

FIS Dry Freight Weekly Report

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Market Review:

Capesize last week managed to overturn its downward trend and closed the week with its time charter rate climbing above \$13,000, considering strong demand for iron ore and coal, as well as weather concerns, may tighten up tonnage list. At the same time, Panamax and Supramax hold on to a glimpse of hope of steady grains and coal demands, with rates moving to a lesser extent.

Freight Rate \$/day	28-Nov	21-Nov	Changes %	Short Term	Sentiment
Capesize 5TC	13,845	9,363	47.9%	Bearish	↓
Panamax 4TC	12,132	12,601	-3.7%	Neutral	-
Supramax 10TC	12,977	12,800	1.4%	Neutral	-
Handy 7TC	13,420	13,631	-1.5%	Neutral	-

Capesize

Cape In the early part of last week, Cape stayed rangebound with robust iron ore volumes exported from Australia. Eventually, the market made a turnaround as several positive factors began to surface. In the Asia Pacific, the key C5 iron ore route (West Australia to China) was initially fixed at between \$7.50 - \$7.65 for 6-9 Dec laycan, but owners began to show resistance before lifting to \$8.20 for 9-10 Dec. The high of \$8.75 due to bad weather conditions was forecasted for N. China, with some ports already being impacted by strong winds, on top of decent demand supporting a higher rate. On Monday, C5 was heard bidding around mid \$9s.

Furthermore, more coal from Australia was shipped by cape vessels, with total weekly volume increasing by 16% or around 1.2 million tonnes compared to the previous. A coal cargo from Dalrymple to Korea was fixed at \$9.45 for 6-10 Dec. Likewise, stronger fixtures for prompt loading dates were noticed in the Atlantic last week, especially for the transatlantic routes. Trips from Seven Island to Rotterdam were heard at \$9.70. To Qingdao at \$25 for mid-Dec. Out of Brazil, the C3 route Tubarao to Qingdao was heard at \$17.65 for 20-26 Dec, while Misurata was fixed at \$17.40 for 10-16 Dec. Cape entered this week with the hope of making a good last run before the holidays arrive.

The Cape FFA market was reported to once again be more interested in the world cup games than actual prices and trades early in the week, with little flow and decline in prices throughout Monday and Tuesday before prices started to increase again mid-week. Despite the rise with the 5 T/C jumping \$1049/day to \$10,106/day, this failed to spark any life into the market. The paper saw heavy volume transacted later in the week as some shorts covered positions, with December trading up to 11500 (+1650). Jan, Q1 and Cal 23 were also popular, with Q1 trading at 7000. As the physical market continued rising, only the December contract pushed higher today to a high of 12000. Front-month contracts Nov and Dec moved from \$10,700/day and \$9,350 to \$11,650 and \$11,375 Monday to Monday; Q1-23 from \$6,375 to \$6,375; Cal24 from \$13,000 to \$12,375.

Short run bearish

Capesize 5TC Front Month Trading Range

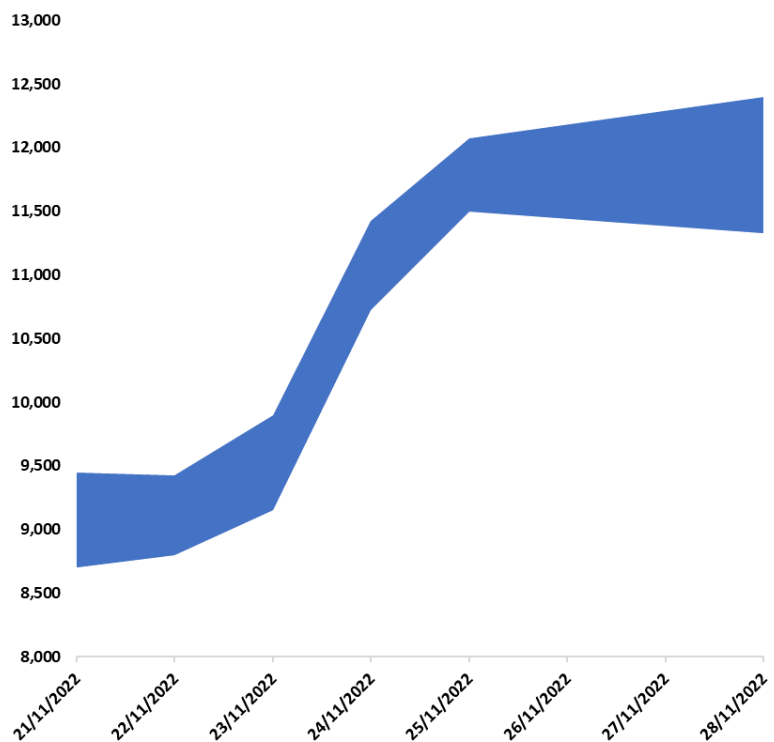


Chart source: FIS Live

Panamax

A two-tier market for Panamax last week as Atlantic firmed up, but downward pressure appeared on the Asian side. On a positive note, decent support was found in North Atlantic, with sentiment remaining positive thanks to healthy levels of grains and mineral activities. Regarding fixtures, better rates were reported from US Gulf, with redelivery to the Far East fixed from \$20,500 to \$22,500. In the South, a trip via ECSA redelivery to Sing/Japan was heard at \$16,000. In contrast, Asian routes fell with no end in sight. Although coal shipments from Australia to India showed, a significant increase in bids continued to head lower, from \$12,250 to \$10,000 as the week progressed. At the same time, NoPac round trips were fixed from \$11,000 to mid \$10,000. As a result, some owners took the discounted rate to cover shorter trips for the time being and wait for a recovery.

The Panamax paper market started the week with a rangebound action to start the week. Dec printed from \$11,750 to \$12,000, and Q1 from \$10,700 up to \$11,000 at the close of Monday. They both lost gains on Tuesday as both basins came under pressure, prices trended lower, and pockets of support were tested on the front of the curve. Panamax paper held a steady range through Wednesday, only ticking up right at the close, with Q1 testing \$11k resistance and cal23 edging close to 12k. In the later part of the week, Pmx pushed upwards along with the Cape movement. Friday continued seeing a gradual increase from the mid-week lows. Further out little change and rangebound activity to close the week. The Dec contract oscillated around the \$11,125 - \$12,675/day range, closing Monday at \$12,325. Q1-23 \$10,575 - \$11,275, closing Monday at \$11,225 and Cal 24 in a \$10,850 – \$11,300, closing Monday at \$11,100.

Short run neutral

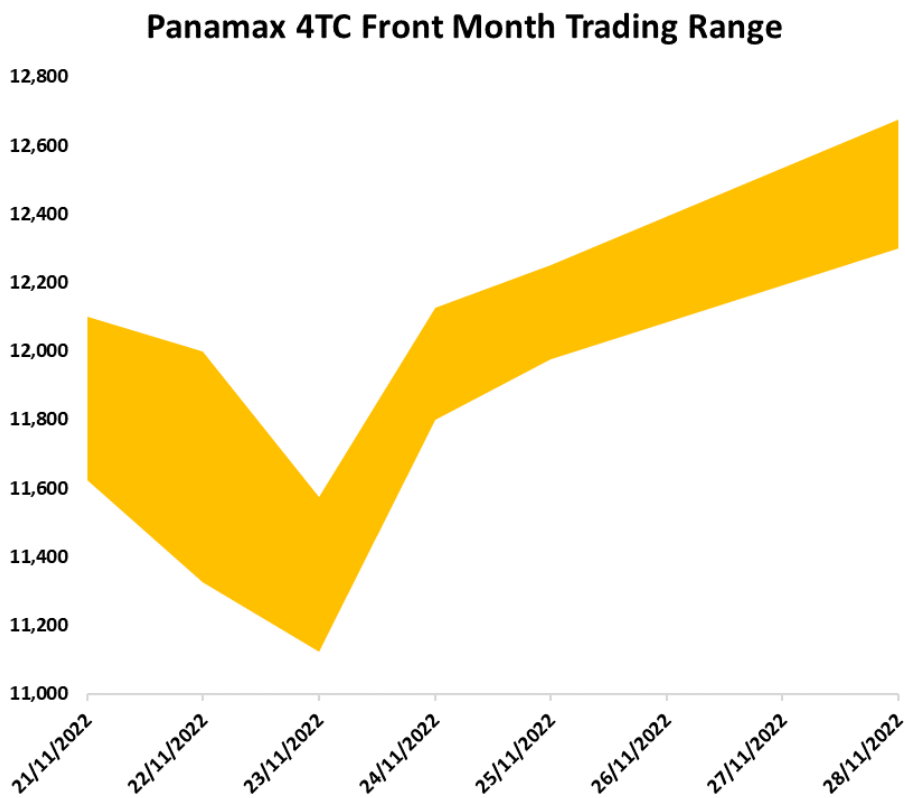


Chart source: FIS Live

Supramax

Like the previous week, Supramaxes gradually edged up last week with support from US Gulf and Indonesia coal holding the floor but limited activity elsewhere. In the Atlantic, enquiries were lacking again in US Gulf, with trips to the Eastern Mediterranean fixed at a lower rate of \$26,000 and to the Continent at around \$23,000. In the South, it was more balanced as grains cargoes grains via ECSA redelivery, while the Far East were paid close to the last level. On the other hand, coal demand continued to lend in support, as trips from Indonesia to China were paying higher, from \$10,500 at the beginning of the week to \$12,000 to \$13,000, and a high of \$14,000 before the weekend.

The Supramax FFA market had a mixed week compared to Cape and Panamax markets. Rates increased to start the week with Dec and Q1 testing resistances on Monday at \$12500 and \$11000, respectively. Rates then slipped and testing support lines on the same contracts, with Q1 breaking \$11K support, with Q2 and Cal23 following suit as buyers stepped back. The losses were pulled back on Wednesday as rates increased again, testing the top end of the week's range. This movement continued through Thursday, with the December contract gaining the most, breaking the \$13K resistance. It closed the week with little excitement, trading in a narrow range with Dec 22 holding at \$13K. Dec ranged from \$11,900 to \$13,150, Q1-23 from \$10,700 to \$11,650, and Cal 24 from \$10,950 to \$11,750.

Short run neutral

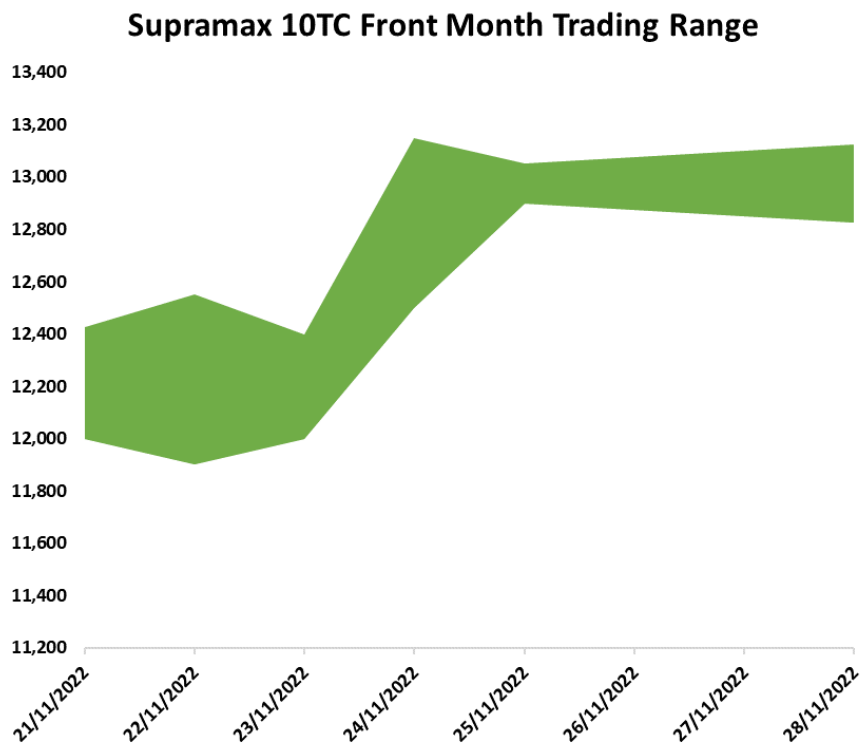


Chart sources: FIS Live

FFA Market

Another active week for FFAs before the holiday season arrives with a volume of over 51,600 lots posted on exchanges. On options, decent volumes were observed on Capes and Panamax last week, with 2,700 lots being cleared in Cape and 2,850 in Panamax. On average, Capes and Panamaxes traded around 4,170 lots and 3,400 lots per day last week; Supramaxes was more settled, with 1,260 lots traded per day last week. Main actions focus on Dec, Q123 and Cal23-24 contracts. Open interest increased along with prices trying to make the final push before Dec; on 28 Nov, Cape 5TC 164,884 (+6,840 w-o-w), Panamax 4TC 177,533 (+4,860 w-o-w), Supramax 10TC 86,781 (+1,070 w-o-w).

FFA Market Indexes

Freight Rate \$/day	21-Nov	14-Nov	Changes %	2022 YTD	2020	2019	2018	2017
Capesize5TC	13,845	9,363	47.9%	16,222	13,070	18,025	16,529	15,129
Panamax4TC	12,132	12,601	-3.7%	19,913	8,587	11,112	11,654	9,766
Supramax10TC	12,977	12,800	1.4%	22,947	8,189	9,948	11,487	9,345
Handy7TC	13,420	13,631	-1.5%	22,038	8,003	9,288	8,700	7,636

FFA Market Forward Values

FFA \$/day	28-Nov FIS Closing	21-Nov FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2022 Mkt High	2022 Mkt Low
Capesize5TC Dec 22	11,400	9,375	21.6%	12,350	8,700	36,500	8,350
Capesize5TC Q1 23	6,350	6,375	-0.4%	7,050	5,700	27,650	5,600
Panamax4TC Dec 22	12,352	12,100	2.1%	12,750	11,200	30,700	11,150
Panamax4TC Q1 23	11,175	11,100	0.7%	12,250	10,550	24,500	9,750
Supramax10TC Dec 22	12,825	12,425	3.2%	13,100	11,900	30,500	10,900
Supramax10TC Q1 23	11,125	11,025	0.9%	12,300	10,900	22,000	9,750

Data Source: FIS Live, Baltic Exchange

Freight Technical View

Capesize

Dec Futures – Technically bearish last week the divergence with the RSI warned that we had the potential to see a momentum slowdown soon. The futures moved higher, above both the USD 10,604 and USD 11,675 resistance levels, meaning we are now in bullish territory. Downside moves that hold at or above USD 9,842 will support a bull argument, below this level the futures will have a neutral bias. The futures remain below the 55-period EMA with the RSI below 50 (currently 48) whilst the stochastic is overbought territory. Momentum is warning that the futures are vulnerable to a test to the downside, providing the RSI can stay below 50, above 50 the stochastic becomes less relevant. Technically bullish but price and momentum are nearing resistance, the intraday RSI has made a new high implying that downside moves look to be countertrend, suggesting support levels should hold if tested.

Panamax

Dec Futures – Technically in a bearish trending environment last week with price below all key moving averages, both the daily and intraday RSI were in divergence, warning of the potential for a momentum slowdown. However, we noted that both the Capesize and Supramax rolling front months had traded below the August low, suggesting the Elliott wave cycle in the Panamax was lagging, implying there is the potential for further downside in the cycle, regardless of the divergence. The futures traded to a low of USD 11,125 before moving higher, with price now testing the 21-period EMA; upside moves that fail at or below USD 13,270 will leave the futures vulnerable to further tests to the downside, above this level the technical will have a neutral bias. The futures have moved higher but we remain technically bearish, due to the cycle lag we still have an expectation that the futures will look to trade below the August lows; however, if we trade above USD 13,270 then the probability of the USD 9,225 low being broken will decrease (in the near-term at least) and warn that we have the potential for a more sustained upside move. Downside moves on the intraday (4-hour candle) the close below USD 12,000 will warn that the USD 11,125 support could be tested and broken. Likewise, upside moves above USD 14,375 would suggest that the wave 5 of the wave C may have completed, without achieving a new low.

Supramax

Dec Futures – Technically bearish last week, we had a note of caution based on the positive divergence and the wave count. The futures traded to a low of USD 11,875 before moving higher to trade up to USD 13,150. The technical now has a neutral bias due to the depth of the upside move, above USD 13,875 it will be considered as bullish. Price is now trading within the 8-21 period EMA's and starting to consolidate around the previous consolidation area that formed between the 01/11 and 14/11, suggesting we are currently finding value on the technical. Due to the move higher on the back of the wave count and the consolidation, we no longer see the futures as a technical sell, as the probability of wave completion looks high, suggesting resistance levels are now vulnerable. Downside moves that do trade below USD 11,875, although bearish will create further positive divergences, implying caution going forward.

Capesize Nov 22 Morning Technical Comment – 240 Min



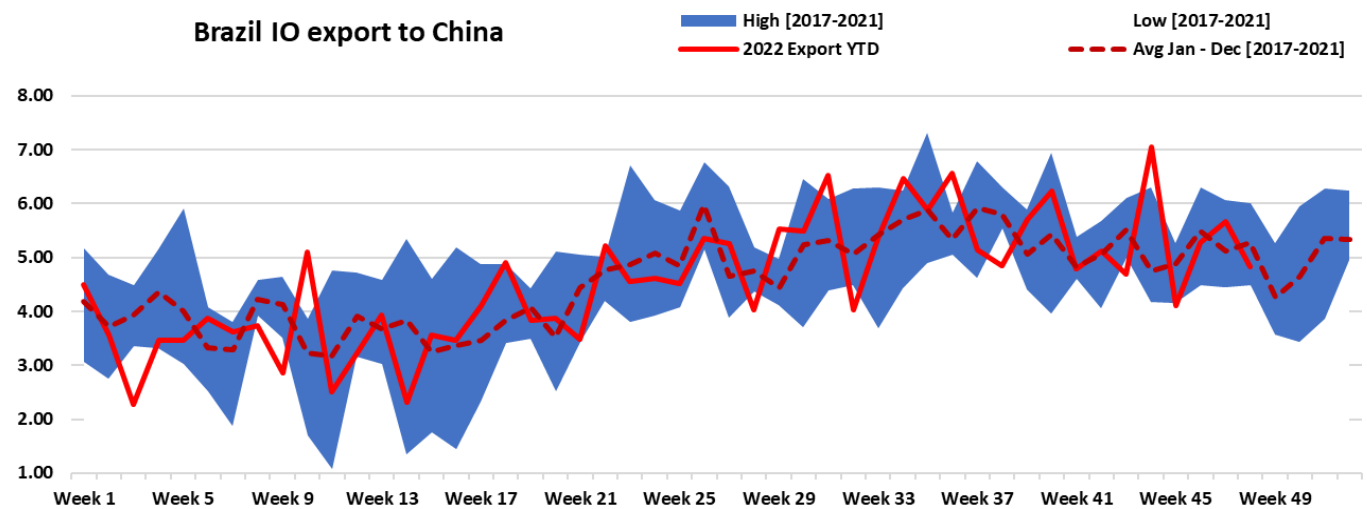
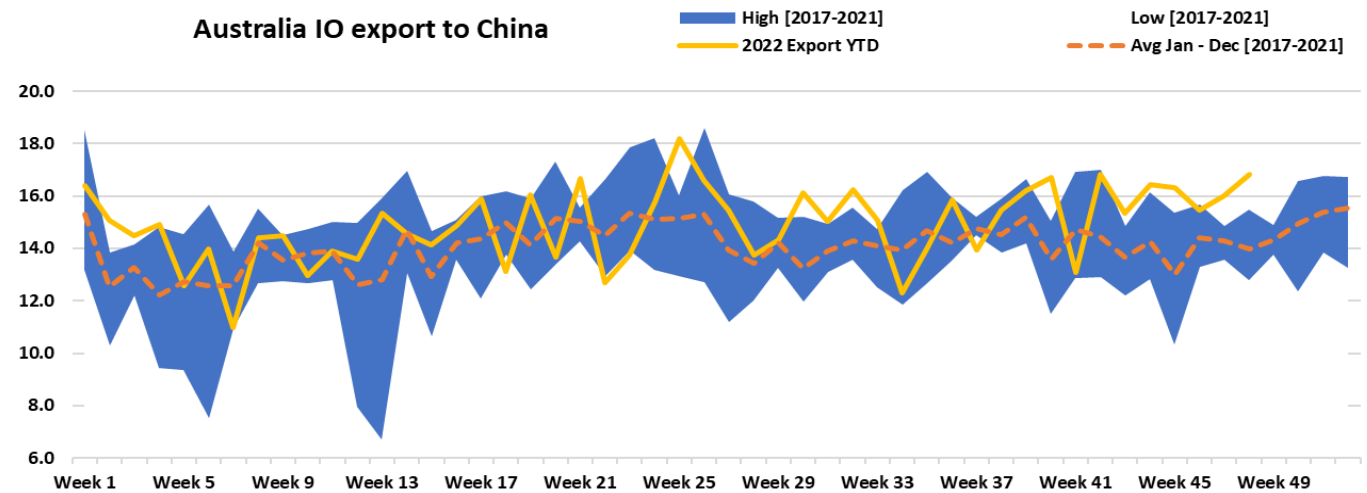
Dry Bulk Trades/Iron Ore

Export (million tonnes)	Sep-22	Aug-22	Q3-22	Q2-22	Q1-22	Q4-21	2021	2020
Australia	80.3	77.5	235.3	234.6	219.2	236.1	922.7	922.4
Brazil	31.9	33.2	97.5	81.9	69.7	91.2	350.5	336.6
South Africa	4.9	5.1	15.7	15.9	14.4	15.6	60.4	56.0
India	0.3	0.5	1.6	5.5	7.2	1.9	37.6	50.8
Canada	6.8	6.3	17.9	13.5	11.7	14.9	57.2	58.1
Others	14.7	14.5	42.5	40.1	45.2	52.5	199.4	179.7
Global	138.9	137.1	410.5	391.6	367.4	412.1	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	16.8	16.0	5.2%	8.03	8.26	-2.7%
Brazil-China	4.8	5.7	-14.9%	17.92	18.75	-4.4%

Seasonality Charts



Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Coal

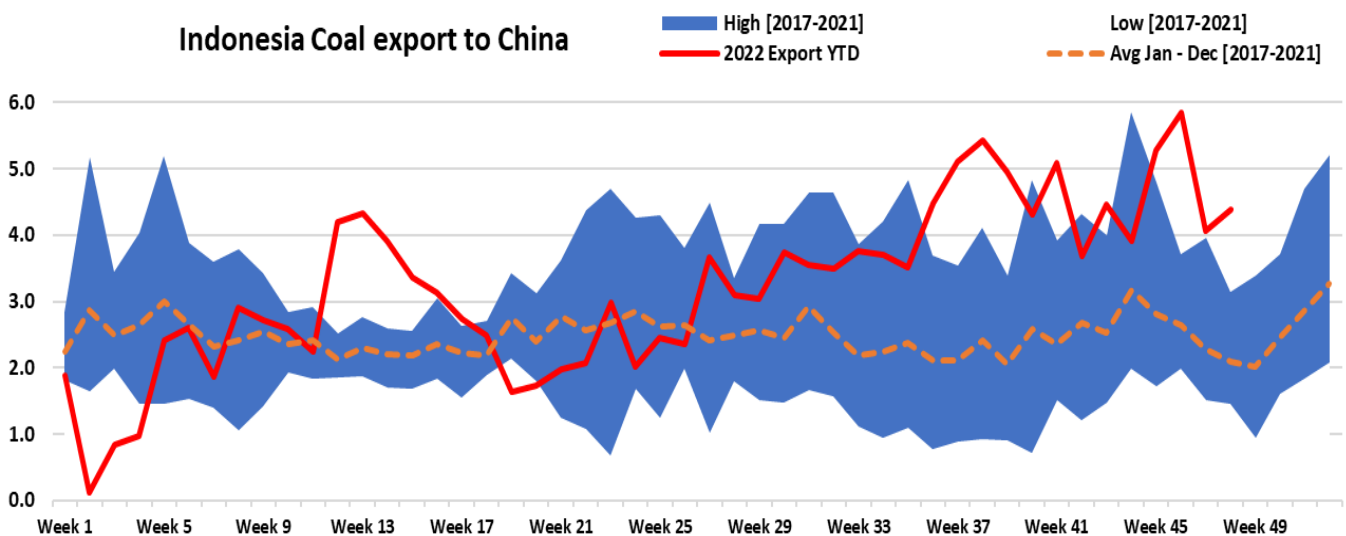
Dry Bulk Trades/Coal

Export (million tonnes)	Sep-22	Aug-22	Q3-22	Q2-22	Q1-22	Q4-21	2021	2020
Indonesia	44.5	42.0	130.7	118.8	88.8	105.5	415.6	377.0
Australia	27.4	29.2	80.3	90.9	84.4	90.7	368.3	376.1
Russia	14.2	15.5	47.3	50.9	41.2	40.6	173.4	178.4
USA	5.3	5.1	15.1	14.5	16.0	15.8	68.9	56.0
Colombia	5.6	5.3	15.9	15.1	15.5	17.5	61.1	58.6
South Africa	14.1	14.2	43.2	42.2	40.7	40.9	61.9	72.8
Others	111.1	111.2	332.4	332.3	286.8	310.9	86.3	75.9
Global	112.4	109.8	331.7	287.0	313.5	319.5	1235.6	1194.9

Coal Key Routes

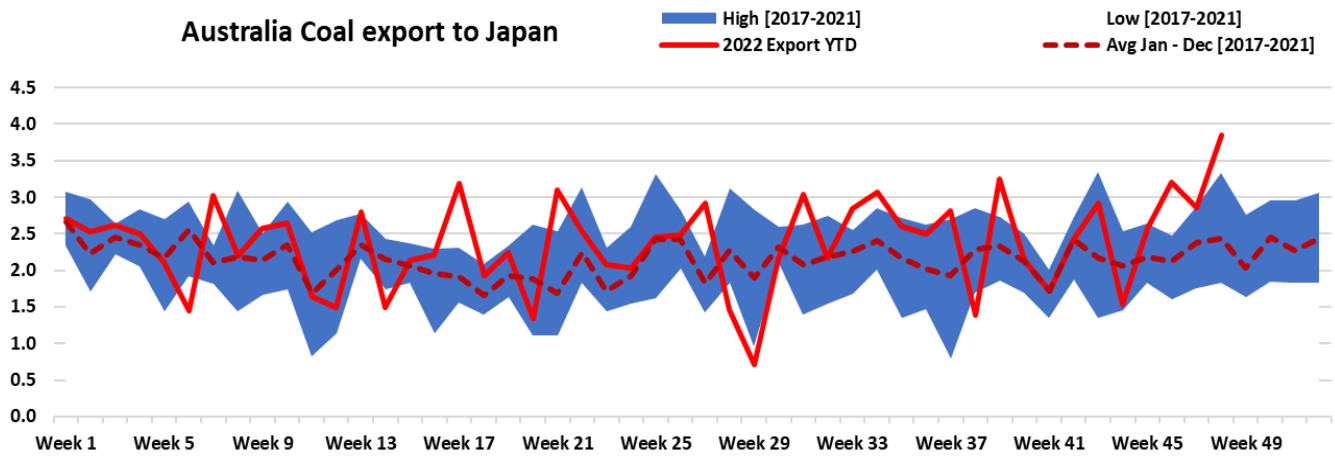
Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	4.4	4.1	8.0%
Australia-Japan	3.8	2.9	34.2%

Seasonality Charts



Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Australia Coal export to Japan



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

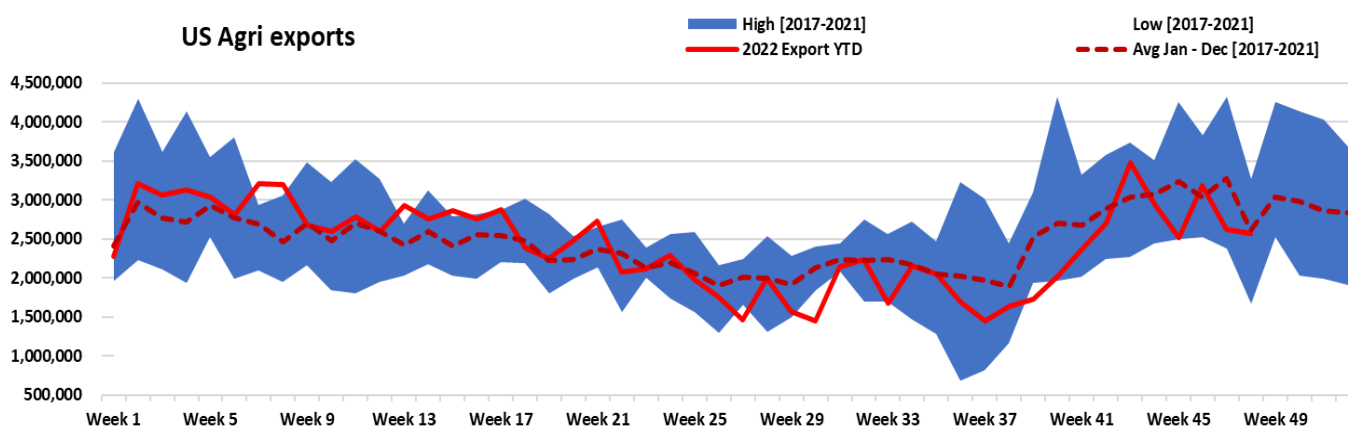
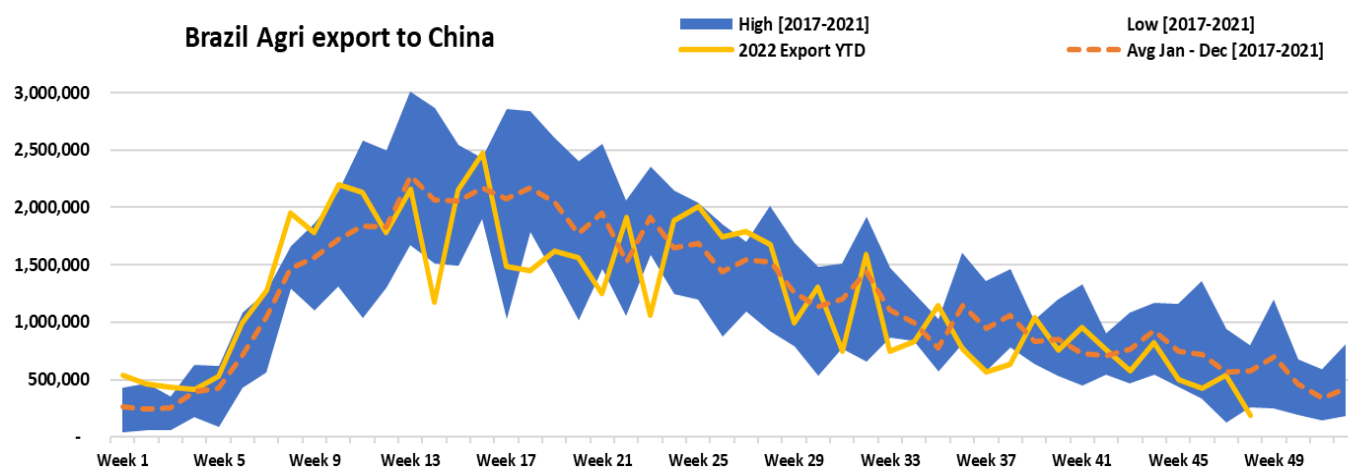
Dry Bulk Trades/Agri

Export (million tonnes)	Sep-22	Aug-22	Q3-22	Q2-22	Q1-22	Q4-21	2021	2020
Brazil	15.6	17.6	51.1	49.5	40.7	29.3	158.6	170.8
USA	7.3	8.9	23.9	30.5	37.4	42.7	140.0	141.4
Argentina	5.4	6.7	20.2	24.6	16.7	17.6	85.7	79.1
Ukraine	2.9	1.3	4.2	0.1	12.0	19.8	56.7	51.5
Canada	3.0	1.7	6.8	5.9	5.8	10.0	40.7	50.8
Russia	2.7	3.3	7.7	4.7	5.0	7.2	29.7	35.1
Australia	4.0	3.6	11.7	11.5	12.8	8.9	40.8	20.2
Others	7.1	9.4	25.5	24.4	25.5	22.9	84.4	71.5
Global	48.1	52.3	151.0	151.2	156.1	158.4	636.6	620.3

Agri Key Routes

Agri Key Routes	Agri Export mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Brazil-China	184.0	543.3	-66.1%	42.5	44.7	-4.8%
US-China	475.8	1,065.2	-55.3%	54.6	56.0	-2.5%

Seasonality Charts



Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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