GLOBAL RESOURCES
América Latina

Freight Tendency for South America (updated on June 30, 2026)

1. Freight Tendency:

- **West of South America (WCSA): (Colombia, Chile, Peru e Equador)**
  - **Latest SCFI for Central/SA West Coast (Manzanillo) updated on June 26: $5771/TEU↓, decreased by 1.0% VS previous week**

  - **July 1 to July 14, 2026: Slightly Softer / Carrier-Controlled Correction**
    Reference rate for WCSA: at $5,700~6,150/20'GP and $6,000~6,400/40'GP. (for Non-DG)
    • Demand from Chile, Peru and Ecuador remains stable, but there is no clear new growth driver.
    • Carriers are still trying to protect the market by limiting low-rate space and controlling heavy cargo acceptance.
    • Normal dry cargo should see more negotiation room after late-June space release. Heavy cargo, DG cargo, liquid cargo and urgent shipments remain less flexible.

  - **July 15 to July 31, 2026: Slight Correction**
    Reference rate for WCSA: at $5,100~5,500/20'GP and $5,400~5,800/40'GP. (for Non-DG)
    • If vessel utilization weakens further, spot rates for normal dry cargo may continue to move down.
    • Chile and Peru still provide base cargo from mining, industrial materials and consumer goods, but the volume is not strong enough to support the previous high level.
    • The downside should be gradual, as carriers may use allocation control and blank sailings to slow the decline.

  - **Aug 1 to Aug 14, 2026: Further Correction / Downside Pressure**
    • If July demand does not improve, WCSA may continue to soften in early August.
    • A sharp drop is not expected unless carriers release too much non-premium space.
    • Any renewed Middle East / fuel shock may stop the correction quickly.

- **East Coast of South America (ECSA): (Brazil. Argentina, Uruguay e Paraguay)**
  - **Latest SCFI for South America (Santos) updated on June 26: $7970/TEU↓, increased by 2.95% VS previous week**

  - **July 1 to July 14, 2026: Clear Correction from Peak**
    Reference rate for ECSA: at $7,500~7,700/20'GP and$8,000~8,200/40'GP. (for Non-DG)
    • ECSA is now under stronger correction pressure than WCSA.
    • The EV / auto rush cargo to Brazil has weakened as the July tariff window is ending. Brazil's EV import duty is scheduled to rise to 35% in July 2026, which supported front-loaded shipments earlier but reduces follow-up momentum after the window.
    • Two extra loaders in June released a large amount of space, and current cargo volume is not enough to fully support the previous peak level.
    • Carriers still have PSS policies in place, but the market selling level is becoming more negotiable.

  - **July 15 to July 31, 2026: Faster Correction**
    Reference rate for ECSA: at $7,000~7,300/20'GP and$7,500~7,800/40'GP. (for Non-DG)
    • The 2nd half of July is the most likely window for a clearer ECSA drop.
    • Brazil remains the largest cargo base in South America, but machinery, IT goods, industrial cargo and general replenishment may not be strong enough to absorb the additional space.
    • Argentina demand is improving unevenly, but inflation and weak household purchasing power still limit broad import recovery.
    • Carriers may defend the market through blank sailings, premium space policy and stricter allocation.

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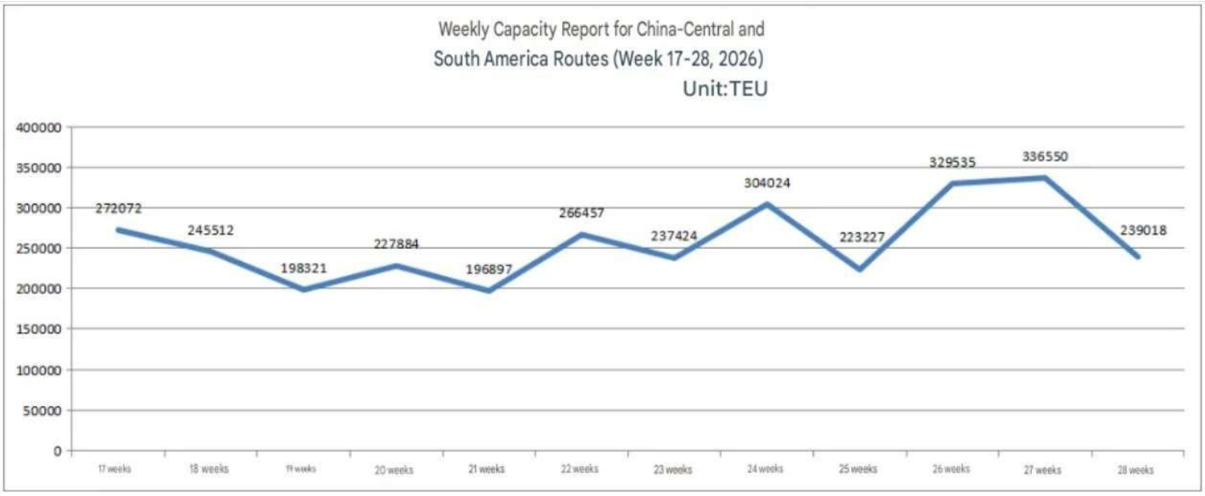
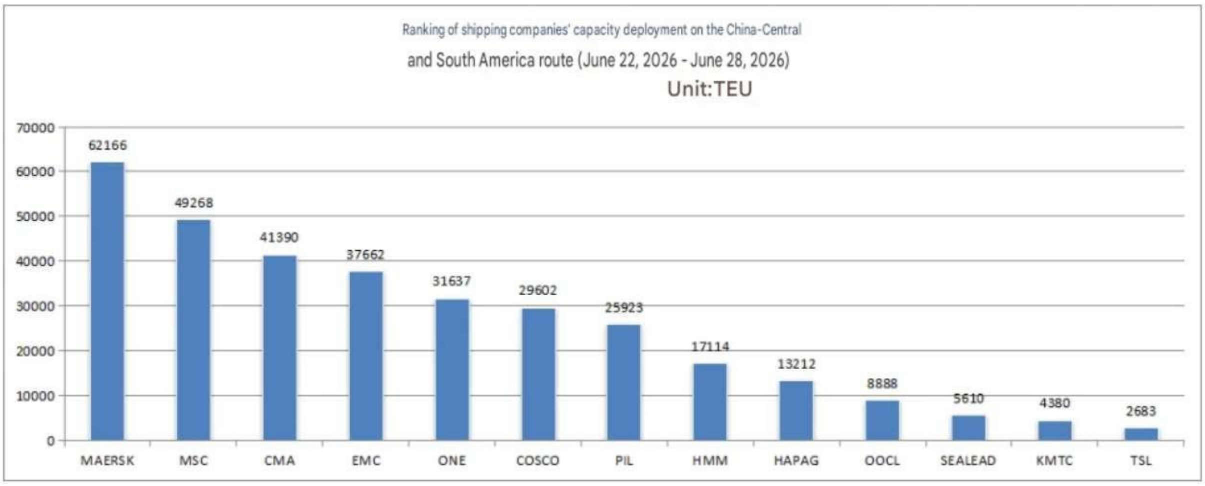
- **Aug 1 to Aug 14, 2026: Soft Market / Still Above Normal**
  - If no new Brazil-driven demand appears, ECSA rates may remain under pressure in early August.
  - The decline may slow if carriers withdraw space after seeing weak July load factors.
  - ECSA should remain above normal historical levels due to long-haul cost, PSS, Brazil port risk and Middle East fuel uncertainty.

2. Supply & Demand:

- **Capacity:** according to the capacity report from China Shipping Weekly, shipping capacity for South Central & America route increases much in week 26-27, but will have a decrease in week 28.





- **Demand:**
  - **Regional Economic:**

    WCSA: Demand is flat but stable. Mining and infrastructure projects in Chile and Peru provide reliable base volumes for breakbulk and containerized industrial goods. Consumer retail demand is lukewarm and unable to drive rate spikes. Ecuador's import volumes remain mixed and price-sensitive.

    ECSA – Brazil: Still the strongest South America import base, but short-term momentum is weakening after EV / auto front-loading. Brazil's manufacturing PMI fell into contraction in May, which also shows weaker industrial order momentum.

    ECSA – Argentina: Recovery remains uneven. Agriculture and mining are better, but manufacturing and retail are still weak, so Argentina cannot offset weaker Brazil demand.

- **Risk Alerts**
  - **US/Iran/Israel War:** The ceasefire and partial recovery of Hormuz traffic have eased the immediate fuel panic, but the route remains fragile. Singapore bunker prices moved lower after June 26, but fuel cost is still a key upside risk for long-haul rates.
  - **Suez/Red Sea:** The Red Sea situation is still not stable enough for a full carrier return. Many services continue to avoid high-risk areas, keeping structural cost support under long-haul freight.
  - **Passage thru Panama ports:** The Panama Canal will lower the draft limit from July 1, and the Balboa / Cristobal port concession dispute has already caused COSCO-related service disruption. This is more relevant to Caribbean and some WCSA transshipment flows.