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MOU announced 15 June Signing ceremony 19 June, Geneva — Hormuz reopening on signing; no NOTAM yet withdrawn	**BAI00 +33.4% YoY** Flat WoW (week to 8 June) — elevated floor holding despite Heathrow spike correction	**EU de minimis: 15 days** 1 July implementation — pre-loading peak now; volume correction follows immediately after

THE VIEW FROM HERE

On Sunday 15 June, Trump posted on Truth Social that the deal with Iran is "now complete." Pakistan's Prime Minister Sharif confirmed a signing ceremony for the Memorandum of Understanding is scheduled for 19 June in Geneva. Hormuz is to reopen immediately upon signing. After more than three months of conflict, a ceasefire framework has arrived — and arrived faster than most market participants expected.

The analytical discipline required this week is to separate the political announcement from the operational reality. No civilian aviation NOTAM has been withdrawn. France renewed its Tehran FIR advisory to 24 June. Germany's runs to 3 September. The EASA CZIB, renewed on 10 June, is valid to 24 June. The US SFAR 117 runs to October 2027. Non-GCC carriers will not return to Gulf routes or Iranian overflights because a political deal has been announced. They will return when their safety and insurance teams have assessed the post-signing security environment, aircraft re-routing economics are favourable, and operational approvals are issued. IATA estimated that full restoration of pre-conflict service levels takes one to two months after genuine security normalisation. That clock has not started yet.

The rate data for the week to 8 June — the last full week before the MOU announcement — provides the cleaner read of underlying market conditions. BAI00 closed flat at +33.4% YoY. BAI40 Heathrow corrected sharply, -18.8% WoW, giving back most of the previous week's spike. The correction was expected: the spike was amplified by de minimis pre-loading and front-loading noise. The structural premium remains — BAI40 is still +40.0% YoY. The elevated floor is intact. What changes with the MOU announcement is the risk premium embedded in forward rates, not the structural capacity shortage that will persist through Q3.

IATA May 2026 data is not yet published. Expected in the final week of June.

DEMAND PULSE

- BAI00 flat (-0.0% WoW), +33.4% YoY — week to 8 June: The global rate plateau is holding. After the reversal to +32.7% the prior week, the index closed essentially unchanged. The elevated floor is reasserting against the prior two weeks of modest softening. Jet fuel prices edged up again after a recent decline — a cost-side factor that will continue to support rate floors even as the MOU changes the risk environment. Demand remains strong, particularly on transpacific trade lanes. (TAC Index — 9 June 2026)

- BAI40 Heathrow: -18.8% WoW, +40.0% YoY — correction, not collapse: The sharp weekly decline reverses more than half of the prior week's +31.6% surge. The correction was consistent with the pattern seen after prior de minimis and pharma deadline-driven spikes — front-loaded demand partially unwound. The YoY number — +40.0% — is the operative signal. The Heathrow structural premium has not been resolved by the Heathrow rate move; it has been temporarily reduced from a spike level. Non-GCC carrier suspensions persist. European Cargo's China-UK capacity gap remains unfilled. The BAI40 floor is higher than pre-conflict levels by a structural margin that the MOU announcement does not immediately address. (TAC Index — 9 June 2026)

- BAI20 Frankfurt: +3.1% WoW, +20.5% YoY — transatlantic firming: Frankfurt rates recovered week-on-week, led by transatlantic lanes to the US, and also to China, Japan, Brazil, and South Africa. The Frankfurt-Heathrow divergence from the prior week partially closed. This is consistent with marginal rerouting of UK-origin cargo to continental gateways occurring at scale as the Heathrow premium reached +71% YoY the prior week. The re-routing effect will be a recurring feature through summer as shippers optimise against a sustained premium. (TAC Index — 9 June 2026)

- BAI50 Chicago: +12.6% WoW, +38.0% YoY; BAI80 Shanghai: +2.3% WoW, +34.0% YoY — transpacific strengthening: Rates rising on Asia-to-US lanes despite modest China-Europe softening. Seoul rates showed a particularly large jump on transpacific routes. Vietnam and Taiwan both rising to Europe. The transpacific trade lane is absorbing demand that was previously China-Europe-oriented, consistent with shippers front-loading China-US volumes ahead of the November tariff cliff. (TAC Index — 9 June 2026)

- IATA full-year 2026 CTK growth revised to +0.7% (June Global Outlook, from +2.6% in December forecast): The downward revision reflects the impact of the Middle East conflict on capacity, effective routing, and belly cargo availability. This is a volume growth figure, not a rates or tightness figure — the thesis on Q4 rate and capacity pressure does not rest on volume growth. ACTK declined -0.4% YoY in April, and IATA notes that capacity shortages, especially in passenger belly hold, are tightening the market and pushing adjustment toward higher yields rather than volume expansion. The revised CTK forecast is consistent with the thesis, not a challenge to it. (IATA Global Outlook for Air Transport — June 2026)

TRADE LANE INTELLIGENCE

China-UK: The Gap That Demand Cannot Fill

The Rotate Air Demand data published in June 2026 confirms what the European Cargo administration illustrated structurally: the China-UK trade lane was growing at +7k tonnes year-on-year through 2026 YTD when UK's freighter operator ceased trading. No replacement fleet has entered the trade lane. One Air remains the sole significant independent UK widebody operator. The capacity gap on China-UK e-commerce flows is structural, not temporary, and it is compounding the Heathrow BAI40 premium by concentrating displaced demand onto fewer and more expensive options.

The Rotate data also reveals the diversion picture. Belgium — specifically Liège, where Cainiao and JD Logistics operate direct gateways — is the primary beneficiary, up +11k tonnes YoY. Czech Republic and Romania are each up +10k and +8k respectively. France is not in the top ten, consistent with the CDG impact already visible from the March de minimis pilot. The pattern is clear: China e-commerce volumes are routing around constrained UK capacity and the impending EU-wide de minimis cliff by concentrating into Central European hubs. That concentration accelerates further after 1 July.

Transpacific: Front-Loading Signal Emerging

The week to 8 June showed a notable divergence within Asian origins: China-Europe rates eased modestly while China-US and Asia-US rates strengthened. Seoul registered a particularly sharp jump on transpacific lanes. This pattern is consistent with early front-loading of China-US volumes ahead of the 10 November tariff cliff — shippers positioning capacity for the pre-cliff surge that is expected to begin appearing in September booking data.

The transpacific signal is early and should not be overstated in isolation. But Seoul's strength — a technology-export-heavy origin — combined with Hong Kong-to-US lane firming and China-US gains while China-Europe softened is a directional read: shippers are beginning to differentiate between trade lanes with a hard deadline (November) and those facing a softer cliff (EU de minimis post-July correction). The transpacific premium relative to Asia-Europe will widen further as the summer progresses if this front-loading pattern holds.

POLICY & TRADE RADAR

- US-Iran MOU — signing ceremony 19 June, Geneva: The framework announced on 15 June provides for the immediate reopening of the Strait of Hormuz on signing, the lifting of the US naval blockade within 30 days, a 60-day nuclear negotiation period, and staged sanctions relief contingent on Iranian compliance. Iran commits to not developing nuclear weapons and to maintaining the current state of its nuclear programme pending the final agreement. Key unresolved issues include sequencing of asset releases ($24 billion in frozen assets), Hormuz management authority, and the scope of Iran-Oman joint transit arrangements. The MOU is a political framework, not an operational restoration. The 60-day nuclear negotiation window begins after signing; failure to agree a final deal leaves the MOU framework intact but vulnerable. (Soufan Center / Axios — 15 June 2026)

- Tehran FIR — no NOTAM withdrawn as of 16 June: Despite the MOU announcement, all active aviation NOTAMs remain in force. France LFFF F1248/26: valid to 24 June. Germany EDWW B0437/26: valid to 3 September. EASA CZIB 2026-03-R11: renewed 10 June, valid to 24 June. US SFAR 117: valid to October 2027. The EASA 24 June renewal date is the first institutional decision point — any change in scope or language signals the regulator's assessment of post-MOU risk. Until NOTAMs are withdrawn, commercial aviation does not return. The political and the operational are on different timelines. (Safe Airspace — 16 June 2026)

- EU de minimis — 15 days to 1 July implementation: Pre-loading is at peak. The Rotate data showing Belgium +11k and France absent from the top-ten China e-commerce destinations growing confirms that trade lane diversion to Liège, Amsterdam, and Frankfurt is already advanced. The 1 July cliff produces a two-phase effect: a front-load correction in the first two weeks of July (volumes booked into June will not recur); and a redistribution pattern through Q3 as shippers establish new routing via Central European gateways. The France CDG benchmark — 92% drop in customs declarations week one, 50 freighter flights lost — is the reference case for the EU-wide implementation scale. Volume correction will be followed by redistribution, not recovery. (Rotate Air Demand / FlavorCloud)

- Section 232 pharma — post-12 June: The filing window closed. Companies that filed and qualify pay 20% from 31 July; non-filers face 100% from 31 July (large companies) or 29 September (small). The front-loading signal for India-US and Asia-US trade lanes will appear in second half of July rate data. No major pharmaceutical company onshoring announcements have emerged yet — watch for these in the coming weeks as the commercial decisions crystallise. (WilmerHale / Skadden)

- US-China — 147 days to the tariff cliff: The Kuala Lumpur Arrangement expires 12:01am EST 10 November 2026. No modification. The transpacific trade lane rate data this week — strengthening Asia-US while China-Europe eased — is the first directional signal that shippers are beginning to front-load against this deadline. September booking data will be the confirmation point. (White House / KL Arrangement)

Q4 2026: THESIS AUDIT

The MOU announcement is the most significant development since the conflict began. Its impact on the Q4 thesis requires precise assessment. The thesis holds on its core dimensions — capacity shortage, tariff-cliff demand, and seasonal peak converging in Q4. The MOU modifies one dimension: it removes the worst-case tail on Middle East capacity disruption. It does not resolve the Q3 structural constraint that precedes Q4. The table below updates each signal.

Market decision / signal	Thesis reading	What to watch next
MOU announced 15 June; signing ceremony 19 June in Switzerland; Hormuz to reopen on signing	**Partially confirms — ceasefire framework removes the downside tail; BUT no NOTAM has been withdrawn; airspace restoration is a separate, longer process**	NOTAM withdrawals post-19 June; EASA CZIB renewal 24 June scope/language change; carrier reinstatement announcements
BAI40 Heathrow: -18.8% WoW (week to 8 June) after +31.6% the prior week	**Corrects the thesis — the June spike was partly de minimis front-load noise, not permanent floor; +40.0% YoY still structural**	Whether BAI40 re-firms through July or continues to correct as MOU news reduces risk premium
BAI00 flat (-0.0% WoW), +33.4% YoY — plateau holding post-spike correction	**Confirms — elevated floor is holding; no normalisation despite correction; jet fuel edging up again**	Week to 15 June TAC Index — does the MOU announcement move rates?
EU de minimis 1 July — 15 days away; pre-loading confirmed; Belgium/Liège +11k YTD	**Confirms — trade lane diversion to Liège already advanced; front-load volumes will correct sharply post-1 July**	First two weeks July volume data — CDG/Liège/AMS booking patterns; whether correction is redistribution or genuine demand loss
IATA 2026 full-year CTK growth revised to +0.7% (June outlook, from +2.6% Dec forecast)	**Challenges framing but not thesis — full-year volume growth slowing is structural; the thesis is about rate and capacity tightness in Q4, not volume growth**	IATA May 2026 monthly data (expected final week June) — does May CTK recover from April +4.0%?
European Cargo: no new fleet entrant on China-UK trade lane; One Air still sole UK independent widebody operator	**Confirms — structural supply gap on China-UK persists; Rotate +7k UK demand growing but no capacity replacement visible**	Any wet-lease or charter capacity announcement filling the China-UK gap
Atlas Air / Air Atlanta: deal still pending regulatory close (Q3 2026)	**Confirms (in progress) — operator positioning for surge capacity; Q3 close will be the confirmation event**	Deal close announcement; any Atlas network deployment announcement for Q4

The Q4 thesis was never dependent on the worst-case Middle East scenario; it was built on the structural shortage that exists independent of whether Hormuz reopens next week or next quarter. That shortage persists through Q3 regardless of the political timeline.

CAPITAL & STRATEGY SIGNALS

- Non-GCC carrier reinstatement — what the MOU means in practice: The MOU signing on 19 June will not trigger immediate route reinstatements. The sequence is: MOU signed → Hormuz reopens → 60-day nuclear negotiation begins → NOTAMs assessed for withdrawal (EASA 24 June is the first decision point) → insurance markets revise war-risk premiums → carriers begin route re-approval processes → phased reinstatement of services. Lufthansa Group's current stated dates (Dubai 13 September, wider Middle East 24 October) may compress if the post-MOU environment is stable and NOTAMs withdraw early. The 13 September date should be treated as a firm commitment until Lufthansa issues a specific revision. The September reinstatement window, if it holds, means Q4 peak season begins with restored capacity — a partial relief for the Heathrow premium but not its elimination. (Lufthansa Experts)

- European Cargo — China-UK capacity gap: 13 days since administration; no fleet replacement announced: The Teneo Financial Advisory joint administration process is proceeding. No announcement of fleet disposal, lessor repossession, or new entrant on the China-UK trade lane has been made. The Rotate data reinforces the scale: China-UK was growing +7k tonnes YoY at the time of the collapse. No operator has positioned to absorb that volume. (ch-aviation)

- Atlas Air / Air Atlanta — Q3 close on track: The SPA signed 28 May is proceeding toward Q3 close subject to regulatory approval. No adverse regulatory signal has emerged. The strategic logic of the deal — ACMI surge capacity ahead of Q4 peak — is unchanged by the MOU. If anything, the MOU's partial resolution of Middle East disruption reduces the worst-case demand scenario slightly, but the base case (seasonal peak + tariff cliff) remains intact. Atlas positioning for Q4 flexibility remains well-timed regardless of whether Iranian airspace restores in Q3 or Q4. (Atlas Air Worldwide)

- Sea-Air via Gulf — Hormuz reopening changes the calculus: The Jebel Ali Sea-Air model has been suspended since the conflict began. Hormuz reopening on 19 June, if it proceeds, restores the maritime leg of the model. However, Gulf hub air capacity recovery is a separate constraint. Full Sea-Air recovery requires both: restored Hormuz transit AND non-GCC carrier belly capacity back in Gulf hubs. The latter is not resolved on 19 June. Sea-Air partial recovery — vessels transiting Hormuz to Jebel Ali, but air-side still constrained — is possible in July. Full model restoration is a Q4 scenario at earliest.

THE JTD DOT

The MOU changes the tail risk. It does not change the central case.

Three months of conflict created a structural capacity shortage that a political agreement cannot reverse in weeks. Non-GCC carriers will not reinstate Gulf services just because a deal was announced in Geneva. They will reinstate when their safety departments clear the route, their insurers revise the war-risk premium, and their regulators withdraw the NOTAM. That sequence could take months. Germany's NOTAM runs to September. The EASA CZIB renewed to 24 June is the first read of the post-MOU risk assessment, to be watched carefully.

The EU de minimis cliff falls in 15 days. The transpacific front-loading signal is emerging. The China-UK supply gap left by European Cargo is unfilled. The November tariff cliff is 147 days away. None of these are modified by what was announced on Sunday.

Operators who revise their H2 capacity positions on the basis of the MOU announcement alone are pricing the political, not the operational. The central case for Q4 tightness has not changed. The timeline for structural relief has shifted from "uncertain" to "possible in Q3" — and that is a meaningful distinction. But it is not a reason to release capacity already secured.

DATA SOURCES

Source	Coverage This Issue
TAC Index / LinkedIn — 9 June 2026 update	BAI00 -0.0% WoW, +33.4% YoY; BAI40 Heathrow -18.8% WoW, +40.0% YoY; BAI20 Frankfurt +3.1% WoW, +20.5% YoY; BAI50 Chicago +12.6% WoW, +38.0% YoY; BAI80 Shanghai +2.3% WoW, +34.0% YoY; transpacific strengthening; China-Europe modestly lower
Soufan Center — 15 June 2026	US-Iran MOU: signing ceremony 19 June Geneva; Hormuz to reopen on signing; 60-day nuclear negotiation period; sequencing of sanctions relief and asset releases unresolved; both sides competing to frame outcome as strategic victory
Axios — 12 June 2026	MOU terms: Hormuz immediate reopening toll-free; US lifts naval blockade within 30 days; 60-day nuclear talks; staged sanctions relief; $24bn frozen assets; Iran commits to no nuclear weapons and nuclear programme freeze pending final agreement
Safe Airspace — 16 June 2026	Tehran FIR (OIIX): Do Not Fly — still active. France NOTAM LFFF F1248/26: valid to 24 June. Germany EDWW B0437/26: valid to 3 September. EASA CZIB 2026-03-R11 (renewed 10 June): valid to 24 June. US SFAR 117: valid to October 2027. No NOTAM withdrawn as of 16 June.
Rotate Air Demand — June 2026	Top 10 increasing destinations of Chinese e-commerce demand, tonnes growth 2026 YTD vs 2025: Russia +39k; Singapore +33k; Belgium +11k (Liège); Australia +10k; Czech Republic +10k; Romania +8k; United Kingdom +7k; South Africa +7k; Mexico +6k; Spain +5k
IATA Global Outlook for Air Transport — June 2026	Full-year 2026 CTK growth revised to +0.7% (from +2.6% December forecast). Capacity shortages tightening market; adjustment toward yields rather than volume expansion. ACTK -0.4% YoY in April.
IATA — April 2026 (28 May)	CTK +4.0% YoY; Middle East -18.2%; Asia-Pacific +10.5%; CLF 46.0%; yields +32.2% YoY. May 2026 expected final week of June.
White House — KL Arrangement (Nov 2025)	US-China tariff suspension expires 12:01am EST 10 November 2026 — 147 days from 16 June
ch-aviation — 4 June 2026	European Cargo Limited administration: 6 x A340-600F parked; One Air sole UK independent widebody operator; no fleet replacement announced as of 16 June
Atlas Air Worldwide — 28 May 2026	49% minority stake SPA in Air Atlanta; management retains 51%; Q3 2026 close subject to regulatory approval