FIS Dry Freight Weekly Report

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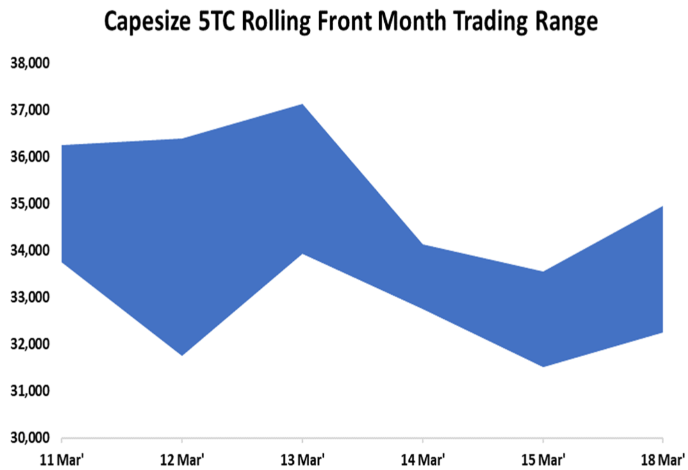
Market Review:

The positive sentiment in the Panamax market persisted last week owning to strong grains activities, resulting in P5TC posting the largest gains among all vessel sizes. Consequently, we observed high trading volumes in Panamax futures and options markets, mirroring the recent high trading volume in Capes. Whilst Capes rate eased slightly and fell below the $35,000 mark, the clearance of the cyclone and all three iron ore majors returned to the market leave it uncertain whether Cape rates will resume its upside movement.

Freight Rate $/day	18-Mar	11-Mar	Changes %	Short Term	Sentiment
Capesize 5TC	33,911	35,780	-5.2%	Neutral to Bullish	↗
Panamax 4TC	19,349	15,704	23.2%	Bullish	↑
Supramax 10TC	14,717	14,472	1.7%	Neutral to Bullish	↗
Handy 7TC	14,101	13,759	2.5%		

Capesize



With potential delay caused by the tropical cyclone in West Australia and increased competition from older vessels, capesize rates ended their upward movement and eased lower last week. In the Pacific, rates experienced a downward drift since the beginning of the week, partly due to potential delays caused by a tropical cyclone in West Australia. Additionally, increased competition from older vessels added to the pressure on rates. The slowdown of coal cargoes and a growing tonnage list further dampened market confidence in the region. Conversely, the Atlantic market presented a mixed picture. While there was evident interest for Brazil to China 2H Apr laycan, enquiries for transatlantic routes remained limited. Fortunately, the market saw a turnaround on Monday as losses in Cape rates were halted following the clearance of the cyclone and the release of strong industrial data from China, leading to a rebound in the underlying market. In terms of demand on a weekly basis, Cape iron ore shipments saw a modest uptick of 0.7% from the previous week, reaching 27.2 million tonnes, primarily driven by robust cargo volumes from Brazil. On a positive note, coal shipments via Capesize vessels experienced a significant increase of 10.4% to 7.4 million tonnes. However, minor bulk volumes saw a decline of 11.3% to nearly 3.6 million tonnes, indicating a mixed performance across different cargo categories.

Fixtures-wise, the key C5 iron ore route (from West Australia to China) was initially fixed at $13.00 for 27-29 March and $13.65 for 6-13 April laycan at the beginning of last week, with only one to two majors active in the market. As the week progressed, C5 rates drifted to $12.75 for early April dates due to the impact of a cyclone in Western Australia, dampening sentiment. Although C5 rebounded slightly to $12.70 on Monday, it remained below the levels seen in the previous week. In the Atlantic, market participants showed increased interest in Brazilian cargoes. Movement of iron ore on the C3 route from Tubarao to Qingdao for 9-14 April dates was reported at $31.75. By mid-week, around 5-7 vessels from South Brazil to China were fixed for the first half of April at approximately $31.00. Additionally, a cargo from Freetown to Qingdao was reported at $29.85 for 30 March-3 April. Despite robust Brazilian iron ore shipments and potential demand increases for Australian coal in Q1, broader market concerns persist regarding uncertainty in Chinese steel demand and no further stimulus measures announced for the property market.

Chart source: FIS Live

FFA: Last Monday opened to selling pressure in the market with the first March trade selling at $36000. This selling ensued throughout the day, with Q2 trading at $34300, Q3 at $28250 and $28150 and Q4 $27150. March closed the day $3000 lower. Early morning reports of a cyclone on Tuesday saw March and Q2 trade down to $32000 and $31000. As the cyclone changed direction in the afternoon, the cape market too changed direction with March, April and Q2 all trading $2000 higher by the close. Notably, the C5 traded 1.4 million tonnes. A hugely volatile day on Wednesday as the first prints in March came in lower at $33750 (-$750) before trading $34000 and then April at $35500. Not long after this the prompts were paid up aggressively with March being paid up to a high of $35500 and April trading $37000. The afternoon reversed these gains as March got sold down to $33750 and April down to $33750 and Q2 down to $31800. Early trading on Thursday saw April and Q2 trade down to $31000. Further out, Cal25 traded down to $21250 while April and Q2 traded back to $34000 and $32250 respectively. Fast forward to Monday, March and Q2 traded up to $34500 and $32750 while size was seen trading on the Q34 at $27000. Evening trading saw Q2 dropping down to $32000 while the Cal25 traded at $21250.

Short run neutral to bullish

Panamax

Panamaxes climbed higher throughout last week as both basins were making significant gains from mid-week. The tightening tonnage count was notable, driven by robust grain business in the ECSA and firm coal demand from Australia and Indonesia. This positive sentiment persisted into the new week, buoyed by increasing fixtures in the North Atlantic.

Regarding fixtures, decent number of cargoes with grains via ECSA redelivery Singapore-Japan were fixing higher to $25,750 for mid-March and $26,000 for late Apr; and a number of smaller sizes at $17,000-18,000. In the North, activities were reported to be active on the fronthaul ex US Gulf and NCSA, standard trips with 82kt via US Gulf redelivery Singapore-Japan at $29,750; via NCSA rede Far East with grains was fixed above $30,000. On the TA runs, a cargo via NC South America redelivery Continent at $18,500. In the Asian market, rates were supported by the bullish ECSA market. Towards the latter part of the week, the NoPac also entered the market, with rates reported at $21,000. Meanwhile, cargoes carrying coal from Indonesia with redelivery in Japan were fixed up to $20,000, while redelivery in South China commanded higher rates at $17,000. Additionally, a trip with 85kt coal via East Coast Australia with redelivery in South China was fixed at $22,500. Looking ahead into the new week, stable coal demand within the Pacific and growing demand for grains shipped out of ECSA are expected to provide firmer support for Panamax vessels.

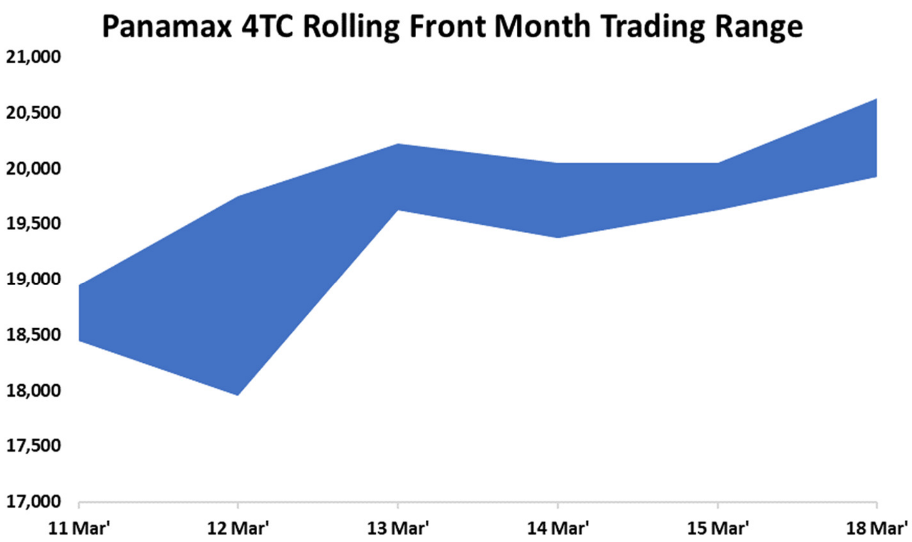


Chart source: FIS Live

Panamax

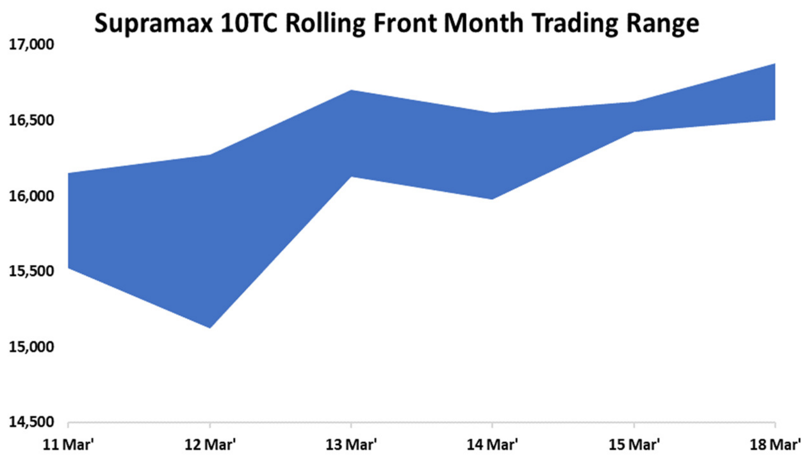
FFA: Strong selling to open the market last Monday, with selling slightly dipping in levels as the day progressed. The day ended down $400 across the curve. A sluggish start on Tuesday saw March sold off to $16k while April and Q2 printed $17900 lows. A reverse in fortunes in the afternoon resulted in March trading back up to $16750, April up to $19700 and Q2 up to $19200. Wednesday opened to buyers pushing up the market as March traded up to $17300, April to $20100 and Q2 up to $19600. This good support did come to an end towards close as the capes gapped down, bringing panamax with it and reversing some of these gains. Another volatile day on Thursday as Q2 slipped from $18250 to $18750 in the morning before some support returned pre index and saw the curve finding support. The afternoon session managed to pull back most of the morning losses, leaving us relatively flat on the day. With Friday coming to an end, it is safe to say it was a turbulent week with good volume changing hands. Monday opened with good size as April printed up to $20650 and Q2 to $19500. Rangebound activity thereafter with Q2 and Q3 trading $2400-$2500 in size throughout the day.

Short run bullish

Supramax

FFA: A quite start to the market for supramax last week as bids were few and far between. Match traded down to $14500 while Q2 traded down $15250. Further out, Cal25 traded down to $12600. The market closed with the curve evenly weighted. Good support on Tuesday with rates ticking up during the late hours. March traded from $14250 to $14750, April traded to a high of $16050, and Q2 took a large jump from $14900 to $15800. Wednesday saw a minor push in the morning with Q2 trading up to $16700 while the Cal25 traded up to $12750. Afternoon selling did enter the market and left us $200 off the highs across the board. A similar day on Thursday as April and Q2 traded to a high of $16600 and $16300. However, good seller appetite was also observed, and the curve closed flat to slightly higher than yesterday. Little to write about on Friday with front to back trading in a $200 range. Rates saw some support on Monday with April and Q2 trading up to $16750 and $16600, while Q3 traded up to $15400. We closed a bit higher than Friday's close.

Short run neutral to bullish



FFA Market Indexes

Freight Rate $/day	18-Mar	11-Mar	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	33,911	35,780	-5.2%	23,856	16,389	16,177	33,333	13,070
Panamax4TC	19,349	15,704	23.2%	13,591	11,518	8,587	25,562	8,587
Supramax10TC	14,717	14,472	1.7%	12,660	11,240	8,189	26,770	8,189
Handy7TC	14,101	13,759	2.5%	11,683	10,420	8,003	25,702	8,003

FFA Market Forward Values

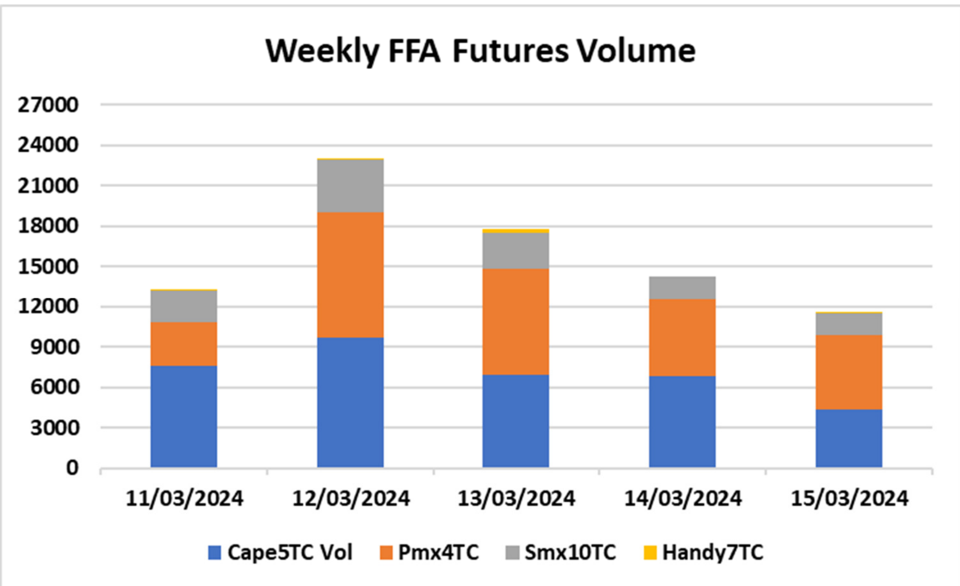
FFA $/day	18-Mar FIS Closing	11-Mar FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Apr 24	34250	34000	0.7%	37,050	31,000	37,500	14,500
Capesize5TC Q2 24	31750	32500	-2.3%	35,000	30,000	35,500	16,300
Panamax4TC Apr 24	19950	18550	7.5%	20,650	17,900	27,350	12,250
Panamax4TC Q2 24	19125	18125	5.5%	19,700	17,000	27,350	12,500
Supramax10TC Apr 24	16600	15625	6.2%	16,750	16,000	18,700	12,300
Supramax10TC Q2 24	16450	15350	7.2%	16,600	15,100	17,000	12,600

Data Source: FIS Live, Baltic Exchange

FFA Market

FFAs witnessed a bustling week of trading activity, with robust volumes exceeding 90,300 lots on exchanges, and both Capes and Panamax vessels traded in large sizes. On average, Capes and Panamax futures traded around 7,070 lots and 6,330 lots per day, respectively, last week. The increasing volume in Panamax was driven by the highly volatile price. Supramaxes followed closely behind with an average of 2,500 lots traded daily. On the options side, attention shifted towards Panamax, with 2,930 lots cleared on the exchange last week. Capes and Supramax options also saw substantial activity, with 1,250 lots and 630 lots cleared, respectively. In terms of tenors, main actions focused on Mar, Apr, Q2'24, Q3'24, and Cal25 contracts. Good action was also observed on the further Cals, with a first Cal31 changing hands on a clip of Cal28-31. As trading volumes surged, open interest expanded across various contracts, underscoring the market's upward momentum. As of March 18th, Cape 5TC stood at 181,489 (+6,450 w-o-w), Panamax 4TC at 184,505 (+6,600 w-o-w), and Supramax 10TC at 88,166 (+3,370 w-o-w). The buildup of Panamax open interest in tandem with rising future prices further confirmed the market's bullish sentiment.

Regarding voyage routes last week, good trading interest was seen on C5, with 4.95 million tonnes changing hands for Mar, Apr, and Q4. Elsewhere, about 150kt traded on C3 for Apr-Jun.



Dry Bulk Trades/Iron Ore

Iron ore shipments remained steady at 30.2 million metric tonnes (MMT) this week, reflecting a mixed performance across different regions. Brazilian exports surged by 22.5% to reach 6.8 MMT, whilst shipments from Australia experienced a decline of 7.8% to just under 17.0 MMT. Notably, exports from South and West Australia rebounded by 7% from the previous week's dip, totalling 1.5 MMT.

On the demand side, seaborne volumes destined for China increased by 2.2% from the previous week, reaching 23.9 million metric tonnes (MMT). Shipments from Brazil saw significant improvement, totalling 4.3 million tonnes, marking a notable 14.0% increase week-on-week. However, imports from Australia remained relatively stable, with shipments hovering around 15.4 million tonnes. China's overall iron ore imports for the week rose by 2.2%, amounting to approximately 23.9 million tonnes. This uptick was supported by stronger-than-expected growth in factory output and retail sales during January and February period.

Dry Bulk Trades/Coal

Coal shipments last week surged by 10.4% to 27.3 million tonnes. Supply from Australia jumped up 34.5%, totaling 7.7 MMT, primarily driven by sharp exports to JKT at 4.8 MMT (+82.1%). Conversely, shipments from Indonesia declined by 6% from the previous week, amouting to 9.8 MMT. Notably, shipments to India dropped by 7.7% to 2.5 MMT, while those to China increased by 11.2% to 4.6 MMT. China is expected to increase its demand for Australian coal in Q1; however, there is close monitoring of any potential reduction from the domestic market and Russia.

Dry Bulk Trades/Agri

Last week global shipments experienced a slight decline of 1.4%, totaling 11.9 million tonnes, according to data from IHS Markit Commodities at Sea Service. Despite this minor setback, shipments from the East Coast of South America (ECSA) surged in accordance with seasonal patterns, reaching a total volume of 6.1 million tonnes, up by 19.6% from the previous week's peak. Moreover, exports from Brazil to China reached their highest point this year, totaling 2.4 million tonnes, indicating a significant weekly increase of 75.9%. Conversely, shipments from the United States showed less positive results, with the weekly volume decreasing by 21.5% to 2.2 million tonnes.