

Looming Tariffs and Softening Volumes Push Ocean Rates Down – TFX Update wk. July 20, 2026

July 22, 2026

The Lead:

Global trade policy was dominated by an acceleration of US tariff actions. The week began with the continued implementation of the [EU – US trade framework](#) and growing anticipation surrounding the [expiration of the temporary Section 122 global import surcharge](#), prompting many importers to front-load shipments before any potential policy changes took effect.

Midweek, the United States [implemented new Section 301 tariffs on imports from Brazil](#) while [continuing negotiations with Mexico as part of the USMCA joint review process](#).

By the end of the week, the administration [announced new Section 338 tariffs on selected Canadian imports](#) and [signaled additional tariff actions targeting approximately 60 countries](#), underscoring an increasingly aggressive US trade policy stance ahead of the expiration of existing temporary tariff measures.

This Week' s Ocean, Air & Freight Markets

China-US Ocean Freight Market:

CEA to USWC: There is notable decrease week-to-week, coming down from previous highs to the high \$5,000 to \$6,000 range. If sell rates are set today, they sit in the low \$6,000s.

A few selective carrier services are offering spot rates as low as \$5,000/FEU out of major origin ports such as Shanghai and Shenzhen into Los Angeles and Long Beach, though these represent specific carrier promotions rather than a market-wide standard.

CEA to USEC: Rates to the East Coast remain elevated, hovering around \$8,800/FEU. While there are minor carrier variations, vessel space to the US East Coast remains very tight due to limited capacity and fewer rollover services.

Freight Right' s Lowest Rate indicators are finding that importers can find spot rates as low as \$4,050 from China to US West Coast and \$6,700 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



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

What Happened This Past Week

Carrier Market Adjustments: Carriers recognized that peak-level rates (such as \$8,000/FEU) were unsustainable long-term and proactively lowered prices to stimulate volume and maintain vessel utilization.

Tapering Ocean Volumes: Urgent demand has cooled significantly as shippers who needed to move peak-season goods ahead of deadlines have already done so, leading to lower overall volume.

Pending Tariff Uncertainty: Shippers are temporarily pausing or holding back non-essential shipments to assess incoming federal tariff announcements and regulatory changes expected in the coming week.

Persistent East Coast Space Constraints: Unlike the US West Coast lane where capacity has loosened, the US East Coast is constrained by fewer available services, keeping capacity tight and ocean rates supported at higher levels.

Looking Ahead:

In the short term, ocean rates on the US West Coast lane are expected to stabilize near current levels or soft-land into the low \$6,000s as carriers balance capacity against softer demand. However, clarity on impending US tariff policy will be the primary driver over the next 1-2 weeks: a stringent tariff rollout could induce a secondary rush of bookings, whereas mild or delayed updates may prolong the current lull in volume.

Meanwhile, US East Coast capacity will likely remain constrained with elevated spot rates through early August. Beyond the China trade lanes, shippers should prepare for severe space availability issues out of India, where severe backlogs caused by earlier service interruptions and regional choke points (such as the Strait of Hormuz) mean new bookings require a minimum lead time of 2 to 3 weeks across all Indian ports.