FIS Dry Freight Weekly Report

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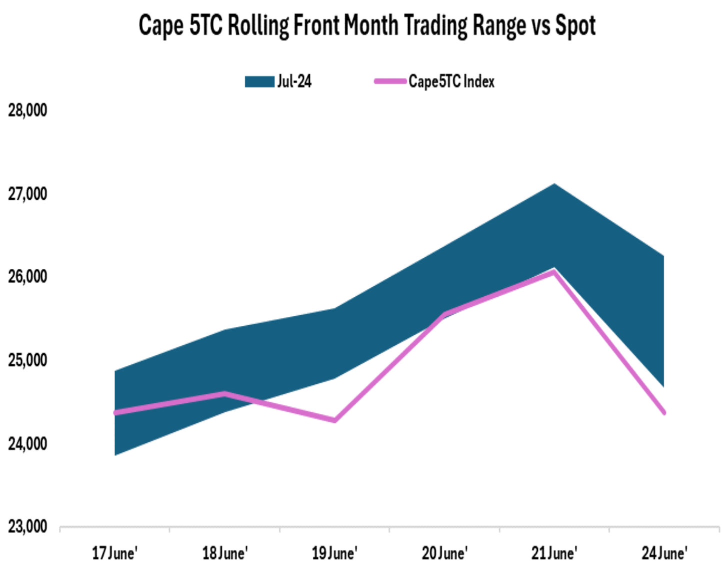
Market Review:

Among all vessel sizes, Panamax ended the week on a negative note, giving up all the gains from the previous week due to lower grains demand and increasing ballast lists. Decent support was seen in the Capesize segment, driven by strong demand for Brazilian iron ore and anticipated increases in exports following the reopening of Baltimore Port. For smaller vessels, lower shipments in the North Atlantic and ECSA exerted downward pressure, although this was partially offset by robust coal cargoes in the Pacific.

Freight Rate $/day	24-Jun	17-Jun	Changes %	Short Term	Sentiment
Capesize 5TC	25,650	24,363	5.3%	Neutral	-
Panamax 4TC	14,795	16,301	-9.2%	Neutral to Bearish	↘
Supramax 10TC	15,451	14,810	4.3%	Neutral	-
Handy 7TC	13,634	12,893	5.7%		

Capesize

Capsize rates remained mostly stable within a narrow range during the week due to reduced activity impacted by holidays. Only two major players were actively seeking cargoes for most of the week. Towards the end of the week, market sentiment improved as better fixtures emerged in the Atlantic, driven by increased demand for iron ore and minerals. On a weekly basis, Cape iron ore shipments hold steady at 33.2 million tonnes, maintaining the high levels in the past few week, bolstered by strong demand for Brazilian ores. The minor bulk sector also saw better support, with weekly shipments rising by 8.4% to 4.4 MMT. In contrast, coal shipments on Cape vessels retreated from its previous high to reach approx. 6.8 million tonnes (-11.3% w-o-w).



In terms of fixtures, on the key C5 iron ore route (West Australia to China), rates rose from $10.65 to $11.00 by the end of Jun laycan, driven by increasing volumes and solid support from the Atlantic. However, by the end of the week, the rate fell to $10.70 amidst a very quiet Monday. Another iron ore cargo, from Whyalla to Qingdao, was fixed at $15.25 for July 11-15. Coal activity remained robust, several trips from Newcastle to China conducted at time charter ranged between $24,000 and $28,000, another cargo from Newcastle to Mailiao was reported at $14 for July 1-1. Elsewhere, a trip from Indonesia to India saw rates increase by $1.50 to $8.75 for July 1-7. In the Atlantic, iron ore cargoes from Itaguai to Qingdao fetched $27.55 for July 8-10. Trips from Seven Islands to Qingdao and Oita were reported at $32.70 and $32.55, respectively. C3 rates also saw upward movements. Fixing rates rose from the low $25s to $26.50 for mid-July laycan and reached $27.50 for July 19 onwards. However, reflecting weaker sentiment at the start of this week, C3 was settled at $26.25 for early August.

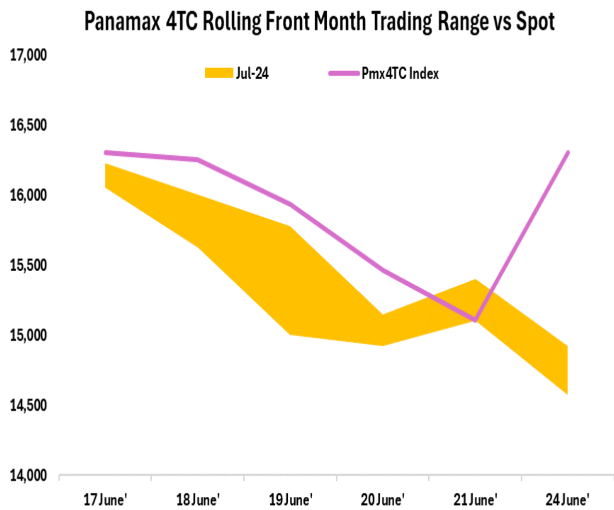
Chart source: FIS Live

FFA: The week began quietly, as the Singapore holidays lead to an initial dip in volume. Some early selling saw July trade down to $23,750 before the market picked back up in the evening and closed at $24,875. On Tuesday, the market opened positively with July being paid up to $25,500 and Q3 to $25,000 during the Asian session, as they re-entered the market for the week. Once the European market opened there was a quick sell-off and trading progressed within a narrow range for the rest of the day with July between $24,000-$25,000. A similar situation on the Wednesday, with the Asia session driving bids and good volume with July being paid up to a high of $25,750. In the afternoon, following a negative index (-$318 to $24,278) we saw July sold down to $24,750 and Q3 down to $24,150, where the market closed. Following some late buying on Wednesday, the morning session on Thursday saw July trade at $25,750 (+$1000 off the previous days close). The re-entry of miners into the market in the Pacific resulted in a significant increase in activity and the index experienced an upward trend (+$1,275 to $25,553). We saw a surge in the afternoon with June paid up as high as $25,500, July at $26,500 and Q3 at $25,400. It was a particularly high-volume day, especially on the prompts. Friday opened strong again with July jumping up to $27,000 (+$500 off the previous days close) and June to $25,750. Throughout the day rates drifted off the day's highs but in an unusual turn of events for a Friday night, found bid support coming into close. The day closed only just off the open.

Short run neutral

Panamax

Panamax vessels gave up all of the previous week's gains, with spot levels falling below $15,000 due to an increase in available prompt vessels and timid cargo volumes. Holidays slowed down activity, as we saw bid and offer spreads widened on the mineral runs meanwhile more ballaster tonnage in the Atlantic basin. Subdued activity in the Pacific further bolstered bearish sentiment, pushing rates lower by the end of the week. Mixed signals presented on the demand side. Grain volumes reduced significantly, with shipments by Panamax vessels slumping by 21.1% to 4.4 million tonnes. However, minor bulk shipments ended their three-week decline, recovering 20.4% in a week to a recent high of 4.3 million tonnes. Meanwhile, coal shipments by Panamax vessels ticked up 0.9% to 15.0 million tonnes.



In the Atlantic, reduced grain cargo volumes led to lower rates for standard trips with 82kt of grains via ECSA to Singapore-Japan. Rates fell from the $20,000-$21,500 range to $19,250 later last week, and then to $18,750 on Monday. Limited inquiries in the North further pushed rates down, with a trip via NCSA to Skaw-Gib rumored to have been fixed at $16,500, $1,500 lower than the previous week. In the Asia market, coal shipments remained healthy in the key regions. Highlighted fixtures included trips via Indonesia for redelivery WC India, fixing slightly higher at $13,000 for larger sizes and $16,500 for a 79kt; and trips with 82kt coal via Indo redelivery China paid between $15,750-$16,000 and redelivery Philippines at $16,500.

FFA: As for the previous week's winners, the panamaxes, did not manage the same success this week. On Monday, we saw some early bids on the prompts with July opening at $16,125 (+$125 of the previous week's close) and following a rangebound day and minimal size July closed at $16,100. Tuesday opened to a rangebound morning session though this ultimately gave way to downward pressure after a negative index (-$52 to $16,249) and a sell-off in the Capes. July traded down to $15,850 and Q3 to $15,600, the market closed supported but at the day's lows. By Wednesday, the general decline was becoming evident as lower cargo order volumes drove down rates. In the morning, the market continued to sell off with July being traded down to $15,300 quickly. The negative index (-$573 to $15,463) triggered renewed selling and the curve took a further drop. On Thursday, there was another negative index (-$358 to $15,105) for the panamaxes despite the index improving on other vessel sizes. This resulted in a static rangebound day of trading, July traded inside $15,000 to $15,700 and Q3 between $15,100 and $15,300, both in good volume. The market seemed to be waiting out till the end of the week before any major response to the conditions as Friday was another rangebound day, July opened at $15,125 and closed at $15,175.

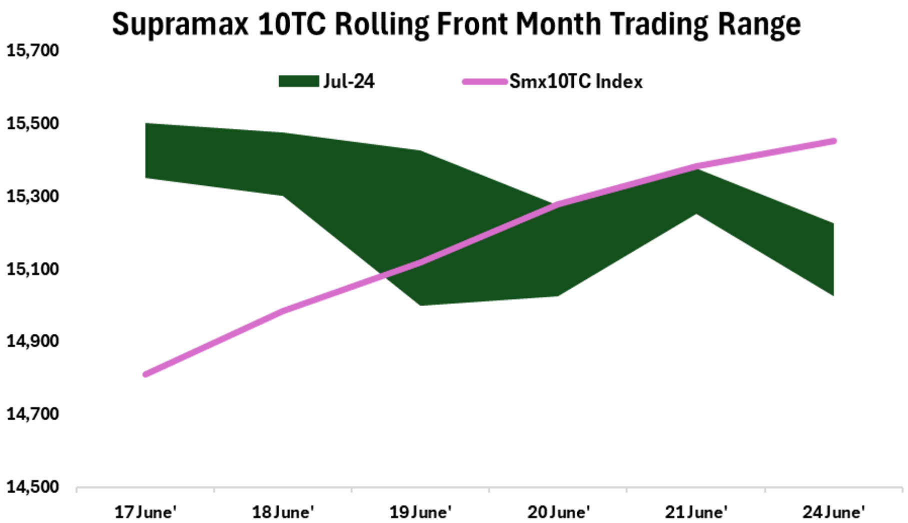
Short run neutral to bearish

Chart source: FIS Live

Supramax

FFA: As with the other markets this week it was a slow start due to the holidays in Singapore. On Monday, the focus was on the prompts, July traded to a high of $15,450 and Q3 traded up to $15,500 but activity remained rangebound. Slow and steady selling dominated Tuesday morning, but post-index (+$175 to $14,985) the market recovered somewhat. Good trading volumes were observed driven, in part, by intra-market spreads. July traded to a high of $15,350, while Q3 traded up to $15,500, closing only just below Monday. By Wednesday the daily range widened and the curve drifted to lower levels with good offer support. Despite a positive index (+$133 to $15,118), which was opposite the larger vessels in direction, the rates continued to fall. Thursday returned to rangebound trading but after another positive index (+$160 to $15,278) rates finally picked back up. Prompts closed higher than the previous days close at $15,250, which was also just off the day's highs. Much the same for Friday, a rangebound day that was largely focused on the front contracts. Q3 traded within a $300 range, reaching a high of $15,500 and July closed flat to Thursday, which was only -$100 off from Monday's opening at $15,250.

Short run neutral



FFA Market Indexes

Freight Rate $/day	24-Jun	17-Jun	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	25,650	24,363	5.3%	23,371	16,389	16,177	33,333	13,070
Panamax4TC	14,795	16,301	-9.2%	14,597	11,518	8,587	25,562	8,587
Supramax10TC	15,451	14,810	4.3%	13,927	11,240	8,189	26,770	8,189
Handy7TC	13,634	12,893	5.7%	12,480	10,420	8,003	25,702	8,003

FFA Market Forward Values

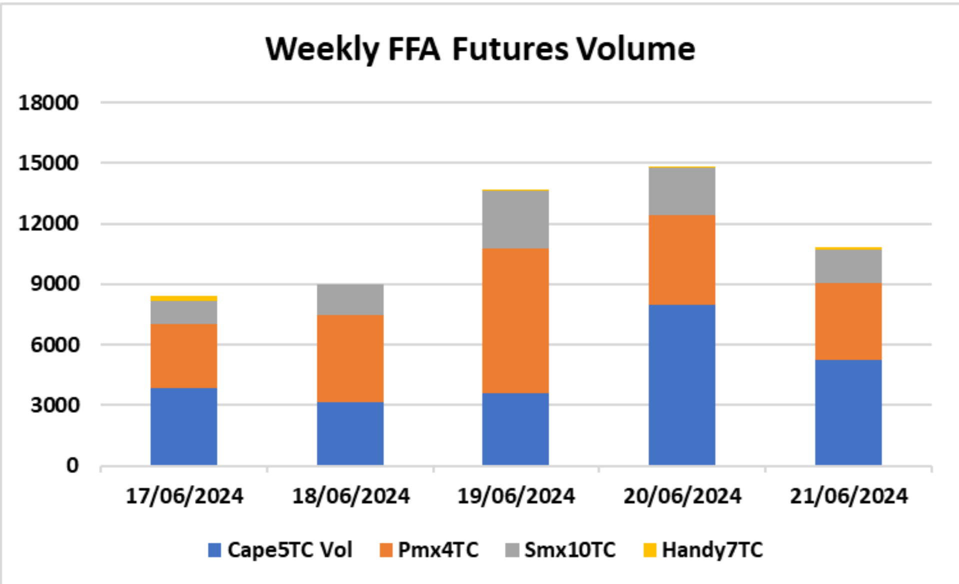
FFA $/day	24-Jun FIS Closing	17-Jun FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Jul 24	24875	24875	0.0%	27,250	23,750	30,500	17,150
Capesize5TC Q3 24	24575	24609	-0.1%	26,000	23,800	30,500	17,150
Panamax4TC Jul 24	14700	16100	-8.7%	16,200	14,650	17,900	12,400
Panamax4TC Q3 24	14975	15959	-6.2%	16,050	14,750	17,950	12,300
Supramax10TC Jul 24	15150	15450	-1.9%	15,500	15,000	16,100	12,300
Supramax10TC Q3 24	15125	15550	-2.7%	15,500	15,000	15,800	12,650

Data Source: FIS Live, Baltic Exchange

FFA Market

Last week started quietly, but activity picked up significantly on Wednesday with large volumes changing hands in the Panamax market. In total, around 61,320 lots were traded in futures and 10,900 lots in options over the week. Among vessel sizes, Cape and Panamax futures led the volume, with Cape averaging 4,760 lots per day and Panamax averaging 4,580 lots per day. Supramax also saw increased interest, with about 1,910 lots traded daily. In terms of tenors, most trading occurred in July, Q3, Q4, and Cal 25 contracts, with notable volumes in August and Cal 26 as well. On the options side, trading was primarily focused on the Q3 and Q4-24 contracts, resulting in 8,260 lots cleared in Cape and 2,610 lots in Panamax. Open interest increased for all larger vessel sizes. Notably, the decrease in Panamax prices alongside a significant increase in open positions suggested increased short selling. As of June 24th, the Cape 5TC stood at 173,808 (+5,720 week-on-week), Panamax 4TC at 173,040 (+6,370 week-on-week), and Supramax 10TC at 79,473 (+3,085 week-on-week).

Regarding voyage routes, there was strong interest in the C5 Australia to China market last week, with nearly 5.3 million tonnes changing hands for June and Q3. Additionally, another 75kt of July contracts traded on the C3 route.



Dry Bulk Trades/Iron Ore

Iron ore shipments remained steady at 36.7 million metric tonnes (MMT) last week, reflecting a mixed performance across different regions. Brazilian exports surged by 19.4% to reach 8.8 MMT, whilst shipments from Australia declined by 9.4% to approx 20.3 MMT. Notably, exports from South and West Africa also increased for a second week to a total of 2.0 MMT, up 17.9% from the previous week.

On the demand side, seaborne volumes destined for China slipped by 2.2% from the previous week, reaching 28.1 MMT. Shipments from Brazil saw significant improvement, totalling 6.2 MMT, marking a notable 10.7% increase week-on-week. However, imports from Australia remained high although its weekly shipments retreated to below 18 MMT last week.

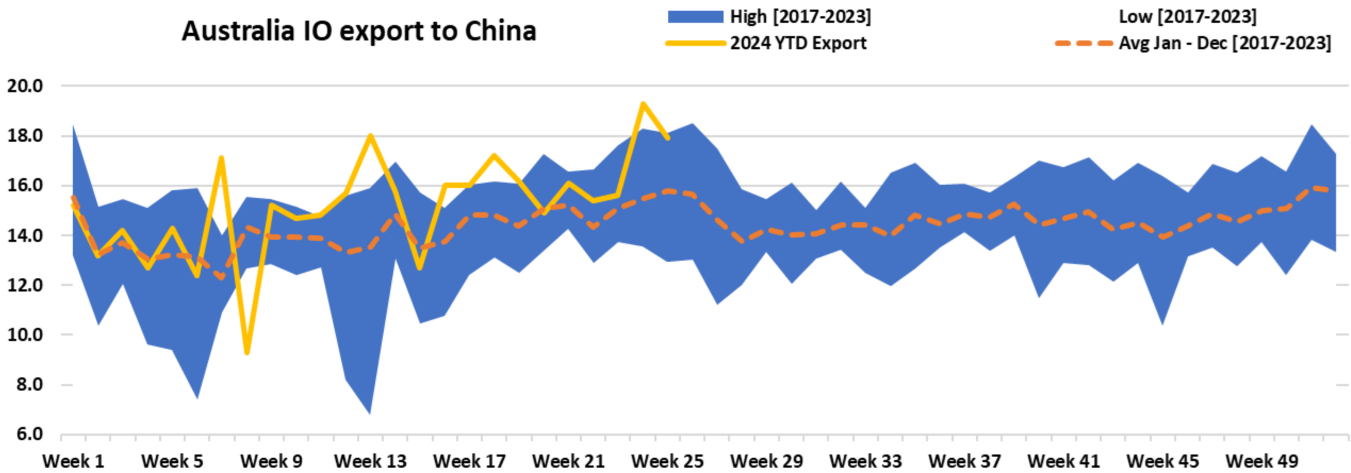
Dry Bulk Trades/Iron Ore

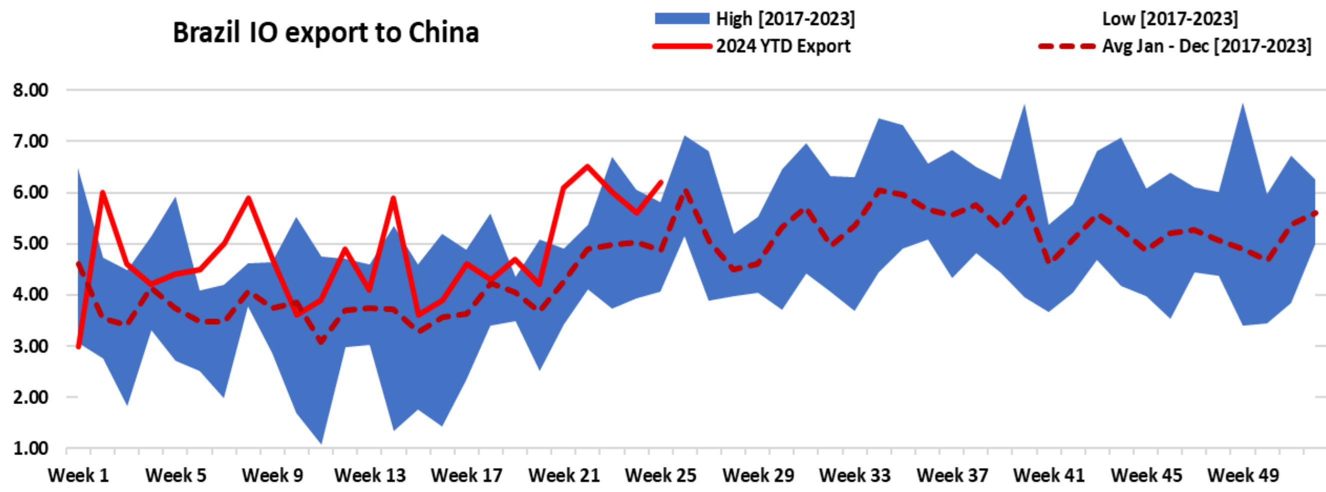
Export (million tonnes)	May-24	Apr-24	Q1-24	Q4-23	Q3-23	Q2-23	2023	2022	2021
Australia	82.5	78.0	222.4	244.3	235.5	238.9	946.6	935.9	923.0
Brazil	32.2	29.4	84.5	103.2	103.6	92.1	371.9	344.6	353.3
South Africa	5.1	4.5	13.9	14.2	13.2	13.6	55.4	56.5	60.0
India	4.2	2.5	15.6	13.7	9.1	10.2	45.3	15.9	36.9
Canada	4.9	4.5	13.8	16.9	17.4	13.8	61.3	57.3	57.1
Others	16.9	17.4	47.5	50.6	46.9	44.7	184.1	177.5	201.8
Global	**145.8**	**136.4**	**397.7**	**442.9**	**425.8**	**413.4**	**1664.6**	**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	17.9	19.3	**-7.3%**	10.82	10.59	**2.2%**
Brazil-China	6.2	5.6	**10.7%**	26.90	26.20	**2.7%**

Seasonality Charts





Dry Bulk Trades/Coal

Coal shipments slipped slightly to 28.1 million tonnes last week due to decreased volumes from the top two suppliers. Indonesia shipped around 10 MMT, with nearly 4.3 MMT (+5.7% w-o-w) destined for China. As shown in the charts below, last week's shipments from Indonesia to China remained well above the high range of the six-year seasonal average for the past five weeks. Meanwhile, its exports to India rose by 24.4% last week to 2.5 MMT.

Out of Australia, coal exports to the JKT region soared for the second week to 4.4 million tonnes, up 2.3% from the peak level of the previous week. However, lower shipments to other regions offset this increase, with exports from Australia to China at 1.1 MMT (-23.0%) and to India at 830kt (-42.2%).

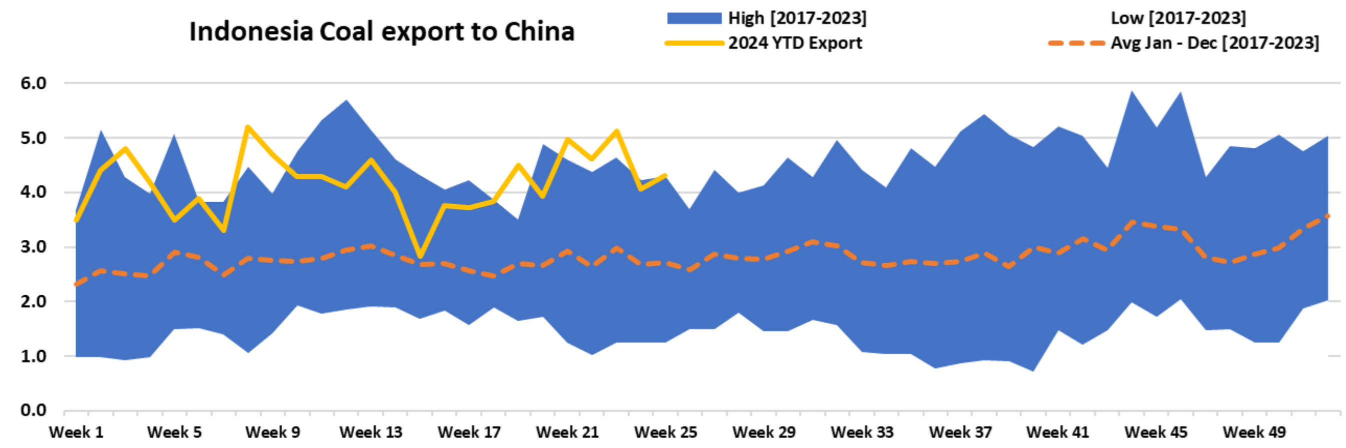
Dry Bulk Trades/Coal

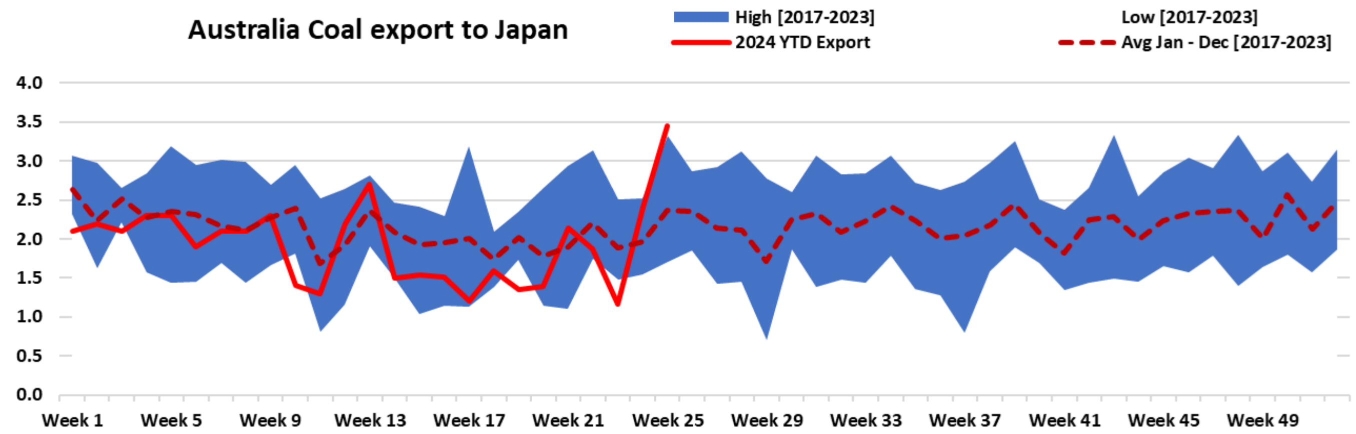
Export (million tonnes)	**May-24**	**Apr-24**	Q1-24	Q4-23	Q3-23	Q2-23	2023	2022	2021
Indonesia	47.9	28.9	130.2	143.5	123.2	121.0	508.0	462.2	415.2
Australia	30.6	18.1	86.0	94.6	88.1	93.1	355.3	339.2	368.4
Russia	14.5	8.0	35.8	39.1	46.7	51.3	185.4	192.5	172.1
USA	7.9	4.7	22.2	21.2	19.5	20.2	80.9	69.5	68.6
Colombia	5.7	3.5	16.7	16.3	15.7	14.6	59.2	61.0	60.7
South Africa	4.5	3.0	15.2	16.0	14.9	15.8	62.0	61.6	62.0
Others	9.1	6.0	26.2	29.4	25.9	27.0	105.9	556.0	501.3
Global	**120.2**	**72.2**	**332.3**	**360.2**	**334.0**	**343.0**	**1356.8**	**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	4.3	4.1	**5.7%**
Australia-Japan	3.5	2.4	**43.7%**

Seasonality Charts





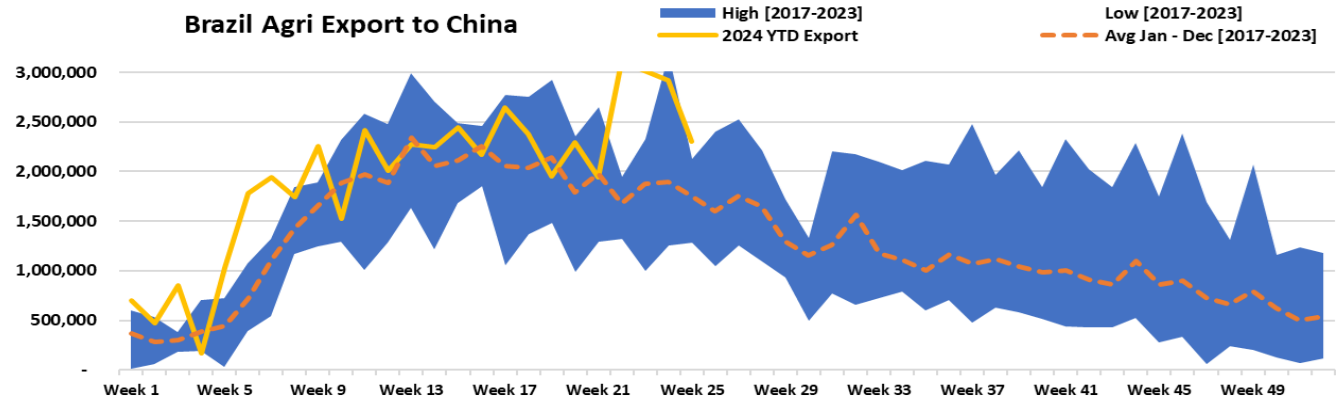
Dry Bulk Trades/Agri

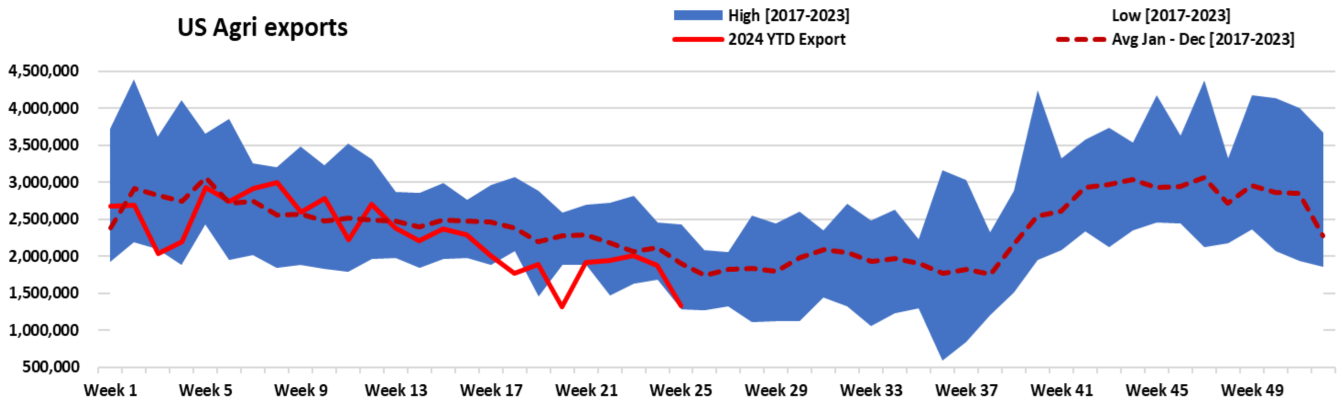
Last week, grain shipments took a sharp downturn, reporting only around 10.2 million tonnes, down 14.7% from the previous week due to low volumes from the key regions. According to data from IHS Markit Commodities at Sea Service, ECSA's shipments plunged 23.8% to below 5.5 million tonnes, with exports to China in line with the overall decrease, falling to 2.8 million tonnes. Additionally, shipments from the US also posted a negative week, with total weekly volume dropping to a low of 1.3 million tonnes.

Agri Key Routes

Agri Key Routes	Agri Export mt			Freight Rate $/mt		
Agri Export (thousands tonnes)	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week	Chg %
Brazil-China	2298.8	2914.9	-21.1%	46.8	46.9	-0.2%
US-China	NA	54.3	NA	60.4	59.2	2.0%

Seasonality Charts





Export (million tonnes)	May-24	Apr-24	Q1-24	Q4-23	Q3-23	Q2-23	2023	2022
Brazil	17.7	16.9	45.0	53.2	62.7	58.2	216.7	176.8
USA	7.9	9.5	34.0	34.6	18.3	23.0	106.7	129.5
Argentina	9.6	7.9	19.5	11.7	17.8	14.6	56.1	88.2
Ukraine	3.7	3.8	12.5	5.7	0.4	6.0	21.8	27.0
Canada	3.4	3.2	9.0	12.4	8.1	9.1	41.4	33.4
Russia	2.6	2.8	8.4	9.4	13.1	10.3	42.9	29.2
Australia	2.8	2.9	11.1	9.6	10.5	12.8	47.3	48.4
Others	5.0	5.4	20.7	21.5	21.3	16.7	82.8	402.6
Global	**52.8**	**52.3**	**160.2**	**158.2**	**152.3**	**150.6**	**615.7**	**628.9**

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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