PUBLISHED MARKET RESEARCH

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Is 2026 a 2023 Repeat? Not Yet on the Water, Already in the Authority's Own Budget, and the Quarter That Binds Is Q1 2027

AIG-SCL-26-001 · 11 SEPTEMBER 2026

PUBLIC RELEASE

THE AEGEAN REGISTER

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Is 2026 a 2023 Repeat? Not Yet on the Water, Already in the Authority's Own Budget, and the Quarter That Binds Is Q1 2027

On 4 September 2026 the Panama Canal Authority did the opposite of what the market was positioned for: it postponed the reduction of Neopanamax draft to 47.5 ft until further notice, leaving 48.0 ft in force. The step still scheduled is smaller and less visible, a cut in daily booking slots from 34 to 32 for bookings from 15 September. Read against 2023, when draft reached 44 ft and daily transits the mid-twenties, the water is not in the same place: Gatun stood at about 84 ft on 20 August 2026 against a dated 79.7 ft reading on 6 September 2023. The 2023 analogue was not a rainy-season event but a dry-season one, and the Authority's own position is that a strong El Nino shows up more clearly in the following year. The Authority has already written that year down: its FY2027 budget of 1 September plans 10,750 deep-draft transits against 13,404 actual in FY2025, and the new Administrator told Reuters on 8 September that slots could fall to about 29 by February or March 2027.

HEADLINE INDICATORS

48.0 ft	32	10,750	$5.3M
NEOPANAMAX DRAFT IN FORCE	BOOKING SLOTS FROM 15 SEPTEMBER	FY2027 PLANNED DEEP-DRAFT TRANSITS	RECORD SLOT AUCTION

DOCUMENT CONTROL

REGISTER NUMBER	AIG-SCL-26-001 · formerly PMR-2026-0914-PAN-001
PRODUCT	Assessment · Publishable Market Research · Maritime chokepoints
DESK	Supply Chain and Logistics
ISSUED	2026-09-11 · Aegean Intelligence Group
TIMELINESS	CURRENT
DISTRIBUTION	Public release · The Aegean Register · aegeanintel.com/research

CITE THIS REPORT
Aegean Intelligence Group, “Panama's Second Drought,” AIG-SCL-26-001, The Aegean Register, 2026-09-11.

CENTRAL JUDGMENT

The Panama Canal is repeating 2023, but not on the schedule the calendar of advisories implies, and the mismatch is where the money is.

Three facts have to be held together. First, the physical position is better than 2023 and improving at the margin. The Authority postponed the 47.5 ft draft step on 4 September on the stated basis of the current Gatun Lake level and the latest weather projections, having already postponed the same step once on 20 August, and it has taken four draft steps in 2026, from 49.5 ft on 3 July down to 48.0 ft on 2 September, with the fifth not landed.[2,3,4,6,7] On the one dated lake reading available for this year, 20 August, the lake sat about a foot below its five-year August average, not eight feet below a September norm as in 2023.[33,40]

Second, the constraint that is actually tightening is allocation, not depth. Booking slots go from 34 to 32 for bookings from 15 September, the Panamax locks absorbing the whole cut from 25 to 23 while Neopanamax holds at 9, and in July the Authority sold 183 Neopanamax slots against 163 available, a 112 per cent utilisation.[6,8] A slot system running above 100 per cent of its own posted supply is a market clearing on price, and the price is where the 2023 comparison already holds: a single Neopanamax slot cleared at $5.3 million on 25 August against $135,000 to $140,000 before the last drought and a 2023 peak of $3.975 million.[32,34,38,41]

Third, and this is the brief's contribution, the Authority has published its own forecast of a bad year and it is not FY2026. The FY2027 budget approved on 1 September plans 10,750 deep-draft transits and 457.3 million PC/UMS tons against FY2025 actuals of 13,404 transits and 489.1 million tons, and states that the planning accounts for challenging water conditions including the possibility of a strong El Nino; that transit plan sits closer to the FY2024 drought outturn of 9,944 deep-draft transits than to any normal year.[14,25,26] The Authority's own historical reading, published in May, is that the pronounced impacts of moderate or strong El Nino events tend to be reflected more clearly in the subsequent year, and it names 1982 to 1983, 1997 to 1998, 2015 to 2016 and 2023 to 2024.[16] The incoming Administrator, in office since 7 September, told Reuters the following day that slots could be reduced to 29 or something similar by February or March, depending on how much rain falls in September, October and November, the three critical months.[17,46]

Put those together and the decision-relevant horizon is the first quarter of 2027, not the fourth quarter of 2026. A cargo owner who reads the 15 September slot cut as the event, prices a canal premium into October to December landed cost and treats the postponement as relief has inverted the problem. The fourth quarter is when the rain either arrives or does not; the first quarter is when the consequence is charged. In 2023 to 2024 the trough was not October but January and February: the Authority scheduled 20 slots for 1 January 2024 and 18 for 1 February, and the transit series bottomed in mid-February.[19,49] The equivalent trough in this cycle falls after most annual freight budgets have been signed.

KEY JUDGMENTS

Six judgments anchor this brief.

KJ-1	Current conditions are materially better than in September 2023: draft is 48.0 ft, the queue is smaller, and ACP postponed the next cut. The current Gatun reading is a single Tier 3 relay, so this judgment remains Moderate.[7,33,40]	MODERATE
KJ-2	ACP's FY2027 budget is a drought-year plan: 10,750 deep-draft transits, closer to the FY2024 drought outturn than FY2025 actuals. This is a primary planning comparison, not a realized decline.[14,25,26]	HIGH
KJ-3	Q1 2027 is the decision horizon. ACP's history places strong El Nino effects in the following year, the last restriction ladder bottomed in February, and the Administrator named February or March 2027.[16,19,46,49]	MODERATE
KJ-4	The 4 September postponement is marginal easing, not restored capacity. ACP left 48.0 ft in force while preserving the confirmed reduction to 32 booking slots from 15 September.[6,7]	MODERATE
KJ-5	Allocation is the live constraint. Neopanamax booking utilization reached 112.27 per cent in July, while one slot cleared at $5.3 million on 25 August.[6,8,32,34]	HIGH
KJ-6	Rebase landed-cost plans to Q1 2027, secure transit optionality during Q4, and maintain a costed alternative for schedule-sensitive cargo. Rainfall remains unresolved, so the recommendation is Moderate confidence.[14,16,46]	MODERATE

KEY STATISTICS

48.0 ft Neopanamax draft in force[7,10]	**Postponed until further notice** 47.5 ft step status[7]	**32** Booking slots from 15 September[6]	**34%** Watershed rainfall deficit[6]
44% Watershed inflow deficit[6]	**10,750** FY2027 planned deep-draft transits[14,26]	**457.3 million** FY2027 planned PC/UMS tons[14,26]	**about 84 ft** Gatun dated comparison[33,40]
$5.3 million Record slot auction[32,34,38]	**75%** Historic El Nino probability[27]	**112.27%** July Neopanamax slot utilization[8]	

Three cautions. The two Gatun readings are dated points from different sources, not minima and not a series: neither is the low of its year, the 2026 point is a Tier 3 report of the Authority's own indicator, and the Authority's daily series could not be obtained. The FY2027 plan and the FY2025 actual are a budget against an outturn, printed together to show what the Authority has assumed, not to measure a decline that has occurred. And the slot figures are per-lock booking slots, not a cap on total transits, which is why the July daily average of 34.03 oceangoing transits and the slot totals of 34 and 32 are not the same measurement.

Scope, method, and limits

EVIDENCE BASE

Open-source intelligence centered on ACP advisories, operations summaries, budgets, and financial results, supplemented by NOAA, USDA, EIA, IMF PortWatch, and attributed maritime reporting. Collection closed 11 September 2026.

CRITICAL LIMITATIONS

The daily ACP Gatun series was inaccessible. The current lake level is a Tier 3 relay, and no published threshold links elevation to a draft or slot decision. Booking slots are not total transits. pancanal.com is the issuing authority but remains pending admission; publication requires principal admission or an admitted replacement source.

TIMELINESS

CURRENT through 11 September 2026. The 10 September NOAA update is incorporated. The next operational catalyst is the 32-slot booking allocation from 15 September; the principal planning horizon is Q1 2027.

SECTION 01 · ASSESSMENT

The Advisory Record

What the Authority Has Actually Ordered in 2026.

Four draft steps landed. A fifth was announced, postponed, and postponed again. The measure still on the calendar is a booking-slot cut, and the slot figures are per-lock booking slots rather than a cap on total transits.

The 2026 ladder in the Neopanamax locks runs as follows, in tropical fresh water. Advisory A-18-2026 of 4 June set 49.5 ft (15.09 m) effective 3 July, citing the water management strategy under current hydrological conditions and a potential El Nino.[2] A-22-2026 of 1 July set 49.0 ft (14.94 m) from 24 July and 48.5 ft (14.78 m) from 15 August.[3] A-25-2026 of 5 August set 48.0 ft (14.63 m) from 26 August and 47.5 ft (14.48 m) from 3 September until further notice, citing current watershed conditions and the continued effects of El Nino; the press release the same day called these the fourth and fifth draft adjustments and said daily vessel transit numbers remain unchanged.[4,12] A-29-2026 of 20 August moved the 48.0 ft step to 2 September and the 47.5 ft step to 1 October.[6] A-33-2026 of 4 September postponed the 47.5 ft step until further notice and confirmed 14.63 m (48.0 ft) as the draft in effect, based on the current Gatun Lake level and the latest weather projections.[7]

That record settles two things the market has been reading wrong. The 48.0 ft step of 2 September is the fourth draft cut of 2026, not the fifth: the 5 August release names 48.0 ft and 47.5 ft as the fourth and fifth adjustments, and only four have taken effect.[12] And the 47.5 ft reduction is not a scheduled event; trade press dates of 3 September and 1 October were accurate when written, reporting A-25-2026 and A-29-2026, and both were superseded.[36,42] The normal Neopanamax maximum is described as 50 ft (15.2 m), so the canal is running four steps and two feet below its design draft.[42,46]

The measure that has not been postponed is the booking-slot reduction. A-29-2026 set the Panamax locks at 25 daily booking slots and the Neopanamax locks at 9 for bookings from 4 September, then reduced the Panamax locks to 23 for bookings from 15 September with Neopanamax held at 9, for totals of 34 and then 32.[6] Two precisions are stated once rather than smoothed. The advisory says these slots apply to bookings beginning 4 September while the press release of the same day says effective 3 September; the two do not agree and this brief prints both.[6,11] And these are booking slots by lock type, not a hard cap on total daily transits: the advisories do not address unbooked transits, and the July operations summary reports a daily average of 34.03 oceangoing transits.[6,8] A reader treating 32 as a transit ceiling will misestimate throughput.

The prior figure is where the record is genuinely inconsistent, and the inconsistency is the Authority's own: 38 daily transits maintained on 18 May with no restrictions forecast through 31 December 2026; 35 daily transits as of 30 June, reported 22 July; 34.03 as the actual July daily average of oceangoing transits on 1,055 transits, and 32.50 in June on 975; and 36 described as normal capacity, being 10 Neopanamax and 26 Panamax, in a December 2023 release.[8,9,15,16,20] The commonly quoted step from 36 is therefore not the Authority's figure for August 2026, and this brief does not print it as one.

Around the slot cut the Authority rebuilt the allocation machinery twice in nine days. Advisory A-28-2026, issued 20 August and effective 21 August, limited each customer to one booking slot per day during competition, gave container vessels with maximum TEU capacity priority in Neopanamax competitions, added a late-cancellation surcharge from 1 September and modified in-transit times from 4 September, citing the current El Nino event.[5] From 3 September the daily auction slots were organised into four groups: LNG and LPG; dry bulk, general cargo and others; container, vehicle carriers and roll-on roll-off, and refrigerated; and chemical, crude and product tankers.[5,11] Then on 28 August the Authority announced temporary booking modifications effective 30 August for bookings from 13 September, providing 63 Neopanamax reservation slots weekly, which is 9 per day, with minimums per booking date of 5 for full container vessels, 3 for LPG and 3 for LNG, and 3 per week for vehicle carriers, bulkers and others, and removed the A-28-2026 restrictions.[13]

> **ASSESSMENT · HIGH CONFIDENCE.**
>
> Read the 2026 advisory record as an authority managing allocation aggressively while holding depth as long as it can, and the 4 September postponement as the first observable easing in this cycle rather than a change of direction. Four draft steps landed in nine weeks, then the fifth was postponed twice in fifteen days, while the slot and auction rules were rewritten three times in nine days and the slot total was cut. An operator should plan on allocation rules changing again at two weeks notice and on draft moving only when the lake forces it. Rationale: every draft step in 2026 was announced between two and four weeks ahead and two were subsequently moved, whereas the slot and booking-rule changes were issued with one day to two weeks of notice and none was reversed.[2,3,4,5,6,7,11,13]

SECTION 02 · ASSESSMENT

The Water

One Dated Lake Reading, Two Deficit Numbers, and a Forecast Worse Than the Lake.

The lake is not at 2023 levels. The inflow deficit and the ENSO forecast are the alarming part of the file, and the Authority's trigger thresholds are not published.

The hydrology here rests on fewer numbers than it should, for the reason given in Scope and Method: the Authority's daily Gatun indicator could not be reached during collection. Gatun Lake stood at just over 84 ft on 20 August 2026, about one foot below the five-year August average, on The Maritime Executive's reading of the Authority's own water indicator, which also gives the typical December peak as just over 87 ft and the 2003 low as just under 80 ft.[33] On 6 August 2024, when the Authority restored 49.0 ft draft and 35 daily transits, Gatun stood at 85.02 ft (25.91 m) and Alhajuela at 217.24 ft (66.21 m).[24] The current Alhajuela level is UNKNOWN. The Authority publishes no threshold table tying a lake elevation to a draft or slot decision, so the elevation at which the 47.5 ft step becomes unavoidable is UNKNOWN.[2,3,4,6,7]

The Authority's own deficit figures are more informative than the level. Advisory A-29-2026 of 20 August states that cumulative rainfall across the Canal watershed has been 34 per cent below the historical average and that watershed inflows have been 44 per cent below their historical average, and it anticipates a severe 2026 to 2027 El Nino.[6] On 22 July the Authority reported that the modelled El Nino probability had risen from 25 per cent in April to 81 per cent in July, and its Administrator at the time said capacity restrictions would likely be implemented, not only in draft limitations but also through reductions in the number of daily booking slots.[15] That is what happened four weeks later.

The speed of the turn bears on how much weight to give the current postponement. In April 2026 the lake was near maximum with spillways open, in a watershed the trade press called a dramatic drought recovery; by late August the Administrator was saying every drop of water counts and noting Gatun was lower than in August 2022.[35,39] Five months separated a spilling lake from a slot cut. For scale on how far a lake can fall, the Authority projected Gatun at 80 ft for March 2024 and 79 ft for April 2024 during the last cycle, on figures cited by the Peterson Institute.[31]

The climate forecast is the most severe document in the file. The NOAA Climate Prediction Center's ENSO Diagnostic Discussion of 10 September 2026 has an El Nino Advisory in effect, puts the August Nino-3.4 anomaly at plus 1.8 degrees Celsius, and assesses a greater than 90 per cent chance of a very strong event during Northern Hemisphere autumn and winter 2026 to 2027 and a 75 per cent chance of a historic event exceeding every El Nino since 1950, defined as a three-month relative Nino index value of plus 2.5 degrees or more.[27] The outgoing Administrator described the event as likely to last about eight months.[35,37] A transit consumes about 200 million litres of water on Reuters' 2026 figure and about 51 million gallons on the figure Reuters used in 2023; the two are the same order, the difference is definitional, and this brief does not reconcile them.[40,46]

Against that, the Authority is not where it was in 2023. Water-saving measures have run since late December 2025: simultaneous lockages, the Neopanamax water-saving basins saving roughly one cubic hectometre daily, interior gates, and suspension of hydroelectric generation at Gatun.[16] Those levers were deployed before the deficit reached the advisories, which is eight months of conservation the 2023 cycle did not have at the equivalent point.

> **ASSESSMENT · MODERATE CONFIDENCE.**
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> The lake is not the binding evidence in this file; the inflow deficit and the ENSO forecast are, and they point at the dry season rather than at October. The 10 September CPC update strengthened that warning: the Nino-3.4 anomaly rose to plus 1.8 degrees Celsius and the probability of a historic event rose to 75 per cent. The 10 percentage point gap between the Authority's rainfall and inflow deficits is consistent with a watershed converting less rainfall into lake inflow, but the cause cannot be established from the published record. Confidence is moderate because the single current lake reading is a Tier 3 relay, the decision thresholds are unpublished, and the rainfall that decides the outcome is unobserved. Rationale: the two Authority deficit percentages and the CPC probabilities are primary and dated, while the lake series that would calibrate them is a gap this brief has routed rather than filled.[6,27,33]

SECTION 03 · ASSESSMENT

The 2023 Comparison

Where the Analogue Holds, Where It Fails, and What It Says About Timing.

2023 was a dry-season collapse whose worst month was February. At the same calendar point, 2026 is materially better on draft, lake and queue, and materially worse on auction price and climate forecast.

The 2023 to 2024 record, from the Authority's own advisories, runs like this. Advisory A-35-2023 of 25 July 2023 set 32 vessels per day, 10 Neopanamax and 22 Panamax, from 30 July 2023, with draft at 44 ft (13.41 m); the FY2024 update records that operating draft, a daily average of 31 transits and a reservation quota of 30 from 1 November 2023.[18,21] Advisory A-48-2023 of 30 October 2023 then scheduled 25 slots from 3 November, 24 from 7 November, 22 from 1 December, 20 from 1 January 2024 and 18 from 1 February 2024, recording October 2023 precipitation 41 per cent below the previous record low and 2023 as the second driest year for the period.[19] On 15 December 2023 the Authority replaced the 20 and 18 plan with 24 daily transits from 16 January 2024 after a November less adverse than expected, running December 2023 at 22, and described normal capacity as 36.[20] Restoration came the following summer: 46 ft and 32 transits from 15 June 2024, 47.0 ft on 26 June and 48.0 ft from 11 July with 35 slots from 22 July, and 49.0 ft with 35 daily transits from 6 August 2024 with Gatun at 85.02 ft; the EIA recorded the easing at the time.[22,23,24,30] The date on which 50 ft was restored is UNKNOWN.

The queue and the market in 2023 give the reference points for what a real repeat looks like. More than 160 vessels waited in August 2023, with Neopanamax waits of at least seventeen days on the EIA's account; trade press puts the peak at 154 ships and 21-day waits.[29,35] The Authority held 140 auctions in October 2023, three above $1 million, and the cycle's record was $3.975 million paid by Eneos Group for an LPG tanker on 8 November 2023 for a 15 November transit; VLGC Houston to Chiba freight touched $250 per tonne in the week to 29 September 2023, the highest since 2016.[29,41] The firm's PortWatch series traces the collapse and the recovery: weekly transits fell from 30 on 30 October 2023 to 22 on 13 November, 17 on 11 December and 16 on 12 February 2024, then recovered to 32 by 15 July 2024 and 34 on 5 August 2024.[49] The financial outturn was FY2024: 9,944 deep-draft transits, 423 million PC/UMS tons, transits 21 per cent below FY2023, revenue B/.4.99 billion and net income B/.3.45 billion; FY2025 recovered to 13,404 transits and 489.1 million tons on revenue of B/.5.705 billion, of which at least B/.100 million came from tariff-driven frontloading.[25,26] The Authority's FY2024 transit count differs between its own releases, 9,944 deep-draft against 11,240 total used as the FY2025 comparison base; the definitions differ and this brief cites both with the qualifier rather than choosing.[25,26]

Where the analogue holds: the mechanism is identical, an El Nino rainfall deficit reducing lake inflow and forcing the Authority to ration depth and slots; the instrument sequence is identical, draft first and slots second. Where it fails is the calendar. Every deep restriction in the last cycle was a dry-season measure, and the 32-slot step of July 2023, the analogue of the 32-slot step of September 2026, was followed by five months of deterioration before the worst month arrived. At the equivalent calendar point 2026 is better on all three physical measures. Draft is 48.0 ft against 44 ft.[7,21] The lake reading closest to now, 20 August 2026, is about 84 ft against 79.7 ft on 6 September 2023, roughly four and a half feet higher; both are dated points and neither is the minimum of its year.[33,40] The queue is shorter: 36 non-booked vessels waiting on 20 August 2026 with average waits of 8.5 days northbound and 7.7 southbound, and up to eleven days on a separate report, against more than 160 vessels and at least seventeen days in August 2023.[29,33,35] And the PortWatch series has August 2026 averaging 29.0 transits per day over thirty observations in a range of 23 to 33, well above the 16 to 17 of the last trough.[49]

Where 2026 is worse: the price of passage and the forecast. The 2023 cycle's record auction of $3.975 million was set on 8 November 2023 after the ladder had already deepened twice.[41] The 2026 record of $5.3 million was set on 25 August, before the slot cut took effect and while draft was still 48.0 ft.[32,34] And the CPC's 75 per cent probability of the strongest event since 1950 has no 2023 counterpart in this file.[27]

ASSESSMENT · MODERATE CONFIDENCE.

The answer to the title question is a split one, and the split is the decision. On the water and in the regulatory position, 2026 is not a 2023 repeat: draft, the closest dated lake reading and the queue are all materially better, and the last regulatory act was a postponement. On the forward path, 2026 is tracking the 2023 cycle at an earlier calendar point with a worse climate forecast and a far higher clearing price for passage. The 2023 comparison is not a statement about now; it is a statement about January to March. Confidence is moderate because the closest current lake reading is available through one Tier 3 reporting chain and the timing remains a forward judgment. Rationale: the physical measures are directly comparable at equivalent dates and all three favour 2026, while the 2023 ladder is on the record as a dry-season sequence whose trough came in the February following the July slot cut.[19,20,33,40,49]

SECTION 04 · ASSESSMENT

The Auction and the Slot Market

A Public Authority Running a Sealed Auction for the Right to Pass.

The clearing price has moved roughly forty-fold in seven months. The Authority's position is that the market, not the Authority, sets it, and the utilisation figures show a system clearing above its posted supply.

The auction is where 2023 has already been exceeded, and where the canal cost now sits for cargo that has to move on a date. The reference points, all dated and all from allowlisted trade press because the Authority publishes no auction results: $135,000 to $140,000 before the 2023 drought on the account of Authority officials; a median of about $55,000 before February 2026; about $385,000 in March to April 2026, with three to five auction slots available daily; nearly $1.7 million by mid-April and approaching $2 million by mid-May on Vortexa's reading; and about $4 million paid by the container ship Seaspan Benefactor, reported 12 August 2026 on Bloomberg figures.[33,34,38,45] Then on 25 August 2026 SK Gas paid $5.3 million for a Neopanamax slot for the LPG carrier G. Spirit, transiting 1 September, beating a $4.6 million record set earlier the same month by SK Shipping for the G. Arete.[32,34] The record prices are Neopanamax.

The utilisation data explain why. In July 2026 the Authority sold 183 Neopanamax booking slots against 163 available, 112.27 per cent, and used 247 of 306 auctioned slots, 80.72 per cent, with Canal Waters Time at 25.38 hours; in June the equivalents were 197 of 186, 105.91 per cent, and 230 of 290, 79.31 per cent.[8,9] A booking system that repeatedly places more slots than it posts is one where the Authority is releasing marginal capacity into a bid it cannot otherwise satisfy. The auction reform of 3 September addresses that pressure by segmenting the bid into four groups so that the highest-value cargo class no longer clears every slot, and the 28 August modification went further, guaranteeing minimum slots per booking date to full container vessels, LPG and LNG and weekly minimums to the rest, which is an administrative allocation floor placed under the market.[5,11,13]

The Authority's own framing is on the record and is the most consequential sentence in the file for how a chokepoint should be priced. Its chief financial officer said in April 2026 that the Authority does not decide who transits the Canal and at what price, and that the market does.[38] That is accurate as far as it goes: the Authority sets the supply of slots, the segmentation and the rules, and the bidders set the number. It also means a sovereign infrastructure operator has converted a scarcity it administers into a revenue stream it does not have to justify as a tariff. The FY2027 budget makes the same distinction on the tolling side: tolls are unchanged and the net tonnage fee moves from B/.1.00 to B/.1.75 per PC/UMS ton, which the Authority describes as not a toll increase.[14]

The 2026 auction level is not a proportional response to the 2026 restriction. Draft is 48.0 ft, four and a half feet above 2023's 44 ft, and slots are 32 against the 22 to 24 that governed the last winter, yet the clearing price is a third above the 2023 record.[7,19,20,32,41] Two readings are available and this brief does not choose between them: either the bid reflects forward expectation of a worse dry season rather than current conditions, or the pool of cargo willing to pay seven figures has grown because the alternatives have become more expensive, which the Cape routing data in the next section supports. Both point to the same operational conclusion.

> **ASSESSMENT · HIGH CONFIDENCE.**
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> The slot auction, not the draft table, is the canal's live price signal, and it is already pricing a dry season that has not started. A clearing price of $5.3 million against a March to April 2026 level of about $385,000 is a roughly fourteen-fold move in five months on a physical restriction much milder than the one that produced the 2023 record. Rationale: the price series is dated at six points across 2026, the utilisation figures show a booking system placing more slots than it posts in two consecutive months, and the Authority itself describes the price as market-set rather than administered.[8,9,32,34,38,45]

SECTION 05 · ASSESSMENT

The Cargo Owner's Decision

Which Cargoes Are Already Paying, and Which Quarter to Budget.

LPG has already rerouted and is the visible casualty. Container and grain show canal cost in their spreads rather than their headline. The budgeting error is the quarter, not the number.

The cargo classes are not equally exposed. LPG has already moved. Baltic BLPG3 Houston to Chiba stood at $283.33 per tonne for the week to 7 September 2026, a time-charter equivalent of

$167,329 per day, up $18.25 on the week, with the Baltic Exchange noting voyages increasingly routed via the Cape of Good Hope amid ongoing Panama Canal restrictions.[44] That follows a record $305.3 per tonne on 14 May 2026 against $147.5 at end February, and a record daily equivalent near $170,000 on 11 May when roughly half of US LPG to Asia went via the Cape and Panama slot costs were above $1 million.[43,45] Vortexa put the Cape's share of US Gulf to Asia LPG voyages at about 43 per cent in April 2026, the highest since October 2016, on a voyage taking about 26 days via Panama and 45 via the Cape; the US share of LPG exports going to Asia rose from 55 to 60 per cent over the same period.[35,45] A nineteen-day voyage extension on 43 per cent of a route is the reroute already executed, and it is why an LPG shipper will bid $5.3 million for a slot: the alternative is priced, and it is worse.

LNG is not showing the same stress. BLNG3 US Gulf to Japan was $29,400 per day for the week to 7 September 2026, BLNG1 $21,400 and BLNG2 $17,000, a weak market rather than a squeezed one.[44] Carrier and shipper statements on LNG rerouting in September 2026 are UNKNOWN: none was found in collection.

Container freight shows the canal in the transpacific spread rather than in the composite. Drewry's World Container Index on 3 September 2026 had the composite at $4,465 per FEU and stable, Shanghai to New York at $9,587 and up 3 per cent, Shanghai to Los Angeles at $7,185 and up 5 per cent, Shanghai to Rotterdam at $4,092 and down 5 per cent, and Shanghai to Genoa at $4,368 and down 10 per cent; the east coast leg that uses the canal was $4,317 on 21 May 2026, so it has more than doubled while the Europe legs fell.[48] That divergence is not attributable to the canal alone and this brief does not attribute it, because transpacific blank sailings and Golden Week capacity management are running at the same time. What can be said is that the east coast to west coast differential is the line item where a canal cost appears in a container budget, and it is widening while the composite is flat.

Grain shows it in a spread the USDA publishes directly. For August 2026 the Grain Transportation Report of 3 September gives US Gulf to Japan ocean freight at $72.94 per tonne and Pacific Northwest to Japan at $36.75, a spread of $36.19, with the three figures up 35, 28 and 43 per cent respectively on August 2025, the spread standing 40 per cent above its four-year average, and Gulf vessels loaded in the seven days to 27 August at 18, down 47 per cent year on year.[28] A Gulf-to-Asia grain shipper is paying twice the Pacific Northwest rate and the premium is widening faster than either leg. This USDA issue carries no Panama Canal narrative section, so attributing the spread to the canal is an Aegean inference from route geography rather than a USDA finding.

The decision this evidence supports is about the quarter, not the number. A landed-cost plan built in September 2026 for the fourth quarter prices a canal at 48.0 ft and 32 booking slots, with a queue of tens rather than hundreds of vessels and the rainy season still running, and it will very likely be adequate. The same plan applied to January to March 2027 runs against the Authority's FY2027 assumption of 10,750 deep-draft transits, a possible slot level of about 29, and a draft step that is announced, unimplemented and available.[7,14,46] The gap is not a forecasting subtlety. It is one quarter of freight budget.

> **ASSESSMENT AND RECOMMENDATION · MODERATE CONFIDENCE.**
>
> Re-base the canal line in Q1 2027 landed-cost plans on the Authority's own FY2027 assumptions rather than on current draft and slot levels. Buy the option early rather than the slot late: the last cycle's record price came in November 2023, months into the ladder, and this cycle's clearing price has moved roughly forty-fold from a pre-February 2026 median of about $55,000.[34,41] Price the alternative before it is needed: LPG shows a nineteen-day voyage extension and a freight rate that doubled between February and May 2026.[45] Watch the advisory register rather than the news cycle: every material change here was published there first, and two dates reported in August were superseded within four weeks.[1,4,6,7] Hold a costed Cape or Pacific Northwest alternative for the cargo classes with the least schedule tolerance. Confidence is moderate because the rainfall that determines the dry season is unobserved and because the Authority has shown it will postpone as readily as cut. Rationale: the Authority has published a drought-year transit plan, its Administrator has named February to March and about 29 slots, the auction price is already above the 2023 record on a much milder physical restriction, and the LPG market demonstrates the cost of reaching for the alternative late.[14,32,44,45,46]

SECTION 06 · DECISION

Decision

Decision	Owner	Trigger	Pre-authorised action
Re-base the canal line in landed-cost planning from Q4 2026 to Q1 2027	Head of logistics or supply chain finance	Immediate, on the ACP FY2027 budget of 1 September 2026 and the Administrator's 8 September remarks	Rebuild the Q1 2027 freight budget on 10,750 FY2027 deep-draft transits and a 29-slot sensitivity; carry the Q4 2026 plan unchanged
Secure Q1 2027 transit optionality now	Chartering or freight procurement	An ACP advisory implementing 47.5 ft or fewer than 32 daily booking slots, on any effective date	Book Q1 2027 slots at the posted level for dated cargo before competing for them at auction; do not wait for the advisory to take effect
Cost the alternative routing per cargo class	Trade lane owner	Auction clearing prices for the relevant lock exceeding the class's own reroute cost, on any dated trade report	Approve the Cape of Good Hope or Pacific Northwest alternative as a standing option with a pre-agreed price ceiling, per the LPG precedent of April to May 2026
Stand up an advisory-register watch	Market intelligence or ops control	Any new ACP Advisory to Shipping in the operational register	Read the advisory PDF, not the trade report; escalate only on a change to draft or to per-lock booking slots
Escalate to a rerouting decision	Chief supply chain officer	Total daily booking slots at or below 29, or Neopanamax draft at or below 46.0 ft	Trigger the pre-costed alternative for the least schedule-tolerant cargo, and reprice the affected contracts on the alternative rather than on the canal

SECTION 07 · OUTLOOK

Outlook

Three Scenarios to the End of the First Quarter of 2027.

Construction confidence reflects analytical quality, not probability. Each scenario carries a triggering signal for the question this brief tracks: whether the Authority's dry-season position deepens, holds or recovers.

Baseline · The Postponement Holds Through the Rainy Season and the Dry Season Bites. Construction Confidence: High · Velocity: Gradual. September to November rainfall arrives below average but not catastrophically so. The 47.5 ft step stays postponed through October and probably through the fourth quarter, booking slots hold at 32 into December, and auction clearing prices stay in seven figures. From January the Authority takes the postponed draft step and reduces slots toward the level its Administrator has already named, and the FY2027 assumption of 10,750 deep-draft transits proves to have been the Authority telling the market what it expected. Unbooked waiting times lengthen from the eight to eleven day range of August 2026 without approaching the seventeen to twenty-one days of August 2023, and the LPG, container east coast and Gulf grain spreads widen further. SIGNAL TO WATCH: NO NEW DRAFT ADVISORY IN THE OPERATIONAL REGISTER THROUGH 31 OCTOBER 2026, FOLLOWED BY A DRAFT OR SLOT ADVISORY ISSUED IN DECEMBER 2026 OR JANUARY 2027 WITH AN EFFECTIVE DATE IN THE FIRST QUARTER.[1,7,14,46]

Deterioration · The 2023 Ladder Repeats on the 2026 Calendar. Construction Confidence: Moderate · Velocity: Event-driven. The October to November rains fail as October 2023 failed, when watershed precipitation ran 41 per cent below the previous record low. The postponed 47.5 ft step lands inside the fourth quarter rather than after it and is followed by further half-foot steps, slots go through 29 toward the low twenties, the queue rebuilds toward three figures and the auction clears above $5.3 million. The CPC's 75 per cent probability of the strongest event since 1950 is realised, and the eight-month duration the outgoing Administrator described carries the deficit through the whole 2027 dry season, putting recovery later than the mid-2024 restoration. SIGNAL TO WATCH: AN ACP ADVISORY IMPLEMENTING 47.5 FT OR BELOW WITH AN EFFECTIVE DATE ON OR BEFORE 31 OCTOBER 2026; A SLOT ADVISORY TAKING THE TOTAL BELOW 32 INSIDE THE RAINY SEASON; NON-BOOKED WAITING TIMES THROUGH FOURTEEN DAYS.[19,27,35,49]

Stabilization · An Average Rainy Season Repairs the Inflow Deficit. Construction Confidence: Moderate · Velocity: Gradual. October and November deliver near-normal rainfall, the 44 per cent inflow deficit narrows and Gatun approaches its typical December peak of just over 87 ft. The Authority restores draft in half-foot steps as it did from June to August 2024 and raises slots toward the 34 to 38 range it ran in the first half of 2026. Auction prices fall back toward the March to April 2026 level of about $385,000 rather than to the pre-2023 $135,000 to $140,000, because the bid reflects forward risk a single good season does not remove, and the FY2027 budget proves conservative. This path is possible on the physical position, four and a half feet better at the lake than the equivalent 2023 point, and improbable on the climate forecast. SIGNAL TO WATCH: AN ACP ADVISORY RAISING NEOPANAMAX DRAFT ABOVE 48.0 FT OR RAISING TOTAL DAILY BOOKING SLOTS ABOVE 32; A CPC ENSO DIAGNOSTIC DISCUSSION DOWNGRADING THE VERY STRONG EVENT PROBABILITY BELOW 90 PER CENT.[16,22,23,24,27,33,38]

The forward claims. This brief proposes two claims for the firm's register, stated here in the exact words used in the candidate claim record. Neither is locked or public until the authorized approver admits it.

SCL1-C1, binary, resolving 3 November 2026, probability 0.20. *The Panama Canal Authority publishes an Advisory to Shipping, effective on or before 31 October 2026, that either implements a maximum authorised Neopanamax draft of 47.5 ft (14.48 m) or lower, or reduces total daily booking slots below 32.* It is scored from the Authority's operational register at https://pancanal.com/en/maritime-services/advisory-to-shipping/, read on 3 November 2026 across every advisory issued from 10 September to 31 October 2026 inclusive. An advisory that only announces an effective date after 31 October does not resolve it yes; nor does one that postpones, suspends or reverses an announced reduction; nor does a change to auction slots, reservation periods, transit windows or Panamax draft. The 0.20 weighs the 4 September postponement as direct evidence against, set against a fourth consecutive month of deficit inflows.

SCL1-C2, numeric, resolving 16 February 2027, horizon 90 days. *The maximum authorised draft in the Neopanamax locks of the Panama Canal, in tropical fresh water, in effect on 15 February 2027, measured in feet.* Aegean's estimate is a central value of 47.0 ft within an 80 per cent interval of 45.0 to 48.0 ft, scored from the same register on the most recent advisory effective on or before 15 February 2027, converting at 1 m equals 3.28084 ft where the advisory states metres only, and defaulting to 48.0 ft if none has been effective by that date. This is the claim the firm should be scored on.

Indicators that would move this read. Five, in order of how much they would change the judgment. First, the Authority's operational Advisory to Shipping register: any advisory changing Neopanamax draft or per-lock daily booking slots, read as the PDF, not as a trade report.[1] Second, the NOAA Climate Prediction Center ENSO Diagnostic Discussion, issued on the second Thursday of each month, on the very strong event probability and the Nino-3.4 anomaly; the 10 September 2026 issue is reflected here and the next issue is scheduled for 8 October.[27] Third, the Authority's monthly Canal operations summaries, on daily average oceangoing transits, Neopanamax slot utilisation against slots available, and Canal Waters Time.[8,9] Fourth, auction clearing prices by lock, watching for any Neopanamax print above $5.3 million.[32,34] Fifth, non-booked waiting times and vessels waiting, against the August 2026 baseline of 8.5 days northbound, 7.7 southbound and 36 vessels.[33]

> **ASSESSMENT · MODERATE CONFIDENCE.**
>
> Baseline is the path Aegean would plan against: the Authority has postponed rather than cut, the rainy season has ten weeks to run, and the Authority's own budget places the pain in FY2027 rather than the current quarter. Deterioration requires an October like October 2023, which the CPC forecast makes non-trivial; Stabilization requires the strongest forecast El Nino since 1950 to under-deliver over this watershed specifically. Across all three the same preparation holds its value: first-quarter optionality bought in the fourth quarter, a costed alternative per cargo class, and the advisory register read directly. Rationale: the three paths are separated by one observable, September to November watershed rainfall, which is unobserved at the time of writing, and each carries a distinct and dated first signal in a source the firm can check.[1,6,7,14,27,46]

SECTION 08 · SCORECARD

Scorecard

No firm claim resolves on this brief. CLM-2026-053, locked at 0.65 on 1 June 2026 and resolving 1 December 2026, holds that the Middle East corridor's structural cost base does not return to its January 2026 floor on a horizon shorter than two quarters, and is settled on hull war-risk quotes and Joint War Committee Listed Areas status. Panama does not bear on it: a canal restriction that lengthens LPG and container voyages moves neither a hull war-risk quote nor a Listed Areas designation, and this brief does not advance that claim in either direction.

What this brief does is open the Panama leg of the firm's maritime and chokepoints cluster, which until now has been a Middle East corridor file. It proposes two claims for the register, both designed to be scored from the Authority's operational Advisory to Shipping register: SCL1-C1 read on 3 November 2026 over a window closing 31 October 2026, and SCL1-C2 read on 16 February 2027 against a named date of 15 February 2027. C2 carries this brief's thesis, that the decision-relevant quarter is the first of 2027. Both are the analyst's own judgment calls and remain unlocked pending authorized approval.

One assessment can be recorded against the corpus without pretending to be a resolution. The firm's chokepoint framing, set out in The Re-Priced Corridor of 1 June 2026 and stress-tested in The Two-Front Corridor of 28 July 2026, is that pricing authority over a corridor migrates to whoever can credibly grant or withhold passage. Panama is the same proposition with a different actor and no violence in it: the entity granting and withholding passage is a public authority operating under a treaty, and it has converted an administered scarcity into a sealed auction that cleared at $5.3 million for a single slot on 25 August 2026 against $135,000 to $140,000 before the last drought, while its own chief financial officer describes the price as set by the market rather than by the Authority.[32,34,38] That is the framing exemplified, not tested, and the firm should note that the mechanism does not require a belligerent.

> **ASSESSMENT · MODERATE CONFIDENCE.**
>
> The chokepoint framing generalises from a war corridor to a drought-constrained public waterway, and the generalisation is worth carrying into the next brief in this cluster. Confidence is moderate because a single auction series in a single year is thin evidence for a structural claim, and because the Authority's segmentation reforms of 28 August and 3 September 2026 put an administrative floor back under the market, the opposite of the migration the framing describes. Rationale: the price series is dated and primary in direction if not in publisher, the mechanism is explicitly described by the Authority itself, and the counter-evidence, the segmentation reforms, is on the record in the same month.[11,13,32,34,38]

SYNTHESIS

The quarter that binds is Q1 2027

The near-term measure is an allocation cut; the postponed depth constraint remains a dry-season risk.

01 · NOW

Draft held at 48.0 ft

ACP postponed the 47.5 ft step until further notice on 4 September.

02 · 15 SEP

Booking falls to 32 slots

The Panamax allocation absorbs the confirmed two-slot reduction.

03 · Q1 2027

The dry season carries the risk

ACP's budget and historical sequence place the decision horizon after the rainy season.

04 · DECISION

Price optionality before scarcity

Rebase Q1 plans, cost alternatives, and watch the ACP advisory register directly.

> **Do not mistake the postponed draft cut for restored capacity. The confirmed slot cut is the present constraint; Q1 2027 is the planning horizon.**

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Publishable Market Research

Timeliness. Current to 11 September 2026. The confirmed booking-slot reduction applies from 15 September; the next NOAA ENSO discussion is scheduled for 8 October.

Classification. PUBLIC. Open-source intelligence and analytic product. No client-attributable material is used.

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