

# FIS Dry Freight Weekly Report

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**Market Review:**

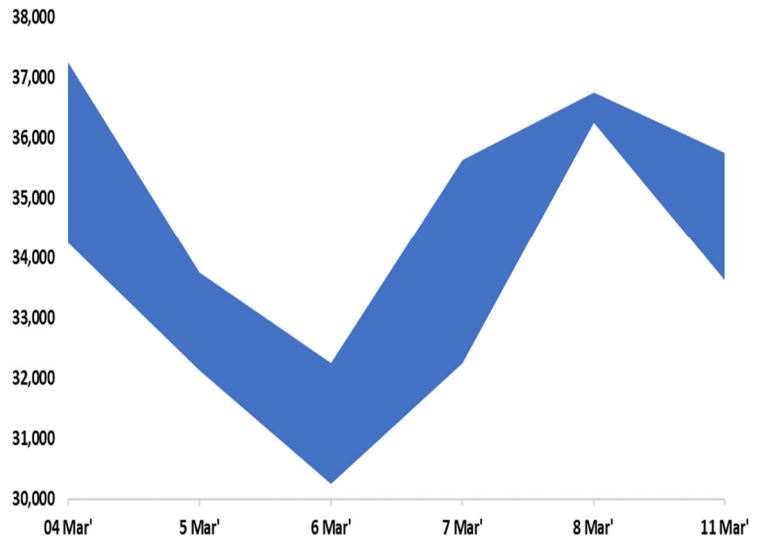
Despite the selling pressure in the Cape market, Panamax remained positive throughout last week, posting a modest gain among all vessel sizes. This was supported by healthy demand for grains and minerals in the Atlantic region. It was a highly volatile week for Cape, marked by aggressive sell-offs observed at the start of the week in the FFA market. It remains to be seen whether the market can recover its losses in the rest of the week.

Freight Rate \$/day	11-Mar	04-Mar	Changes %	Short Term	Sentiment
Capesize 5TC	35,780	34,873	2.6%	Bullish	↑
Panamax 4TC	15,704	14,625	7.4%	Neutral to Bullish	↗
Supramax 10TC	14,472	14,098	2.7%	Neutral to Bullish	↗
Handy 7TC	13,759	13,329	3.2%		

**Capesize**

Capesize concluded the week on a firm note, buoyed by increased fixing rates in both regions and expectations of higher tonnage demand, resulting in firmer FFA prices. The market saw active participation from all three major at the week's outset, along with tightening vessel supply for prompt dates reported in the Atlantic as more cargo volume was seen from Brazil/West Africa into Asia. The market took a breather mid-week, following slower fixtures and price corrections in the derivative market. However, towards the end of the week, activity in South Brazil and West Africa continued to drive positive momentum, pushing up rates in both basins. On a weekly basis, Cape iron ore shipments slipped 11.7% from the previous strong week to 26.6 million tonnes last week. Similarly, coal shipments via Capesize vessels saw a 5.6% dip to 6.8 million tonnes, while minor bulk volumes gained 7.2% to just above 4 million tonnes.

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



Regarding fixtures, the key C5 iron ore route (West Australia to China) was initially fixed at \$14.90 for 24-26 March laycan but ticked lower to \$14.50 and \$14 during the mid-week. In the Atlantic, tonnage lists tightened in the North with more Brazilian cargoes emerging. Moving iron ore on the C3 route from Tubarao to Qingdao for late Mar to early Apr dates was reported between \$29.25 and the low \$31 range as the week progressed; on Monday, C3 was heard at \$31.60 for 3-15 Apr. Another voyage from Kamsar to Yantai was fixed at \$31.3 for 25 Mar-3 Apr. In the underlying iron ore market, the 62% CFR China spot rate slumped to a 7-month low of \$108.4 on March 11th amid high port inventories. The downside risk of Chinese steel demand uncertainty remains despite the optimism of robust Brazilian iron ore shipments in Q1, with forecasts suggesting a 15% increase to a total of 85 million tonnes, according to S&P Global.

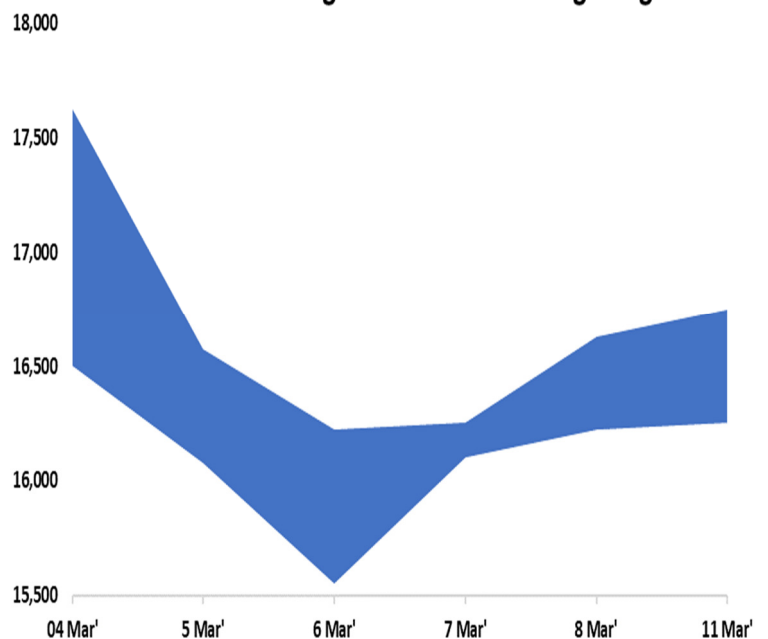
FFA: Monday opened strong with March and Q2 trading up to \$37600 and \$35000 respectively with the Q234 getting up to a \$30k handle. Post index saw the Market run into sellers as we witnessed March, April and Q2 all come off +\$2000 towards the close. Tuesday saw April trade \$33250 a couple of times while Q2 traded \$31500 before the market became flooded with offers. Q2 sold down to \$30750 with a low print of \$30200. The afternoon got more bid support and March paid back up to \$33250 and Q2 to \$31500. March and Q2 traded down to \$30250 and \$30000 on Wednesday while further out the Cal25 traded at \$21000. Afternoon buying brought March and April up to \$32000 and \$33000 before the close. A positive day for the capes on Thursday as March and April traded up to \$35750 and \$36250 respectively, while Q2 printed to a high of \$35000. Cal25 and Cal26 traded up to \$22000 and \$20750. Friday saw March and April trade \$35500 and \$37250 to start the day with March trading up to \$36750 as a high. Rangebound trading occurred for the remainder of the day as Q2 repeatedly traded between \$34750 and 435250. Early selling pressure on Monday saw March sold at \$36000 in good size and at \$35500, while Q2 traded at \$34300 and Q3 traded \$28250. March closed out the day \$3000 lower.

**Short run bullish**

**Panamax**

With improving demand for grains in the ECSA and minerals in the USEC regions, along with steady coal shipments in the Asian Pacific, Panamax time charter rates strengthened throughout last week. In terms of demand, we observed coal shipments building up over the last three weeks, hovering at a steady level of around 15 million tonnes per week for Panamax vessels. Additionally, the widening Cape/Panamax spreads led to a higher cargo list shifting to Panamax vessels. On the grains and minerals front, Panamax Agri shipments rose by 8.4% over the week to about 6.3 million metric tons, accompanied by a stable mineral market last week with a volume of about 3.8 million metric tons. Positive sentiment was tested last Wednesday due to pressure from a weaker Cape FFA market; however, active fixtures in key regions sustained the momentum. Overall, the week ended on a positive note, with expectations that any improvement in the Atlantic TA route would drive strong gains for the coming week.

**Panamax 4TC Rolling Front Month Trading Range**



Fixtures wise, decent number of cargoes with grains via ECSA redelivery Singapore-Japan were heard fixing from \$20,000 to \$21,750 for mid Apr and a number of smaller sizes at low and mid \$14,000. In the North, activities were reported on the fronthaul ex US Gulf and NCSA, standard trips with 82kt via US East Coast redelivery China were reported at \$17,800; via NCSA rede ARAG with grains was fixed at \$13,000 for end of May. For a 75,000 mt rede Sing/Japan was paid at \$21,400. In the Asian market, NoPac was muted for the first half of the week, with rate reporting at \$19,500, although sentiment was supported by firm coal demands from the top exporter. Cargoes with coal from Indonesia redelivery S China and India were paid higher at \$17,000 and \$16,500, respectively for end of March.

Chart source: FIS Live

## Panamax

FFA: The market opened on Monday similar to capes with strong buying interest, March printed in good size at \$17250 and Q2 up to \$19000 in size. Further out, Cal25 reached \$14000 before stalling. The afternoon saw March trade down \$16650, Q2 closed trading \$18300 and Cal25 at \$13650, thus erasing the morning gains. The curve slipped on average \$250-\$300 on Tuesday morning before the index brought with it some renewed support into the afternoon. The day closed relatively flat on prompts while Q34 and Cal25 finished lower on the day. Selling interest to begin Wednesday as March dipped to \$16000 before hitting the day's low of \$15500, and Q2 traded in good size before finding support at \$17000. Late afternoon buying nudged the market up and we closed supported off the back of capes. The cape rally spurred on optimism in the panamax market on Thursday as rates gapped up throughout the morning session. Post index, gains were reversed as April slipped back down to \$18200, Q2 back to \$17900 and Q3 back to \$15875. Despite this, we were left up on the day. Fast forward to Monday and rangebound trading dominated the day. Buying support propped up the prompt periods but ultimately the day closed \$400 down.

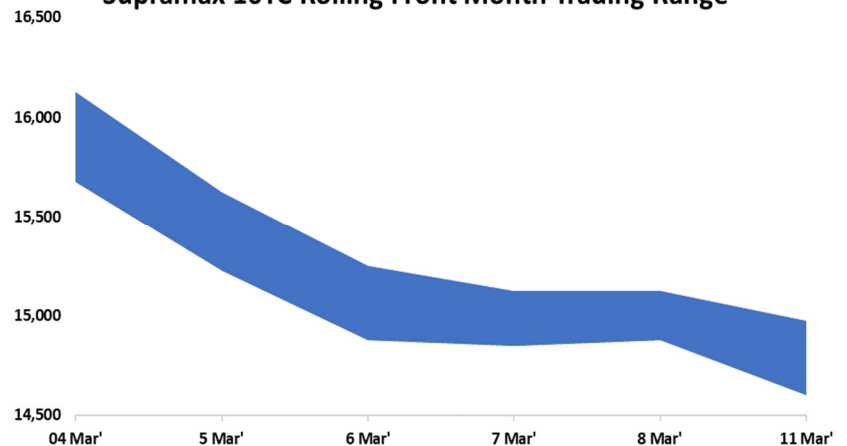
Short run neutral to bullish

## Supramax

FFA: Last Monday saw March trade from \$15850 to \$15650, while Q2 traded down from \$17000 to \$16500. Cal25 saw good activity printing at \$13250 and \$13200 several times. A lacklustre day in terms of volatility on Tuesday as March/April and Q2 all traded in a \$400 range while the Cal25 was found trading sub \$13000. A rangebound day on Wednesday as March traded in a \$500 range up to \$15100, while Q2 traded between \$15600 and \$16000. Cal25 traded up to \$12600, with the day closing with lower levels than the day prior. A similar day on Thursday as March traded in a \$500 range up to \$15100, while Q2 traded between up to \$16350 and back down to \$15800. Friday saw March trade in a \$100 range up to \$15050, Q2 traded up to \$16000 and Q3 traded up to \$14750. Monday opened to a quite market as bids were few and far between. March traded down to \$14500 while Q2 traded down to \$15250. Further out, Cal25 traded down to \$12600 with the market thin in the afternoon.

Short run neutral to bullish

Supramax 10TC Rolling Front Month Trading Range



## FFA Market Indexes

Freight Rate \$/day	11-Mar	04-Mar	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	35,780	34,873	2.6%	22,852	16,389	16,177	33,333	13,070
Panamax4TC	15,704	14,625	7.4%	13,165	11,518	8,587	25,562	8,587
Supramax10TC	14,472	14,098	2.7%	12,478	11,240	8,189	26,770	8,189
Handy7TC	13,759	13,329	3.2%	11,456	10,420	8,003	25,702	8,003

## FFA Market Forward Values

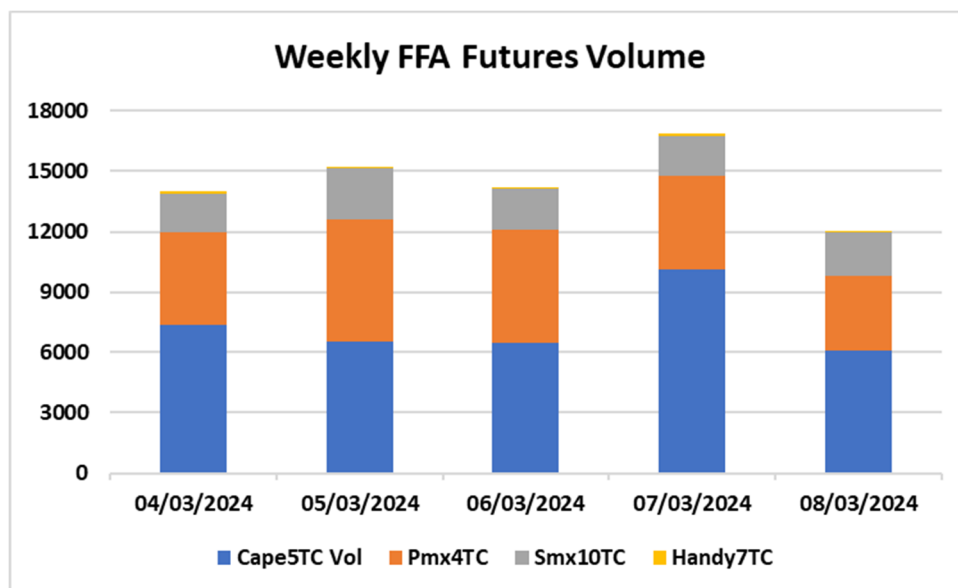
FFA \$/day	11-Mar FIS Closing	04-Mar FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Mar 24	33625	34250	-1.8%	37,600	30,250	37,600	12,750
Capesize5TC Q2 24	32500	31625	2.8%	35,500	29,600	35,500	16,300
Panamax4TC Mar 24	16300	16625	-2.0%	17,500	15,500	17,500	11,250
Panamax4TC Q2 24	18125	18275	-0.8%	19,100	15,750	19,100	12,500
Supramax10TC Mar 24	14625	15825	-7.6%	16,125	14,600	16,250	11,250
Supramax10TC Q2 24	15350	16475	-6.8%	17,000	14,550	17,000	12,600

Data Source: FIS Live, Baltic Exchange

## FFA Market

Another busy week was observed in the FFA market, with Capes leading the way and its daily trading volume surpassing 10,000 lots last Thursday. On average, Capes and Panamax futures traded around 7,310 lots and 4,950 lots per day respectively last week. Supramaxes followed closely behind with an average of 2,130 lots traded daily. On the options side, interest was again focused on Capes, with 6,940 lots being cleared on the exchange last week, while 3,840 lots and 360 lots were cleared on Panamax and Supramax respectively. In terms of tenors, main actions focused on Mar, Apr, Q2'24, Q3-Q4'24, and Cal25 contracts. Open interest increased as positions extended to further out contracts; on March 11th, Cape 5TC stood at 175,039 (+760 w-o-w), Panamax 4TC at 177,911 (+2,070 w-o-w), and Supramax 10TC at 84,800 (+1,000 w-o-w). Panamax open interest ticked up along with rising future prices, indicating an upward momentum.

Regarding voyage routes last week, decent trading interest was seen on C5, with 10.32 million tonnes changing hands for Mar, Apr, and Q3-Q4. In addition to that, about 815kt traded on C3.



## Dry Bulk Trades/Iron Ore

Last week total iron ore shipments fell by 11.2% to 29.3 million tonnes mainly due to reduced exports generated from Brazil, last week Brazil shipped out around 5.52 million tonnes which is nearly 26% less compared with the previous week. Exports from Australia also edged lower, with weekly volumes slipping to 18.5 million tonnes, down 3.8% w-o-w. On the demand side, seaborne volumes for China decreased during the week due to uncertainties in demand and stimulus measures after iron ore stockpiles reached the highest level this year, shipments from Brazil dropped to 3.75 million tonnes (a 35.8% decrease week-on-week), although imports from Australia remained at 16.0 million tonnes. China's overall iron ore imports for the week decreased by 6.8% to approximately 23.2 million tonnes.

## Dry Bulk Trades/Coal

Coal shipments last week were ticked lower to 25.2 million tonnes. Supply from Indonesia fell by 7.7% with weekly shipments reaching 10.8 million tonnes, the slowdown was driven by marginal decreasing volumes from the main importers, with shipments toward China at 4.6 MMt (-2.0% w-o-w) and India at 2.6 MMt (-19% w-o-w). Out of Australia, weekly shipments decreased for a second week to 5.7 million tonnes (-6.6% w-o-w) with sluggish demand from JKT regions as weekly volumes stuck at recent weeks low at around 3 million tonnes. However, some market participants anticipate a strong Q1 for Indonesia shipments to China and India.

## Dry Bulk Trades/Agri

It was a less inspiring week for grain shipments, as total export volumes fell by 6.7% to 11.8 million tonnes after two weeks of increase. Shipments from ECSA had been picking up since the start of February, with the total volume last week reaching 4.9 million tonnes, down 8.7% from the previous week's peak. Exports from Brazil to China also retreated from the recent high seen at the start of March to 1.3 million tonnes, marking a 43.1% weekly decrease. On the other hand, shipments from the US appear more positive, with the weekly volume firming up by 8.4% last week to 2.8 million tonnes.