

MARKET SNAPSHOT

What's driving international freight costs right now

Global Disruption

Major shipping lanes are experiencing disruption, impacting routing and transit times.

Fuel Costs Rising

Oil and diesel prices have increased, driving higher transportation costs.

Surcharges Increasing

Fuel, routing, and risk-related charges are being added across multiple modes.

Unpredictable Costs

Base rates may look softer, but total landed cost is becoming less stable.

TIMELINE

- Feb. 28** U.S. & Israel launch coordinated strikes on Iran's military & naval infrastructure begin.
- Mar. 2** The Strait of Hormuz is experiencing significant disruption.
- Mar. 8** Commercial tanker traffic grinds to a near halt. Brent crude surpasses \$100/barrel for the first time in 4 years. Diesel prices spike week over week
- Mar. 11** IEA releases 400M barrels from global reserves. Ocean war-risk insurance premiums increase significantly.
- Mar. 16** Domestic fuel surcharges jump. Ocean BAF Q2 adjustments announced for April 1.
- Mar. 25** Conflict ongoing. Some service contracts delayed — creating a leverage window before May 1st resets.

WHAT THIS MEANS FOR YOUR BUSINESS

- **International ocean lanes disrupted**
Gulf cargo rerouted around Cape of Good Hope - adding weeks and significant cost to key corridors.
- **Airfreight capacity strained**
Middle East airspace closures force longer routes and heavier fuel loads on international shipments.
- **War-risk insurance surging**
Gulf lane premiums have increased significantly - costs flowing directly through to international freight rates.
- **Postponed contracts =leverage**
Use this delay to renegotiate from a position of knowledge before Q2 rates lock in.
- **May 1st is a key pricing inflection point**
Businesses with a freight plan in place now will have far more control over Q2 costs than those waiting to react.

OUTLOOK: WHAT TO WATCH BEFORE MAY 1ST

ACT BEFORE APRIL 1

Q2 fuel-related pricing adjustments

Ocean carrier fuel-related pricing is typically adjusted around April 1. Quotes issued before this date may no longer be valid. Lock in favorable terms now while options still exist.

WATCH CLOSELY

Strait of Hormuz:

Conflict is ongoing as of Mar. 25. Iran's IRGC has threatened \$200/barrel oil. Resolution timeline remains uncertain — every week matters for Q2 planning.

OPPORTUNITY WINDOW

Postponed contracts =advantage.

If your service contract has been delayed, that is not bad news. That is leverage. Use this window to renegotiate from a position of knowledge, not urgency.

KEY QUESTIONS TO ASK YOUR FREIGHT PROVIDER BEFORE MAY 1ST

- Q1** Has your provider already reviewed your Q2 surcharge exposure against current market indexes?
- Q2** Do you have visibility into which of your lanes are most impacted by the Strait of Hormuz closure?
- Q3** If your service contract was postponed — has anyone mapped out your renegotiation leverage points?
- Q4** Does your current provider have access to multiple carrier options, or are you locked into one rate?
- Q5** Do you have a written Q2 freight forecast based on today's numbers — not last quarter's assumptions?

INTERNATIONAL FREIGHT SURCHARGE OVERVIEW — MARCH 2026

Service / Lane Type	Surcharge / Fee	Previous	Current Rate	Effective	Status
Ocean Freight (FCL/LCL)	Bunker Adjustment Factor (Q2 BAF)	Q1 2026 rates	Repricing in progress	April 1, 2026	Pending adjustment
Ocean Freight (FCL/LCL) Gulf Lanes	War-Risk Insurance Premium	0.125% cargo val.	0.20-0.40%+ cargo val.	Active now	Elevated
Air Freight Middle East Corridors	Fuel + Route Deviation Surcharge	Baseline	Significantly elevated	Active now	Rising
Drayage / Domestic Trucking	Fuel Surcharge	Typical fuel surcharge levels (early March)	Fuel surcharges rising rapidly	Mar. 16, 2026	Significant increases across many lanes
Postponed Service Contracts	Delayed Rate Agreements	—	Open for renegotiation	Before May 1	Your Leverage

WHY SOUTHERN STAR NAVIGATION

International Expertise

We specialize in international freight — ocean, air, and cross-border ground. This market is our daily focus, not a secondary service.

Independent Flexibility

As an Independent Landstar Agent, we are not locked into one carrier's rates. We evaluate the market to find the right solution for your specific lanes and needs.

Strategic Timing

I'm already working through this with customers now, before April pricing adjustments and before May 1st really tightens things up. The earlier you move, the more flexibility you have.

Transparent Forecasting

We build real Q2 freight forecasts using current market data, not last quarter's numbers. You deserve to know what your costs actually look like going forward.

YOUR NEXT MOVE

The businesses navigating Q2 best aren't waiting for invoices to surprise them. They're making strategic moves now, before May 1st forces their hand.

Let's build your Q2 freight plan.

Southern Star Navigation

Independent Landstar Agent

833-782-7628 Ext. 1

SouthernStarNavigation.com



- 1 Review your international lanes & current surcharge exposure
- 2 Treat postponed contracts as leverage. Renegotiate before April fuel-related pricing adjustments take effect
- 3 Build a Q2 freight forecast with real, current-market numbers
- 4 Contact Southern Star Navigation for a no-obligation conversation today

