

# FIS Dry Freight Weekly Report

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**Market Review:**

Market sentiment has been mostly neutral during the week, with the only exception on capsize which continue to show some weakness. As the summer period kicks in, volumes have also been generally decreasing and iron ore shipments are ticking down due to lower volumes from top producers.

Freight Rate \$/day	22-Jul	15-Jul	Changes %	Short Term	Sentiment
Capesize 5TC	24,521	27,058	-9.4%	Neutral to Bearish	↘
Panamax 4TC	14,069	13,984	0.6%	Neutral	-
Supramax 10TC	15,116	15,045	0.5%	Neutral	-
Handy 7TC	13,612	13,360	1.9%	Neutral	-

**Capesize**

Last week, the Capesize market saw a small rebound after spot rates had been declining for three consecutive days. However, the weaker sentiment persisted into the new week. In the Pacific region, despite healthy coal cargo demand, there was limited activity with only one major iron ore exporter seeking cargos for most of the week, while prompt vessel supply remained abundant. On a weekly basis, Capesize iron ore shipments decreased by 4.3% to 26.6 million tonnes, due to lower volumes from the top two suppliers. Meanwhile, weekly coal shipments on Capesize vessels fell slightly from the previous week's peak to around 5.7 million tonnes. This slight decline still supported market sentiment by helping to absorb the prompt tonnage available. In contrast, the minor bulk sector experienced the most significant decline, with weekly shipments plunging nearly 40% to 2.3 million tonnes.

Fixtures wise, the key C5 iron ore route (West Australia to China) fell to \$9.15 - \$9.20 for early Aug laycan at the start of the week. However, as another major player returned to the market and ship owners showed more resistance, C5 rates rose to \$9.50 - \$10.00 before the weekend. Compared to iron ore cargoes, coal inquiries seemed more active.

Several cargoes from Newcastle to South China were fixed at high \$14s and \$18,500 on a time charter rate. Additionally, a trip from Indonesia to Mundra was reported at low \$7s for the period of July 29 - August 4.

In the Atlantic basin, C3 rates edged up due to increased cargo volume on the Brazil to China route, fixing at high \$25.50 for early August and \$26.10 for August 20-25. Other shipments from Itaguaí and Sudeste to Qingdao were fixed at \$26.25 for the second half of August. Both the Pacific and Atlantic basins are awaiting more cargo volume to stabilise the falling rates.

FFA: Another week of minimal volatility, in fact the dry freight market has hit record lows. The Capesize market certainly contributed to this statistic with all trades this week falling within the \$1,500 range. Monday was a quiet day which saw some early offers give way to thin liquidity. The first trades of the day saw July sold at \$26,500 and Aug at \$24,500 but by the evening prompts had drifted lower, and Aug was sold at \$24,250. A comparable situation on Tuesday, with initial support diminishing throughout the day, the front came off with intraday trading ranges at a minimal. By the end of the day July was pushed down to \$25,900 and Aug suffered larger losses trading down to \$23,750, further out Cal25 traded down to \$22,000.

Cape 5TC Rolling Front Month Trading Range vs Spot

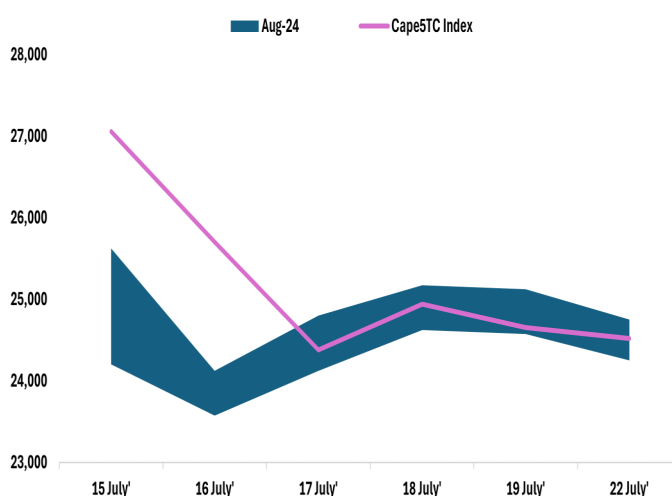


Chart source: FIS Live

Some bid support in the evening saw hope for Wednesday. Which was realised on the day as some bid support was seen on prompts in the morning despite a decline in the physical market. August traded up to \$24,500 but the afternoon saw little activity, meanwhile, Q4 remained steadfast at \$28,400 while Cal25 traded at \$22,100. On Thursday, early Asian trading meant a busy morning with July paid at \$26,500 and Aug at \$25,000, in size. Further out was also well offered with Q4 at \$28,300 and Cal \$22,250. Following the first positive index of the week (+\$562 to \$24,941) the market settled, and liquidity dried out across the board. Thursday's gains were corrected on Friday. July and Aug traded at \$26,500 and \$25,000, respectively before selling down and trading at good volume at \$26,400 and \$24,600, respectively.

**Short run neutral to bearish**

**Panamax**

The Panamax market remained stable last week, supported by positive activity in the North Atlantic and a balanced was found in the Pacific region. In the North Atlantic, mineral and grain shipments were notably active, with grain shipments from the East Coast of South America (ECSA) increasing by 34.7% to 4.0 million tonnes compared to the previous week. This surge in demand helped support the Panamax market, despite a slight decline in minor bulk shipments, which fell by 4.3% but remained at a healthy level of 4.3 million tonnes. On the downside, Panamax coal volumes dropped to a three-week low of 12.9 million tonnes, marking a 9.1% decrease week-over-week and indicating some weakness in this sector.

In the Pacific region, activity picked up mid-week, with a noticeable increase in fixtures in the NoPac and SE Asia, contributing to a more positive market sentiment.

Grains trips saw rates tick up to mid-high \$13,000, while coal cargoes via Australia for redelivery in Japan were fixed at low to mid \$15,000, maintaining similar levels to the previous week. Out of Indonesia, trips to Japan and India fetched strong rates of \$13,000 and \$11,000, respectively. In the Atlantic basin, the North remained a key market driver with P1A rates moving above \$14,500 and P2A rates nearing \$27,000. Notable fixtures included a trip via the US East Coast for redelivery in China at \$31,000 and another front haul via Ukraine at \$31,000-\$32,000. In the South, grain cargoes via ECSA for redelivery to Singapore-Japan were fixed at \$18,250, a \$1,000 increase from the previous week, reflecting increased market activity.

FFA: On Monday, it was also a slow start for the Panamax market with the prompts losing ground with July trading down to \$13,800 and Aug down to \$14,850. In the afternoon, a negative Index (-\$135 to \$13,984) was followed by a further decline in rates though they remained supported till close. This support was tested early on Tuesday morning as the softer Cape sentiment prompted some long liquidations and position management. The index (+\$100 to \$14,084) did little for the market and pressure remained throughout the afternoon with July testing the \$13,500 support and Aug traded down to \$14,350 lows. Selling continued right through the day and at closing rates were lower across the board. On Wednesday, off the back of the Cape push there was some early morning support. This saw Aug trading up to \$14,400. Following a flat index (-\$5 to \$14,079) the afternoon session saw more regular bid support and Aug traded up again to \$14,700 meanwhile Sept traded back up to \$15,350. The day closed at its highs, but liquidity had thinned out. Losses were recovered on Thursday, which saw rates ticking up in early trading but another flat index (+\$8 to \$14,087) did little to compel buyers. The afternoon, therefore, saw patchy trading but the market still managed to hold onto the day's gains with July at \$13,600 and Aug at \$14,900. Further out Q4 traded up to \$15,900 and Cal25 traded back up to \$13,700. The same situation on Friday, with some early morning trading followed by a flat index (+\$4 to \$14,091) where bid support eroded. Aug and Sep traded down to \$14,600 and \$15,700, respectively. At the close of play saw the market offered towards the day's lows but flat to the weeks open.

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

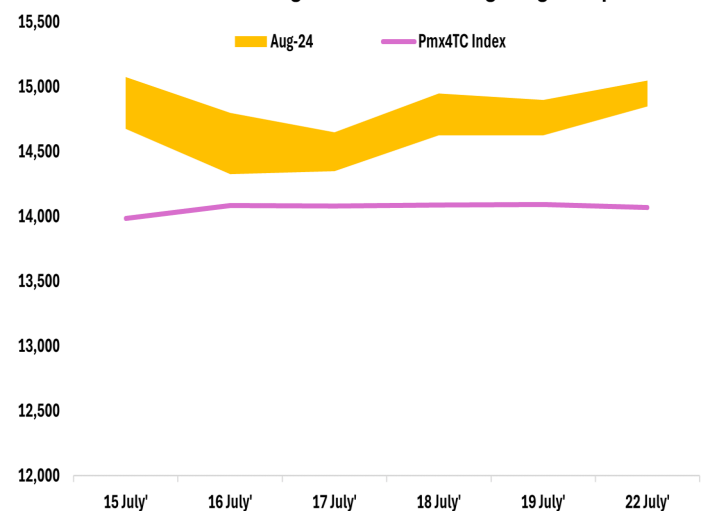
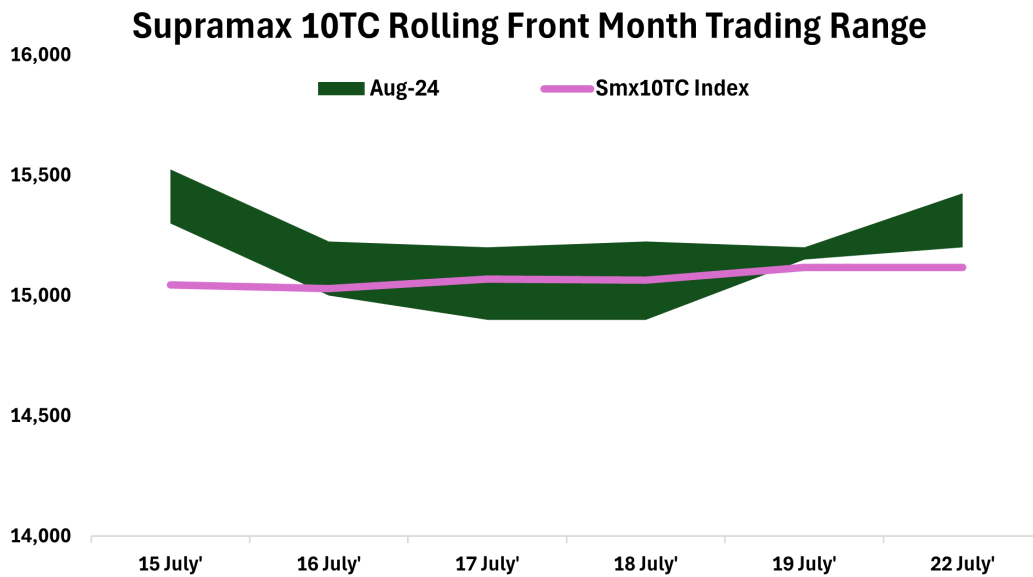


Chart source: FIS Live

## Supramax

FFA: A quiet start to the week, as the market came off on Monday. Despite the index showing a positive improvement (+\$41 to \$15,045), the curve continued to drift lower, especially Q4 which traded just below Friday's levels at \$15,450. On Tuesday, there was selling from the early hours with Aug opening at the day's highs and below Monday's lows at \$15,225. A flat index (-\$15 to \$15,030) did little to rally the market, and Aug and Q4 traded to a low of \$14,900 and \$15,300, respectively. It was apparent the market was fully in summer mode as the week progressed with rangebound trading dominating Wednesday. Aug and Q4 traded in the \$200 and \$150 range to a high of \$15,000 and \$15,400, respectively. Thursday was similarly slow but there was bid support on the prompts throughout the day. Aug and Q4 traded to a high of \$15,150 and \$15,350, respectively. Not much more to add on Friday, the prompts observed rangebound activity and minimal movement. Aug and Sept traded at \$15,150 and \$15,750, respectively and Q4 moved within the \$100 range.

### Short run neutral



## FFA Market Indexes

Freight Rate \$/day	22-Jul	15-Jul	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	24,521	27,058	-9.4%	23,900	16,389	16,177	33,333	13,070
Panamax4TC	14,069	13,984	0.6%	14,444	11,518	8,587	25,562	8,587
Supramax10TC	15,116	15,045	0.5%	14,083	11,240	8,189	26,770	8,189
Handy7TC	13,612	13,360	1.9%	12,623	10,420	8,003	25,702	8,003

## FFA Market Forward Values

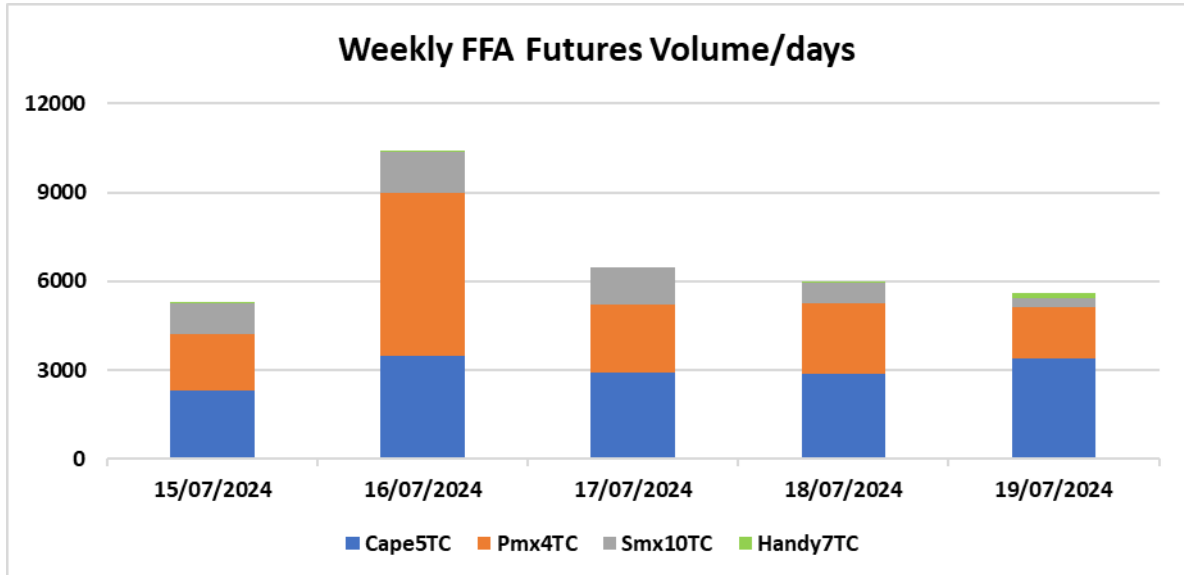
FFA \$/day	22-Jul FIS Closing	15-Jul FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Aug 24	24300	24200	0.4%	25,750	23,650	30,250	17,150
Capesize5TC Q4 24	28125	27900	0.8%	28,300	27,750	30,500	17,150
Panamax4TC Aug 24	14925	14925	0.0%	15,100	14,250	17,950	12,300
Panamax4TC Q4 24	15950	15925	0.2%	16,000	15,450	17,250	12,300
Supramax10TC Aug 24	15350	15300	0.3%	15,650	14,800	15,800	12,300
Supramax10TC Q4 24	15400	15500	-0.6%	15,550	15,250	15,650	12,150

Data Source: FIS Live, Baltic Exchange

## FFA Market

FFAs had a quiet summer week with trading volumes of only 41,420 lots across exchanges. All three vessel sizes traded at comparatively lower volumes. Capesizes and Panamaxs each saw daily trading volumes of approximately 3,000 and 2,760 lots, respectively, while Supramaxes lagged with around 930 lots traded per day. The focus was on August, September, Q4'22, and Calendar 2023 contracts. Despite the overall slow activity, Panamax options saw decent trading, with 2,970 lots cleared out of 3,420 lots traded last week. Cape was the only vessel size posted losses last week, evidenced by a small decline in open interest on Monday that indicates a rise in short positions. As of July 23rd, open interest for Cape 5TC stood at 167,343 (+40 w-o-w), Panamax 4TC at 168,617 (+3,480 w-o-w), and Supramax 10TC at 75,930 (+1,130 w-o-w).

On the voyage routes, significant volumes were traded in the C5 market, with 3.11 million tonnes changing hands, all on prompt contracts for July and August. Additionally, 360,000 tonnes of Aug+Sept contracts were traded on the C7 route.



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