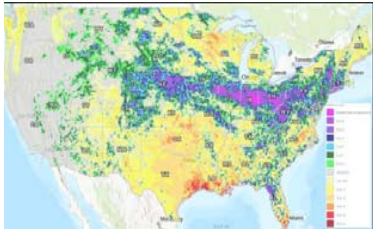


September 4, 2026

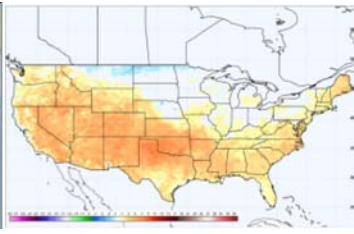
AUGUST WEATHER SUMMARY

During August, precipitation averaged below normal for most of the Country except northern tier States and Northeast where above average precipitation occurred. Temperatures averaged above normal, particularly in Texas and Central Plains, across most of the Country.

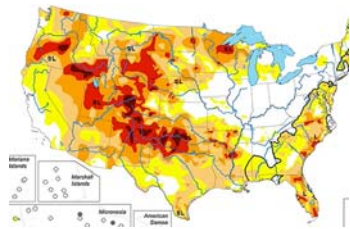
August Precipitation Summary



August Temperature Summary



U.S. Drought Monitor as of early September

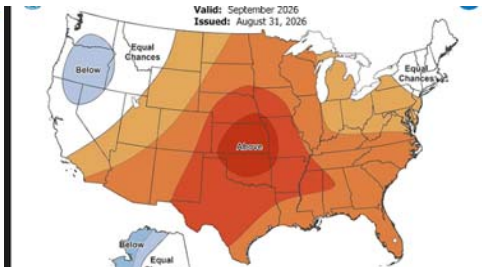
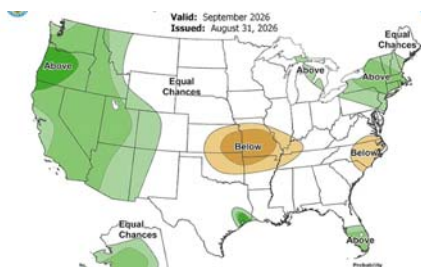


SEPTEMBER WEATHER FORECAST

September is setting up to be a transition month. Much needed moisture is expected to occur in the West.

The map does show dry in the Central area of the Country but by month end, moisture is expected

to return. Temps mostly above average across the Country but by month end those temps are expected to moderate.



CURRENT RIVER CONDITIONS

Rivers throughout the system have fallen due to the lack of widespread precipitation in the Midwest during August. The Lower Mississippi has seen the most significant fall. Navigation becomes a real problem when the gauge at Memphis drops to – 8 feet.

Currently, barge drafts have been reduced from 12 ft to 11 ft 6 in.

The forecast does call for precipitation to return by late Sept which will help to resupply water levels. Until then the situation will require monitoring.

Longer term, El Nino driven precipitation is forecast to increase precipitation across most of the Country this Fall.

Water level readings at key location of Memphis. Note: Gauge level forecasts only consider precipitation over the next 48 hours. Optimal levels for barge traffic are plus 5 to 10 ft. Levels will remain charged as more rain is expected.

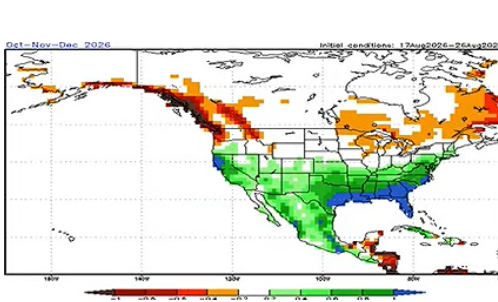
DATE	9/3	9/4	9/5	9/6	9/7	9/8	9/9	9/10	9/11	9/12	9/13	9/14	9/15	9/16	9/17	9/18	9/19	9/20	9/21	9/22
MENT1	1.8	0.8	-0.4	-0.8	-1.4	-2.1	-3.1	-3.5	-3.9	-4.2	-4.4	-4.5	-4.7	-4.9	-5.1	-5.2	-5.3	-5.4	-5.5	-5.6

LONG RANGE WEATHER FORECAST

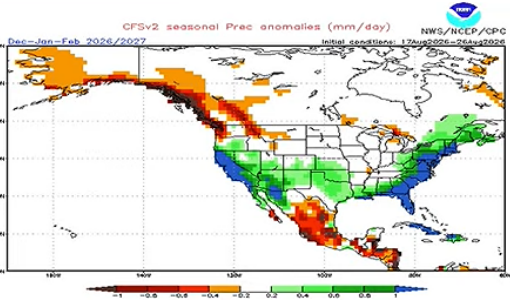
El Nino will have weather impacts in many areas of the World. Trade winds in the Pacific will shift to westerly. Warming Pacific Ocean waters will increase convection and push more moist air and precipitation across the U.S.

Such a forecast will alleviate any low water and river navigation concerns for the Fall/Winter.

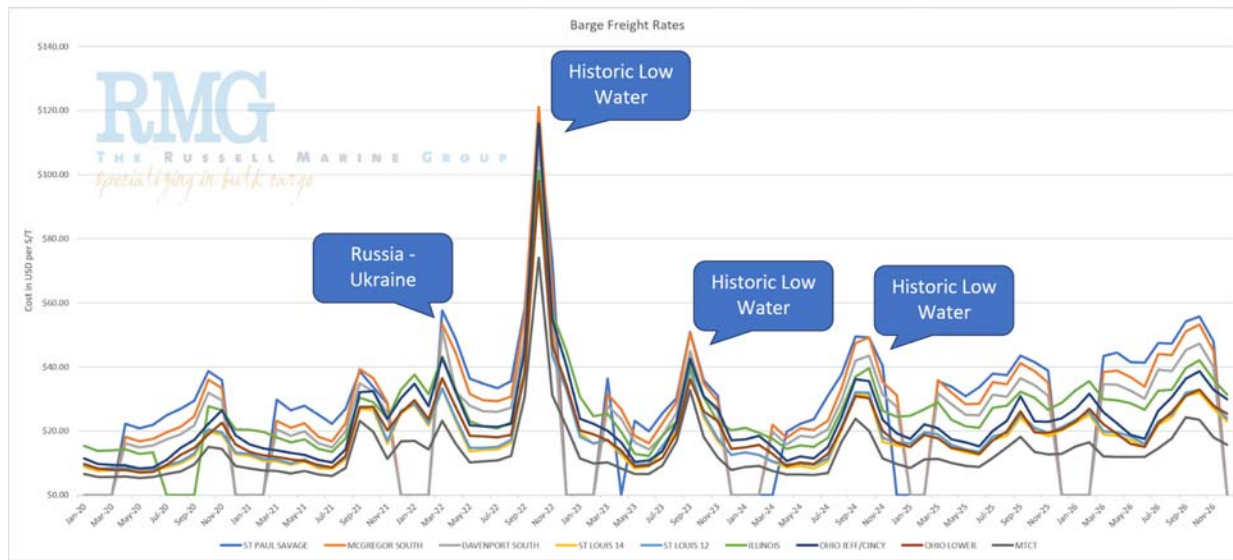
Oct, Nov, Dec Precipitation Forecast



Dec, Jan, Feb Precipitation Forecast



BARGE FREIGHT



The graph above illustrates the barge freight rate costs in dollars over the last six years, along with a forecast through the end of 2026.

Below are rates expressed as a percentage of benchmark tariffs for the main locations of the river.

DATE	ST PAUL SAVAGE (\$6.19)	ST LOUIS (\$3.99)	ILLINOIS (\$4.81)	OHIO LOWER (\$3.99)	MTCT (\$3.14)
AUG '26	765% / \$47.35	607.5% / \$24.24	685% / \$32.95	650% / \$25.94	562.5% / \$17.66
SEP '26	875% / \$54.16	775% / \$30.92	825% / \$39.68	775% / \$30.92	775% / \$24.34
OCT '26	900% / \$55.71	800% / \$31.92	875% / \$42.09	825% / \$32.92	750% / \$23.55
NOV '26	775% / \$47.97	675% / \$26.93	750% / \$36.08	700% / \$27.93	575% / \$18.06
DEC '26	CLOSED	575% / \$22.94	650% / \$31.27	637.5% / \$25.44	500% / \$15.70

(Benchmark Tariff)

NEW ORLEANS and BATON ROUGE HARBOR CONDITIONS

Barge and vessel traffic moving under normal conditions.

Current river stage in Nola is 4.6 feet

Bar Pilots: Recommended maximum loading draft: 50 Feet.

Crescent Pilots: Recommended maximum loading draft: 50 Feet.

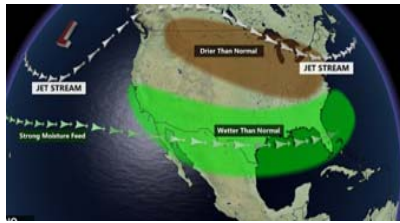
NOBRA Pilots: Recommended loading draft is as follows: 50 feet from New Orleans to Mile 175 ; 47 Feet from Mile 175 - Mile 180; 45 feet from Mile 180 to Mile 234.

Vessels with a draft of 41 feet or greater are required to transit the Baton Rouge Harbor (Mile 180 - Mile 234) during daylight hours only

EL NINO UPDATE

Water temps along the Pacific Equator continue to rise. This El Nino will be strongest on record and will have significant impact around the World.

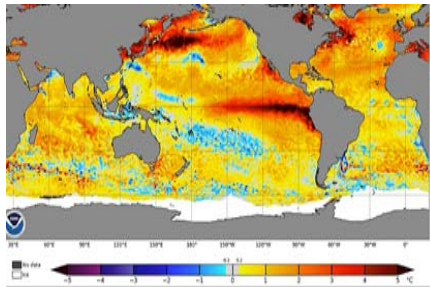
Typical El Nino Precipitation Impact on US.



Typical El Nino Temperature Impact on US.

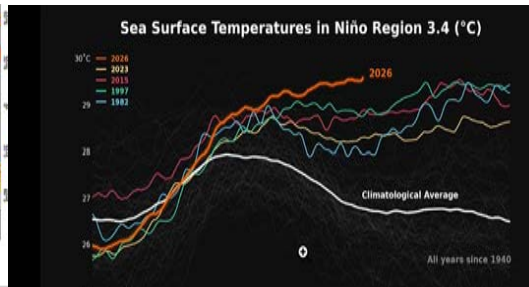


El Nino Water Temps Along the Pacific Equator

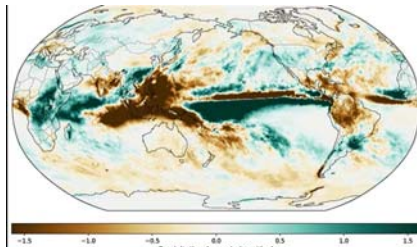


El Nino Will Be Strongest on Record. Current Water

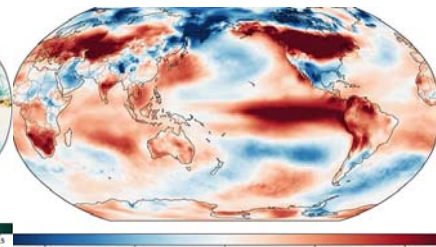
Temps + 3.4 C and Expected to Peak Nov/Dec at +4 Range.



Below Map Is Historical Composite of Winter Precipitation During Strong El Nino Events.



Below Map is Historical Composite of Winter Temps During Strong El Nino Events.



TROPICS and HURRICANE SEASON

The Atlantic/Gulf of Mexico hurricane season has been and is expected to remain very quiet due to El Nino easterly wind shear, Saharan Dust activity, and very dry conditions which will keep storm development suppressed for the remainder of the Atlantic Season.

Near shore pop up storms are a possibility. Below map is the track of of pop -up storm that occurred earlier this week. These storms don't

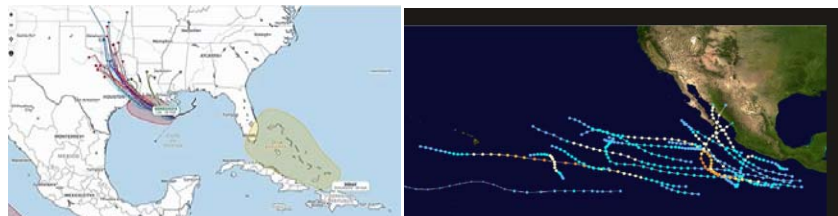
usually have enough time to gain a lot of strength and are usually rain makers rather than powerful wind events.

The Pacific Storm activity is a totally different story. El Nino warmth in Pacific is very conducive to storm development. The number of storms are above average and tend to be very strong.

Map of Pop-Up Storm Eduardo on Sept 2, 2026.

Otherwise, the Atlantic Basin is quiet.

Very Active Pacific Storm



PANAMA CANAL UPDATE

El Nino will affect Panama Canal Operations through the Fall and Winter.

Panama Canal — What's Happening Now

The Panama Canal is tightening operations due to unusually low rainfall linked to El Niño. From May through August, rainfall in the Canal watershed has been 34% below historical averages and water inflows 44% below average. The Canal Authority is concerned that conditions could worsen ahead of the 2027 dry season.

Key Operational Impacts

- Transit capacity is being reduced.
- Starting with September 4 booking dates, Neopanamax availability is being reduced to 9 vessels/day and Panamax to 25 vessels/day.
- Starting with September 15 booking dates, Panamax capacity drops further to 23 vessels/day.
- Total planned capacity will therefore decline to approximately 32 vessels/day, compared with the Canal's normal sustainable capacity of roughly 36–38 vessels/day.

Draft Restrictions

Large Neopanamax vessels are also facing draft restrictions.

- The 48-foot maximum draft is scheduled for September 2.
- The planned reduction to 47.5 feet has been postponed to October 1.

These measures are intended to conserve Gatun Lake water.

Booking System Changes

The booking system is becoming more restrictive and increasingly important.

The Canal is limiting customers to fewer competitive slots, allocating some auction slots by market segment, restricting flexibility services, suspending Last-Minute service, and giving certain vessels priority based on efficiency or market category. Auction slots are at 37 pct of vessels locking

Critically, the ACP states that a confirmed reservation is currently the only way to guarantee a transit date. Vessels without reservations could face indefinite delays.

The August 25 advisory further tightened and clarified booking rules, including how cancelled slots are reallocated and restrictions preventing customers that already obtained slots from repeatedly competing for adjacent dates.

Bottom Line

Adding to freight costs, auction slots are now at 37 pct of vessels passing through the Canal , along with heavy traffic demand, and reduced number of lockings to preserve water is forcing many vessels to seek alternative routes.

The Canal remains operational, but water scarcity is resulting in:

- Fewer daily transits
- Tighter booking rules
- Reduced allowable drafts
- Greater delay risk for unreserved vessels
- Potential cargo reductions for larger or deeper-draft vessels

For shippers, booking earlier is becoming increasingly important.

Alternative Routes

The three practical all-water alternatives are:

Suez Canal / Red Sea

- Shortest alternative to Panama
- Generally, the fastest option
- Better overall sea conditions than the southern routes
- Red Sea and terrorist security risks remain
- Higher insurance costs and potential for sudden rerouting

Cape of Good Hope

- Currently the most dependable alternative
- Avoids both Panama restrictions and Red Sea security exposure
- Significantly longer sailing distance and transit time
- Higher fuel consumption, charter costs, and emissions
- Exposed to strong winds, swell, and seasonal Southern Ocean weather

Cape Horn / Strait of Magellan

- Technically available but generally a last-resort option for bulk cargo
- Very long voyage
- Harsheset weather and navigation conditions of the three alternatives
- Higher operating costs
- Additional navigation and pilotage requirements may apply

Overall Comparison

For a typical U.S. Gulf-to-Asia bulk voyage:

- Suez remains the shortest and generally fastest alternative.
- Cape of Good Hope provides the strongest operational reliability when avoiding both Panama restrictions and Red Sea security exposure.
- Cape Horn / Strait of Magellan is generally the least attractive option and would typically be considered only under exceptional circumstances.

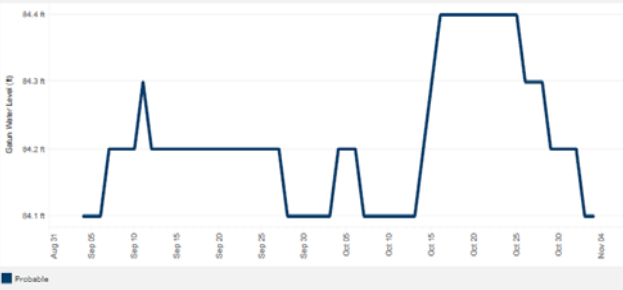
Reference - Route Milage and Voyage Time Chart

Origin / Route	Nautical Miles	Regular Miles	Approx. Sailing Time*
PNW → Shanghai — Direct Pacific	~5,200 nm	~6,000 mi	~17–18 days
New Orleans → Shanghai — Panama Canal	~10,000 nm	~11,500 mi	~33–35 days
New Orleans → Shanghai — Suez / Red Sea	~13,700 nm	~15,800 mi	~45–47 days
New Orleans → Shanghai — Cape of Good Hope	~15,000 nm	~17,200 mi	~49–51 days
New Orleans → Shanghai — Cape Horn / Magellan	~17,100 nm	~19,700 mi	~57–59 days

Gatun Lake Water Levels

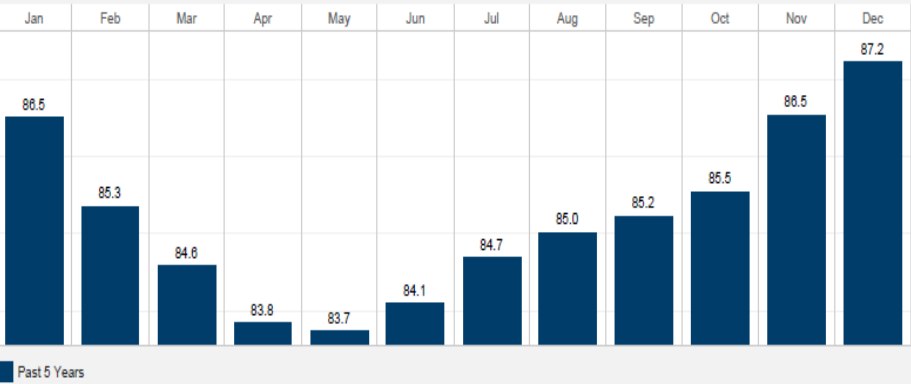
Official Gatun Water Level for Sep. 03, 2026	Variable Fresh Water Surcharge for all transits that begin on Sep. 03, 2026	Official Maximum Draft	
84.0 ft	0.47%	Neopanamax	Panamax
		48.0 ft	39.5 ft

Gatun Water Level Projection
Last projection uploaded on: Sep. 01, 2026 15:15 (GMT-5)



Gatun Lake Average Water Levels for the Past 5 Years

Hover or click to see water levels by year.



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