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IATA May: CTK +6.0% YoY	EU de minimis: tomorrow	BAI00 +37.3% YoY
Yields +37.9% YoY — strongest monthly read in the current cycle; demand outpacing capacity by widest margin since conflict began	1 July — €3/item from midnight tonight; UK £135 threshold remains open; pre-load correction begins at EU gateway airports	+1.7% WoW (week to 22 June) — floor rising; Shanghai BAI80 at +43.3% YoY now highest in the TAC basket

THE VIEW FROM HERE

Three things converge on 30 June 2026 that, together, define the commercial environment entering Q3. IATA published May data yesterday confirming that global air cargo demand grew 6.0% YoY in May — the strongest monthly read since February, with yields at +37.9% YoY and the cargo load factor rising to 46.3%. The EU de minimis threshold falls at midnight tonight, removing duty-free treatment from 4.6 billion annual low-value parcels entering the bloc and triggering the volume correction that has been building in the pre-load data for weeks. And the EASA CZIB 2026-03-R13 expires today — the R14 renewal decision determines whether the regulatory sequence enabling non-GCC carrier reinstatement on Gulf routes begins or holds.

These are three different rates of change acting on the same market simultaneously. The IATA May data shows where the market has been: a cycle where demand growth has consistently outpaced capacity growth, and where that imbalance has produced yield expansion rather than volume recovery — a structurally different dynamic from the 2022 peak-and-correction cycle. The de minimis cliff introduces a near-term volume correction on the Asia-Europe trade lane that will run through July. The EASA decision determines whether Gulf belly capacity begins a months-long restoration process in Q3 or holds constrained into Q4. All three affect the rate environment that operators and shippers need to price for between now and November.

The Loadstar cited this newsletter's analysis last week in their coverage of the EASA R13 decision: "The MOU is signed. The NOTAM is still in force. Those are different things." That distinction remains the central analytical point entering Issue #12. The EASA R14 decision today is the first test of whether those two things have moved closer together.

DEMAND PULSE

- IATA May 2026: CTK +6.0% YoY — the cycle accelerated: May's CTK growth of +6.0% YoY is the strongest read since February (+11.2%) and a material step up from April (+4.0%). ACTK grew only +1.9% YoY — the demand-capacity gap widened. CLF reached 46.3%, up +1.8pp YoY. Yields reached +37.9% YoY, up from +32.2% in April. North America carriers +10.5% CTK YoY; Asia Pacific +8.0%; Africa +13.3%; Europe +6.7%. Middle East carriers contracted -8.9% CTK YoY and -9.2% ACTK YoY — both supply and demand withdrawn simultaneously from a market that represents 13.2% of global CTK. The yield figure is the critical data point: in a month where jet fuel was still +93.5% YoY (despite a -16.3% MoM decline), yields outpaced fuel costs on a YoY basis for the first time since the conflict began. That is a structural signal. (IATA Air Cargo Market Analysis — May 2026)

- BAI00: +1.7% WoW, +37.3% YoY (week to 22 June) — the floor continues to rise: The global index has now risen in three of the last four weeks. The TAC commentary notes the index remains "above the highest points of recent peak seasons" and that the jet fuel price decline since the ceasefire extension has "yet to feed through to air freight rates." This is not a pricing anomaly — it reflects the structural gap between demand growth and capacity availability that the IATA data confirms. Jet fuel prices have fallen from conflict peaks, but yield elevation is demand-driven, not purely cost-driven. (TAC Index — 24 June 2026)

- BAI80 Shanghai: +3.6% WoW, +43.3% YoY — highest in the TAC basket: Shanghai has overtaken Hong Kong (+41.4% YoY) as the highest YoY performer in the index. China-outbound rates were higher WoW to both Europe and the US in the week to 22 June, consistent with transpacific front-loading and residual Asia-Europe demand. The divergence between Shanghai (+43.3% YoY) and Frankfurt (+23.8% YoY) reflects where demand is originating — China outbound is running hot while European outbound is firmer but not at the same level of structural tightness. (TAC Index — 24 June 2026)

- BAI40 LHR: -0.9% WoW, +22.2% YoY — structural floor confirmed: After compressing to +16.9% YoY in the week of the MOU announcement, BAI40 has recovered to +22.2% YoY. This trajectory — a trough at +16.9% followed by stabilisation in the low-to-mid 20s% range — is consistent with the analytical framework set out in Issue #11: the MOU drained the risk premium while leaving the structural premium intact. The structural premium is the rate elevation driven by Tehran FIR payload reduction on Asia-Europe trunk routes and the continued absence of non-GCC belly capacity at LHR. Neither of those factors has changed. The new structural floor for LHR appears to be in the +20% to +25% YoY range as long as the NOTAM sequence remains unchanged. (TAC Index — 24 June 2026)

- WorldACD Week 25 (15-21 June): global avg rate $3.24/kg +1% WoW, +35% YoY — rate floor holding post-MOU: The full-market average rate (spot plus contract) continued to edge higher in Week 25. Global spot rate reached $3.75/kg (+47% YoY). MESA spot rate at $4.16/kg (+50% YoY), rebounding +3% WoW after two weeks of modest decline. The rate floor has not collapsed in response to the MOU. The structural supply constraint — Tehran FIR bypass overhead plus non-GCC belly absence — continues to anchor the floor. (WorldACD Weekly — Week 25, 29 June 2026)

TRADE LANE INTELLIGENCE

China–North America: The Front-Load Has Become the Story

The convergence of data points on the China-North America trade lane is now strong enough to describe as directional confirmation rather than early signal. BAI80 Shanghai at +43.3% YoY is the highest in the TAC basket. North American carriers expanded CTK by +10.5% YoY in May — the second-largest absolute gain in the IATA dataset, contributing over 580 million additional CTKs. The Asia-to-USA spot rate ran +1% WoW for five consecutive weeks from WorldACD Week 20 through Week 24, the entire period since the US-China 90-day truce announcement on 12 May. TAC Week 25 noted Seoul rates higher to the US while lower to Europe — a directional split that reflects technology and electronics exporters shifting booking weight toward the US ahead of the tariff cliff.

The commercial question for participants on this trade lane is no longer whether front-loading is occurring — it is whether the peak compression pattern visible in ocean freight (the National Retail Federation moved US import peak forecast from July to June) is replicating in air freight, or whether air front-loading is spreading more gradually across Q3. The September booking data remains the volume confirmation point, but the July rate data will be the first directional read on whether the front-load is accelerating or plateauing. Operators who have not secured July through September block space on transpacific lanes are now pricing spot exposure in a market where the structural floor is at +43% YoY.

Gulf–Europe: Capacity Returns, Demand Follows Later

The WorldACD Week 25 data for the Gulf-to-Europe trade lane presents the most important structural tension in the current market: Gulf carrier capacity to Europe grew +20% WoW in Week 25, while chargeable weight on the same trade lane fell -25% WoW. Capacity is returning to Gulf-Europe faster than demand is filling it. Dubai-to-Europe spot fell -8% WoW to approximately $3.79/kg — though it remains +106% YoY above pre-conflict levels.

IBA data cited in The Loadstar last week confirmed that daily flights at Dubai recovered from 499 in March to 844 in June, and Qatar Airways reduced parked aircraft from 181 to 45. That capacity restoration is outpacing the pace of cargo demand recovery on Gulf-Europe, because much of the non-GCC belly cargo that used to flow through Gulf hubs has been permanently rerouted — via southern bypass, sea-air through other gateways, or shifted to direct services. The cargo demand does not automatically return to Dubai and Doha simply because seats are available.

The +106% YoY floor persists because the prior year base was already elevated, and because jet fuel costs remain +93.5% YoY. But the WoW pressure on Gulf-Europe spot rates is a signal that GCC carriers are competing for cargo in a market where European and Asian carriers are still absent and the pool of available shippers is constrained. This is a yield compression dynamic specific to GCC-operated Gulf-Europe capacity — it does not reflect the Asia-Europe trunk trade lane, where BAI30 HK is at +41.4% YoY and structural capacity constraints remain fully intact.

POLICY & TRADE RADAR

- EU de minimis — midnight tonight: At 00:01 on 1 July 2026, the €150 duty-free threshold for low-value imports into the EU is abolished. A flat €3 customs duty applies per item line (per HS code tariff heading, not per parcel) for consignments up to €150. A phone, charger, and earphones in one parcel incur three separate €3 charges. An additional Union handling fee, currently under negotiation, is expected in November 2026. Full product-specific duties replace the flat €3 from July 2028. The France CDG pilot — a 92% drop in customs declarations in week one and the loss of approximately 50 freighter flights — is the reference case for EU-wide scale. Liège, Schiphol, and Frankfurt absorbed much of the diverted CDG volume. The UK £135 de minimis threshold remains in force; the UK becomes the last major open market for direct B2C air parcel imports from China. (EU Official Journal / The Conveyor — June 2026)

- EASA CZIB R13 — expires today, R14 decision due: CZIB 2026-03-R13, valid to 1 July 2026, is the current operative bulletin. Do Not Operate for Iran, Iraq, and Lebanon at all flight levels; Exercise Caution for Bahrain, Kuwait, Israel, Jordan, Qatar, Oman, UAE, and Saudi Arabia. The R14 renewal decision is due today. France NOTAM LFFF F1383/26, also valid to 1 July, is the companion national-level decision. The options: straight extension without language change (maintains status quo); scope narrowing (removes one or more countries from Do Not Operate to Exercise Caution — this would be the operative signal for BA Dubai restart); scope expansion (unlikely); withdrawal (not credible in current environment). Any scope change is the first gate in the reinstatement sequence that BA, KLM, Lufthansa, and Cathay Pacific are all waiting on. (EASA — 30 June 2026)

- US-Iran MOU — 60-day nuclear window, transit fee friction: The 60-day nuclear negotiation window that opened on 18 June is now 12 days in. The Hormuz transit fee dispute — Iran seeking joint Omani management authority and a per-vessel toll; US position that any fee means no final deal — is the structural friction point. Chatham House analysis notes the MOU may favour Iran strategically and that the transit fee is likely to dominate the 60-day window. Mid-August is the window expiry. An extension of the window is possible; a collapse of the MOU framework would immediately reactivate conflict risk. (Chatham House / CBS News — June 2026)

- US-China tariff cliff — 133 days: The KL Arrangement expires 12:01am EST 10 November 2026. Shanghai at +43.3% YoY and North America carriers at +10.5% CTK YoY in May are the current read on a front-load that has been building since the truce announcement on 12 May. September booking data will be the volume confirmation point. The question for July is whether the ocean-freight pattern (NRF: peak pulled from July to June) replicates in air, or whether air front-loading is distributed more evenly across Q3.

- Section 232 pharma — 31 days to enforcement: The 100% tariff for large pharmaceutical companies takes effect 31 July 2026. India-US and Asia-US air cargo rates in the second half of July will be the first real-market test of whether onshoring has begun, whether inventory front-loading has shifted demand, or whether the tariff is being absorbed. No major pharmaceutical onshoring announcement has been confirmed. The rate signal in late July will precede any public announcement.

CAPITAL & STRATEGY SIGNALS

- Non-GCC carrier suspensions — no acceleration post-MOU: KLM extended Dubai, Riyadh, and Dammam to 9 August (updated 16 June). Cathay Pacific Dubai and Riyadh to at least 31 August. BA Dubai restart conditional on EASA clearance — not cleared as of today. Lufthansa/SWISS Dubai 13 September; broader Gulf to 24 October. The Air France-KLM CEO at the IATA AGM in Geneva on 7 June: "We have not reopened Dubai, as of yet." No non-GCC carrier has returned to Gulf destinations since the conflict began. The restoration sequence requires EASA clearance, insurance reassessment, and route approval — in that order. The EASA R14 decision today starts or does not start that clock. (KLM Newsroom — 16 June 2026)

- IBA Gulf aviation recovery data — GCC carriers rebuilding, non-GCC constrained: IBA analysis published in The Loadstar (25 June) confirmed: Doha daily flights recovered from 42 in March to 570 in June; Dubai from 499 to 844; Abu Dhabi from 174 to 462. Qatar Airways parked aircraft: 181 in March to 45 in June. Emirates inactive fleet: 44 to 28. Average Europe-Asia flight time: 9 hours pre-conflict to 9 hours 47 minutes currently — the 47-minute extension is the precise quantification of the Tehran FIR bypass payload cost that drives the structural LHR and global rate premium. GCC carriers are rebuilding; the structural constraint remains in non-GCC belly capacity absent from Asia-Europe trunk routes. (IBA / The Loadstar — 25 June 2026)

THE JTD DOT

> **Three things expire at midnight tonight. Only one of them restores capacity.**
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> The EU de minimis threshold expires. The EASA CZIB expires. The France NOTAM expires. The de minimis threshold will not be renewed — it is abolished permanently tonight, and the volume correction at EU gateway airports begins tomorrow morning. The EASA and France decisions will result in renewal; the

question is the language. A renewal without scope change means the non-GCC reinstatement sequence has not started. A scope change — any scope change — means it has.

The IATA May data published yesterday tells you what the market looks like when one of those three things has already happened — when the Middle East conflict removed 13.2% of global carrier capacity and demand grew 6.0% YoY anyway. Yields at +37.9% YoY in that environment are the market's answer to the structural question. The Q4 thesis has empirical support now, not just analytical argument.

Watch the EASA R14 language today. Watch CDG and Liège volumes in the first two weeks of July. Watch Shanghai BAI80 for the third consecutive week above +40% YoY. The dots are connecting.

DATA SOURCES

Source	Coverage This Issue
IATA Air Cargo Market Analysis — May 2026 (published 29 June 2026)	CTK +6.0% YoY; ACTK +1.9% YoY; CLF 46.3% (+1.8pp YoY); yields +37.9% YoY; North America +10.5%; Asia Pacific +8.0%; Africa +13.3%; Europe +6.7%; Middle East -8.9% CTK and -9.2% ACTK YoY; jet fuel +93.5% YoY (-16.3% MoM)
TAC Index — 24 June 2026 (week to 22 June)	BAI00 +1.7% WoW, +37.3% YoY; BAI20 Frankfurt +5.3% WoW, +23.8% YoY; BAI30 HK -0.2% WoW, +41.4% YoY; BAI40 LHR -0.9% WoW, +22.2% YoY; BAI50 Chicago -1.2% WoW, +30.9% YoY; BAI80 Shanghai +3.6% WoW, +43.3% YoY
WorldACD Weekly — Week 25 (15-21 June 2026)	Global avg rate $3.24/kg +1% WoW, +35% YoY; global spot $3.75/kg +47% YoY; MESA spot $4.16/kg +3% WoW, +50% YoY; Gulf-to-Europe capacity +20% WoW; Gulf-to-Europe chargeable weight -25% WoW; Dubai-Europe spot ~$3.79/kg -8% WoW, +106% YoY; MESA capacity +6% WoW, chargeable weight +2% WoW
EASA / Safe Airspace — 30 June 2026	CZIB 2026-03-R13 valid to 1 July 2026 — Do Not Operate Iran, Iraq, Lebanon; Exercise Caution UAE, Saudi Arabia, Bahrain, Kuwait, Israel, Jordan, Qatar, Oman. R14 decision due today. France NOTAM LFFF F1383/26 also valid to 1 July. Germany EDWW B0437/26 to 3 September. Italy LIRR E1456/26 to 5 September.
KLM Newsroom — 16 June 2026	Dubai, Riyadh, Dammam all cancelled to 9 August 2026. Updated post-MOU — no acceleration of reinstatement. Martinair Dubai cargo suspended.
IBA / The Loadstar — 25 June 2026	GCC hub recovery: Doha 42 to 570 daily flights (March to June); Dubai 499 to 844; Abu Dhabi 174 to 462. Qatar parked aircraft 181 to 45. Emirates inactive 44 to 28. Europe-Asia flight times: 9 hours to 9h47m (47-minute Tehran FIR bypass addition).
EU Official Journal / EC Taxation — 8 June 2026	De minimis rules confirmed: €3 flat duty per item line from 1 July 2026; no grace period; handling fee in November 2026; full product duties from July 2028. Product identifiers voluntary from 1 July, mandatory from 1 November.
Liège Airport / Aviation Direct — Q1 2026	Cargo volume +16% YoY in Q1 2026 to 219,807 tonnes. China-origin e-commerce pre-loading driving advance diversion from EU de minimis cliff.
Air France-KLM CEO — IATA AGM, 7 June 2026	"We have not reopened Dubai, as of yet. Tel Aviv, Beirut are still closed." Confirms no European carrier has returned to Gulf destinations.