

FIS Dry Freight Weekly Report

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Market Review:

Cape market took a bigger hit last week as vessel supply is still outweighing demand in the key regions, accordingly time charter rates gave up nearly 40% of its value and marked below \$17,000 today. Hopefully as we enter the Nov month, Cape market could gain support by potential iron ore demand boosting from China in Q4 coupled with Brazilian ore supply. In the absence of fresh demand, losses, albeit less than cape, were also seen across the smaller vessel sizes.

Freight Rate \$/day	31-Oct	24-Oct	Changes %	Short Term	Sentiment
Capesize 5TC	17,344	28,805	-39.8%	Neutral to Bearish	⬇️
Panamax 4TC	12,841	13,410	-4.2%	Neutral to Bearish	⬇️
Supramax 10TC	12,754	14,074	-9.4%	Neutral	-
Handy 7TC	12,035	12,311	-2.2%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	232	-1	157 (+3)	56 (-4)	15 (+4)		
Panamax	380	+10		182 (+14)		93 (-4)	61 (-5)
Supramax	508	-5		112 (-6)		66 (+14)	305 (-15)

Capesize

Under the pressure of less active fixing activity in both basins, Cape was on a downward trend last week and eventually fell through the \$20,000 mark. Demand wise, Capesize iron ore shipments fell 7.1% to 28.5 million tonnes mainly due to lower shipments out of Australia. On the coal side, Capesize cargo volumes eased for a second week to 7.3 million tonnes, down 7.5% from the previous week. Among that, coal shipments from Australia to China come off dramatically, down 58.3% w-o-w to only 644kt. Market sentiment eroded further along with tonnage started to build up.

In the Pacific, the key C5 iron ore route (West Australia to China) was fixed at \$10.55 for 7-9 Nov at the start of week before heading lower to sub \$9 due to lackluster spot activities and only one mining major was active in the market. In the Asian market, coal activity picked up from Indonesia to China and SE Asia, a trip from Teluk Rubiah to Qingdao was heard at shy

of \$8 for 3-5 Nov and to Dung Quat was at low \$7 for end of Oct to early Nov loading dates. In the Atlantic, the week opened in a standoff with decreasing enquiry reporting in the key regions, cargos with ores from South and West Africa only surfaced just before the weekend approach and in lower fixing rate - from Saldanha Bay to Rotterdam was fixed at \$8.75 for 15-24 Nov and from Richards Bay to Qingdao was at \$15.75 for 8-14 Nov. Into the new week, rates continue to fell given the long ballaster list in Atlantic market and limited action reported in the Pacific.

Elswhere, iron ore prices climbed to five weeks high on the back off China stimulus and additional fund in Q4 to boost construction, thus increasing steel demand and strong iron ore shipments. Moreover, rising supply from Brazilian miner Vale to India due to the new 5 million tonnes supply contract in which should help lift the market sentiment.

Capesize 5TC Rolling Front Month Trading Range

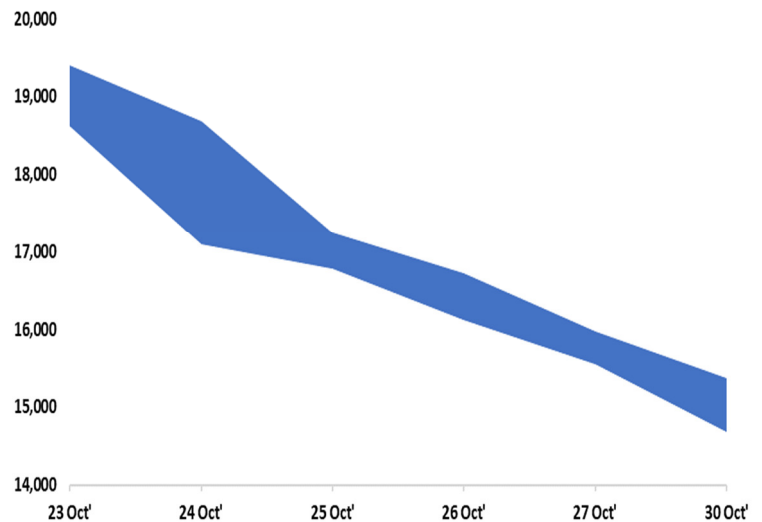


Chart source: FIS Live

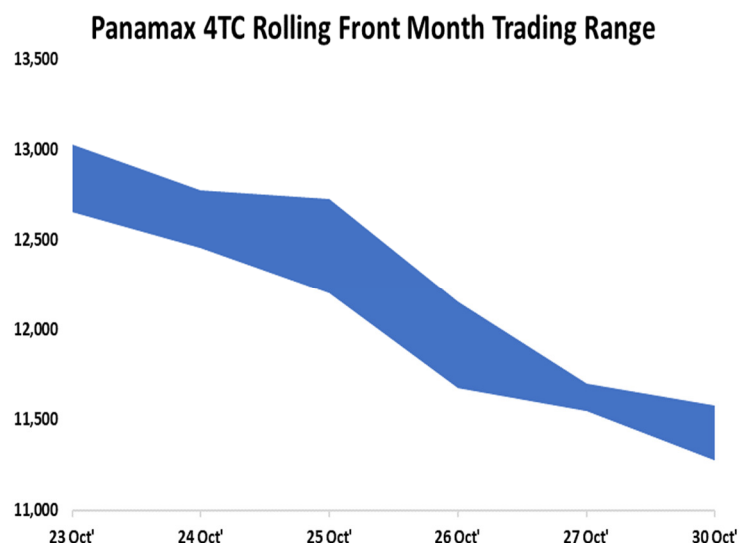
A day of two halves last Monday as a lot of volume initially changed hands, with Nov paying up to \$20800 and Q4 up to \$21000. However, the afternoon saw size sellers crush the market with Oct selling at \$25350, Nov at \$19750 and Cal24 at \$14650. A similar tale on Tuesday as early morning trading pushed the market up before sellers became prevalent in the afternoon. Oct and Nov traded down to \$23900 and \$18350 respectively. Q4 traded down \$750 on the day. Volatility continued into Wednesday as Oct sold down to \$23500 and Nov down to \$17500, both down around -\$500. A recovery in the paper in the afternoon then saw Nov paid \$17750 and \$18000, Oct paid \$24000 and Q4 \$19000 and \$19250. Oct and Nov traded up to \$25150 and \$19500 respectively on Thursday before trading \$500 lower by the close. Cal24 traded down to \$14450. Fast forward to Monday and it was a strong day for paper. Dec traded a few times between \$16750-\$16850 and Cal24 traded \$14700 and \$14650.

The market opened soft last Monday and remained that way for the duration of the day with a large amount of intraday trading. Nov and Dec traded down to \$18650 and \$15200 respectively. Further out, Cal24 traded down to \$13900. Tuesday saw the prompt contracts come under pressure from the get-go as Nov got sold at \$18100 and then quickly \$18000. The selling was relentless, and Nov hit a low of \$17000 post index, with cape selling at \$8250 (-350). Buyers did arrive in the afternoon and Nov eventually got paid at \$17750. Wednesday suffered the same fate as Monday and Tuesday as the market was soft from front to back. Nov and Dec traded down to \$16750 and \$14100 respectively while Q1 traded down to \$8050. Early trading saw Nov sell at \$16500 (-\$500) on Thursday as good volume traded hands. Dec was trading at \$14100-\$14150 and Feb was sold at \$6400. The afternoon session saw Dec paid at \$14600 and Nov trading alongside \$16500. Friday continued in the same way as the whole week, as selling took off in the morning before more rangebound trading occurred in the afternoon. Nov and Dec traded between \$15500-\$16000 and \$14000-\$14500 respectively. First print on Nov on Monday was \$15500 (-\$350), before getting sold at \$15250, \$15000 and \$14750 which was the low print of the day.

Short run neutral to bearish

Panamax

Panamax started to lose ground mid-week amid demand shortage in the North Atlantic and a bearish Cape market. A mixed Asian market with consistent strong coal demand and steady grain cargo volumes, but since most charterers were covered for the 1H Nov dates and not in rush to fix, a wider gap was developed between bids and offers. In the Atlantic, direction was hard to call with healthy grain cargoes from ECSA leading the main support. Cargoes via ECSA redelivery Singapore-Japan were fixing lower from \$18,250 to \$17,500 at the end of the week; redelivery SE Asia were paid at \$16,500 for a 77kt. Apart from that, limited fronthaul and transatlantic activity was heard from US Gulf or NCSA. In the Asian market, rates slipped further with NoPac round trip drifting from sub \$15,000 to low \$14,000. Cargoes with coal from Indonesia redelivery China were heard to fix at \$12,000 for a smaller vessel 75kt. Overall, the outlook of demand and supply were still on the steady territory, although market participants remained cautious.



A rangebound day of trading last Monday as some early bids pushed Nov and Dec up before stalling and remaining within the same \$200 range as seen at the end of the week prior. Nov traded between \$12650-\$12850 and Q1 between \$8950-\$9250. A rather patchy day on Tuesday for Panamax paper as we finished the day only slightly higher than where we started. Q1 tested but didn't break \$9k resistance and further out Cal24 traded down to \$10750 low before pushing back up to \$10850. On Wednesday, Nov printed from \$12700 down to \$12250, Dec from \$11700 to \$11250 and Q1 from \$8950 to \$8750. A similar pattern unfolded on Thursday as sellers were plentiful in the market, with Nov starting printing at \$12000 and subsequently shifting down to \$11700, Dec from \$11000 to \$10850 and Q1 from \$8750 to \$8550. Fast forward to this Monday and good size trading took place throughout the day. Nov printed between \$11350 and \$11250, Dec from \$10350 to \$10200, Q1 from \$8500 to \$8300 and Cal24 from \$10600 to \$10500.

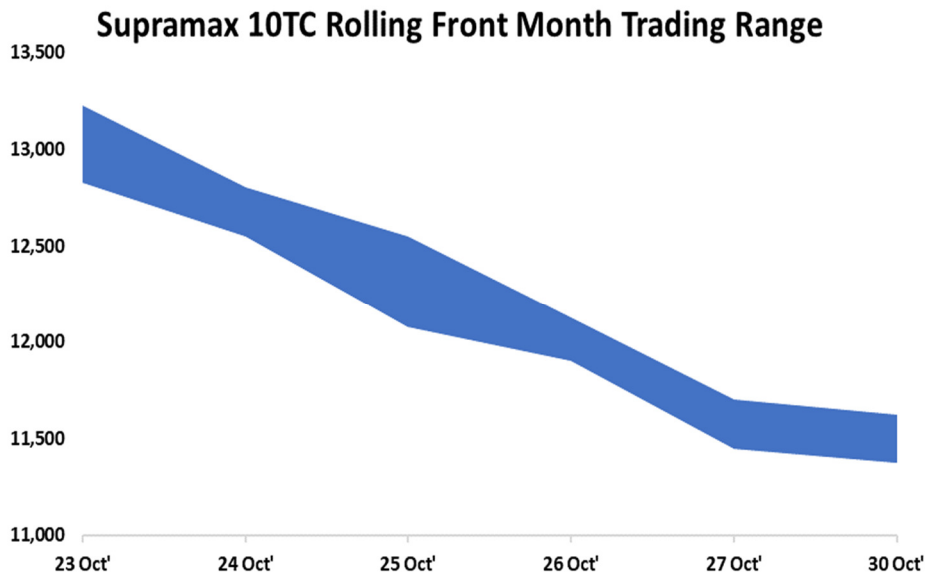
Short run neutral to bearish

Chart source: FIS Live

Supramax

A quiet start for Supramax paper on Monday as interest was mainly observed on the offer side with sellers chasing a thin bid. Nov and Dec traded down to \$12800 and \$12000 while Q1 traded down to \$9050. Intraday trading took place throughout Tuesday with Nov and Dec trading within a \$200 range. Wednesday was very similar as the market remained bearish. However, good volume did change hands, with Nov and Dec trading down to \$12000 and \$11000 respectively. Q4 traded down to \$12350, while Q1 and Cal24 traded down to \$8750 and \$10800. A rangebound day of trading on Thursday as Nov and Dec traded in a \$300 range while the rest of the curve remained stable. A bearish Friday saw Nov and Dec trade down to \$11550 and \$10400 while Q1 traded down to \$8600. This Monday saw the Supramax paper find a trading range of +/- \$300. Q1 traded down to \$8600 while the Cal24 traded \$10700.

Short run neutral



FFA Market Indexes

Freight Rate \$/day	31-Oct	24-Oct	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	17,344	28,805	-39.8%	13,983	16,177	33,333	13,070	18,025
Panamax4TC	12,841	13,410	-4.2%	10,747	8,587	25,562	8,587	11,112
Supramax10TC	12,754	14,074	-9.4%	10,658	8,189	26,770	8,189	9,948
Handy7TC	12,035	12,311	-2.2%	9,905	8,003	25,702	8,003	9,288

FFA Market Forward Values

FFA \$/day	31-Oct FIS Closing	24-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Nov 23	15300	18700	-18.2%	19,500	14,650	22,500	12,400
Capesize5TC Q1 24	8050	8625	-6.7%	13,900	7,850	18,200	7,500
Panamax4TC Nov 23	11350	12650	-10.3%	13,000	10,800	17,500	9,350
Panamax4TC Q1 24	8475	9025	-6.1%	11,050	8,300	13,850	8,200
Supramax10TC Nov 23	11350	12875	-11.8%	13,250	11,000	16,950	9,900
Supramax10TC Q1 24	8725	9125	-4.4%	11,050	8,600	14,500	8,300

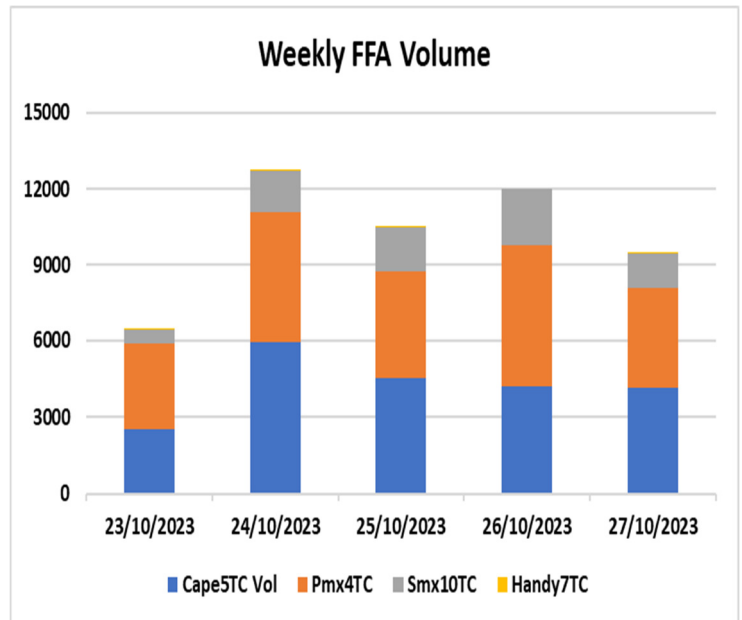
Data Source: FIS Live, Baltic Exchange

FFA Market

FFAs market had an active week with trading volumes of over 56,000 lots posted on exchanges, and both Capes and Panamax traded in decent sizes. By vessel size, Capes and Panamax futures traded around 4,270 lots and 4,450 lots per day last week; Supramaxes followed right behind with an average of 1,500 lots traded daily last week. Additionally, firm interest seen in Cape options, with a total of 2,740 lots traded last week, among the total options volume of 4,300 lots. Main actions focus on Nov, Dec, Q1'23 and Cal24-25 contracts.

Open interest continued to decrease along with falling prices, indicating a downward trend, on 30th Oct Cape 5TC 176,622 (+3,040 w-o-w), Panamax 4TC 188,916 (+3,800 w-o-w), Supramax 10TC 88,389 (+1,750 w-o-w).

On the voyage routes last week, decent interests action was seen on C5 with 2.635 tonnes changing hands on Oct-Dec contracts. Elsewhere, 125kt was traded on the C3 routes.



Dry Bulk Trades/Iron Ore

Iron ore shipments retreated 5.5% last week to 31.7 million tonnes since lower volumes come out of the Pacific. Australia shipped out 16.7 MMt last week, down 14.1% w-o-w; however Brazilian iron ore shipment remained at the seasonal high and only drifted 2% to 8.5 MMt. Apart from that, robust supply was observed from the South and West Africa with their weekly shipments soared 94.6% on week to 2.2 Mmt.

On the other hand, demand from China remained firm as no firm announcement of steel production cut and rooms for import margins, although shipments from both Australian and Brazil come off to 15.0 MMt (-10.2% w-o-w) and 7.0 MMt (-3.4% w-o-w). Last week China imported 7.5% less at around 24.8 MMt, compared with the peak volume at the previous week.

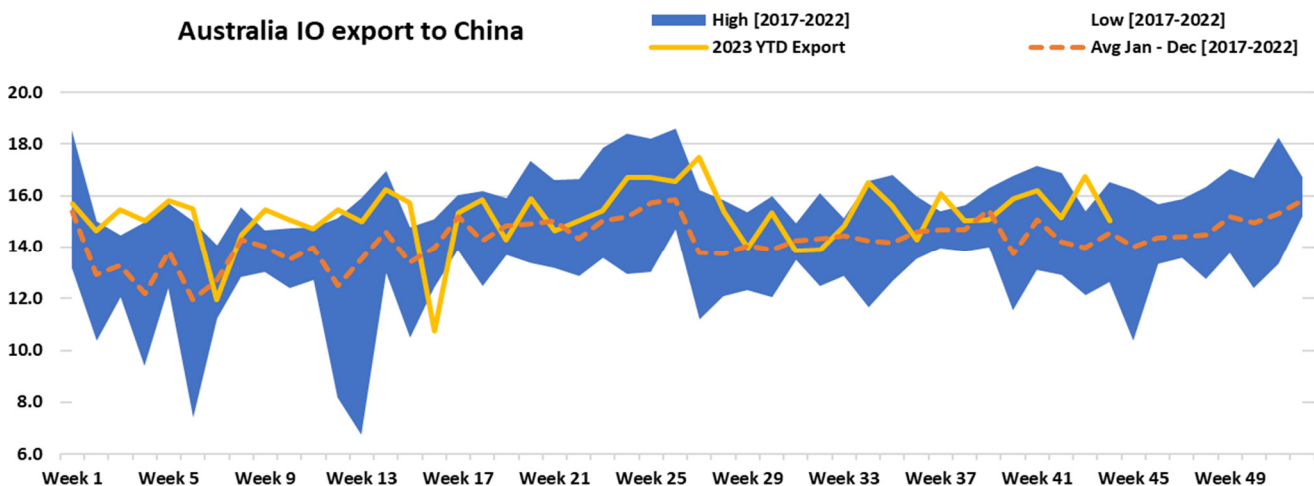
Dry Bulk Trades/Iron Ore

Export (million tonnes)	Sep-23	Aug-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Australia	80.5	77.1	239.0	227.8	246.8	235.1	935.9	919.8
Brazil	35.3	32.5	92.0	72.8	93.0	97.7	344.2	352.9
South Africa	4.3	4.9	13.6	14.4	11.0	15.4	56.5	60.5
India	3.1	3.2	10.2	12.2	2.7	0.9	16.0	37.6
Canada	6.1	4.4	13.6	13.2	14.4	17.7	57.3	57.2
Others	15.1	15.3	44.4	40.8	34.7	32.8	133.3	201.2
Global	144.4	137.3	412.8	381.3	412.9	410.4	1586.0	1629.2

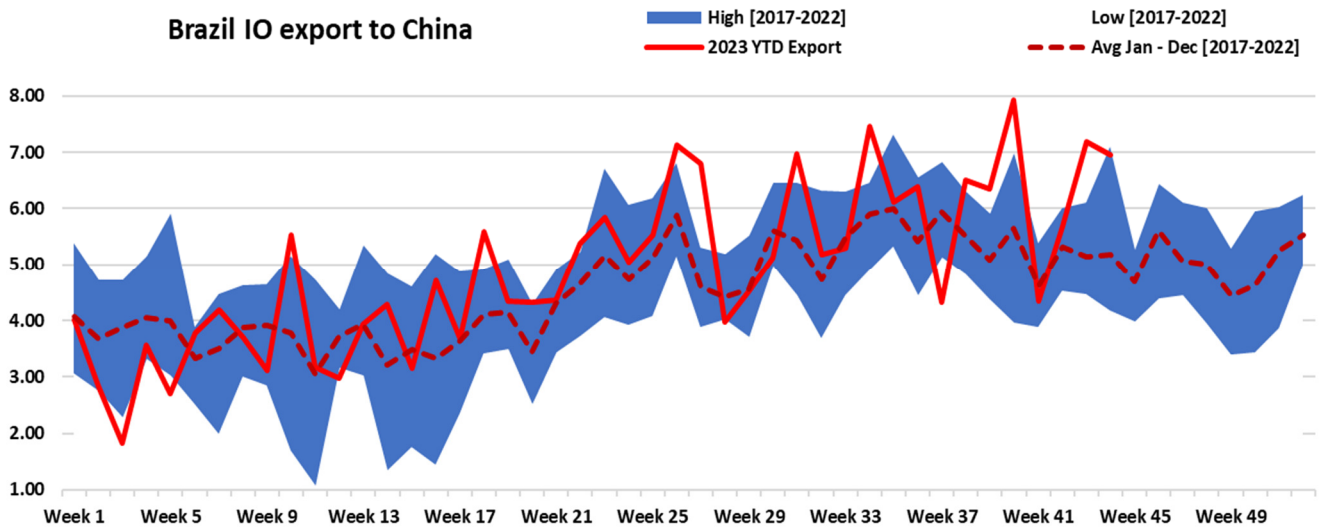
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.0	16.8	-10.2%	9.65	10.88	-11.4%
Brazil-China	7.0	7.2	-3.4%	23.59	26.27	-10.2%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

A flat week for coal shipments with total export volumes steady at around 27.3 million tonnes. Supply from Australia ticked lower for a second week to 7 million tonnes, although robust demand from JKM (4.2 MMt, +33%) was offset by constrained volumes destined to China. While Indonesian coal remained firm at around 11.4 million tonnes, up 2.8% w-o-w. In addition, after the sharp fall the previous week Chinese coal demand slowed down to 6.9 million tonnes with a weekly decrease of 5%.

Dry Bulk Trades/Coal

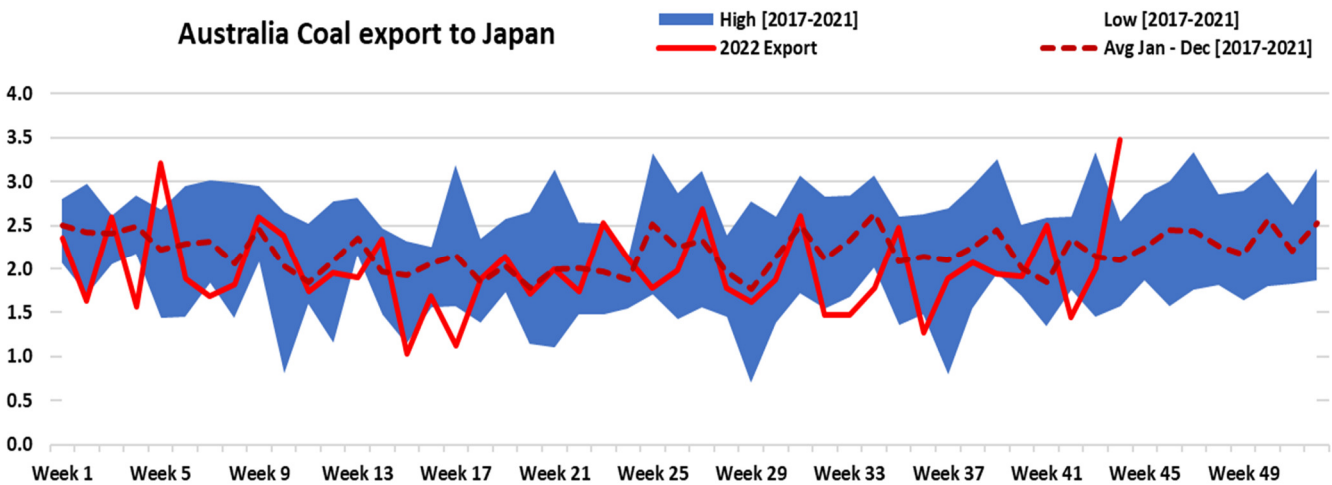
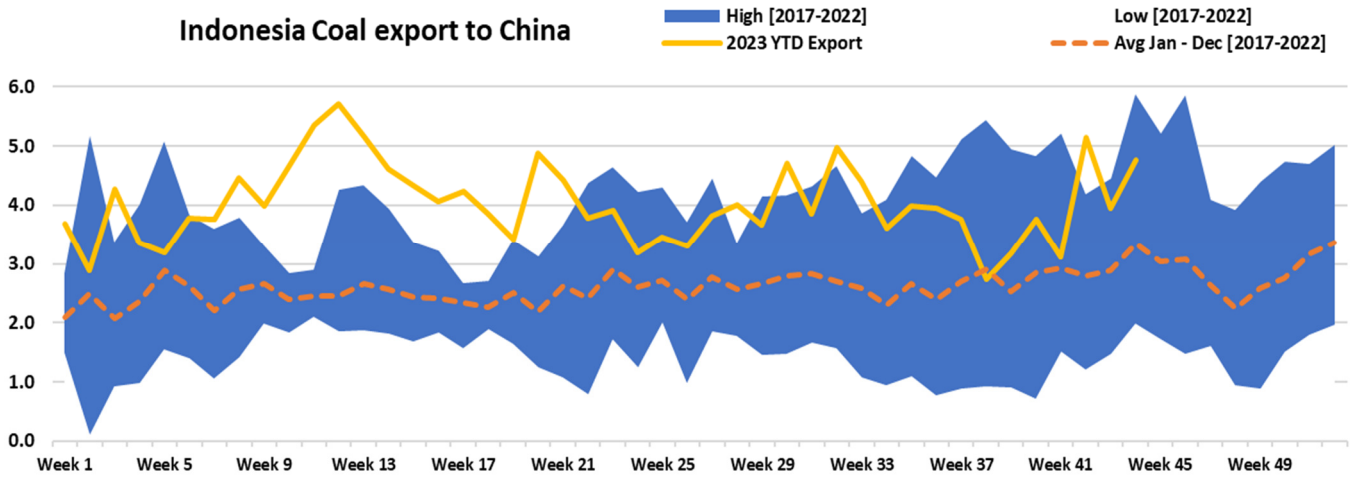
Export (million tonnes)	Sep-23	Aug-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Indonesia	41.5	42.3	120.0	119.8	124.0	130.7	448.7	415.2
Australia	27.7	31.5	93.1	79.5	84.5	79.7	308.0	368.3
Russia	16.0	16.0	51.4	48.5	50.8	48.7	177.7	172.3
USA	7.5	4.9	20.1	20.4	17.4	17.4	66.3	69.5
Colombia	4.5	5.7	14.5	12.5	16.0	14.9	55.7	60.9
South Africa	5.2	4.8	15.7	15.2	14.9	16.1	56.5	62.1
Others	8.9	8.6	27.1	23.8	22.2	23.6	86.2	88.1
Global	111.3	113.8	342.0	319.8	329.8	331.0	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	4.8	3.9	21.1%
Australia-Japan	3.5	2.0	73.7%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

Dry Bulk Trades/Agri

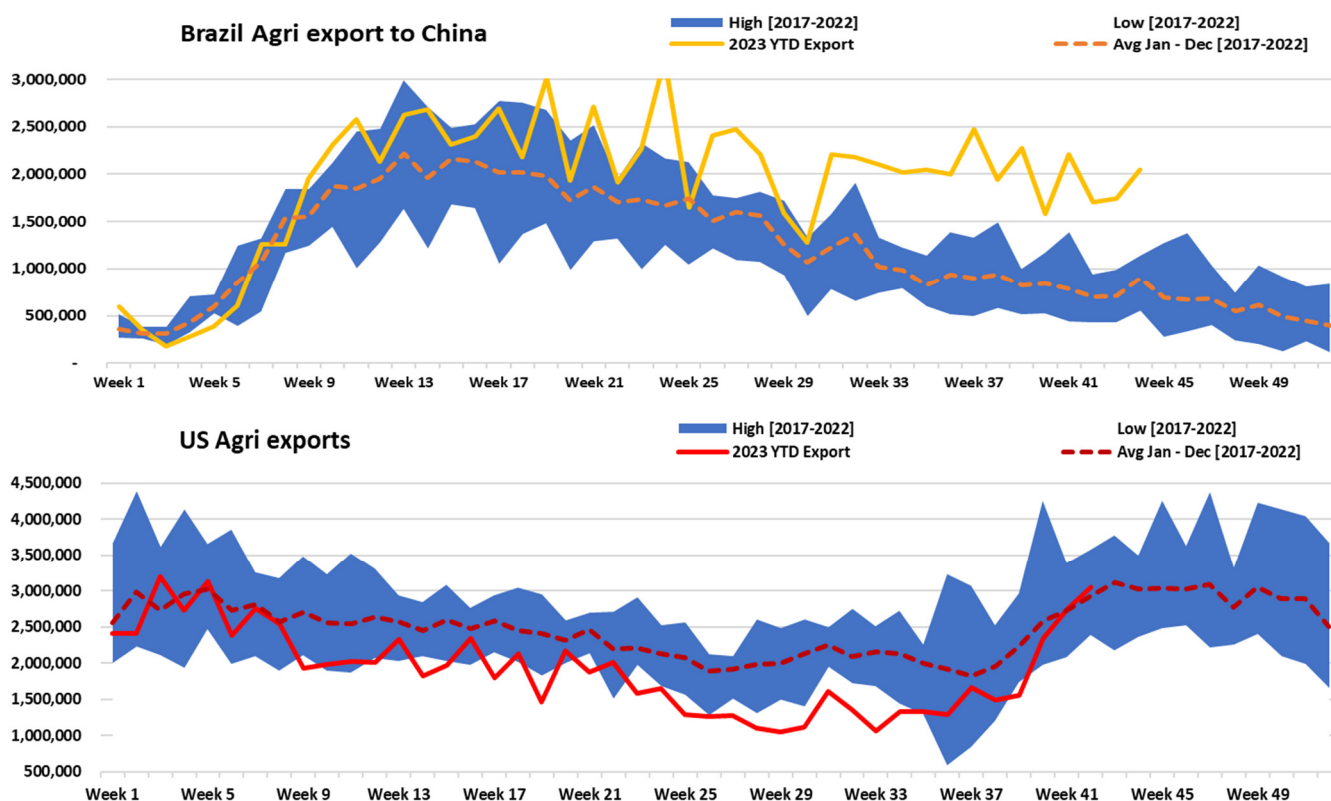
Last week grain shipments fell by 5.1% to 10.8 million tonnes as they were impacted by decreasing volumes from US. Out from Brazil, total weekly shipments rebounded 4% to 4.1 million tonnes. Exports from Brazil to China remained high at around 2 million tonnes, above the high end of the 6-year average but following a downward seasonal trend. More positivity was shown from Australia side with weekly volumes soaring 74.3% on the week to 738kt. However, US shipments slumped another 10% on the week to 2.5 million tonnes due to logistical challenges in Mississippi and Panama Canal.

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	2,044.6	1,740.9	17.4%	41.8	41.3	1.0%
US-China	1,427.8	1,612.8	-11.5%	56.5	56.2	0.6%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Seasonality Charts



Export (million tonnes)	Sep-23	Aug-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Brazil	21.8	20.0	58.1	42.7	41.0	49.8	177.2	157.2
USA	5.8	5.5	22.9	30.7	36.8	23.9	128.7	140.8
Argentina	6.2	6.1	14.6	12.1	19.5	22.5	88.0	87.0
Ukraine	0.1	0.3	6.0	9.7	9.7	4.5	27.0	58.9
Canada	2.2	2.8	9.2	11.8	15.0	6.6	33.4	40.6
Russia	4.3	3.4	9.9	10.0	11.6	7.7	29.0	29.7
Australia	3.3	3.9	12.8	14.3	11.6	11.7	48.6	39.7
Others	7.2	6.6	16.7	23.1	20.3	25.9	96.0	87.4
Global	50.9	48.6	150.3	154.4	165.5	152.6	627.9	641.4

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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