

# FIS Dry Freight Weekly Report

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**Market Review:**

Capesizes came under pressure last week among all vessel sizes, due to growing prompt vessels in both basins despite healthy iron ore and coal cargo volumes. With the international labour holiday starting this Wednesday, and some Asian market participants away for the rest of the week, dry freight rates are expected to drift lower amid finished restocking activity by Chinese buyers.

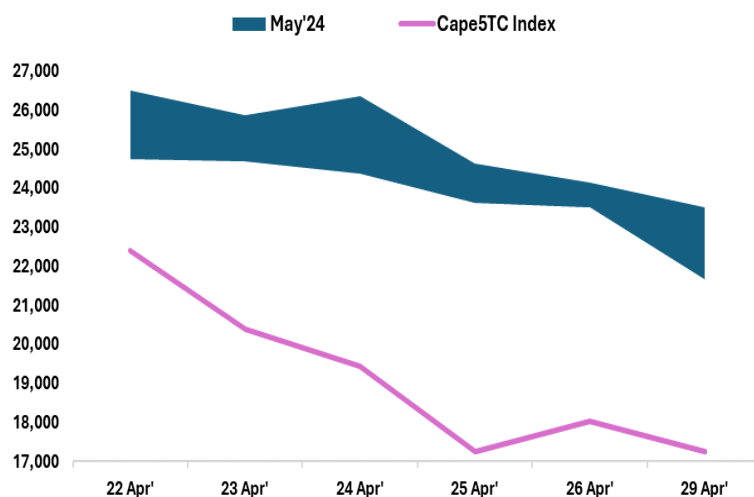
Freight Rate \$/day	29-Apr	22-Apr	Changes %	Short Term	Sentiment
Capesize 5TC	17,253	22,410	-23.0%	Neutral to Bearish	⬇️
Panamax 4TC	15,383	16,012	-3.9%	Neutral to Bearish	⬇️
Supramax 10TC	16,414	15,515	5.8%	Neutral	-
Handy 7TC	13,498	13,392	0.8%		

**Capesize**

Capesize vessels posted losses throughout last week, with spot rate marking a 23% weekly decline and active contracts in the FFA slumped over 10%. The subdued market sentiment returned after lower fixture activity was heard from Brazil and adverse weather conditions forced some port closures and delays in North China added to the challenges. On the demand side, Cape iron ore shipments rose for a second week to 29.2 million tonnes (+3.2% w-o-w) due to restocking ahead of Labour holiday.

Therefore, we saw increasing volume from all key suppliers destined for China. Similarly, Furthermore, minor bulk volumes experienced a positive volume week, up 20.3% from the previous week to 4.0 million tonnes, while coal shipments in Cape vessels steadied at around 7.1 million tonnes. Despite the higher weekly cargo volumes overall, prompt vessels supply still outweighed demand especially in the Atlantic basin.

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



Fixtures-wise, we saw a mixed dynamics in the Pacific region as rates fluctuated amidst busy activity from major players. The key C5 iron ore route (West Australia to China) was fixed at \$11.00 for early May loading days, but as the week progressed C5 fell to low \$10s for mid-May dates and then fixed at \$9.90 on last Friday and \$9.60 on Monday. Another cargo with 200kt iron ore from Whyalla to Qingdao at \$15.80 for 25/31 May. Apart from that, coal activity out of Indonesia reported to be busy, nevertheless rates slipped further with ample prompt available vessels, with trips to India were heard at \$8.80 for 22 April/1 May before fixing lower to \$7.50 for early May. In contrast, the Atlantic market experienced a week of lower fixtures with softening rates, largely influenced by minimal demand. Throughout the week, the key route C3 saw a downward trend, fixing from \$26.10 for 10/20 June at the start of the week to \$24.80-\$25.00 for 22 May onwards. Other notable fixtures including Itaguaí to Qingdao at the low \$27s for 22/24 May and Seven Islands to Djen Djen with grains was fixed at \$11.40 for 13/19 May. Overall, sentiment turned negative towards the end of the week, following fluctuations in FFA rates and anticipated lower activity ahead of Asian holidays.

Chart source: FIS Live

FFA: Monday, set a flat tone for the rest of the week, with early morning bid support quickly eroded and intraday trading ranges at a minimum. May and June traded down to \$24,750 and \$26,750 respectively while Q3 traded down to \$26,500. Tuesday was the most interesting day last week. The morning saw May being sold down from \$25,500 to \$25,000 with good volume – hitting some of the highest volumes in April. Following a lower-than-expected index (-\$2021 to \$20,389), we observed a surprisingly sharp rally in the evening with good volume trading hands. May paid up as high as \$25,750 and June up to \$28,600. On Wednesday, the morning trading saw buyers looking positive, but this was eroded post index (-\$944 to \$19,445). Another negative rate left buyers scratching their heads and trading rates for May and June dropped to \$24,500 and \$27,650, respectively. C5 yet again saw high levels of activity in May traded between 600kt between \$11 and \$10.80. Thursday was a lacklustre day with early bid support fading quickly as May and June dropping below \$24,000 and \$27,000, respectively. Post index, some mild support was observed and close was just above the day's lows. On Friday, the liquidity was primarily centred around the prompt and Q3 contracts, with intraday ranges tight. May and June both reached highs of \$24,550 and \$27,250, respectively, while Q3 traded up to \$27,100. Despite the 5th day of a negative index (-\$483 to \$18,012) some support was observed throughout the day, the prevailing sentiment remained bearish. Consequently, the forward curve did close at lower levels than Thursday, but deferred values remained flat.

**Short run neutral to bearish**

**Panamax**

Despite selling pressure from Cape vessels, Panamax managed to close the week with only marginal losses. In terms of demand last week, minor bulk shipments by Panamax vessels surged 51.5% over the week to around 4.6 million tonnes, while coal shipments remained flat at 13.2 million tonnes. On the downside, grain shipments declined sharply, with the total weekly volume dropping nearly 19% to around 5.5 million tonnes. Moving into this week, both basins lost some ground, although the Indonesia coal market reported being active, and charterers were keen to cover before the holiday starting on Wednesday.

Regarding fixtures, the Atlantic basin began with a lack of bids, with standard trips carrying 82kt of grains via EC South America redelivery Singapore/ Japan fixing between \$21,500 and \$21,000, and smaller sizes covering 75kt at \$16,500. Finally, some transatlantic business in the North has finally come back, with a trip via the US Gulf redelivery Skaw-Gibraltar being heard fixing lower at \$18,000, while coal cargoes via the US East Coast redelivery India were heard at \$30,000, and from Puerto Drummond to Taichung was paid at \$41.20 for 8/27 May. On the Asian side, rates began to fall last Wednesday for both Kamsarmax and LME tonnage ex Indonesia due to demand slowdown. Although cargo volumes were decent, lower bids for Nopac and Australia businesses contributed to the overall loss. The downward trend continued Friday, with further corrections observed in the market. Rates for trips with 75kt coal via Indonesia to India and South China stood at \$12,000 and \$12,500, respectively, while another cargo with 81kt coal via Indo redelivery India was fixed at \$14,000. Moreover, a standard 82kt trip via EC Australia redelivery South China was fixed at \$15,000.

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

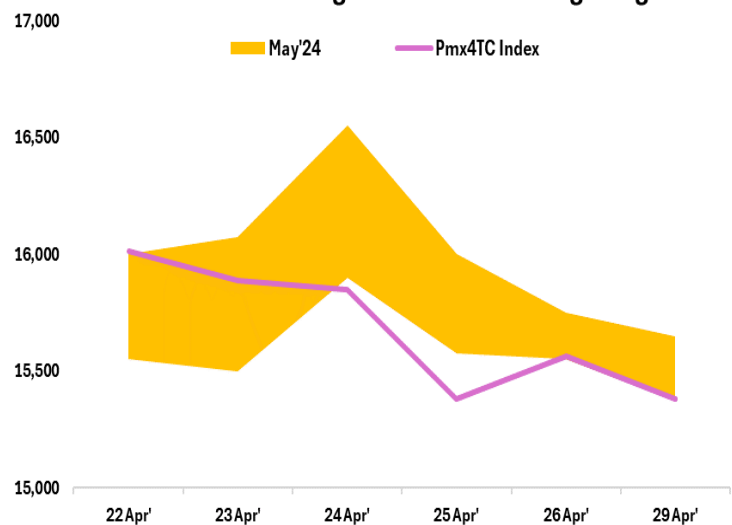


Chart source: FIS Live

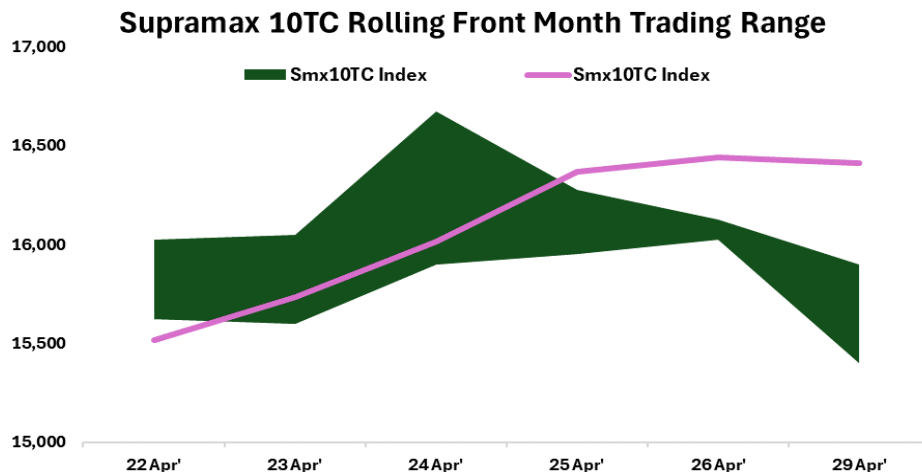
FFA: The week commenced sluggishly last Monday with rangebound activity and stable trade activity on either side of the index. Most of the curve traded down across the board with May, June and Q3 down to \$15,500, \$15,900 and \$15,700, respectively. Tuesday was the best day of the week for Panamax across the board as it latched onto firmer Cape sentiment. The index did little to deter buyers and rates continued to push throughout the afternoon session. May and June recovered the previous day's losses moving up to \$16,000 and \$16,300 highs, respectively. Also, a renewed interest in deferred contracts saw Cal25 trading up to \$13,450. On Wednesday, we saw rates gapping up in the morning as buyers chased a thin offer side in a surprising rush for coverage. By mid-morning, the sentiment reversed and after a third day of a declining index rate the selling intensified. While prompts ended the day finishing lower, further out there was little change despite good volume changing hands. Thursday was a bit of a lacklustre day, the morning was particularly slow to move, before slipping pre-index. Post Index (-\$122 to \$15,383) trades saw much of the same on the front of the curve with intraday trading ranges tight but ticking up. Further out saw Cal25 lose ground trading down to \$13,400. On Friday, the day was not unlike the day before, with early morning support quickly eroded on the back of Cape selling. May traded down to \$15,500 and Q3 was down to \$15,700 and intraday trading remained low generally with May and June trading within a \$200 range.

**Short run neutral to bearish**

**Supramax**

FFA: The week started out with some resistance but by midday levels pushed back up before stalling again in the evening and trading down to morning levels. Prompts closed at lower levels than last weeks close with May just off its daily low at \$15,650 but deferred values remained broadly flat. As Tuesday unfolded, we saw prices shift upward, reflected in the index which also increased by \$220 to \$15,735 May and June traded to highs of \$16,000 and \$15,900, respectively while Q3 which was trading within a range of \$200, reached a high of \$15,400. The day concluded with some renewed support and the forward curve at higher levels compared to yesterday. Wednesday morning saw the market gap up before a confusing index (+\$280 to \$16,015) saw the front end hammered down with May June dropping from \$16,500 in the morning to \$15,300. The market closed just off the day's lows and buyers were left licking their wounds. Thursday began with modest offer weight and good trading activity. As the index approached (+\$352 to \$16,414) the sentiment shifted as the bid side interest climbed. By the end of the day, trading activity traded odd and overall, the market closed flat compared to yesterday. Friday was similarly quiet to the previous day, largely influenced by the state of the larger vessel markets. By the evening May and June contracts had dipped to lows of \$15,750 and \$15,600, respectively, not dissimilar to Cape patterns. While the market closed with some support, lower levels were observed across the curve.

**Short run neutral**



**FFA Market Indexes**

Freight Rate \$/day	29-Apr	22-Apr	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	17,253	22,410	-23.0%	23,293	16,389	16,177	33,333	13,070
Panamax4TC	15,383	16,012	-3.9%	14,271	11,518	8,587	25,562	8,587
Supramax10TC	16,414	15,515	5.8%	13,401	11,240	8,189	26,770	8,189
Handy7TC	13,498	13,392	0.8%	12,310	10,420	8,003	25,702	8,003

## FFA Market Forward Values

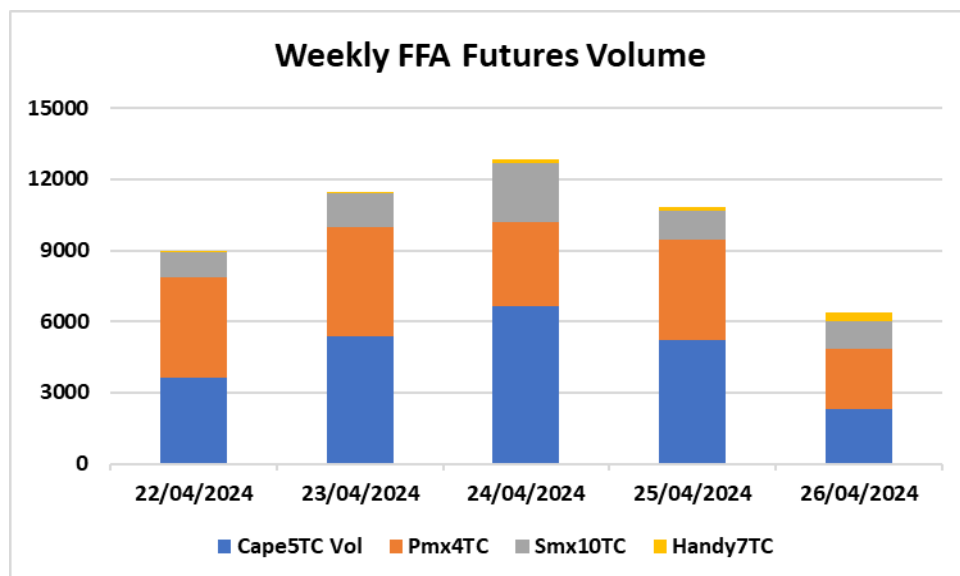
FFA \$/day	29-Apr FIS Closing	22-Apr FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC May 24	22375	24875	-10.1%	26,500	21,600	35,650	16,550
Capesize5TC Q3 24	26450	26575	-0.5%	28,250	25,850	29,500	18,000
Panamax4TC May 24	15525	15535	-0.1%	16,400	15,400	20,150	14,300
Panamax4TC Q3 24	15550	15725	-1.1%	16,400	15,450	17,100	12,700
Supramax10TC May 24	15900	15650	1.6%	16,700	15,400	17,050	13,850
Supramax10TC Q3 24	15000	15225	-1.5%	15,600	15,000	15,800	12,600

Data Source: FIS Live, Baltic Exchange

## FFA Market

Busy trading was observed in the FFAs market mid-week, with total volumes picking up to over 59,100 lots across all exchanges. As a weekly average, Capes and Panamaxes futures traded around 4,630 lots and 3,850 lots per day last week, respectively. Meanwhile, there was an increasing trading interest seen in Supramaxes, with 1,470 lots traded daily. On the options side, most of the action was shared between Cape and Panamax, with about 2,750 lots cleared in Cape and 2,220 lots in Panamax across the Jun, Q3, and Q4'24 tenors. As we prepare to enter May and Q2 contracts will come to expire, some volume would shift to Jun and Q3'24 contracts, along with the long-period contracts of Cal25 contracts. Open Interest increased along with falling cape prices, indicating short positions being built up and a possible trend reversal. On 29th Apr, Cape 5TC open interest reached 181,522 (+6,600 w-o-w), Panamax 4TC OI 181,366 (+6,060 w-o-w), and Supramax 10TC OI 85,590 (+1,470 w-o-w).

In addition, strong interest persisted on the voyage route C5, with a total of 4.015 million tonnes changing hands, with most activity on May and Jun, and some small clips traded on Q3 24. Another 125kt C3 was all brokered through FIS.



## Dry Bulk Trades/Iron Ore

Iron ore's underlying market rebounded on Wednesday amid supply disruptions from Fortescue and investor optimism about the Chinese property market. Prices continued to tick up for the rest of the week on the back of surging Chinese property shares and resumed confidence in steel production.

Last week, iron ore shipments increased by 4.2% to 32.4 million tonnes (MMT) due to restocking activity ahead of the Labour holiday by Chinese buyers. From the top supplier, Australia shipped out around 19.6 MMT, up 7.9% w-o-w. Its exports to China hovered above the 6-year seasonal high. Likewise, iron ore exports from South and West Australia improved by 11.2% w-o-w to 1.2 MMT due to robust demand from China. On the downside, there was a decrease in volume from Brazil, with shipments totalling around 6.4 MMT for the week, down 2.9% compared to the previous week. Despite the small decline, its shipments to China boosted by 14% from the previous week to around 4.7 MMT.

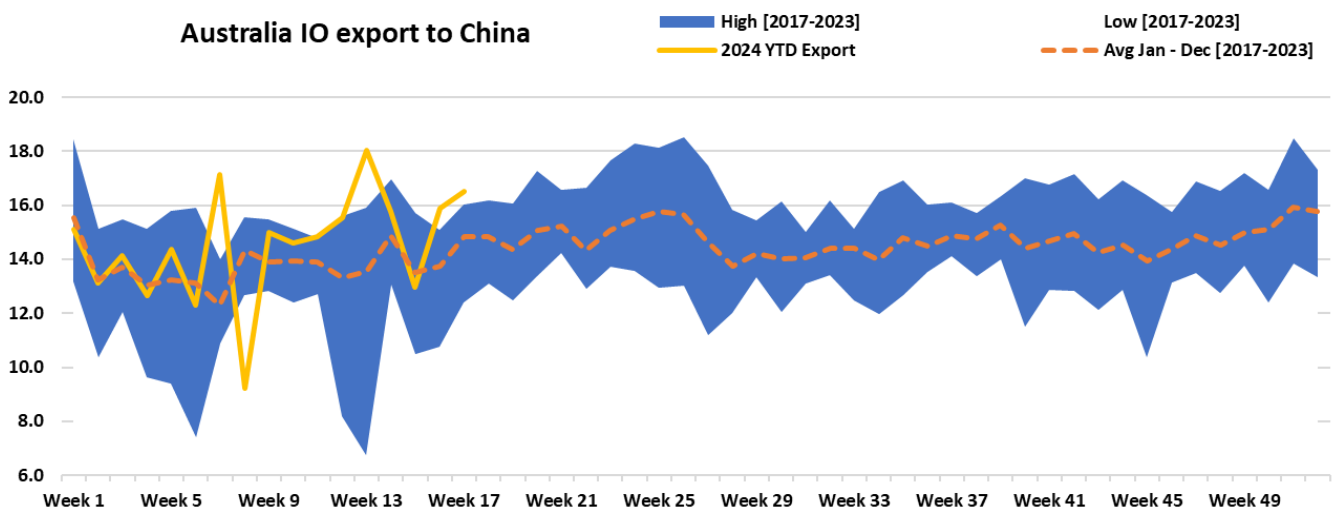
### Dry Bulk Trades/Iron Ore

Export (million tonnes)	Mar-24	Feb-24	Q1-24	Q4-23	Q3-23	Q2-23	2023	2022	2021
Australia	82.5	65.2	222.4	244.3	235.5	239.0	946.6	935.9	923.0
Brazil	27.4	29.0	84.1	103.3	103.6	92.1	371.9	344.6	353.3
South Africa	4.6	4.8	14.0	14.2	13.2	13.6	55.4	56.5	60.0
India	3.5	5.3	15.6	13.7	9.1	10.2	45.3	15.9	36.9
Canada	5.4	4.3	13.9	16.9	17.4	13.8	61.3	57.3	57.1
Others	16.5	14.6	46.8	50.6	46.9	44.7	184.2	177.5	201.8
<b>Global</b>	<b>139.8</b>	<b>123.2</b>	<b>396.8</b>	<b>443.0</b>	<b>425.8</b>	<b>413.4</b>	<b>1664.8</b>	<b>1587.8</b>	<b>1632.0</b>

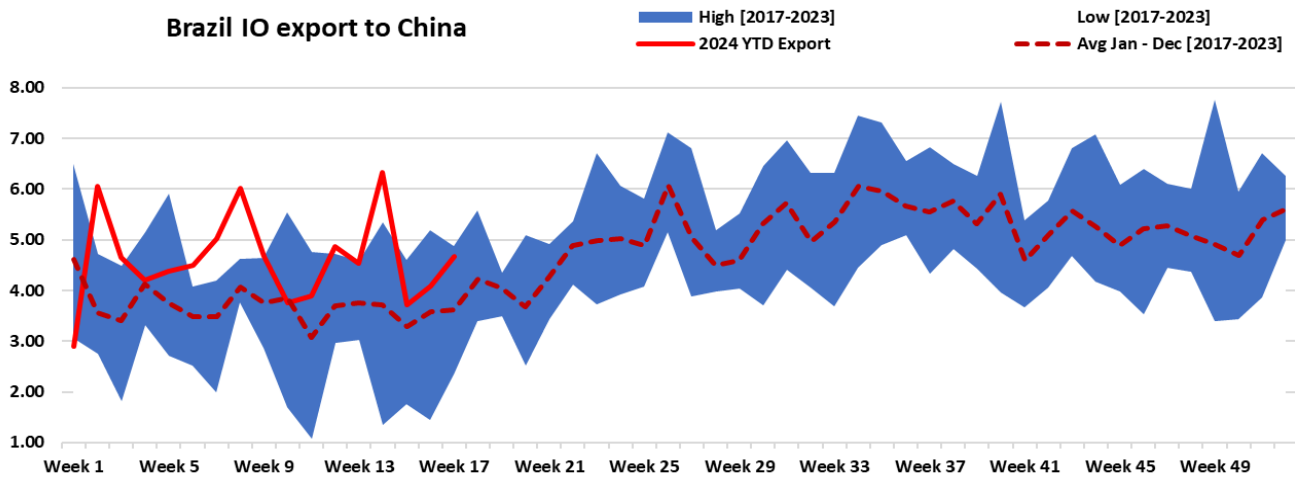
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	16.5	15.9	3.8%	10.52	11.35	-7.3%
Brazil-China	4.7	4.1	14.0%	25.69	26.66	-3.7%

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

Last week, Australian coal shipments experienced a slight decline to 6.6 million tonnes, primarily impacted by lower volumes to India. However, there were notable increases in exports to other regions, as shipments to the JKT region soared for a second consecutive week to just under 4.0 million tonnes (+21.4% w-o-w), along with exports to China at 1.8 MMT (+42.5%). Conversely, exports to India plummeted to 330kt, marking a decline of 66%. Similarly, shipments to Southeast Asia also experienced a notable decline, falling to 350kt (-39.2% w-o-w). Despite this mixed performance across different regions, the overall total coal shipments ticked up by 1.4% over the week, reaching 27.4 million tonnes, supported by healthy volumes from Indonesia. Last week, Indonesian coal shipments advanced by 6.2% to 10.9 million tonnes. In line with this increase, its weekly shipments to China rose by 5.9% over the week to 3.9 million tonnes.

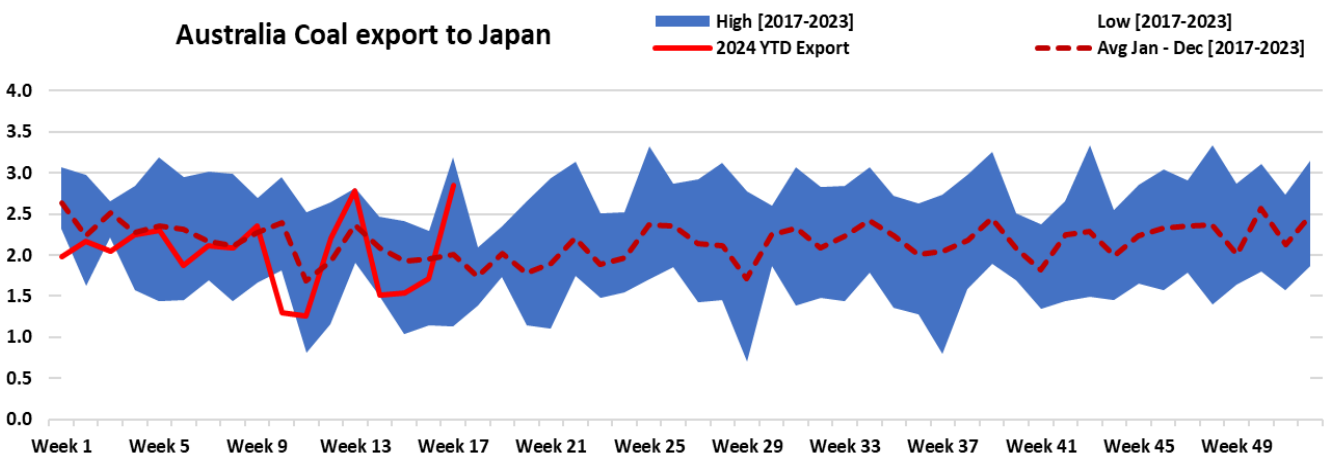
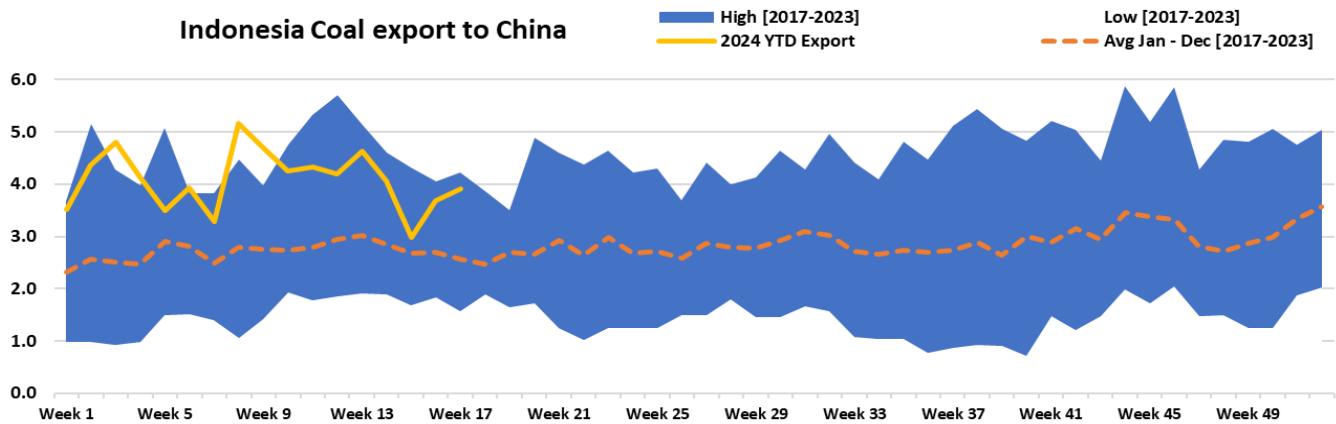
### Dry Bulk Trades/Coal

Export (million tonnes)	Mar-24	Feb-24	Q1-24	Q4-23	Q3-23	Q2-23	2023	2022	2021
Indonesia	46.5	43.8	130.4	143.5	123.2	121.0	508.1	462.2	415.2
Australia	29.5	28.1	86.0	94.6	88.1	93.1	355.3	339.2	368.4
Russia	12.0	12.3	35.5	39.0	46.7	51.3	185.3	192.5	172.1
USA	8.4	7.3	22.3	21.2	19.5	20.2	80.9	69.5	68.6
Colombia	6.9	4.8	16.6	16.3	15.7	14.6	59.2	61.0	60.7
South Africa	5.1	4.9	15.0	16.0	14.9	15.8	62.0	61.6	62.0
Others	9.9	7.9	26.5	29.6	26.3	27.1	106.7	556.0	501.3
<b>Global</b>	<b>118.3</b>	<b>109.0</b>	<b>332.4</b>	<b>360.2</b>	<b>334.4</b>	<b>343.2</b>	<b>1357.5</b>	<b>1279.8</b>	<b>1233.1</b>

### Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	3.9	3.7	5.9%
Australia-Japan	2.8	1.7	65.5%

## Seasonality Charts

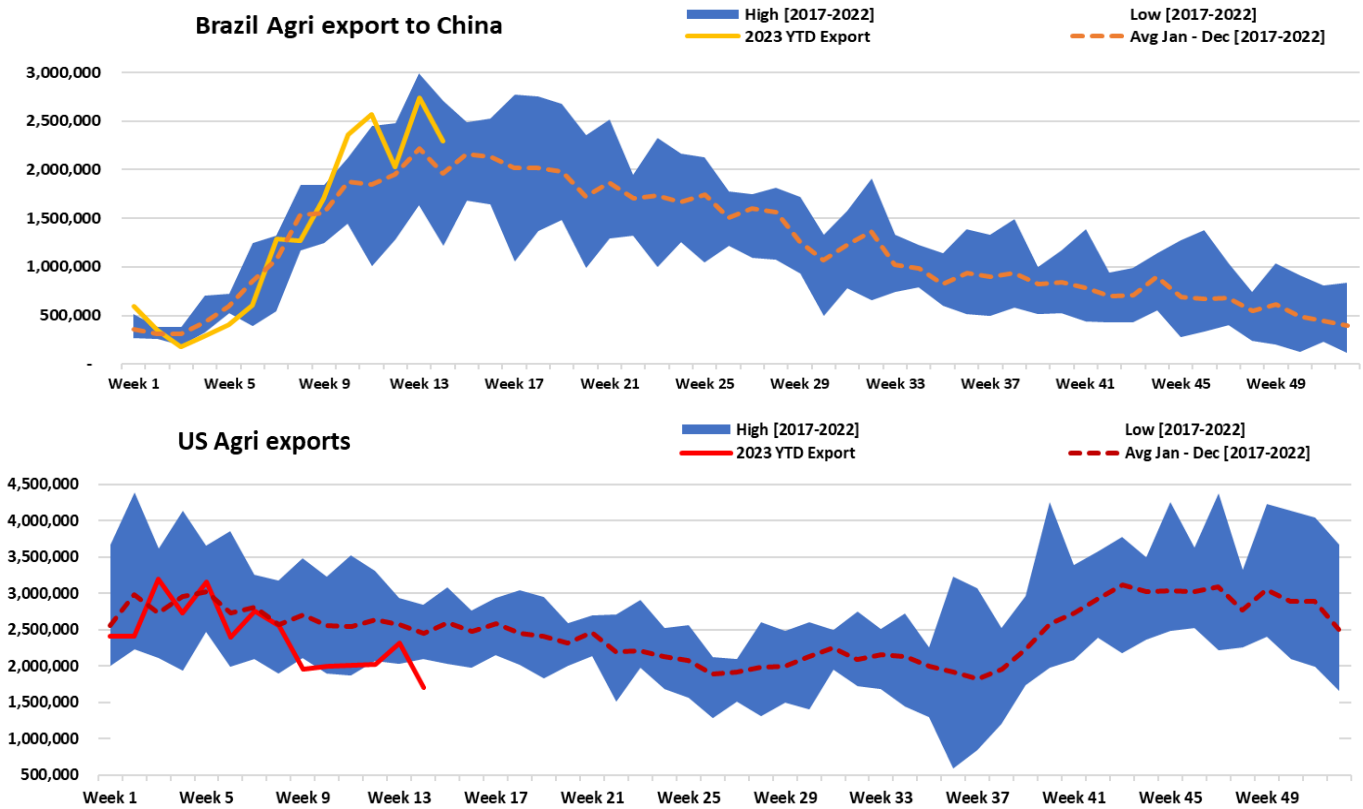


## Dry Bulk Trades/Agri

Last week, global grain shipments experienced a retreat due to low supply from key regions, with the total export volume falling to 11.4 million tonnes. This marked a weekly decrease of 13.8%, according to data from IHS Markit Commodities at Sea Service. From the East Coast of South America (ECSA), the weekly total fell by 10.9% to 5.8 million tonnes, impacted by sharply reduced volumes from Brazil and Argentina. Similarly, shipments from the US reversed their two-week increase, declining by 11.5% over the week to reach 2.1 million tonnes. In the Asia-Pacific region, Australian weekly shipments steadied within their three-week range, remaining around 750kt.



## Seasonality Charts



Export (million tonnes)	Feb-23	Jan-23	Q4-22	Q3-22	Q2-22	Q1-22	2022	2021
Brazil	12.9	10.5	41.2	49.9	48.2	38.3	177.7	157.2
USA	10.1	12.0	36.8	23.9	30.7	37.4	128.7	140.8
Argentina	3.4	3.2	18.4	20.7	24.8	17.1	81.0	87.0
Ukraine	2.9	3.0	9.8	4.5	0.1	12.6	27.0	58.9
Canada	3.5	4.3	15.1	6.6	5.9	5.9	33.5	40.6
Russia	2.5	3.6	11.7	7.4	4.7	5.1	28.9	29.7
Australia	4.6	4.1	11.3	11.4	11.2	12.8	46.8	39.7
Others	8.1	7.0	21.1	26.6	24.9	25.9	98.5	87.4
<b>Global</b>	<b>48.0</b>	<b>47.6</b>	<b>165.4</b>	<b>151.1</b>	<b>150.4</b>	<b>155.2</b>	<b>622.1</b>	<b>641.4</b>

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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