
MARKET OUTLOOK & FORECAST – JULY 27 – AUGUST 10

Spot rates will not increase on August 1st. Despite the coming weeks showing increased blank sailing activity, rates will remain soft into early August and likely into the middle of the month. Congestion – and specifically the number of queued vessels at ports – is expected to worsen as there are no short-term remedies to worsening congestion at inland points. **We expect that cancelled sailings will remove at least 25% of total trade capacity per week** for the coming weeks as vessel-bunching worsens and schedules fall further out from pro-forma. That number is likely to rise toward mid-August as the number of ships at anchor increases. Space demand from Asia will remain stable for the coming weeks, however, so **there is no imminent threat of acute space shortages and sudden spot-rate increases associated with cancelled sailings in early August.** IPI delays and dwell times at terminals are likely to lengthen in the coming weeks as carriers continue to discharge far more containers for inland destinations than rail carriers can accommodate. As this volume compounds, dwell times for local cargo will increase as well.

FORWARD FAK RATE PROJECTIONS AS OF JULY 27