# FIS Dry Freight Weekly Report

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## 16/04/2024

**Market Review:**

Capes gained momentum post-holiday with busy activity on the Australia-China route, thanks to robust demand for iron ore and coal. Moreover, some port closures in Northern China due to unfavourable weather conditions have pushed up congestion levels in mainland China. As for Panamax vessels, although the coal and grain cargo volumes have slipped lower on a weekly basis, its time charter rates edged up amid more coal cargoes being split into Panamax vessels and renewed optimism from the USEC and ECSA regions.

| Freight Rate $/day | 15-Apr | 8-Apr | Changes % | Short Term | Sentiment |
|---|---|---|---|---|---|
| Capesize 5TC | 20,970 | 18,226 | 15.1% | Neutral to Bullish | ↗ |
| Panamax 4TC | 14,287 | 13,665 | 4.6% | Neutral | - |
| Supramax 10TC | 14,077 | 13,835 | 1.7% | Neutral | - |
| Handy 7TC | 12,974 | 13,192 | -1.7% | | |

### Capesize

Capesize finished last week with some notable gains, with iron ore and coal activities surging in the Pacific region and improved bids on the Brazil-China route. In the Pacific market, all three majors were actively seeking vessels throughout most of the week, pushing the key C5 iron ore route (West Australia to China) from high $8s to $10.50 and then $10.85 for end of Apr and early May loading dates. On Monday, C5 was reported fixing at $10.60 for 29 April/1 May as market players took a wait and see approach for the geopolitical uncertainty. In the Atlantic region, rates were initially under pressure amid a growing tonnage list leading to some prompt ships idling in the South. A cargo from Sudeste to Qingdao was heard at $23.50 for 23 Apr. But market sentiment took a turn on last Wed supported by a stronger FFA market and robust activity in the Pacific. As a result, C3 was fixed at around $24 for end of Apr and $25.50-25.80 for mid May dates. In terms of weekly cargo demand, Cape iron ore shipments slumped by 18.3% from the previous week to 24.2 million tonnes, however daily volumes spiked post-holiday from last Thurs. Whilst, on the minor bulk, the decline was less intense, with total weekly reported volumes at 2.8 million tonnes, about 6.2% less compared with the previous week. On a brighter note, coal shipments on Capesize vessels experienced a significant increase of 16.9% to 7.0 million tonnes thanks to soaring Australian coal shipments (+62.3% w-o-w, 3.7MMT). Monday of this week saw comparatively low volume, as caution was evident at the start of the week, with attention focused on Israel's next move after Iran's retaliatory attack.

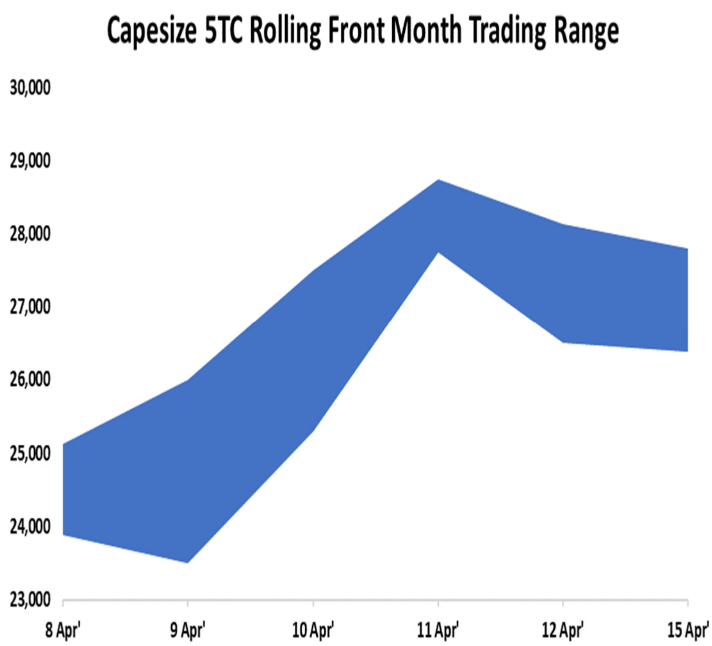


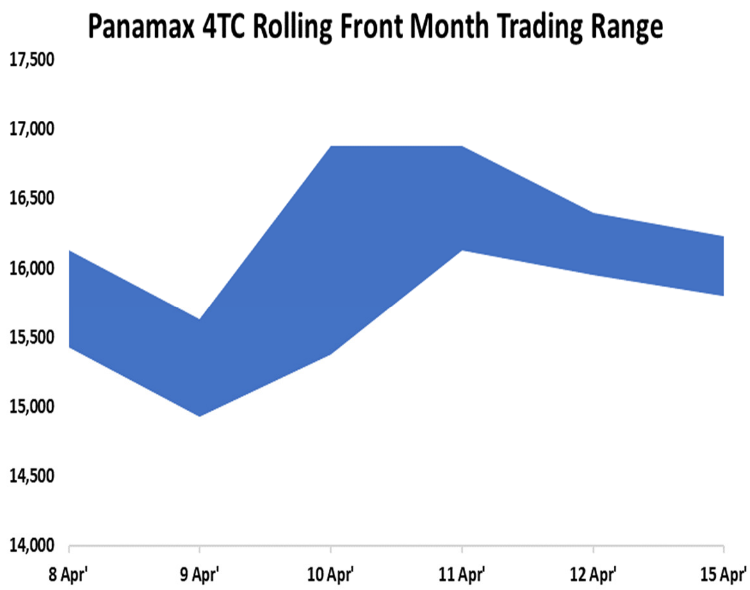

*Chart source: FIS Live*

FFA: Last Monday started slowly again. With numerous periods dropping April ($18,750), May ($24,000), and Q3 ($26,000). C5 got most of the volume with April trading $9.20 and May trading $10.15 in 385kt. Early selling pressure on Tuesday hit lows not seen since February this year with May being traded down to $23,000 in size and Q4 was sold $25,500. The market did eventually find some bid support with May settling into the $24,000-$24,250 range with good volume changing hands as well as further down the curve with Q3 being paid up to $27,000. Tuesday evening ended strong as rumours of higher C3 fixtures caused a sharp rally, with the market being paid up May ($25,750, Q3 ($24,750) and Q4 ($27,000). The rally continued into Wednesday following a positive index, +$412, and the market continued to gap up throughout the day. At close April was seen trading at $21,800 and May at $27,600 and even further out, Q3 and Q4 both traded up to $27,600 and $27,000, respectively. Thursday opened with strength with Q2 at $26,000, April at $22,000, May at $28,750 and June at $29,750. However, the afternoon saw some sell flows despite the better-than-expected index. Ultimately, Q3 ended up selling down to $27,500 and May down to $27,750 though the underlying bid support remained as new long positions continued to be established. Friday cooled off compared to Thursday's weekly high with April closing at $22,500, May at $27,750 and Q2 at $26,400. On Monday, there were expectations of busy trading given the rising geopolitical tensions in the Middle East over the weekend, however we got a cagey start. Prompt Capes were hit with early selling pressure with May eventually hitting a low of $26,000. Following a better-than-expected index of -$194 saw some bid support came through with May ultimately closing at $27,600 and Q3 at $27,750.

**Short run neutral to bullish**

## Panamax

Like the bigger ships, the Panamax market found a floor mid-week and gradually marched northwards following better fixtures in both regions. Regarding fixtures, fixtures remained limited in the North Atlantic keeping up pressure on rates. However, grain demand began to pick up South and North Coast South America post-holiday, as standard trips with 82kt of grains via ECSA with redelivery in Singapore-Japan were initially fixed at discounted rate before recovering towards $21,000. Othe trips with grains via ECSA redelivery SE Asia was heard at $19,000, while rede India was heard at below $19,000. In the Asia market, the week started in a very quiet manner with action mainly heard on coal runs. Cargoes with coal via Australia redelivery China at $12,700 before lifting to $13,000 when fresh demand returned to market. Another trip via Indonesia redelivery India was fixed at a low of $13,250, and redelivery Philippines was heard at $17,500 on Monday. The positive sentiment has carried into this week especially with fresh enquires appeared for the USEC.




Regarding cargo volumes last week, coal shipments by Panamax vessels witnessed another weekly decline of over 10%, totaling 12.2 million tonnes. Additionally, grain shipments also experienced a decrease, with the total volume hovering around 5 million tonnes, marking the third consecutive week of decline.

FFA: A slow start to the week last Monday, despite some early support with May and Q2 opening around Friday's close before gradually being sold throughout the rest of the day. On Tuesday, prompts were under pressure from the start as sellers chased prices lower in the morning. April and June all hit lows not seen since February at $13,850 and $15,300, respectively. Following this Q2, Q3 and Q4 all hit their respective lows. Despite another uninspiring Index, a rally in Capes propelled some anxious short covering and saw rates recover from the mornings losses. Though the volume scaled back into the afternoon, Tuesday still closed marginally higher than opening with April pushed back up to $14,500 and May to $15,550, while Q2, Q3 and Q4 nudged back to $15,250, $15,750 and $15,000, respectively.

*Chart source: FIS Live*

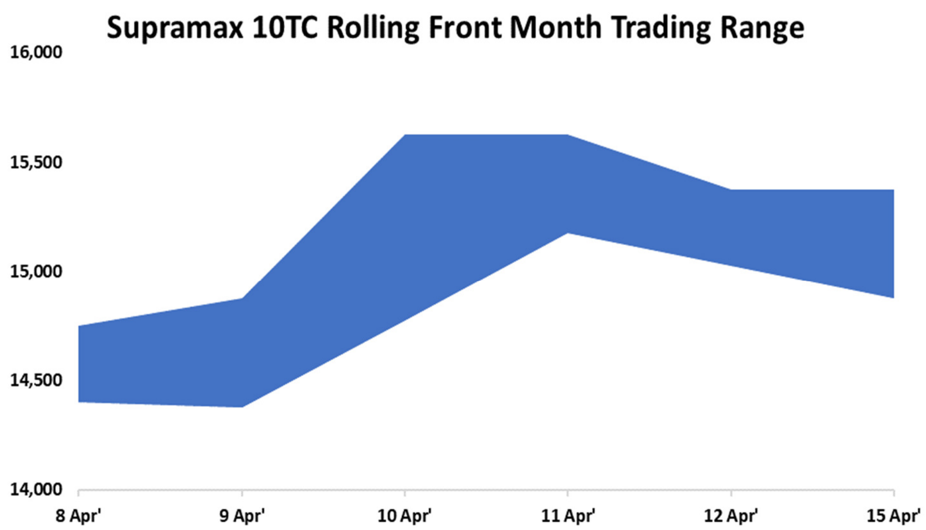
On Wednesday, this pattern was reversed with a strong morning performance and size printing on the way up. April, May and Q2 reached highs of $15,000, $17,000 and $16,500, respectively. This trajectory softened slightly following the index, -$19, with buyers stepping back and the curve adjusting slightly. Specifically, in May which was sold down to $16,200 though overall the day did end well, just of some of the highs. Thursday, saw a tight range throughout the day and less volume despite a strong index and firmer cape market. Towards close, prompts came under pressure with May and June being sold off at $16,100 and $16,350, respectively. Friday saw another patchy day to close the week with rates under pressure in the morning before recovering post index and the day ticked on with low volume. Monday started off this week with a sluggish start with May and June slipping to lows of $15,800 and $16,000, respectively. In turn, Q2 and Cal25 were dragged down reaching $15,400 and $13,250 before stabilising. Some light support into the close saw the market pushing off the day's lows but ultimately still ending down for the day.

**Short run neutral**

## Supramax

FFA: Monday started off uneventfully with a relatively flat index, down $31, and lower trading activity as focus remained on the prompts. Both April and Q2 traded down to $14,150 and $14,250 but the market closed better supported than last week. Tuesday was more eventful with May trading up to $14,700 and Q3 also traded up to $14,400. The afternoon saw larger size left buyers searching for offers expanding the intraday trading ranges. Wednesday was slow as the Singapore holiday began slightly before index. Post index, +$19, rates however stalled with May traded to a high of $15,500. April and Q2 traded up to $15,000 and $15,350. On Thursday the weekly trend continued with most of Cal24 trading up in the morning within its rangebound limitations with May, Q3 and Q4 all traded up to $15,500, $15,300 and $14,600, respectively. The Thursday close offers came in with minimal volume trading and were offered just off the highs. A quiet day on Friday with volumes almost halved from Thursday and intraday trading ranges were particularly narrow. A similar sentiment at the start of this week led to a miserable Monday, with little volatility and trading ranges as narrow as $200 across the curve.

**Short run neutral**




## FFA Market Indexes

| Freight Rate $/day | 15-Apr | 8-Apr | Changes % | 2024 YTD | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|---|---|
| Capesize5TC | 20,970 | 18,226 | 15.1% | 23,612 | 16,389 | 16,177 | 33,333 | 13,070 |
| Panamax4TC | 14,287 | 13,665 | 4.6% | 14,105 | 11,518 | 8,587 | 25,562 | 8,587 |
| Supramax10TC | 14,077 | 13,835 | 1.7% | 13,118 | 11,240 | 8,189 | 26,770 | 8,189 |
| Handy7TC | 12,974 | 13,192 | -1.7% | 12,177 | 10,420 | 8,003 | 25,702 | 8,003 |

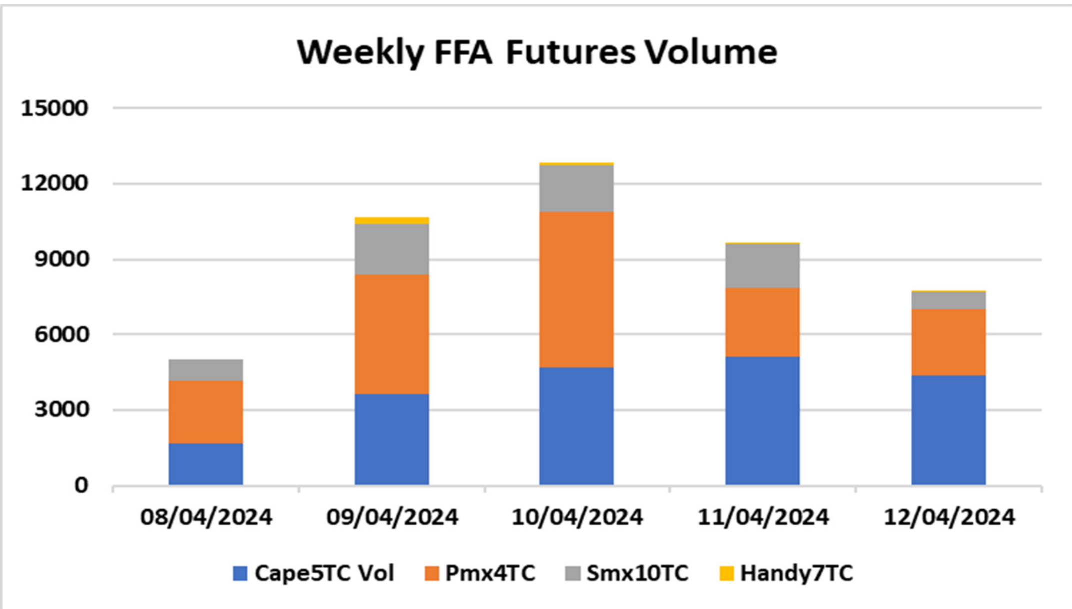
## FFA Market Forward Values

| FFA $/day | 15-Apr FIS Closing | 8-Apr FIS Closing | Changes % | Weekly Mkt High | Weekly Mkt Low | 2024 Mkt High | 2024 Mkt Low |
|---|---|---|---|---|---|---|---|
| Capesize5TC May 24 | 27750 | 23875 | 16.2% | 28,750 | 23,000 | 35,650 | 16,550 |
| Capesize5TC Q3 24 | 27625 | 26000 | 6.3% | 28,250 | 26,000 | 29,500 | 18,000 |
| Panamax4TC May 24 | 15900 | 15450 | 2.9% | 17,000 | 14,900 | 20,150 | 14,300 |
| Panamax4TC Q3 24 | 16225 | 15900 | 2.0% | 16,850 | 15,400 | 17,100 | 12,700 |
| Supramax10TC May 24 | 14875 | 14600 | 1.9% | 15,500 | 14,250 | 17,050 | 13,850 |
| Supramax10TC Q3 24 | 15025 | 14400 | 4.3% | 15,300 | 14,300 | 15,650 | 12,600 |

Data Source: FIS Live, Baltic Exchange

## FFA Market

As holidays took their toll on trading activity, FFAs had a relatively subdued week with total volumes dropping below 50,200 lots across all exchanges. Despite that, prompt futures were volatile, with the majority of interest focused on the larger size vessels. As a weekly average, Capes and Panamaxes futures traded around 3,880 lots and 3,700 lots per day last week respectively, while a small increase in trading volume was seen on Supramaxes, with 1,420 lots traded daily. On the options side, most of the action was centred around Capes, with about 2,390 lots cleared across the May, Jun, Q3, and Q4'24 tenors. Towards the latter half of Apr, there was a noticeable shift in activity towards the May and Q3'24 contracts, along with the primary Apr, Q4'24, and Cal25 contracts. Open Interest increased along with rising cape prices indicated long positions have been building up, on 15th Apr, Cape 5TC 175,663 (+2,790 w-o-w), Panamax 4TC 175,673 (+1,920 w-o-w), Supramax 10TC 83,130 (+990 w-o-w). In addition, there was decent interest as expected on the voyage route C5, with a total of 2.685 million tonnes changing hands. The May contract saw the most activity, and some small clips traded on Apr 24 and Jun 24.



## Dry Bulk Trades/Iron Ore

Iron ore rallied throughout last week and returned to above $110, its high in March, driven by better-than-expected Chinese GDP growth of 5.3% in the first quarter of this year and potential policy support for the property sector. Some investors expect a recovery in steel demand in the coming months, although crude steel output in March fell 7.8% YoY to 88.27 million tonnes, according to data released by the National Bureau of Statistics of China.

In terms of iron ore shipments last week, volumes took a dive due to the Eid holiday, resulting in a total volume drop to 26.9 million tonnes, down 17.7% week-on-week. Among the top suppliers, Australia's exports declined by 15.1% to just below 16 MMT, with around 16.8% fewer exports to China due to some port closures and delays caused by unfavourable weather in North China. Similarly, shipments from Brazilian exports slumped by 34.0% to reach 5.4 MMT, with exports to China falling to a larger extent by 41.1%. The notable volume decrease last week was mainly due to the holiday season, but the sentiment around iron ore demand seemed to have turned, and shipments stayed in line with the six-year seasonal average. Elsewhere, exports from South and West Australia also fell nearly 13% compared to the previous week, totaling 1.0 MMT.

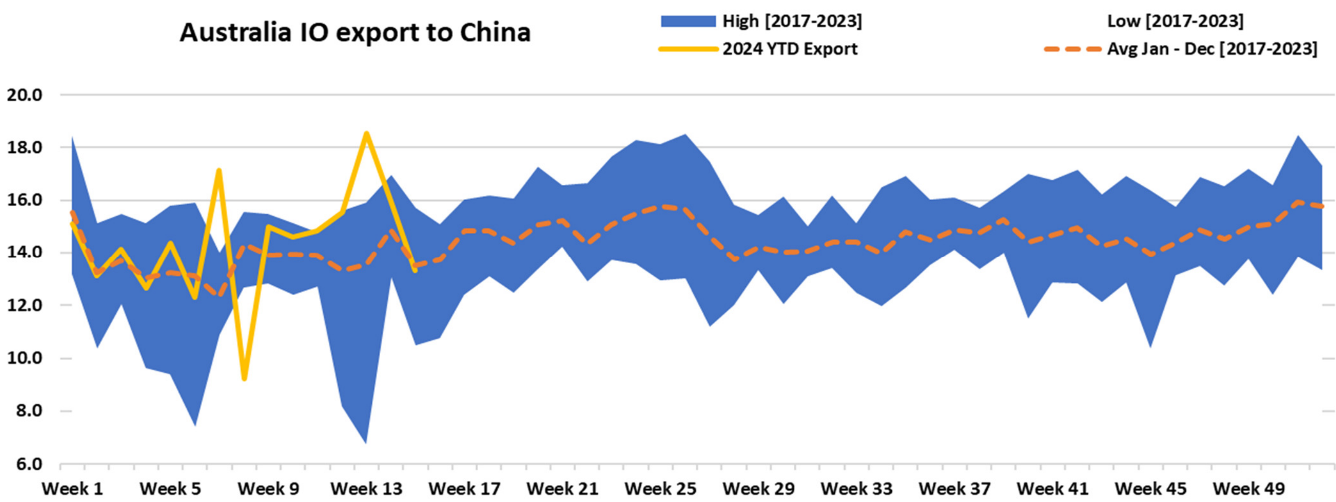
**Dry Bulk Trades/Iron Ore**

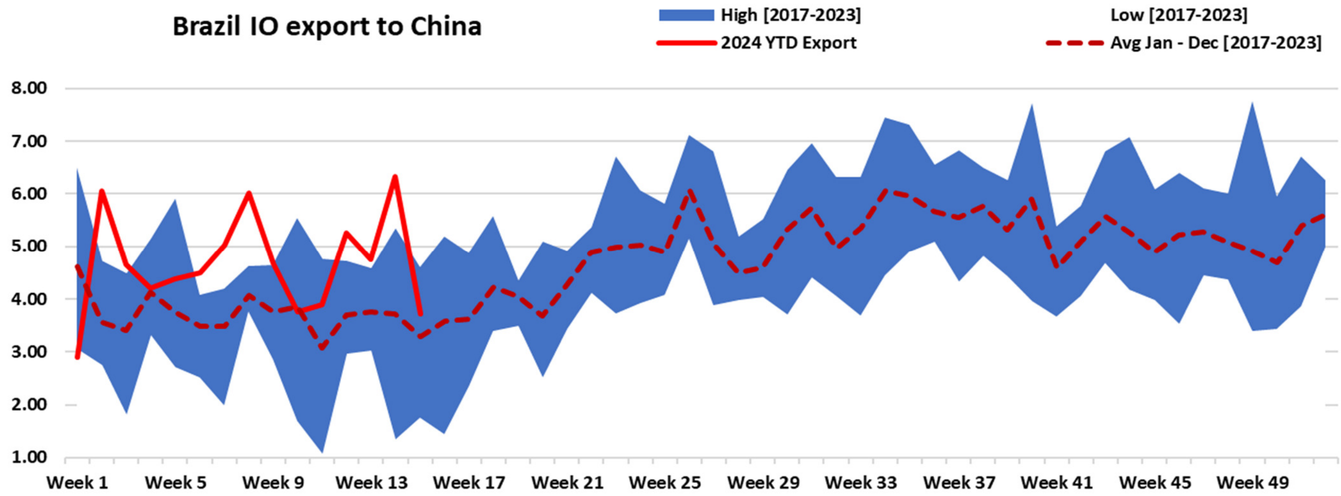
| Export (million tonnes) | Feb-24 | Jan-24 | Q4-23 | Q3-23 | Q2-23 | Q1-23 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Australia | 65.3 | 74.8 | 244.3 | 235.5 | 239.0 | 227.8 | 946.6 | 935.9 | 923.0 |
| Brazil | 29.2 | 27.7 | 103.4 | 103.6 | 92.1 | 72.9 | 372.1 | 344.6 | 353.3 |
| South Africa | 4.7 | 4.6 | 14.2 | 13.2 | 13.6 | 14.4 | 55.4 | 56.5 | 60.0 |
| India | 5.3 | 6.7 | 13.7 | 9.1 | 10.2 | 12.3 | 45.3 | 15.9 | 36.9 |
| Canada | 4.2 | 4.2 | 16.9 | 17.4 | 13.8 | 13.2 | 61.3 | 57.3 | 57.1 |
| Others | 14.6 | 15.5 | 50.4 | 46.8 | 44.7 | 42.0 | 183.8 | 177.5 | 201.8 |
| **Global** | **123.3** | **133.6** | **442.8** | **425.7** | **413.4** | **382.6** | **1664.5** | **1587.8** | **1632.0** |

**Iron Ore Key Routes**

| | IO Export Million mt | | | Freight Rate $/mt | | |
|---|---|---|---|---|---|---|
| | Last Week | Prev. Week | Chg % | Last Week | Prev. Week | Chg % |
| Australia-China | 13.3 | 16.0 | **-16.8%** | 9.60 | 8.96 | **7.1%** |
| Brazil-China | 3.7 | 6.3 | **-41.4%** | 24.99 | 24.35 | **2.6%** |

## Seasonality Charts






## Dry Bulk Trades/Coal

Last week, Australia experienced robust coal shipment volumes, totaling 7.2 million tonnes, marking a significant increase of 14.3% compared to the previous week. Its exports to the JKT region rebounded nicely to 3.3 million tonnes, up 13.7% from the low at the previous week, to China at 1.4 MMT (+57.3%) and SE Asia 700kt (+2.7%). Despite this strong performance, the overall total coal shipments dipped by 2.2% over the week, reaching 25.7 million tonnes, which was primarily attributed to reduced volumes from Indonesia with weekly total fell 7.5% to 9.6 million tonnes. As the charts below show, last week's shipments from Indonesia to China came off for a second week but still stay well above the seasonal average. Meanwhile, on the other key route, Australia to Japan, spiked up and surpassed the high end of the 6-year seasonal average.

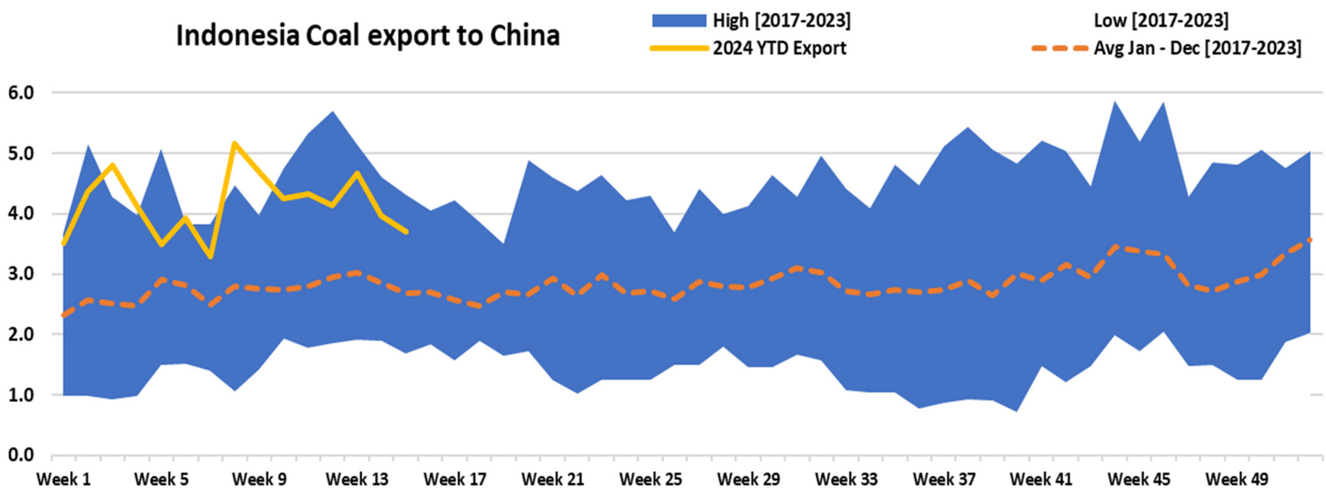
### Dry Bulk Trades/Coal

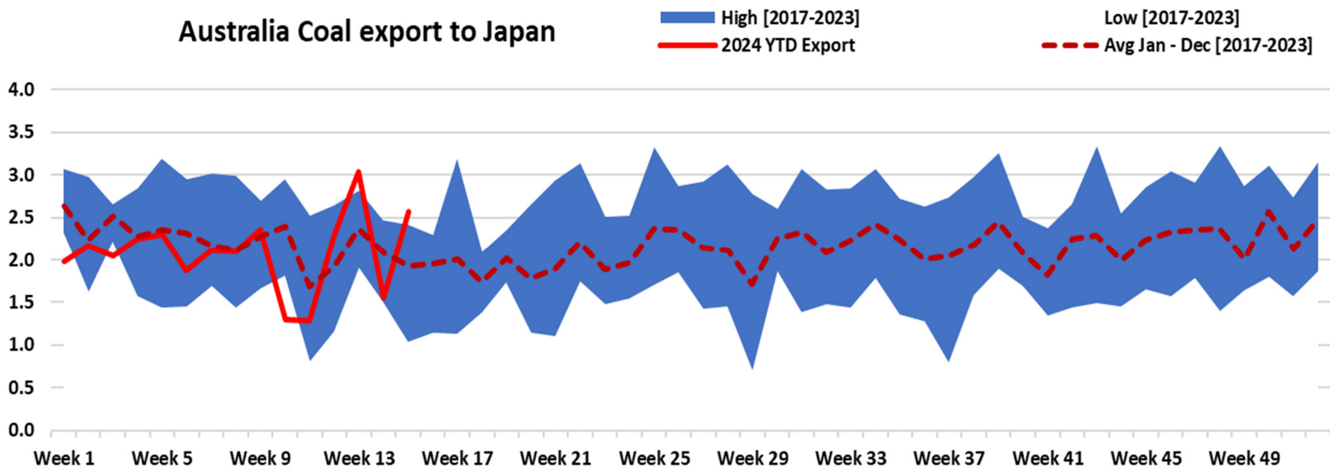
| Export (million tonnes) | **Feb-24** | **Jan-24** | Q4-23 | Q3-23 | Q2-23 | Q1-23 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|---|---|---|---|
| Indonesia | 43.8 | 40.2 | 143.4 | 123.2 | 121.0 | 120.4 | 508.0 | 462.2 | 415.2 |
| Australia | 28.2 | 28.7 | 94.9 | 88.1 | 93.1 | 79.4 | 355.6 | 339.2 | 368.4 |
| Russia | 11.6 | 11.1 | 39.0 | 46.7 | 51.3 | 48.3 | 185.3 | 192.5 | 172.1 |
| USA | 7.6 | 6.8 | 21.2 | 19.5 | 20.2 | 20.0 | 80.9 | 69.5 | 68.6 |
| Colombia | 4.7 | 4.9 | 16.3 | 15.7 | 14.6 | 12.5 | 59.2 | 61.0 | 60.7 |
| South Africa | 5.0 | 5.0 | 16.0 | 14.9 | 15.8 | 15.3 | 62.0 | 61.6 | 62.0 |
| Others | 51.9 | 48.6 | 172.9 | 149.5 | 148.1 | 144.1 | 614.6 | 556.0 | 501.3 |
| **Global** | **109.1** | **105.2** | **360.3** | **334.4** | **343.2** | **319.7** | **1357.6** | **1279.8** | **1233.1** |

### Coal Key Routes

| **Coal Key Routes** | Coal Export Million mt | | |
|---|---|---|---|
| Coal Export Million mt | Last Week | Prev. Week | Chg % |
| Indonesia-China | 3.7 | 4.0 | **-7.0%** |
| Australia-Japan | 2.6 | 1.5 | **66.3%** |

## Seasonality Charts




## Dry Bulk Trades/Agri

Another negative week for grain shipments as the total export volume drifted to 10.9 million tonnes, marking a small decrease of 7.4%, according to data from IHS Markit Commodities at Sea Service. Out of the East Coast of South America (ECSA), its weekly total fell by 16.8% to 4.8 million tonnes, impacted by sharply reducing volumes from Brazil. On the other hand, shipments from the US rebounded after weeks of decline, increasing by 12.8% over the week to reach 2.4 million tonnes. In the Asia-Pacific region, Australian weekly shipments came up from its low and recovered to the recent range of 750kt.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