

# FIS Dry Freight Weekly Report

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**Market Review:** The surge occurred in the dry freight market last week after a blooming Brazilian soybean season. Optimism also rose on iron ore demand from seeing Chinese steel mills begin restocking and increasing output as weather permitted more construction activity. On the coal front, stable flows continued for the third consecutive week—a firmer demand outlook for all vessel sizes.

Freight Rate \$/day	06-Mar	27-Feb	Changes %	Short Term	Sentiment
Capesize 5TC	11,026	5,815	89.6%	Bullish	↑
Panamax 4TC	12,904	10,517	22.7%	Bullish	↑
Supramax 10TC	12,980	11,553	12.4%	Neutral to Bullish	-
Handy 7TC	10,683	9,302	14.8%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	225	+2	144 (-3)	53 (-4)	18 (+6)		
Panamax	367	+30		179 (+14)		97 (+9)	54 (+5)
Supramax	562	+44		118 (0)		87 (+24)	339 (+23)

## Capesize

Cape time charter rate broke the \$10,000 threshold with gains seen on all routes, supported by positive sentiment in the FFAs and better iron ore flows from both regions. Volume-wise, steady iron ore exports were seen from Australia, along with notable progress in Brazilian exports. Moreover, a firm Panamax market and strong coal demand also lent support, in which about 27% of the coal or 7.2 million tonnes of coal, was shipped by Capesize last week. In the Pacific, the C5 route (West Australia to China) started the week in the footstep of \$7 for mid-March loading dates. In the mid-week, C5 quickly stepped up and fixed between \$7.30-\$7.40 for 17-20 March and then at \$7.70 for 19-21 March before the weekend. On Monday, C5 was fixed at \$8 for 20-22 Mar, the highest rate this year. On the coal run, solid demand from China with weekly volume jumped over 20% towards 9 Mmt. A trip from Teluk to Qingdao was lifted to high \$4s. More Australian coal shipments that arrived in China were heard last week; a cargo from Newcastle to Fangcheng was fixed at \$11.50 for 16-20 March. The surge in FFAs also pushed the rates in the Atlantic higher; on top of that, better fixtures have finally surfaced from Brazil. As the week progressed, iron ore moving from Tubarao to Qingdao on the C3 route was fixed from \$17 to \$18.50. Iron ore cargoes from Sudeste and Itaguaí to Qingdao were fixed at \$18.25 and \$18.40, respectively, from PDM to Rotterdam at \$7.98 for 15 March. Elsewhere, bids went up in South and West Africa with steady mineral shipments. Trips from Nouahibou to Qingdao were heard at high \$17s for 22-31 March, and from Kamsar was high \$18s for 1-5 Apr. In addition, market participants expect iron ore demand to pick up as Chinese steel mills usually begin their restocking at this time of the year before the peak construction season.

Capesize 5TC Front Month Trading Range

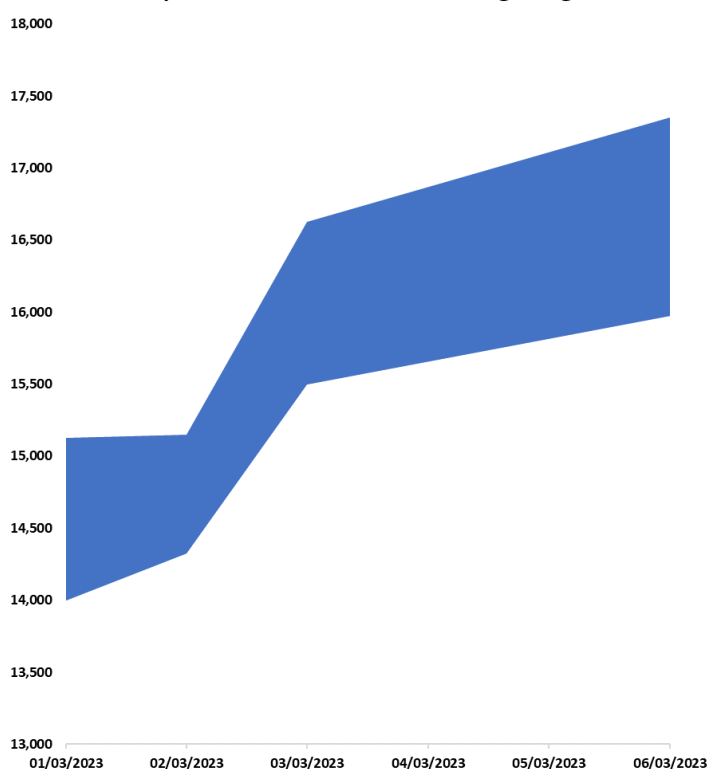


Chart source: FIS Live

After a quiet start to the week market closed with buyers, showing optimism returned to the FFA market after a busy week in the previous week. Short covering accelerated post index, leading to a self-fulfilling prophecy of more short covering on last Tuesday. Significant intraday volatility saw the market overextend in both directions, with volume exchanging hands at the peaks and troughs midweek before activity in Geneva caused a slowdown in the cape derivative market on Thursday. We saw a dramatic end to a dramatic week, with March seeing the most significant movements post-index, with more volume traded on the front month through to the start of this week, seeing smaller sizes under pressure, leading to a decline in capes.

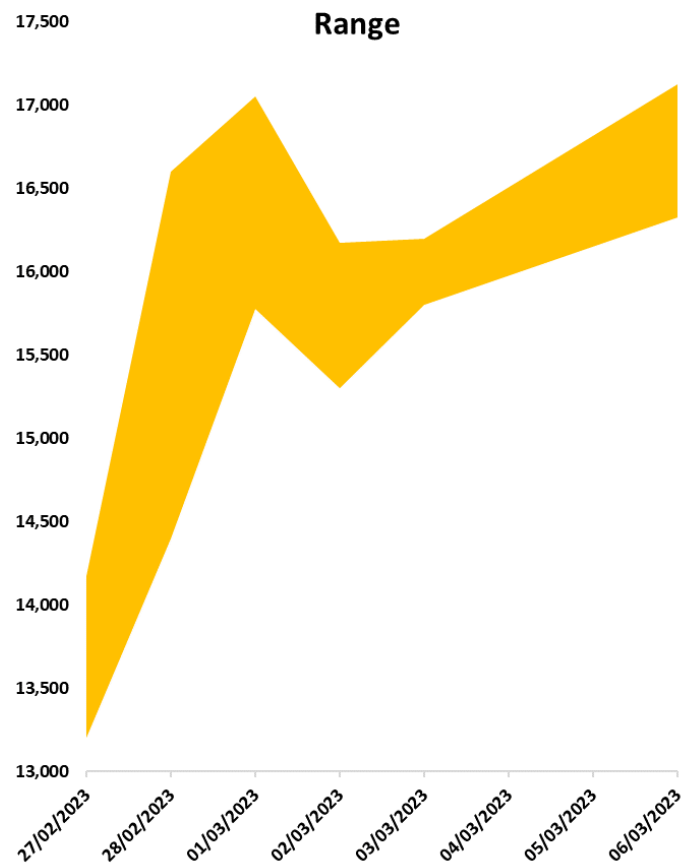
### Short run bullish

## Panamax

Panamax marched higher last week, followed by the accelerating Brazilian soybean harvest and steady coal demand. Regarding volumes, we saw a weekly increase of 9% in grains and 3% in coal carried by Panamax size last week. As a result, weekly Panamax shipments surpassed the six-year seasonal average. The highlighted fixtures included ECSA redelivery Sing/Japan moved from \$16,000 earlier last week to \$17,250, then \$18,000 this Monday. A market source said Brazilian farmers sped up their soybean sales and moved cargos at a discount rate due to record harvest and shortage of storage. In the North, limited activity was heard from US Gulf, while trips via NCSA redelivery Skaw-Gi were fixed higher than the index level at \$20,500. Positive sentiment also spurred into the Asian market, with many feeling a floor has been found here. NoPac round trips redelivering SE Asia and N Asia were fixed at \$12,800 and \$14,000, respectively, compared with around \$10k the previous week. Cargoes with coal via EC Australia redelivery India was fixed at \$15,000, and S. Korea was heard at \$13,000. With a steady supply and demand outlook in basins and a blooming Brazilian soybean season, downside risk should be limited in the coming weeks.

A quiet start out of Asia was then met by early rangebound activity on the Pmx from Friday's close. Tuesday saw continued short covering, and the bullish cape market fuelled the sharp push across the curve on Panamax paper as we saw buyers present from the outset. Despite slipping off the highs at the close and giving back on the front of the curve, finishing well up on the day. A more volatile day midweek, a rollercoaster experience on the curve from the previous day's highs to lows into the afternoon. Panamax paper initially came under pressure in the morning session, with Q2 touching a \$15100 low before being sharply but gradually bid up through the balance of the day. Despite the recovery, the sharp premiums were expected to continue attracting attention as the positive momentum on the index slowed down. Finished the week with a relatively range-bound day compared to the moves during the week. With what brokers called an uninspired end to an inspiring week. This week started with early bid support before sellers dipped the market in the afternoon session, wiping out any gains from the morning and drifting from the day's highs.

**Panamax 4TC Front Month Trading Range**



### Short run bullish

Chart source: FIS Live

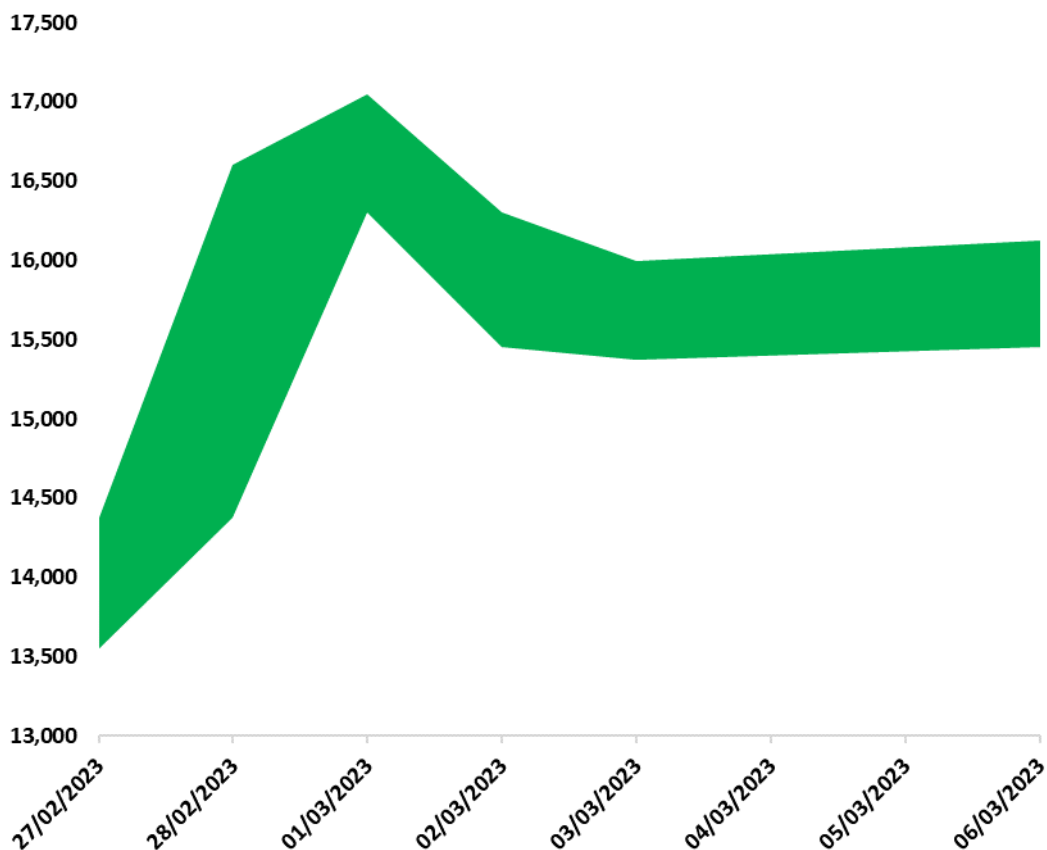
## Supramax

Like Panamax, market sentiment was lifted by fresh enquiries in ECSA, with a higher number discussed last week. However, Supramax came slightly under pressure by the end of last week without strong support from North Atlantic. In the Atlantic, increasing demand from ECSA helped absorb some prompt tonnage; on the fronthaul trip, rates were heard between \$15,000 - \$16,000 plus a ballast bonus. A cargo with grain from Barcarena to E. Mediterranean was fixed at \$17,750. The redelivery to E. Mediterranean was heard from US Gulf at \$12,250. Other trips via Mississippi River cargos redelivery Egypt with grains was fixed at \$18,500; redelivery Morocco with pet coke at mid \$13,000. On the mineral side, decent interest showed in Continent/E. Mediterranean areas, with Antwerp redelivery to E. Med fixing a \$12,000. In the Asian Pacific, strong demand continued on the coal route from Indonesia to China. Moving 56kt from Indo to China was paid at \$20,000 and SE Asia \$14,500, respectively. Besides that, coal demand from India also picked up last week, and cargo from Indo redelivery WC India was fixed at \$18,000 on a 61kt.

Supramax paper market started the week closing at the day's highs before experiencing a day of two halves midweek. Early buying tested the previous day's resistance before closing at the day's lows. Ended the week by ticking up in small volume, retracing losses with the front curve only to close on significant losses before

### Short run neutral to bullish

#### Supramax 10TC Front Month Trading Range



## FFA Market Indexes

Freight Rate \$/day	06-Mar	27-Feb	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	11,026	5,815	89.6%	6,718	16,177	33,333	13,070	18,025
Panamax4TC	12,904	10,517	22.7%	8,530	8,587	25,562	8,587	11,112
Supramax10TC	12,980	11,553	12.4%	8,559	8,189	26,770	8,189	9,948
Handy7TC	10,683	9,302	14.8%	8,666	8,003	25,702	8,003	9,288

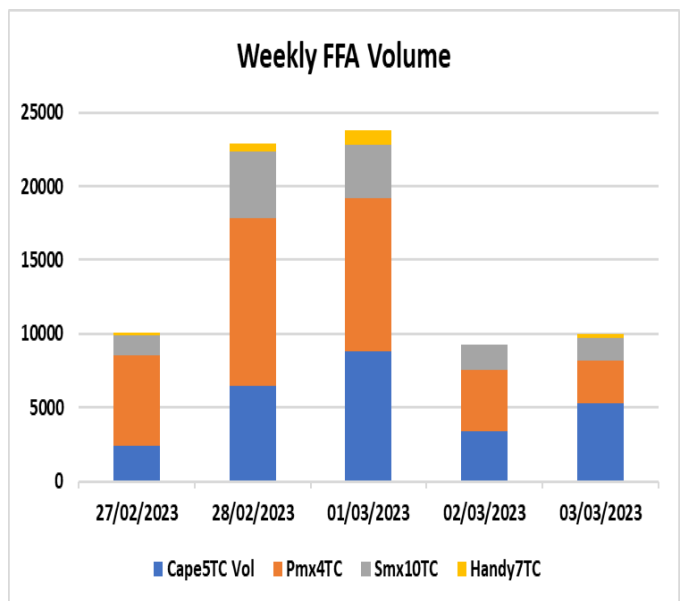
## FFA Market Forward Values

FFA \$/day	06-Mar FIS Closing	27-Feb FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Mar 23	13,050	8,550	52.6%	13,750	8,150	13,750	5,250
Capesize5TC Q2 23	20,800	19,650	5.9%	21,500	17,475	21,500	12,000
Panamax4TC Mar 23	14,250	14,150	0.7%	16,500	13,100	16,500	9,000
Panamax4TC Q2 23	15,925	15,000	6.2%	16,550	14,600	16,550	11,750
Supramax10TC Mar 23	13,825	14,375	-3.8%	16,500	13,600	16,500	9,200
Supramax10TC Q2 23	15,300	15,000	2.0%	16,400	14,900	16,400	11,750

Data Source: FIS Live, Baltic Exchange

## FFA Market

Another high performing week for FFAs last week with total volume reached nearly 100,000 lot. On the futures alone, volume hit 79kt days, the highest so far this year. On average, Capes and Panamax futures traded around 5,235 lots and 7,000 lots per day last week; Supramaxes were less hectic with an average of 2,540 lots traded daily last week. On options, Panamax gained the most favour this time, saw its volume also achieved the highest this year, in which about 13,920 lots were cleared among the total of 20,525 lots. The primary activity focuses on Mar, Apr, May and Q3'23 contracts; decent volumes were also seen on the Q2-Q4'24 and Cal24. Open Interest dropped a touch due to Feb contract expired, on 6th Mar, Cape 5TC 179,153 (-12,330 w-o-w), Panamax 4TC 179,874 (-12,990 w-o-w), Supramax 10TC 87,358 (-7,055 w-o-w). In addition, on the voyage routes to Qingdao, we saw 2.2 million tonnes changing hands on C5 and 145kt on C3.



## Dry Bulk Trades/Iron Ore

Total iron ore shipments firmed up for a third week to 31.9 million tonnes, a 5.2% weekly increase driven by notable recovery from Brazilian exports. Last week, Brazil shipped out around 7.1 million tonnes of iron ore, up 16.7% w-o-w. Demand from South and West Africa remained stable, with combined weekly volume edging up 3% to 1.9 MMt. For the largest exporter in Australia, we saw a small uptick in last week's volumes to about 18.7 Mmt. Demand-wise, iron ore shipments to China rose 12% to 25.1Mmt, the highest week this year, due to more mills lifting output.

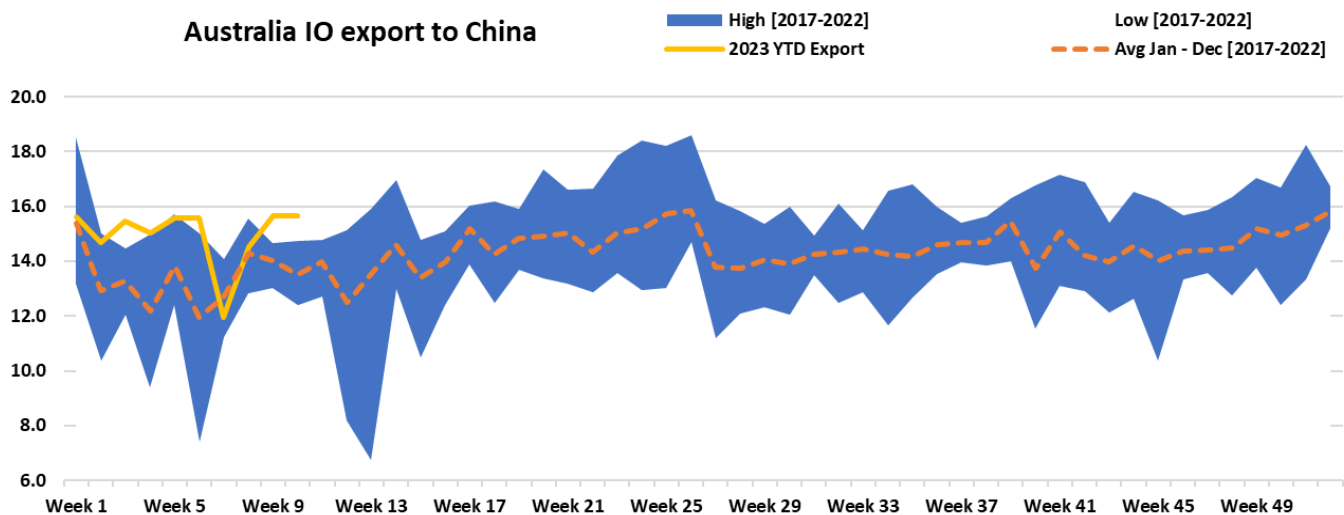
### Dry Bulk Trades/Iron Ore

Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Australia	67.0	80.7	246.5	235.0	234.9	219.0	935.4	919.8
Brazil	23.1	22.3	93.0	97.7	82.8	70.6	344.1	352.9
South Africa	4.6	5.4	11.4	15.6	15.9	14.4	57.4	60.5
India	3.8	3.5	2.9	0.9	5.4	7.2	16.4	37.6
Canada	3.7	4.8	14.5	17.7	13.5	11.7	57.4	57.2
Others	11.3	12.6	45.0	43.7	41.4	45.7	175.8	201.2
<b>Global</b>	<b>113.5</b>	<b>129.3</b>	<b>413.4</b>	<b>410.6</b>	<b>393.9</b>	<b>368.6</b>	<b>1586.5</b>	<b>1629.2</b>

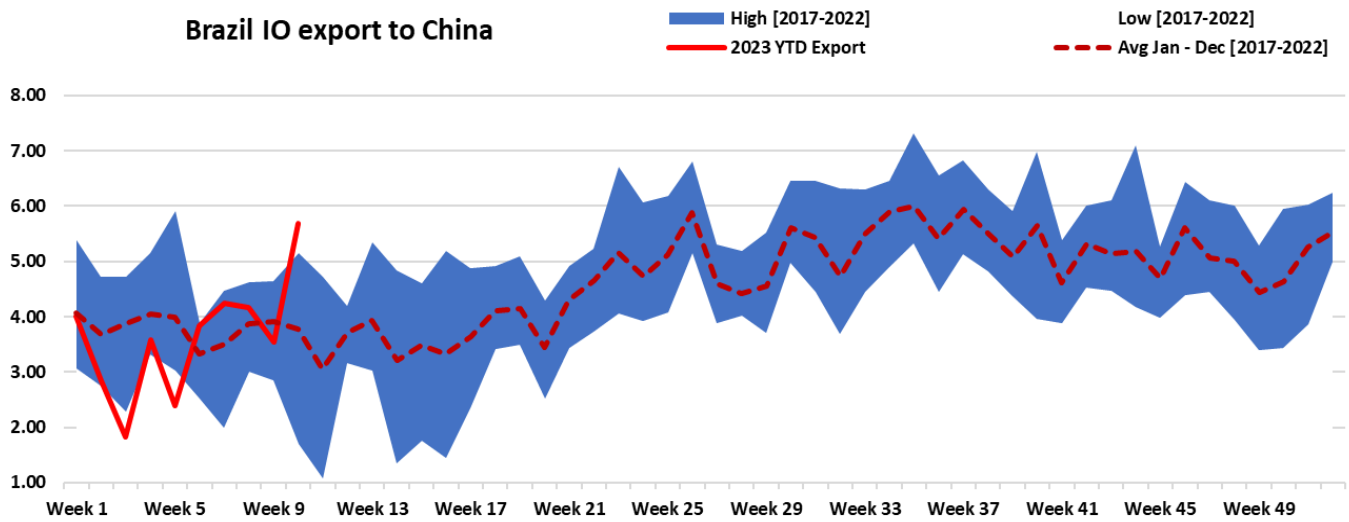
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.6	15.6	0.01%	7.34	6.43	14.1%
Brazil-China	5.7	3.5	60.8%	17.79	16.48	8.0%

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

A steady week for coal shipments last week, with the total volume staying around 27 million tonnes. In the Asian Pacific, Indonesia maintained high exports at about 10.2 million tonnes, up w-o-w. After the strong return of Australian coal in the past two weeks, we saw volume drift from the peak, with total volume reported at around 6.7 Mmt, 11% less than the previous week. Its exports to the JKT region dropped to 4.0Mmt last week, although robust demand was reported from Japan, as the chart shows below. Elsewhere, coal shipment from the US stayed at the high level of 2.3 Mmt.

### Dry Bulk Trades/Coal

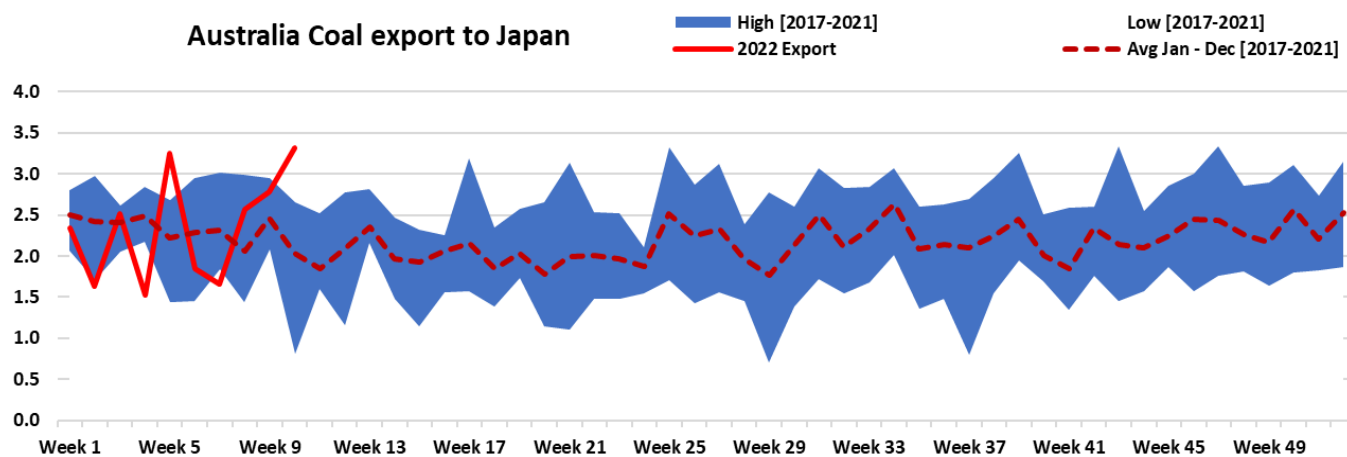
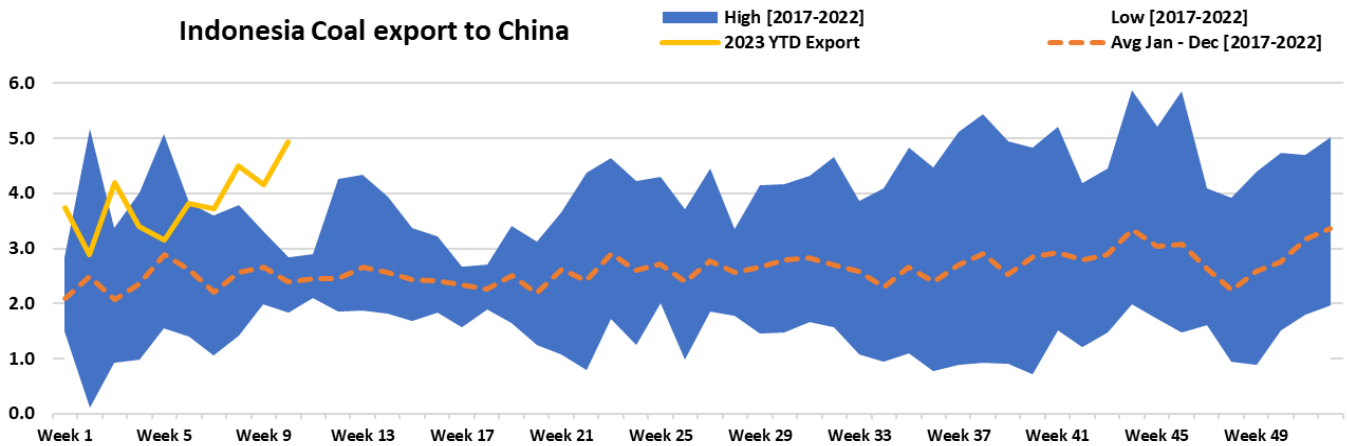
Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Indonesia	38.1	34.6	124.4	130.8	118.9	88.8	462.9	415.2
Australia	25.2	26.7	84.4	79.8	90.8	84.6	339.6	368.3
Russia	13.3	15.7	50.1	47.9	51.2	41.9	191.0	172.3
USA	8.3	7.2	17.7	18.0	19.1	17.6	72.4	69.5
Colombia	4.3	4.1	16.2	15.0	14.4	15.9	61.4	60.9
South Africa	3.6	4.9	14.4	16.2	15.3	15.7	61.6	62.1
Others	6.9	7.8	22.8	24.1	24.3	23.9	95.0	88.1
<b>Global</b>	<b>99.6</b>	<b>101.1</b>	<b>330.0</b>	<b>331.7</b>	<b>334.0</b>	<b>288.4</b>	<b>1284.1</b>	<b>1236.4</b>

### Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	4.9	4.2	18.6%
Australia-Japan	3.3	2.8	19.5%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

## Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

## Dry Bulk Trades/Agri

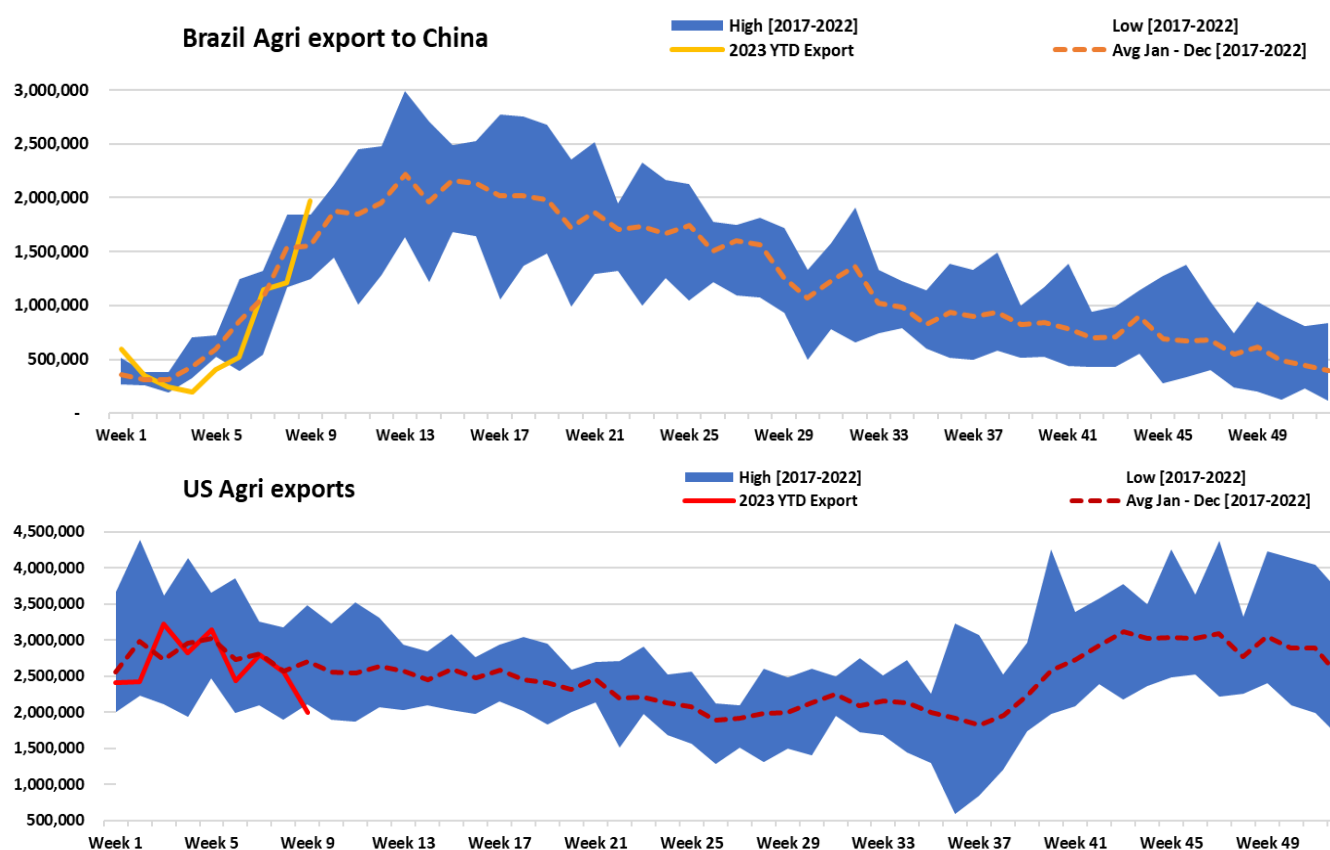
It was a turning point for grain shipment last week, with volume surging nearly 11% to 13.1 million tonnes, owing to Brazilian soybean sales in full swing. Out of Brazil, shipments rose 8% weekly to 4.3 million tonnes. Exports from Brazil to China surpassed the 5-year average to follow an upward seasonal trend. Furthermore, a strong rebound in Black Sea exports last week, with volume up nearly 50% to 1.5 million tonnes. On the flip side, shipments from the US eased further below 2 million tonnes, and from Australia were also down 11.2% w-o-w 890kt. On another note, South America expects a record harvest of 153 million tons of soybeans and 124 million tons of corn this year. Grain prices came off last week with hopes of extending Ukraine’s grain corridor and more grains flowing out of the Black Sea region.

### Agri Key Routes

Agri Key Routes	Agri Export mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week	Chg %
Brazil-China	2,121.1	2,133.8	-0.6%	40.8	34.8	17.2%
US-China	70.4	279.4	-74.8%	50.5	46.1	9.5%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

## Seasonality Charts



Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Brazil	12.9	10.5	41.2	49.9	48.2	38.3	177.7	157.2
USA	10.1	12.0	36.8	23.9	30.7	37.4	128.7	140.8
Argentina	3.4	3.2	18.4	20.7	24.8	17.1	81.0	87.0
Ukraine	2.9	3.0	9.8	4.5	0.1	12.6	27.0	58.9
Canada	3.5	4.3	15.1	6.6	5.9	5.9	33.5	40.6
Russia	2.5	3.6	11.7	7.4	4.7	5.1	28.9	29.7
Australia	4.6	4.1	11.3	11.4	11.2	12.8	46.8	39.7
Others	8.1	7.0	21.1	26.6	24.9	25.9	98.5	87.4
<b>Global</b>	<b>48.0</b>	<b>47.6</b>	<b>165.4</b>	<b>151.1</b>	<b>150.4</b>	<b>155.2</b>	<b>622.1</b>	<b>641.4</b>

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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