FIS

Dry Freight Weekly Report

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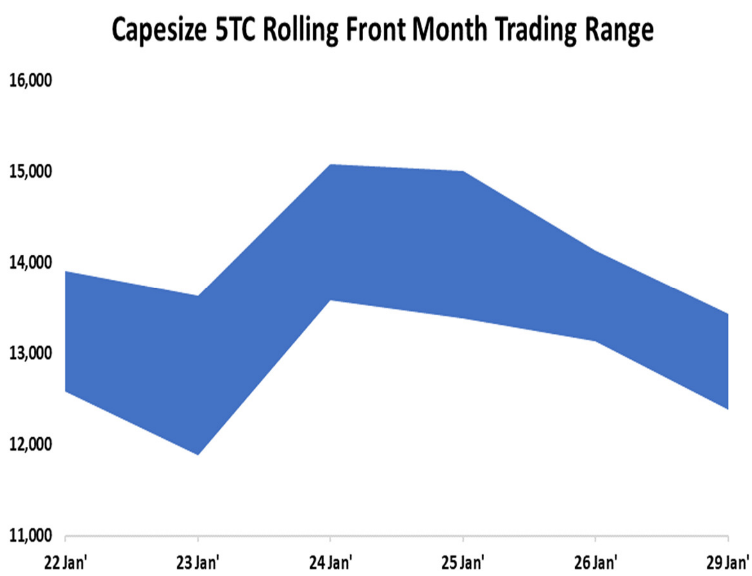
Market Review:

Cape extended further losses last week with the time charter rate registering 52% of its value at the beginning of year. The downturn is mainly attributed to slow seasonal iron ore demand and adverse weather conditions leading to some port closures in North China. The market awaits the last round of restocking activity from Chinese steel mills ahead of the Lunar New Year for a potential uptick in demand. In contrast, other smaller vessels hold onto their gains so far amid tight tonnage supply in key regions.

Freight Rate $/day	29-Jan	22-Jan	Changes %	Short Term	Sentiment
Capesize 5TC	16,337	18,842	-13.3%	Neutral to Bearish	↘
Panamax 4TC	13,839	12,850	7.7%	Neutral	-
Supramax 10TC	11,711	11,301	3.6%	Neutral	-
Handy 7TC	10,746	10,700	0.4%		

Capesize

It was a volatile week for the Cape market, marked by renewed optimism in the Atlantic basin and lower cargo volumes reported in the Asian side due to port closures in China, including but not limited to Zhoushan, Caofeidian, and Jingtang. The ongoing downward pressure has pushed C5 rates down to the mid $7s, nearly $3 lower compared to the start of 2024. Additionally, market confidence in the underlying iron ore market and Chinese property further eroded amid the Evergrande crisis, adding a bearish factor to the Cape market. The gains witnessed in the FFAs market during the middle of the week last week proved to be short-lived.



On a weekly basis, Cape iron ore shipments fell 3% to 24.7 million tonnes due to a decreasing volume destined for China. Moreover, minor bulk volumes experienced a lower volume week, down 6.1% from the previous week to 2.5 million tonnes. Finally, coal shipments rebounded to the levels we saw at the end of December at around 7.6 million tonnes, following the low shipments in the past three weeks.

In terms of fixtures, only one or two majors were seeking iron ore cargoes in the Pacific. The key C5 iron ore route (West Australia to China) was fixed at shy of $8 for 7-9 Feb. Despite owners showing some resistance during midweek, C5 failed to gain further traction amid stable tonnage supply. On the other hand, sentiment in the North Atlantic turned slightly positive with more cargoes reported in South Brazil and West Africa. Interests for C3 routes were evident for mid-Feb onwards loading dates, and several iron ore cargoes were fixed on the C3 route from Tubarao to Qingdao at $21.5 for late Feb to early March loading dates. The week concluded on a negative note, with no strong evidence indicating a quick turnaround in both basins.

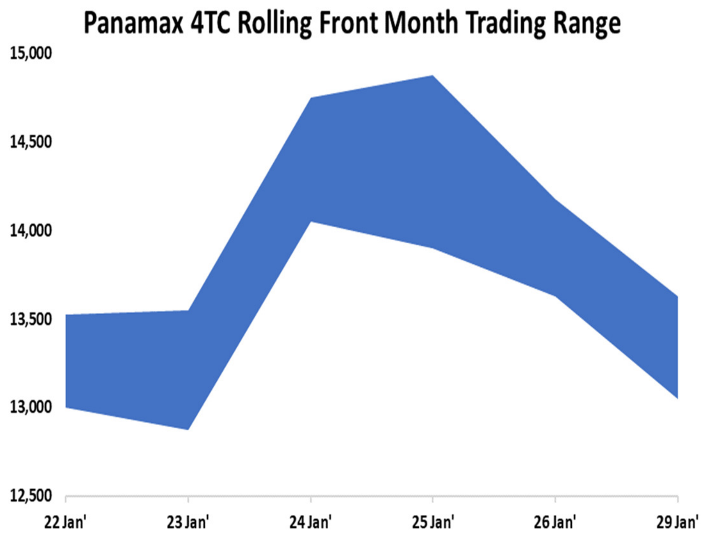
Chart source: FIS Live

FFA: Capes came under some early pressure last Monday with the first trade at $13700 on Feb (-450) before sellers came in with $13600 and $13500 getting hit. The market continued to get better offers with $13300 sold on Feb and $17250 sold on April before being sold down to $16850 in the afternoon session. Despite a negative index (-1430) the market saw decent support throughout Tuesday with Feb and March trading up to $13500 and $16250 respectively. Q2 followed suit trading up to $18750. A very strong day for capes on Wednesday as Jan was paid up to $21250 in size, Feb paid at $15000, Q2 paid at $20000 and Q3 paid at $21500. An interesting day on Thursday as rates opened softer, drifting lower throughout the morning with offers chasing bids. Buyers remained persistent in attempting to keep the rates up on the prompt. Feb halted proceedings with a wall of selling at $13500 before a midday spike saw rates climb up to $14000 before drifting off in the afternoon. Friday saw thin trading, with Feb paid up to $14000 and March up to $17000 in the afternoon. This week opened softer with the first trade in Feb at $13150. The market remained low on volume for the remainder of the day with $7.7 trading on the C5 Feb in 400kt.

Short run neutral to bearish

Panamax

Panamax time charter rate continued its upward trend last week, supported by better demand from ECSA and increasing tonnage miles as grain and coal cargoes extended voyage times by rerouting via the Cape of Good Hope. Demand-wise, Panamax coal shipments edged 2.7% lower to 11.7 million tonnes, impacted by lower shipments towards China. Apart from that, a more significant decrease was seen in Panamax grains shipments, experiencing a 23% drop on the week to 3.4 million tonnes. On a positive note, increasing volumes were observed on the minor bulk side, improving by 8.9% to 2.9 million tonnes.



In terms of fixtures, most of the gains were generated from fronthaul business as grain demand kicked in. Trips via ECSA redelivery Far East were fixed from $16,000 to $17,500 before reaching the weekly high of $20,000; via US Gulf redelivery China was at $26,750. Apart from that, enquiries for Transatlantic routes also appeared sufficient. A grain cargo redelivery Skaw/Gibraltar was paid at a low $20,000. In the Asia-Pacific, a NoPac round trip with iron ore was fixed at $12,750, and more coal cargoes to Japan and India were heard at $11,500 and $12,000, respectively. In the south, a 75kt coal cargo via Indonesia redelivery South China was fixed at $7,750, and to CJK at $8,250. The week ended in a flatline on the back of a balanced supply and demand outlook.

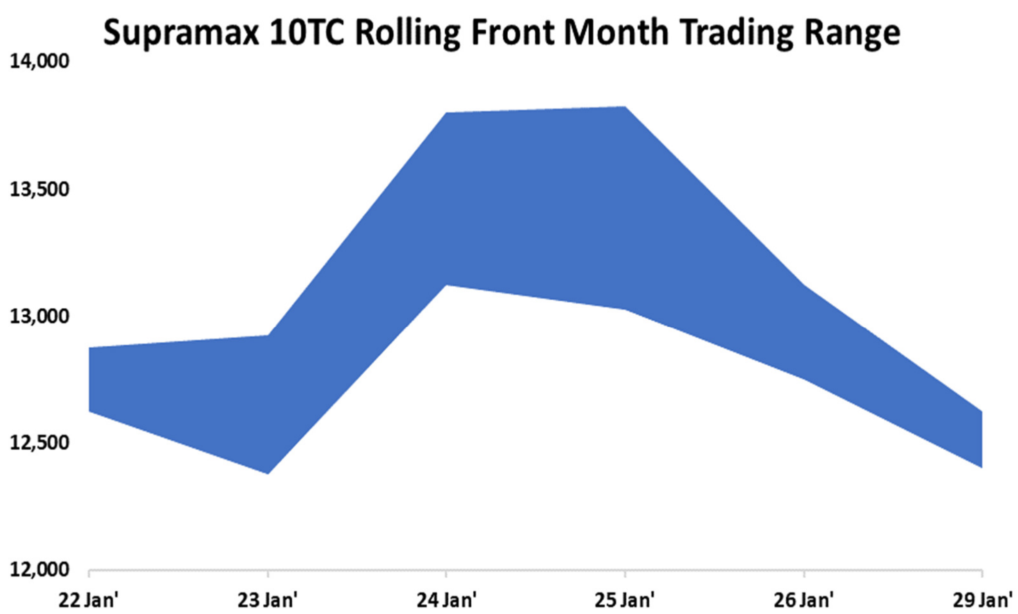
FFA: The market dipped $250 across the curve from the opening last Monday as sellers made themselves known in numbers. Despite nudging back up to opening levels mid-morning, the market retracted in the afternoon as liquidity thinned out. On Tuesday, Feb and Mar traded up to $13500 and $15400 respectively, while Q2 pushed to $15500 and Cal25 found support at $12500. Active day on Wednesday as the curve was pushed up from the open. Offers were picked out throughout the morning session, with focus on the prompt as Feb to Q2 gained traction from short covering, coupled with cape momentum. Pressure on Panamax rates on Thursday as Feb and March were sold off to $14000 and $15700 respectively. Q2 traded down to $15800 while Q3 traded $14400 and Q4 traded down to $14150. On Friday morning, March traded down to $15500 while Q2 traded down to $15600. Midday saw Feb and March trade up $250, with Cal25 trading $12550. Similar story to the capes on Monday as the pmx market opened softer this week with the Feb and March initially trading at $13750 and $15700 in the morning and continuing to trade lower throughout the balance of the day. **Short run neutral**

Chart source: FIS Live

Supramax

A fairly quiet day for the smx market on Monday with sideways movement throughout most of the day and minimal rangebound activity with lower volumes leaving sellers looking for bids. Feb and March traded in a $250 range. Tuesday saw Feb and March trade up to $12900 and $15150 respectively while Q2 traded up to $15100. Positive sentiment on Wednesday as Feb and March traded up to $13850 and $15975 respectively, while Cal24 and Cal25 traded up to $14550 and $12600. Fast forward to Friday and Feb traded from $13000 to a low of $12650, while March traded down to $14900. Despite a recovery in the afternoon, the curve closed lower than Thursday's closing levels. A stable start to the week for smx with the prompt months coming off slightly with Feb and March trading down to $12350 and $14900 respectively. Q2 and Q3 traded in a $300 range leaving the curve evenly weighted at the close.

Short run neutral



FFA Market Indexes

Freight Rate $/day	29-Jan	22-Jan	Changes %	2024 YTD	2022	2021	2020	2019
Capesize5TC	16,337	18,842	-13.3%	20,798	16,177	33,333	13,070	18,025
Panamax4TC	13,839	12,850	7.7%	12,973	8,587	25,562	8,587	11,112
Supramax10TC	11,711	11,301	3.6%	12,211	8,189	26,770	8,189	9,948
Handy7TC	10,746	10,700	0.4%	11,445	8,003	25,702	8,003	9,288

FFA Market Forward Values

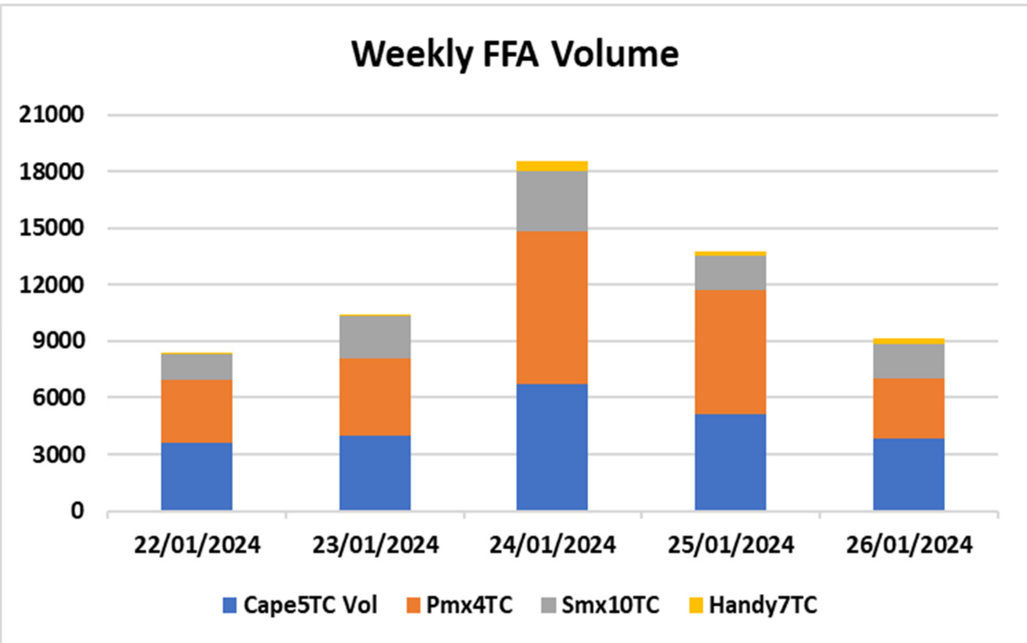
FFA $/day	29-Jan FIS Closing	22-Jan FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2023 Mkt High	2023 Mkt Low
Capesize5TC Feb 24	12375	12575	-1.6%	15,800	11,750	20,500	9,900
Capesize5TC Q2 24	19500	17775	9.7%	21,000	17,600	21,000	16,300
Panamax4TC Feb 24	13125	13200	-0.6%	14,900	12,875	15,750	10,000
Panamax4TC Q2 24	15475	15200	1.8%	16,350	14,400	16,350	12,250
Supramax10TC Feb 24	12400	12675	-2.2%	13,950	12,350	14,900	10,250
Supramax10TC Q2 24	15050	14650	2.7%	15,700	14,000	15,700	12,300

Data Source: FIS Live, Baltic Exchange

FFA Market

A slow week for the FFAs market last week, with the total trading volume reporting at nearly 73,800 lots last week. Among vessel sizes, Cape and Panamax futures shared the majority of volumes, averaging 4,650 lots changing hands per day on Cape and 5,060 lots on Panamax. Supramax followed closely with about 2,100 lots traded daily. Options trading remained active, with 6,420 lots cleared in Cape and 2,770 lots in Panamax.

Regarding voyage routes last week, 2.08 million tonnes of C5 and 490kt of C3 were cleared, with the main interests focusing on Feb-May and Q3 contracts.



Dry Bulk Trades/Iron Ore

Iron ore shipments experienced another low weekly volume of 29.6 million tonnes for four consecutive weeks, compared to around 37 million tonnes per week last December. Adverse weather conditions in North China, leading to some port closures, has resulted in lower imports. Last week, less than 22 million tonnes of ores were shipped to China, marking a 3% decline from the previous week. Into this week, market sources reported buying interests in both seaborne and portside have increased as Chinese steel mills were making the last round of restocking ahead of the Lunar New Year.

On the supply side, Australia's total shipments remained steady at 17.1 million tonnes, while Brazilian iron ore exports witnessed a significant decrease after the second week of January, shipping only 5.7 million tonnes last week. On the flip side, there was an increase in supply from South and West Africa, with their weekly shipments firming up by 8.1% to 1.8 million tonnes.

Dry Bulk Trades/Coal

Coal shipments showed some positive signs last week which provided some reassurance to the larger vessels, rising by 11.6% week-on-week to a total of 25.5 million tonnes. After two challenging weeks, Australia's coal volume rebounded strongly, reaching nearly 7 million tonnes (a 29.3% week-on-week increase), driven by better demand from JKT region (4.5 million tonnes, a significant 36% recovery), although its shipments destined for India and China remained at the lower end of the seasonal range. Additionally, Indonesian coal slumped by 18.6% on a weekly basis to 11.5 million tonnes, primarily due to reduced exports to China caused by weather disruptions. In other key regions, coal demand from North America increased for the second consecutive week, reporting 2.7 million tonnes last week, up 29.4% week-on-week.

Dry Bulk Trades/Agri

Grain shipments experienced another significant decline in volume last week, totalling 9.5 million tonnes, down 11.3% from the previous week. In the ECSA region, total weekly shipments plunged by 20% to 3.4 million tonnes, in line with its low seasonality. In the U.S. region, shipments showed a slight improvement, with weekly totals rising by 11% to 2.3 million tonnes. However, on the downside, Australian shipments continued to drop, with weekly volumes plummeting by 23% to 735,000 tonnes.