

FIS Dry Freight Weekly Report

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Market Review:

Market sentiment turned slightly positive last week as renewed demand for grains and coal from the North Atlantic joined the fray, leading Panamaxes to post the most gains among all vessel sizes. Additionally, iron ore shipments remained healthy and in line with seasonal averages, while coal demand from Indonesia stayed at record highs. However, the approaching monsoon season in India could potentially dampen coal demand.

| Freight Rate \$/day | 15-Jul | 8-Jul | Changes % | Short Term | Sentiment |
|---------------------|--------|--------|-----------|--------------------|-----------|
| Capesize 5TC | 27,058 | 27,171 | -0.4% | Neutral to Bearish | ↘ |
| Panamax 4TC | 13,984 | 12,443 | 12.4% | Neutral to Bearish | ↘ |
| Supramax 10TC | 15,045 | 14,669 | 2.6% | Neutral | - |
| Handy 7TC | 13,360 | 13,299 | 0.5% | | |

Capesize

It was an uneven week for the Capesize market, with spot rates closing slightly lower, while prompt futures ended the week with small gains. In the Pacific region, vessel supply slightly exceeded demand, and shorter turnaround times at Chinese ports, due to favourable weather conditions, resulted in a softer market. On the other hand, rates in the Atlantic firmed up as more fixtures were conducted from mid-week onward. On a weekly basis, Capesize iron ore shipments edged up by 2.2% to 28.0 million tonnes, driven by robust Brazilian volumes. The coal and bauxite segments also showed increased optimism, with coal shipments on Capesize vessels jumping by 28.3% over the week to around 6.8 million tonnes. Additionally, minor bulk weekly shipments soared by 21.3% to 3.6 million tonnes.

Fixtures wise, the key C5 iron ore route (West Australia to China) saw rates gradually decrease last week, dropping from \$10.25 to \$10.05 for end-of-July dates, and further to \$9.85-\$9.90 on Monday. Despite lower iron ore shipments out of Australia, strong coal demand in the Pacific supported market sentiment, cargoes from EC Australia to India were fixed at low \$11s for early August laycan, and to South China at \$14.80 for 15-19 Aug. In the Atlantic, moving iron ore from Tubarao to Qingdao was paid at above \$26 for early Aug, before pushing up to \$27.5 for 4 Aug onwards. Other notable fixtures included a coal cargo from Drummond to Gijon, fixed at \$27.50 for July 18-27, and another trip from Tubarao to El Dekheila at low \$26s for July 24-30.

A quiet start to this week with thin activity in both basins. However, market sources report there is increasing pressure as more ballasters are heading towards Brazil, as they find better rates there compared to what remains in the Pacific.

Cape 5TC Rolling Front Month Trading Range vs Spot

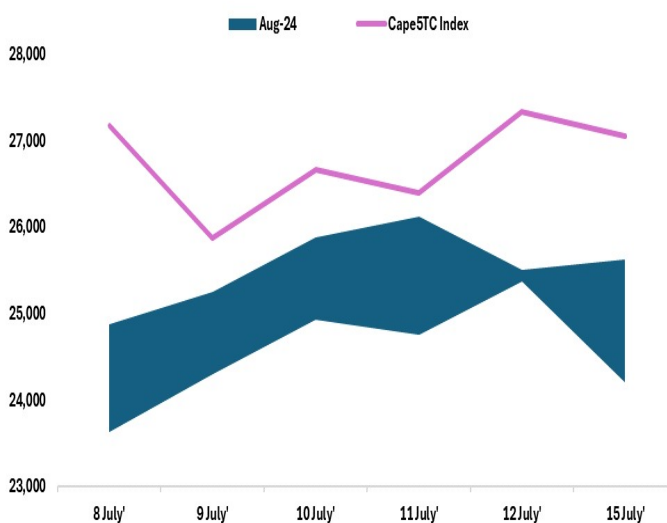


Chart source: FIS Live

FFA: This week saw rates fluctuate daily, but overall they closed higher despite the index declining by about 1.3%. On Monday, the Cape market saw prompts fall throughout the morning with July sold at \$25,800 (-\$400) and Aug at \$23,750 (-\$500). In the afternoon, prompts slowly ticked back up in thin volume and July was paid to a high of \$26,400 and the day closed just off these levels. On Tuesday, July and August initially traded up to \$26,500 and \$25,200, respectively, further out, Q4 was also well supported and ticked up to \$27,500. Post-index (-\$1302 to \$25,869) which was impacted by the rise in tonnage supply in the Atlantic, we saw the market lose all the gains previously made that day. Consequently, July and Aug traded back down to \$25,750 and \$24,300, respectively and by the close of day the market was evenly weighed at Monday's close. A strong rebound on Wednesday as prompts opened higher with Aug trading at \$25,250 (+\$500) though drifting slightly lower throughout the morning. However, in the afternoon session, especially, post index (+\$797 to \$26,666) rates pushed back up against the highs, with July trading at \$26,900, Aug at \$25,750 and Q3 at \$26,600. As the week pressed on more activity surfaced from Brazil and the prompts opened with some early bid support on Thursday. July traded \$26,500 and Aug at \$26,250 before the index (-\$270 to \$26,666) was posted and the front end of the curve responded by gapping down with Aug at \$25,500. The rest of the day saw rangebound trading at the front end while the back end observed better support. A slow start to the day Friday, July and Aug were sitting around \$27,000 and \$25,500, respectively. There was minimal movement throughout the day and most of the volume came in at \$28,000 for Q4. The day closed at the week's highs but off the day's lows with July at \$27,125.

Short run neutral to bearish

Panamax

Panamax closed the week with moderate gains off the back of healthy coal demand in the Pacific which increased fixing activity in the North Atlantic for grains and minerals. By the end of last week, an uptick in grain cargoes from the East Coast of South America (ECSA) helped clear out tonnage, sustaining the gains observed in the FFA market. Demand-wise, the main support point from last week was coal shipments by Panamax vessels, which grew by 14.0% over the week to 14.9 million tonnes. Meanwhile, iron ore demand on Panamax vessels picked up with shipments jumping up 21.6% to 1.9 million tonnes. On top of that, minor bulk shipments also edged up 3.3% from the previous week to 3.4 million tonnes. On the downside, grain shipments suffered a significant decline to 4.2 million tonnes, down 29.7% from the previous week, due to falling volumes out of Brazil. However, this was partially offset by increased shipments from North America.

In terms of fixtures, decent coal flows observed in the Pacific region, trips via Australia redelivery Japan were fixed at between \$15,500- \$16,500, and smaller vessels at \$10,000-11,500. Apart from that, a few NoPac round trips were heard at around \$13,000. On the Atlantic side, a floor seemed to be found in mid-week as more fixtures conducted in both the FH and TA runs, pushing all routes higher. In the North, a cargo carried 75kt coal via US East Coast redelivery India was paid at \$ 22,500. While trips via NC South America redelivery Skaw-Spain were paid at \$12,000 and \$13,000. On the grains front, trips with 82,000 tonnes of grains via ECSA redelivery Singapore-Japan were fixed at \$17,250 the highest.

FFA: After three weeks of losses, the sentiment seems to have shifted for the Panamaxes. Monday, however, was a dull start to the week and rangebound trading was the main descriptor for the day. Promisingly, the close of play saw the market offered at the day's highs, July traded up to \$13,250, Aug up to \$14,250 and Q4 up to \$15,500. On Tuesday, this support had carried over and throughout most of the day we saw rates tick up on the prompts contracts. Following rumours of improved front haul business and a positive index (+\$14 to \$12,484), July, Aug and Q4 traded up to \$13,600, \$14,700 and \$15,700, respectively before liquidity dried up towards close. All in all, another slow-ish, rangebound day on Wednesday but overall positive. The front of the curve saw July and Aug trade up to \$14,000 and \$15,000, respectively while further out Cal25 traded up to \$13,700. A rise in the volumes of cargo orders in the Pacific and simultaneously downward pressure on tonnage supply in the Atlantic and Pacific contributed to another positive index (+\$389 to \$12,873). On Thursday, early morning trading saw Q3 and Q4 chased up to \$14,900 and \$16,000, respectively before some renewed selling saw rates slip back down to the previous nights close. Following another solid increase on the index (+\$530 to \$13,403) buyers stepped back in and July and Aug traded up to \$14,200 and \$15,200, respectively. Some resistance began to form later in the day and rates drifted off the highs at close. This indecision carried into Friday, were some early trading on the front progressed into a mostly narrow, rangebound day. It appeared eyes were all on the underlying hoping to see continued improvements to the market in order to maintain the current premiums. July and August closed at \$14,100 and \$14,875, respectively.

Short run neutral to bearish

Panamax 4TC Rolling Front Month Trading Range vs Spot

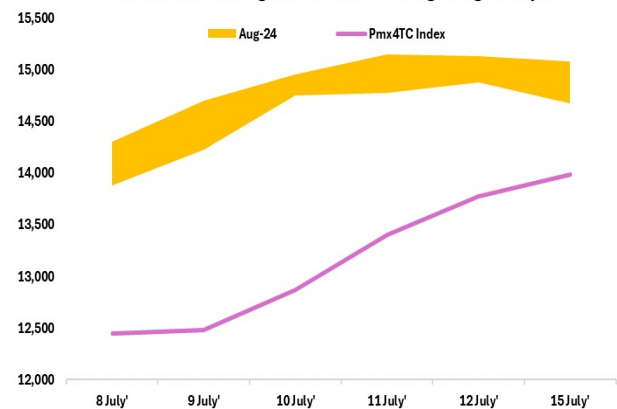
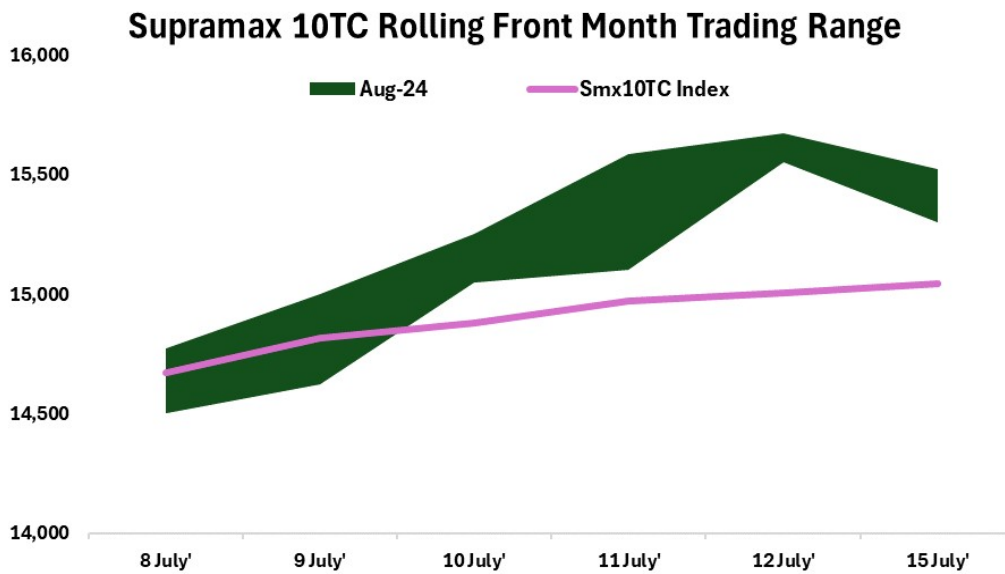


Chart source: FIS Live

Supramax

FFA: A stagnant start to the week across all markets, Supramax included. Despite a flat index (-\$12 to \$14,818), there was some increased activity in the afternoon and Q3 traded up to \$14,750 while Aug was up to \$14,850. On Tuesday, the market observed bid support throughout the day, alongside a positive index (+\$149 to \$14,818) which saw Aug and Q3 reach highs of \$15,00 and \$15,100, respectively. This support saw closing levels having jumped significantly above Monday's close, with July at \$14,900 (+\$400). Another bullish day on Wednesday, with rates continuing to gain support throughout the day. Pressure on tonnage supply in both the Pacific and Indian ocean contributed to another positive index (+\$62 to \$14,880). August, Q3 and Cal25 reached highs of \$15,200, \$15,250 and \$13,100, respectively and the curve closed at the day's highs having maintained strong support. Another robust day on Thursday, marked by solid bid support and active trading from the early hours. July and Aug contracts reached new weekly highs of \$15,250 and \$15,600 respectively, and once again the day closed at its highs. Friday was comparatively quieter, but rates remained solid throughout the day. July and Aug reached new highs of \$15,225 and \$15,650 respectively, and the index was once again positive albeit flatter (+\$33 to \$15,004). The afternoon was relatively calm and rangebound.

Short run neutral



FFA Market Indexes

| Freight Rate \$/day | 15-Jul | 8-Jul | Changes % | 2024 YTD | 2023 | 2022 | 2021 | 2020 |
|---------------------|--------|--------|-----------|----------|--------|--------|--------|--------|
| Capesize5TC | 27,058 | 27,171 | -0.4% | 23,866 | 16,389 | 16,177 | 33,333 | 13,070 |
| Panamax4TC | 13,984 | 12,443 | 12.4% | 14,457 | 11,518 | 8,587 | 25,562 | 8,587 |
| Supramax10TC | 15,045 | 14,669 | 2.6% | 14,046 | 11,240 | 8,189 | 26,770 | 8,189 |
| Handy7TC | 13,360 | 13,299 | 0.5% | 12,591 | 10,420 | 8,003 | 25,702 | 8,003 |

FFA Market Forward Values

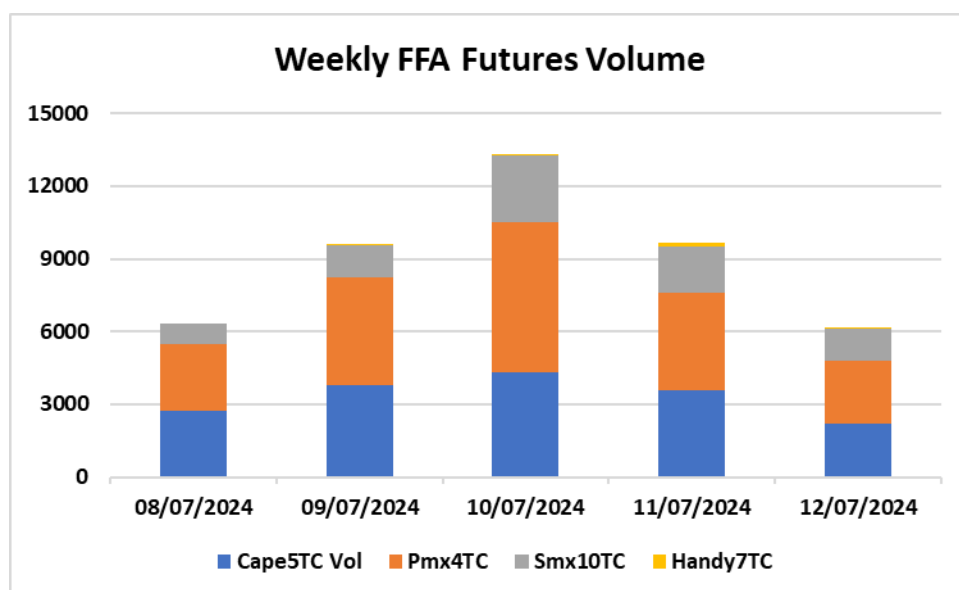
| FFA \$/day | 15-Jul FIS Closing | 8-Jul FIS Closing | Changes % | Weekly Mkt High | Weekly Mkt Low | 2024 Mkt High | 2024 Mkt Low |
|---------------------|--------------------|-------------------|-----------|-----------------|----------------|---------------|--------------|
| Capesize5TC Aug 24 | 24200 | 24775 | -2.3% | 26,650 | 23,750 | 30,250 | 17,150 |
| Capesize5TC Q4 24 | 27900 | 27375 | 1.9% | 28,300 | 26,600 | 30,500 | 17,150 |
| Panamax4TC Aug 24 | 14925 | 14125 | 5.7% | 15,250 | 13,850 | 17,950 | 12,300 |
| Panamax4TC Q4 24 | 15925 | 15400 | 3.4% | 16,100 | 15,250 | 17,250 | 12,300 |
| Supramax10TC Aug 24 | 15300 | 14700 | 4.1% | 15,650 | 14,600 | 15,800 | 12,300 |
| Supramax10TC Q4 24 | 15500 | 14925 | 3.9% | 15,600 | 14,775 | 15,650 | 12,150 |

Data Source: FIS Live, Baltic Exchange

FFA Market

The FFA market took a breather last week as EU football championship approached its final week, reporting a total of around 49,500 lots traded in the future market last week. The Capesize and Panamax contracts captured the most interest, averaging 3,320 lots and 4,000 lots per day respectively, while Supramax followed with daily an average of 1,630 lots. The most traded contracts are now Aug, Q4 and Cal25, and more new positions opened on Oct and some trades occurring in Cal26-27 further out on the curve. In the options market, Capesizes continued to lead with a weekly total of 2,400 lots traded, additionally 360 lots traded for Supramax. Alongside the rising futures prices, open interest has also continued to increase especially for the Panamax 4TC, suggesting a bullish sentiment and a build-up of long positions. As of July 15th, open interest for the Cape 5TC contract stood at 167,302 (+3,520 w-o-w), Panamax 4TC at 165,137 (+4,120 w-o-w), and Supramax 10TC at 74,800 (+1,700 w-o-w).

Regarding voyage routes, large volume changed hands in the C5 market last week, with 3.675 million tonnes traded on prompt contracts for July and Aug, alongside 60kt on Q1'25 and 90kt traded on Aug'25.



Dry Bulk Trades/Iron Ore

Iron ore shipments recovered a touch following the sharp fall of the previous week, it was up 4.7% to around 31.6 million metric tonnes (MMT), driven by improved volume from Brazil. Last week, Brazil shipped out 16.6% more w-o-w to 8.4 MMT and around 81% or 6.8 MMT of that was destined to China which is now well above its seasonal level. From the top supplier, Australia exported around 17.0 MMT last week amid timid demand from China, down 3.3% w-o-w. Elsewhere, iron ore shipments from South and West Africa were scarce, posting a nearly 45% weekly decrease at 850kt.

On the demand side, seaborne volumes destined for China remained low for another week at 23.9 MMT, although it ticked up by 3.4% from the previous week. A range of economic data released from China for June indicated slower growth. Specifically, industrial production in June grew by 4.8% year-on-year, a slowdown from the 5.6% growth recorded in May 2024, according to data from the National Bureau of Statistics of China (NBS). Additionally, retail sales increased by 6.1% year-on-year, down from the 6.8% growth observed in May 2024. Meanwhile, for the first half of 2024, fixed asset investment grew by 5.2% year-on-year, slowing from the 5.6% growth rate seen in the same period of 2023.

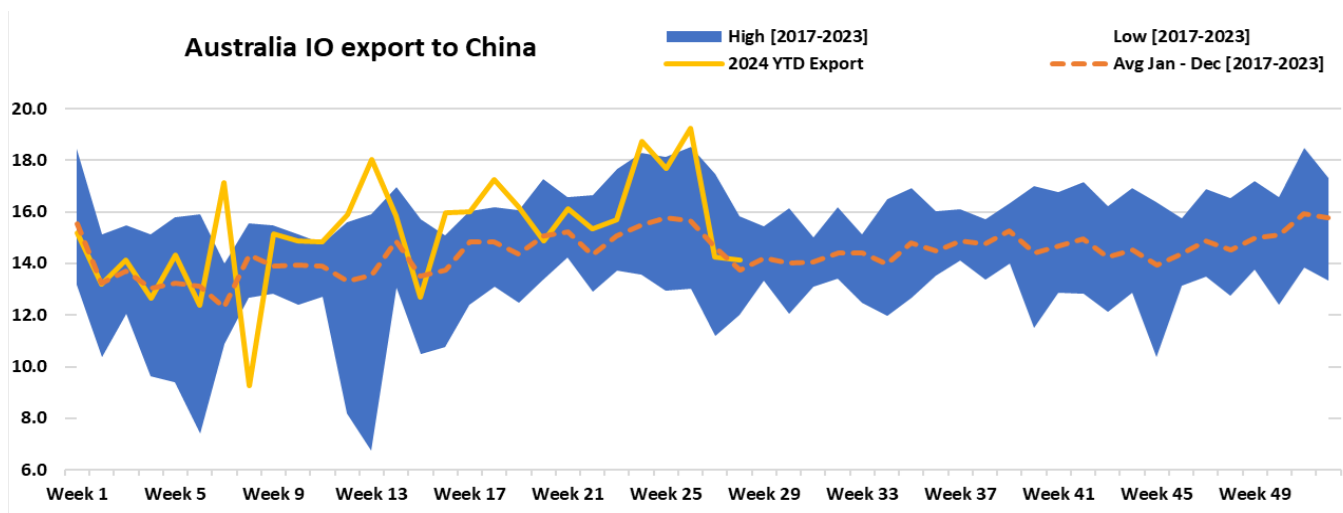
Dry Bulk Trades/Iron Ore

| 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 |

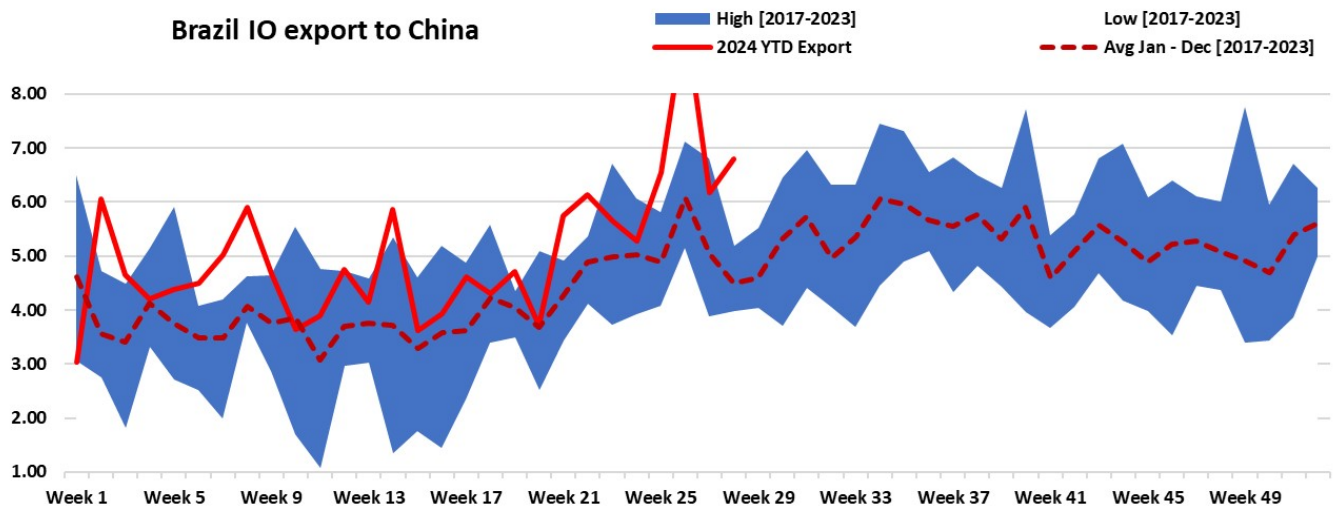
Iron Ore Key Routes

| | IO Export Million mt | | | Freight Rate \$/mt | | |
|-----------------|----------------------|------------|-------|--------------------|------------|--------|
| | Last Week | Prev. Week | Chg % | Last Week | Prev. Week | Chg % |
| Australia-China | 14.1 | 14.3 | -0.8% | 10.049 | 11.11 | -9.5% |
| Brazil-China | 6.8 | 6.2 | 10.0% | 27.21 | 30.58 | -11.0% |

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

After a brief dip last week, global coal shipments rebounded by 14.8% to 28.5 million tonnes, though this remains below recent highs. This uptick was largely driven by robust shipments from Indonesia, which reached 12.1 million tonnes, marking a 26.0% increase from the previous week. Notably, Indonesian coal exports to China surged to 5.4 million tonnes, up 27.6% week-on-week. Additionally, demand in other key regions also increased, with coal shipments from Indonesia to the JKT region skyrocketing by 63.3% to 2.0 million tonnes.

In contrast, Australian coal shipments saw only a slight recovery, reaching approximately 6.5 million tonnes following a previous decline. Exports to the JKT region improved by 13.6% week-on-week to 3.6 million tonnes, reflecting healthy demand. However, Australian coal exports to other key regions declined significantly, with shipments to China dropping by 34.1% to 740,000 tonnes, and exports to India falling by 40.2% to 640,000 tonnes.

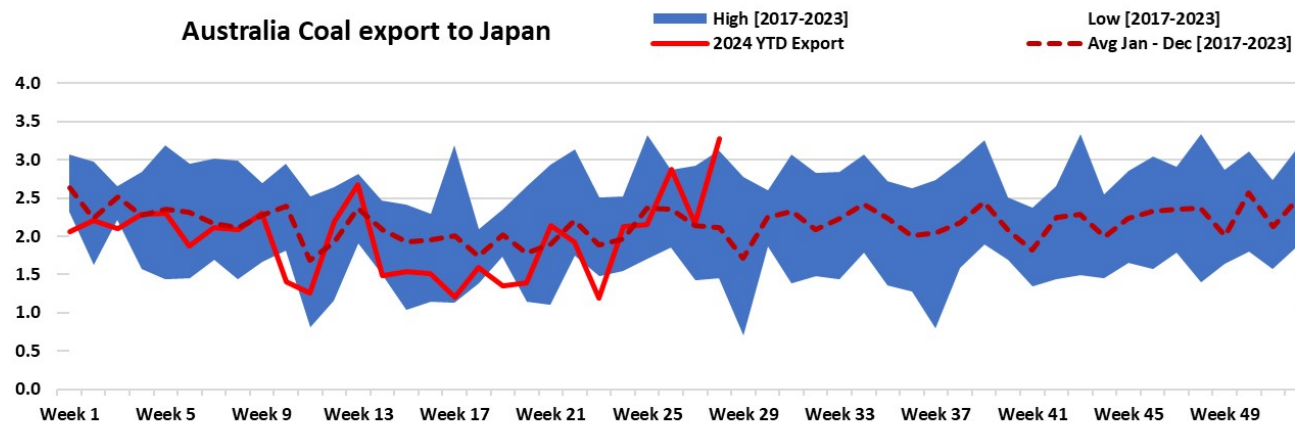
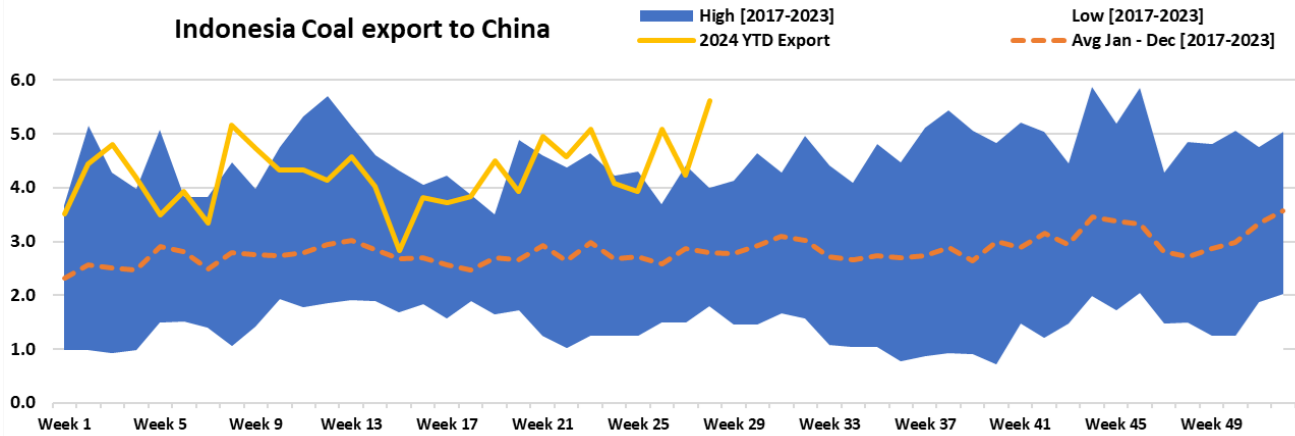
Dry Bulk Trades/Coal

| 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 | 5.6 | 4.2 | 33% |
| Australia-Japan | 3.3 | 2.2 | 52% |

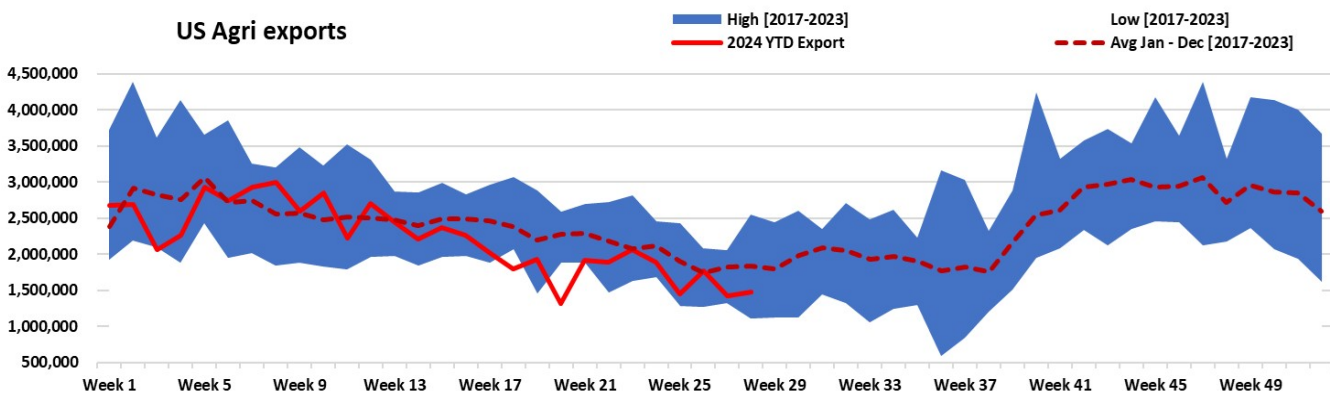
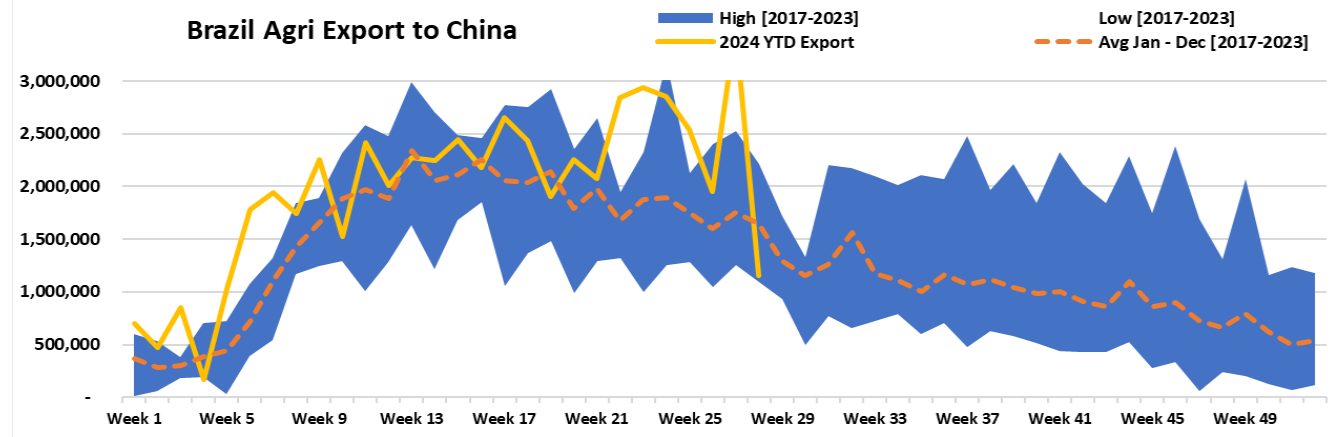
Seasonality Charts



Dry Bulk Trades/Agri

Global grain shipments witnessed a notable decline of 18.0% drop last week, falling to approx. 9.5 million tonnes, primarily due to significantly reduced volumes destined for China. Data from IHS Markit Commodities at Sea Service showed that shipments from the East Coast of South America (ECSA) decreased by 28.6% to 5.1 million tonnes. This reduction was driven by a 42% drop in Brazilian shipments to 3.1 million tonnes, although this was partially offset by a 26.5% increase in Argentine exports, which reached 1.9 million tonnes. On a positive note, shipments from North America saw a weekly 12.3% increase to 2.1 million tonnes last week. This growth was attributed to steady supply from the U.S., with shipments reaching 1.5 million tonnes (+3.9% w-o-w), and a significant boost from Canada, which saw exports hit 607,000 tonnes (+46% w-o-w).

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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