



Capesize & Panamax FFA Daily Report

London +44 20 7090 1120 - info@freightinvestor.com | Singapore +65 6535 5189 - info@freightinvestor.asia
 Shanghai +86 21 6335 4002 | Dubai +971 4 4493900

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Commentary

Cape: A little bit of a recurring theme at the moment for the capes. The paper trends up, trading at significantly higher levels than the returns available in the spot physical market. The market declares that the physical needs to follow if the gains are to be sustained and then lo and behold, the physical moves on up spurring on another round of buying in the paper market. Rinse and repeat, the tail wagging the dog blah blah blah. The last few days have seen the gap between the index and the July contract narrow from \$11500 to circa \$9750 but still, the premium, for now, remains high. \$40,000 was cited as a key resistance point for the derivative. July and Q3 will struggle to trade through those levels while the physical lags behind. It's a sell, scream the bears. This proved to be accurate last week when each time we got there, the paper was slapped back down. Until today. Today was different. The Asian bears that have been so regular in selling the prompt, retreated back into the woods and hid. It was like a bucket of animal feed had been tipped into a pond full of piranha's as buyers greedily gobbled up offers on July within the 39750 -40500 range. Hundreds of days changed hands as a feeding frenzy developed. An undermarked index did little to dampen the buyers appetite as the market remained firm into the afternoon session. July, Aug and Q3 were paid at 41000 before a final push up to 41500 and a random 42000 print on July. Q3 followed, changing hands a number of times at 41000 before Q4 was paid at 35250. The bullishness continued into next year with Q1 paid at 19250 while offers for the calendars were like hens teeth. Cal 22 gapped up to 24700, Cal 23 traded at 20100 & 20200 with Cal 24 printing at 16500. All in all, a positive day again for the FFA despite the physical (still) lagging behind. What is that we can hear just around the corner? Is that physical drum banging or the FFA bubble getting ready to pop? Personally we think it's Fernando and his band of drummers riding a super cycle.....

Panamax: With Asia back into full swing post holidays and the Pac starting to kick into gear we erased all and some of yesterdays losses with the curve better bid from the outset. The early session saw rates gapping up higher with patchy pockets of activity, however the index provided further confidence and fluidity to the market and saw rates surge further. July pushed up to \$34000 nudging with it Q3 and Q4 to highs of \$32750 and \$28350 respectively, while cal22 traded up from \$18500 to \$18750. We closed with some resistance evident at the days highs and holding some sharp premiums.

Capesize 5 Time Charter Average

Spot	30640	Chg	1257
MTD	24050		
YTD	23134		

Per	Bid	Offer	Mid	Chg
Jun 21	30100	30500	30300	925
Jul 21	41000	41500	41250	2000
Aug 21	40850	41250	41050	1675
Q3 21	41000	41250	41125	1875
Q4 21	35000	35500	35250	875
Q1 22	19250	19500	19375	350
Q2 22	24500	25000	24750	500
Q3. 22	28000	28500	28250	500
Q4. 22	26500	27000	26750	250
Cal 22	24563	25000	24781	400
Cal 23	20100	20500	20300	275
Cal 24	16500	16850	16675	300
Cal 25	15000	15750	15375	275

Panamax 4 Time Charter Average

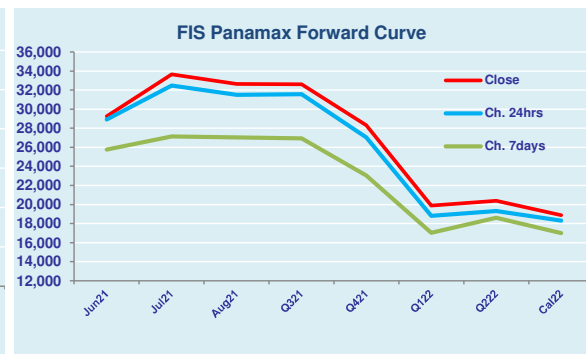
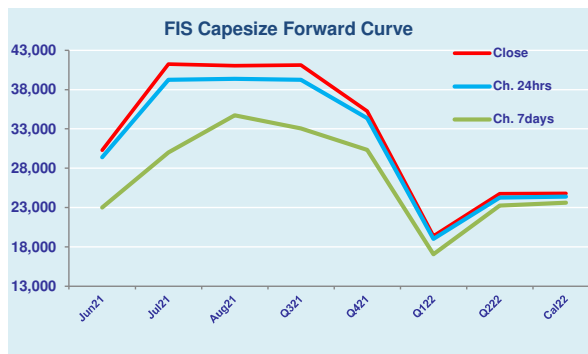
Spot	29328	Chg	577
MTD	26281		
YTD	19845		

Per	Bid	Offer	Mid	Chg
Jun 21	29000	29500	29250	325
Jul 21	33500	33800	33650	1150
Aug 21	32500	32800	32650	1150
Q3 21	32500	32750	32625	1050
Q4 21	28200	28400	28300	1250
Q1 22	19750	20000	19875	1075
Q2 22	20250	20500	20375	1050
Q3. 22	18000	18300	18150	400
Q4. 22	17200	17500	17350	250
Cal 22	18800	19000	18900	600
Cal 23	14500	14650	14575	375
Cal 24	12150	12450	12300	250
Cal 25	10500	11000	10750	0

Spread Ratio

1312	1.04
-2231	0.92
3289	1.17

Spread	Ratio
1050	1.04
7600	1.23
8400	1.26
8500	1.26
6950	1.25
-500	0.97
4375	1.21
10100	1.56
9400	1.54
5881	1.31
5725	1.39
4375	1.36
4625	1.43



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Capesize C3

Spot	27.50	Chg	1.00	
MTD	23.72			
YTD	21.50			
Per	Bid	Offer	Mid	Chg
Jun 21	24.50	25.25	24.88	0.00
Jul 21	29.75	31.50	30.63	0.63
Aug 21	30.00	31.00	30.50	0.75
Q3 21	30.00	31.75	30.88	0.88
Q4 21	28.25	28.75	28.50	0.25
Cal 22	18.25	19.25	18.75	0.00
Cal 23	16.00	17.00	16.50	0.00

Capesize C5

Spot	11.74	Chg	0.14	
MTD	10.49			
YTD	9.73			
Per	Bid	Offer	Mid	Chg
Jun 21	11.40	11.65	11.53	0.03
Jul 21	13.50	13.75	13.63	0.23
Aug 21	13.10	13.65	13.38	0.00
Q3 21	13.00	13.75	13.38	0.00
Q4 21	12.25	13.00	12.63	0.00
Cal 22	9.00	9.75	9.38	0.00
Cal 23	7.50	8.25	7.88	0.00

Spread Ratio

15.76	2.34
13.23	2.26
11.76	2.21
Spread	Ratio
13.35	2.16
17.00	2.25
17.13	2.28
17.50	2.31
15.88	2.26
9.38	2.00
8.63	2.10

Capesize C7

Spot	13.18	Chg	0.22	
MTD	11.36			
YTD	11.80			
Per	Bid	Offer	Mid	Chg
Jun 21	11.75	12.25	12.00	0.00
Jul 21	13.50	14.50	14.00	0.00
Aug 21	13.25	14.25	13.75	0.00
Q3 21	13.50	14.50	14.00	0.00
Q4 21	12.50	13.00	12.75	-0.25
Cal 22	11.75	12.75	12.25	0.00
Cal 23	10.50	11.50	11.00	0.00
Cal 24	9.75	10.75	10.25	0.00

Panamax P1A

Spot	29910	Chg	585	
MTD	25403			
YTD	19930			
Per	Bid	Offer	Mid	Chg
Jun 21	23500	24250	23875	0
Jul 21	26250	27000	26625	0
Aug 21	26250	27000	26625	0
Q3 21	26250	27000	26625	0
Q4 21	23750	24500	24125	0

Panamax P8

Spot	61.69	Chg	0.250	
MTD	58.00			
YTD	48.12			
Per	Bid	Offer	Mid	Chg
Jun 21	53.00	57.00	55.00	0.00
Jul 21	55.00	62.00	58.50	0.00
Aug 21	53.00	60.00	56.50	0.00
Q3 21	52.00	57.00	54.50	0.00
Q4 21	45.00	50.00	47.50	0.00

Panamax 2A

Spot	42014	Chg	378	
MTD	38163			
YTD	30424			
Per	Bid	Offer	Mid	Chg
Jun 21	38000	39000	38500	0
Jul 21	39500	40250	39875	0
Aug 21	38500	39250	38875	0
Q3 21	38500	39250	38875	0
Q4 21	34500	35250	34875	0

Panamax 3A

Spot	30713	Chg	1198	
MTD	27667			
YTD	21596			
Per	Bid	Offer	Mid	Chg
Jun 21	26000	26750	26375	125
Jul 21	27500	28250	27875	750
Aug 21	27350	28000	27675	50
Q3 21	27250	27900	27575	-50
Q4 21	23750	24500	24125	0

Spread Ratio

11301	1.37
10496	1.38
8828	1.41
Spread	Ratio
12125	1.46
12000	1.43
11200	1.40
11300	1.41
10750	1.45

Spot Price Source: Baltic

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