New Freightos index: Israel-Iran conflict yet to hit shipping

Asia-US container rates may have peaked

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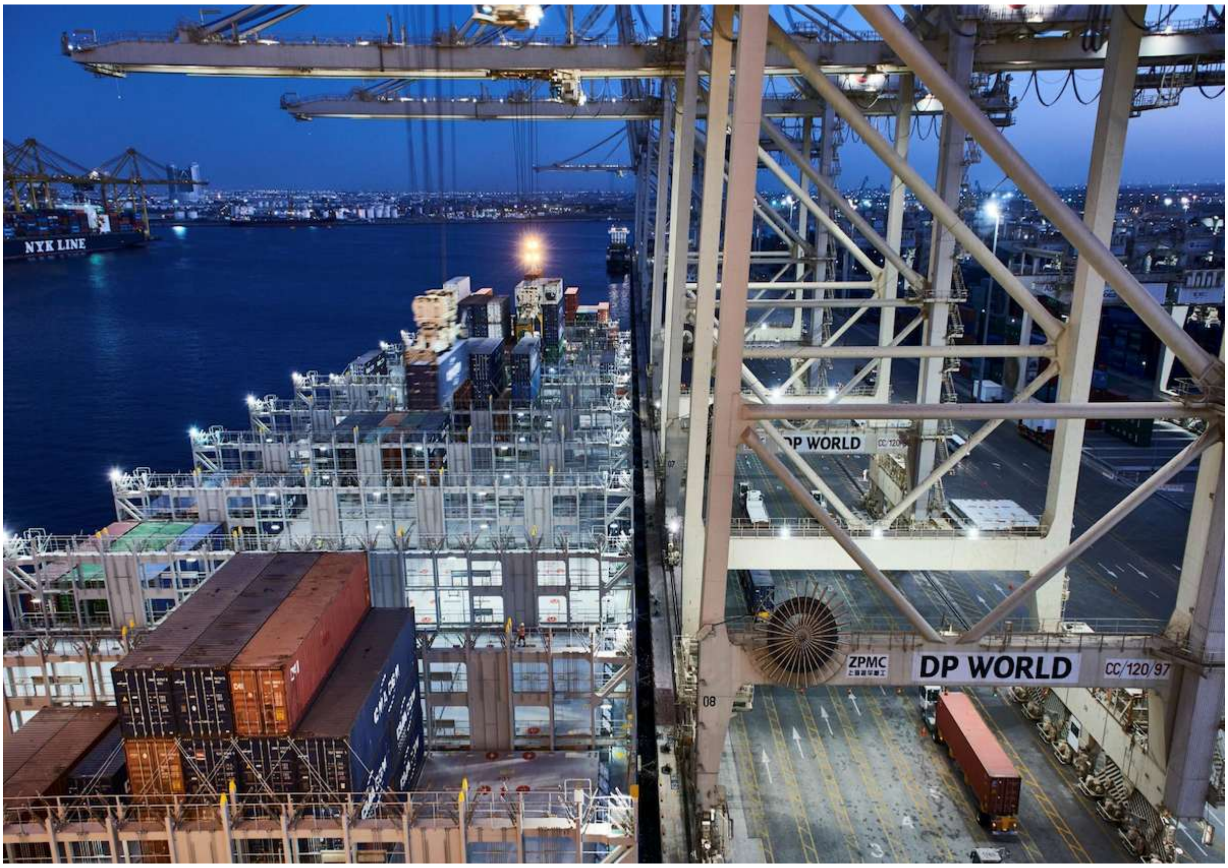

Photo credit: Port of Jebel Ali, Dubai. (Photo: DP World)

The ongoing Israel-Iran conflict has not severely impacted freight markets yet, but there remains a significant concern regarding the potential closure of the Strait of Hormuz between Iran and Oman.

This strategic passage is crucial to Persian Gulf nations exporting 20% of the global oil supply, said analyst Freightos' research chief Judah Levine in a note. A disruption could significantly impact oil prices and international shipping routes.

Research shows an adequate global oil supply at present, which might mitigate immediate price surges should the strait close. Yet, any blockage will unquestionably reroute shipping paths and inject volatility into both oil and freight markets.

Brent crude oil opened at $72.20 on Wednesday, up from $66.80 on June 12 prior to Israel's attacks on Iran. West Texas Intermediate crude was at $72.92 on the New York Mercantile Exchange; JP Morgan had forecast a peak of $66 per barrel in 2025.

Benchmark diesel prices used as the basis for most fuel surcharges made their largest upward move since January and the third-largest increase since the start of 2024.

The A350 cargo jet is designed to carry up to 122 U.S. tons with a range of 5,400 miles. Airbus says it will offer up to a 40% reduction in fuel consumption and CO_2 emissions compared to previous generation freighters, thanks in large measure to the use of lightweight composite materials.