

# FIS Dry Freight Weekly Report

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

**21/11/2023**

**Market Review:**

The positive sentiment from the previous week resulted in gains across various vessel sizes. Notably, Panamax witnessed substantial increases, driven by strong coal demand from Asian buyers and a rise in demand for mineral cargoes, bringing the week to a positive close.

Freight Rate \$/day	20-Nov	13-Nov	Changes %	Short Term	Sentiment
Capesize 5TC	22,447	21,619	3.8%	Neutral	-
Panamax 4TC	15,899	12,598	26.2%	Neutral to Bullish	↗
Supramax 10TC	13,389	12,396	8.0%	Neutral to Bullish	↗
Handy 7TC	10,888	10,581	2.9%		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	206	-11	142 (-7)	44 (-7)	11 (-2)		
Panamax	381	+25		185 (+24)		91 (-14)	67 (+11)
Supramax	491	-11		128 (+15)		59 (-5)	278 (-15)

**Capesize**

Capesize has strengthened since the middle of last week, supported by robust cargo volumes in both basins and notable gains in the FFAs market. Despite weather delays in North China leading to some port closures, iron ore cargos still recorded a robust volume week. Demand-wise, Cape iron ore shipments increased by 28.1% week-on-week to 31.2 million tonnes, driven by significant demand from China. Additionally, coal volumes increased by 3.7% to 7.2 million tonnes, while minor bulk volumes rebounded by 13.6% to 3.4 million tonnes last week.

In terms of fixtures, the key C5 iron ore route (West Australia to China) was fixed at \$10.40 for 1-5 Dec laycan and then rose to \$10.55 before the weekend approached, as charterers had to pay higher rates to secure their tonnage due to weather conditions. On the 20th Dec, C5 experienced a slight retreat due to subdued activity on a quiet Monday. A coal cargo from Newcastle to Xiamen was fixed at \$13.5 for 7-12 Dec. In the Atlantic, vessel supply was reported to be tight in Brazil for the early Dec window due to fewer ballasters towards the area. Moving iron ore on the C3 route from Tubarao to Qingdao was fixed higher at \$22. Out of Brazil, a trip from Acu to Qingdao was heard to be fixed in the low \$21s for 13-22 Dec. Premium fixing rates were also reported elsewhere in the Atlantic, with cargoes from Bolivar to Zhoushan being paid at \$28.25 for 1-10 Dec and from Kamsar to China at \$22 for 3-7 Dec. As the new week began, sentiment softened slightly following the easing congestion in some Chinese ports and thin coal volumes so far.

**Capesize 5TC Rolling Front Month Trading Range**

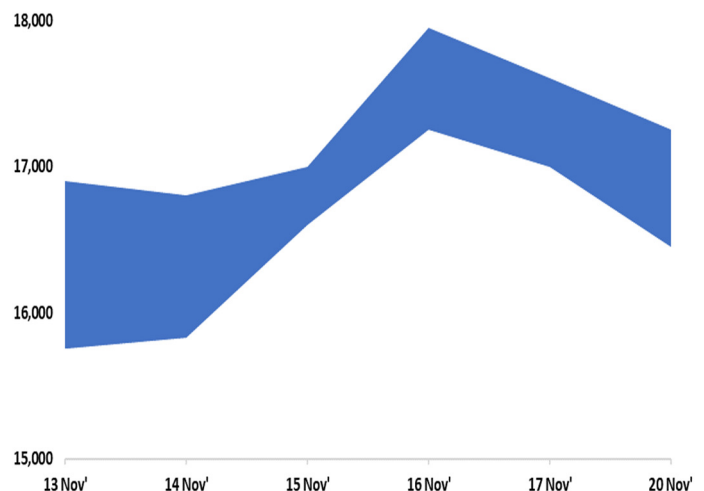


Chart source: FIS Live

A day of two halves for the capesize market last Monday as no trades were reported for a significant amount of time in the morning due to the Singapore holidays. However, strong buying in the afternoon saw Nov paid up to a high of \$19,900 and Dec was paid \$16,250, \$16,500, \$16,750 and \$16,800 in size. Tuesday saw the prompt opening much firmer with Nov and Dec trading up to \$19,900 and \$16,950 while the Cal24 and Cal25 traded up to \$14,500 and \$14,850 respectively. Sellers did find traction post index (-275) and pushed Nov and Dec down \$1000. Wednesday opened with bid support as Nov was paid \$19,350, and Dec was paid \$16,250 early on. This momentum continued into the day as Nov eventually traded over \$20,000 and Dec paid up to a high \$17,000. Early interest saw buyers push the market up from the onset on Thursday. Nov and Dec traded up to \$21,000 and \$18,000 respectively. Further out, Cal24 and Cal25 traded up to \$14,900 and \$15,000 respectively. Friday saw a couple of axed sellers push the market lower with the Nov+Dec particularly seeing sell flow- \$19,325, \$19,200, \$19,150, \$18,900, and \$18,750 all sold. Dec closed the week \$1500 higher than the previous Friday. This week started off with little to write home about. Post index saw the prompt months trade in a \$400 range with Nov and Dec trading down to \$19,750 and \$16,400 respectively.

**Short run neutral**

## Panamax

Panamax time charter rates marked up 26% as market sentiment was boosted with gains posted across all routes. P1A led the way, displaying a weekly index value increase of 45% fueled by a new round of inquiries and an already tight tonnage list. Healthy cargo volumes were also evident in the Pacific round trip, along with increasing coal demand from Asian participants. On a weekly basis, Panamax shipments in minor bulk surged by 38% to 4.6 million tonnes, and coal shipments improved by 7.1% from the previous week, reaching 13.9 million tonnes, despite a slight decline in the grains sector.

In terms of fixtures, significant attention was directed toward the North Atlantic, with charterers raising their bids and expectations of further rate increases. On the

Transatlantic routes, a trip from Seven Island to Dunkirk with iron ore was fixed at \$17/mt, and from USEC to Ijmuiden was fixed at high \$19/mt. Another mineral trip via USEC with redelivery in India was fixed at \$35,000. In the South, cargo volumes from ECSA experienced a slight dip, and congestion levels seemed to have passed their peak. As a result, rates for redelivery in Sing/Japan eased to \$16,500-\$17,000. The Asia market came back to life after market players returned from the holiday, with a healthy flow of coal cargos into China and JKT lifting the sentiment. Trips via EC Australia with redelivery in China and Korea were fixed at \$14,750 and \$11,000, respectively. Out of Indonesia, redelivery in South China increased from \$11,500 to \$12,250 as the week progressed, and redelivery in Vietnam/Philippines was at around \$12,000-\$12,500. A cargo with grains via Port Lincoln with redelivery in China was fixed at \$15,000. In summary, a positive demand outlook developed throughout the past week.

Slow start to the week last Monday with Singapore holidays affecting liquidity. Buyers did eventually nudge up the curve, and Dec printed over \$12,000 quickly to a high of \$12,300, and Q1 from \$9750 to \$10,000 in good size before stalling pre index. Dec traded in good size in the afternoon, printing between \$12,400-\$12,550. After a sharp increase on the index in conjunction with short covering on prompts on Tuesday, rates gapped up. Nov and Dec traded up to \$13,400 and \$13,100 respectively with some size changing hands. Q1 traded up to \$10,200 and Cal24 up from \$11,200 to \$11,500. On Wednesday, Nov printed to a high of \$13,600 and Dec to \$13,500 before being sold down in the afternoon. Q1 remained in a \$200 range throughout the day and the Cal24 briefly printed up to \$11,600 before retracing to \$11,400 in the afternoon. Nov and Dec pushed to \$13,950 and \$13,800 respectively, Q1 pushed up to \$10,650 while Cal24 traded in some size up to \$11,700. On Monday, Dec shifted up to a days high of \$13,900, Jan to \$11,300 and Q1 stayed just under \$11,000, printing up to \$10,950 in size.

**Short run neutral to bullish**

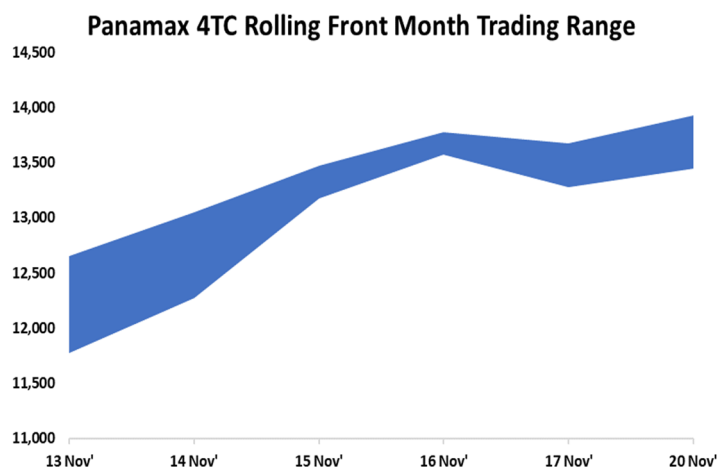
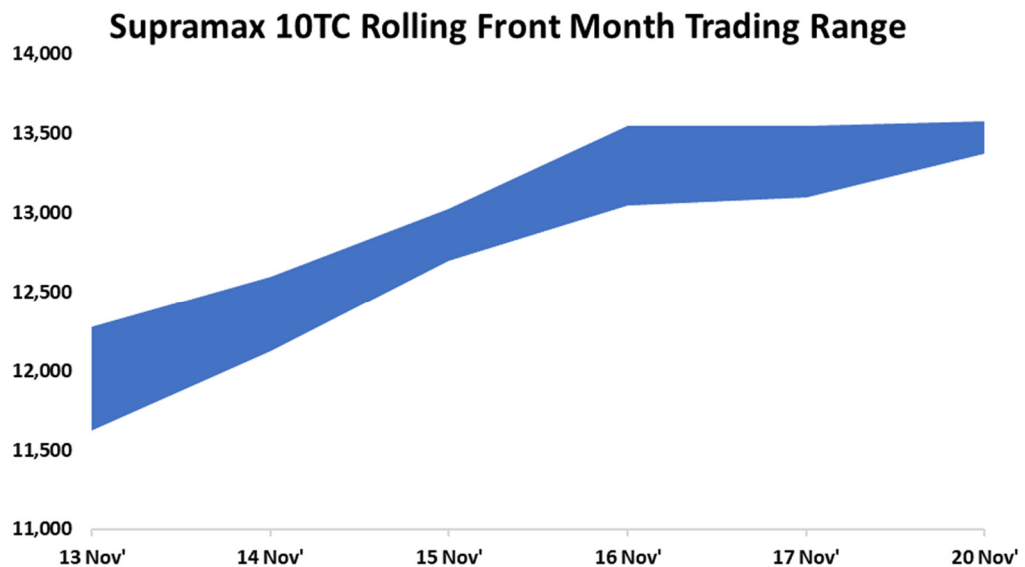


Chart source: FIS Live

## Supramax

Last Monday opened rather sluggish for the supramax paper, however, post index buyers entered the market and pushed Dec and Q1 up to \$12,150 and \$9,750. Further out, Cal24 and Cal25 traded up to \$11,125 and \$11,000. Contrastingly, Tuesday morning started out with good support on Smax paper. Nov and Dec printed up to \$12,900 and \$12,500 respectively, while Q1 traded up to \$10,000. Following Tuesday's push, the market continued strong on Wednesday before finding a range post index. Nov and Dec traded up to \$13,050 and \$12,950 respectively, while further out Q1 traded up to \$10,100 and Cal24 traded up to \$11,450. On Thursday, Dec traded in size at \$13,000 and \$13,050 in the morning, and in the afternoon, Dec ticked up to \$13,500, while Jan and Q1 traded up to \$10,700 and \$10,250 respectively. Another strong day on Friday as post index (+294), Dec traded up to \$13,500. Further out, Cal26 and Cal27 traded \$11,550. Monday continued in the same way, pushing rates up towards Friday's levels. Dec and Jan traded in a range of \$350 and up to \$13,400 and \$11,100 respectively.

Short run neutral to bullish



## FFA Market Indexes

Freight Rate \$/day	20-Nov	13-Nov	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	22,447	21,619	3.8%	14,378	16,177	33,333	13,070	18,025
Panamax4TC	15,899	12,598	26.2%	10,893	8,587	25,562	8,587	11,112
Supramax10TC	13,389	12,396	8.0%	10,779	8,189	26,770	8,189	9,948
Handy7TC	10,888	10,581	2.9%	9,980	8,003	25,702	8,003	9,288

## FFA Market Forward Values

FFA \$/day	20-Nov FIS Closing	13-Nov FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Dec 23	16600	16850	-1.5%	18,000	15,800	22,500	11,700
Capesize5TC Q1 24	10050	9625	4.4%	15,100	9,150	18,200	7,500
Panamax4TC Dec 23	13700	12550	9.2%	13,900	11,750	17,500	9,100
Panamax4TC Q1 24	10925	10050	8.7%	11,800	9,775	13,850	8,100
Supramax10TC Dec 23	13500	12150	11.1%	13,500	11,800	16,950	9,300
Supramax10TC Q1 24	10500	9700	8.2%	11,575	9,700	14,500	8,300

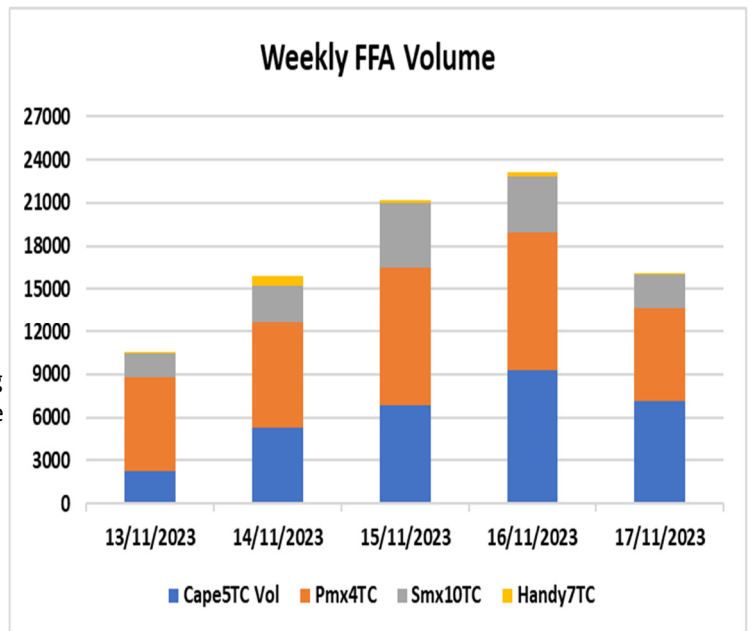
Data Source: FIS Live, Baltic Exchange

## FFA Market

It marked one of the most active weeks for FFAs, as total trading volumes surged to a record of 103,202 lots on exchanges. By vessel size, Capes and Panamax futures traded averaged approximately 6,150 lots and 7,970 lots per day, respectively. Supramaxes also witnessed an uptick in trading activity, with an average of 2,970 lots changing hands daily. Furthermore, there was notable activity in Panamax options, with a total of 12,570 lots traded during the week, contributing to the overall options volume of 16,610 lots. The primary focus of trading was on Dec, Q1, and Cal24 contracts.

Open interest increased on a daily basis, along with rising FFA prices indicated an upward trend. On 20th Nov, Cape 5TC open interest reached 167,140 lots (+5,660 w-o-w), Panamax 4TC 183,358 lots (+8,090 w-o-w), and Supramax 10TC 86,286 lots ((+3,730 w-o-w).

Regarding voyage routes last week, 2.2 million tonnes of C5 were cleared, with main interests focusing on Nov-Dec contracts and smaller sizes on Q1-Q2 24.



## Dry Bulk Trades/Iron Ore

Iron ore shipments saw a strong recovery last week, reaching 34.2 million tonnes, primarily driven by increased demand from China. Australia's overall shipments surged by 29.3% to 20.5 million tonnes, while Brazilian iron ore exports experienced a significant uptick, with 9.1 million tonnes shipped, marking a substantial 66.7% increase. Additionally, consistent and robust supply from South and West Africa contributed to a weekly shipment increase of 8.7%, totalling 1.8 million tonnes.

On the demand side, seaborne volumes for China rebounded to the previous high level of around 27 million tonnes, indicating a weekly increase of 26.3%. As a result, shipments from Australia exceeded seasonal levels, reaching 17.6 million tonnes (a 33.5% week-on-week increase), and from Brazil, shipments rebounded to a seasonal high of 5.9 million tonnes (a 45.2% week-on-week increase). In the underlying market, iron ore prices extended gains to its 8-month high amid positive fundamental outlook.

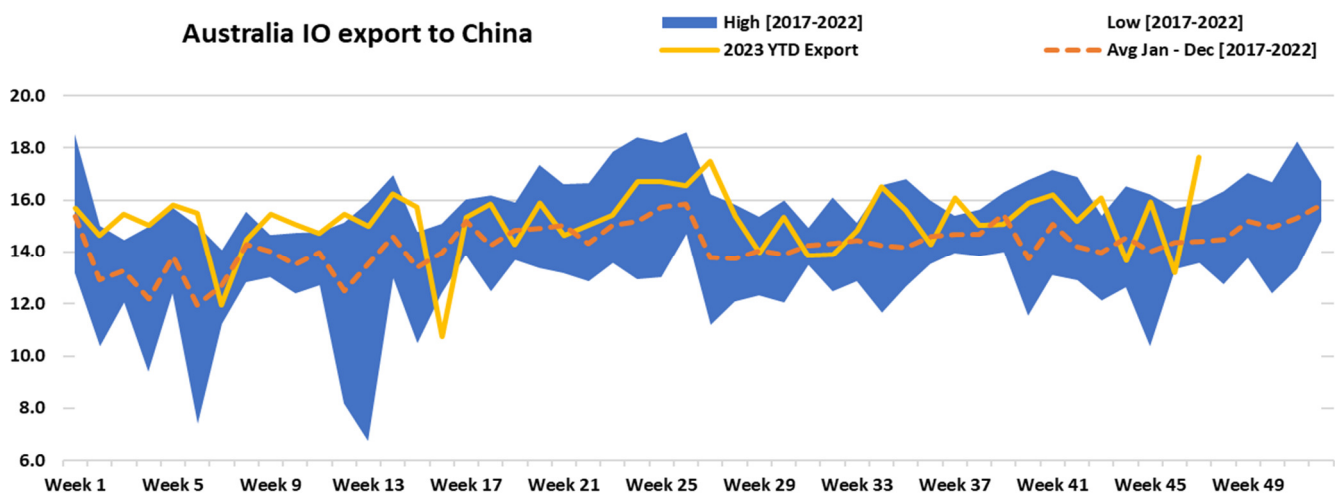
### Dry Bulk Trades/Iron Ore

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
<b>Global</b>	<b>144.4</b>	<b>137.3</b>	<b>412.8</b>	<b>381.3</b>	<b>412.9</b>	<b>410.4</b>	<b>1586.0</b>	<b>1629.2</b>

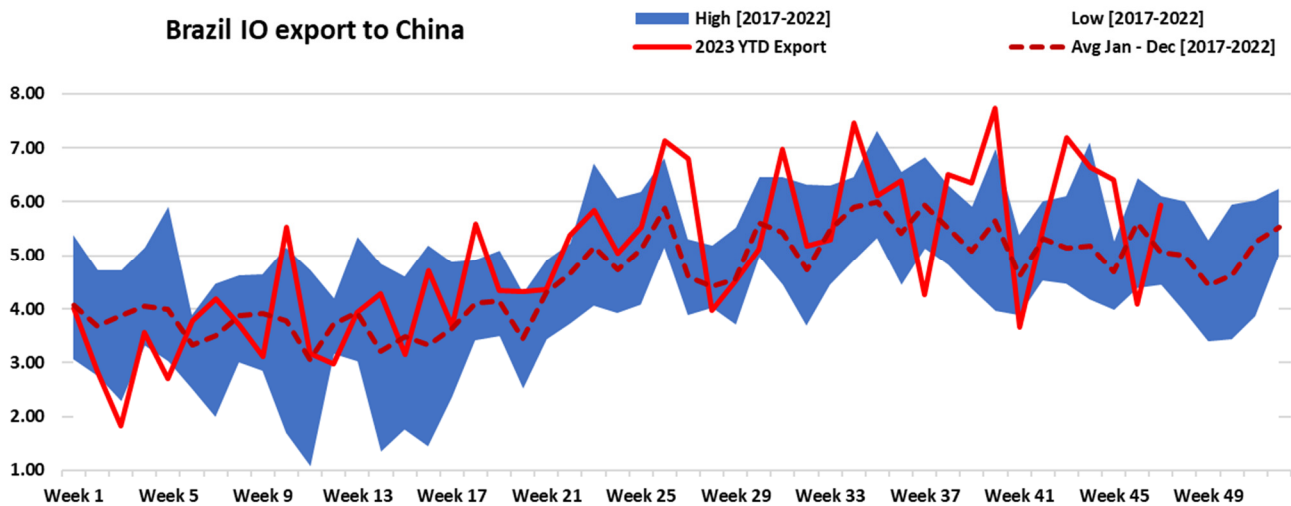
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	17.6	13.2	<b>33.5%</b>	10.24	9.73	<b>5.3%</b>
Brazil-China	5.9	4.1	<b>45.2%</b>	22.19	21.45	<b>3.4%</b>

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

Coal shipments made a robust comeback last week, with total export volumes surging to 28.4 million tonnes, marking a 6.1% increase week-on-week. Although Australia's supply experienced a slight dip of 5% after two consecutive weeks of increases, reaching 7.7 million tonnes, it still remained above the seasonal high level due to consistent and firm demand from JKT region (5.2 million tonnes, a 7.1% weekly increase). However, volumes destined for India sharply declined to 758kt (a 41.2% week-on-week decrease), and those for China dropped to 836kt (a 35.1% week-on-week decrease).

On the positive side, Indonesian coal witnessed a necessary uptick to 11.8 million tonnes, with demand from China recovering by 10% last week, reaching just shy of 5 million tonnes. Additionally, coal demand from North America continued to strengthen, stabilising at the previous high level of around 2.6 million tonnes.

### Dry Bulk Trades/Coal

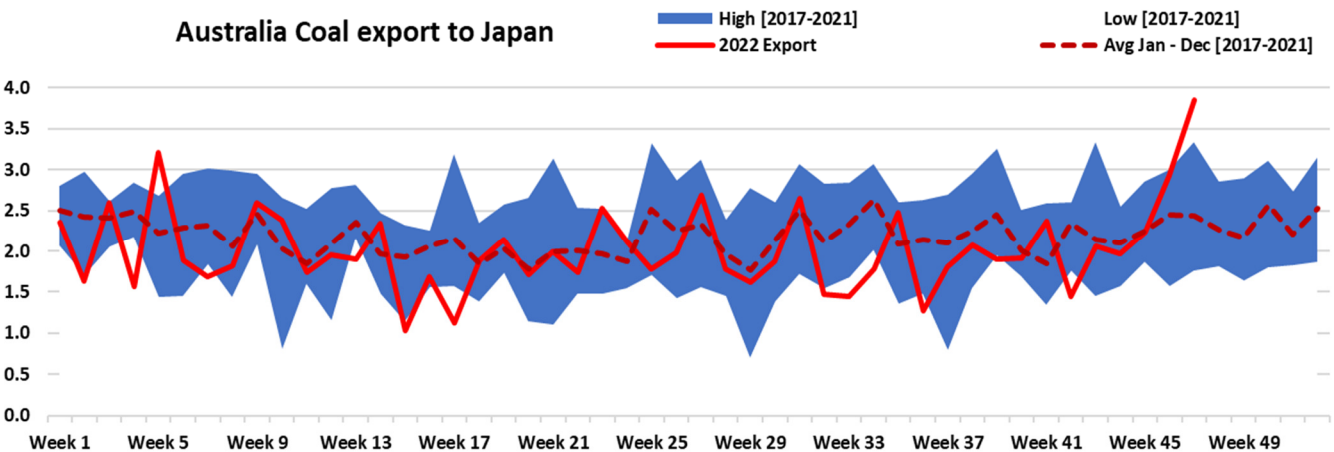
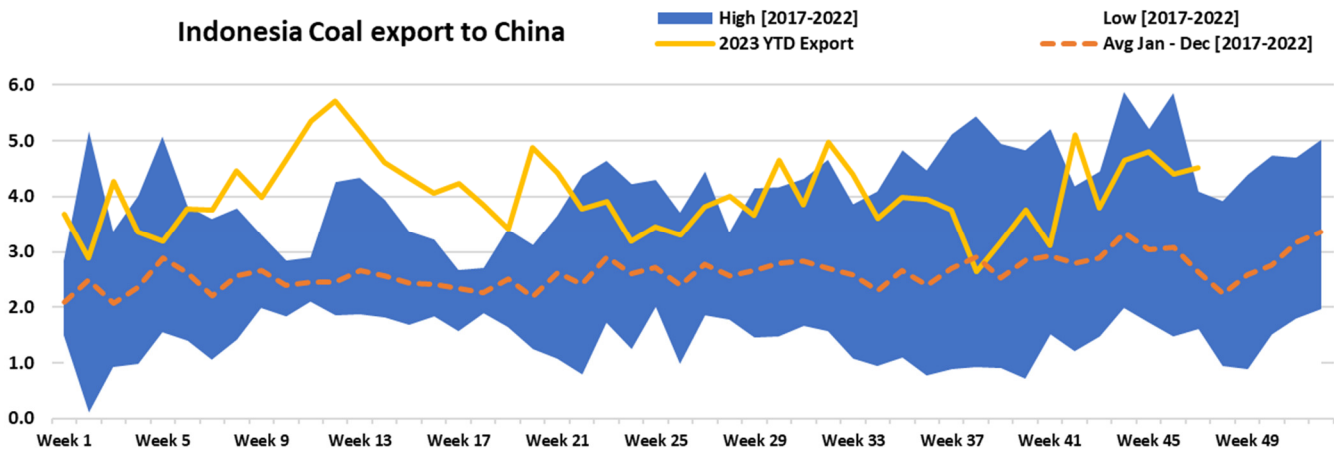
Export (million tonnes)	Sep-23	Aug-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Indonesia	41.5	42.3	120.0	119.8	124.0	130.7	448.7	415.2
Australia	27.7	31.5	93.1	79.5	84.5	79.7	308.0	368.3
Russia	16.0	16.0	51.4	48.5	50.8	48.7	177.7	172.3
USA	7.5	4.9	20.1	20.4	17.4	17.4	66.3	69.5
Colombia	4.5	5.7	14.5	12.5	16.0	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
<b>Global</b>	<b>111.3</b>	<b>113.8</b>	<b>342.0</b>	<b>319.8</b>	<b>329.8</b>	<b>331.0</b>	<b>1199.0</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	4.5	4.4	2.7%
Australia-Japan	3.8	2.9	31.0%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

## Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

## Dry Bulk Trades/Agri

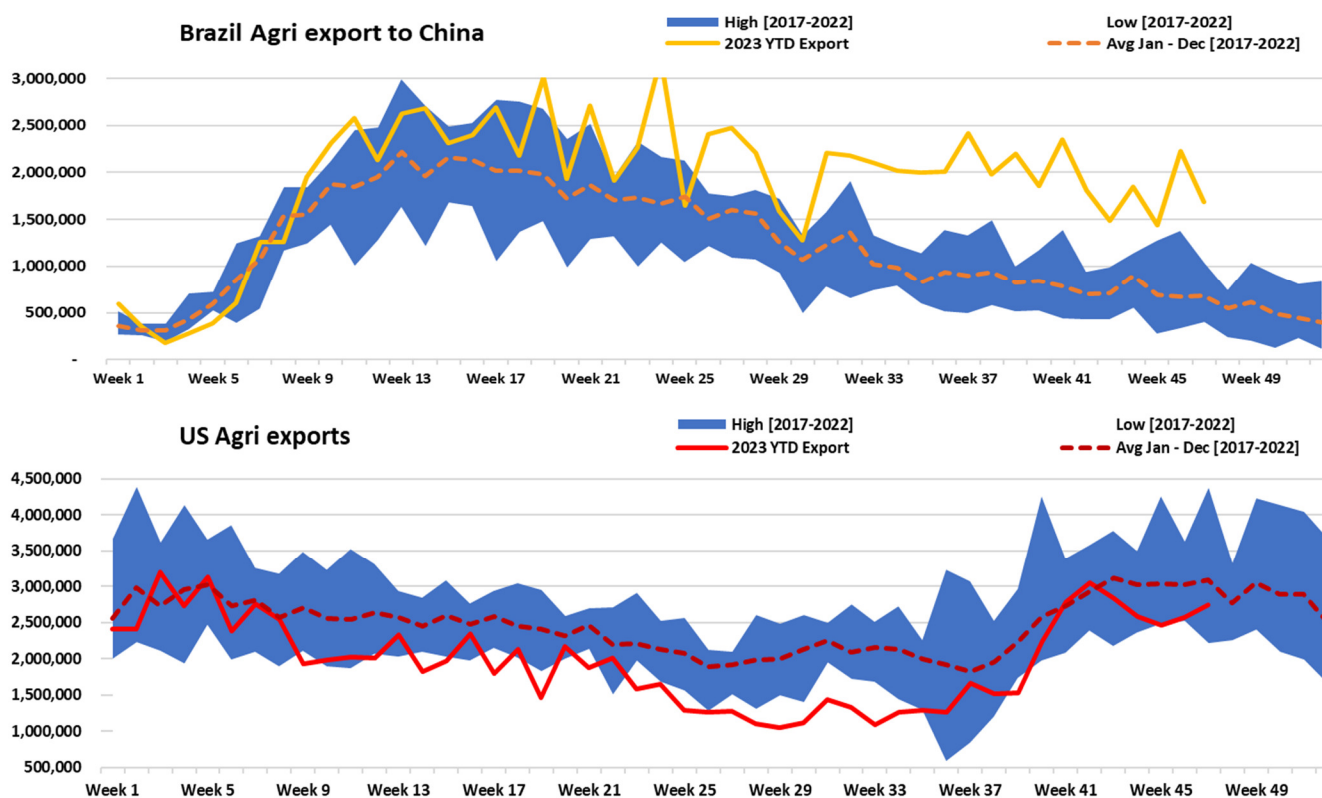
Last week, the global grain shipments held steady at 11.3 million tonnes, revealing varied trends in key regions. In Brazil, total weekly shipments decreased by 12.4% compared to the previous week, returning to the recent weekly range of 4.0 million tonnes after reaching a volume peak in the preceding week. In the U.S. region, shipments strengthened for a second consecutive week, with weekly totals increasing by 2.6% to 2.6 million tonnes. Similarly, Australian shipments underwent a notable shift last week, with weekly volumes surging by over 90% to 778,000 tonnes.

### 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	1,683.5	2,229.9	-24.5%	41.3	39.7	4.1%
US-China	1,006.4	972.7	3.5%	56.5	55.0	2.7%

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
<b>Global</b>	<b>50.9</b>	<b>48.6</b>	<b>150.3</b>	<b>154.4</b>	<b>165.5</b>	<b>152.6</b>	<b>627.9</b>	<b>641.4</b>

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Written by **Emma Feng**, FIS Senior Research Analyst

Edited by **Luke Hanley**, FIS Content Manager

News@freightinvestor.com, +44 207 090 1120

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](https://www.freightinvestorservices.com)