

# FIS Dry Freight Weekly Report

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

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**Market Review:** The larger size vessels posted only marginal gains on a weekly basis on the back of steady iron ore grains demands; however, easing congestion levels in Chinese ports and selling off in FFAs at the latter part of the week added pressure on the price. Besides, market sentiment was dampened by the global banking turmoil. On the other hand, coal demand continued to be strong, making Supramax the week’s winner, with spot prices increasing throughout the last week.

Freight Rate \$/day	20-Mar	13-Mar	Changes %	Short Term	Sentiment
Capesize 5TC	16,134	15,099	6.9%	Neutral	-
Panamax 4TC	13,934	13,785	1.1%	Neutral	-
Supramax 10TC	14,619	13,580	7.7%	Neutral to Bullish	↗
Handy 7TC	12,646	11,697	8.1%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	224	+7	146 (-3)	60 (+8)	13 (+2)		
Panamax	364	+20		173 (+5)		95 (+1)	58 (+4)
Supramax	518	+20		132 (+25)		73 (-15)	292 (+16)

## Capesize

Cape time charter rate took a breather mid-week from its bull run and closed the week with modest gains. As congestion levels continued to ease in China, shorter vessel turnaround times would increase supply capacity. Demand wise, a steady week for iron ore shipments with increasing cargoes out of Australia but a significant weekly drop from Brazil. Aside from the landslides in Brazil that may cause disruption, current steel margins didn’t give much support for the high-grade ore demand. Thereby, shipowners preferred to stay in the Pacific than ballast towards Brazil. On the bright side, robust coal demand kept lending in support, with around 29% or 28.7 million tonnes of coal (+16.8% w-o-w) being shipped by Capesize last week. Some market attention was also drawn to the up-ticking Australian coal to China. Furthermore, decent iron ore and bauxite cargoes were observed from South and West Africa. In terms of fixtures wise, in the Pacific, the C5 route (West Australia to China) gapped up to \$9.10 for late March loading dates before dipping to \$8.60-\$8.80 for the end of Mar to early Apr before the weekend. On Monday, C5 was fixed higher again at \$9.05 and \$9.10, as the tonnage list looks tight for the end of Mar, and more interest surfaced for EC Australia coal cargoes in early Apr. On the coal run, a trip from Abbot Point to Meizhou was heard at low \$10s for 25 Mar-3 Apr. In the Atlantic, despite less iron ore cargoes being heard from Brazil, rates were lifted on the back of a firm FFAs market. Moving iron ore from Tubarao to Qingdao on the C3 route was fixed higher at \$22 for 20-30 Apr. Apart from that, cargoes with bauxite from Kamsar to Zhoushan were heard at \$21-\$21.95 for 30 Mar-3 Apr, and Qingdao was at a low \$22 for early Apr. Iron ore trip from Richard Bay to Qingdao was fixed at \$15 for 29 Mar-4 Apr. In addition, fast-decreasing bunker prices due to banking turmoil have lowered the operation cost. On Monday, Singapore 380 and 0.5% fuel oil were assessed at \$366 and \$515, respectively.

**Capesize 5TC Front Month Trading Range**

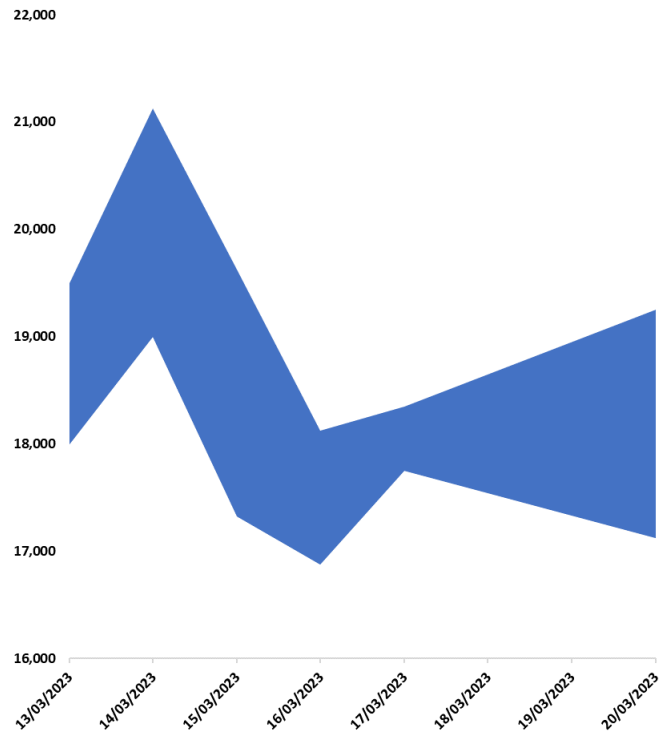


Chart source: FIS Live

The Cape paper market declined overall in the last week with a slight price reduction. Capes had a good start to the week but was not as dramatic as the previous week as cargoes popped up like mushrooms in the morning session before the smaller sizes came under selling pressure in the afternoon dragging the capes down from the highs. Tuesday was a quieter day; with fresh cargo coming out hour by hour, the short-term outlook remained bullish. However, despite relentless buying/selling, rates couldn't test the heights of those reached in the morning session, and we closed relatively flat to Monday's close. Midweek the cape market bull run came to an end. It started the morning trending higher, but the market couldn't hold on to the gains. Volatility remained high before a low-key end to a volatile and emotional week. This week started with a tale of two halves today, with front capes getting paid aggressively higher in the morning session and then a sell-off as fast as the rally with Cape volatility remaining, and buyers are there to buy the dip. Front-month contracts Mar and Apr moved from \$15,425 and \$18,550 to \$14,375 and \$17,275 Monday to Monday; Q2-23 from \$19,650 to \$19,250; Cal 24 from \$16,450 to \$16,000.

**Short run neutral to bullish**

**Panamax**

Panamax entered a phase of correlation from mid-last week with mixed market sentiment. Due to no significant increase in cargo demand last week, and risk-off was the main theme for the broader commodity market, Panamax failed to hold on to its gains. Some worried that weaker rates could come up this week, although fundamentally remained largely unchanged. Panamax coal shipments stayed above the seasonal average's high end, posting a marginal weekly increase. On the grains side, a relatively flat week, with volume in line with the seasonal average. Regarding fixtures, rates in the Atlantic firmed up last week due to fresh grain demand. Cargoes via US East Coast redelivery Sing/Japan was fixed at \$22,000; on a 77,000 open, redelivery India was heard at \$23,750-24,000. A trip via US Gulf redelivery Upriver Plate was fixed at \$13,500. On the grains run, NCSA redelivery Far East were fixed at \$21,000 and \$23,000. Cargoes with grains via ECSA redelivery Skaw-Gib fixing at \$21,000 and then \$22,500 later the week, while redelivery Far East was heard at \$17,000. Elsewhere, a grain cargo from Ukraine to the Far East was fixed at \$29,800. On the other hand, rates in the Asian pacific rates seemed to ease with charterers bidding lower. Indonesian coal cargoes redelivery S. China moved from \$17,000 at the start of the week to \$14,500 on a 74kt. On an 81,000mt open, Indo to China was heard at a low \$18,000. Apart from that, NoPac round trips were fixed in a tight range of \$18,500-18,700.

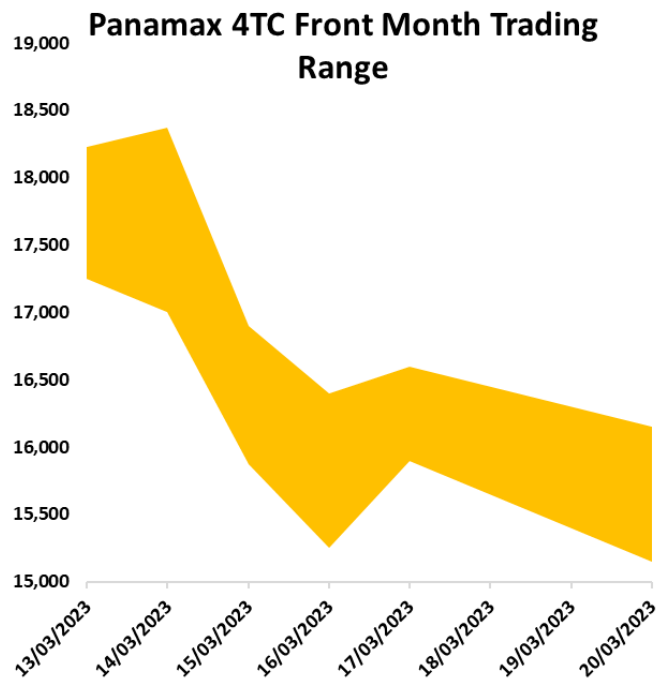


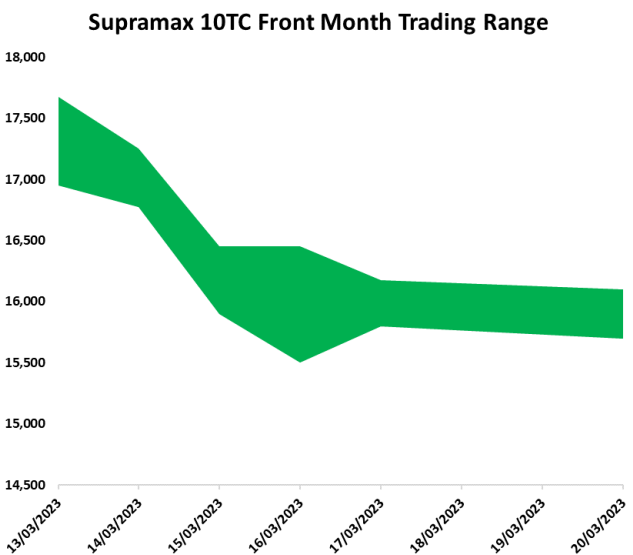
Chart source: FIS Live

PMX futures opened the week with buyers off the back of the Capes momentum as the curve gapped up early on. However, the momentum didn't last as we ran into sellers, and soon enough, PMX eased off the highs and, by the close of play, was back to Friday's closing levels. Tuesday, the buoyant Cape market and increased cargo count underpin optimism on Panamax paper. A raft of buying in early trading saw prompts jumping sharply as buyers scrambled for cover. Despite a sharp nudge up on the index, the afternoon session saw sellers jumping back and saw most of the morning gains given back. Midweek mirrored Capes we saw early bids, then sellers showed their hand, and we saw size trading throughout the day as the curve nudged lower. Later in the week was busy with the front of the curve offered lower in early trading before rebounding mid-morning as talk of a floor and the positive sentiment off the capes fuelled buyers' appetites and saw, so shorts trimming positions finishing up on the day, recouping most of the previous day's losses. The end of the week saw wobbling early trading before PMX pulled back the early losses and settled into a steady range for the balance of the day. This week started quiet and stable, but sellers gradually showed their hands throughout Monday, and we dipped across the curve. The Apr contract oscillated around the \$15,150 - \$18,375/day range, closing Monday at \$15,150. Q2-23 \$15,550 - \$18,250, closing Monday at \$15,975 and Cal 24 in a \$13,000 - \$14,075, closing Monday at \$13,125.

**Short run neutral**

**Supramax**

Supramax ended the week in more profits than the bigger size vessels, driven by strong coal demand in the Pacific and a tighter vessel supply in the North Atlantic. On top of that, good support is also found in the Continent/Mediterranean regions. In the Atlantic, market sentiment remained upbeat, with trips via US Gulf redelivery the Continent fixing higher at the range of \$22,000-\$23,000. A cargo with grains from Brazil to Algeria was heard at \$18,000. A trip via Baltic redelivery E. Mediterranean for scrap was heard at \$14,000. In Asia, Supramax coal shipments climbed above the high end of the seasonal average, with weekly volume jumping 14% to a yearly high of 6.1 million tonnes. Moving coal from Indo to CJK was paid at \$20,000 and to SE Asia \$14,500, respectively. NoPac round trips to Sing/Japan were fixed between \$15,500-16,500. A cargo with iron ore from Haldia, India, to China was heard at \$20,000. Overall, a firmer demand and supply outlook should support rates into the new week.



Supramax paper market followed the larger sizes, rates pushed in early trading on Monday before coming off the highs towards the end of the day. From Tuesday to midweek, we saw decent volume trading on the front of the curve, with a lot of drifting through most of Tuesday and Wednesday and on the back end of the curve. And then days of two halves throughout the rest of the week. This week rates came under pressure across the curve against a flattening index and rates drifting lower for the larger sizes. Losses extended into the deferred periods, and we closed support at the day's lows. Apr ranged from \$15,500 to \$17,675, Q2-23 from \$15,650 to \$17,550, and Cal 24 from \$13,325 to \$14,150.

**Short run neutral to bullish**

## FFA Market Indexes

Freight Rate \$/day	20-Mar	13-Mar	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	16,134	15,099	6.9%	8,255	16,177	33,333	13,070	18,025
Panamax4TC	13,934	13,785	1.1%	9,486	8,587	25,562	8,587	11,112
Supramax10TC	14,619	13,580	7.7%	9,496	8,189	26,770	8,189	9,948
Handy7TC	12,646	11,697	8.1%	9,231	8,003	25,702	8,003	9,288

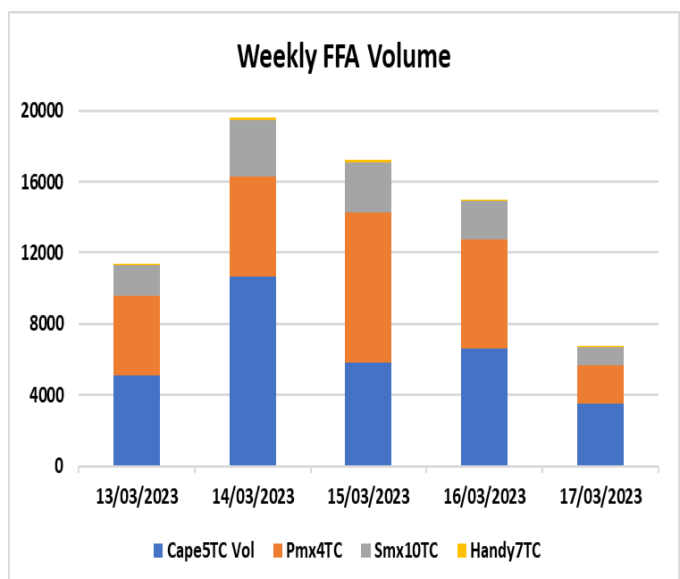
## FFA Market Forward Values

FFA \$/day	20-Mar FIS Closing	13-Mar FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Apr 23	17,325	18,675	-7.2%	21,950	16,750	21,950	8,600
Capesize5TC Q2 23	22,150	22,125	0.1%	23,500	17,500	23,500	12,400
Panamax4TC Apr 23	15,175	17,325	-12.4%	18,500	15,100	19,600	11,000
Panamax4TC Q2 23	16,375	17,125	-4.4%	18,100	15,500	18,100	12,300
Supramax10TC Apr 23	15,975	17,000	-6.0%	17,750	15,500	17,750	11,200
Supramax10TC Q2 23	16,300	16,750	-2.7%	17,350	15,500	17,350	12,000

Data Source: FIS Live, Baltic Exchange

## FFA Market

Another heavy week for the FFAs market, with around 72,600 lots traded on futures and 9,670 lots on options last week. The main action was taken place on the larger size; Capes and Panamaxes futures traded around 6,350 lots and 5,380 lots per day last week; Supramaxes followed right behind with an average of 2,170 lots traded daily last week. Panamax gained most of the interest on options, with 7,740 lots being cleared among the total of 9,670 lots. As expected, high volatility persisted throughout the week, with primary activity focusing on Apr, Q2'23 and Q3-Q4'23 contracts; decent volumes extending to Cal24. Open Interest increased along with rising price, confirming an upward trend; on 20th Mar, Cape 5TC 195,575(+8,800 w-o-w), Panamax 4TC 190,388(+4,040 w-o-w), Supramax 10TC 90,976 (+1,480 w-o-w).



## Dry Bulk Trades/Iron Ore

A steady week for iron ore shipments, with last week's volume staying around 29.7 million tonnes. For the top exporter, Australia shipped about 18.6Mmt, up 6.8% w-o-w. At the same time, its shipments to China have climbed above the high end of the seasonal range for the fourth consecutive week. Moreover, Exports from South and West Africa also lifted 8.6% weekly to 1.9 Mmt. But on the downside, shipments from Brazil dropped for a second week to 4.8Mmt, showing a sharp weekly decrease of 22.2%. Iron ore prices sank after the Chinese market regulator took measures to price control the underlying market. Nevertheless, iron ore demand stays firm with rising steel production during construction season. According to a Mysteel industry survey, the daily crude steel production among 247 Chinese BF and 71 EAF steel mills rose 1.1% to a nine-month high of 2.98 million tonnes per day during 11-20 March.

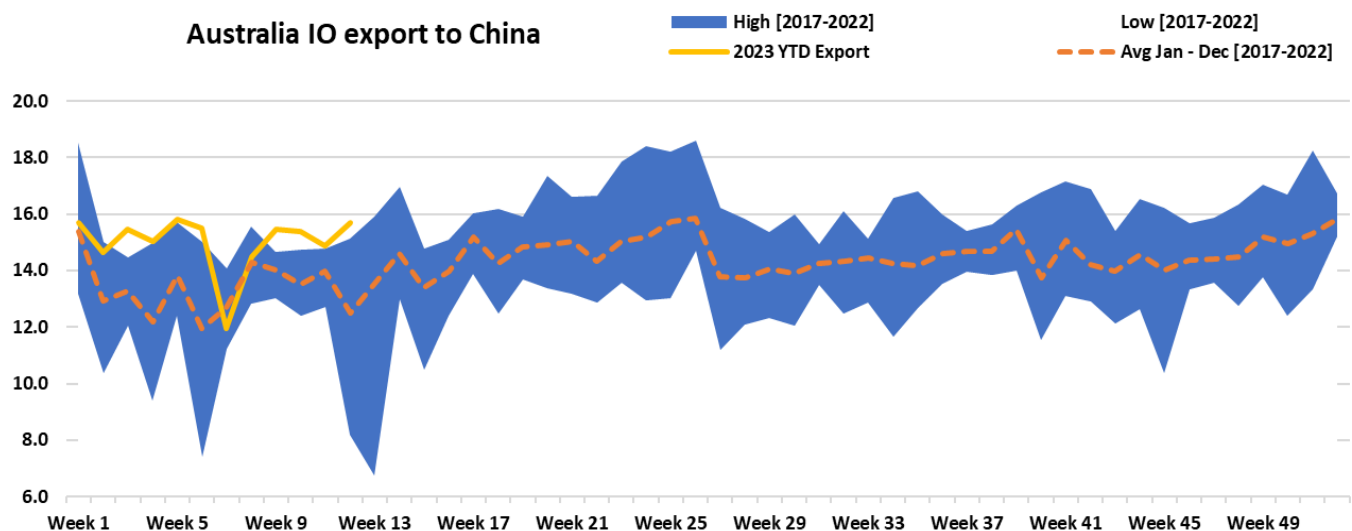
### Dry Bulk Trades/Iron Ore

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>

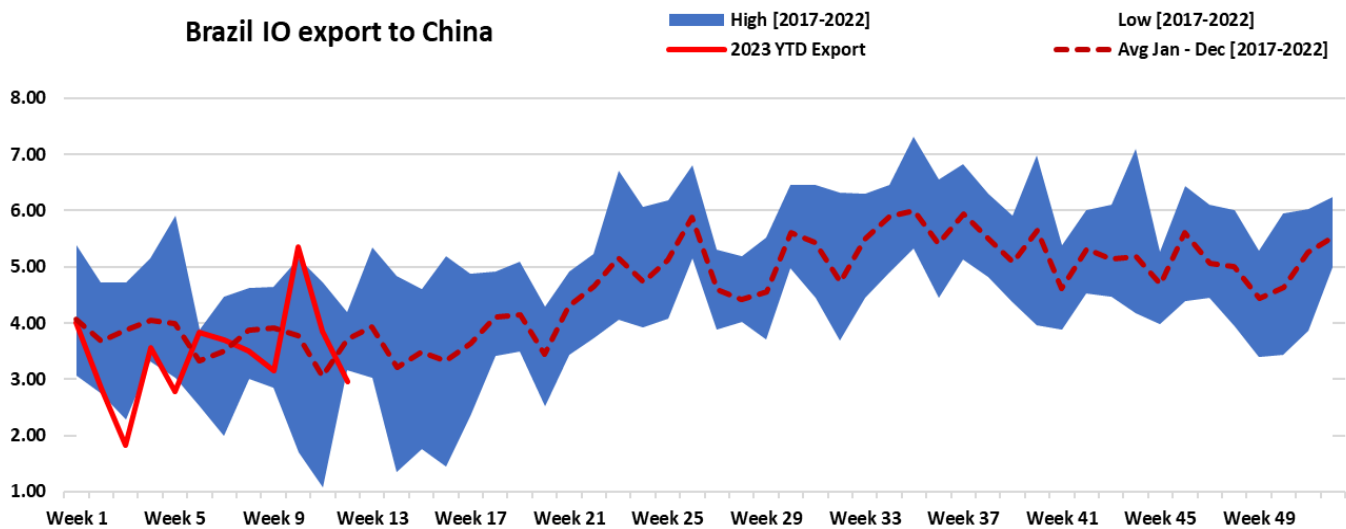
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.7	14.9	5.6%	8.83	8.17	8.0%
Brazil-China	3.0	3.8	-23.1%	20.85	19.45	7.2%

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

Another positive week for global coal shipments, as data from IHS Markit Commodities at Sea Service showed around 28.7 million tonnes of coal being shipped in a week, up 7.4% from the previous. In the Asian Pacific, Indonesia ramped its exports to about 12.8 million tonnes, marking a weekly volume jump of nearly 20%. In particular, exports from Indo to China surged 34.6% last week to another record week of 7.4 Mmt, as the chart shows below. Australian coal remained healthy, with weekly volume slipping to about 6.8 million tonnes (-2.7% w-o-w). Despite that, we saw strong demand from key regions; its exports to the JKT region firmed up 5.7% to 4.1 Mmt, India 1.1 Mmt (+3.8%) and a rapid increase to SE Asia at 1.1 Mmt (+109.2%).

### Dry Bulk Trades/Coal

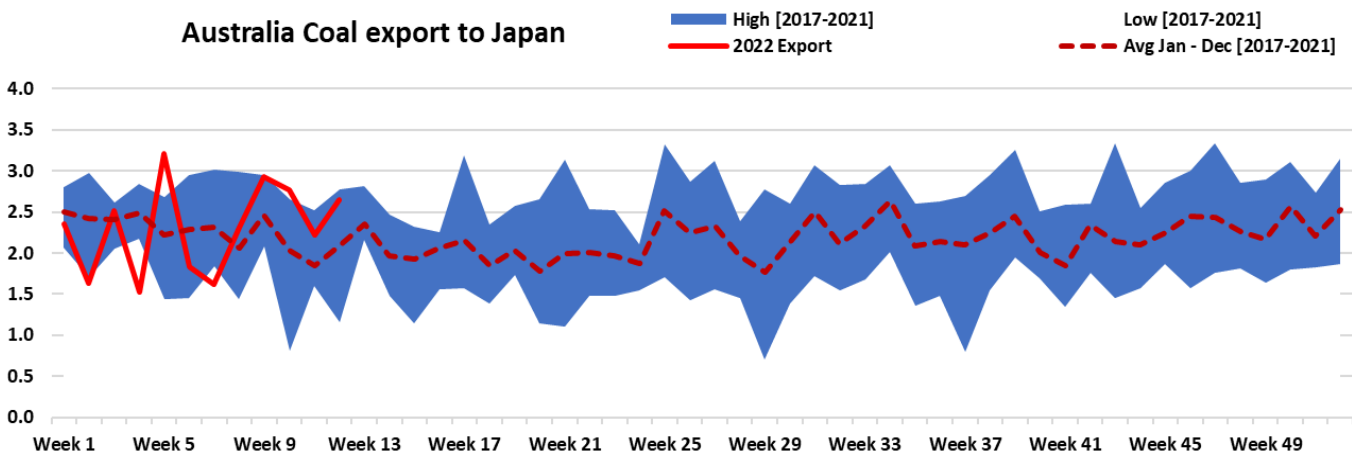
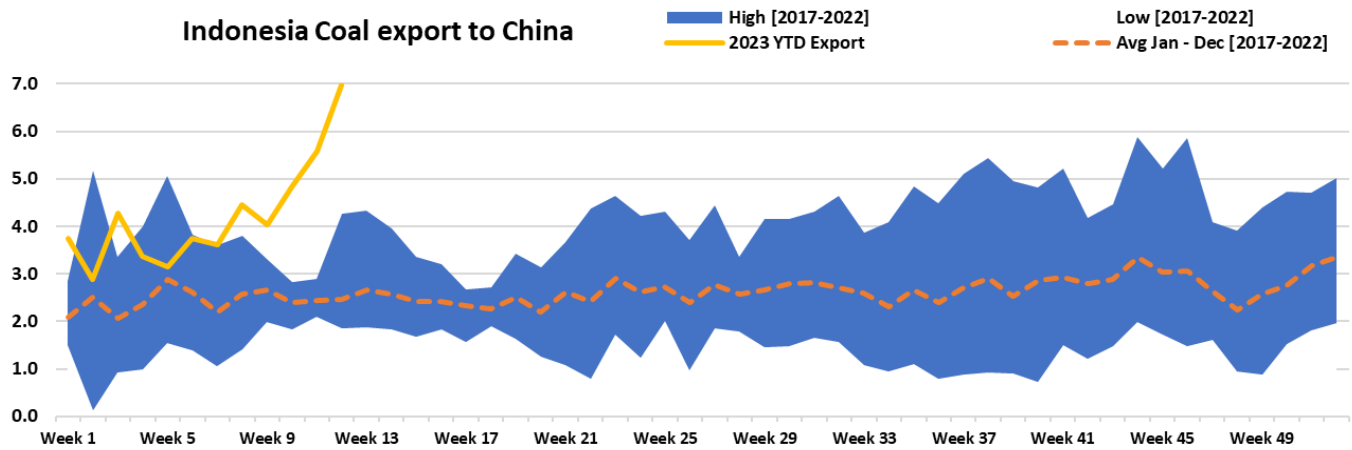
Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Indonesia	38.1	34.6	124.4	130.8	118.9	88.8	462.9	415.2
Australia	25.2	26.7	84.4	79.8	90.8	84.6	339.6	368.3
Russia	13.3	15.7	50.1	47.9	51.2	41.9	191.0	172.3
USA	8.3	7.2	17.7	18.0	19.1	17.6	72.4	69.5
Colombia	4.3	4.1	16.2	15.0	14.4	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	7.0	5.6	24.8%
Australia-Japan	2.6	2.2	19.3%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

## Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

## Dry Bulk Trades/Agri

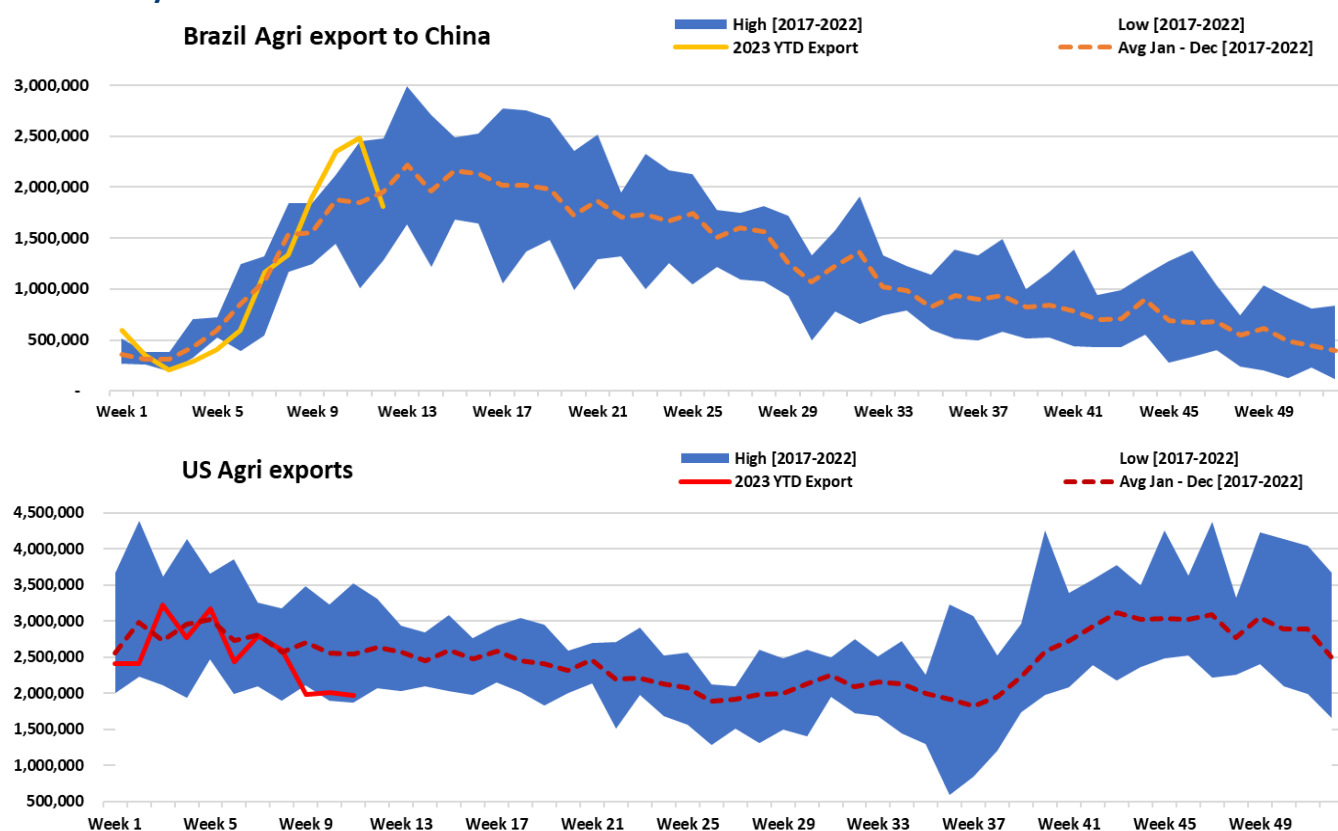
After a slowdown in the previous week, global gains shipments rebound 13.3% on the week to around 12.9 million tonnes, according to IHS Markit Commodities at Sea Service. Total shipments from Brazil also recovered by 8.7% on the week to 4.1 million tonnes, whilst its exports to China took a dive last week and came back to the seasonal average after eight weeks of increases. Elsewhere, weekly shipments from the US steadied at 2.1 million tonnes, and Australia improved for the second week to 1.3 million tonnes (+10.3%), respectively. Global grain prices fell after extending the Black Sea export deal for at least 60 days. Last week, around 1.3 million tonnes of grains were shipped out from the region.

### 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	1,813.1	2,487.2	-27.1%	43.0	42.0	2.3%
US-China	144.7	407.3	-64.5%	52.6	51.4	2.3%

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

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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