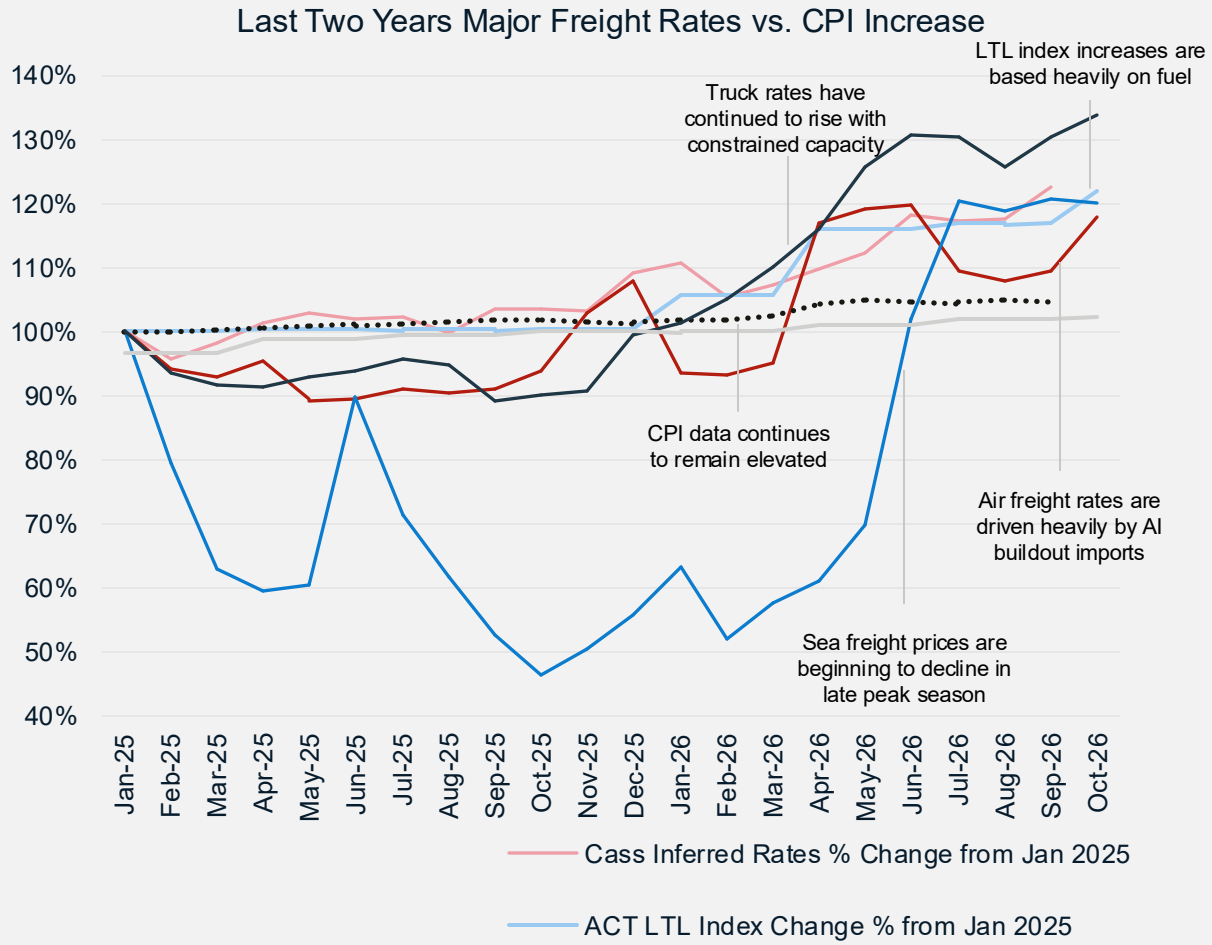
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Market Insights

November 2026

Major Macro-Economic Indicators



Economic Sentiment

- The U-Mich consumer sentiment reading ticked down slightly from 48.1 to 48.0, still near record lows.
- The Logistics Managers Index increasing at a rate of up to 70.2 from Augusts 66.6 based on a mix of inventory levels, warehouse utilization, and transportation prices.

Labor Force

- The U.S. overall added only 29,000 jobs in September, of that number 9,000 were in manufacturing, a fourth straight month of gains.
- Labor force participation has fallen nearly a percentage YoY from 62.5% in Sept. 2025 to 61.8% in Sept. 2026.

Inflation vs Rates

- Top line inflation came in at 3.7% in September while core inflation that excludes fuel and food was at 2.6%.
- The Federal Reserve Governors opted to keep interest rates flat at their most recent meeting, but a December hike is considered likely.
- GDP grew greater than expected in Q3, at an annualized 3.4%.

Inventories vs Sales

- The international Energy Agency forecasts that a diesel shortage will last into 2027.
- U.S. retail sales rose 0.8% in September, a deceleration from the 1.3% growth in August.
- The NRF projects 4.2% retail sales growth in November and December 2026.

Sources: U-Mich, LMI, US BLS, Cass, Baltic indexes, ACT Research, Drewry, DAT, Transport Topics, National Retail Federation, IEA, US Commerce Dept

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NOVEMBER 2026

International Trade & Freight Overview

Quick Digest

Middle East Fuel & Security Risks Remain Elevated
- **Outlook:** Attacks on vessels transiting the Strait of Hormuz pushed Brent crude above $113/barrel, underscoring ongoing fuel cost and supply chain security risks.

CBP Finalizes Foreign IOR Requirements Under EO 14411
- **Outlook:** New Foreign Importer of Record (FIOR) requirements and enhanced importer validation efforts mark the latest phase of CBP's implementation of Executive Order 14411. Key deadlines begin January 5, 2027, with additional compliance requirements extending through May 2027.

Carriers Return to the Suez Canal
- **Outlook:** 63% of ocean capacity on Far East–Europe lanes has now returned to the Suez routing. Container carriers are expected to complete a full Suez return by Q1 2027. Shorter voyages free up vessel capacity, adding downward pressure on Asia–Europe rates.

U.S.-China Trade Truce Extended
- **Outlook:** The U.S. and China extended their trade truce through January 10, 2027, providing near-term stability for transpacific supply chains as broader trade negotiations continue.

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Geography Spotlights

Americas	Europe	Asia	Middle-East Africa
- Super El Niño threatens supply chain reliability across Latin America, with heightened risks to commodity exports and regional logistics networks. - CBP extended the compliance deadline for Entry Type 13 - International Mail Entry requirements to January 20, 2027	- Asia–Europe ocean pricing is softening into North Europe and the Mediterranean, with demand expected to moderate after Golden Week. North Europe port congestion remains the main counterweight.	- Asia is set to lead 2026 merchandise trade growth, with imports up 9.5% and exports up 9.9%. - China's goods trade rose 18.8% YoY in the first three quarters, with exports up 36.3% YoY to a record $447.18B in September, well above the 25.5% forecast.	- October attacks around Hormuz have already hit their highest monthly total since the war began, with at least 28 incidents in the first half of the month. - Africa is expected to post strong growth, with imports up 8.9% and exports up 5.6%.

Notable Themes



AI-Driven Trade Booms
There's one of the widest gaps in recent years between H1 trade volume growth (3.5%) and dollar value growth (15%), reflecting higher energy prices and strong AI goods demand.



Energy Markets Remain Vulnerable to Maritime Disruptions
Ongoing security incidents affecting key shipping lanes continue to drive fuel price volatility, creating cost uncertainty for global transportation and supply chains.



Shipping Risk Remains Elevated in Hormuz
Continued attacks on commercial vessels and heightened military activity in the Strait of Hormuz are causing some carriers and shipowners to avoid or limit transits through the region.

Interesting Reads

- Logistics CEO: Hormuz rerouting will raise consumer prices
- U.S. tells ships to avoid unnecessary transits through Hormuz
- What it really costs to mail souvenirs home now, and the purchases still worth shipping
- Boeing forecasts air cargo traffic to double by 2045

Sources: WTO, Lloyd's List, The Loadstar, C.H. Robinson, Maersk, China Customs, Verisk Maplecroft, China GAC, STAT Times, MSN, Transport Topics, International Trade Today, NCBFAA

NOVEMBER 2026

North America Freight Overview

Quick Digest

Shippers Face Tightening Capacity
- **Outlook:** Truck tonnage increased 0.8% in September while capacity continued to shrink, signaling a gradually tightening freight market.

Freight Spend Reaches Post-2021 Highs
- **Outlook:** The U.S. Bank Freight Payment Index rose 32.1% YoY in Q3, signaling sustained demand and elevated transportation spending across domestic freight markets.

Truck Orders Signal Mixed Market Sentiment
- **Outlook:** September Class 8 orders fell 9.5% YoY, but remained above expectations as fleets continue replacing aging equipment despite softer demand conditions.

Oil Prices Ease on Iran Negotiation Hopes
- **Outlook:** Brent crude fell 5.9% to $106.65/barrel following reports that Iran is pursuing talks that could reopen the Strait of Hormuz within days. Lower energy prices could provide some relief to transportation costs, though geopolitical risks remain elevated and markets remain highly volatile.

Sources: BLS, American Trucking Assoc., JoC, DC Velocity, Alterra, U.S. Chamber of Commerce Institute for Legal Reform, WSJ, Transport Topics, Herbert Smith Freehills Kramer LLP, Trucking Dive

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Key Figures

1.45M
For-hire trucking jobs in September, the highest level in 41 months.

12.45%
YoY increase in transportation and warehousing PPI.

114
ATA Truck Tonnage Index, up 0.8% from August.

5%, 6%, 3%
Q3 volume growth for CSX, UP, and NS as freight shifted to rail.

Notable Themes



Driver Supply Faces Additional Pressure
States continue to scale back non-domiciled CDL programs as federal eligibility rules tighten, creating potential headwinds for trucking capacity and driver availability.



U.S. Manufacturing Momentum Strengthens
Production reached its highest level since 2021 as the ISM Manufacturing Index rose to 55.5, marking 10 consecutive months of expansion and continued growth in new orders and factory employment.



Geopolitical Tensions Continue to Influence Fuel Costs
The surge in data center buildouts has pushed outdoor storage yards for construction staging in large port cities on the Atlantic and Gulf Coasts, with rents increasing over 100% since 2020.

Interesting Reads

- U.S. to tariff Chinese trailers to aid domestic producers
- Survey Finds More U.S. Manufacturers Reshoring, But Some High Hurdles Remain
- The vacancy rates of warehouses near U.S. ports is climbing and nearly a full percent higher than the U.S. average
- Cargo theft has entered 'new normal,' executive says
- Economy grows 3.4% on strong consumer spending
- Data centers, consumers are keeping trucking demand afloat

NOVEMBER 2026

North America LTL Freight Overview

Quick Digest

Manufacturing Growth Supports Shipper Demand

- **Outlook:** Stronger manufacturing activity and rising new orders signal continued freight demand, supporting inventory replenishment, transportation volumes, and supply chain activity through year-end.

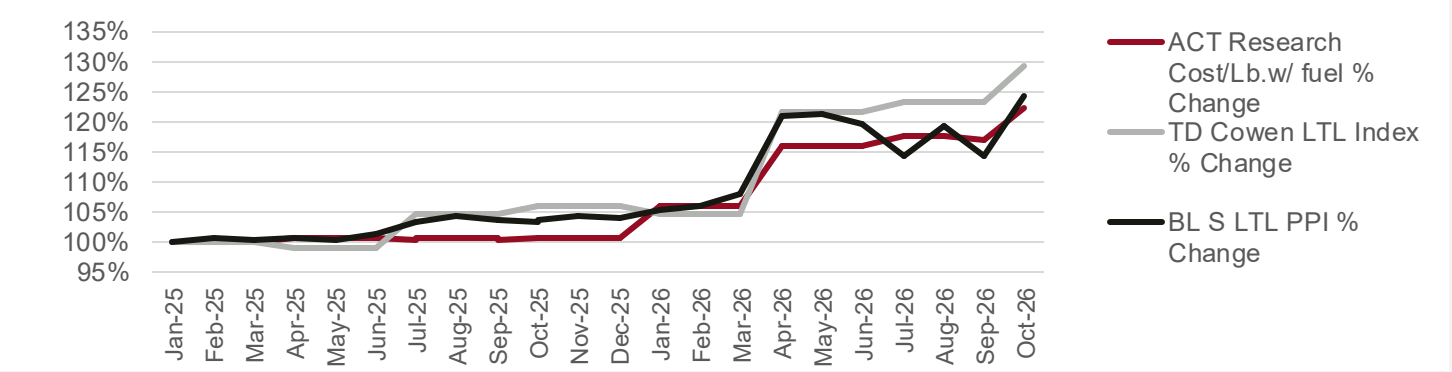
Fuel Costs Continue to Push LTL Rates Higher

- **Outlook:** Elevated diesel prices and fuel surcharges remain the primary drivers of rising LTL rates, while continued carrier pricing discipline is sustaining upward pressure on transportation costs despite only moderate market demand.

Peak Season Hiring Strategies Diverge

- **Outlook:** Logistics providers are taking varied approaches to peak season staffing. While DHL, Amazon, and GXO plan to increase hiring, UPS expects staffing levels to remain flat and the U.S. Postal Service plans fewer seasonal hires.

Key Figures



Notable Themes

LTL Shipments Grow Heavier

Increasing shipment weights across the LTL sector suggest shippers are moving more dense, industrial-oriented freight, a trend often associated with strengthening freight fundamentals and improving manufacturing activity.

LTL Capacity Gradually Tightens

As truckload capacity tightens and costs rise, freight is shifting back into LTL networks, supporting stronger demand and gradually tightening capacity through year-end.

Parcel Shipping Costs Become More Fuel Sensitive

USPS will introduce a weekly fuel surcharge beginning in January 2027, aligning more closely with FedEx and UPS. The change increases shipper exposure to diesel and jet fuel volatility, adding another variable to parcel transportation costs.

Interesting Reads

- UPS plans to hire 100,000 workers for the peak holiday shipping season
- LTL shippers increasingly want timely responses, proactiveness
- USPS to debut weekly fuel fee in 2027, matching FedEx, UPS practices

Sources: UBS, Transport Topics, Reuters, BLS, TD Cowen/AFS, ACT Research, WSJ, EIA, Supply Chain Dive, Reuters

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Air Freight Overview

Quick Digest

Air Cargo demand grew 7.7% YoY

- **Outlook:** Air cargo demand continues to be driven by high-tech shipments, particularly on the TPEB trade lane. Supporting this growth is a strengthening manufacturing environment, with the Global Manufacturing Output PMI rising 0.7 points and New Export Orders increasing 0.5 points in October, reaching their highest levels in more than five years.

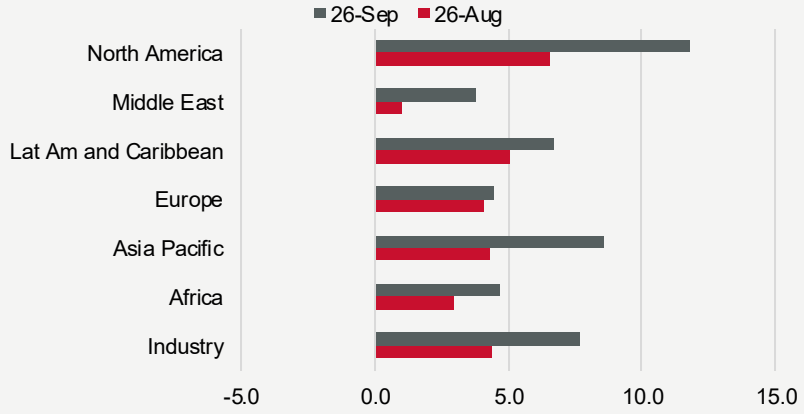
Air Cargo capacity grew 2.7% YoY

- **Outlook:** APAC and Middle East carriers recorded the strongest capacity growth in September, signaling continued normalization of Middle East capacity and the deployment of additional capacity into APAC markets to support robust demand growth.

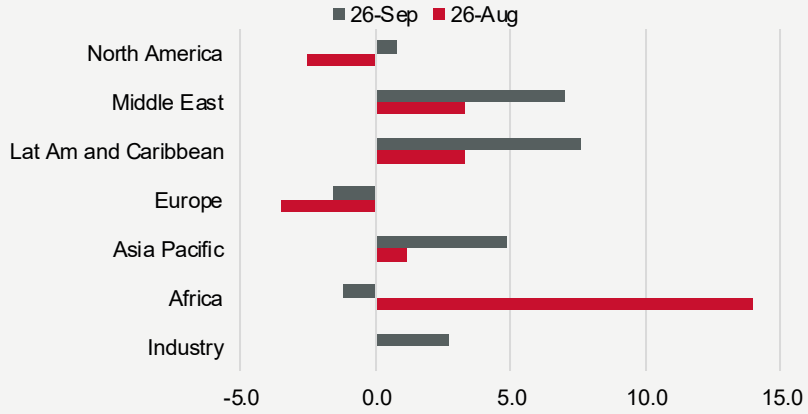
Jet Fuel rose in September to March peak

- **Outlook:** At the outset of the Middle East conflict Jet Fuel spiked to $200 per bbl by April, but then faced a downward trend to $115 per bbl in June. Since it has been steadily rising including above $190 per bbl in October.

Air Cargo Demand: Market CTK by airline region of registration, YoY %



Air Cargo Capacity: Market ACTK by airline region of registration, YoY %



Notable Themes

Transpacific Peak Season Gains Momentum
Asia-Pacific airfreight demand to the U.S. is surging in Oct driving week-over-week spot rate increases in W42 and W43. The trend aligns with reports that transpacific airfreight rates accelerated in October as peak season demand strengthened and capacity tightened ahead of year-end shipping activity.

AI Demand Continues to Fuels Air Cargo Demand
AI-related shipments continue to support strong Asia-Pacific air cargo demand, helping lift U.S.-bound tonnage 14% above last year. Growth in semiconductors, servers, and data center equipment is driving volumes and rates, although carriers are also facing rising aircraft, engine, and operating costs as demand outpaces available capacity.

Europe Recovery Shows Early Signs
Asia-Pacific volumes to Europe rose 10% week-over-week following Golden Week, while China-Europe air cargo volumes showed signs of stabilizing after several months of reduced e-commerce demand. Volumes remain below prior-year levels and uncertainty persists ahead of new EU import charges.

Interesting Reads

- Ocean congestion and tariffs could see more Q4 air cargo volumes
- Riyadh Airport loses 1,500 tonnes of daily cargo capacity post attacks
- Asia to North America: The lane that chips built
- What crisis logistics taught me about the value of airfreight forwarders

Sources: IATA, Air Cargo News, STAT Times, The Loadstar

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NOVEMBER 2026

Ocean Freight Overview

Quick Digest

Container Rates Diverge Across Benchmarks

- **Outlook:** Drewry's World Container Index fell 3% week-over-week to $4,429/FEU and the Freightos Baltic Index declined 1%, while the NYSHEX Freight Index increased across all five monitored trade lanes, including +1.9% on Asia-U.S. West Coast and +5.4% on Asia-North Europe.

LA/LB Congestion Risks Persist

- **Outlook:** Ongoing labor negotiations involving ILWU Local 26 have heightened concerns around potential disruptions at key Los Angeles and Long Beach terminals, while shippers are already reporting loading delays and congestion at the nation's largest container gateway.

Red Sea & Hormuz Disruptions Pressure Ocean Capacity

- **Outlook:** The U.S. advised vessels to avoid nonessential transits through the Strait of Hormuz as ship attacks reached wartime highs, with nearly 30 attacks reported in October. Carriers face greater routing uncertainty, longer transit planning cycles, and elevated operational risk across a critical global trade corridor.

U.S.-China Truce Delays Maritime Fees Until Jan. 9

- **Outlook:** The USTR extended the suspension of proposed Chinese vessel port fees and certain maritime-related Section 301 tariffs through January 9, 2027, preserving near-term cost certainty for ocean shippers while trade negotiations continue.

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Key Figures

63%
of Asia-Europe capacity now transits the Red Sea.

11%
MoM decline forecast for U.S. ocean imports in November.

85%
of Port of Long Beach cargo move through terminals affected by the ILWU Local 26 labor negotiations.

Notable Themes



Supply Chain Disruptions Drive Ocean-to-Air Shifts
Continued ocean service disruptions are driving select shippers toward airfreight solutions, reinforcing a broader shift toward speed and supply chain resilience for high-value and time-critical cargo.



Capacity Constraints Outweigh Demand Softness
Container rates are being supported by congestion, blank sailings, Red Sea network adjustments, and operational disruptions. Carriers continue to actively manage capacity, helping sustain elevated pricing across key trade lanes.



Middle East Ocean Networks Face a Prolonged Recovery
While Middle East trade flows may improve through late 2026, full normalization of vessel routing and network capacity is not expected before mid-2027, prolonging uncertainty across key ocean shipping corridors.

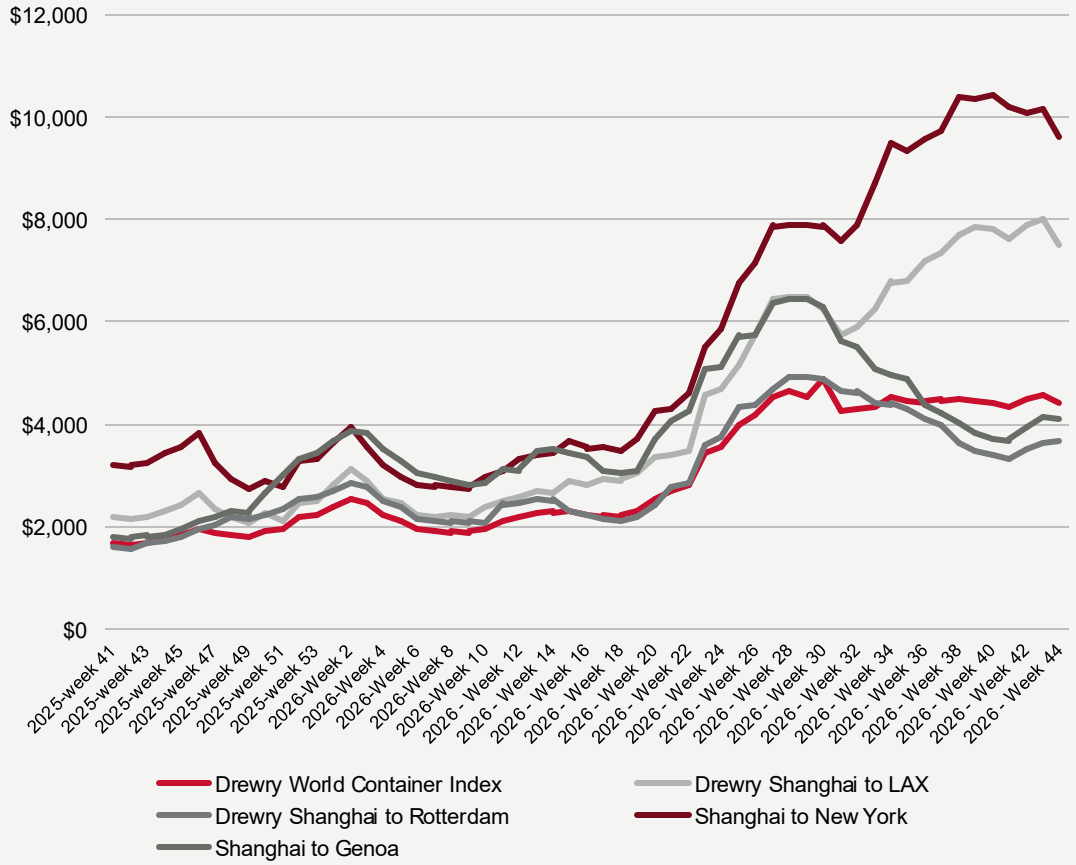
Interesting Reads

- Ocean's ability to absorb carbon is weakening as climate change intensifies, UN warns
- Panama Canal sees 4% growth of transits in FY2026
- New survey finds AI rush isn't boosting ports earnings
- How ocean shipping disruptions power Africa's air cargo surge

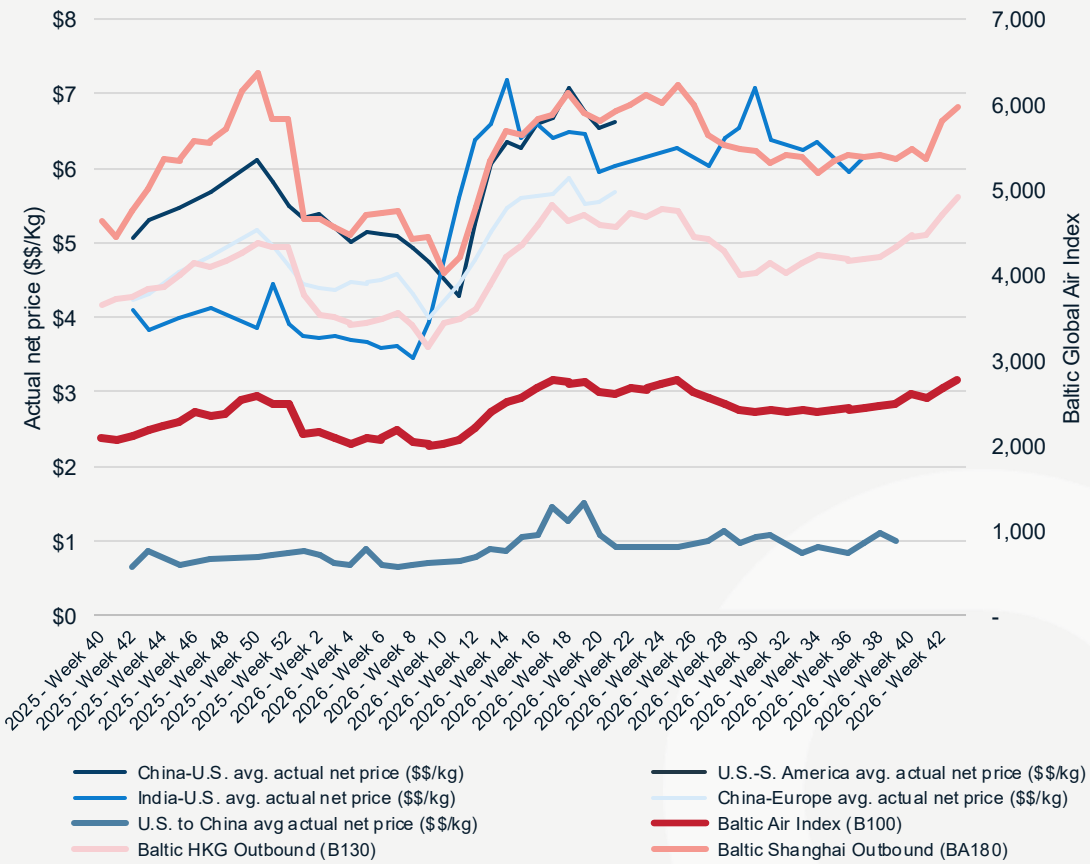
Sources: Container News, SupplyChainBrain, Journal of Commerce (JoC), FreightWaves, Air Cargo News, Transport Topics (TT), C.H. Robinson, Supply Chain Dive

Market Rates: Ocean & Air

World Container Market Rates – Last 52 Weeks



Major Air Freight Market Rates – Last 52 Weeks



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Sources: Drewry, Baltic Air Indexes, TAC

NOVEMBER 2026

Customs & Tariff Developments Overview

Quick Digest

U.S. CBP Delays New International Mail Entry Requirements

- **Outlook:** CBP extended the compliance deadline for Entry Type 13 requirements to January 20, 2027, giving importers and brokers more time to prepare for new ACE filing requirements for international mail shipments subject to Section 201, 232, 301, and PGA requirements.

U.S.-China Trade Truce Extended Through January

- **Outlook:** The United States and China agreed to extend their economic truce through January 10, 2027. Under the proposed 30-for-30 framework, both countries are reviewing approximately $30 billion in annual imports for potential reciprocal tariff reductions, although no new tariff changes have been approved or implemented to date.

Executive Order 14411: Key Importer Requirements Taking Shape

- **Outlook:** CBP's implementation of EO 14411 continues with expected bonding changes by November 30, 2026, ongoing Form 5106 validation reviews, and new Foreign Importer of Record (FIOR) requirements effective January 5, 2027. Importers should evaluate bond adequacy, validate importer registration data, and review foreign IOR arrangements ahead of upcoming compliance deadlines.

Sources: International Trade Today, KPMG, Journal of Commerce, Supply Chain Brain, Transport Topics, European Union, Customs & International Trade Law Blog, Flexport, JD Supra, Reuters, MSN, NCBFAA

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Regulatory & Tariff Updates

U.S. Tariff Developments Summary

- **Canada Tariffs**: 50% Section 338 tariff list revised; 22 HTS codes removed, 100 added (effective Oct. 30).
- **Solar Products:** New Section 232 duties on polysilicon, solar cells, and modules begin Dec. 4.
- **Wind Turbines:** Section 232 review concluded with no additional tariffs.
- **Russia Measures:** Tariffs of up to 500% authorized on Russian goods, but implementation remains paused.

North America

- CBP expanded CAPE Phase 3 eligibility to importers that that filed IEEPA-related litigation and submitted importer information by August 13, 2026, broadening access to IEEPA tariff refund claims on qualifying liquidated entries.
- Mexico has extended the transition period for its MVE requirement through October 31, 2026, with full compliance due Jan. 15, 2027.

Europe

- EU Packaging and Packaging Waste Regulation (PPWR) is now applicable.
- EU is advancing CBAM expansion and anti-circumvention measures, with key trilogue negotiations underway and a political agreement targeted before year-end.
- Proposed EU methane reporting requirements could be deferred to 2029-2031.

Notable Themes



Low-Value Shipment Reform Accelerates
With de minimis changes, Entry Type 13 implementation, and proposed low-value filing and bonding requirements, regulators are increasing oversight of e-commerce and postal imports.



Global Trade Compliance Requirements Expand
U.S., EU, and UK authorities continue to advance new customs, environmental, and importer accountability requirements.



CBP Eyes Expanded Compliance Requirements
CBP is seeking stakeholder feedback on proposed supply chain transparency, low-value shipment filing, and bonding requirements, with comment deadlines in early December 2026. These proposals could significantly expand importer reporting and compliance obligations.

Interesting Reads

- Importers win class status in Trump tariff refund fight
- A Confluence of Tariff Changes: Why 'Classify Once' No Longer Works
- The EU Packaging and Packaging Waste Regulation is now applicable: What businesses need to know
- DHS Adds Three Chinese Companies to UFLPA Entity List as China Threatens Retaliation
- US to suspend South Africa, Rwanda from duty-free trade access

Sanctions & Export Controls Overview

Key Developments

CHINA **Export-Technology Catalogue Consultation**	MOFCOM launched a consultation covering approximately 40 technologies, including AI models, computing clusters, advanced biomedicine, and solar PV technologies, signaling potential expansion of China's export control framework.
CHINA **Commodity-Code Screening Focus**	China increased scrutiny of certain HS codes tied to dredging, tunneling, UAVs, and technical-specification reviews. Companies are being encouraged to validate end use and confirm goods are not controlled dual-use items.
CANADA **Ownership and Control Clarified**	Canadian guidance clarified that sanctions ownership assessments extend beyond the traditional 50% rule, with board influence and de facto control potentially triggering restrictions even below ownership thresholds.
U.S. **UFLPA Expansion Increases Import Compliance Risk**	Effective October 29, CBP added a large China-based genomics company and related entities to the UFLPA Entity List, heightening detention risk and supply chain due diligence expectations for affected imports.
U.S. **BIS Affiliates Rule Readiness**	Companies should prepare for ownership-based export control screening ahead of the anticipated November 10 implementation date. Certain EAR99 and in-country activities may also be captured under the expanded framework.
U.S. **Russia Enforcement Actions Continue**	Recent DOJ and OFAC actions targeted aviation exports, procurement networks, and sanctions evasion schemes linked to Russia, reinforcing enforcement priorities around diversion and transshipment risks.

Notable Enforcement Trends

Export Controls Expand Beyond Traditional Technologies
China's review of AI, advanced computing, biomedicine, and solar technologies signals continued expansion of export controls into emerging and strategically important sectors.

Ownership & Control Screening Gains Importance
Regulators are increasingly looking beyond legal ownership thresholds, placing greater emphasis on beneficial ownership, board influence, affiliated entities, and de facto control structures.

Supply Chain Due Diligence Expectations Increase
UFLPA enforcement actions and entity list additions continue to expand compliance obligations, requiring deeper visibility into suppliers, ownership structures, and sourcing networks.

Sources: OFAC, Department of Justice, MOFCOM (China), CBP, BIS, Reuters, Mc Carty Tetrault LLP

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