
Carriers will gradually restrict IPI-bound bookings in the coming weeks as railroads and ports struggle with growing dwell times, congestion, and rail car displacement. This could result in even more downward pressure on west coast CY rates as carriers would be forced to backfill allocation left open by fewer IPI bookings. **Rates will most likely not increase on July 1st** but we price-in a modest increase on July 15th due to uncertainty regarding projections beyond 4-weeks and potential labor disruptions on the west coast. However, with additional capacity to debut in July, and with blank sailings showing few if any signs of increasing in the coming weeks, carriers will be hard-pressed establish momentum toward any meaningful rate increase either in early- or mid-July. **Congestion at rail ramps and associated dwell times of inland-bound containers will continue to worsen before it improves,** as chassis shortages result in grounding and stacking of containers. This will delay the repositioning of badly-needed rail cars to the west coast, as containers remain on cars for longer-than-planned while more IPI-bound containers are discharged at ports every day. It is not out of the question to see IPI container dwell times on the west coast exceed three weeks by the end of June.

FORWARD FAK RATE PROJECTIONS AS OF JUNE 22