

# FIS Dry Freight Weekly Report

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**Market Review:**

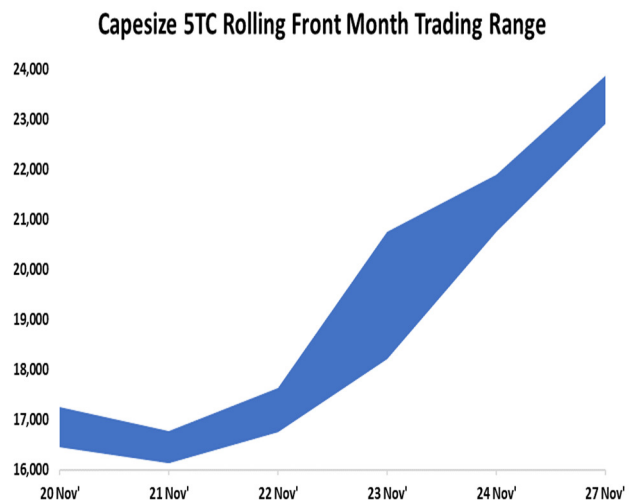
The Cape market witnessed a week of significant surge in both rate and trading volumes in the futures market, surprising many market participants. In the underlying iron ore market, spot prices reached an 18-month high, surpassing the \$135 mark due to supportive policies from the Chinese government on property and credit, driving up steel demand and prices. Additionally, coal demand remained robust from key regions, contributing to higher rates for smaller vessels. Any previous losses were recouped in the latter part of last week, with strong gains observed at the start of this week.

Freight Rate \$/day	27-Nov	20-Nov	Changes %	Short Term	Sentiment
Capesize 5TC	31,671	22,447	<b>41.1%</b>	Neutral to Bullish	↗
Panamax 4TC	17,523	15,899	<b>10.2%</b>	Neutral to Bullish	↗
Supramax 10TC	14,209	13,389	<b>6.1%</b>	Neutral to Bullish	↗
Handy 7TC	12,241	10,888	<b>12.4%</b>		

IHS	Weekly Total Shipments		Iron Ore	Coal	Bauxite	Agribulk	Minor bulk
Capesize	<b>237</b>	<b>+32</b>	167 <b>(+26)</b>	45 <b>(+2)</b>	15 <b>(+4)</b>		
Panamax	<b>366</b>	<b>-17</b>		189 <b>(+5)</b>		73 <b>(-22)</b>	68 <b>(+2)</b>
Supramax	<b>529</b>	<b>+26</b>		130 <b>(+5)</b>		64 <b>(+5)</b>	283 <b>(-9)</b>

**Capesize**

Activity and rates rapidly increased in both basins from last Thursday, witnessing significant jumps in index and volumes. Consequently, the futures market experienced some extraordinarily busy trading days. Before that, the week started on a quiet and uncertain note, with rates in the Pacific under pressure as only one major was active in the market. The main support was generated from fixtures in South Brazil and West Africa. However, things developed quickly, and sentiment shifted to optimism after iron ore loading in Brazilian ports was in full gear thanks to dry weather. Market sources said more owners are considering ballasting towards Brazil for late December laycan. Anticipatedly, the vessel supply outlook in the North Atlantic could become even tighter. In the Asian market, all three iron ore majors joined in pushing up rates. Looking at a weekly basis, Cape iron ore shipments retreated 4.6% week-on-week to 29.6 million tonnes after the peak of the previous week. However, on a daily basis, it topped 5.3 million tonnes last Friday. On the other hand, coal volumes fell by 19.4% to 5.8 million tonnes as more volume share shifted to Supramax vessels, while minor bulk volumes stayed firm at the high level of 3.6 million tonnes last week.



In terms of fixtures, the key C5 iron ore route (West Australia to China) was fixed from sub \$10 for early Dec laycan to \$11.25 for 8-9 Dec by the end of the week, as owners gained the advantage from a tighter supply. A cargo with coal from Newcastle to Yantai was fixed at \$17.5 for 7-15 Dec. In the Atlantic, moving iron ore on the C3 route from Tubarao to Qingdao was fixed much higher from last done level to \$24.5 for 20 Dec onwards and then \$27 for 9-14 Dec, given significant increase in activity. Another cargo from Tubarao to Egypt was fixed at \$19 for 8-14 Dec. Out of West Africa, trips from Kamsar to Qingdao was heard to be fixed at \$22 for 22-27 Dec and from Nouadhibou to China was at \$26 for 1-12 Dec. Strong iron ore demand from China has certainly kept the sentiment on the positive side for the start of this week.

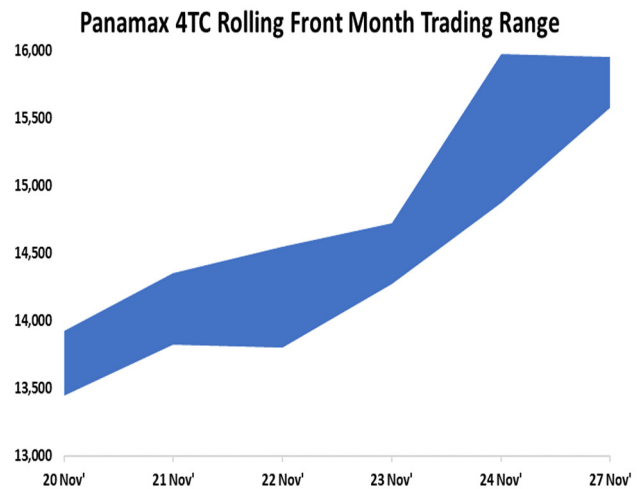
Chart source: FIS Live

Last Monday opened with little to write home about as both Nov and Dec traded lower from the onset. Post index saw the prompt months trade in a \$400 range with Nov and Dec trading down to \$19750 and \$16400 respectively. Capes opened a tick lower on Tuesday as Dec printed a few times at \$16250 before finding some support and pushing back to closing levels of \$16500. Q1 was supported again trading in good volume at \$10100, Q2 up to \$14550 and Cal24 up to \$15000. More strength on Wednesday on capes as Dec was paid \$17350 (+500) in decent volume, Cal24 traded \$15100 and \$15250, Cal25 traded \$15400. The afternoon saw Dec paid at \$17700. Thursday saw a huge spike in both volumes and rates as the Dec contract ended up peaking at \$20750 in the evening session, up \$3150. Jan traded up to a high of \$14500 (+\$1800) and Q1 +\$1250 with trades at \$11750. A big finish to a spectacular week for the capes as Dec rallied \$1800 after a huge index of +\$5855, an increase the market has not seen for some time. Jan traded up to \$15500, Q1 up to \$12500 and Cal24 up to \$16500. Monday saw Jan trade \$15500 and \$15750 (+750) and Q1 traded \$12500 a few times. Dec sold from \$24000 down to sub \$23000 before finding a level.

Short run neutral to bullish

### Panamax

With the fundamentals remaining consistently positive, Panamax rates continued to strengthen throughout the past week. Despite the impact of US and Japanese holidays, which subdued some fronthaul activity, robust mineral demand provided support for the Trans-Atlantic runs from the USEC and NCSA. In the South, a tight tonnage list combined with a healthy cargo list contributed to the positive market conditions. In the Asian market, there was an emergence of more Indonesian coal cargoes in the latter part of the week, resulting in record volumes in the region. Demand wise, Panamax coal shipments saw a slight week-on-week increase of 1.4% to 13.7 million tonnes. However, there was a slight decrease in volumes for minor bulk, ticking lower to 23.9 million tonnes, and a more significant decline in grains, experiencing a 26.2% decrease on the week to 4.6 million tonnes.



Significant fixtures were observed on Transatlantic routes, particularly with mineral cargoes via USEC redelivery to the Continent, Japan and India at the levels of \$31,000, \$33,000, and \$36,000, respectively. Trips via NCSA with redelivery at Skaw-Passero were fixed between \$25,750 and \$26,000. In the South, cargo volumes from ECSA experienced a decline, leading to a reduction in rates for redelivery Singapore/Japan from \$17,700 to \$16,500. A trip via ECSA redelivery Gib-Skaw was fixed at \$20,500. Strong market performance was also evident in the Asian market, especially for coal cargoes. Out of Indonesia, redelivery in South China increased from \$13,500 to \$14,750 over the week, and redelivery India was at \$13,000. A smaller cargo covering 75kt redelivery Singapore/Japan was fixed at \$14,000. Nopac round trips with grains were reported at \$12,000 for 75kt vessels and the highest at \$16,500 for 82kt vessels. The week concluded on a firm note, with some market participants anticipating further gains extending into the current week.

Early support to start the week last Monday as Dec shifted up to a day's high of \$13900, Jan to \$11300 and Q1 stayed just under \$11000, printing up to \$10950 in size. On Tuesday, Nov and Dec pushed up to \$14400 and \$14400 highs respectively, Q1 broke 11k resistance to trade up to \$11350 which in turn saw Q2 printing \$12550. Active start to the day on Wednesday as early buyers resulted in Dec trading \$14600, Q1 at \$11650 and Cal24 at \$12250. Sellers then entered the market and saw early gains wiped out. Dec printed down to \$13800, Q1 to \$11000 and Cal24 to \$11750. Thursday saw Dec trade up to \$14700, Q1 to \$11750 and Cal24 to \$12200. Prompts were the focus on Friday and saw most gains as Dec chased up to \$16000 and Q2 broke \$12000 resistance to print \$12150, while Cal24 traded up to \$12500. The afternoon saw Dec retrace to support at \$15150, Q1 back down to \$11900 and Cal24 at \$12300. On Monday, Dec traded up to \$15900 before retracing in the afternoon. Cal24 traded several times between \$12450 and \$12700 before stalling and losing most of the day's gains into the close.

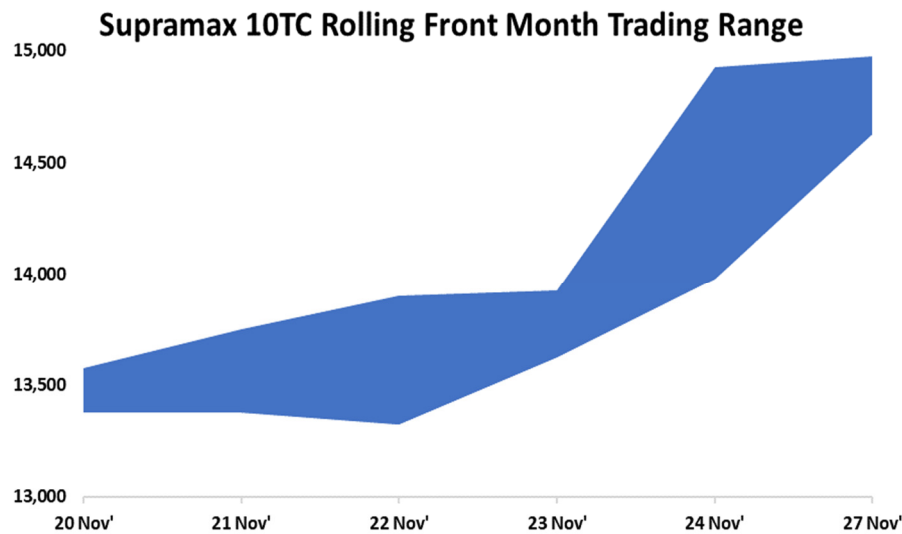
Short run neutral to bullish

Chart source: FIS Live

## Supramax

Last Monday saw Dec and Jan trade in a range of \$350 and up to \$13400 and \$11100 respectively. Q1 traded up to \$10600 and Cal24 up to \$11600. A positive day on Tuesday as aggressive Q1 buying helped nudge up the entire curve. Q1 traded up to \$10850 while Cal24 traded up to \$11750. Dec traded up to \$13650. Despite an active morning, the afternoon saw Dec and Jan trade down to \$13300 and \$11400 on Wednesday. Q1 traded in a range of \$150 and up to \$11150. Cal24 traded up to \$11900. On Thursday, Dec traded from \$13500 and up to \$14000, while Jan traded from \$11500 to \$12050. Q1 also saw support trading in a range of \$700 and printing up to \$11600. A bullish day on Friday as prices pushed up through the morning trading session with Dec and Jan trading up to \$15000 and \$12900, while Q1 traded in size at \$11500 while printing up to \$11700. Cal24 traded up to \$12175. This bullish trend continued Monday as Dec and Jan traded up to \$15000 and \$13200 while Q1 traded up to \$12400. While the rates stalled in the afternoon, the curve closed higher than Fridays closing levels.

Short run neutral to bullish



## FFA Market Indexes

Freight Rate \$/day	27-Nov	20-Nov	Changes %	2023 YTD	2022	2021	2020	2019
Capesize5TC	31,671	22,447	41.1%	14,690	16,177	33,333	13,070	18,025
Panamax4TC	17,523	15,899	10.2%	11,054	8,587	25,562	8,587	11,112
Supramax10TC	14,209	13,389	6.1%	10,863	8,189	26,770	8,189	9,948
Handy7TC	12,241	10,888	12.4%	10,028	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	23250	16600	40.1%	24,000	16,150	22,500	11,700
Capesize5TC Q1 24	12450	10050	23.9%	16,675	9,900	18,200	7,500
Panamax4TC Dec 23	15625	13700	14.1%	16,000	13,400	17,500	9,100
Panamax4TC Q1 24	12150	10925	11.2%	12,750	10,650	13,850	8,100
Supramax10TC Dec 23	14725	13500	9.1%	15,000	13,300	16,950	9,300
Supramax10TC Q1 24	12025	10500	14.5%	12,550	10,300	14,500	8,300

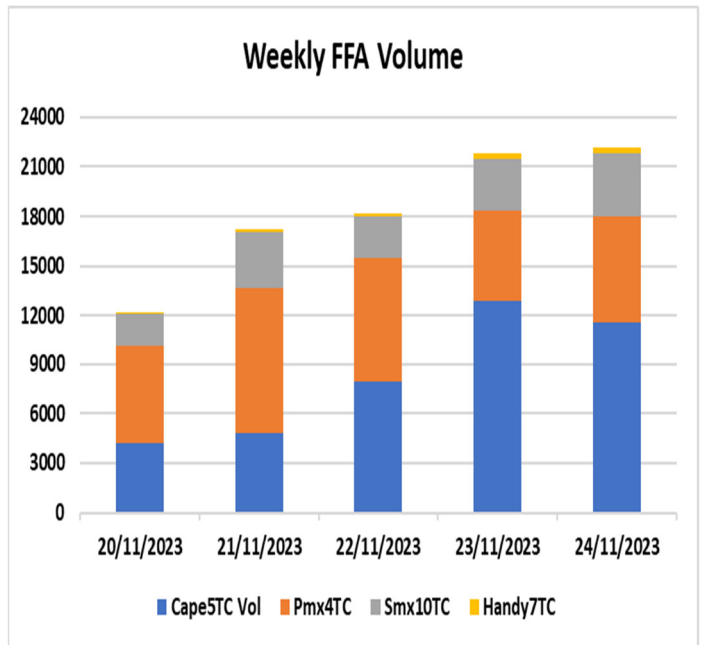
Data Source: FIS Live, Baltic Exchange

## FFA Market

An extraordinarily busy week for dry FFAs, with daily volumes surpassing 20,000 lots last Thursday and Friday, marking the highest futures volume week ever, resulting in total trading volumes reaching nearly 97,200 lots. By vessel size, Capes futures saw the largest volume traded, averaging 8,290 lots changing hands per day. Panamax and Supramaxes also experienced an uptick in trading activity, with an average of 6,835 lots and 2,960 lots traded daily, respectively. Options trading was comparatively moderate, with 3,150 lots cleared in Cape and 1,810 lots in Panamax. In terms of contract periods, the primary focus of interest was on Dec, Q1, and Cal24-25 contracts, along with decent sizes traded in Jan 24, Q2-Q4 24.

Open interest notably increased on a daily basis, confirming an upward trend alongside rising FFA prices. On November 27th, Cape 5TC open interest reached 180,148 lots (+13,000 w-o-w), Panamax 4TC 192,552 lots (+9,200 w-o-w), and Supramax 10TC 93,496 lots (+7,210 w-o-w).

Regarding voyage routes last week, 2.16 million tonnes of C5 and 75kt of C3 were cleared, with main interests focusing on Nov-Dec contracts and smaller sizes on Q1-Q2 24. Additionally, 90 days of P6 were traded in Q1-24 on EEX.



## Dry Bulk Trades/Iron Ore

Iron ore shipments had another strong week, stabilizing at 34.0 million tonnes, thanks to firm demand and restocking activity from China. As the chart below illustrates, seaborne volumes for China remained at the upper end of the seasonal range from both Australia and Brazil. For the top two suppliers, following the peak volumes of the previous week, Australia's overall shipments retreated by 9.4% to 18.3 million tonnes, while Brazilian iron ore exports also saw a slight dip, with 7.6 million tonnes shipped, reflecting a weekly decrease of 6.2%. Meanwhile, there was consistent supply from South and West Africa, with weekly shipments reaching 1.9 million tonnes.

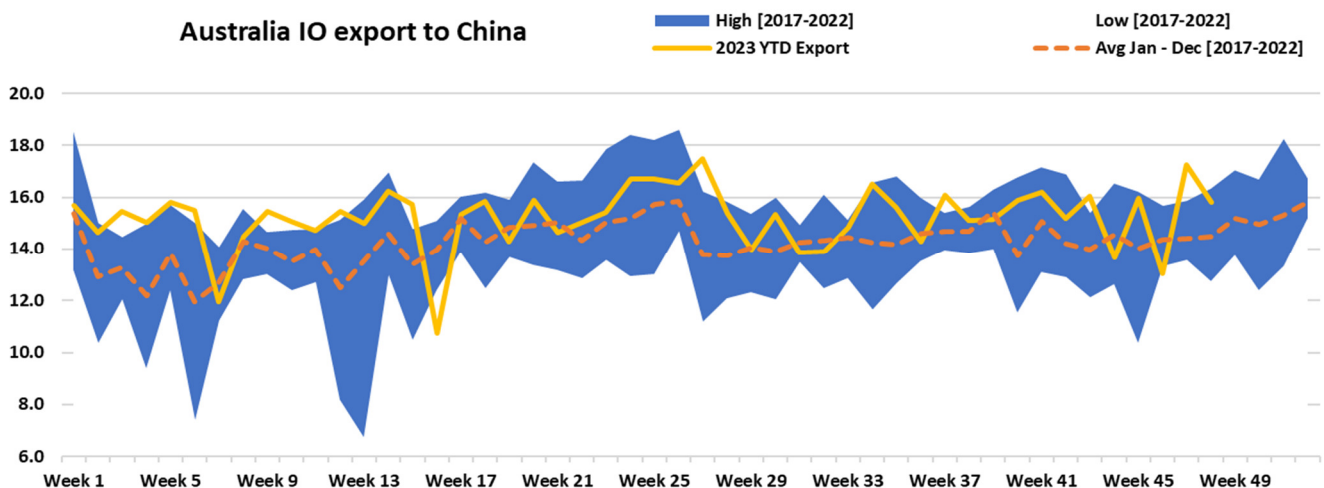
### Dry Bulk Trades/Iron Ore

Export (million tonnes)	Oct-23	Sep-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Australia	80.7	78.5	235.6	239.0	227.8	235.1	935.9	919.8
Brazil	33.4	35.2	103.5	92.2	72.9	97.7	344.2	352.9
South Africa	3.5	3.9	13.2	13.6	14.4	15.4	56.5	60.5
India	3.3	2.7	9.1	10.2	12.3	0.9	16.0	37.6
Canada	6.9	6.8	17.4	13.8	13.2	17.7	57.3	57.2
Others	16.7	15.7	46.9	44.6	41.7	32.8	133.3	201.2
<b>Global</b>	<b>144.6</b>	<b>142.7</b>	<b>425.7</b>	<b>413.3</b>	<b>382.3</b>	<b>410.4</b>	<b>1586.0</b>	<b>1629.2</b>

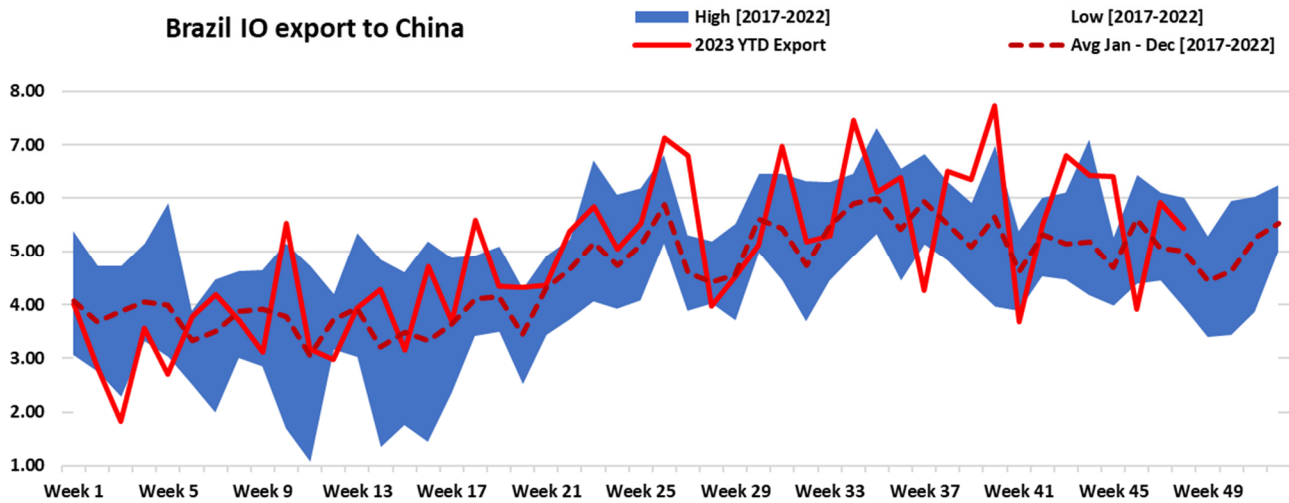
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.8	17.3	-8.3%	9.90	10.24	-3.3%
Brazil-China	5.4	5.9	-8.2%	23.18	22.19	4.5%

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

Coal shipments increased by 1.1% on top of robust volumes in the past week, with total export volumes reaching 28.5 million tonnes. Australia's supply decreased for a second week, reaching 6.6 million tonnes, reflecting a 13% week-on-week decrease. Despite this decline, it remained above the seasonal high level due to consistent and firm demand from the JKT region (3.8 million tonnes, a 13.7% weekly increase). However, volumes sharply decreased from other key regions. Meanwhile, Indonesian coal also witnessed a small dip to 11.4 million tonnes, despite demand from China picking up over 24% last week, reaching nearly 5.5 million tonnes. Additionally, coal demand from North America continued to strengthen, stabilizing at the previous high level of around 2.6 million tonnes.

### Dry Bulk Trades/Coal

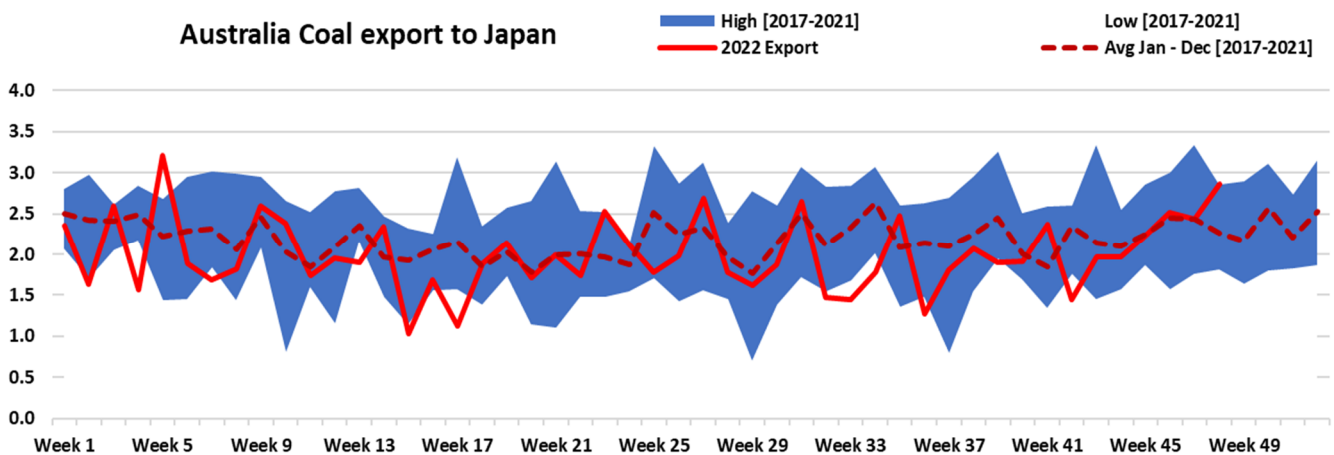
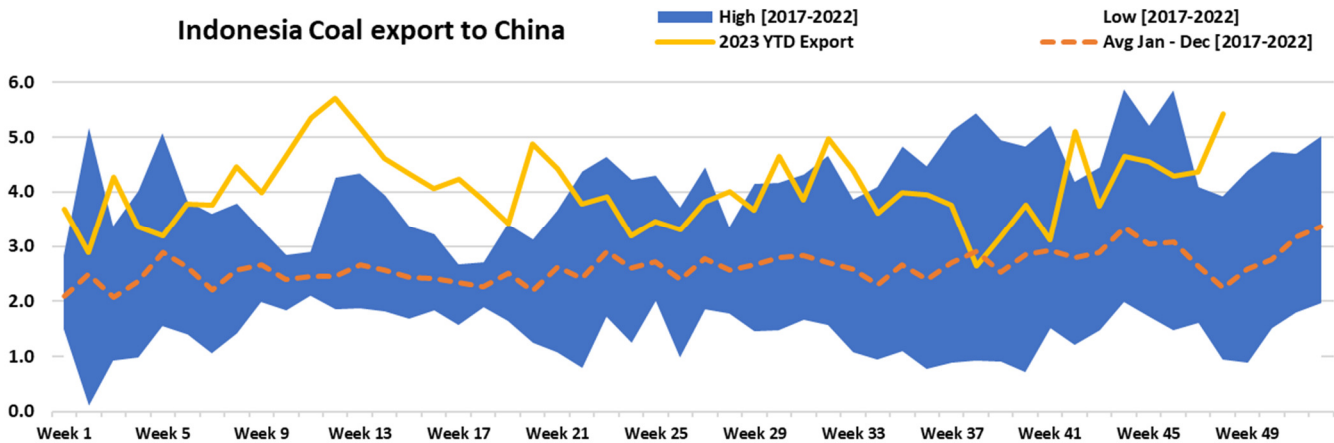
Export (million tonnes)	Oct-23	Sep-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Indonesia	48.6	39.5	123.1	120.9	120.4	130.7	448.7	415.2
Australia	30.2	29.0	88.2	93.1	79.4	79.7	308.0	368.3
Russia	13.0	14.7	46.5	51.4	48.4	48.7	177.7	172.3
USA	7.3	7.2	19.7	20.2	20.3	17.4	66.3	69.5
Colombia	6.1	5.8	15.9	14.6	12.5	14.9	55.7	60.9
South Africa	4.5	4.9	14.9	15.8	15.3	16.1	56.5	62.1
Others	9.7	9.4	26.7	27.3	23.7	23.6	86.2	88.1
<b>Global</b>	<b>119.3</b>	<b>110.6</b>	<b>335.0</b>	<b>343.3</b>	<b>320.0</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	5.4	4.4	24.3%
Australia-Japan	2.9	2.4	17.7%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

## Seasonality Charts



Data Sources: IHS Markit Commodities at Sea Service, Bloomberg

## Dry Bulk Trades/Agri

It was a low-volume week for global grain shipments, with the weekly total slumping over 21% to 9.2 million tonnes due to falling volumes from key exporters. Brazil followed its seasonal trend, with total weekly shipments declining 19.3% on the week to about 3.2 million tonnes, and its exports to China falling even more significantly, nearly 40% from the previous week to a low point of approximately 1 million tonnes. In Argentina, farmer sales reported to be low due to expectation of a policy change, resulting in a 33.4% slump in weekly shipments to 633kt. In the U.S. region, shipments ended a two-week increase, dropping 20.8% to 2.2 million tonnes. Similarly, Australian shipments came off notably last week, down 26% week-on-week to 583,000 tonnes.

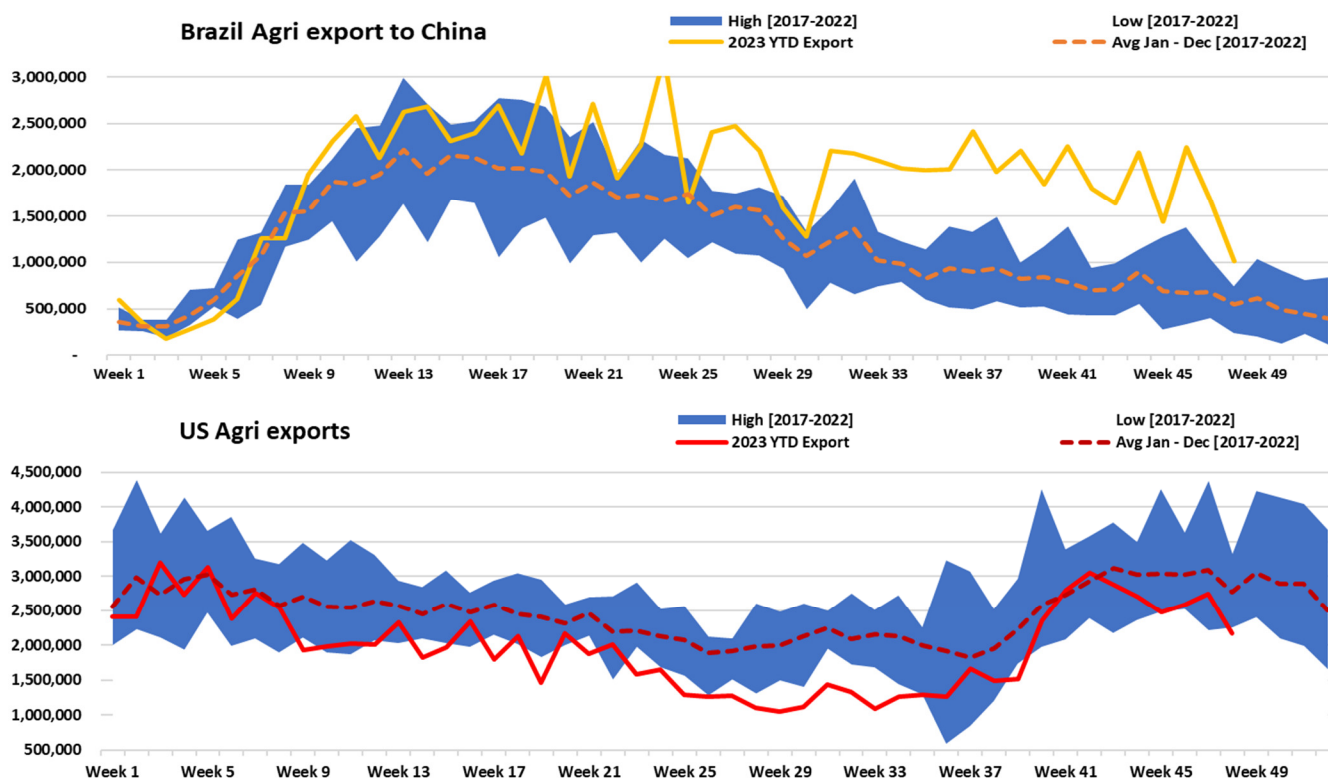
### Agri Key Routes

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	1,016.4	1,683.0	-39.6%	43.9	41.3	6.3%
US-China	796.6	1,065.5	-25.2%	59.4	56.5	5.1%

Data Source: IHS Markit Commodities at Sea Service, Bloomberg



## Seasonality Charts



Export (million tonnes)	Oct-23	Sep-23	Q3-23	Q2-23	Q1-23	Q4-22	2022	2021
Brazil	18.5	20.6	62.6	58.1	42.6	49.8	177.2	157.2
USA	12.6	7.2	18.2	23.1	30.9	23.9	128.7	140.8
Argentina	3.9	5.5	17.9	14.5	12.0	22.5	88.0	87.0
Ukraine	0.5	0.1	0.4	6.0	9.7	4.5	27.0	58.9
Canada	4.4	3.2	8.1	9.1	11.8	6.6	33.4	40.6
Russia	2.9	3.7	11.2	9.9	10.0	7.7	29.0	29.7
Australia	3.0	3.1	10.3	12.8	14.4	11.7	48.6	39.7
Others	7.8	5.3	18.3	16.9	23.3	25.9	96.0	87.4
<b>Global</b>	<b>53.7</b>	<b>48.7</b>	<b>146.9</b>	<b>150.4</b>	<b>154.7</b>	<b>152.6</b>	<b>627.9</b>	<b>641.4</b>

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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