

An aerial, high-angle view of a large container ship's deck at night. The deck is densely packed with stacks of intermodal containers in various colors. Several large gantry cranes are visible, their booms extending over the container stacks. The ship's superstructure, including the bridge and funnels, is visible at the top of the frame. The overall scene is illuminated by the ship's deck lights, creating a high-contrast, industrial atmosphere.

Q3 2025

Ocean Freight Rate Tracker

Ti

OCEAN FREIGHT TRACKER Q3 2025

There is a growing sense that, like the pandemic, the situation we find ourselves in now is something akin to a new normal. Where it differs perhaps is that there are a few surprises, and those that do emerge have a sense of familiarity.

In that respect, Q2 and much of Q3 2025 have reinforced a familiar but sharpened picture of global trade: volatility is the defining constant. Across all major lanes the same set of forces - structural oversupply, fragile demand and policy-driven uncertainty - are exerting pressure, though in different ways.

It is an environment where temporary rate rebounds and throughput are tied more closely to the timing of trade policy and carrier intervention than to durable recovery. It is little wonder that the industry doesn't know whether it is coming or going.

Unsurprisingly, the Transpacific is the sharpest illustration of this trend. As the world's trade hub, it bore the brunt of tariff-driven front loading and the subsequent demand collapse, leaving carriers with excess tonnage and shippers with a soft, short peak season.

The Transatlantic expressed the same weakness, albeit in a different way. Occasional spurts of stability around restocking and carrier discipline were underscored by an underlying imbalance between westbound and eastbound that kept rates anchored.

Asia-Europe, meanwhile, captured the push and pull most clearly with brief restocking and tariff diversion lifting rates, but offset by weak European demand and operational challenges.

Across all lanes, the industry remains caught between a flood of new capacity and only glimmers of economic improvement. Carriers will cling to that glimmer as they seek to mitigate imbalances in the face of turbulent geopolitics and sketchy trade policy. It is arguably the best they can hope for in the absence of any real long-term clarity.

In all, Q3 reaffirms that we are in the middle of a prolonged phase of oversupply and weak consumption, and where recovery is reactive and easily reversed. In that respect, the current scenario appears as less something to ride out and more a structural condition the industry must find a way to navigate.

GLOBAL INDEX

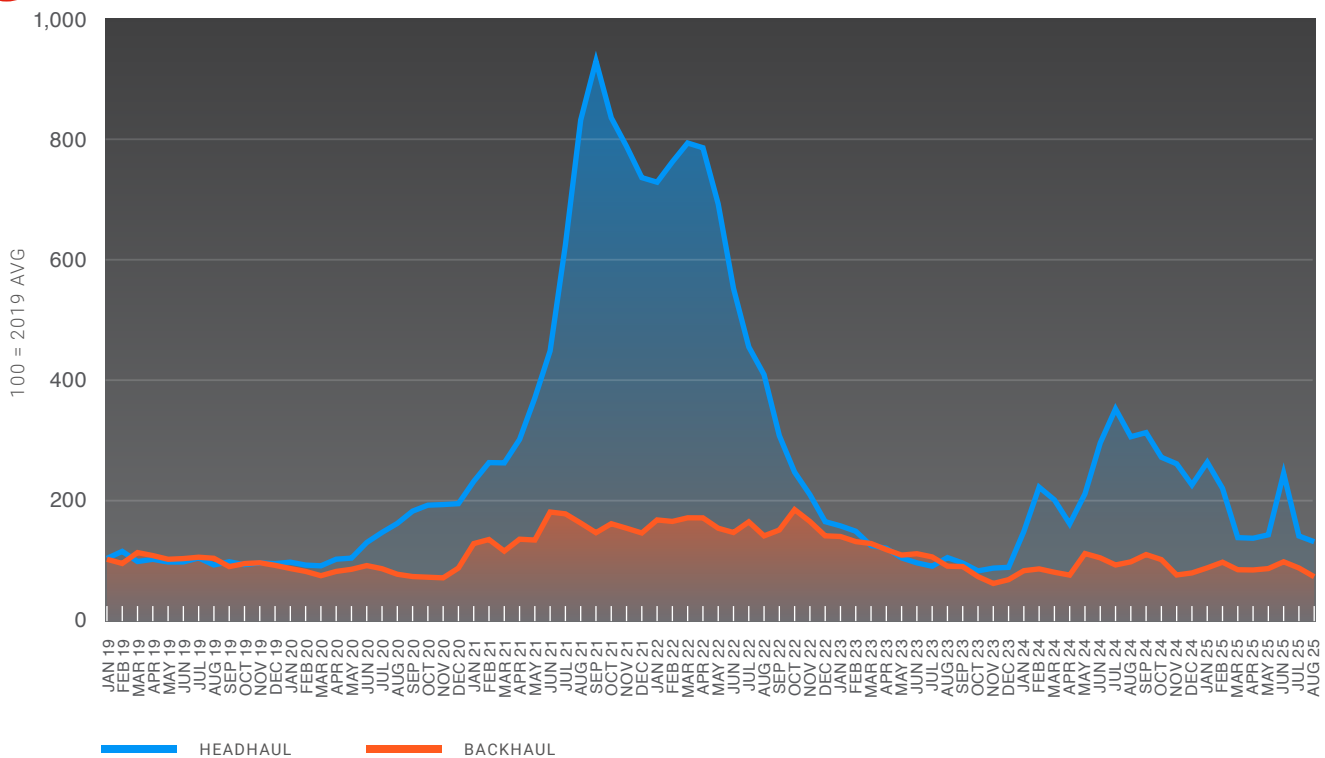
Both the Headhaul and Backhaul indexes have dropped to their lowest rate in 20 months. This is the result of a continued downward trend following the initial tariff induced plunge in Q1 2025.

The headhaul index dropped to 131.8 index points in August 2025, this figure represents a -11.4 point drop vs May's figure used in the last edition of the Ocean Freight Tracker and a huge 174.3 point drop year-on-year.



GLOBAL OCEAN FREIGHT RATES INDEX (JAN 2019 = 100)

SOURCE: FREIGHTOS



If the year to date has shown us anything, it is that volatility will be the defining factor of global trade in the short to medium term. On that score, several factors have combined to influence the plunge shown in the data, front and centre of which are the US tariffs and overcapacity in the shipping market.

Of the former, container spot rates on headhaul trades spiked in May and early June as shippers front-loaded. But, by mid-July GRIs had failed to lift rates, while spot prices on Asia-US routes in particular fell steadily from around mid-June.

In early August, Asia-US rates had slumped by 58% on the US West Coast and 46% on the US East Coast respectively ¹ from June. And though the 90-day pause in US tariffs gave a brief lift from late May to early June, it gave way as capacity exceeded demand.

In response, carriers weren't generally expecting a normal peak season and were instead blank sailing and reshuffling services – though that only stabilised rates temporarily.

In mid-August the drop in spot rates slowed partially, but gave way to a continued slip with more incoming vessels deepening the risk of overcapacity. That problem will persist globally throughout the remainder of the year with blanked sailings and cancellations likely as carriers try to prop up rates.

Meanwhile, macroeconomic headwinds made themselves felt through the summer, with global GDP and retail-sales downgraded ², and PMI data suggesting that inventories were high amid dampened long-term planning – creating weaker demand overall.

Generally speaking, we can expect more of the same in Q4, which will be characterised by rate pressure, muted demand and the aforementioned oversupply. Tariff policy remains the biggest wildcard, though geopolitics and peak-season surges could create spots of volatility.

By late 2025 there should be ample vessel space and opportunity for shippers to lock in favourable rates and contracts. That said, they're still advised to secure capacity early for peak weeks and retain a cautious approach amid ongoing uncertainty.

1. [Reuters](#)

2. [UPS](#)

GLOBAL DEMAND

The latest world port volumes index in Q2 2025 is a story of regional divergence. North American volumes dropped to 139.2, 0.4 points less than last year and a sharper 4.03 points quarter on quarter from 143.3 in Q1. Europe, by contrast, showed the reverse trend: a modest year-on-year fall of 1.4 points, from 90.0 to 88.6, but a quarter-on-quarter gain of 1.0 point, up from 87.5 a quarter ago. Asia, however, drove global growth, as its index rose to 123.0 in Q2 2025, an increase of 5.9 points on 117.1 in the previous year and 3.9 points on 119.0 in Q1 2025, continuing its upward trend.

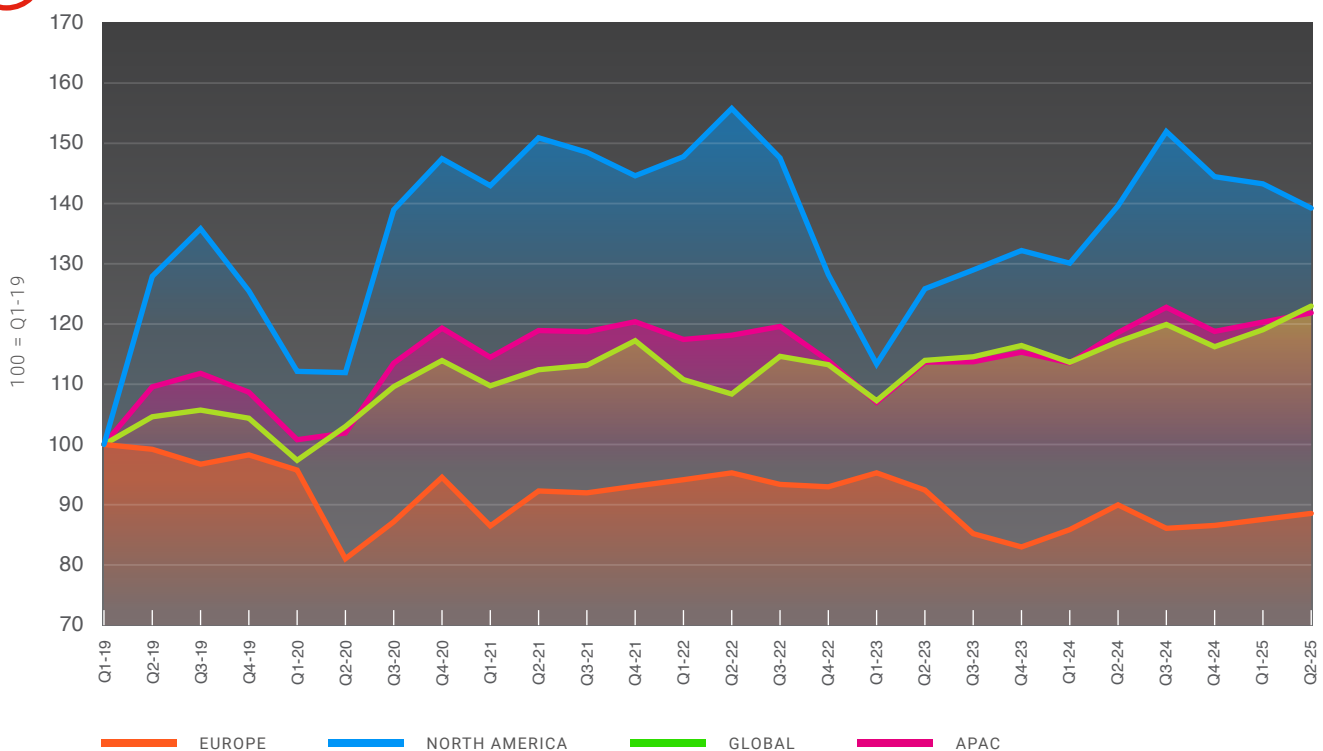
Globally, the index climbed to 121.9, up 3.3 points from 118.6 compared to the same quarter last year, a much bigger increase than the six year average quarter's increase of 1.8 points. Quarter by quarter, the growth was more modest at 1.5 points from 120.3.

Looking closer at US East Coast volumes, initially, the threat of tariffs did appear to stimulate activity, as shippers pre-loaded cargo prior to implementation schedules, artificially inflating volumes and driving the initial phase of the rebound. That short-term lift is now over, with tariffs applied, the cost pressures are beginning to dampen demand, pushing volumes down.



GLOBAL OCEAN FREIGHT VOLUMES INDEX

SOURCE: PORT AUTHORITIES



Throughout Q3 North American ports saw an artificial lift, which was down exclusively to importers rushing goods ahead of tariffs and pushing imports up 18% year-on-year in July.¹ During that period, LA handled a million containers in a single month, though executives there and at Long Beach believe there is now an excess of inventories that will see volumes drop by 10%.²

Of course, tariff uncertainty remains pervasive. Reciprocal duties took effect on August 1, India specific levies were introduced on August 7 and the US – China truce expires on October 15. And with high interest rates and weakening and fragile consumer demand, Q4 looks points to softer throughput for North American ports.

Congestion, meanwhile, remains a problem for Europe, with July and August being particularly difficult for Rotterdam, Hamburg and Antwerp. The Rhine River drought has also forced barges to operate at reduced capacity, and though water levels have improved, capacity remains tight and will be so in Q4³. Elsewhere labour shortages and lacklustre economic growth signal only modest growth for Europe for the remainder of the year.

By contrast, Asia has motored. Port indices in China were up 4.5% year-on-year in May⁴, and July throughput at many Chinese and South-Asian ports climbed on tariff-related front loading. It's not all sunny however – weather disruptions, looming tariff uncertainty and high inventory costs will likely moderate growth later in the year. In that respect, the global port index is expected to plateau or fall quarter-on-quarter for Q4 2025 and will likely only remain above last year's level because of the strong performance in Q3.

1. [Descartes](#)

2. [AJOT](#)

3. [Reuters](#)

4. [Drewry](#)

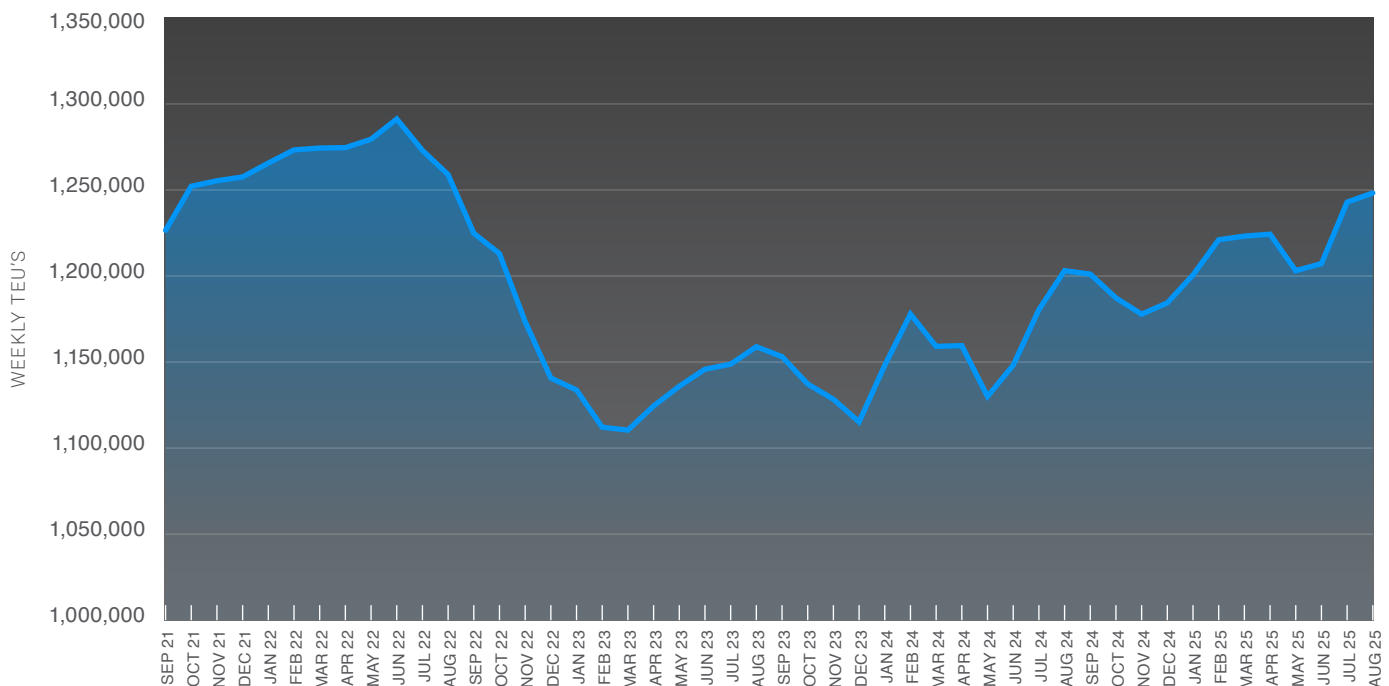
GLOBAL SUPPLY

Month-on-month, global capacity has increased minutely by 0.4% from 1,242,956 TEUs in July 2025 to 1,248,267 TEUs in August 2025. While the east-europe and transatlantic lane saw a decline we witnessed an increase on the transpacific lane. In the long run we observe that global ocean freight capacity has increased year-on-year by 5.5% from 1,147,365 in Q2 2024 to 1,211,208 TEUs in Q2 2025, however quarter-on-quarter we see a decline of 0.3% from Q1 2025 capacity at 1,215,596 TEUs. If global capacity continues to increase over the months, it might exert a downward pressure on rates.



GLOBAL CAPACITY

SOURCE: ALPHALINER



Throughout the rest of the year the container market will remain over supplied, with any seasonal surge highly unlikely to offset the influx of capacity. Earlier this year the global fleet reached 3.18m TEUs and is continuing to expand with an order equal to more than a quarter of the current active fleet.¹ Although Q2 saw a minor quarter-on-quarter drop, it was down to disruption rather than a slowdown – as indicated by rising capacity in July-August.²

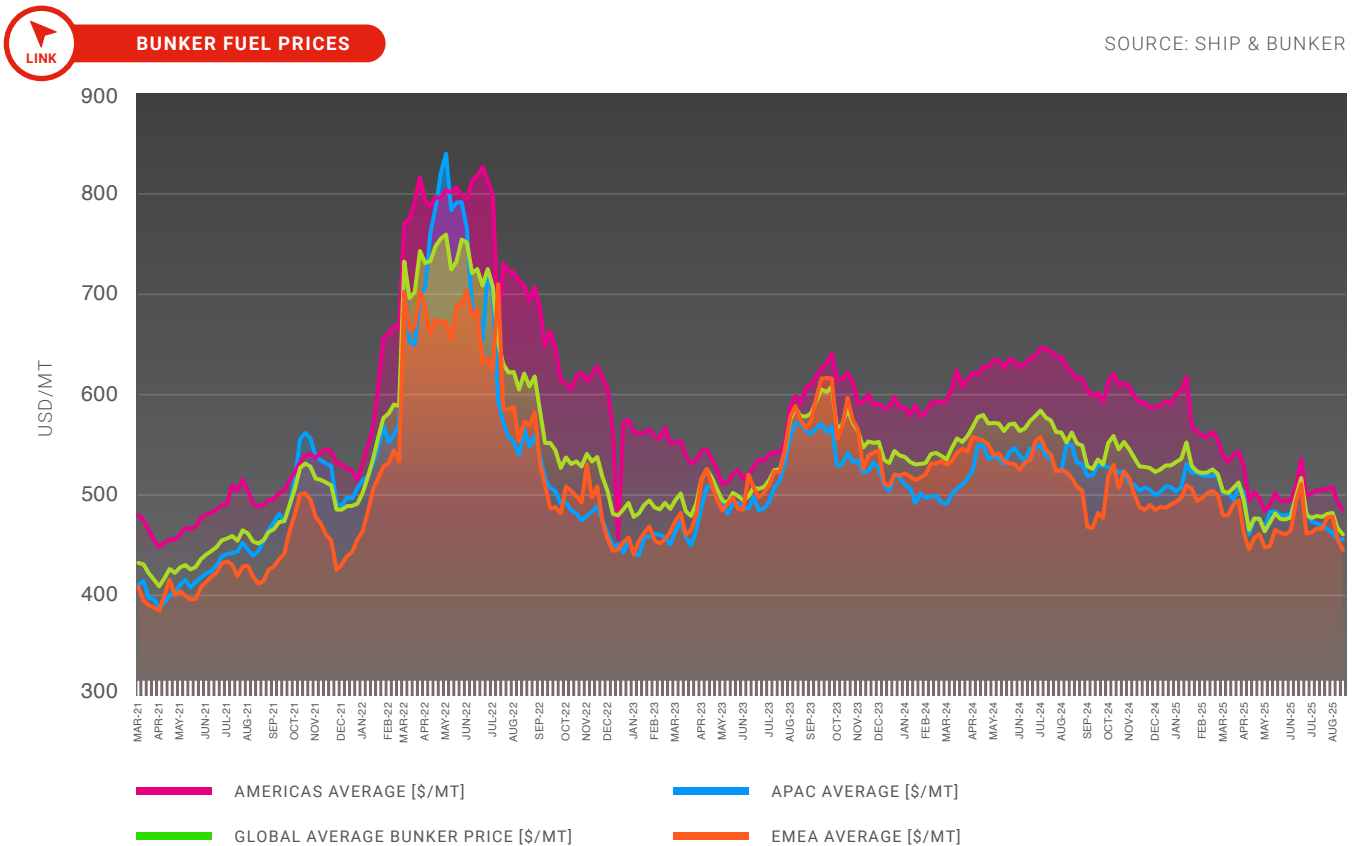
Global demand is generally muted. In the US, for example, the National Retail Federation forecasts import volumes to fall by as much as 21% between August and November ³, indicating that the tariff-driven surge in July marked a peak. With North American consumers already well stocked and weak demand in Europe limiting recovery, carriers are cutting capacity through blank sailings ⁴, service suspensions, and smaller ships. Indeed, on both US coasts capacity is predicted to drop by 6.2 % and 1.7 % respectively, ⁵ leaving ample space on most trade lanes. Capacity will remain plentiful and blank sailing prevalent.

Generally speaking, the imbalance between supply and demand should push rates lower. Transpacific are more than likely to stay flat, while Asia-Europe will be stable, and transatlantic conditions soft. Unless a major disruption removes a large amount of tonnage, overcapacity is going to persist through the final part of 2025, keeping rates under pressure for the foreseeable.

1. Foro
2. Wow!
3. 4. 5. UPS

FUEL

Global bunker fuel prices continue to weaken in 2025-Q3, down 14.2% year-on-year and 1.3% quarter-on-quarter. Regionally, the Americas fell 19.6%, APAC 12.9%, and EMEA 9.0% year-on-year, with month-on-month declines ranging from 0.0% in EMEA to 2.7% in APAC. Despite being 16.2% above the April 2021 minimum, prices remain 37.5% below the May 2022 peak.



At the time of writing, global fuel demand has declined as the result of multiple converging factors. Broad shifts away from traditional fuels are becoming increasingly pronounced, with refined fuel consumption weakening significantly.

In August, Sinopec reported its profits were at their lowest in 5 years, and that diesel was down 6.7%, gasoline down 4.9%, and jet fuel down 8.3% in the first half of 2025.¹ It's further evidence that global transition to electric vehicles and cleaner alternatives is eroding fossil fuel demand.

Regionally it's a mixed outlook. Although India's economy is booming and Brazil is showing signs of recovery, the overall demand in the APAC region is stagnating, with India reducing

crude consumption. In April-July imports fell 0.6% year-on-year, and deepened again in July with crude imports declining 4.3%, and products falling 12.7%.²

Elsewhere, seasonal dynamics including strong summer travel have boosted demand in the US, with inventories falling and jet fuel usage peaking.³ Despite these short-term gains, the structural changes in energy use, increased efficiency and OPEC+ output shifts continue to apply pressure on fuel consumption globally.⁴

1. *Reuters – Sinopec*

2. *Economic Times*

3. *Reuters – Oil & Energy*

4. *Reuters – OPEC*

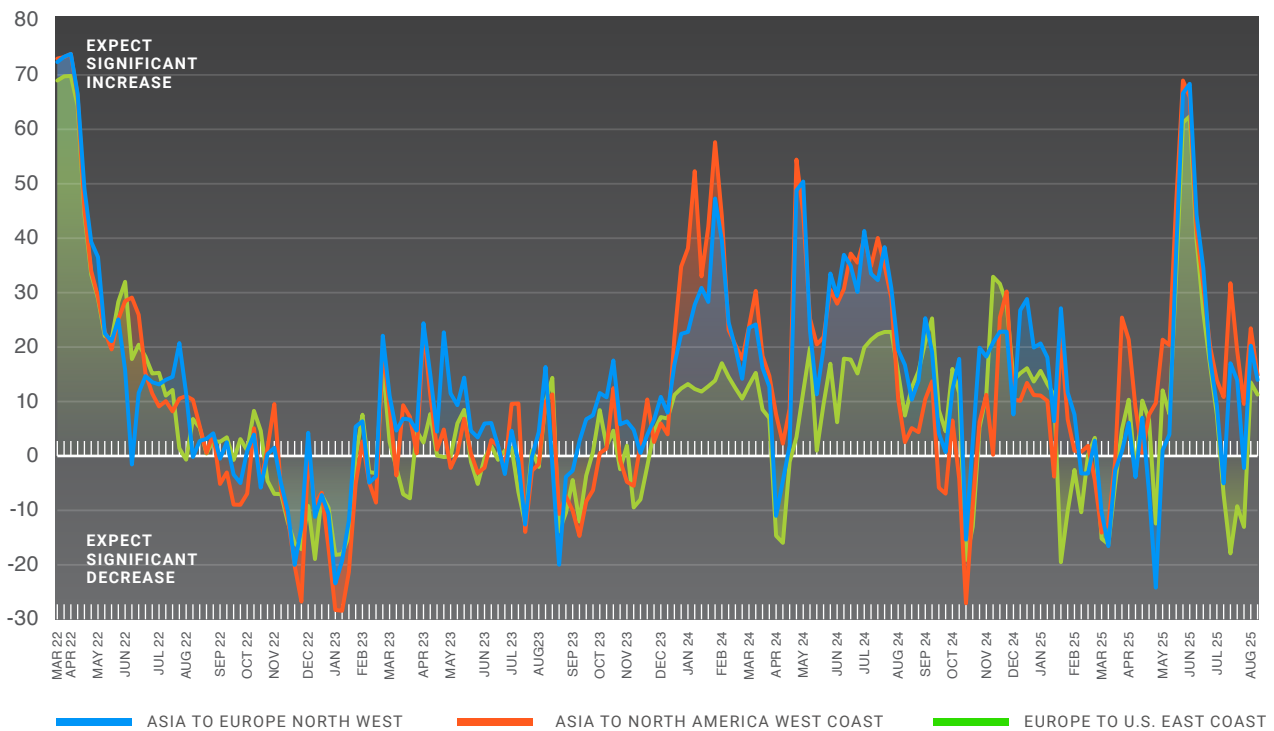
SENTIMENT TRACKER

This quarter, on the Asia to Europe Northwest route, the sentiment remains an increase, as 61.0% of respondents polled reported that they expect rates to increase in the next 3 months. Although the magnitude of increase changed. Last quarter the respondents polled reported that they foresee a significant increase in Ocean freight rates where as this quarter the magnitude of increase reported as slight. On the Asia to North America West Coast route, this quarter the respondents are split between Increase and decrease, at 41.0% each respectively, however the granular data reveals that the slight majority of respondents polled expect a moderate decrease in rates in the coming quarter. Last quarter on this route the respondents strongly expected an increase. On the Europe to US East Coast route, the slight majority, 43.2%, expect a decrease in rates in the coming quarter, with the magnitude reported being a moderate decrease. Globally, 47.7% of respondents report that rates will increase in any magnitude in the coming 3 quarters.



OCEAN FREIGHT CONFIDENCE INDEX

SOURCE: TI



Global Outlook

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	2026
Supplier disruption					
Operating costs	=	=	=	=	=
Trade restructuring	↘	↘	↘	↘	=
Trade finance	↗	↗	=	=	=
Production utilisation	=	=	=	↗	↗
Consumer / business demand					
Consumer confidence	↘	↗	↘	=	↗
Industrial demand	↗	↗	=	=	↗
Interest rates*	↗	=	=	=	=
Inventory levels	↘	↘	↗	=	↗
Shipping and logistics					
Supply chain bottlenecks	↘	↗	↘	=	=
Supplier price power	↘	↘	=	=	↗
Labour shortages	=	=	=	=	=
Shipping capacity*	↘	↗	↘	=	=
Port capacity / congestion	↘	↗	=	=	=
Intermodal capacity and costs	↗	↗	↘	=	=
Warehouse capacity and cost	↗	↗	↘	↗	↗
Bunker costs	↘	↗	=	=	↘
Shipping Rates*					
	↘	↗	↘	=	↘

* Capacity is in terms of TEUs

* Disruption lifts rates up and stays elevated

Key	
=	No Change
↘	Deflationary pressure on rates
↗	Inflationary pressure on rates

How should I interpret this chart?

- The chart shows how different factors are expected to affect freight rates over upcoming quarters. It then shows expectations for freight rates themselves.
- The arrows for the sections "Supplier disruption", "Consumer/ business demand" and "Shipping and logistics" indicate how changes in this factor will affect freight rates in each quarter.
- The arrows in the "Ocean freight rates" section indicate the expected change of freight rates in each period.
- Across all rows the arrows depict change versus the prior quarter
- Smaller arrows indicate a lesser degree of change, larger arrows indicate a greater degree of change.

GLOBAL OUTLOOK + CONCLUSION

What should be clear as we enter Q4 is that the industry is in a state of entrenched imbalance rather than a cyclical downturn. What distinguishes the former from the latter is not the oversupply or weak demand – both are features of the market – but the degree to which they are being amplified by volatile trade policy and the resulting shifts in consumption.

Against that backdrop we can expect three converging forces to exert pressure over the next six months. The most obvious and pressing remains US trade policy which is as erratic as it is unpredictable. The lack of clarity has made forward planning nigh on impossible and has put the frighteners under markets.

Across the Transpacific in particular, importers front loading has left warehouses well stocked and carriers facing the weakest peak season in recent memory, while on the Transatlantic stability is fragile and tied to restocking rather than genuine demand. Asia-Europe is more insulated by Indian exports and Red Sea related constraints, but even so resilience still looks more reactive than structural.

Elsewhere, the supply side is compounding the challenge. Record newbuilds will flood the market in 2026, ensuring that excess tonnage will continue to be a defining feature of the industry. Carriers will shuffle networks and use selective redeployments as a means to cope short-term and in the absence of systemic corrections. It'll be a buyers' market for shippers who will have to contend with patchy reliability and thinner effective capacity than nominal fleet numbers suggest.

Finally, consumer demand appears unlikely to provide relief in key markets. Sentiment is sliding in the US as tariffs push up costs and inflationary pressures re-emerge. Europe is showing signs of improvement through stabilising retail volumes and PMI readings, though household spending remains constrained by interest rates. Asia is mixed, as Chinese exports continue to be externally reliant, while India's growth provides a silver lining to the region. That alone is unlikely to offset wider weakness though.

Collectively, these conditions tell us that Q4 will be volatile and without a clear upside. Rates will be tied to restocking and carrier tactics, with a flat or downward trajectory. In Q1, the structural imbalance will deepen as new tonnage enters the market, locking in lower rate ceilings and pushing the balance of power further toward shippers.

What is interesting here is that the weakness isn't uniform, and, moreover, each region has its isolated stabilisers – the disciplined capacity management on the Transatlantic or India's export strength. In the absence of systemic solutions they offer a certain kind of resilience, and in the absence of a demand catalyst they suggest a way forward. With that in mind, the real challenge is perhaps not predicting a recovery, but adjusting to its absence.

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