

FIS Dry Freight Weekly Report

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Market Review:

The larger dry bulk vessels dropped on the back of increasing tonnage supply. Chinese iron ore demand expected to fall further with the ongoing steel production curbs this month. Panamax took a bigger hit after the cancellation of Black Sea corridor and weaker Brazilian grains shipments. However, foreseeable congestion levels in Western Pacific due to Typhoon Doksuri could become a supporting factor this week.

Freight Rate \$/day	24-Jul	17-Jul	Changes %	Short Term	Sentiment
Capesize 5TC	11,795	13,386	-11.9%	Bullish	↑
Panamax 4TC	6,850	8,420	-18.6%	Neutral to Bullish	↗
Supramax 10TC	8,323	8,168	1.9%	Neutral to Bullish	↗
Handy 7TC	7,192	7,310	-1.6%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	221	+22	138 (-11)	62 (+25)	18 (+10)		
Panamax	343	+20		185 (+24)		67 (-9)	52 (-4)
Supramax	509	+38		106 (+12)		75 (+7)	309 (+25)

Capesize

Without any significant improvement in both basins, Cape time charter rate moved gradually lower and lost nearly 12% of its value last week. In the Asian Pacific market, cargo volumes rebounded from the previous week but remained at the recent weeks low. On a weekly basis, Cape iron ore shipments recovered 8.6% to 28.8 million tonnes and bauxite shipments jumped up to a 6-week high at around 3.8 MMt, however, coal shipments were flat. Although majors were presented in the Pacific market, only a few vessels were fixed. The key C5 iron ore route (West Australia to China) eased further below the \$8 mark to \$7.60 for early Aug loading dates. On the coal front, a coal cargo from Whyalla to Qingdao was heard at highs of \$10s for 12-16 August.

In the Atlantic, rates also come under pressure as lengthy ballsters towards Brazil. Moving iron ore on the C3 route (Tubarao to Qingdao) was fixed at \$20.10 for 8-17 Aug at the start of last week, before drifting to \$19.50 for 10-15 Aug and then \$19.10 on 5 Aug onwards. Another iron ore cargo from Itaguaí to Qingdao 24-28 August was fixed at \$19.32. In the north, trips from Seven Islands to Qingdao was heard at low-mid \$22s for 10-17 August and from Puerto Bolivar to Rotterdam was at \$8.95 for early Aug. Since more prompt tonnage were absorbed, we saw Cape slow down its downside move last Friday. Into the new week, Cape market took a positive turn in response to super typhoon Doksuri hitting Philippines on late Monday before heading to S. China later this week, in which a possible increase in congestion and delays in the region will unfold.

Capesize 5TC Rolling Front Month Trading Range

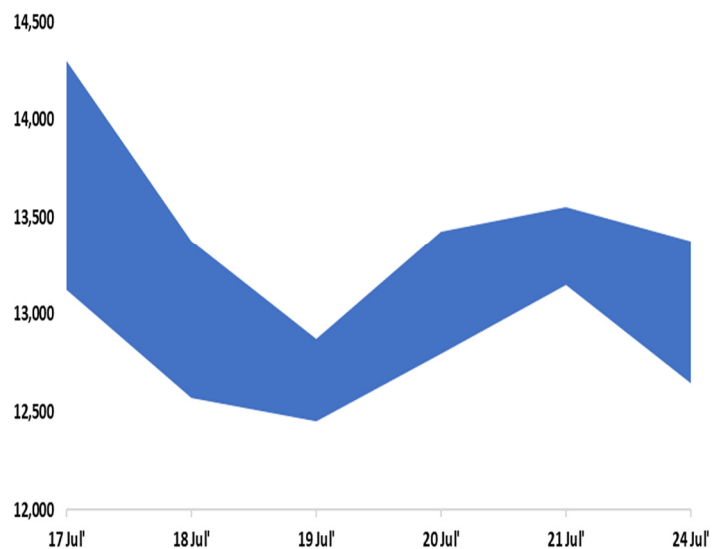


Chart source: FIS Live

Monday the 17th saw consistent bearish sentiment for the cape market as selling unfolded through a fairly thin market. Capes Aug traded down from \$14400 to the low \$13200, with Sept following suit trading down to over \$750. On the back end the Cal24 traded in size at \$13500 with over 40dpm going through. A grim day on Tuesday as Aug sold down from \$13500 in the morning down to \$12500. July was sold down from \$13000 to \$12400 whilst Q4 was sold \$500 lower. The trend continued onto Wednesday saw prompt month contracts rangebound in a \$150 range. Majority of the day's volume was seen going through Q4 which traded in fair size between \$15400 and \$15500. Thursday saw bid support as Oct was paid at 16250 and Q4 at 15500. Aug was paid at 13500 and Sept paid up to 15500 and Q4 at 15800. A quite and rangebound day for the capes on Friday, with minimal market momentum leaving the rangebound trading to occur throughout the day. Monday the 24th saw Aug and Sept trading down to 12750 and 14700 with the Q4 trading down to 15350.

Short run bullish

Panamax

As fundamentals remained depressed in the Panamax market, rates fell further throughout last week. In terms of shipments, coal demand firmed up another week, however, on the grains side, volumes took a deep dive amid falling Brazilian shipments and the cancellation of Black Sea corridor. More vessels became available for the prompt cargoes in both basins, therefore more time might be needed for Panamax to find a support level. In the highlighted fixtures, Brazilian grain cargoes were paid in mixed levels, trips via NCSA redelivery Singapore -Japan were fixed from \$15,000 to \$15,800; via ECSA to Far East initially firmed up from \$13,500 to \$14,100 but rumour fell to \$12,500 by the end of the week. On the transatlantic, trips via ECSA redelivery Skaw-Gibraltar were heard at around \$16,000 and Baltic redelivery Skaw-Gibraltar was fixed at \$7,500 covering 77kt. In the Asia market, fresh cargoes were lacking, with Indonesia coal demand remaining the sole support. Coal trips to India and South China were fixed at around \$5,000 and \$6,000 respectively. Elsewhere, trips via EC Australia redelivery India at \$5,000 and Taiwan at low \$7,000s. An interesting week ahead for Panamax as fundamentals remained largely unchanged, however, a positive Cape market may lend in some support and limit downside risks.

The week started off with July printing at \$8150, Aug at \$9250 to start and Sept at \$10600 before dipping lower. Pre index Aug printed down at \$8900 and Sep to \$10200 before finding temporary support. Little changed in the afternoon. On Tuesday, July sold off to \$7900 in volume, Aug and Sept slipped to \$8500 and \$9775 lows respectively, while Q4 tested \$10k support and further out Cal24 traded down to \$10100. Like with the cape market, the Panamax market has endured a slow start to the week. Cal24 traded in 15dpm in \$10050 with the Cal25 trading at \$10150. Pmx opened with early sellers seeing Aug sold down to 8000 early on Thursday. Pmx was weaker than anticipated down 437. Despite this, the paper market rebounded with Aug trading up to 8500, Sept 9650 and Q4 10300. A rangebound end to the week, as sellers stalled any move post index and the week closed up \$200 average. The beginning of this week saw Aug slipping from \$8250, breaking the \$8000 low of recent times to hit \$7750, and Sept from \$9750 down to \$9250.

Short run neutral to bullish

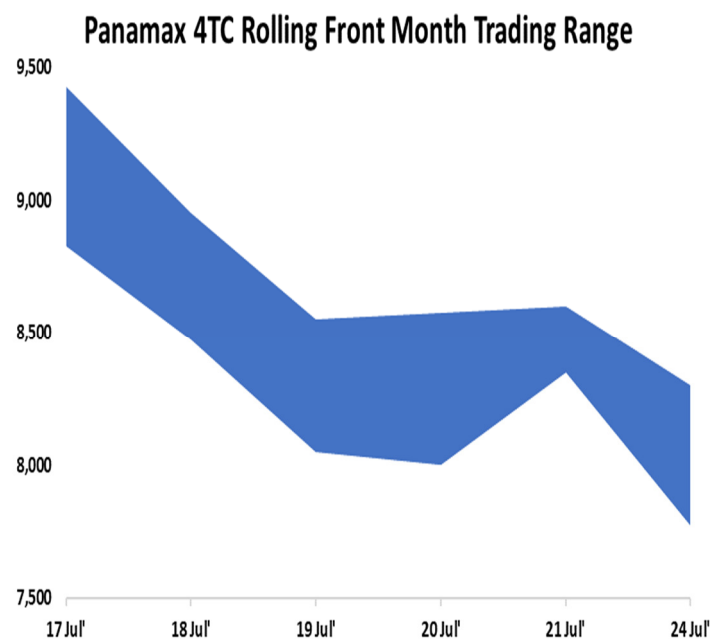


Chart source: FIS Live

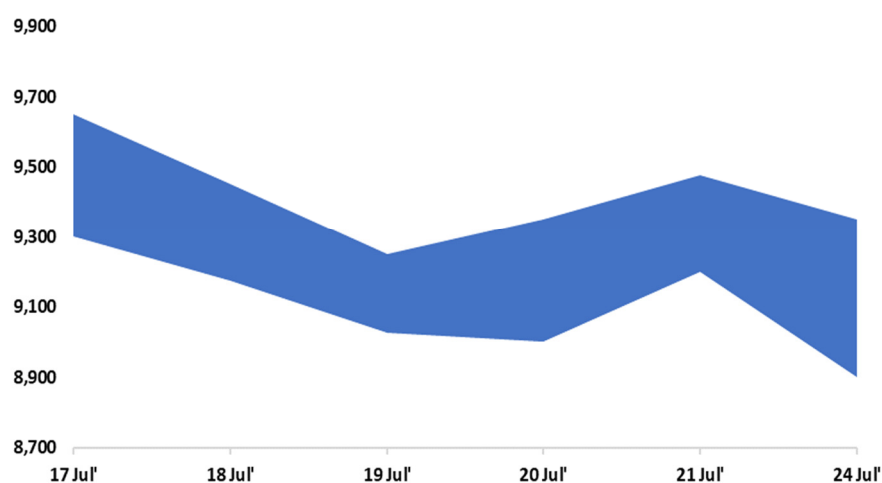
Supramax

In contrast to the bigger vessels, a steady supply and demand profile has developed for Supramaxes. In terms of demand, lower grain shipments were offset by firm coal and minor bulk volumes. As a result, SMX closed the week with marginal gains. Fixtures wise, sentiment remained a mixed bag in the Atlantic, trips from the North were heard at better rates as US Gulf to EC Mexico with grains was fixed at \$10,250 and to Egypt with coal at \$12,500. On the other hand, limited fixing activity was reported from ECSA. On the Asian side, Indonesian coal to China was fixed at between \$8,000-mid \$9,000. A smaller size carried 52kt via Indonesia redelivery EC India was fixed at \$3,000. Elsewhere, a 61kt iron ore cargo via EC India to China was fixed at \$8,400. The congestion level is estimated to increase as typhoon Doksuri potentially moves from East Asia to land in China.

The start of last week saw modest volume being traded on the supramax paper with a flat index (-10). July and Aug traded down to \$8300 and \$9350, while Q3 and Q4 traded down to \$9350 and \$10400. On Tuesday, Aug remained rangebound, trading in good volume in a tight \$9200-\$9300 range, Sept slipped to \$10000 low. Cal24 made up most of the day's volume, printing \$10300 in size. Another bearish day on Wednesday with selling pressure continuing to come spread against Panamax. Aug and Sept traded down to \$9000 and \$9800, Q4 traded down to \$10050, while Cal24 and Cal25 traded down to \$10350 and \$10450 respectively. Q4 was the main move on Thursday, pushing \$250 on the day to \$10400 high. A rangebound end to the week for supramax paper on the front curve, with good volume trading in a tight \$9300-\$9450 range on Aug. The start of this week saw August and September trading down to lows of 8850 and 9650 respectively, with the Aug v September trading in size at -800 while the Q4 traded down to 10300.

Short run neutral to bullish

Supramax 10TC Rolling Front Month Trading Range



FFA Market Indexes

Freight Rate \$/day	24-Jul	17-Jul	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	11,795	13,386	-11.9%	12,315	16,177	33,333	13,070	18,025
Panamax4TC	6,850	8,420	-18.6%	10,128	8,587	25,562	8,587	11,112
Supramax10TC	8,323	8,168	1.9%	10,195	8,189	26,770	8,189	9,948
Handy7TC	7,192	7,310	-1.6%	9,754	8,003	25,702	8,003	9,288

FFA Market Forward Values

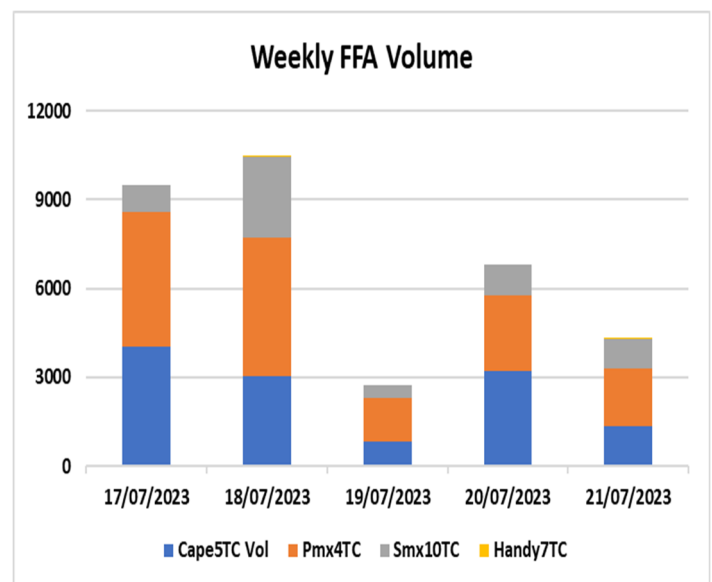
FFA \$/day	24-Jul FIS Closing	17-Jul FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Aug 23	12650	13300	-4.9%	14,500	12,450	24,500	8,550
Capesize5TC Q4 23	15375	15700	-2.1%	16,000	15,150	22,500	12,400
Panamax4TC Aug 23	7900	8825	-10.5%	9,350	7,750	18,100	7,750
Panamax4TC Q4 23	10175	10275	-1.0%	10,500	9,350	17,500	9,350
Supramax10TC Aug 23	8975	9350	-4.0%	9,700	8,750	17,350	8,750
Supramax10TC Q4 23	10350	10475	-1.2%	10,550	10,050	16,950	9,900

Data Source: FIS Live, Baltic Exchange

FFA Market

A rather quiet one for the FFAs last week, with trading volumes of just 51,100 lots posted on exchanges. In average, Capes and Panamax futures traded around 2,490 lots and 3,040 lots per day last week; Supramaxes had a less active week with an average of 1,230 lots traded daily last week. On the options side, main action also focus on the the larger sizes with 4,490 lots being cleared on Cape and 4,830 on Panamax. The primary activity focuses on Aug, Sept and Cal24 contracts; good trading interest also saw on Q4 and Cal25. Open interest increased along with falling price, confirming a downward trend; , on 24th Jul, Cape 5TC 184,049 (-+2,850 w-o-w), Panamax 4TC 200,749 (+4,620 w-o-w), Supramax 10TC 92,912 (+1,900 w-o-w).

In addition, decent trading was seen on the voyage routes futures last week, with 1.225 million tonnes changing hands on C5, 420kt on C3 and 300kt on C7.



Dry Bulk Trades/Iron Ore

Despite weaker Chinese GDP figures and oversupply from the top miners, iron ore futures had a bullish run last week on the back of government stimulus on the property market and steel consumption. On the demand side, iron ore shipments to China edged up slightly but remain heavily impacted by the production curbs in key steelmaking region and by slower construction activity due to the heatwave in parts of China.

Last week, total iron ore shipments rebounded a touch to 31.7 million tonnes, although remained at a lower level for the third week. Brazilian iron ore demand recovered by 14% last week to 7.9 MMT after two negative weeks. As the charts below show, last week's shipments from Brazil to China has come off the seasonal mid-point and moved towards the seasonal high. Moreover, exports generated from Australia improved to 17.8 million tonnes with better demand from China, up 8.3% from the previous week. However, as a stricter production curb was announced this week, its likely Chinese iron ore demand will take a hammering. A market source reported that the largest steelmaker Baowu Steel Group received a notice from the authority about keeping their output level the same as last year, which could lead to a 10% reduction in the 2H2023. Market expected similar production curbs would be applied to other steelmakers.

Dry Bulk Trades/Iron Ore

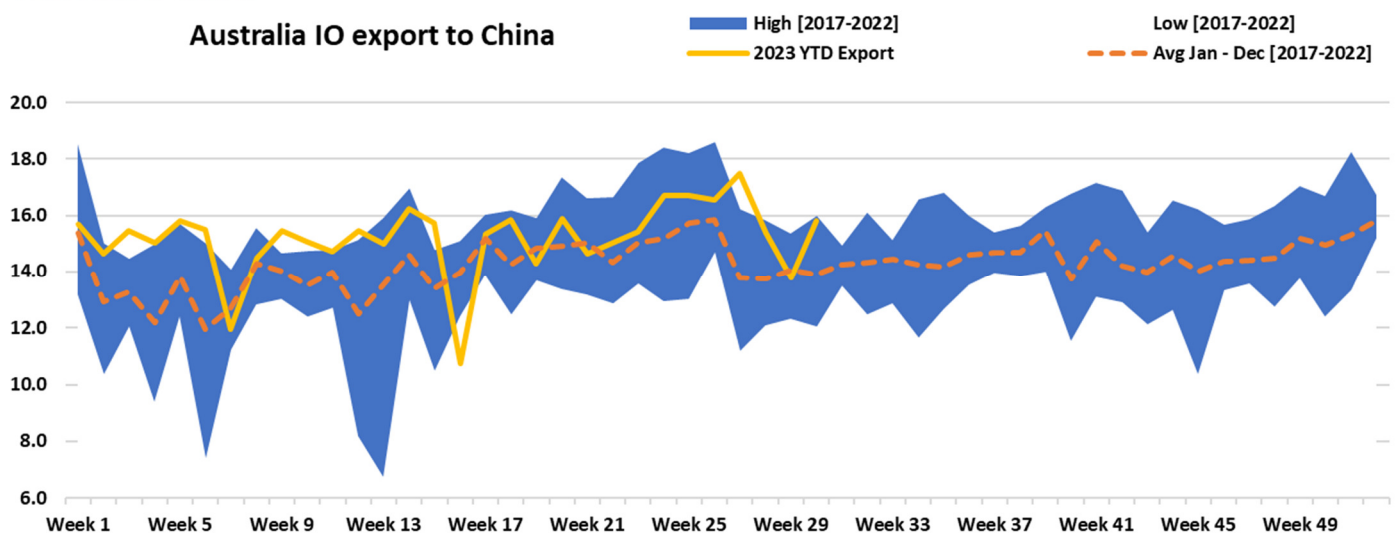
Export (million tonnes)	Jun-23	May-23	Q2-23	Q1-23	Q4-22	Q3-22	2022	2021
Australia	85.7	79.4	239.2	227.8	246.6	235.1	858.3	919.8
Brazil	34.6	31.8	92.1	72.8	93.0	97.7	320.0	352.9
South Africa	3.9	4.5	13.3	14.5	11.0	15.5	51.6	60.5
India	2.8	3.5	10.1	11.7	2.7	0.9	13.7	37.6
Canada	3.9	5.6	13.5	13.2	14.4	17.7	53.5	57.2
Others	15.4	12.7	44.1	40.8	45.0	43.5	160.2	201.2
Global	146.3	137.5	412.2	380.9	412.7	410.4	1457.3	1629.2

Iron Ore Key Routes

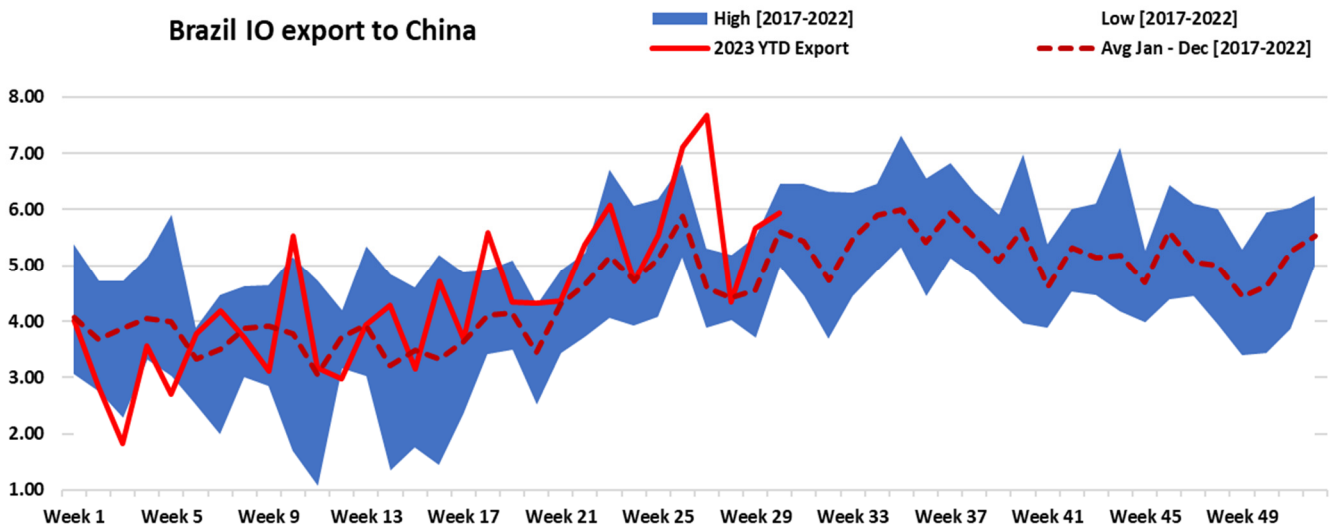
	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.8	13.8	14.7%	7.60	8.06	-5.8%
Brazil-China	5.9	5.7	5.0%	19.34	19.91	-2.8%

Seasonality Charts

Australia IO export to China



Brazil IO export to China



Dry Bulk Trades/Coal

Weekly coal shipments rose nearly 21% last week and returned to its recent high at around 28.6 million tonnes, driven by robust demand from key regions. Out of Australia, coal exports climbed up to 7.8 MMT for another week with a weekly increase of 8.9%. Decent demand continued to be seen from most key regions, with volume from JKT soaring 98% to 4.8 MMT, China 2.1 MMT (+69%) and SE Asia 805kt (+100%), except a small drop to India 1.7MMT (-7%) after hitting a record high in previous week. On top of that, Indonesian coal shipments also firmed up 24% to 10.6 MMT, with a 34% supply increase to China at 5.2 MMT. As the chart below shows, weekly coal exports from Indo to China has surpassed the high end of the 6-year seasonal range for the third consecutive week.

Dry Bulk Trades/Coal

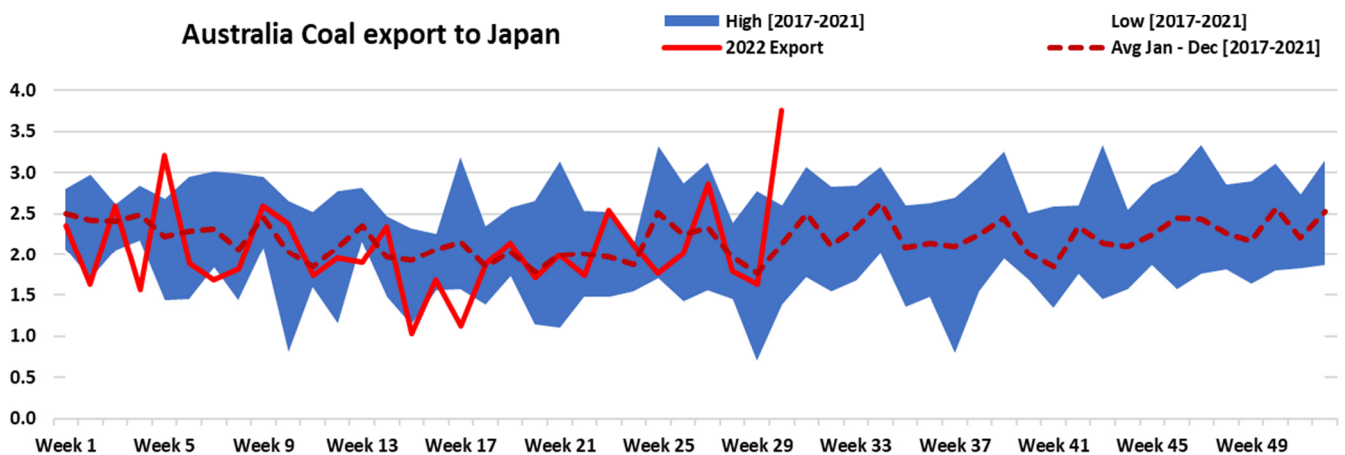
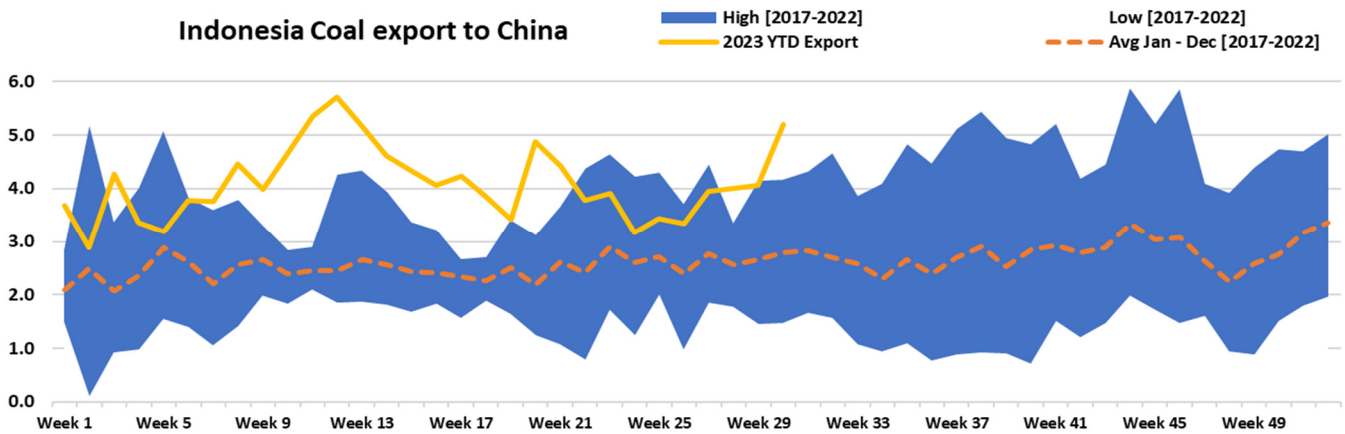
Export (million tonnes)	Jun-23	May-23	Q2-23	Q1-23	Q4-22	Q3-22	2022	2021
Indonesia	37.8	41.1	120.0	119.7	124.2	130.7	448.7	415.2
Australia	34.0	31.2	93.3	79.5	84.5	79.7	308.0	368.3
Russia	15.9	17.2	50.2	46.4	50.3	48.3	177.7	172.3
USA	7.6	7.1	21.4	20.4	17.4	17.4	66.3	69.5
Colombia	5.9	5.2	14.7	12.6	16.2	14.9	55.7	60.9
South Africa	5.1	5.0	15.7	15.2	14.9	16.1	56.5	62.1
Others	8.7	10.4	28.0	23.9	22.2	23.4	86.2	88.1
Global	115.0	117.3	343.3	317.7	329.5	330.5	1199.0	1236.4

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	5.2	4.1	27.8%
Australia-Japan	3.8	1.6	130.0%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

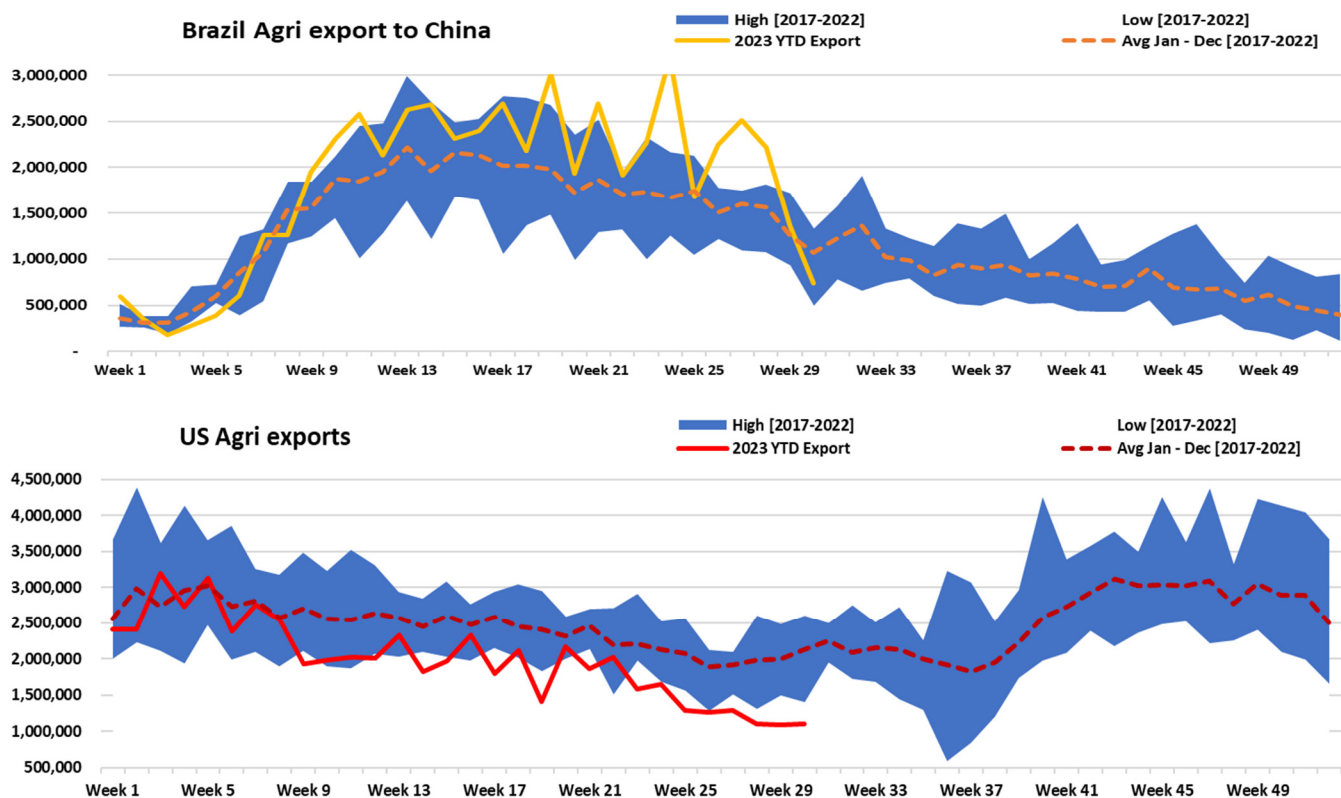
Another negative week for grain shipments, as total export volumes dropped further to 8.9 million tonnes, with a weekly decrease of 7.8%. Out of ECSA, grain shipments fell for the third week and stood at 4.4 MMT, down 9.5% w-o-w, mainly due to lower Brazilian shipments. Apart from that, US grain shipments fell further below the low end of the 6-year average. In the Pacific, another subdued one also seen on the Australian side seeing weekly shipments come off 9% to near 800kt. In addition, grains shipped out of the Black Sea region slumped over 20% to 587kt last week, with expectation of reducing volume in coming weeks.

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	740.3	1,363.6	-45.7%	34.1	35.2	-3.0%
US-China	52.7	72.5	-27.2%	45.9	46.5	-1.2%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Export (million tonnes)	Jun-23	May-23	Q2-23	Q1-23	Q4-22	Q3-22	2022	2021
Brazil	20.0	19.7	57.6	42.7	40.8	49.7	169.1	157.2
USA	6.0	8.2	22.9	30.7	36.8	23.9	115.2	140.8
Argentina	5.1	5.2	14.5	12.1	19.5	22.5	81.8	87.0
Ukraine	1.5	1.2	5.5	9.7	9.7	4.5	20.2	58.9
Canada	2.5	3.3	9.4	11.8	15.0	6.7	31.4	40.6
Russia	3.1	3.3	10.1	10.0	11.7	7.6	27.5	29.7
Australia	3.8	4.6	12.6	14.3	11.6	11.8	44.3	39.7
Others	4.3	5.9	16.4	23.0	20.0	25.8	87.1	87.4
Global	46.2	51.5	149.0	154.3	165.0	152.5	576.6	641.4

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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