

FIS Dry Freight Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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Market Review: The dry freight market danced to an upbeat tune last week due to rising demands in key areas and a positive outlook in the FFAs. We saw the optimism carried into this week, with market participants expecting increasing iron ore demand from China during the construction season. Besides, Brazilian soybean shipments would also support the larger vessels to extend their gains.

Freight Rate \$/day	13-Mar	06-Mar	Changes %	Short Term	Sentiment
Capesize 5TC	15,099	11,026	36.9%	Bullish	↑
Panamax 4TC	13,785	12,904	6.8%	Bullish	↑
Supramax 10TC	13,580	12,980	4.6%	Neutral	-
Handy 7TC	11,697	10,683	9.5%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	217	-10	149 (+5)	54 (0)	11 (-7)		
Panamax	345	-19		174 (-1)		92 (-5)	51 (-3)
Supramax	484	-91		109 (-6)		85 (-8)	263 (-83)

Capesize

The Cape time charter rate continued to climb last week, bolstered by bullish sentiment in the FFAs and physical rates in both basins. In terms of demand, we saw iron ore shipments take a breather last week, with volume from all key exporters falling a touch. The decline was mainly due to a standoff between owners and charterers, which slowed the fixing activity.

Nevertheless, demand remained strong for coal, which was reflected in its weekly shipment firmed up for another week. As the Cape rate is catching up, we could see less tonnage covered by Cape in the coming weeks; up to last week, around 27% or 7.4 million tonnes of coal in a week (+0.8% w-o-w) were shipped by Capesize. In particular, demand from China has no signs of slowdown from weekly volume jumped over 11.6% to 8.7 Mmt.

Fixtures-wise, in the Pacific, the C5 route (West Australia to China) spent the first half of the week in a tight range between \$8.05-8.10 for end-of-March loading dates before pushing to \$8.20-\$8.30 by the optimism in the FFAs.

On the coal run, a trip to Mundra from Kalimantan was fixed at \$6.35 for 20-26 March, and from Tarahan was heard at a low \$6 for 15-21 March. In the Atlantic, rates in both fronthaul and transatlantic routes surged. Moving iron ore from Tubarao to Qingdao on the C3 route was fixed above \$19 for the end of March to early Apr dates, despite the activity cooling off on a weekly basis. Iron ore cargoes from Richard Bay and Saldanha Bay to Qingdao were fixed at \$14 for 18-24 March and \$15.19 for later laycan in early Apr. Apart from that, cargoes with coal stem from Baltimore to Rotterdam was heard at low \$27 for 5-14 Apr. A slight uptick in the ballaster numbers towards the Atlantic last week; if more to follow, it should tighten up the vessel supply in the Pacific region. Market participants are optimistic about more iron ore restocking from China during the construction season.

Capesize 5TC Front Month Trading Range

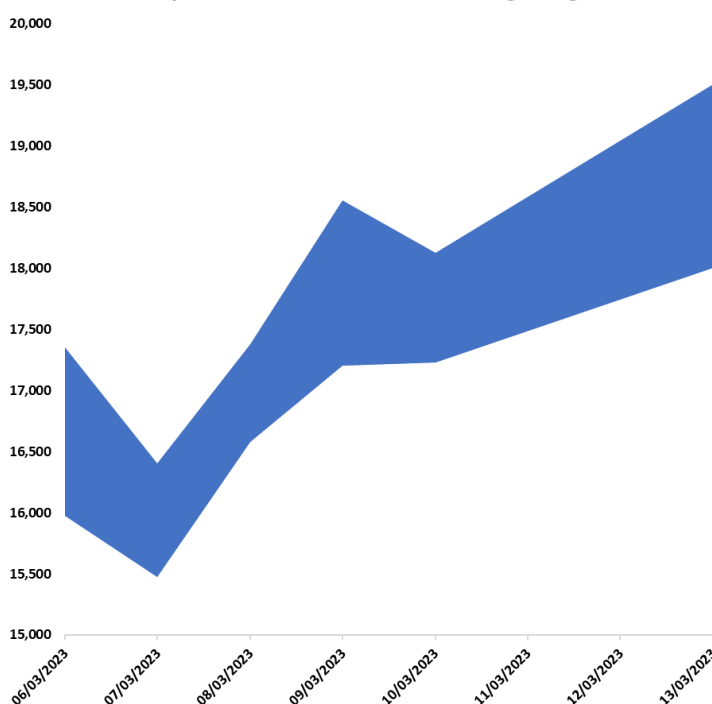


Chart source: FIS Live

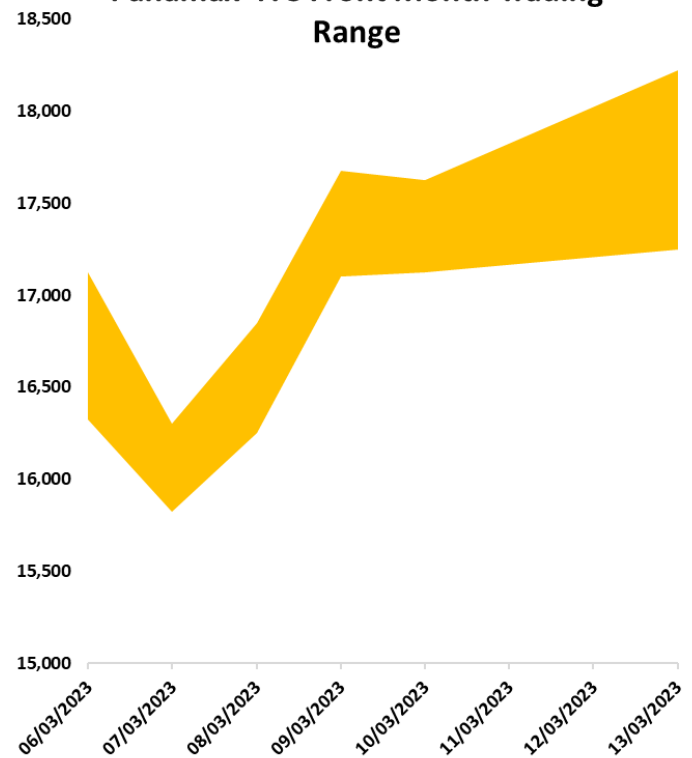
The Cape paper market experienced a dramatic week with significant volumes and higher volatility. Monday last week started with the capes drifting from the morning highs and closed relatively flat compared to the Friday evening session. Tuesday was a rollercoaster day which saw paper rates come off aggressively in the early morning despite all three majors being in for C5 and more cargo appearing in the Atlantic. As firmer fixtures were reported in both basins throughout the morning, the market regained confidence pre-index, broadly in line with expectations. Post-index and throughout the afternoon session, we saw offers paid, with the market recovering all the morning's losses. Midweek the volatility showed no sign of abating despite the speed of the physical market's rally slowing down. Large volumes changed hands, with over 9000 lots clearing on Wednesday. Rates continued to trade in a narrow range, although intra-day volatility was high before closing by testing the day's highs. The volatility continued to the end of Friday's week, closing more elevated and continuing into the start of this week.

Short run bullish

Panamax

Similar story to the previous week, Panamax extended its gains amid accelerating Brazilian soybean harvest and steady coal flows. One of last week's highlights would be the record coal exports from Indonesia to China, hitting 5.6 million tonnes in a week, nearly double the seasonal average level. On top of that, Brazilian soybean exports to China surpassed the higher end of the seasonal range, further above the last six year's level at around 2.5 million tonnes (+8.6% w-o-w). The continuous sharp increase in China's demand is under-expected after the reopening of their economy and supportive government policies. As a result, market sentiment was boosted by better fixtures and higher rates. In the Atlantic, decent activity continued to surface from the South, with ECSA redelivery Sing/Japan fixing at \$17,000 and staying flat for the rest of the week. Furthermore, trips via US Gulf redelivery Far East were fixed from \$22,000 to \$23,000. Things were even busier in the Pacific. Charterers with prompt cargoes had to increase their ideas to get coverage. As a result, Indonesian coal cargoes redelivery S. China pushed up to \$14,000 due to tight tonnage count; redelivery in Japan was at \$16,000. On a 75,000 open, Indonesia redelivery China was fixed between \$16,000-\$16,500. More fresh cargoes also came out from Australia; cargoes with coal via EC Australia redelivery to India and Sing/Japan were fixed at \$13,000 and \$15,500, respectively; round trip with grains was heard at \$14,250. With a steady supply and demand outlook in basins and a blooming Brazilian soybean season, downside risk should be limited in the coming weeks.

Panamax 4TC Front Month Trading Range



Panamax paper market experienced a whirlwind week following in the footsteps of its larger counterpart. The week started with a game of two halves with early bid support in the morning session to lose gains from the day's highs. Cape sentiment continued dictating the early tone on Tuesday, with resistance tested at the day's highs through to midweek. The curve became slightly more balanced later in the week before closing the week on a somewhat quieter note with early rangebound activity across the prompt periods. Pre-index found a tick more support come in and we pushed up \$400 in the afternoon closing with underlying support into the weekend. Before opening the week by losing some momentum with PMX easing off the day's highs and by the close of play was back to Friday's closing levels.

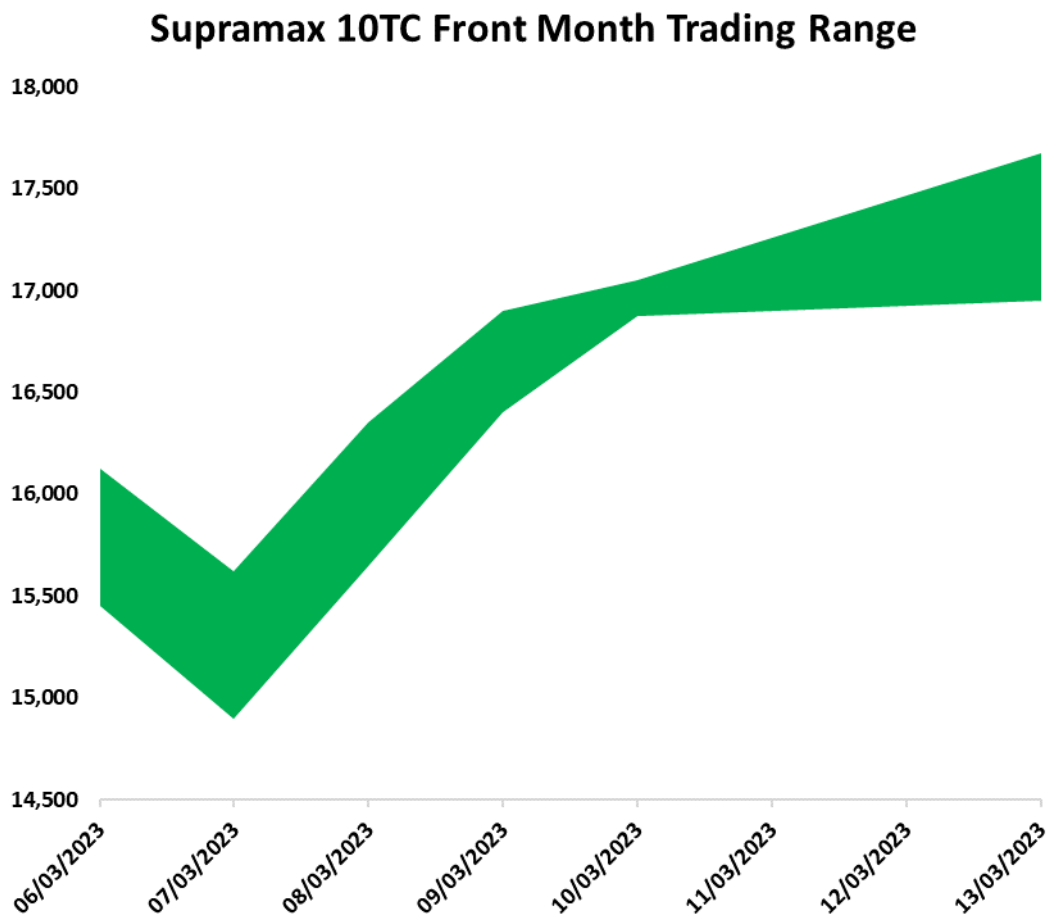
Short run bullish

Chart source: FIS Live

Supramax

A very steady week for Supramax physical market with good supports from the key regions. While in the paper market, from midweek Supramax started with a positive day, with rates ticking up across the curve despite a relatively flat index. Gains on the deferred periods were more limited, and we closed at the day's highs but still supported. We experienced a similar, slightly higher pattern than the bigger sizes on Thursday. Supras opened higher alongside the bigger sizes, with Q2 and Q3 trading in large volumes at 17000 (+700 and +900, respectively), following a similar pattern to the other sizes. The higher rates brought out larger sellers, with the market trending lower post-index. The week finished with support evident from the morning of Friday, with highs being tested. There were more sellers, but it was not enough to stem the tide of buying, with SMX retracing small losses seen in Thursday's evening session before rates pushed up this week, following larger sizes coming off highs towards the end of the day.

Short run neutral



FFA Market Indexes

Freight Rate \$/day	13-Mar	06-Mar	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	15,099	11,026	36.9%	7,414	16,177	33,333	13,070	18,025
Panamax4TC	13,785	12,904	6.8%	9,007	8,587	25,562	8,587	11,112
Supramax10TC	13,580	12,980	4.6%	9,011	8,189	26,770	8,189	9,948
Handy7TC	11,697	10,683	9.5%	8,921	8,003	25,702	8,003	9,288

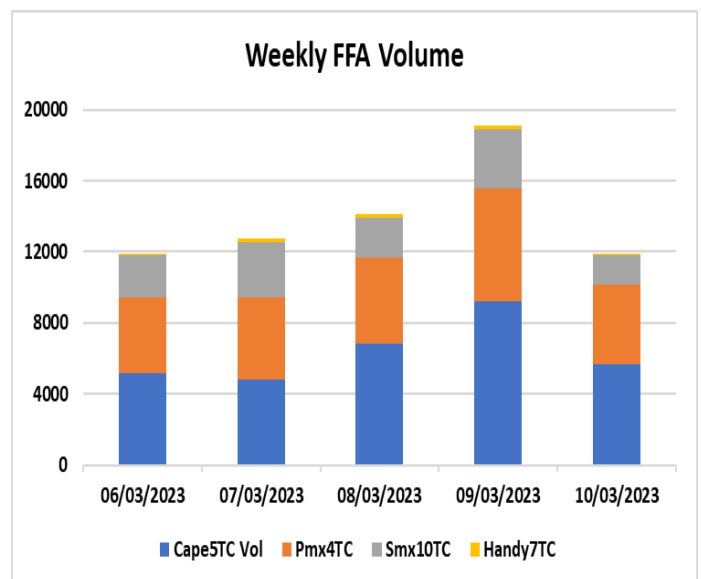
FFA Market Forward Values

FFA \$/day	13-Mar FIS Closing	06-Mar FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Mar 23	15,500	13,050	18.8%	16,500	12,350	16,500	5,250
Capesize5TC Q2 23	22,125	20,800	6.4%	22,625	20,050	22,625	12,000
Panamax4TC Mar 23	15,000	14,250	5.3%	15,250	13,850	16,500	9,000
Panamax4TC Q2 23	17,125	15,925	7.5%	18,100	15,500	18,100	11,750
Supramax10TC Mar 23	14,800	13,825	7.1%	15,475	13,500	16,500	9,200
Supramax10TC Q2 23	16,750	15,300	9.5%	17,350	15,000	17,350	11,750

Data Source: FIS Live, Baltic Exchange

FFA Market

Along with rising prices, a large volume changed hands in the FFAs market, with around 70,900 lots traded on futures and 13,260 on options last week. The main action was taken place on the larger size, with Capes and Panamax futures trading around 6,350 lots and 4,900 lots per day last week; Supramaxes followed right behind with an average of 2,545 lots traded daily the previous week. On options, Panamax was again the star of the show, with 9,810 lots being cleared among the total of 13,260 lots. The primary activity focuses on Apr, Q2'23 and Q3'23 contracts; decent volumes were also seen on the Q2-Q4'24 and Cal24. Open Interest increased along with rising price, confirming an upward trend; on 13th Mar, Cape 5TC 186,772(+7,620 w-o-w), Panamax 4TC 186,344 (+6,470 w-o-w), Supramax 10TC 89,497 (+2,140 w-o-w).



Dry Bulk Trades/Iron Ore

Total iron ore shipments last week slowed to 29.6 Mmt as two main exporters slipped off the previous week's highs. Australia shipped about 3.8% less than the last week and stood around 17.8Mmt, despite its shipment to China staying well above the six-year seasonal range. Similarly, Brazilian shipment to China came off the previous spike but was still higher than the seasonal average. Exports from South and West Africa also fell, with combined weekly volume down 7% to 1.7 MMt. In the underlying market, iron ore prices continued to climb above \$130 this week on the back of improving demand. After a peak week previously, iron ore shipments to China dropped by 10.3% to 22.2Mmt last week. But market participants are optimistic about the further lift in price during the construction season and the infrastructure backlog due to long periods of covid restrictions.

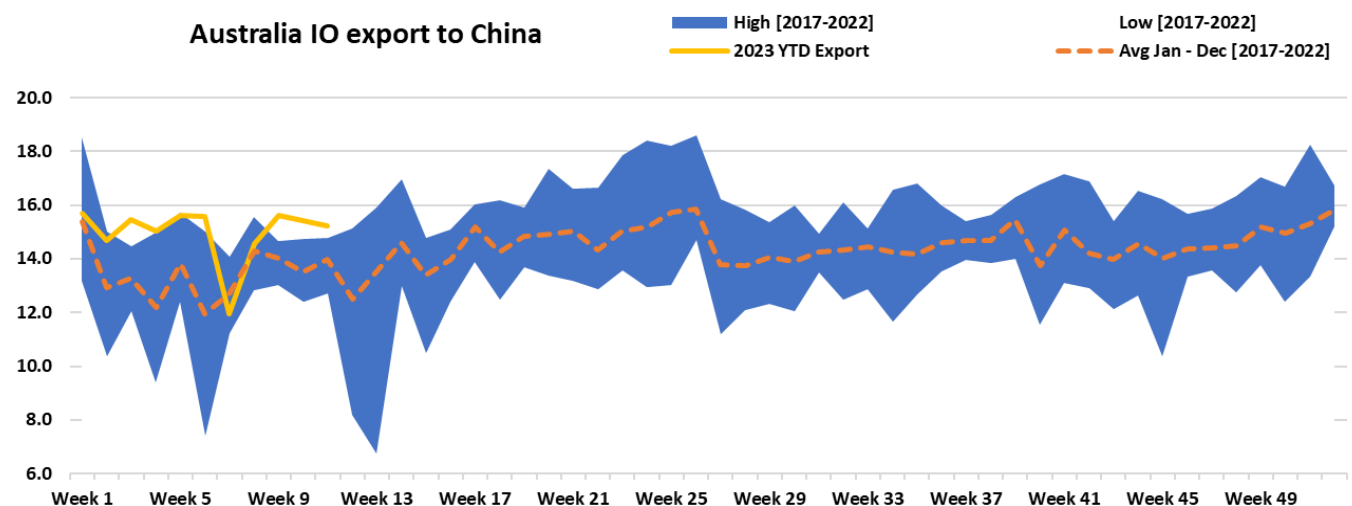
Dry Bulk Trades/Iron Ore

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
Global	113.5	129.3	413.4	410.6	393.9	368.6	1586.5	1629.2

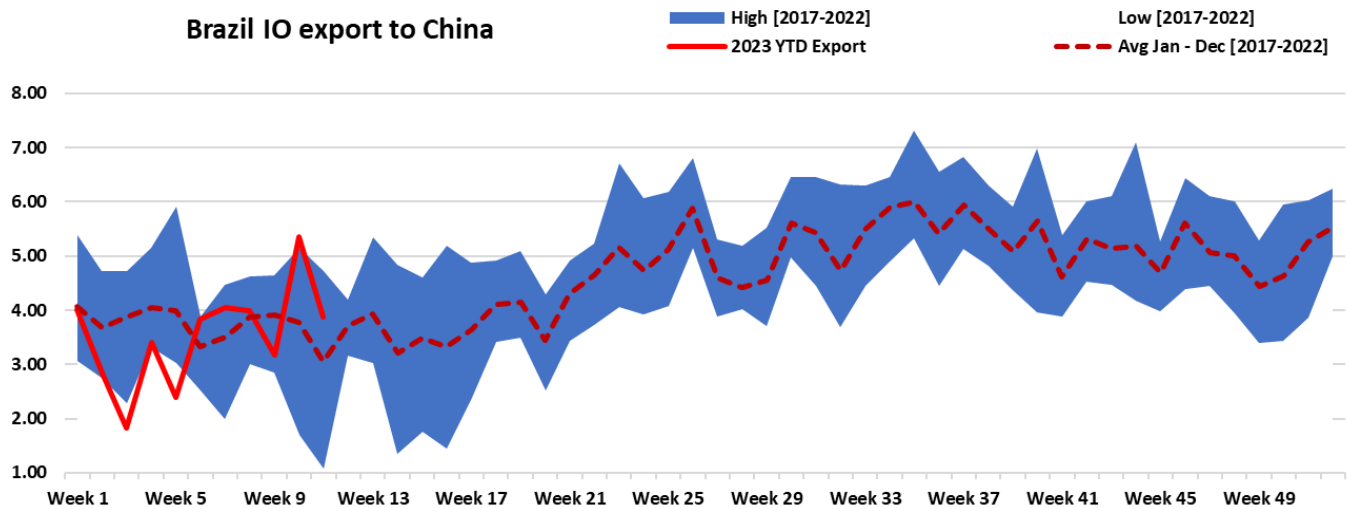
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.2	15.4	-1.3%	8.17	7.34	11.3%
Brazil-China	3.9	5.4	-27.8%	19.45	17.79	9.3%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Coal shipment firmed up 2.3% last week to around 27.2Mmt. In the Asian Pacific, Indonesia maintained its high exports at about 10.8 million tonnes, with its weekly volume in an upward trend for the sixth consecutive week. Exports from Indo to China jumped 13.2% last week to a record week of 5.6 Mmt, as the chart shows below. Australian coal sat at the high end of the recent week’s range, about 6.9 million tonnes (+6.2% w-o-w), with nearly 60% directed to the JKT region.

Dry Bulk Trades/Coal

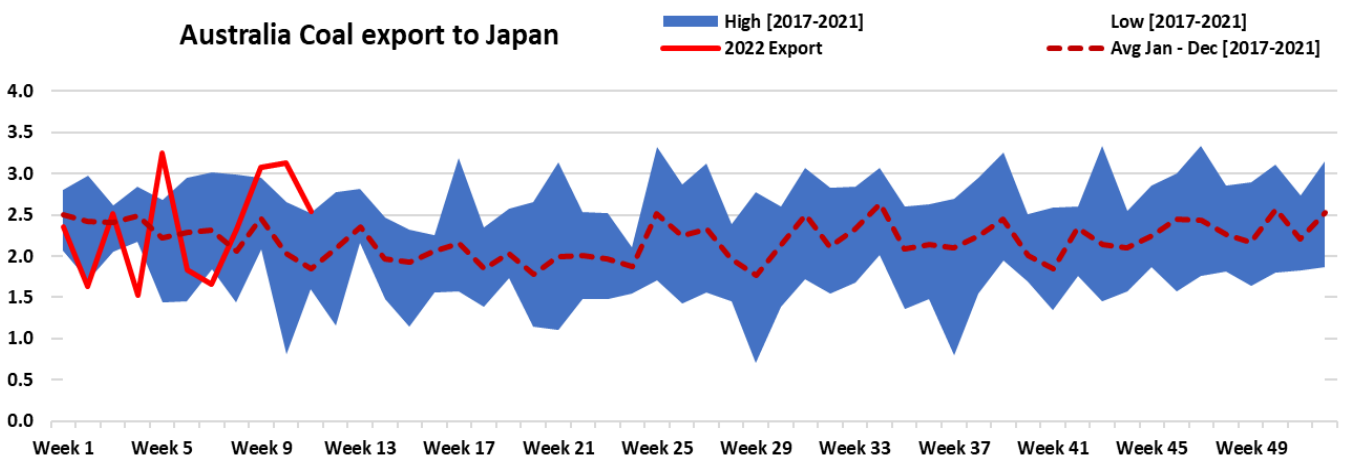
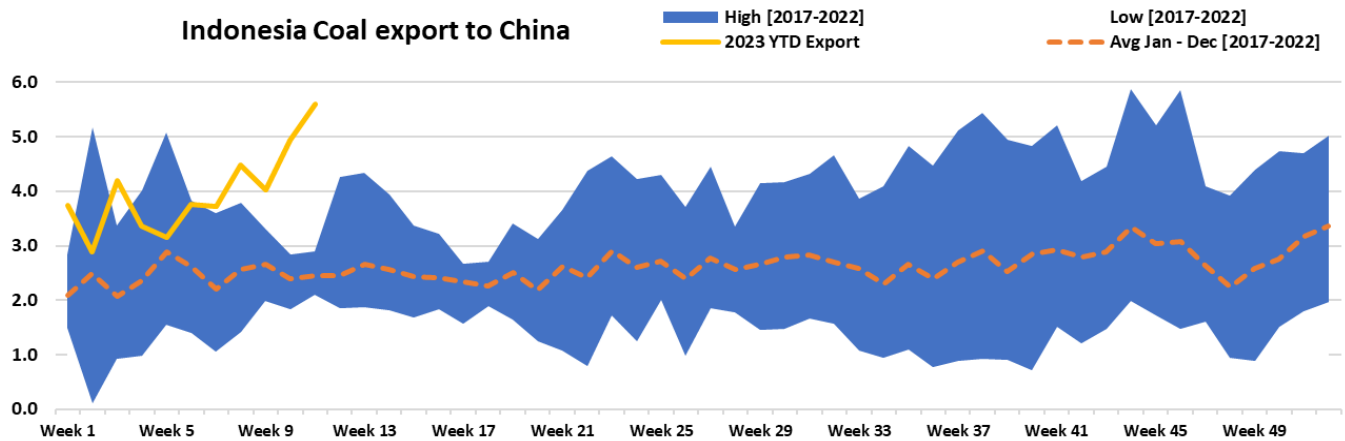
Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Indonesia	38.1	34.6	124.4	130.8	118.9	88.8	462.9	415.2
Australia	25.2	26.7	84.4	79.8	90.8	84.6	339.6	368.3
Russia	13.3	15.7	50.1	47.9	51.2	41.9	191.0	172.3
USA	8.3	7.2	17.7	18.0	19.1	17.6	72.4	69.5
Colombia	4.3	4.1	16.2	15.0	14.4	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
Global	99.6	101.1	330.0	331.7	334.0	288.4	1284.1	1236.4

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	5.6	4.9	13.2%
Australia-Japan	2.5	3.1	-18.6%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

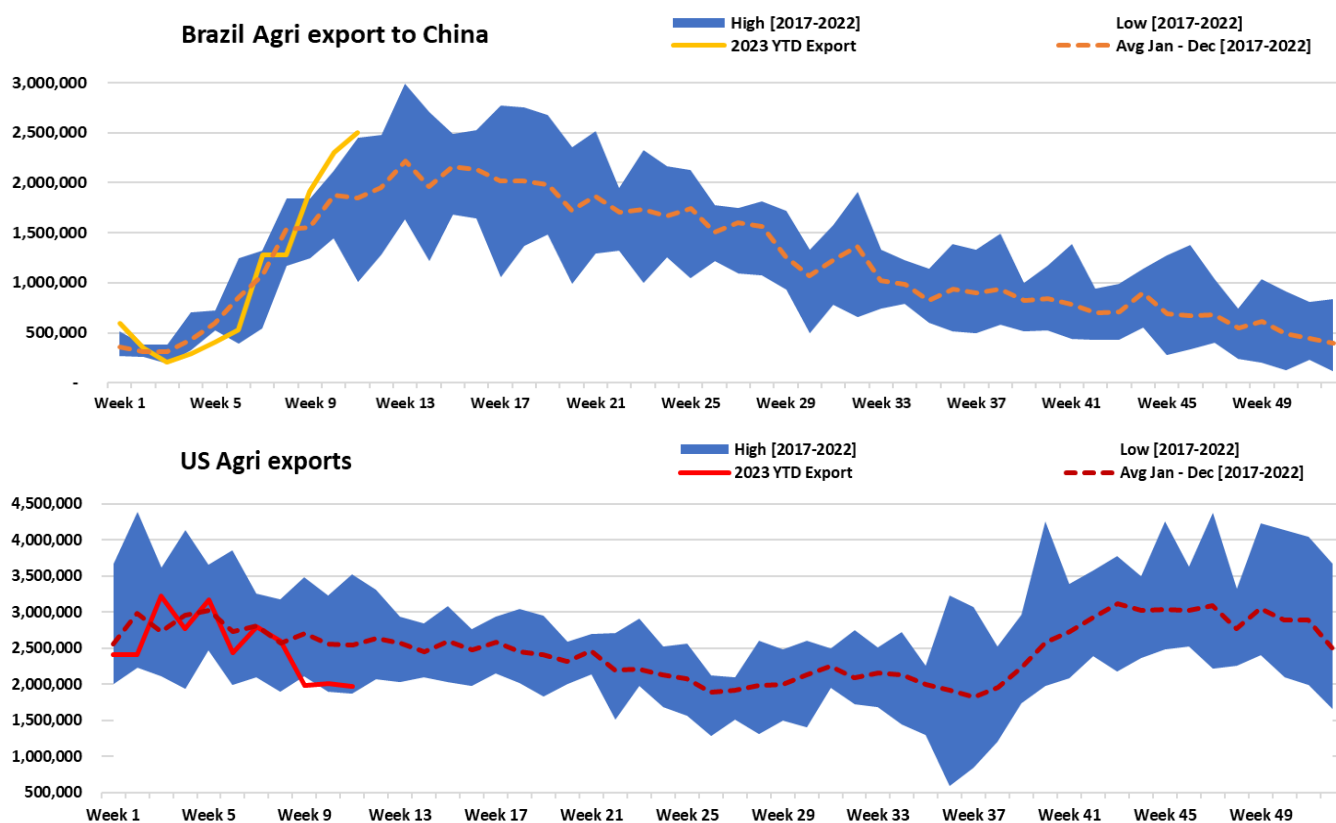
Last week global gains shipments stayed around 11.3 million tonnes, with a decrease of 13.7% compared with a better week before. Total shipments from Brazil dropped 17.8% weekly to 3.7 million tonnes, yet its exports to China continued to climb above the seasonal average for the third week. Elsewhere, weekly shipments from the US and Australia improved to 2.1 million tonnes(+2.6%) and 1.1 million tonnes (+12.2%), respectively.

Agri Key Routes

Agri Key Routes	Agri Export mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Avg Prev. Week	Chg %
Agri Export (thousands tonnes)						
Brazil-China	2,502.3	2,303.1	8.6%	42.0	40.8	2.9%
US-China	260.6	378.6	-31.2%	51.4	50.5	1.9%

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
Global	48.0	47.6	165.4	151.1	150.4	155.2	622.1	641.4

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Written by **Emma Feng**, FIS Senior Research Analyst

Edited by **Mopani Mkandawire**, FIS Content Manager

News@freightinvestor.com, +44 207 090 1120

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