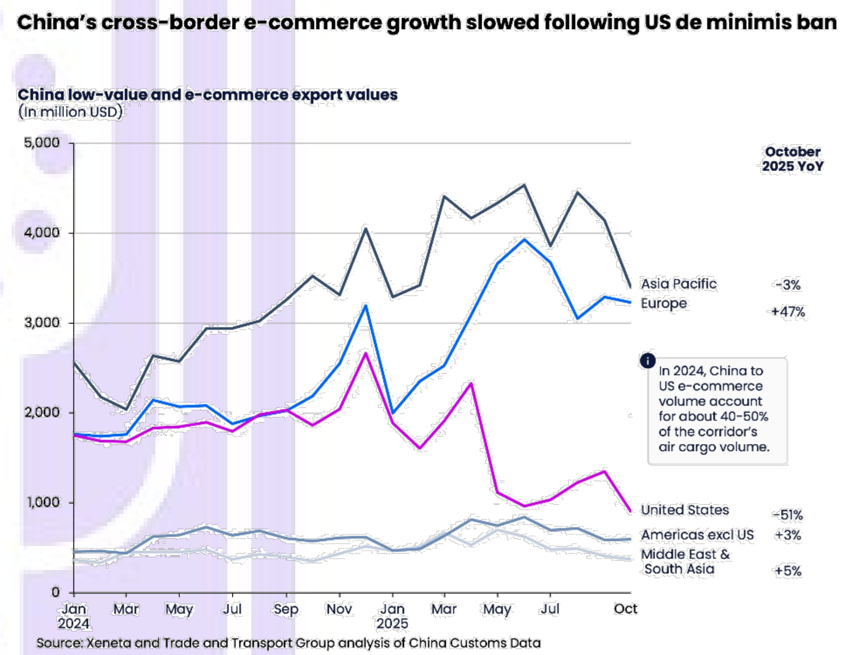
"The indicators suggest it will be very difficult to maintain - and we're already starting to pick up on flattish growth of ecommerce year-on -year, which is not something we've seen in the last 2 years," he continued.

Flat growth for China's cross-border e-commerce

Van de Wouw highlighted warning signs for e-commerce volumes heading into 2026. "After 27 straight months of near +40% year-on-year growth, China's total cross-border e-commerce sales were flat in October, based on the latest market data from China Customs," he said. "Even robust expansion from China to Europe - up +47% in October - was offset by declines to the rest of Asia, down -3%, and a dramatic -51% drop in e-commerce shipment volumes to the US in this new post de minis environment."

Despite strong growth in October, e-commerce volumes into Europe could also be impacted by increasing regulation, with the EU set to introduce its own accelerated de-minimis reform in 2026 to close loopholes exploited by low-value shipments.

The EU handled around 4.6 billion such parcels in 2024, with up to 65% believed to be undervalued. 91% of all e-commerce shipments to the EU valued under EUR 150 came from China. In a similar way to the US in 2025, the EU is now aiming to curb undervaluation and level the playing field for domestic retailers.



While the rollout of an EU data hub for e-commerce will not be ready until 2028, a temporary solution is expected in 2026. Earlier proposals included a flat EUR 2 handling fee for shipments sent directly to consumers and EUR 0.5 for warehouse-handled items. Nonetheless, such measures are unlikely to materially suppress demand, considering their marginal impact on cost in comparison to alternatives for consumers.

A greater impact on air cargo demand would come from any changes that slow down the supply chain or introduce hefty extra fees, van de Wouw stated.

Modest low single-digit demand growth in 2026

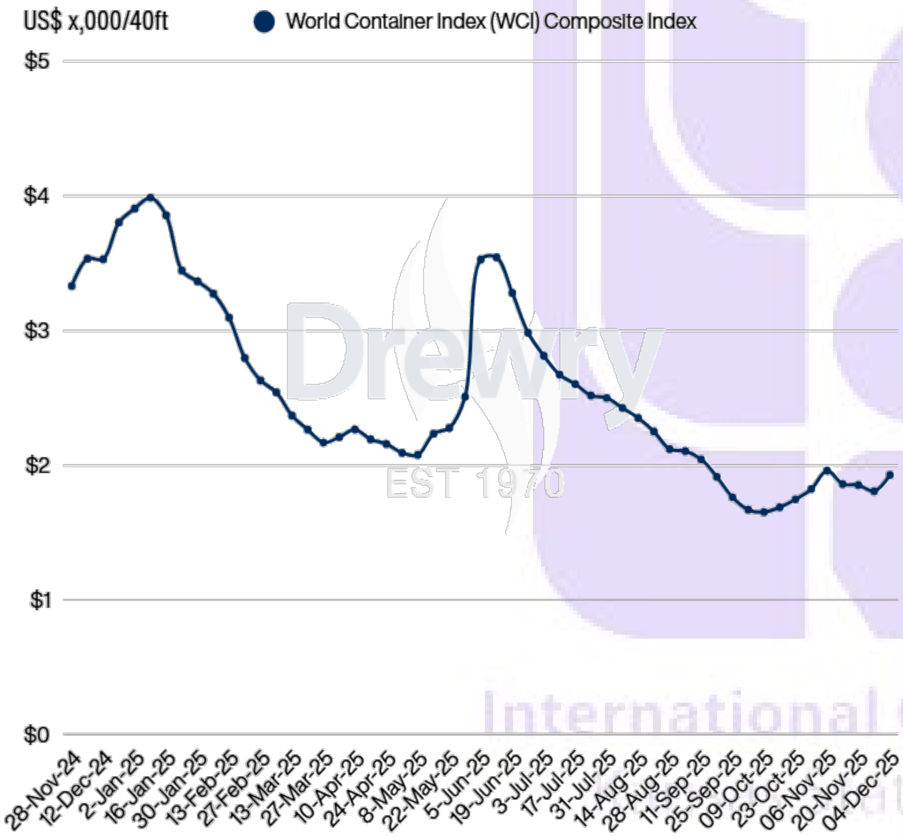
The air cargo industry will head into the New Year with expectations of only modest, low single digit growth for the year ahead, van de Wouw said.

"We expect supply to grow more than demand in 2026, and that will have an impact on rates. I also do not think low, single-digit demand growth will satisfy the appetite and ambition of freight forwarders, especially the listed ones that need to grow much faster in the market. So, the only way to do that is to grab market share, which would place a further downward pressure on rates in favour of shippers.

“Shippers are asking us what we think is going to happen and, interestingly, we’re also starting to see airlines coming to Xeneta to get a better understanding of shipper rates to validate what forwarders are telling them. Right now, the consensus is the market will do well to achieve demand growth of 2-3% in 2026,” he added.

- **<u>Drewry World Container Index</u>**

Our detailed assessment for Thursday, 04 December 2025

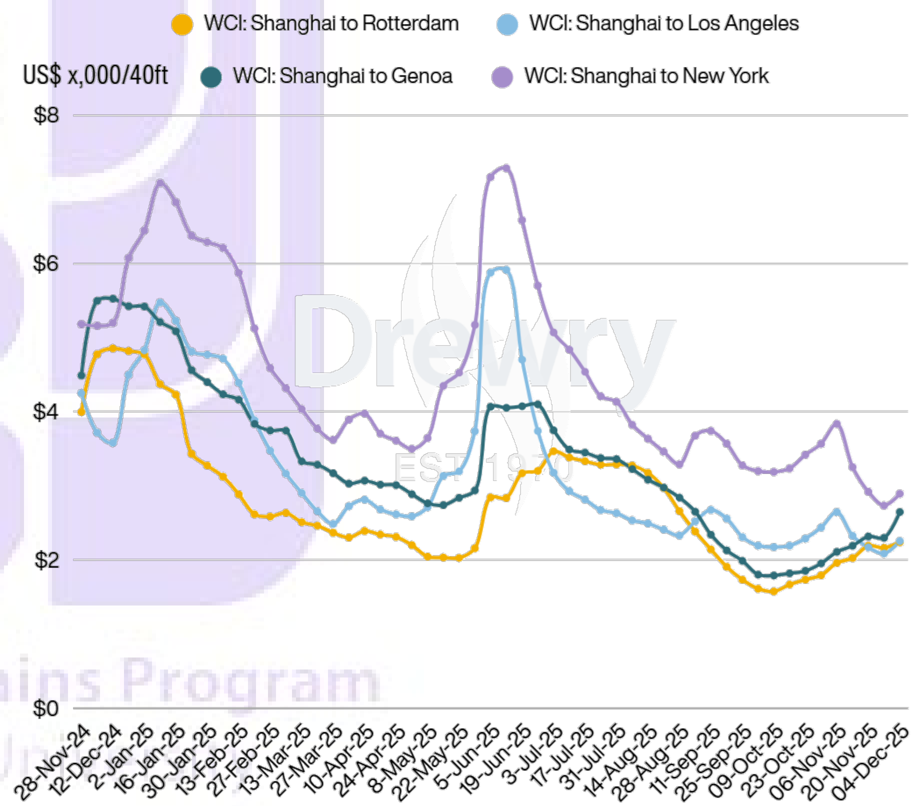


04 December 2025 – Source: [https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry.](https://www.drewry.co.uk/supply-chain-advisors/supply-chain-expertise/world-container-index-assessed-by-drewry)

The Drewry World Container Index (WCI) rose 7% to $1,927 per 40ft container after three weeks of decline, mainly due to rate hikes on Transpacific and Asia–Europe trade routes.

Following three weeks of declines that pushed spot rates to their lowest level since January 2025, rates on the Transpacific headhaul finally recovered this week. Spot rates from Shanghai to Los Angeles climbed 8% to $2,256 per 40ft container, while those to New York rose 6% to $2,895.

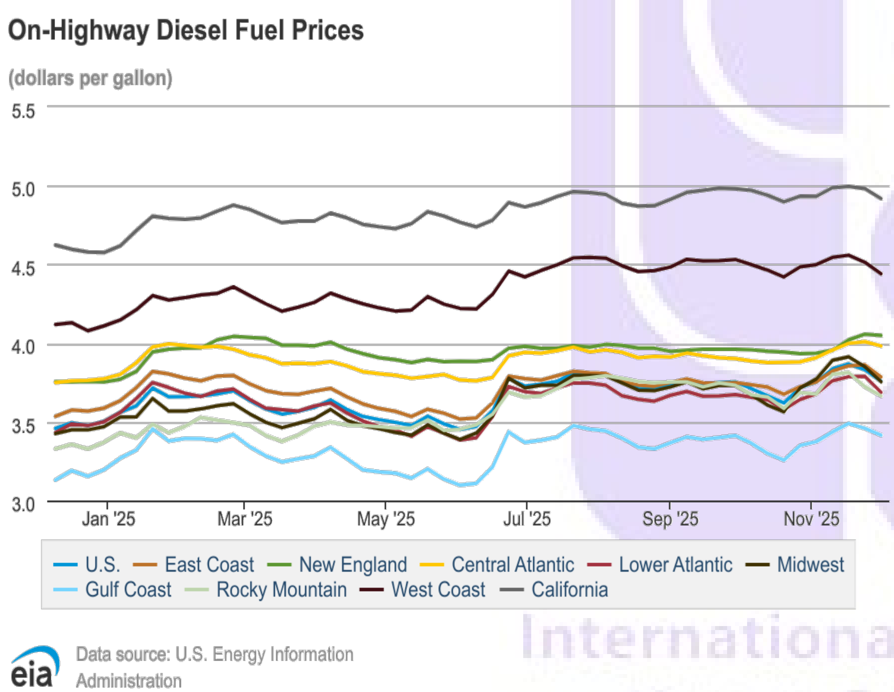
Shifting away from traditional fortnightly adjustments, some carriers have adopted a weekly strategy for GRIs. Instead of announcing large hikes that tend to erode quickly, carriers are now introducing smaller, more frequent increases to maintain consistent upwards pressure on spot rates. This strategy appears to have been effective this week, leading Drewry to forecast stable rates in the week ahead.



Spot rates on the Shanghai–Genoa route increased in double digits, rising 15% to $2,648 per 40ft container, while rates from Shanghai to Rotterdam edged up 4% to $2,241 per 40ft container. In contrast to the Transpacific trade route, Asia–Europe has successfully sustained rate levels for three consecutive weeks, leveraging FAK increases to support spot rates before annual contract talks begin.

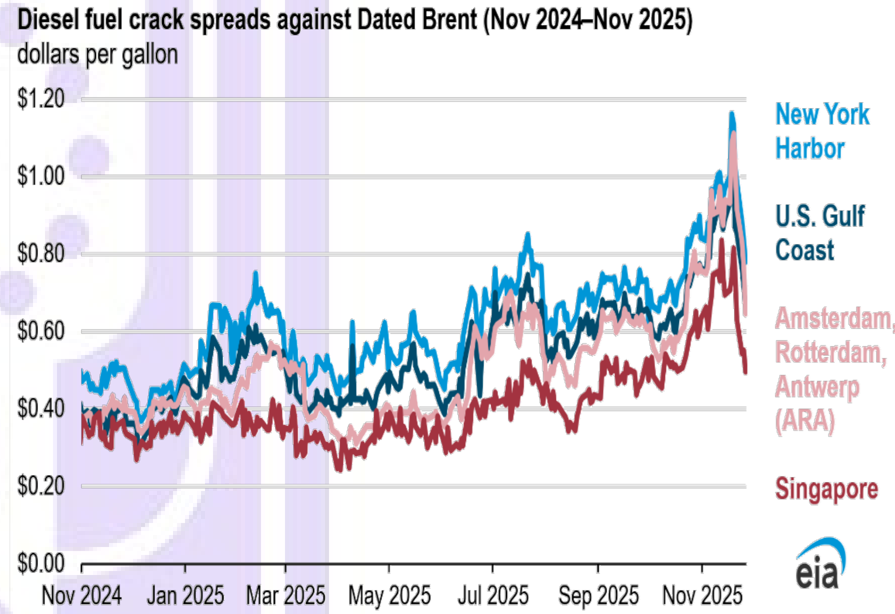
The uncertainty surrounding the Suez Canal is adding volatility to the Asia–Europe trade lanes since carriers continue to view the Suez as the natural route between the two regions. A full resumption of transits would return significant capacity to the market and exert downwards pressure on rates, although the effect would likely be gradual due to the possible congestion at ports following the realignment of East–West networks.

<u>ROAD MOVEMENTS & DIESEL FUEL PRICES</u>



➢ **<u>Geopolitical developments contribute to elevated diesel prices</u>**

03 December 2025 by Kevin Hack, EIA —



Global refinery margins for diesel have widened since late October and increased to their highest level all year, following refinery outages in Russia and in the Middle East and new sanctions on Russia's crude oil, leading to limited refinery production and a decreased global diesel supply. The impact was most pronounced in the Atlantic Basin, contributing to higher prices at the Amsterdam, Rotterdam, Antwerp (ARA) shipping hub, a key benchmark for European prices, as well as at New York Harbor and the U.S. Gulf Coast. The higher global prices also affected prices in the United States because U.S. refiners can sell into both domestic and international markets.

Crack spreads indicate the profitability of refining crude oil into certain products. They're calculated by subtracting the spot market price of a gallon of crude oil from the price of a gallon of refined product. Crack spreads for diesel fuel increased sharply from mid-October to mid-November, with spreads in New York Harbor, the U.S. Gulf Coast, and the ARA shipping hub all rising above $1 per gallon for the first time in over a year.

New EU sanctions against Russia have contributed to tight global diesel supply and rising crack spreads. In October 2025, the EU tightened restrictions on the major Russian oil companies Rosneft, Lukoil, and Gazprom Neft. That tightening followed EU sanctions against Russia implemented in July that included an import ban on refined products derived from Russia's crude oil. The EU first banned the import of Russia's crude oil and oil products from refineries in Russia, including diesel fuel, in late 2022 and early 2023 in response to Russia's full-scale invasion of Ukraine.

The latest sanctions aim to diminish the value of Russia's crude oil by targeting refineries in Türkiye and India, which have been processing discounted crude oil from Russia and exporting refined products, including diesel, to the EU.

Meanwhile, Ukraine's attacks on Russia's refinery and petroleum export facilities have curbed Russia's product exports of the fuels. Reduced exports directly affect countries that have continued to import fuels from Russia. In the absence of discounted Russian volumes, these markets must instead bid for available volumes from other sources, further contributing to rising diesel prices.

Outside of Russia, an ongoing outage at Kuwait's Al Zour refinery since late October has further tightened available refined products supplies. The Al Zour refinery came online in 2023 and helped provide fuel supplies to Europe after the implementation of the import ban on oil products from Russia earlier that year. The outage at Al Zour comes amid a relatively strong refinery maintenance season in the Middle East, as several other refineries in the region temporarily reduce their processing rates. In addition, the progress of refinery maintenance at the large Dangote refinery in Nigeria has received mixed reports, putting additional pressure on the Atlantic Basin market.

Sustained international demand amid constraints on international supply have contributed to increased demand for products from those refiners that remain operational. These refiners include refiners on the U.S. Gulf Coast, which supply most U.S. petroleum product exports. U.S. gasoline exports have risen to their highest levels so far this year, according to both our Weekly Petroleum Status Report and shipping data from Vortexa. U.S. distillate fuel oil exports, which include diesel, have also been high in November, relative to the five-year (2020–24) average.