

FIS Dry Freight Weekly Report

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Market Review:

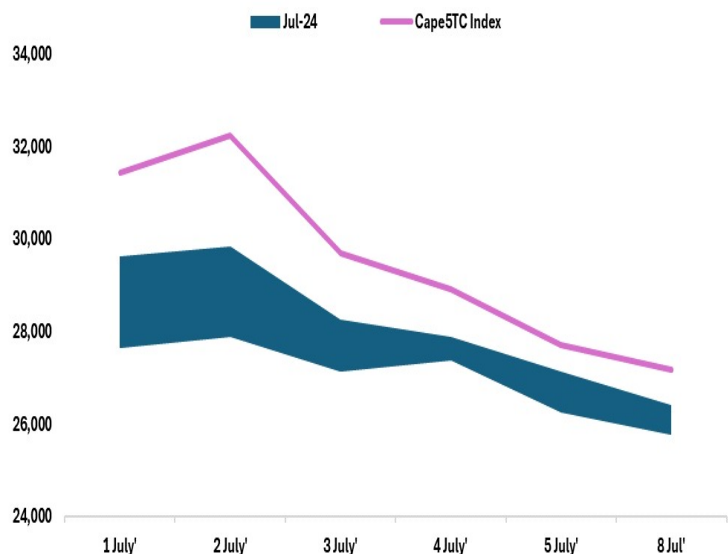
Last week, both iron ore and coal shipments fell from their record levels, with weekly volumes showing significant drops. This was compounded by an increase in available vessels for August, putting downward pressure on the larger vessels. On a positive note, robust grain shipments from Brazil provided much-needed support for the Panamax market. Overall, it was a volatile week, with market sentiment turning negative from mid-week, along with lower volumes and corrections in the FFAs.

Freight Rate \$/day	08-Jul	1-Jul	Changes %	Short Term	Sentiment
Capesize 5TC	27,171	31,438	-13.6%	Neutral to Bearish	⬇️
Panamax 4TC	12,443	13,619	-8.6%	Neutral to Bearish	⬇️
Supramax 10TC	14,669	15,064	-2.6%	Neutral	-
Handy 7TC	13,299	13,718	-3.1%		

Capesize

The Capesize market opened on a positive note as all three major actively seeking iron ore cargoes. However, optimism quickly dissipated due to a reduction in coal cargoes and a lack of fixtures in the Atlantic. On the supply side, vessel availability is less constrained for August laycan compared to the end of July. Additionally, a two-day correction in the FFA market further dampened sentiment, seeing miners to lower their bids in the Pacific. In the Pacific region, both iron ore and coal cargoes remained healthy but significantly declined from their record levels at the end of June. On a weekly basis, Capesize iron ore shipments fell by 23.8% to 27.2 million tonnes, with similar declines observed out of Australia and Brazil. Coal shipments on Capesize vessels also decreased by 15.3% over the week to around 5.5 million tonnes. Meanwhile, minor bulk weekly shipments continued to fall for the second consecutive week, dropping by 28.5% to 2.8 million tonnes.

Cape 5TC Rolling Front Month Trading Range vs Spot



In terms of fixtures, the key C5 iron ore route (West Australia to China) saw rates decrease from \$11.95 to \$10.80 mid-week, then further dropped to \$10.35 just before the weekend, despite fairly busy activity. On the coal side, a trip from Samarinda to Mundra was reported at \$8.75 for 14-20 July. In the Atlantic, there were significantly fewer Brazilian cargoes for Aug loading. Among the limited fixtures, the C3 rate fell below \$30, with a cargo from Itaguaí to Qingdao fixed at \$29.40 for 3-5 Aug. In the Northern Atlantic, weaker rates were observed for both fronthaul and transatlantic trips. Rates for trips from Seven Islands to China and to Djen Djen were \$36.50 and \$16.50 respectively, for the end of July.

FFA: This week began on a positive note, with bid support across the curve. July and August traded up to \$29,500 and \$26,750, respectively and Q4 was up to \$28,000. Meanwhile, a strong index (\$2,881 to \$31,438) driven by activity in the pacific as a result of increased miner participation as they finalised the end of year sales. A busy day on Tuesday saw the prompts initially gapping up, with July at \$30,000 before the market began to sell-off all of Monday's gains. By the evening July had sold down to a low of \$27,850 (-\$1,650), Aug to \$25,000 (-\$1,750) and Q3 to \$26,100 (-\$1,500). Wednesday morning the selling continued as July and Aug traded down to \$27,100 and \$24,250, respectively. A negative index (-\$2560 to \$29,688) seemed to act as a reverse indicator as July and August rebounded off their lows and trading to \$28,400 and \$26,250, respectively. On Thursday a downturn had become apparent as the increased tonnage availability and a reduction in coal demand started to drive the market back down. By the evening session Aug had sold down to a low of \$25,000, Q3 to \$26,250 and July to \$27,750. It was a relatively quiet end to the week on Friday. Early morning trading saw the market gap down as sellers took any available bid and throughout the day July and Aug traded down to \$26,250 and \$24,250, respectively.

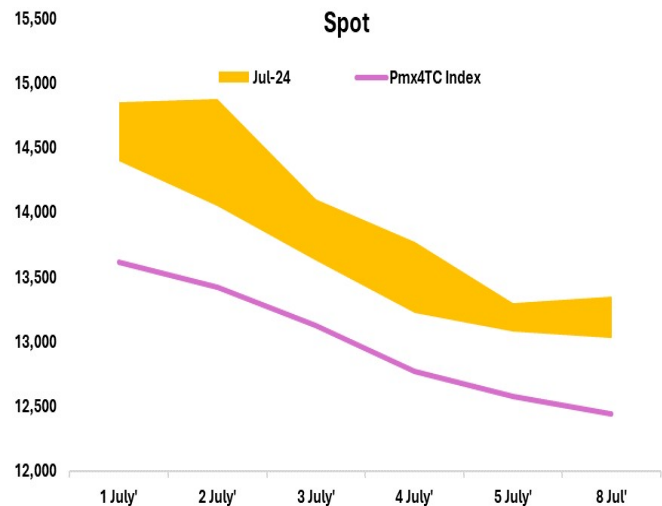
Short run neutral to bearish

Panamax

The Panamax market faced a weeklong correction last week due to limited mineral demand in the Atlantic and falling coal shipments in the Pacific. Despite the busy grain activity out of ECSA, it couldn't prevent rates from falling. Demand-wise, the main supporting factor was grain shipments by Panamax vessels, which rose by 20.5% over the week to 5.9 million tonnes. However, coal shipments decreased by 23.6% to 13.1 million tonnes, though they remained at a healthy level. Minor bulk shipments also dropped by 17.3% from the previous week to 3.9 million tonnes.

In terms of fixtures, most stems were from ECSA, with very few reported from the US Gulf and NCSA, partly due to the US holiday last Thursday which also took some interest out of the market. Trips with 82,000 tonnes of grains via ECSA redelivery Singapore-Japan were fixed slightly lower than the previous week's level of \$18,750, and smaller vessels were heard at between \$15,250 and \$15,350. On the transatlantic route, a trip via ECSA redelivery Skaw-Gibraltar was done at \$21,000 for 75,000 dwt. In the Asian market, rates also fell on all routes. NoPac round trips were heard towards \$16,000, while trips via EC Australia redelivery China were fixed between \$14,500 and \$15,000. For coal runs, trips from Indonesia redelivery Philippines and Malaysia were heard at \$11,500 and \$13,500, respectively.

Panamax 4TC Rolling Front Month Trading Range vs Spot



FFA: The Panamax market experienced a further downturn this week, as rates declined hitting a 4-month low. On Monday, July opened at \$14,400 but early prompt bid support saw it trade up to \$14,800. The rest of the day traded within a narrow range. Tuesday was a slow day with some support in the morning though this dropped off as a result of the Capes drifting off their highs. The index did little to change the sentiment (-\$196 to \$13,423) and rates fell throughout the afternoon. July traded down to \$14,100, Aug to \$14,500 and Q3 down to \$14,650. Wednesday saw a morning sell off with July and August trading down to \$13,450 and \$13,900, respectively. The continued headwinds in the Atlantic basin, as well as minimal new cargoes out of Indonesia and NOPAC, was represented in another negative index (-\$300 to \$13,123). It was however, not represented in the FFAs which were unreactive with minimal liquidity in the market. The close of play saw the market bid towards the day's highs. As we entered the back end of the week, on Thursday, rates continued to shift lower as another sharpish decline (-\$349 to \$12,774) on the index did little to inspire the market. July slipped down to a low of \$13,250, Aug and Q3 both to \$14,000. On Friday morning, trading saw a well offered market. July and Aug traded down to \$13,050 and \$13,900, respectively. The close of play saw the market well offered but on the day's lows.

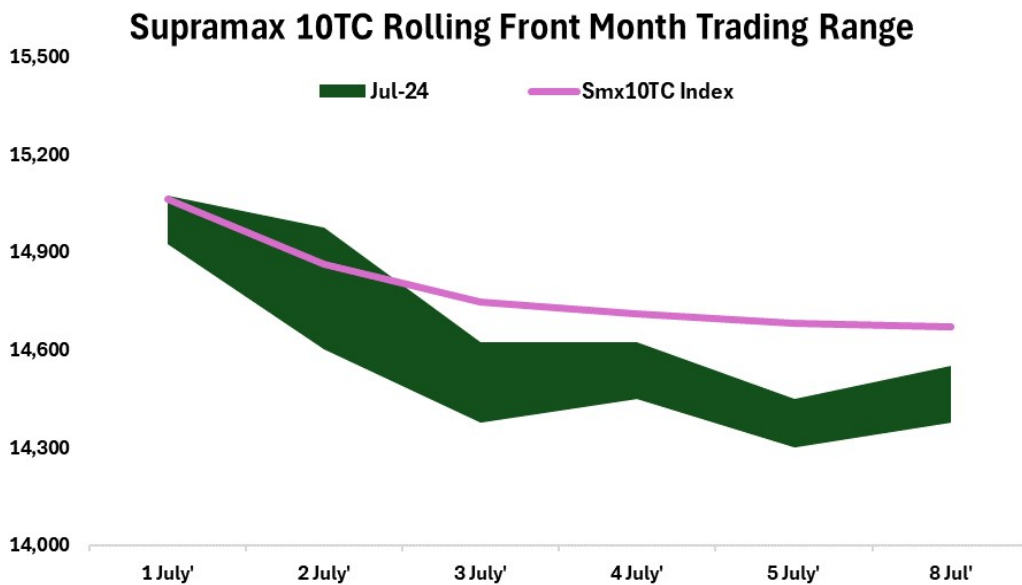
Short run neutral to bearish

Chart source: FIS Live

Supramax

FFA: Overall, a dull week for the Supramaxes, though rates did fall over the week the range was small. The Supra market started quietly on Monday, with some early bid support saw the prompt tick up with Aug and Q3 trading at \$14,300. On Tuesday morning this support continued but following the index (-\$202 to \$14,862), rates started to drift lower. July traded down to \$14,600 and Q3 to a low of \$14,500. By Wednesday trading was largely rangebound weighted towards offers. Rates came off the lows in the evening session and closed roughly flat to Tuesdays close. The market gained some traction in the early trading hours on Thursday with a focus on the prompts as July and Aug traded to a high of \$14,600 and \$15,000, respectively. Following a relatively flat index (-\$34 to \$14,711) which made minimal impact, the market closed once again flat to the previous day. Friday appeared more bearish but largely rangebound with July intra-day trading in a \$150 range and closing flat to the day's open.

Short run neutral



FFA Market Indexes

Freight Rate \$/day	08-Jul	1-Jul	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	27,171	31,438	-13.6%	23,759	16,389	16,177	33,333	13,070
Panamax4TC	12,443	13,619	-8.6%	14,501	11,518	8,587	25,562	8,587
Supramax10TC	14,669	15,064	-2.6%	14,012	11,240	8,189	26,770	8,189
Handy7TC	13,299	13,718	-3.1%	12,564	10,420	8,003	25,702	8,003

FFA Market Forward Values

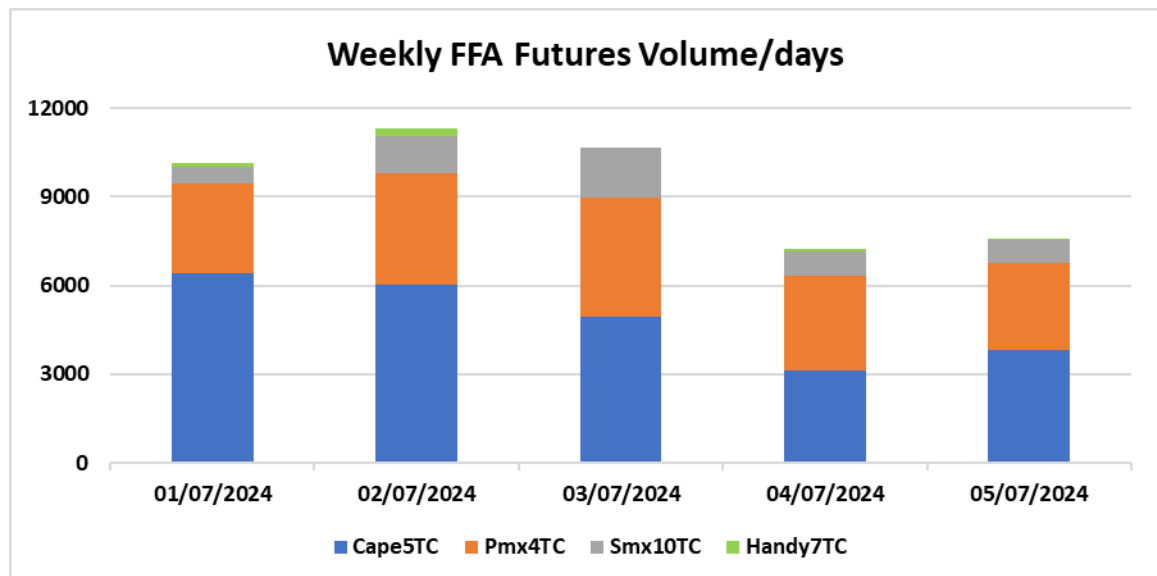
FFA \$/day	8-Jul FIS Closing	1-Jul FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Jul 24	26200	29500	-11.2%	29,900	25,750	30,250	19,800
Capesize5TC Q4 24	25825	27500	-6.1%	28,100	26,600	30,500	17,150
Panamax4TC Jul 24	13325	14525	-8.3%	14,800	13,000	17,900	12,300
Panamax4TC Q4 24	14075	15150	-7.1%	15,850	15,150	17,250	12,300
Supramax10TC Jul 24	14450	14975	-3.5%	15,050	14,300	16,100	12,300
Supramax10TC Q4 24	14775	15100	-2.2%	15,100	14,800	15,650	12,150

Data Source: FIS Live, Baltic Exchange

FFA Market

The FFA market had a busy start last week, particularly within the Capesize, where daily trading volumes exceeded 6,000 lots. However, the heightened activity tapered off as the week progressed, culminating in a quieter second half with a total weekly volume of around 56,670 lots. Capesize maintained its prominence, averaging 4,860 lots per day, while Panamax and Supramax followed with daily averages of 3,400 and 1,000 lots, respectively. As we transition into the latter half of the year, trading interest has noticeably shifted towards the Q4'24 contract, along with the active contracts July, Q3'24, and Cal25. Additionally, fresh interest has emerged in the further back contracts, with decent volumes traded on Cal29-Cal31. In the options market, Capesize continued to dominate with a weekly total of 4,140 lots traded, compared to 1,080 lots in Panamax. Open interest also saw an uptick as market participants extended their positions into further months. As of July 8th, open interest for Cape 5TC stood at 163,787 (+2,760 w-o-w), Panamax 4TC at 161,016 (+2,620 w-o-w), and Supramax 10TC at 73,109 (+1,550 w-o-w).

Regarding voyage routes, large volume changed hands in the C5 Australia to China market last week, with a substantial 2.525 million tonnes traded on prompt contracts for July and Q3, alongside an additional 75,000 tonnes for Q4.



Dry Bulk Trades/Iron Ore

Iron ore shipments saw a sharp decline last week, falling to 30.1 million metric tonnes (MMT), a 22.8% drop from the previous week, due to reduced demand from China. This decrease was reflected across both top suppliers, with shipments from Australia decreasing by 19.4% to 17.5 MMT and Brazil plunging by 28.9% to 7.2 MMT. Consequently, volumes on the key iron ore routes, C3 and C5, retreated from their six-year seasonal average highs to nearly the midpoint. On a positive note, exports from Southwest Africa rebounded, recovering from previous declines with a 30.7% increase last week to 1.5 MMT. On the demand side, seaborne volumes destined for China dropped 31.8% to 22.9 MMT from their previous peak. Chinese iron ore port stockpiles have climbed to a two-year high, marking the eighth consecutive monthly increase in June. Consequently, the market expects China's iron ore demand to grow at a slower pace in the second half of the year.

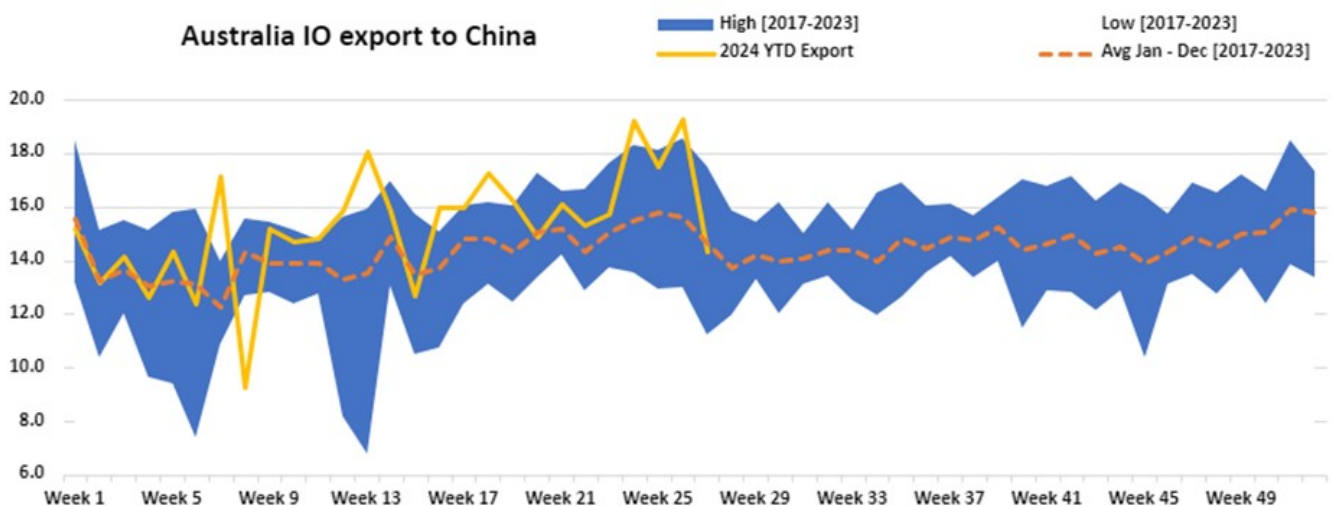
Dry Bulk Trades/Iron Ore

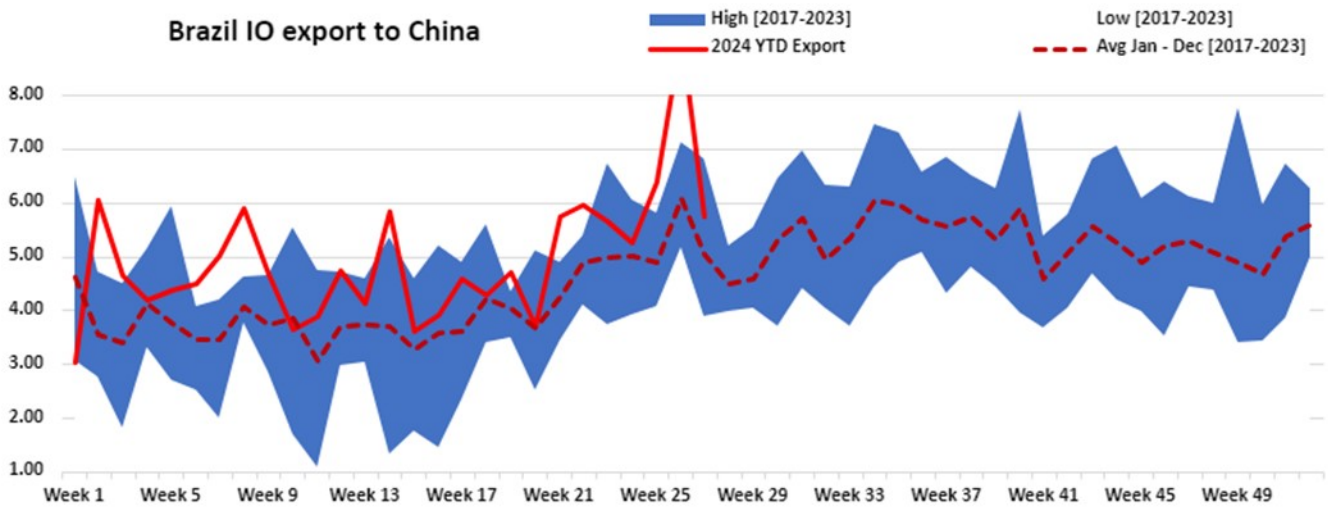
Export (million tonnes)	Jun-24	May-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Australia	89.5	82.5	250.1	223.8	244.3	235.5	946.6	935.9	923
Brazil	35.9	32.0	97.4	85.8	103.2	103.6	371.9	344.6	353.3
South Africa	4.5	5.1	14.1	14.2	14.2	13.2	55.4	56.5	60
India	8.3	8.0	22.8	29.7	13.7	9.1	45.3	15.9	36.9
Canada	5.1	5.1	15.0	14.4	16.9	17.4	61.3	57.3	57.1
Others	24.0	22.8	69.7	66.1	50.6	46.9	184.1	177.5	201.8
Global	167.1	155.5	469.1	434.0	442.9	425.8	1664.6	1587.8	1632

Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	14.3	19.2	-26%	11.107	10.82	3%
Brazil-China	5.8	9.1	-37%	30.58	28.08	9%

Seasonality Charts





Dry Bulk Trades/Coal

After strong volume in the previous week, coal shipments pulled back to 25.3 million tonnes, down 16.8% week-over-week. Despite this decrease, exports to key regions stayed at the seasonal high levels. Shipments from Indonesia to China hovered around the highest point of its six-year seasonal average, while exports from Australia to Japan also remained high. Australia's weekly coal shipments decreased by 26.6% compared to the previous week, totalling at 6.3 million metric tonnes (MMT). Specifically, exports to the JKT region were 3.7 MMT, down 10.4%; to China, 1.4 MMT, down 29.9%; and to India, 688 thousand tonnes (kt), down 37.3%. Similarly, Indonesian weekly shipments fell from recent highs to 9.7 MMT, a 17.5% decline. Exports to China also dropped to 4.2 MMT, a 16.2% week-over-week decrease.

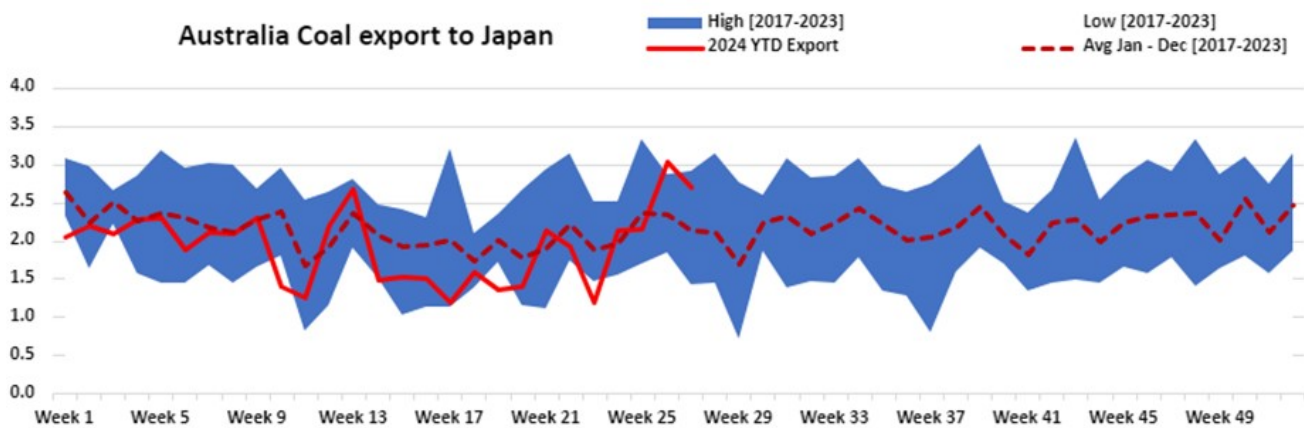
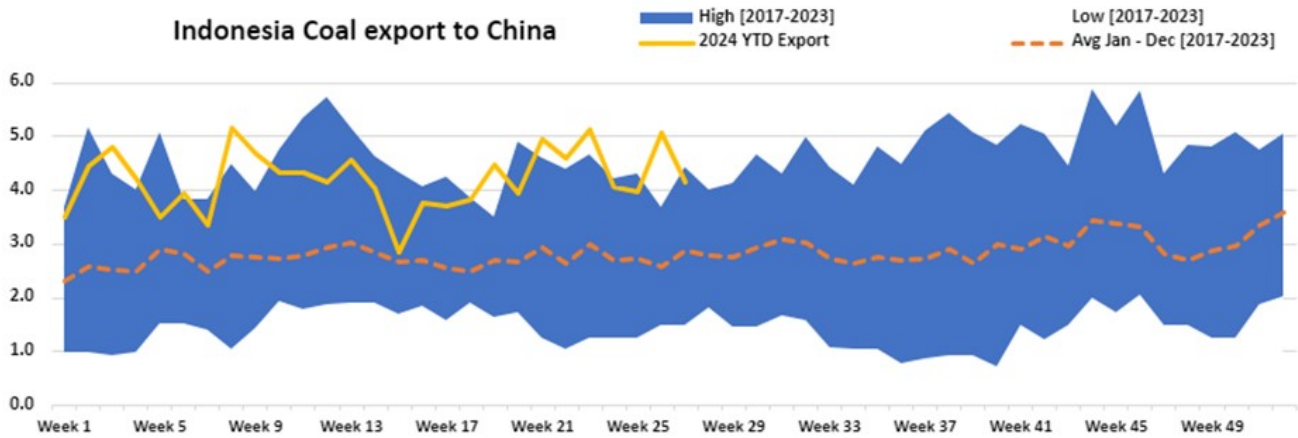
Dry Bulk Trades/Coal

Export (million tonnes)	Jun-24	May-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Indonesia	54.6	58.0	166.7	130.1	143.5	123.2	508.0	462.2	415.2
Australia	32.8	31.0	91.8	86.0	94.6	88.1	355.3	339.2	368.4
Russia	14.9	14.7	44.3	35.7	39.1	46.7	185.4	192.5	172.1
USA	8.2	7.4	21.6	22.0	21.2	19.5	80.9	69.5	68.6
Colombia	6.3	5.7	17.1	16.7	16.3	15.7	59.2	61.0	60.7
South Africa	5.0	4.6	15.0	15.2	16.0	14.9	62.0	61.6	62.0
Others	69.0	70.7	209.7	26.4	29.4	25.9	105.9	556.0	501.3
Global	190.7	192.2	566.2	332.1	360.2	334.0	1356.8	1279.8	1233.1

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	4.2	5.1	-18%
Australia-Japan	2.7	3.0	-11%

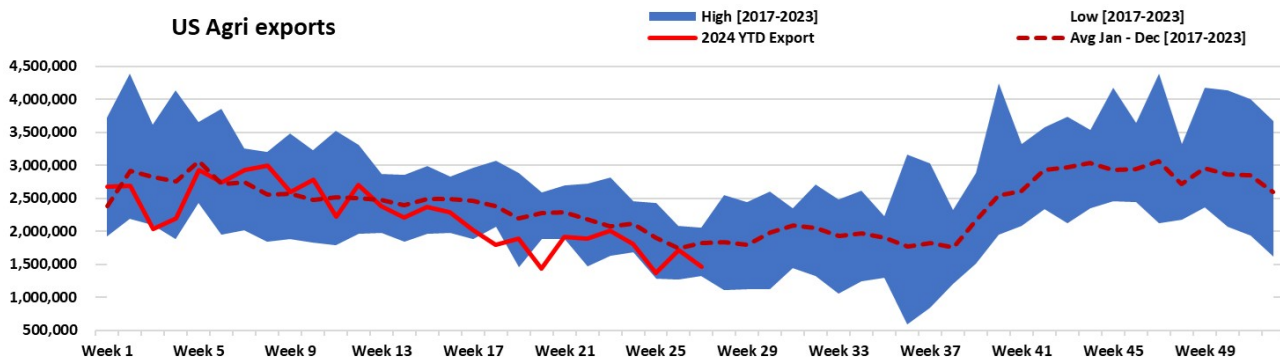
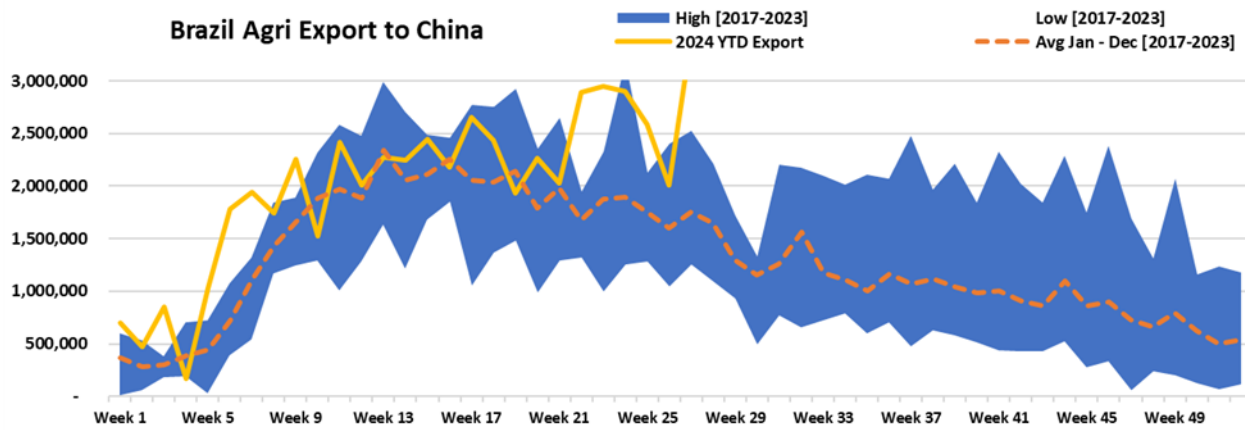
Seasonality Charts



Dry Bulk Trades/Agri

The grain sector had a positive week overall, with weekly volumes rebounding by 8.5% to approximately 11.1 million tonnes. This increase was driven by strong shipments from Brazil. According to data from IHS Markit Commodities at Sea Service, shipments from the East Coast of South America (ECSA) surged by 29.7% to 6.7 million metric tonnes (MMT), with Brazil alone shipping 5.1 MMT, marking a 45% rise from the previous week. On the downside, shipments from the U.S. declined again, with the total weekly volume decreasing by nearly 20% to 1.4 million tonnes. Additionally, Australian grain shipments experienced a significant drop, plummeting by 58.3% to around 350,000 tonnes during the week.

Seasonality Charts



Export (million tonnes)	Jun-24	May-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022
Brazil	19.9	17.9	55.0	45.0	53.2	62.7	216.7	176.8
USA	7.4	8.0	24.8	34.0	34.6	18.3	106.7	129.5
Argentina	7.2	9.6	24.8	19.5	11.7	17.8	56.1	88.2
Ukraine	3.0	3.6	10.3	12.5	5.7	0.4	21.8	27
Canada	3.1	3.9	10.8	9.0	12.4	8.1	41.4	33.4
Russia	2.1	2.6	7.5	8.4	9.4	13.1	42.9	29.2
Australia	2.8	2.9	9.0	11.1	9.6	10.5	47.3	48.4
Others	5.1	5.4	17.3	20.7	21.5	21.3	82.8	402.6
Global	50.7	54.0	159.4	160.2	158.2	152.3	615.7	628.9

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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