

FIS Dry Freight Weekly Report

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Market Reviews:

Apart from Panamax posting a strong gain last week, all other vessel sizes lost momentum last week and closed the week a touch lower. Weather disruptions caused vessel delays in the Asian Pacific region which has lent in some support for the rates, and along with healthy grains and mineral demands in the Atlantic, it seems more upper room for the Panamax to go in the coming week.

Freight Rate \$/day	07-Aug	31-Jul	Changes %	Short Term	Sentiment
Capesize 5TC	15,192	15,533	-2.2%	Neutral	-
Panamax 4TC	9,037	7,628	18.5%	Bullish	↑
Supramax 10TC	7,545	7,905	-4.6%	Neutral to Bearish	↘
Handy 7TC	7,007	7,090	-1.2%		

Capesize

Cape lost its bullish momentum last week with the time charter rate coming off to just above \$15,000. Iron ore demand took a negative turn last week with both Brazilian and Australian shipments coming off from the previous week’s high, as a result Capesize iron ore shipments were down nearly 14% last week to around 26.3 million tonnes. Moreover, coal shipment Capesize vessels continued to fall for the third week due to wide spreads with the smaller vessels, seeing a more noticeable decrease of 11.4% last week to 6 MMt. On the bauxite side, limited activity was reported out of South and West Africa. Despite that, rates in both basins held on to their ground amid weather delayed vessels out of North China and tonnage list tightening up for end of Aug loading dates. In the Pacific, moving iron ore on the key C5 route (West Australia to China) were fixed at around \$8 with two majors seeking vessels in the market, understandably more resistance showed from the owner’s side considering increasing bunker cost and congestion in N. China. A cargo from Teluk to Qingdao was heard at mid-\$5 for 8-10 Aug. In the Atlantic, as the spot tonnage was getting tighter in N. Atlantic, both FH and TA routes were paid slightly better than the Pacific region. The C3 iron ore route (Tubarao to Qingdao) was fixing at nearly \$20 for end of Aug and early Sept loading dates. Other iron ore cargos from Sudeste to Qingdao were heard but rate was yet confirmed, from Port Cartier to Qingdao was fixed higher at \$28.10 for 22 Aug - 1 Sept. In other regions, trips from Port de Boke to Yantai was paid at \$20.85 for 20-25 Aug and from Gladstone to Isdemir with coal was at high \$12s for 20-29 Aug. In addition, iron ore prices declined further this week as extreme weather conditions impacted construction activity and thus iron ore demand. On the other hand, bunker prices reached 13-month high Sing 380, and 0.5% fuel oil assessed at \$589 and \$622 respectively on Monday 7th Aug.

Capesize 5TC Rolling Front Month Trading Range

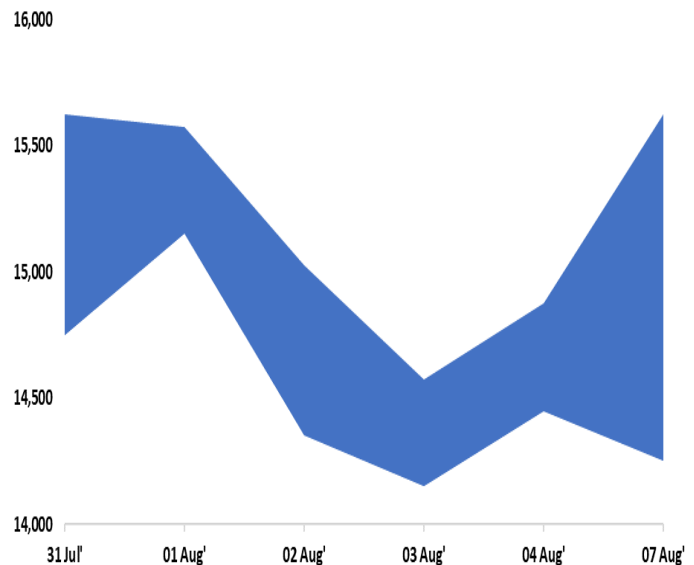


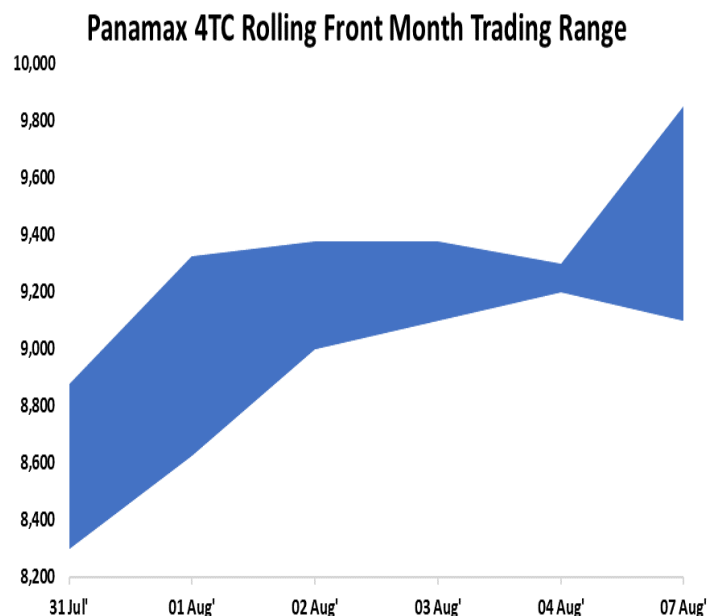
Chart source: FIS Live

Buying interest from the onset last Monday before eventually settling into a range. The front end of the curve saw Aug and Sept trading up \$1000 and \$750 respectively to 15500 and 16000 before trading within a \$200 range for most of the day. Capes saw rangebound from start to finish on Tuesday, with Aug and Sept trading in a \$300 range, eventually settling just below the day's highs with weight settling on the offer side. Further out, the Cal24 traded 13800 with the Cal25 trading 14300. Selling was seen from the onset on Wednesday with the Aug and Sept and Q4 trading down. Aug and Sept traded down 14500 and 14700 respectively before finding size bid support on the lows. A mostly rangebound day on Thursday. Aug traded in a \$200 range while Sept traded up to \$15250 from the day's lows of \$14700. Q4 followed suit, trading from 15500 up to 15850. The end of the week brought rangebound trading, with the most notable trade being Cal24 trading up to 13900. This week started positive with gradual growth in the cape market. Aug traded up 15500 while Sept traded up to 16250. Notably, the C5 Aug traded 8.30.

Short run neutral

Panamax

Panamaxes climbed higher throughout last week as positive sentiment persisted in both basins. The week started in a busy fashion led by increasing activity in the N. Atlantic, as a result P1A posted a weekly gain of over 30% and 15% on P2A. The bullishness in the fronthaul was well supported by ECSA business, a market source said owners had to bid up since more vessels were taken out for Aug dates. In the Asian market, a mixed bag on the coal front with demand from Indonesia remaining robust but this was largely offset by a low week from Australia. Nevertheless, rates rallied on the back of weather disruptions and improving Australian grain volumes. Regarding fixtures, cargoes with grains via ECSA redelivery Singapore-Japan were fixed higher at between \$12,500-\$14,000 vs around \$11,600 last week. In the North, trips via US East Coast redelivery Continent were fixed at around \$12,000 and NCSA redelivery Spain with grains were at between \$10,500-11,000. In the Asian market, rates firmed up with charterers keen on covering their position in the NoPac. Cargoes with coal from Indonesia redelivery CJK were fixed at \$4,750 on a 74kt, redelivery South China at \$4,250 on a 75kt and \$6,000 on 81kt, respectively. Out of Australia, a trip via EC Australia rede SE Asia was fixed at \$8,500 and a round trip with iron ore was heard at \$9,750. Let's see if Panamax can continue its upward trend this week.



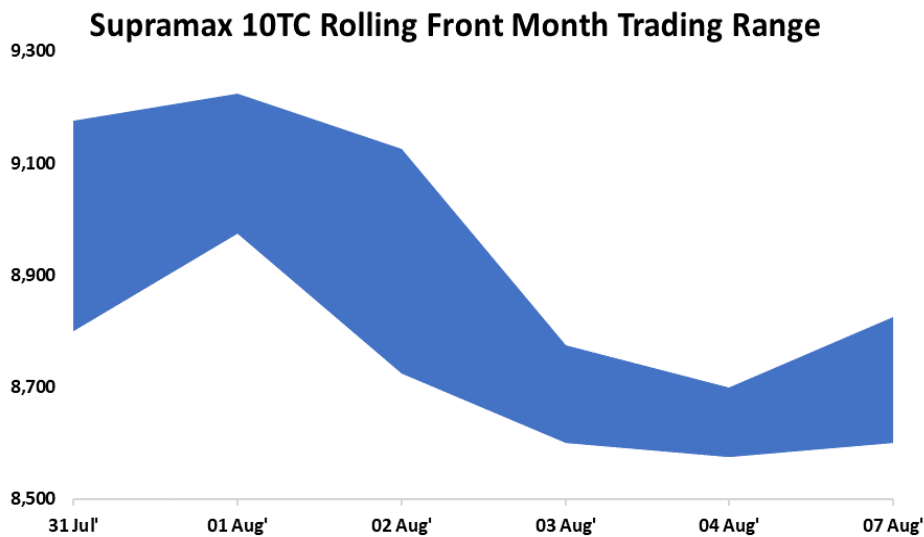
Last Tuesday opened with some resistance to the previous day's close, with highs slipping momentarily before seeing buyers chasing the curve up through most of the day. Aug and Sept pushed to \$9350 and \$10450 highs respectively, while Q4 broke \$11k resistance to print \$11300 high and Cal24 traded up to \$10950. Good size traded throughout Wednesday, with much of the trades being attributed to spreads from capes and pmx. Rangebound activity was seen throughout the late morning and after index, before seeing buying into the close, causing the cape v pmx spreads to narrow once again. Thursday was a sluggish day for panamax paper with levels relatively range bound. Aug maintained good support just north of \$9k and Sept similarly over \$10k, while Q4 hugged \$11k value and Cal24 saw little change trading \$10800. Life was seen in the pmx market at the start of this week as Aug and Sept both traded up to levels of 9750 and 11250 respectively. The Q4 followed suit, trading up to 11500 while further out the Cal24 traded up to 10950.

Short run bullish

Supramax

Supramaxes ended last week with minor losses due to sluggish activity reported in the Asian market. On the flip side, Atlantic region was still balanced as the US Gulf market has been improving and further gains seen in the South Atlantic. Additionally, Ultramax ships were avoiding the Panama Canal due to rising delays and reduced transit limits, which lent in further support to the rates. Last week, highlighted fixtures included a cargo with petcoke from Mississippi to China which was fixed at \$13,000 and grains trip via ECSA redelivery the Continent was paid at \$14,000; on the Asian side, NoPac round trips were heard at between \$9,000-10,000, coal cargos via Indonesia redelivery China were fixed from \$7,000 to \$6,000 and EC Australia to Japan was at \$7,500. In addition, more activity surfaced from the Indian Ocean with several South Africa trips redelivery EC India at between \$11,250-12,000.

Short run neutral to bearish



FFA Market Indexes

Freight Rate \$/day	07-Aug	31-Jul	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	15,192	15,533	-2.2%	12,480	16,177	33,333	13,070	18,025
Panamax4TC	9,037	7,628	18.5%	9,979	8,587	25,562	8,587	11,112
Supramax10TC	7,545	7,905	-4.6%	10,040	8,189	26,770	8,189	9,948
Handy7TC	7,007	7,090	-1.2%	9,576	8,003	25,702	8,003	9,288

FFA Market Forward Values

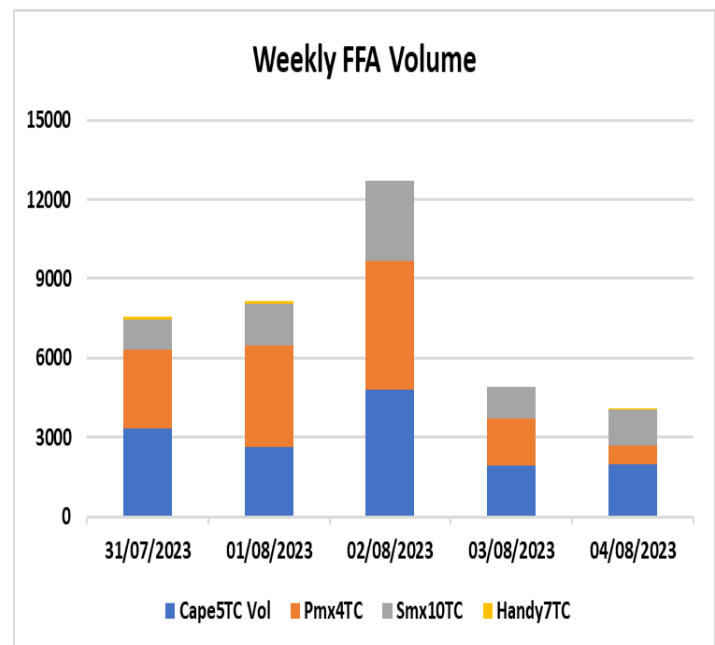
FFA \$/day	07-Aug FIS Closing	31-Jul FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Aug 23	15475	15625	-1.0%	15,650	14,200	24,500	8,550
Capesize5TC Q4 23	16375	16075	1.9%	16,500	15,450	22,500	12,400
Panamax4TC Aug 23	9800	8825	11.0%	9,900	8,300	18,100	7,600
Panamax4TC Q4 23	11500	10925	5.3%	11,600	10,750	17,500	9,350
Supramax10TC Aug 23	8800	9675	-9.0%	9,300	8,600	17,350	8,600
Supramax10TC Q4 23	11150	10825	3.0%	11,150	10,500	16,950	9,900

Data Source: FIS Live, Baltic Exchange

FFA Market

The FFAs market slowed down from mid last week, with trading volumes less than 47,000 lots posted on exchanges. In average, Capes and Panamax futures traded around 2,940 lots and 2,840 lots per day last week; Supramaxes followed right behind with an average of 1,660 lots traded daily last week. On the options side, the market is seeing action only on the larger sizes with 2,660 lots being cleared on Cape and 2,310 on Panamax. Overall, the primary activity focuses on Aug, Sept and Q4 contracts; good trading interest also seen on Cal24. Open interest increased as new positions opened in the further back contracts, on 7th Aug, Cape 165,241 (+4,280 w-o-w), Panamax 4TC 181,297 (+1,430 w-o-w), Supramax 10TC 85,370 (+2,030 w-o-w).

On the voyage routes last week, large trading interest seen on C5 with 3.88 million tonnes changing hands, additionally 165 days traded on P6.



Dry Bulk Trades/Iron Ore

After a peak volume week at the end of July, last week total iron ore shipments retreated 12.8% to 29.5 million tonnes. Exports generated from Australian producers slipped a touch but remained at the past four weeks range at around 17.5 million tonnes, meanwhile its shipments to China stayed at around 14.6 MMT and in line with the seasonal average. However, Brazilian iron ore shipments took a hit last week to only 6.2 million tonnes, mainly due to decreasing exports to China. On the C3 routes, volume fell significantly to 5.2 million tonnes, down 26.7% w-o-w. As the charts below show, last week's shipments ended its four weeks upward movement and returned to the 6-year seasonal average.

Elsewhere, shipments out of West and South Africa slumped 42% to 1.1MMT last week, due to very limited activity out of West Africa and a sluggish week of less than 1 MMT for South African shipments, down 12.5% from the previous week.

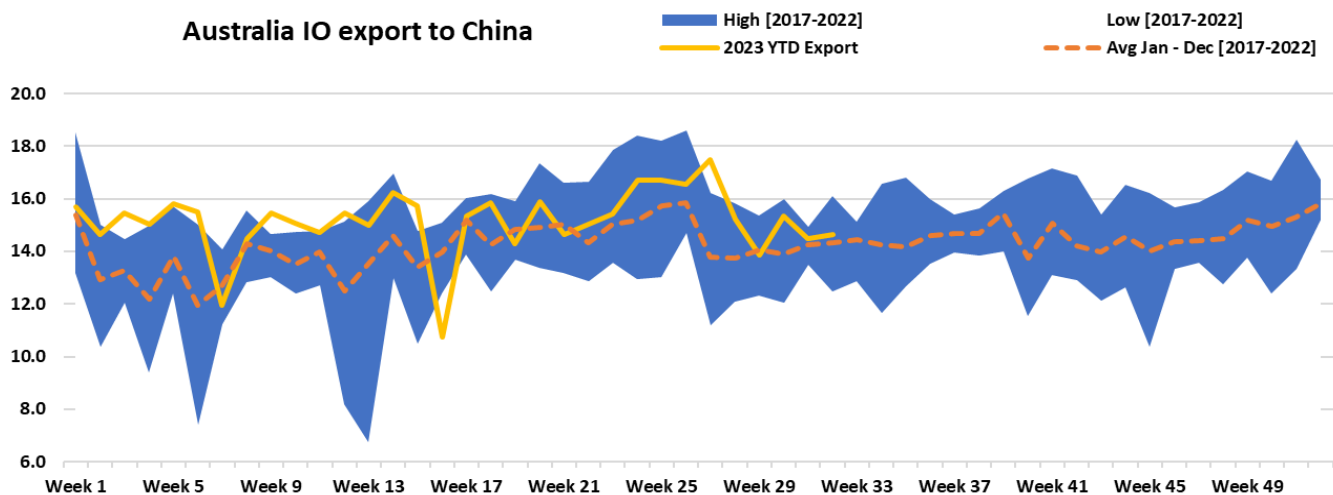
Dry Bulk Trades/Iron Ore

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

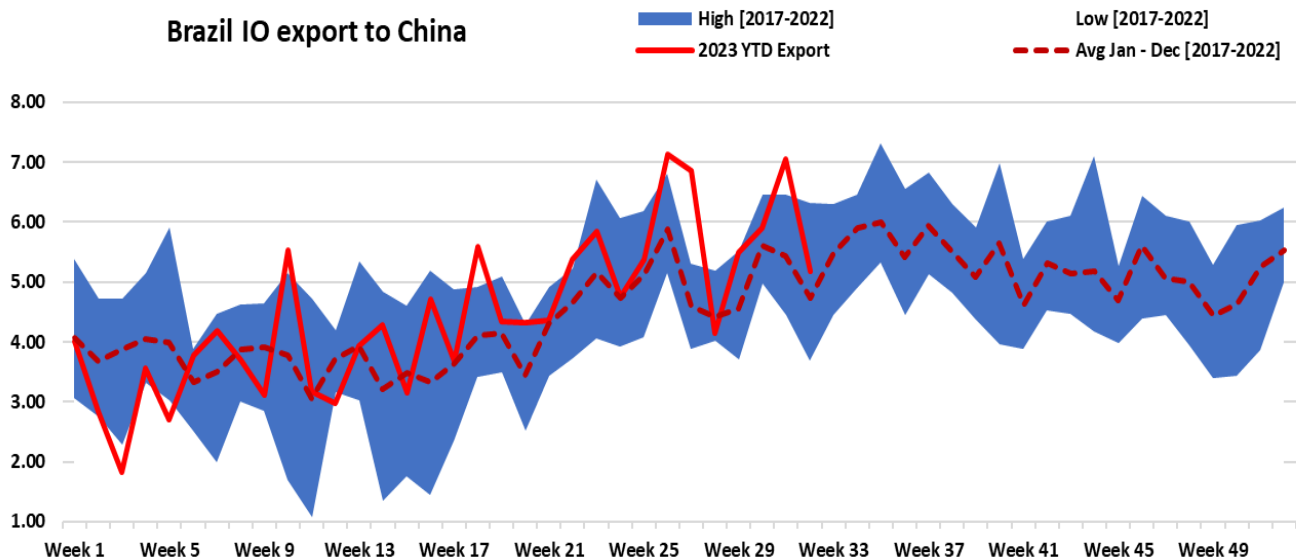
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	14.6	14.5	1.2%	8.18	7.66	6.9%
Brazil-China	5.2	7.1	-26.6%	20.11	19.37	3.9%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Total coal shipments were in a steady range with firm demand from key regions. Australian coal shipments revised its three-week performance and fell by 11.6% from the previous week to 6.9 million tonnes. The decline was due to diverse demand from the main importers, with shipments toward India at 1.1 MMT (-24.2% w-o-w), SE Asia rebounded 66% to 770kt but still at a low level. Whilst demand from JKT region stayed at the record high of 4.6 million tonnes. On the flip side, Indonesian shipments rose 8.6% over the week to 11.1 MMT, owing to robust Chinese demand.

Dry Bulk Trades/Coal

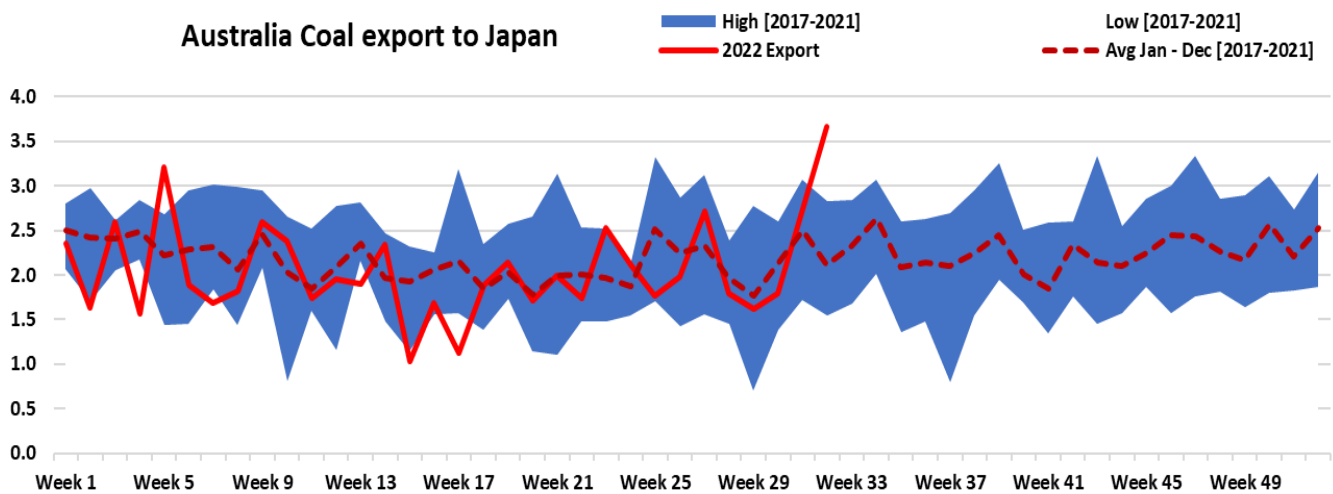
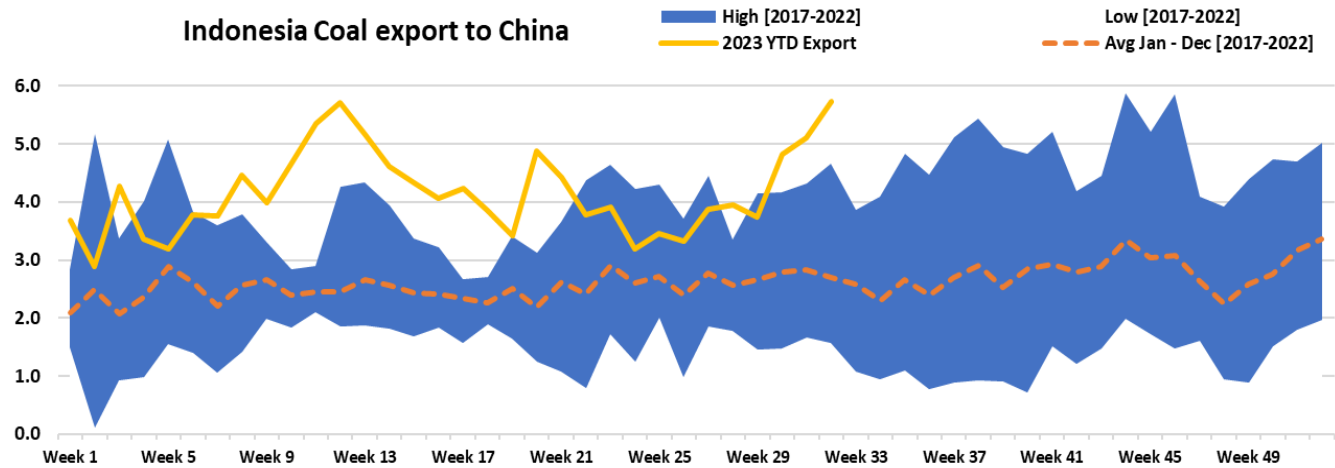
Export (million tonnes)	Jun-23	May-23	Q2-23	Q1-23	Q4-22	Q3-22	2022	2021
Indonesia	37.8	41.1	120.0	119.7	124.2	130.7	448.7	415.2
Australia	34.0	31.2	93.3	79.5	84.5	79.7	308.0	368.3
Russia	15.9	17.2	50.2	46.4	50.3	48.3	177.7	172.3
USA	7.6	7.1	21.4	20.4	17.4	17.4	66.3	69.5
Colombia	5.9	5.2	14.7	12.6	16.2	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	5.7	5.1	12.6%
Australia-Japan	3.7	2.7	33.4%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

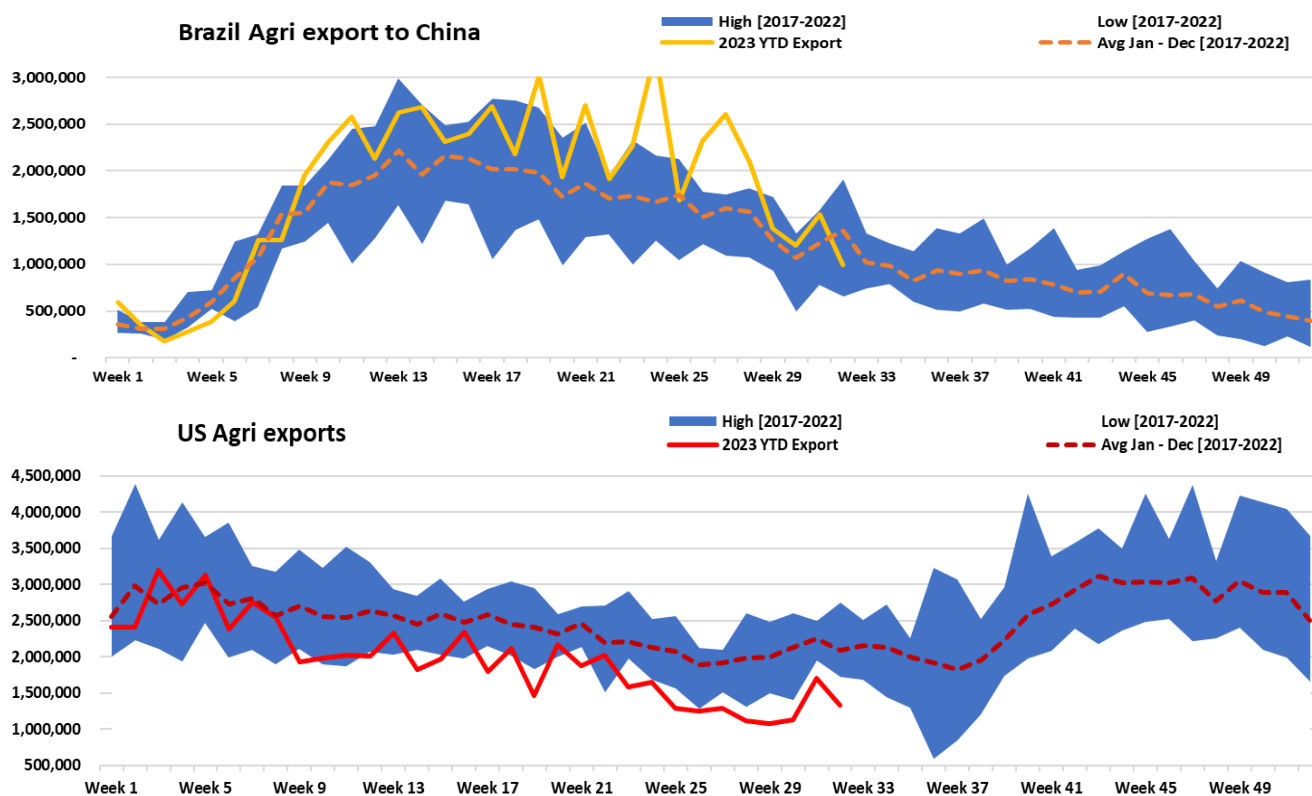
Last week global gain shipments came off its peak to around 10.4 million tonnes, down 9.7% w-o-w, as European holidays took a toll on activity. ECSA Shipments also dropped 12.2% over the week to 5.5 million tonnes, exports to China retreated again to its months low at below 1MMt. Similarly, shipments from the US fell further below its seasonal average after a short-lived recovery. On a better note, a positive week for the Asian market with Australian volumes soaring nearly 48% to 860kt.

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	998.1	1,534.0	-34.9%	35.6	33.6	6.2%
US-China	NA	213.1	NA	46.4	44.7	4.0%

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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