FIS

Dry Freight Weekly Report

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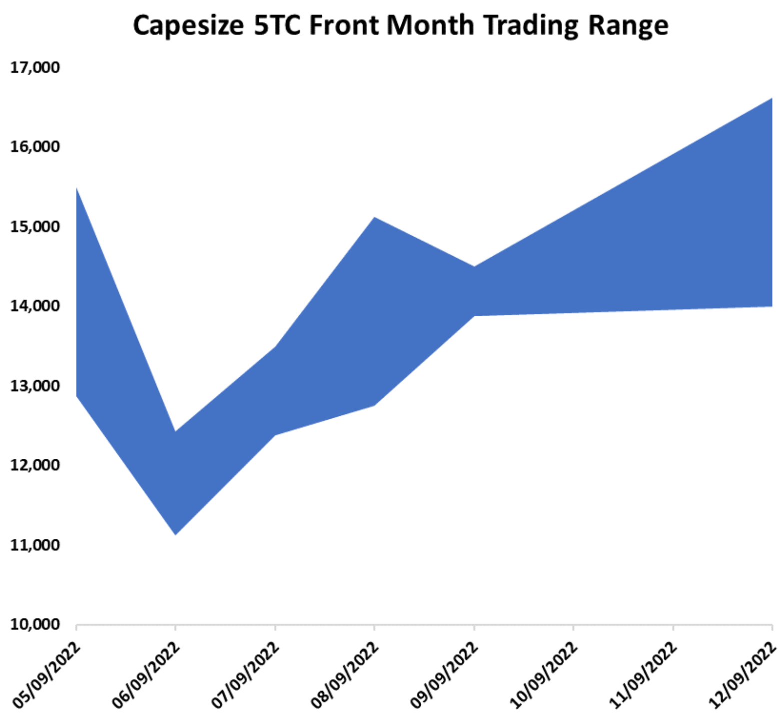
Market Review:

There was a very British element to the Cape market this week as poor weather affected rates, causing delays with further disruption predicted as a second storm is forecast to hit China. There was a flat to negative tone also found in the Supramax market as Asian returned from a holiday, with some hoping that the grains trade will help bring support. Panamaxes, however, were the more positive of the week, with solid coal demand and good grains demand helping to lift sentiment.

Freight Rate $/day	12-Sep	5-Sep	Changes %	Short Term	Sentiment
Capesize 5TC	6,270	7,000	-10.4%	Neutral to Bullish	↗
Panamax 4TC	15,966	10,605	50.6%	Bullish	↑
Supramax 10TC	16,199	16,482	-1.7%	Neutral	-
Handy 7TC	15,732	15,529	1.3%	Neutral	-

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	211	-14	142 (-19)	52 (+6)	10		
Panamax	358	+15		197 (+11)		70 (+3)	48 (-2)
Supramax	446	-58		96 (-12)		81 (-25)	297 (-26)

Capesize



As the demand outlook on Capes remained mostly the same, market participants focused their attention on the weather disruptions causing delays. The gains at the start of week were wiped out from the negative effects of the Typhoon Hinnamnor, with time charter rates falling below $6,000 the rest of last week. However, with nearly no time for any recovery, Typhoon Muifa was forecast to hit eastern China this week with heavy rain and strong winds predicted. The market expected operations in some ports would be halted as weather condition worsened. Volume wise, iron ore exports from Australia were healthy and from South Africa saw a small improvement last week, but the downside remained on the Brazilian side with volumes drifting further away from seasonal levels. In regard to fixtures, the key C5 iron ore route (West Australia to China) was fixed at the highs of $8.80 on Monday, before falling below $8.40 with the lowest rate of $8.05 for late September loading dates was heard on Tuesday, while most of the fixtures were fixed between $7.70-$7.90 at the rest of the week. On Monday, rates began to pull up again from $8 up to $8.50 for 1-3 Oct. Moreover, some tonnage got cleared out from South Africa, trips from Saldanha Bay to Qingdao was fixed at $18 for 20-25 Sept, then at better rate of $13.88 for 1-6 Oct. Other than that, activities from Brazil were again scant although some actions were reported on the Transatlantic route, with a trip from PDM to Ijmuiden was heard at mid to high of $9s for early Oct. While a trip from Acu to Qingdao was fixed at $18 for 20-25 Sep. After the Asian holiday on Monday, the underlying iron ore market returned to head higher on the back of developers resuming more construction projects included Evergrande as the market moved into peak season. On top of weather disruptions, expectations of increased demand from China should give some relief to Capes rates. In addition, fuel costs have eased further with Singapore 380 and 0.5% fuel oil assessed at $385 and $657 respectively on Monday.

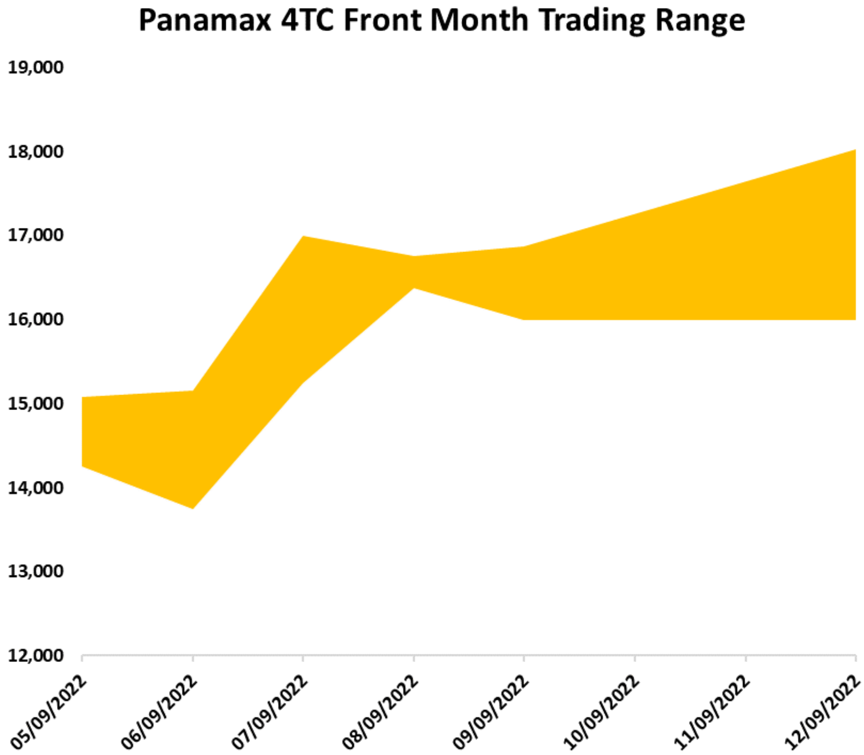
Chart source: FIS Live

Despite early week losses the Capesize paper market mounted a bit of a recovery across the week. The spot index may have weakened from $7,000/day to $5,574 having an early effect on the market, but the latter week recovery saw prompt month rates exceed the week open by close Thursday. Rates had plunged early on, led by the Pacific with C5 was rumoured to be heading towards $8.00. This was replaced with gappy trading, as rates started to recover even though the news coming from the physical market was still pretty bleak. It is worth nothing that although prompt rates had surprised the week open, on more deferred periods they did not reach this level, seemingly feeling more of the negative sentiment from the physical market. The Oct contract opened the week at $13,875 and closed at $14,125; Nov moved from $15,250 to $16,000; Q1-23 $8,050 to close $8,000; and Cal 24 opening at $13,850 but closing $14,500.

Short run neutral to bullish

Panamax

Panamaxes climbed higher throughout last week as both basins were making significant gains from mid-week. In the Atlantic, the main driver was the grains business from the South that the market felt had more room to rise into the new week. Both Fronthaul and Transatlantic activities have improved which helped to clear out some early tonnage in the region. Regarding fixtures, cargoes from US Gulf redelivery China were heard at $21,000 while from NCSA redelivery Sing/Japan was lifted from $18,000 to $21,000, after more resistance being showed from the owner side. The most significant gain was on the route via ECSA redelivery Sing/Japan, from $15,750 to $19,000 as the week progressed. On the TA round trip redelivery Gib was paid at $12,000 before lifting to the high of $15,500. In the Asian market, robust Indonesian coal demand was the old but golden support with imports from China refreshing another record high. Apart from that, the tonnage count in Asia was getting even tighter with NoPac grains activities also coming into play. The round trips redelivery Sing/Japan was fixed at $15,000 before pushing up to $19,500 and $20,500. On the coal runs, cargoes via Indonesia redelivery to S. Korea was fixed above $17,000, and to China and India were fixed at $16,000 and $14,000 respectively. The market sentiment in Panamaxes has turned more positive after last week.



Bid support in the Panamax FFA market started earlier on that in the larger ships, with good gains across prompt periods for most of the week. This bid support was particularly prevalent in prompt months, with more deferred contract dates being much more rangebound. The moves across the week on specifics contracts were Oct from $14,575/day to $16,375, Nov $15,000 to $ Q1-23 $11,375 and Cal 24 $11,550 to end at $11,300.

Short run bullish

Chart source: FIS Live

Supramax

Supramaxes continued to edge lower last week amid limited activities reported from the US Gulf and ECSA regions, but the losses seemed to stem as market participants waited to reassess after the Asian holiday. In terms of fixtures, moving coal from Indonesia to China was fixed $2k higher than last week at $20,000, then moved up to $23,000 later the week; while redelivery to CJK was fixed much at $21,000. A cargo with grains via EC India redelivery West Africa was heard at $15,000. In the Atlantic, cargos with minerals via US Gulf to East Mediterranean was fixed at $14,250 ad to Morocco was at $12,000. However, the rebound of larger sizes did take some pressure away, and hopefully the US grains seasonal demand will soon provide a floor for Supramaxes.

The smaller ships on the paper markets has a relatively more positive week than the other basket FFA routes, with rates equalling or surpassing rates from the start of the week. This was especially true mid-week as rates pushed across the curve encouraged by a firmer physical market in the Pacific and with buyers chasing a thin offer side. The Oct contract moved from $16,500 to $17,500 across the week, Q1-23 from $11,300 to $11,875, and Cal 24 from $11,725 to $11,750.

Short run neutral

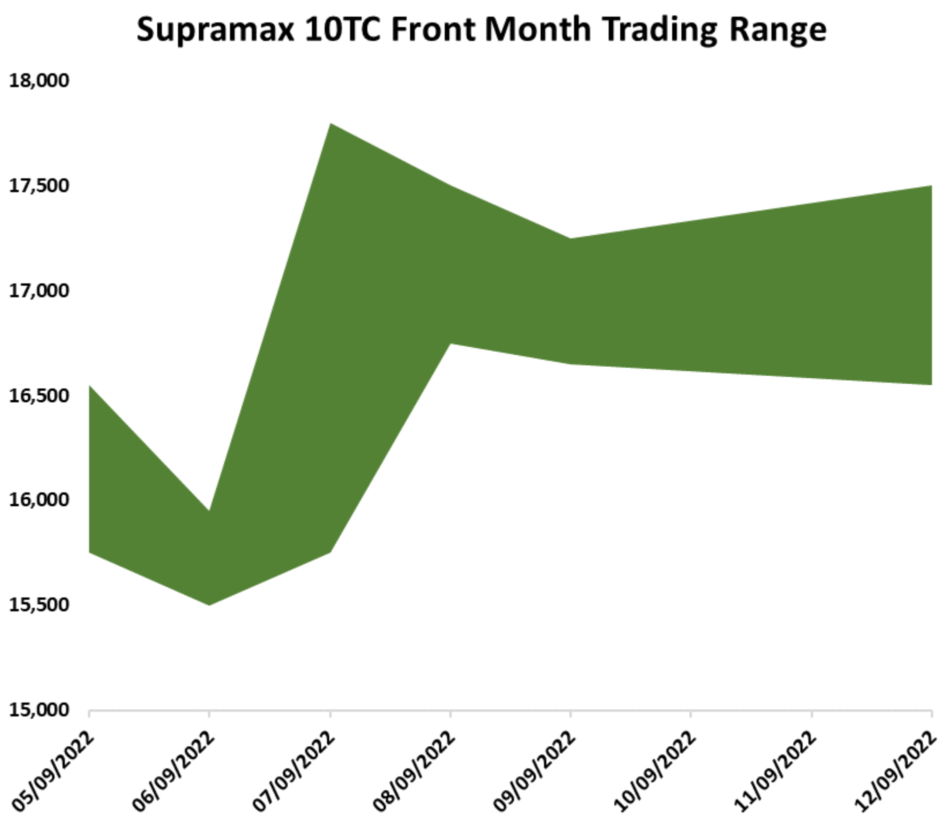


Chart sources: FIS Live

FFA Market

A less busy week for FFAs with trading volumes of over 45,200 lots posted on exchanges. Not too much activity were seen in options last week, with 1,260 lots being cleared in Panamax among 2,600 lots traded last week. Overall, Capes and Panamaxes traded around 3,100 lots and 3,500 lots per day last week; Supramaxes followed right behind with 1,700 lots traded per day last week. Main actions focus on Sep, Oct, Q4'22 and Cal23 contracts. Open interest increased along with the volatile prices, on 10th Sept Cape 5TC 169406 (+3,798 w-o-w), Panamax 4TC 184,697 (+4,074 w-o-w), Supramax 10TC 89,052 (+732 w-o-w).

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FFA Market Indexes

Freight Rate $/day	12-Sep	5-Sep	Changes %	2022 YTD	2020	2019	2018	2017
Capesize5TC	6,270	7,000	-10.4%	16,665	13,070	18,025	16,529	15,129
Panamax4TC	15,966	10,605	50.6%	21,195	8,587	11,112	11,654	9,766
Supramax10TC	16,199	16,482	-1.7%	25,010	8,189	9,948	11,487	9,345
Handy7TC	15,732	15,529	1.3%	23,833	8,003	9,288	8,700	7,636

FFA Market Forward Values

FFA $/day	12-Sep FIS Closing	5-Sep FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2022 Mkt High	2022 Mkt Low
Capesize5TC Oct 22	16,250	13,875	17.1%	17,000	11,250	35,750	11,250
Capesize5TC Q4 22	16,750	13,950	20.1%	17,000	12,625	36,500	12,625
Panamax4TC Oct 22	17,875	14,575	22.6%	17,900	12,500	28,000	10,100
Panamax4TC Q4 22	17,150	14,450	18.7%	17,100	12,650	30,700	11,250
Supramax10TC Oct 22	17,500	16,500	6.1%	17,750	15,500	29,000	12,750
Supramax10TC Q4 22	16,650	15,475	7.6%	17,000	14,500	30,500	10,900

Data Source: FIS Live, Baltic Exchange

Freight Technical View

Capesize

October Futures – As noted last week the futures had started to move lower with downside moves that held above the USD 11,132 supporting a near-term bull argument. The futures traded down to but held the USD 11,132 level, supporting a near-term bull argument, resulting in the futures moving higher (current price USD 15,250 on the 12/09). Our Elliott wave analysis would suggest that this upside move is potentially countertrend, we highlight USD 16,950 as a key area of interest due to a Fibonacci overlap; however, the technical itself remains vulnerable below USD 23,045 and neutral above. The longer-term technical remains bearish, momentum is currently to the buyside with USD 16,950 an area of interest for market sellers, wave analysis suggests this move is potentially countertrend.

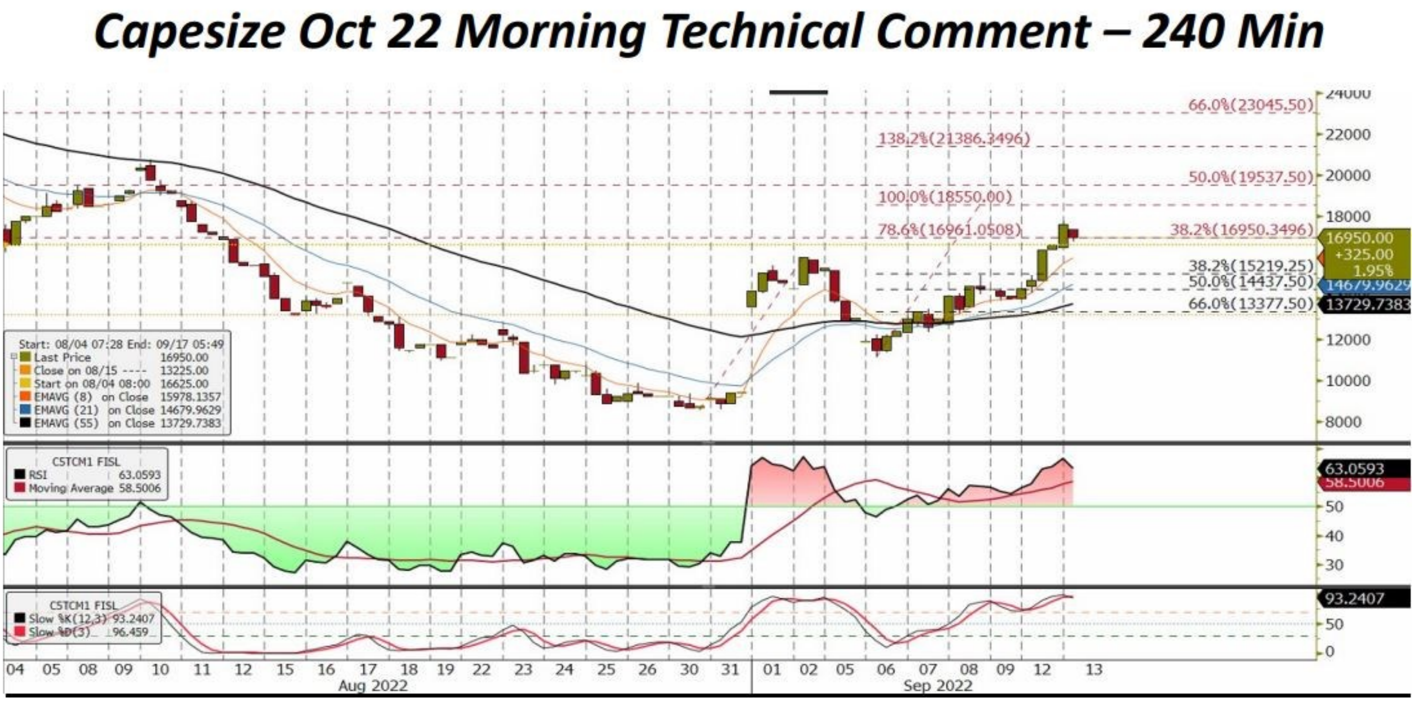
Panamax

October futures – The upside move is deep into the last bear wave meaning the near-term technical has a neutral bias. Upside moves above USD 18,700 will mean the daily technical is bullish based off a higher high. Price is now trading above the USD 17,200 – USD 17,304 resistance zone (Current price USD 17,500 on the 12/09), if we close above and hold above this level then we target the USD 19,575 – USD 19,800 resistance area. The 8-21 period EMA's have now crossed to the buyside with the RSI above 50, indicating momentum is to the buyside; however, our longer-term Elliott wave cycle continues to suggest that this current upside move looks to be a countertrend wave 4. The longer-term cycle remains vulnerable below USD 23,184 and neutral above. Technically the futures are in an upside countertrend wave 4 with price now trading just above a resistance zone, the intraday RSI is at resistance with the stochastic showing a negative divergence which will need to be monitored. Downside moves on the intraday 4-hour candle that close below USD 16,000 will warn that support levels could come under pressure, due to momentum based on price turning negative.

Supramax

October futures – The futures continue to move higher having seen a double inside day candle pattern on the 8-9 of Sep. Price remains below the recent high of USD 17,800 and the key near-term resistance at USD 18,011. We look to be in the early stages of a countertrend wave-4 based on the intraday technical, however this is yet to be confirmed on the daily technical. Upside moves that fail at or below USD 18,011 will leave the futures vulnerable to further tests to the downside, above this level the near-term technical has a neutral bias, whilst above USD 19,975 the daily technical is bullish based of a higher high. The longer-term Elliott wave cycle would suggest the futures remain vulnerable below USD 27,185 and neutral above. Technically this move looks to be countertrend, however we need to see higher pricing to confirm it is the Elliott wave 4 that we believe it is.

Chart source: Bloomberg



Dry Bulk Trades/Iron Ore

Iron ore futures started to march towards $100 at the end of last week and eventually surpassed it. The optimism on recovering steel demand was restored a bit after the Chinese government gave another push to its struggling property sector. On top of that, according to National Bureau of Statistics (NBS) data released today, the growth rate of China's consumer prices index (CPI) and producer price index (PPI) both were slower than expected at 2.5% and 2.3% respectively in August, leaving more room for the central bank to ease monetary policy further. On Monday, iron ore rose further after the news of Evergrande resume over 600 stalled construction projects. However, investors still have a cautious view about economic growth and are closely watching the resumption of housing projects in peak season. In the spot market, a market source said the demand for low and medium-grade iron ore remained strong. At the same time, portside sellers expected better prices from the restocking activities ahead of the major Chinese holiday in Oct.

Last week total iron ore shipments fell 11% from the previous week to 29.5 million tonnes as market activities were impacted by holiday, with exports generated from Australian sliding to 17.1 million tonnes, down 4% from the previous week. The falling rate was more severe on the Brazil side, volumes fell sharply to 6.1 million tonnes, down 26% or 2Mmt w-o-w. As the charts below show, last week's shipments from Brazil to China fell below the seasonal average to the very low end of the 5 year's range, whilst exports from Australia to China eased from the high figure of 15.6 million tonnes at the previous week to around 14.7 million tonnes last week. On the flip side, exports from South Africa showed some signs of recovery, with exports come above 1 million tonnes (+4% w-o-w).

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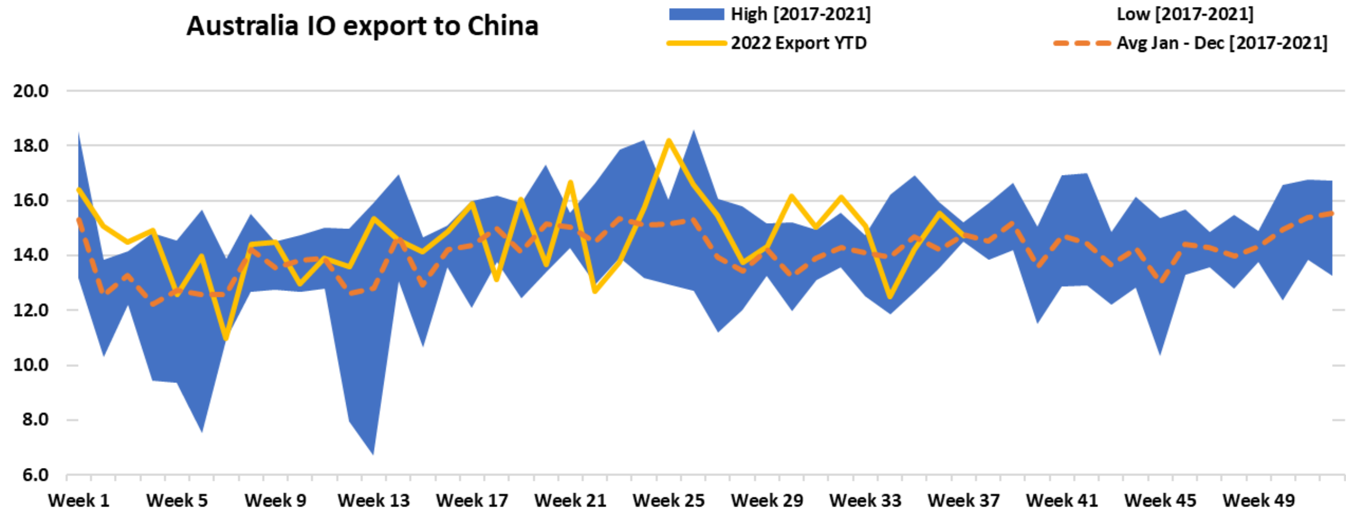
Dry Bulk Trades/Iron Ore

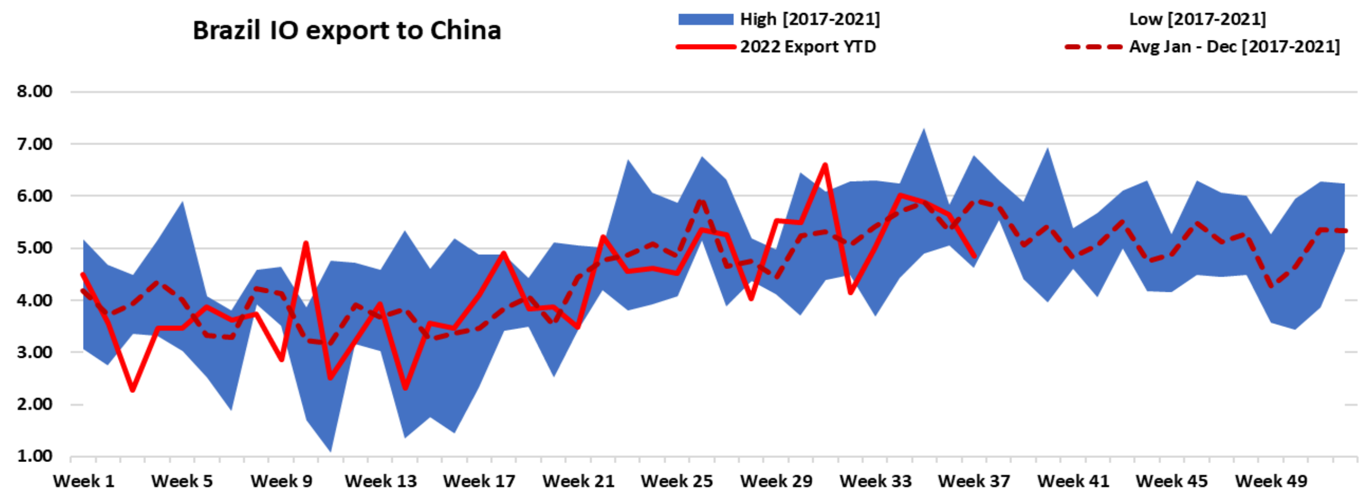
Export (million tonnes)	Aug-22	Jul-22	Q2-22	Q1-22	Q4-21	Q3-21	2021	2020
Australia	77.5	77.6	234.6	219.2	236.1	233.9	922.7	922.4
Brazil	33.2	32.4	81.8	69.6	91.1	97.8	350.5	336.6
South Africa	4.9	5.6	15.9	14.3	15.5	15.3	60.4	56.0
India	0.6	0.8	5.6	7.5	1.9	4.9	37.6	50.8
Canada	6.4	4.8	13.5	11.7	14.9	18.1	57.2	58.1
Others	15.4	14.1	42.2	46.2	54.0	46.9	199.4	179.7
Global	**138.0**	**135.4**	**393.6**	**368.5**	**413.4**	**417.0**	**1627.9**	**1603.6**

Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	14.7	15.6	-5.5%	8.03	8.19	-1.9%
Brazil-China	4.9	5.6	-14.0%	19.29	18.43	4.7%

Seasonality Charts





Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Coal

The coal prices and volumes were flying, as shipments stayed firmed at a high of around 26.1 million tonnes (+1.2% w-o-w) as demand from key regions kept showing strong buying interests. For China alone, its coal imports continued to break the weekly record and stood at around 7.6 million tons last week, with increasing supply up to 80% from Indonesia. No surprise, Indonesian coal maintained its exports at high speed, up 7.4% to 10.8 million tonnes. While Australia stood at the stable level of 7.5 million tonnes in the past four weeks, with demand from all key regions remained at high, JKT and India were keen to ramp up imports last week with volume stood around 5.7 Mmt (+38%) and 2.0 Mmt (+36%), respectively.

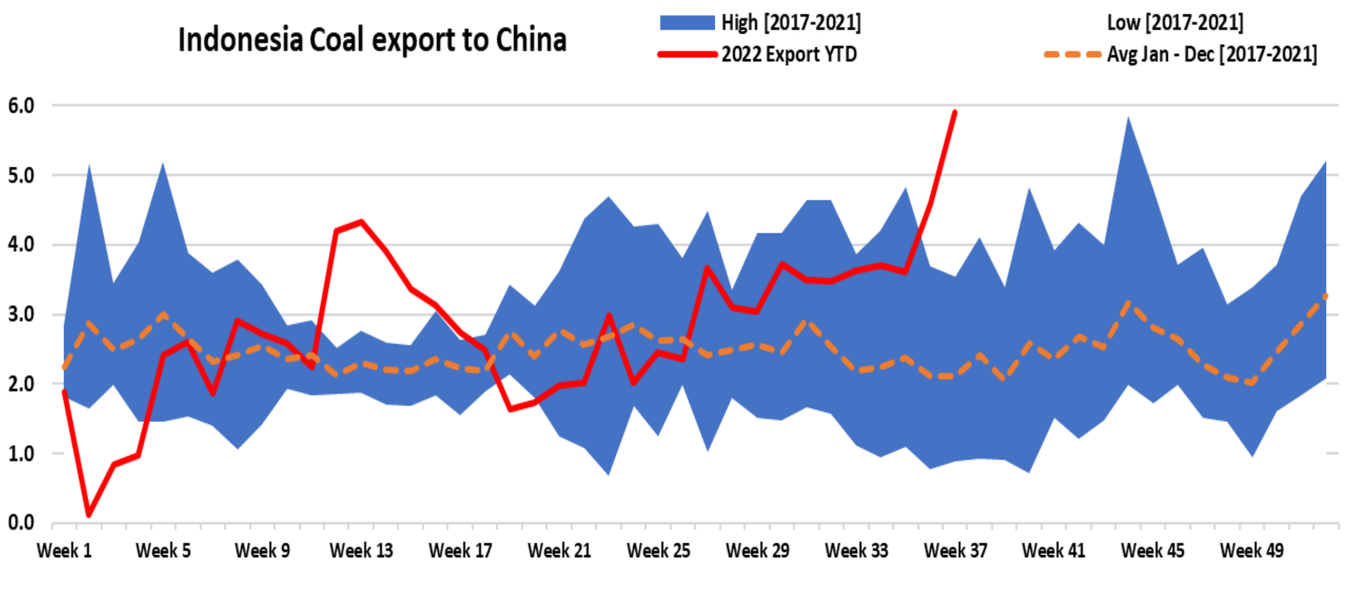
Dry Bulk Trades/Coal

Export (million tonnes)	**Aug-22**	**Jul-22**	Q2-22	Q1-22	Q4-21	Q3-21	2021	2020
Indonesia	42.1	44.1	118.7	88.7	106.0	108.7	415.6	377.0
Australia	29.7	23.7	90.9	84.5	90.8	97.0	368.3	376.1
Russia	15.6	17.4	50.5	41.2	40.8	44.0	173.4	178.4
USA	7.2	6.0	18.7	17.3	17.7	15.8	68.9	56.0
Colombia	5.1	4.8	14.5	16.1	15.8	15.5	61.1	58.6
South Africa	4.8	4.9	15.1	15.6	17.1	14.3	61.9	72.8
Others	8.1	9.0	23.4	23.6	25.3	24.2	86.3	75.9
Global	**112.4**	**109.8**	**331.7**	**287.0**	**313.5**	**319.5**	**1235.6**	**1194.9**

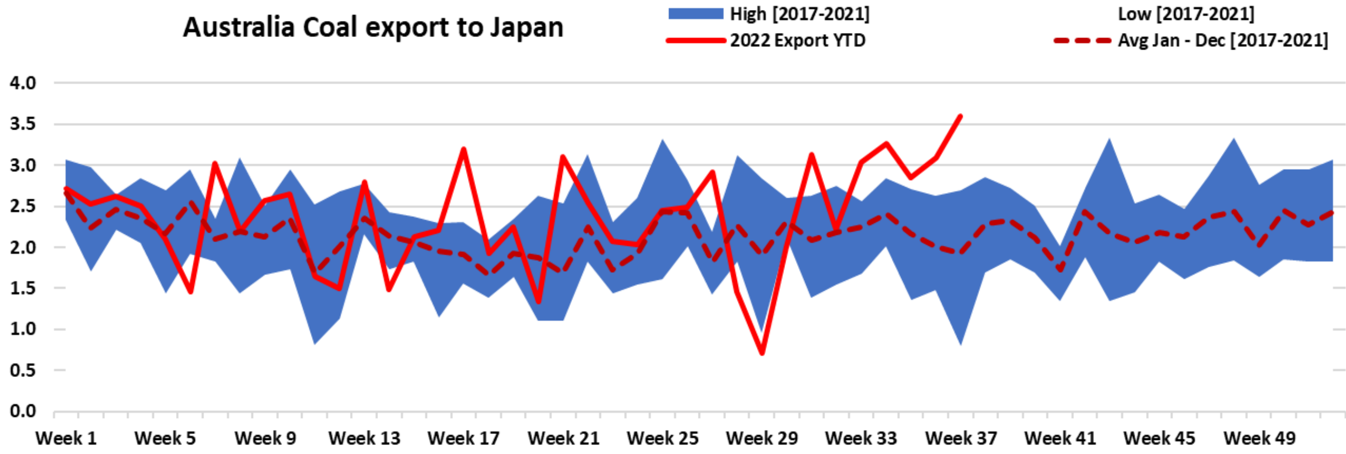
Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	5.9	4.6	**28.6%**
Australia-Japan	3.6	3.1	**16.4%**

Seasonality Charts



Data Source: IHS Markit Commodities at Sea Service, Bloomberg



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

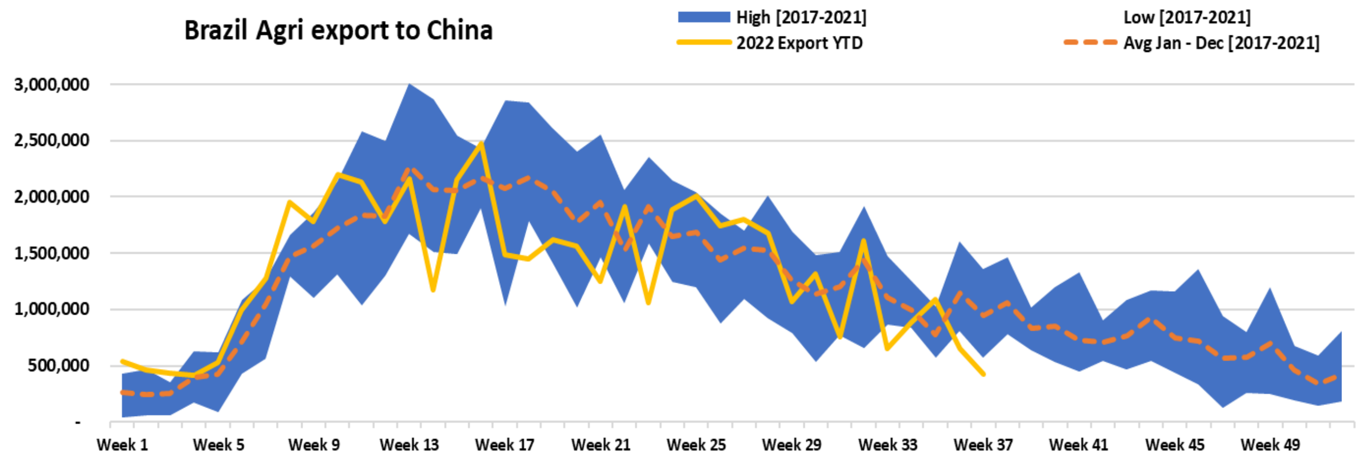
Another uninspiring week for grains shipments as total exports volume fell to 9.3 million tonnes, with a weekly decrease of 15.2%. Out from Brazil shipments were in line with the season, with the weekly total slumped 10% to 3.1 million tonnes. Exports from Brazil to China surpassed the low end of the 5-year average but following a downward seasonal trend. As a few more cities in China remained in lockdown for a second week, market concerned the restrictions would dampen the demand for soybeans. Likewise, shipments from the US also weakened to 1.4 million tonnes, further departed from the seasonal average. Elsewhere, grains shipped out of the Black Sea region was over 580kt last week, volume wise still a very low level but some progress forward to a few months ago.

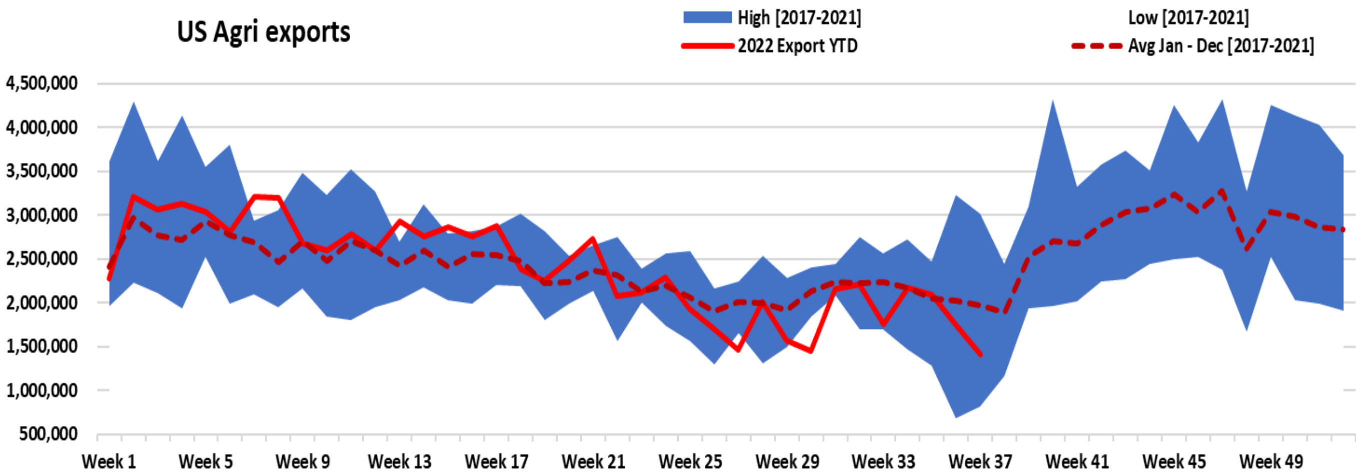
Export (million tonnes)	Aug-22	Jul-22	Q2-22	Q1-22	Q4-21	Q3-21	2021	2020
Brazil	17.5	17.9	49.4	40.7	29.3	43.3	158.6	170.8
USA	8.9	7.8	30.5	37.3	42.6	21.1	140.0	141.4
Argentina	6.6	8.2	24.6	16.7	17.6	24.0	85.7	79.1
Ukraine	1.3	0.0	0.0	12.0	19.8	15.9	56.7	51.5
Canada	1.7	2.0	5.9	5.8	10.0	7.2	40.7	50.8
Russia	3.3	1.7	4.7	5.0	7.2	10.4	29.7	35.1
Australia	3.5	4.1	11.7	13.1	8.9	8.6	40.8	20.2
Others	9.3	8.9	24.4	25.5	22.7	23.5	84.4	71.5
Global	**52.0**	**50.7**	**151.1**	**156.3**	**158.0**	**154.1**	**636.6**	**620.3**

Agri Key Routes

Agri Key Routes	Agri Export mt			Freight Rate $/mt		
Agri Export (thousands tonnes)	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Brazil-China	423.6	649.4	-34.8%	43.2	40.4	6.9%
US-China	na	460.5	/	55.0	53.0	3.8%

Seasonality Charts





Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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