

FIS Dry Freight Weekly Report

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Market Review:

The Capsize firmed up to a one-month high due to the positive signs showed in the Atlantic basin and weather concerns potentially increasing congestion in the Pacific. Panamax followed suit to end the week 11.4% higher on the time charter rate. However, Supramax rates fell a touch due to thin activity and tonnage built up in the US Gulf.

Freight Rate \$/day	31-Jul	24-Jul	Changes %	Short Term	Sentiment
Capesize 5TC	15,533	11,795	31.7%	Neutral to Bullish	↗
Panamax 4TC	7,628	6,850	11.4%	Bullish	↑
Supramax 10TC	7,905	8,323	-5.0%	Neutral	-
Handy 7TC	7,090	7,192	-1.4%		

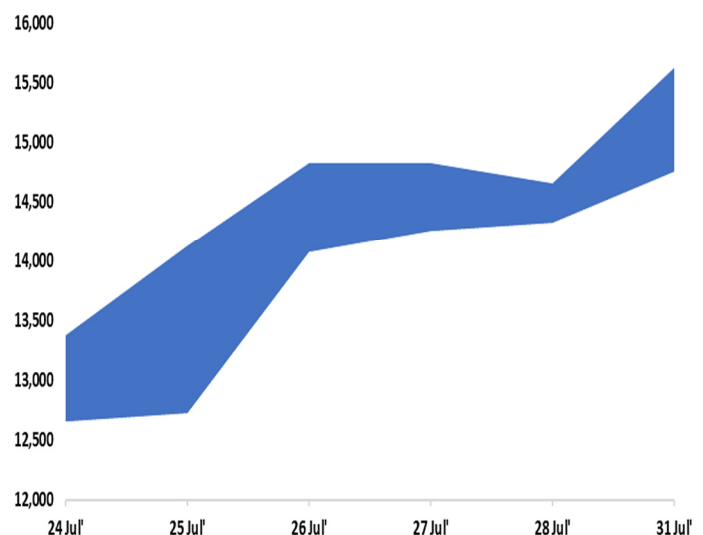
IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	220	+2	164 (+27)	41 (-20)	7 (-12)		
Panamax	375	+35		187 (+9)		86 (+17)	62 (+7)
Supramax	504	-16		114 (+9)		66 (-11)	297 (+16)

Capesize

Cape time charter rates climbed above \$15,000 last week, supported by increasing iron ore demand and more positive signs showed in the Atlantic. Regarding volume, weekly Brazilian iron ore shipments rose to 8 million tonnes with its exports to China hitting a 1-month high, this was coupled with sharp volume rebound from West Africa. Out of Australia, exports are reported to be steady with a marginal weekly increase. However, on the coal front shipments by Capesize vessels, they fell over 6% to about 6.3 million tonnes due to widening spreads with Panamax. Fixtures wise, rates in the Pacific gradually lifted with the key iron ore route (C5-West Australia to China) fixed from \$7.50-7.75 to \$8 for mid Aug loading dates.

In the Atlantic, better rates reported on both TA and FH routes along with increasing activity. Moving iron ore on the C3 route (Tubarao to Qingdao) was fixed at \$19.45 for mid Aug, same level as previous week. In the north, cargoes from Seven Islands to Oita were paid higher at \$25.5 for 12-18 August and from Port Cartier to Pohang at \$27.4 for 22 Aug – 5 Sept. Elsewhere, trips from Saldanha Bay to Qingdao were heard at \$14 for 13-19 Aug and then at \$14.75 for 1-3 Sept at the latter part of the week; to Rotterdam was fixed at \$5.4 for 20-29 Aug. Into the new week, Cape market held on to its gains on the back of a shortening tonnage list in the Atlantic region and weather concerns remaining over typhoon impacted transportation. A rather quiet start to the week with some owners adopting a wait and see stance.

Capesize 5TC Rolling Front Month Trading Range

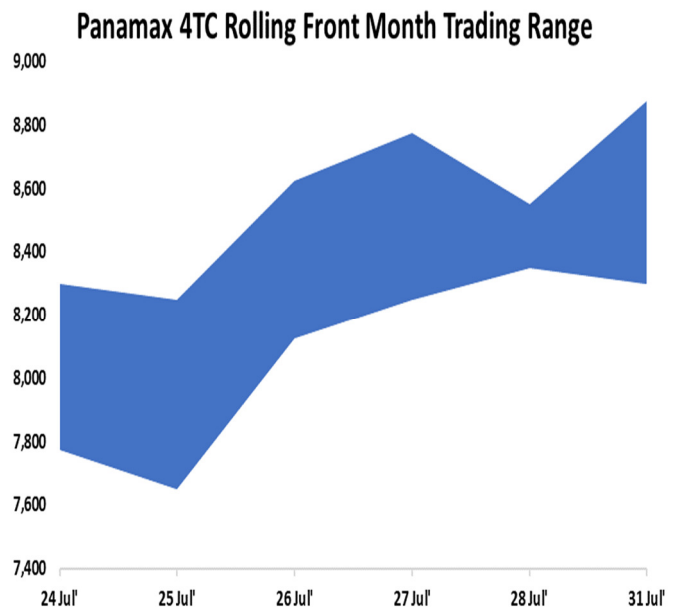


Monday opened with Aug and Sept trading down to 12750 and 14700 with the Q4 trading down to 15350. Decent volume occurred on the C5 with Aug and Sept trading down to 7.8 and 8.4. Tuesday brought about a more exciting day as the afternoon session saw Aug trading up from 12750 to 14250 with the Sept trading up from 14800 to 158 towards the close. The morning session on Wednesday with Aug and Sept trading up to 14850 and 16250 respectively. Further out, Cal24, Cal25, and Cal26 traded 13950, 14250 and 15250 respectively. Thursday was another busy day in the C5 market as Aug traded in 1.7m kt between 8.05 and 8.10. The TCs saw rangebound trading with Aug trading between 14350 and 14750 and Sept trading between 15350 and 16000. Limited volume trading on Friday. Aug and Sept both traded down \$350 with the Cal24 being the majority of the day's volume trading 13700 and 13650. The last day of July saw Aug and Sept trade up \$1000 and \$750 respectively to 15500 and 16000 before trading within a \$200 range for the majority of the day.

Short run neutral to bullish

Panamax

Following the trend of Capes and a recovering US grains market, Panamaxes made some positive progress last week. Throughout the week, shipments improved across the board especially on the grains side. Last week, Panamax grain shipments rebounded 17% to 4.7 million tonnes with a sharp increase from the US, although it has yet to come out of the low range in the past 7 weeks. Coal shipments settled on the record levels for another week, which has been the sole support for the Asian market. In the Atlantic market, increasing fixture activities were reported on both Transatlantic and fronthaul routes amid better grain and mineral demands. In the North, a trip via US East Coast redelivery Skaw/Gib was fixed at \$7,500. Cargoes with grains via ECSA redelivery Singapore-Japan were fixed at between \$11,500-\$11,750. In the Asian market, rates were largely unchanged but mixed views from market players existed. Coal trips from Indonesia redelivery India and South China were fixed at \$5,000 and \$4,300 respectively. Elsewhere, trips via Australia redelivery Malaysia were fixed at \$6,000.



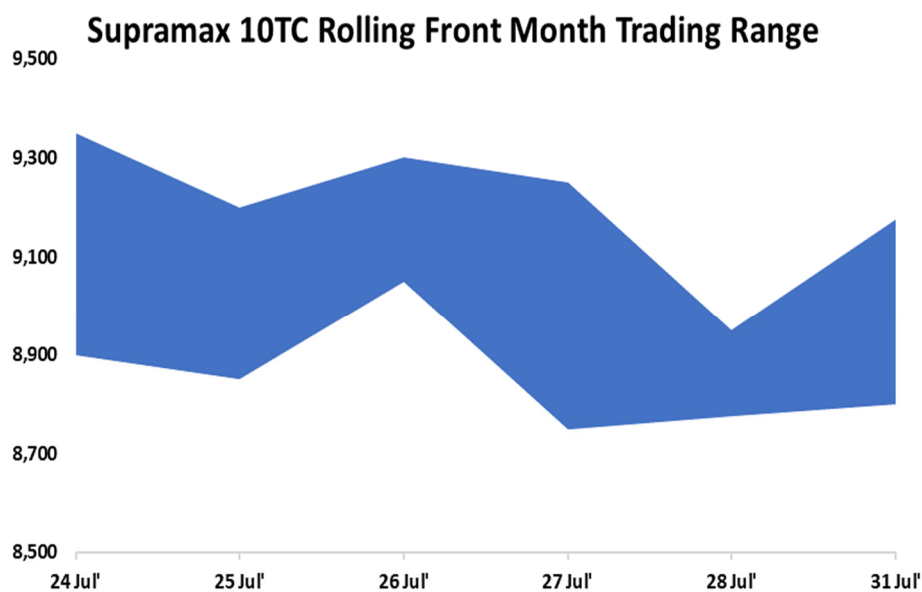
Last Monday quickly erased the previous week's gains and then remained relatively rangebound at the close of play. Aug slipped from \$8250, breaking the \$8000 low of recent to hit \$7750 and Sep from \$9750 down to \$9250. Despite a sloppy start to the day, Tuesday saw pockets of resistance cleared out on the prompts as the Aug v Sept spread narrowed a little further, trading from \$-1500 and \$-1300 with Aug and Sept printing \$8250 and \$9600 highs respectively. Steady support seen through Wednesday as buyers popped up the curve and we remained bid into the afternoon. A rangebound day on Thursday as the Panamax paper endured little movement across the curve despite some good volume trading. On Friday, another minor increase on the index proved to have little effect on the market as the front continued to be offered down with bid support at lower levels.

Short run bullish

Supramax

Last Monday suffered the same Monday blues as the rest of the market as it endured a softer opening leading to continued selling with bid support a touch below the day's lows. Aug and Sept traded down to lows of 8850 and 9650 respectively. A more positive start to the day on Tuesday, yet once reports in the East hit the market all gains were negated with Aug and Sept trading down to 8800 and 9500 respectively. Further out in the afternoon session, Cal24 closed 10850 and \$10900. A rangebound day on Wednesday with no notable movements. The same can be said for Thursday as Aug and Sept both traded in a \$250 range. Further out, Cal24 traded 10900 and 10800. Lack of liquidity in the market saw Aug and Sept trading in a \$250 range on Friday. The start of this week saw buying from the onset with the prompt pushing up early. Trading eventually became rangebound from the middle to later portions of the day with Aug trading up to 9150 and up \$300.

Short run neutral



FFA Market Indexes

Freight Rate \$/day	31-Jul	24-Jul	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	15,533	11,795	31.7%	12,385	16,177	33,333	13,070	18,025
Panamax4TC	7,628	6,850	11.4%	10,027	8,587	25,562	8,587	11,112
Supramax10TC	7,905	8,323	-5.0%	10,122	8,189	26,770	8,189	9,948
Handy7TC	7,090	7,192	-1.4%	9,664	8,003	25,702	8,003	9,288

FFA Market Forward Values

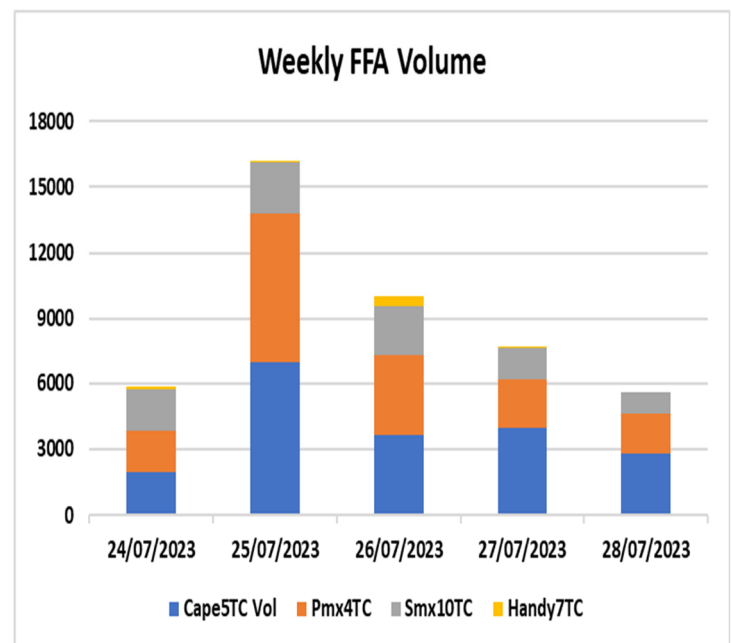
FFA \$/day	31-Jul FIS Closing	24-Jul FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Aug 23	15625	12650	23.5%	15,750	12,650	24,500	8,550
Capesize5TC Q4 23	16075	15375	4.6%	16,450	14,000	22,500	12,400
Panamax4TC Aug 23	8825	7900	11.7%	8,900	7,600	18,100	7,600
Panamax4TC Q4 23	10925	10175	7.4%	11,000	10,000	17,500	9,350
Supramax10TC Aug 23	9675	8975	7.8%	9,350	8,750	17,350	8,750
Supramax10TC Q4 23	10825	10350	4.6%	10,900	10,200	16,950	9,900

Data Source: FIS Live, Baltic Exchange

FFA Market

Another calm week for the FFAs market in terms of volume, with total trading lots of just over 54,000 lots posted on exchanges. In average, Capes and Panamax futures traded around 3,860 lots and 3,270 lots per day last week; Supramaxes followed right behind with an average of 1,800 lots traded daily last week. On the options side, market took a breather seeing action only on the larger sizes with 2,400 lots being cleared on Cape and 4,450 on Panamax. Overall, the primary activity focuses on Aug, Sept and Q4 contracts; good trading interest also saw on Cal24-26. Open interest decreased as July and Q3 contracts come to an end, on 31st Jul, Cape 1609,63 (-23,090 w-o-w), Panamax 4TC 179,866 (-20,890 w-o-w), Supramax 10TC 83,337 (-9,580 w-o-w).

In addition, strong trading interest was seen on the voyage routes last week, with 4.1 million tonnes changing hands on C5, 100kt on C7 and 25 days on P6.



Dry Bulk Trades/Iron Ore

Market participants had mixed views on Chinese iron ore demand. On the production side, steel mills were required to keep their production unchanged from last year, indicating a lower output in the second half of the year. On the other hand, more stimulus measures were expected from the government as the current policies have failed to boost the property and manufacturing sectors. Elsewhere, market sources reported that more blast furnaces resumed in the key steelmaking region Tangshan as production restrictions for July month were lifted. As such, we could see increasing demand over the coming week.

Last week, total iron ore shipments firmed up nicely to 34.1 million tonnes, up 7.2% w-o-w, driven by steady shipments from the top exporters. Brazilian iron ore shipments edged up 3.8% to above 8 million tonnes thanks to robust demand from China. As the charts below show, last week's shipments from Brazil to China have surpassed the high end of the 6-year average to reach a one month high, supported by healthy steel margins. Furthermore, volumes from Australia also improved for a second week to 18.8 million tonnes, up 6.4% w-o-w. Exports to China retreated a touch to 15.2MMT due to a higher shipment in the previous week. In other regions, shipments out of West and South Africa rose by 27% to 1.9MMT last week, owing to robust exports from West Africa with its weekly volume hitting a record high of 820kt.

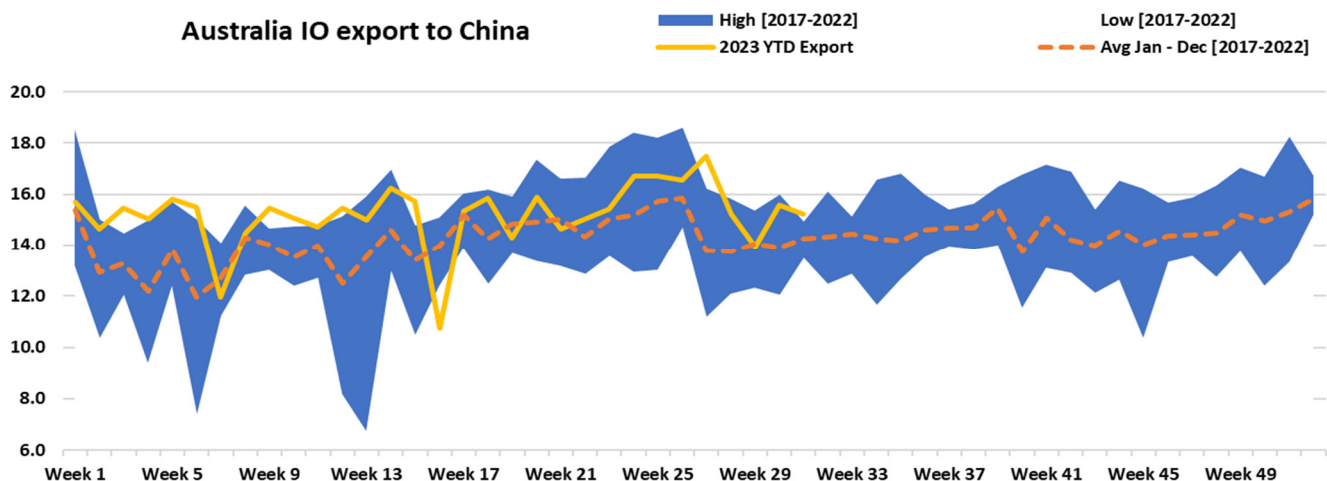
Dry Bulk Trades/Iron Ore

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

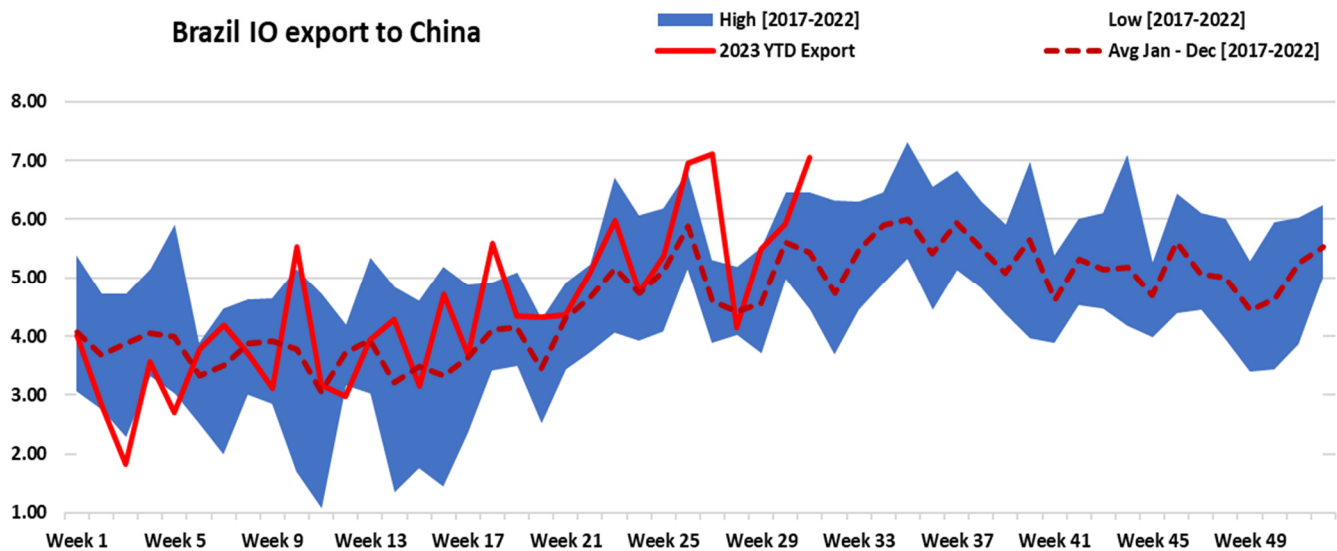
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.2	15.6	-2.3%	7.66	7.60	0.8%
Brazil-China	7.1	5.9	19.3%	19.37	19.34	0.1%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Total coal shipments ticked up 3% to around 28.9 million tonnes after a significant increase the previous week. Australian coal shipments rose for the third consecutive week to 8.2 million tonnes, up 11.3% from the previous week, driven by soaring demand from JKT region. On top of that, Indonesian coal shipments also had a notable increase and stood at 11.1 MMT, which was the highest level since end of March. As the charts below show, weekly coal exports on the key routes stayed above the high end of the 6-year seasonal range.

Dry Bulk Trades/Coal

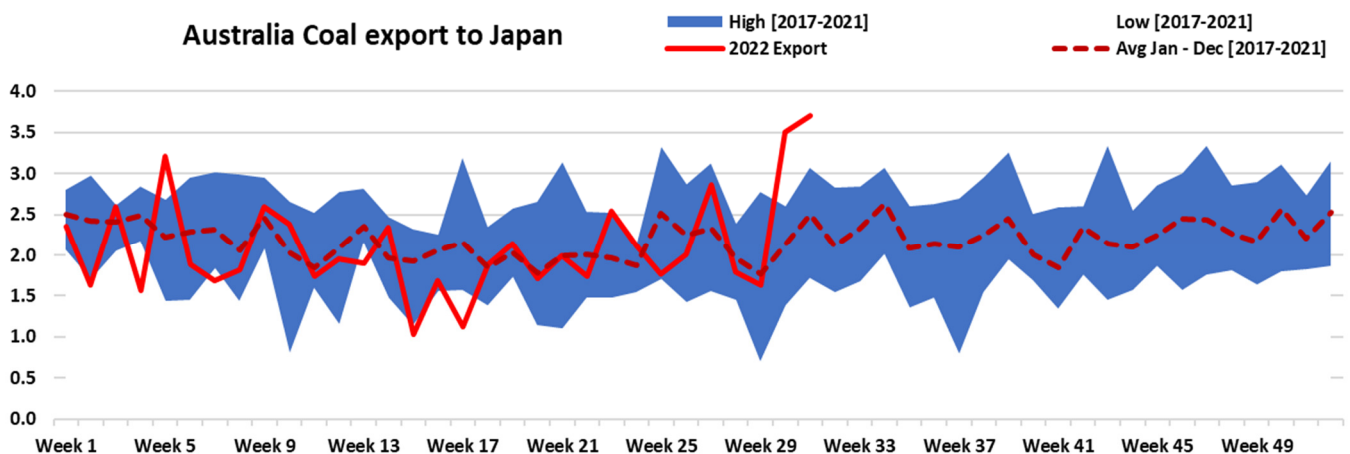
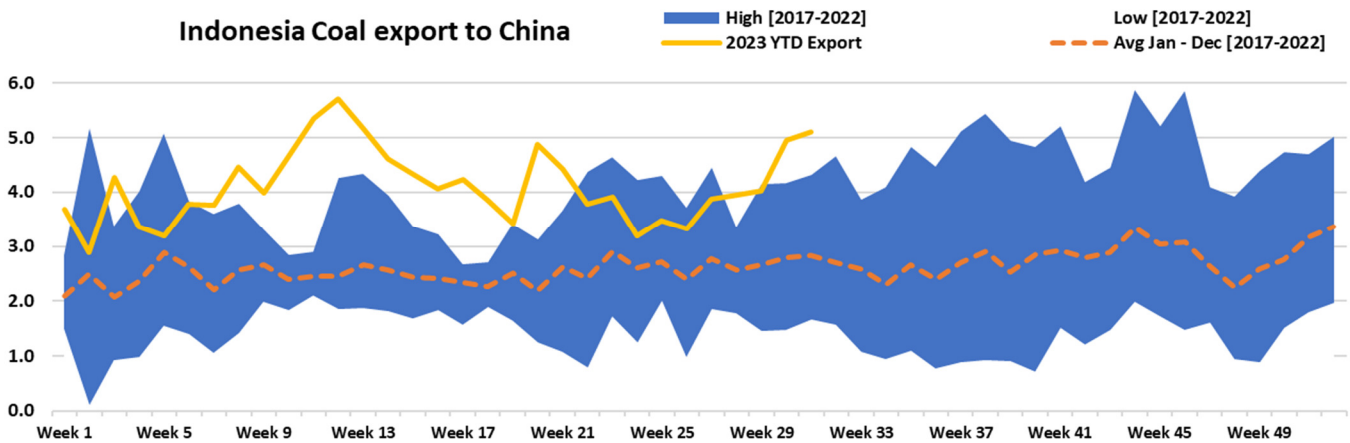
Export (million tonnes)	Jun-23	May-23	Q2-23	Q1-23	Q4-22	Q3-22	2022	2021
Indonesia	37.8	41.1	120.0	119.7	124.2	130.7	448.7	415.2
Australia	34.0	31.2	93.3	79.5	84.5	79.7	308.0	368.3
Russia	15.9	17.2	50.2	46.4	50.3	48.3	177.7	172.3
USA	7.6	7.1	21.4	20.4	17.4	17.4	66.3	69.5
Colombia	5.9	5.2	14.7	12.6	16.2	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	5.1	5.0	3.0%
Australia-Japan	3.7	3.5	5.7%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

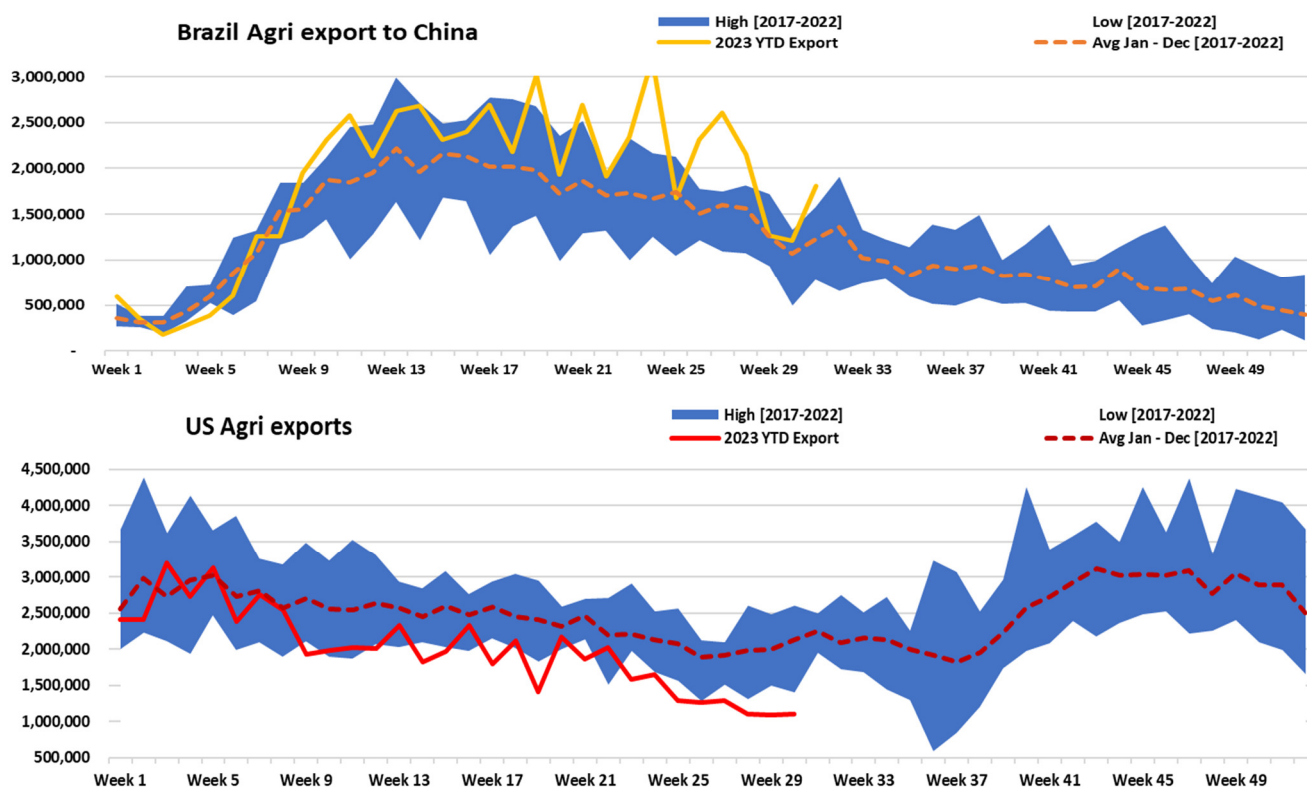
Last week global gains shipments took a positive turn as weekly exports volume rebounded 16.5% to 11.5 million tonnes. Out of ECSA, grains shipment rose by nearly 18% over week to 6.2 MMT. On an even brighter note, US grains shipments shot up to 1.7 million tonnes last week(+55% w-o-w), which brought it closer to the low end of the seasonal average. In the Pacific, another negative week on the Australian side as volume took another further cut to 630kt.

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	1,808.1	1,214.5	48.9%	33.6	34.1	-1.5%
US-China	211.5	135.7	55.9%	44.7	45.9	-2.8%

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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