

Carriers Begin Small Rate Cuts as Transpacific Market Loses Momentum – TFX Update wk. July 6, 2026

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The Lead:

Last week reflected a sharper turn toward defensive and enforcement-driven trade policy. In Europe, the [EU's new steel import framework](#) took effect on July 1, setting annual tariff-free quotas at 18.3 million tonnes and applying a 50% duty on out-of-quota imports as part of its response to global steel overcapacity and import pressure.

The UK introduced [a similar steel trade measure](#) the same day, reducing tariff-free quota volumes by 51% and applying a 50% tariff on imports above those limits. In North America, [the United States declined to renew USMCA in its current form](#) during the agreement's mandatory joint review, keeping the pact in force while pushing it into a more uncertain annual review process.

At the same time, US Trade Representative (USTR) advanced two major Section 301 tracks: a Brazil-focused action covering practices tied to digital trade, preferential tariffs, intellectual property, ethanol market access and illegal deforestation, and [a broader forced-labor-related proceeding](#) covering 60 economies accused of failing to effectively restrict imports made with forced labor.

Taken together, the week showed how tariff policy is increasingly being used not only to protect domestic industries, but also to enforce labor, environmental, industrial and geopolitical priorities across global supply chains.

This Week's Ocean, Air & Freight Markets

China-US Ocean Freight Market:

CEA to USWC: Spot rates remain elevated in the mid \$7,000 range, though some carriers are beginning to offer small reductions of around \$100 – \$200 week over week. The lane appears to have reached a near-term ceiling after the recent run-up, with demand still soft and no significant rush from shippers to move cargo quickly.

While rates are still among the highest levels seen since the COVID-era freight surge, the market now looks more likely to hold steady or ease slightly than continue climbing.

CEA to USEC: East Coast rates are also holding at historically high levels, with pricing at \$8,000-plus range and some inland or longer-haul movements likely

remaining more expensive. However, like the West Coast lane, the direction is beginning to soften slightly as carriers respond to weaker booking activity.

The market is not seeing enough volume improvement to justify another increase, and any further movement appears more likely to be flat to modestly lower rather than upward.

Freight Right’ s Lowest Rate indicators are finding that importers can find spot rates as low as \$4,500 from China to US West Coast and \$7,000 from China to US East Coast. Talk to your freight forwarder about options available to you.



China/East Asia -> US West Coast(USWC) / US East Coast(USEC)



CEA -> USWC



CEA → USEC



[Read more about the state of the ocean freight spot market with Freight Right's TrueFreight Index.](#)

What Happened This Past Week

Rates may have hit their ceiling. The market has reached a point where further increases could risk stopping demand altogether, pushing carriers to make small adjustments downward.

The US holiday slowed activity. With the first week of July partly affected by the US holiday, carriers had fewer business days to assess real demand, making this week more important for measuring booking momentum.

Carriers are likely seeing softer booking requests. The modest reductions suggest carriers may already be responding to lower demand signals.

Weather may create temporary disruption. Tight air cargo space was attributed more to Typhoon Maysak in China than to strong cargo volume.

Looking Ahead:

The near-term outlook points to a market that is likely to hold steady or gradually decline rather than move higher. The recent peak appears to have been reached, and without a rebound in volume, carriers may have limited room to defend current rate levels for long.

That said, a sharp collapse is not guaranteed. Carriers are expected to manage the decline carefully and may avoid aggressive reductions unless booking activity weakens further. The next one to two weeks will be important for determining whether August brings a meaningful peak season or whether the market settles into a softer summer pattern.

Tariff uncertainty could also influence shipper behavior later in July. If new tariff developments trigger another round of urgency, some short-term demand could return. But based on this week's market reality, the more likely path is slight downward pressure with rates remaining elevated by historical standards.