

FIS Dry Freight Weekly Report

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Market Review:

Last week, the Capesize market saw modest gains despite a brief dip in rates due to slower fixing activity ahead of the Singapore holiday. In contrast, the Panamax market faced a correction across both basins, with limited activity in the North Atlantic and lower cargo volumes from Indonesia in the Pacific. Activity slowed further towards the week's end, putting additional pressure on rates. In the FFA market, trading volume for larger vessels picked up in both futures and options, an improvement from the previous quiet summer weeks.

Freight Rate \$/day	12-Aug	5-Aug	Changes %	Short Term	Sentiment
Capesize 5TC	20,008	19,499	2.6%	Neutral to Bullish	↗
Panamax 4TC	12,921	13,937	-7.3%	Neutral to Bearish	↘
Supramax 10TC	14,239	14,635	-2.7%	Neutral to Bearish	↘
Handy 7TC	13,603	13,649	-0.3%		

Capesize

Despite a slight dip in rates due to slower fixing activity ahead of the Singapore holiday, the Cape market experienced modest gains last week, supported by positive trends in both basins. The Pacific region saw increased coal inquiries, while Brazilian iron ore demand remained firm, leading to a 2.3% weekly increase in Capesize iron ore shipments, totalling 29.3 million tonnes. The coal segment also showed growth, with Capesize coal shipments rising by 14.3% to around 6.9 million tonnes. However, minor bulk shipments fell sharply, dropping 30.7% to a low of 2.5 million tonnes for the week.

Mid-week, increased fixture activity pushed rates to their weekly highs. In the Pacific, the key C5 iron ore route (West Australia to China) rose to \$10-\$10.05 for end-August loading, up from \$9.70 at the start of the week. Despite the dip in C5 rates below \$10 ahead of the holiday, market sentiment remains positive, with expectations of renewed cargo demand this week based on fresh inquiries. In the Atlantic, the C3 route saw the strongest gains, with fixing levels at \$26 for mid-August loading and \$24.45 for early September. Additionally, coal cargoes from Drummond to Turkey were reported at \$12.30-\$12.80 for late August.

FFA: The Capesize market had an overall positive week, with rates peaking midweek before dropping off slightly. The week began with some early weakness on Monday, as Sept sold down to a low of \$23,150 and Aug fell to \$19,875 during an active morning session. However, after the index posted a modest gain of \$200 to \$19,499, some bid support emerged, pushing Aug back up to \$20,900 before closing at \$20,600, although liquidity had significantly thinned. Notably, voyage activity was strong, with C5 Aug trading at \$9.35 and C5 Sept at \$9.80. On Tuesday, the market was much better bid from the offset and continued to climb up throughout the day. Post index, which saw an increase of \$419 to \$19,918, Sept was trading at \$25,250 and Aug at \$21,350, both paid in good volume. Further out, Nov traded at \$26,500 and Q4 at \$26,600. Wednesday saw a strong opening with good activity during the Asia session, driven by increased activity in the Pacific, as major miners became more active. Aug was trading at \$22,000, Sept at \$25,750 and Q4 at \$27,000. (Continued)

Cape 5TC Rolling Front Month Trading Range vs Spot

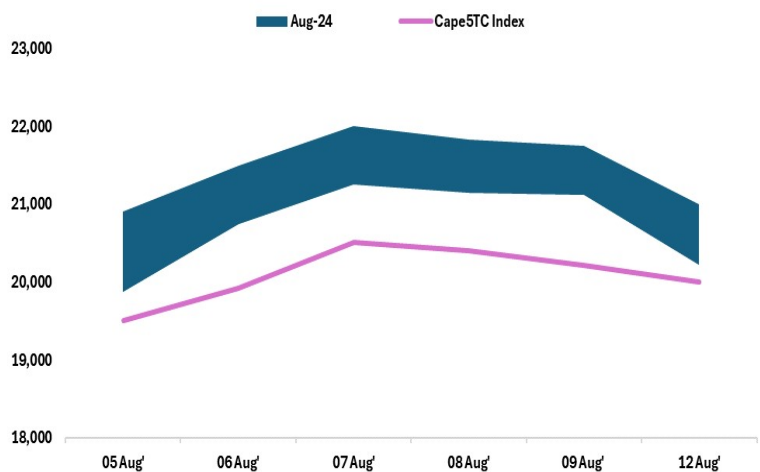


Chart source: FIS Live

FFA: However, as the European market opened, sellers pushed rates down, with Aug and Sept falling to \$21,250 and \$24,500, respectively. A positive index (+\$591 to \$20,509) brought some bid support back, and rates closed back up off the day's lows and nearly flat to Tuesday's close. Thursday opened quietly, with liquidity, particularly on the prompt contracts. Despite this, some strong physical prints gave the boost, with Aug recovering from a low of \$21,000 to close at a high of \$21,800. Similarly, Sept closed at \$25,250 following sustained bid support and rebounding off a low of \$24,500. Friday was a quieter day due to a Singapore holiday, with most trading on the C5 route. Aug traded between \$9.82 and \$9.85 in 350kt size. Despite a negative index (-\$183 to \$20,213), there was little impact on the market, but a lack of liquidity in the afternoon saw Aug and Sept gap down to \$21,500 and \$24,750, respectively. August ended the week mostly flat compared to the week's opening.

Short run neutral to bullish

Panamax

Panamaxes faced a week of correction due to a lack of fresh demand in both basins. Activity slowed further towards the end of the week, impacted by holidays in Singapore, leading to additional discounts in fixture levels. As the new week begins, a significant clear-out of tonnage will be necessary before rates can recover. In terms of demand, Panamax grain shipments dropped 2.9% to 4.8 million tonnes, although volumes from Canada and East Coast of South America remained strong. Coal demand also decreased by 4.1% to 13.9 million tonnes, driven by lower volumes from Indonesia. On the other hand, minor bulk shipments rose significantly, up 17.1% from the previous week, reaching 4.3 million tonnes.

In the fixtures market, both basins faced downward pressure last week, with most routes seeing corrections except for P2a. Despite decent coal flows in the Pacific region, rates fell due to an increasing tonnage list. Trips from Newcastle to South China were fixed at around \$13,500-\$13,600 and remained flat throughout the week, while rates for redelivery to Japan hovered near \$14,000. From Indonesia, a 75kt coal cargo to South China was fixed at \$12,000, with smaller vessels earning between \$10,200-\$10,500.

In the Atlantic, limited activity led to weaker market sentiment. In the North Atlantic, a grains cargo from the U.S. Gulf to Sing-Japan was fixed at \$15,000. On transatlantic runs, a trip via NCSA to Skaw-Gibraltar was paid at \$21,500. In the grain market, trips with 82,000 tonnes of grain from ECSA to Sing-Japan were fixed lower at \$17,000, reflecting the overall softening in rates.

FFA: The Panamax market had a challenging week, with Aug losing around \$1,450. The pressure was sustained throughout Monday, with Aug and Sept trading down to \$14,000 and \$14,725, respectively, while Q4 traded down to \$15,100. By the close, the market was supported at the day's lows. Despite some opening support on Tuesday, driven by a firming cape market, rates declined across the curve by midmorning across the curve. This was due to limited activity emerging, particularly in the North Atlantic, which worsened throughout the week. Aug traded down to \$13,850 and Sept \$14,400, and Q4 tested the \$15,000 support level. A negative index (-\$237 to \$13,700) had little effect, but a final push in the evening, attributed to the Cape sentiment, lifted rates off the day's lows. Wednesday saw a further decline as the curve traded down throughout the day. Aug and Sept dropped to \$13,500 and \$14,000 respectively, and Cal25 was down to \$13,400. Thursday's morning session continued this downward trend, with Aug and Sept reaching lows of \$13,100 and \$13,750, respectively, and Q4 traded in some size at \$14,750. Despite the negative index (-\$380 to \$13,245), rates ticked back up as sellers thinned out, partially erasing the day's losses, with Aug closing at \$13,275. Friday was a subdued and rangebound day, as the Singapore holiday's impacted liquidity. Aug, Sept and Q4 traded with a narrow range at around \$13,225, \$14,000, and \$14,900, respectively. The index (-\$193 to \$13,052) matched expectations and as a result made little impact in the afternoon session.

Short run neutral to bearish

Panamax 4TC Rolling Front Month Trading Range vs Spot

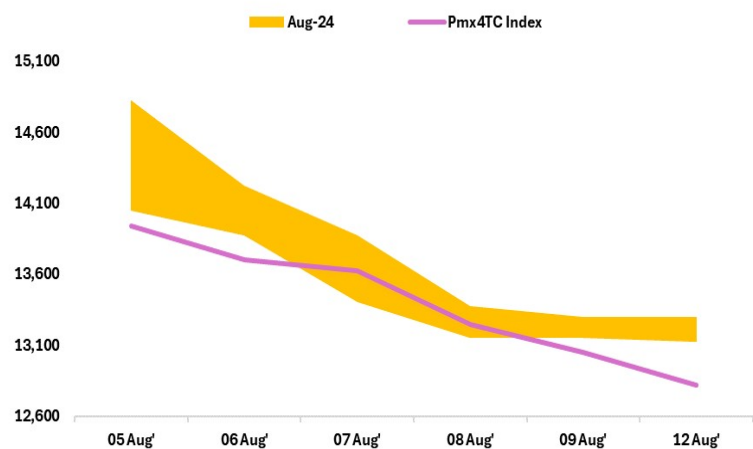
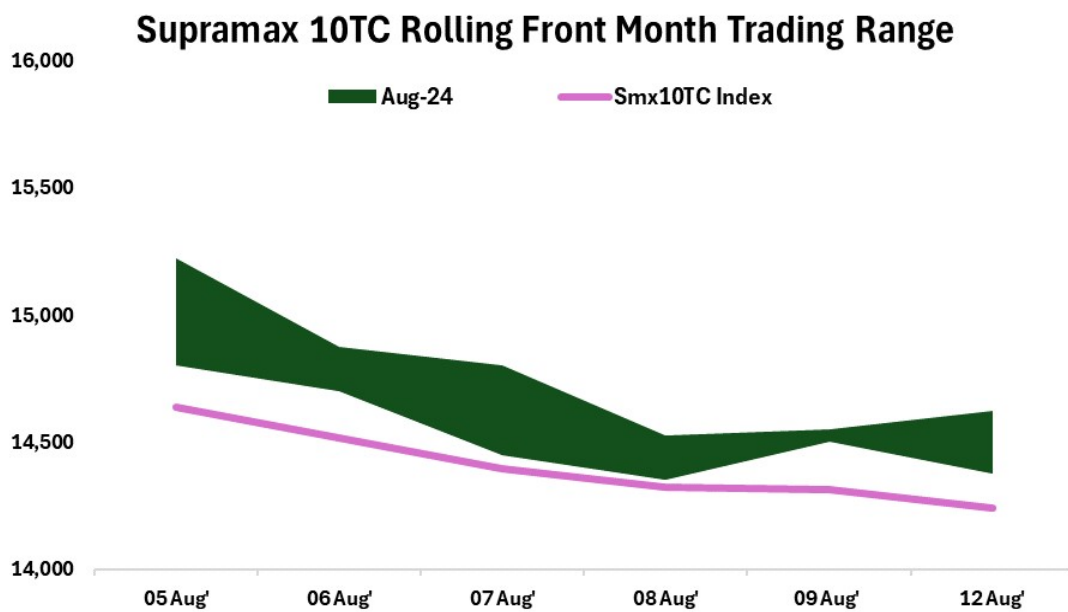


Chart source: FIS Live

Supramax

FFA: The Supramax market has a bit of a dreary week, generally weakening further with a slight upturn towards the end of the period. Monday mirrored the larger vessel segment trend, with Aug closing at its low of \$14,800, and Q4 trading down to \$15,150. A similar echoing of the broader market on Tuesday, but instead an early morning push from the Capes meant bid support was found pre-index with Aug trading at \$14,875. However, post-index (-\$117 to \$14,518), prompts traded down while the deferred remained unchanged. This saw Aug at \$14,700, Sept at \$15,050 and Q4 at \$15,050. Wednesday continued this downward trend, following a further weakening of the Atlantic rates. Aug opened at \$14,775, and closed at \$14,475, while Sept slipped from \$14,170 to \$14,850. Thursday morning saw rates drift a bit lower, with Aug hitting a low of \$14,350. However, an improving physical market, stemming from the US Gulf, and a better index (-\$73 to \$14,324) helped the market find some support and stabilised. Aug recovered to close at \$14,525, slightly above the previous day's close. Friday saw a stronger end to the week compared to the earlier days, despite limited liquidity due to the Singaporean Holiday. The weight remained on the bid-side, with Aug and Sept closing at \$14,550 and \$24,250, respectively. Additionally, Cal25 showed some positive movement, testing \$13,200.

Short run neutral to bearish



FFA Market Indexes

Freight Rate \$/day	12-Aug	5-Aug	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	20,008	19,499	2.6%	23,600	16,389	16,177	33,333	13,070
Panamax4TC	12,921	13,937	-7.3%	14,405	11,518	8,587	25,562	8,587
Supramax10TC	14,239	14,635	-2.7%	14,154	11,240	8,189	26,770	8,189
Handy7TC	13,603	13,649	-0.3%	12,721	10,420	8,003	25,702	8,003

FFA Market Forward Values

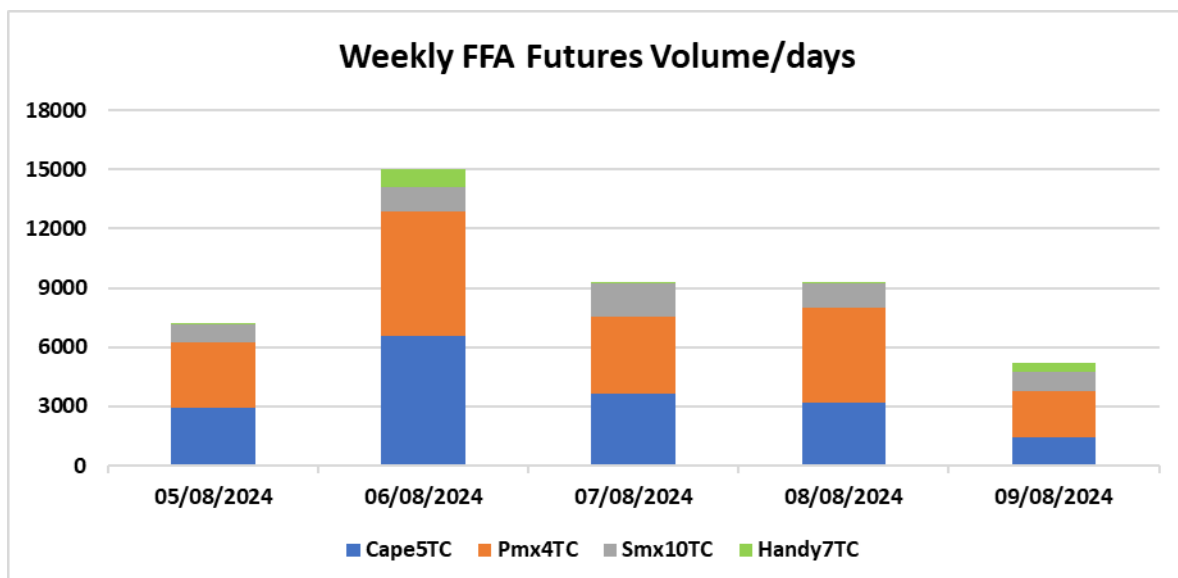
FFA \$/day	12-Aug FIS Closing	5-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Aug 24	20675	20625	0.2%	22,000	20,000	30,250	17,150
Capesize5TC Q4 24	26475	26225	1.0%	27,000	26,000	30,500	17,150
Panamax4TC Aug 24	13225	14050	-5.9%	14,500	13,150	17,950	12,300
Panamax4TC Q4 24	14975	15225	-1.6%	15,400	14,750	17,250	12,300
Supramax10TC Aug 24	14600	14800	-1.4%	15,000	14,400	15,800	12,300
Supramax10TC Q4 24	15025	15200	-1.2%	15,400	14,850	15,650	12,150

Data Source: FIS Live, Baltic Exchange

FFA Market

The dry FFA market recorded a notably active week, with trading volumes escalating across all vessel sizes to a total of 57,460 lots. Futures trading was predominantly driven by Capesize and Panamax contracts, averaging 3,560 and 4,120 lots per day respectively. Supramax and Handy followed suit, with daily averages of 1,230 and 320 lots. As we transition into mid-August, market focus has shifted towards the September, Q4, and Calendar 2025 contracts. There's also been substantial interest in the longer end of the curve, evidenced by significant trading volumes in Q1 2025 contracts. In the options, both Capesize and Panamax markets were active, posting weekly total volumes of 3,240 and 3,510 lots respectively.

While Capesize vessels managed to maintain their ground, smaller vessel sizes exhibited marginal declines last week. The downward trend, coupled with the buildup in open interest, suggests a burgeoning bearish sentiment. As of Aug 12th, open interest for the Cape 5TC contract stood at 155,947 (+1,890 w-o-w), Panamax 4TC at 150,732 (+1,000 w-o-w), and Supramax 10TC at 69,316 (+520 w-o-w).



Dry Bulk Trades/Iron Ore

Iron ore shipments saw a 3.7% rebound last week, reaching 32.2 million metric tonnes (MMT), primarily due to increased exports from Brazil which exported 17.6% more at around 8.6 MMT. While Australia, the top exporter, experienced a 7.1% decline in its export volume, falling to 16.7 MMT. Exports from South and West Africa were disappointing, dropping for the second consecutive week by 14.1% to a total of 1.4 MMT.

On the demand side, China's seaborne volume slightly decreased by 0.7% to 24.3 MMT, while imports by JKT regions dropped by 11.4% to 3.4 MMT. Notably, Australian exports to China fell by 5.6% to 14.2 MMT, dipping below the six-year seasonal average. In contrast, Brazilian exports to China rose by 7% to 7.0 MMT, significantly surpassing their six-year seasonal average.

In July, overall iron ore shipments fell by 10.3% from June, driven by falling demand from China. The downturn in China's property sector, coupled with high stockpile levels, led to a 16.1% decline in seaborne imports to 101.1 MMT. However, year-over-year, iron ore shipments saw a slight increase of 0.9%.

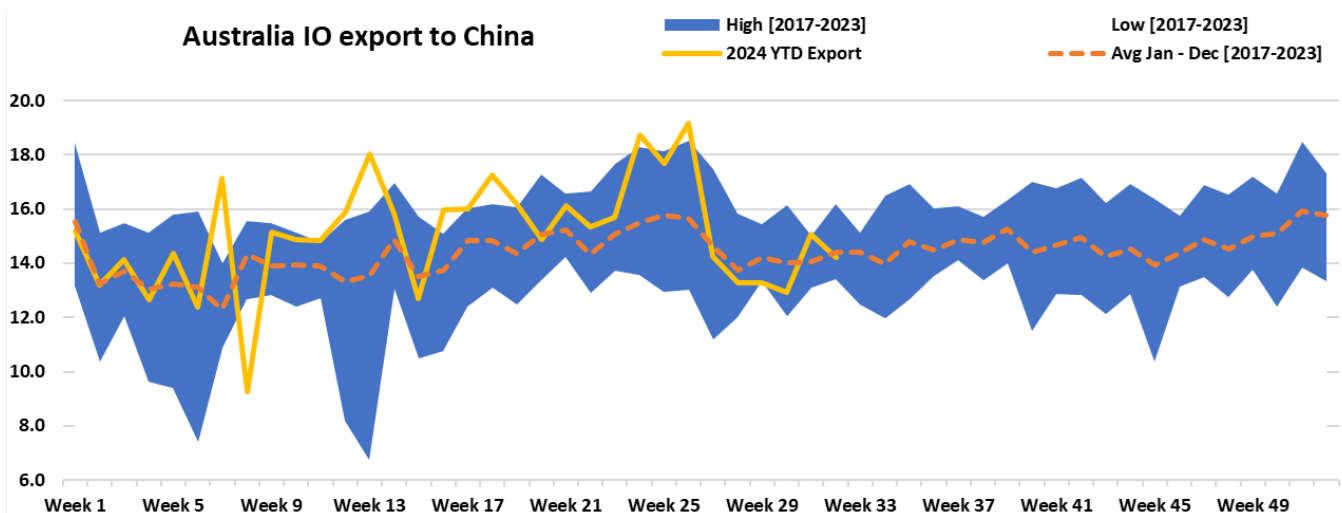
Dry Bulk Trades/Iron Ore

Export (million tonnes)	Jul-24	Jun-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Australia	75.7	89.0	249.2	223.2	244.8	236.0	947.9	935.9	923.0
Brazil	35.3	34.6	95.7	84.2	103.3	103.6	372.0	344.6	353.3
South Africa	3.5	4.6	14.2	14.0	14.2	13.2	55.4	56.5	60.0
India	2.8	3.9	10.6	15.6	13.7	9.1	45.3	15.9	36.9
Canada	5.0	5.0	14.6	13.7	16.9	17.2	61.1	57.3	57.1
Others	17.1	18.5	54.4	48.4	51.2	47.7	184.1	177.5	201.8
Global	139.3	155.6	438.8	399.2	444.1	426.8	1667.5	1587.8	1632.0

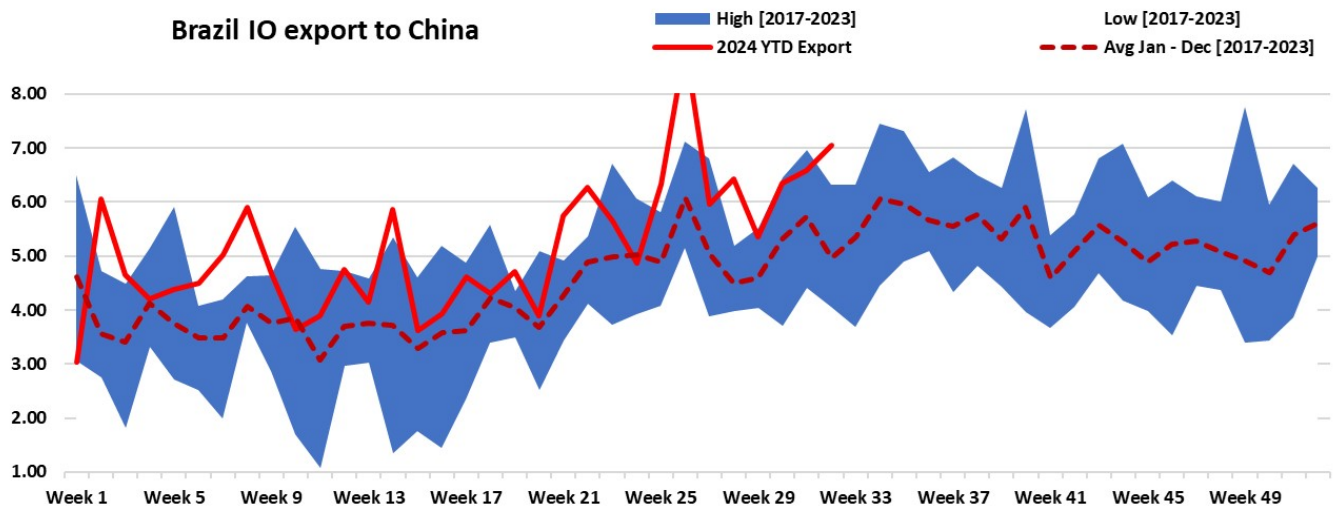
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	14.2	15.1	-6%	9.81	9.52	3%
Brazil-China	7.0	6.6	7%	24.23	24.03	1%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Coal shipments rebounded by 4.5% last week, driven by strong demand from key regions. Shipments from Indonesia to China remained near the peak of their six-year seasonal average at 4.4 MMT, despite a 16.9% week-over-week decrease. Meanwhile, exports from Australia to Japan surged by 117.1% to 4.1 MMT, surpassing the peak of their six-year seasonal average. Overall, Indonesia, the top exporter, ended its two weeks increase and fell by 13.6% to 9.6 MMT, while Australia's shipments rose significantly by 34.3% to a recent weekly high of 8.5 MMT.

Last week, coal exports to the JKT region increased by nearly 40% to 9.0 MMT, whereas exports to China dropped by 27.9% to 6.2 MMT. Exports to India also declined by 8.4% week-over-week, reaching 4.1 MMT.

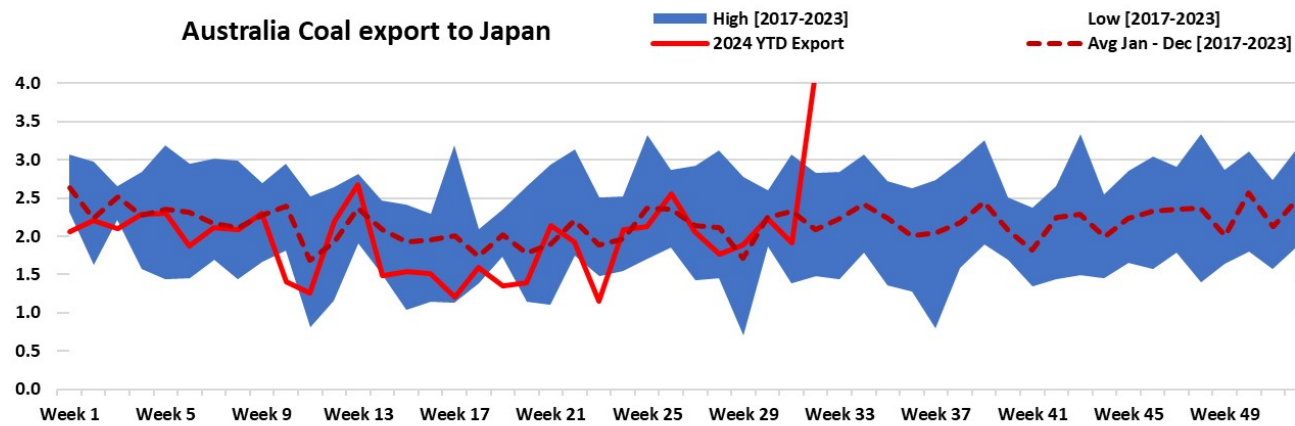
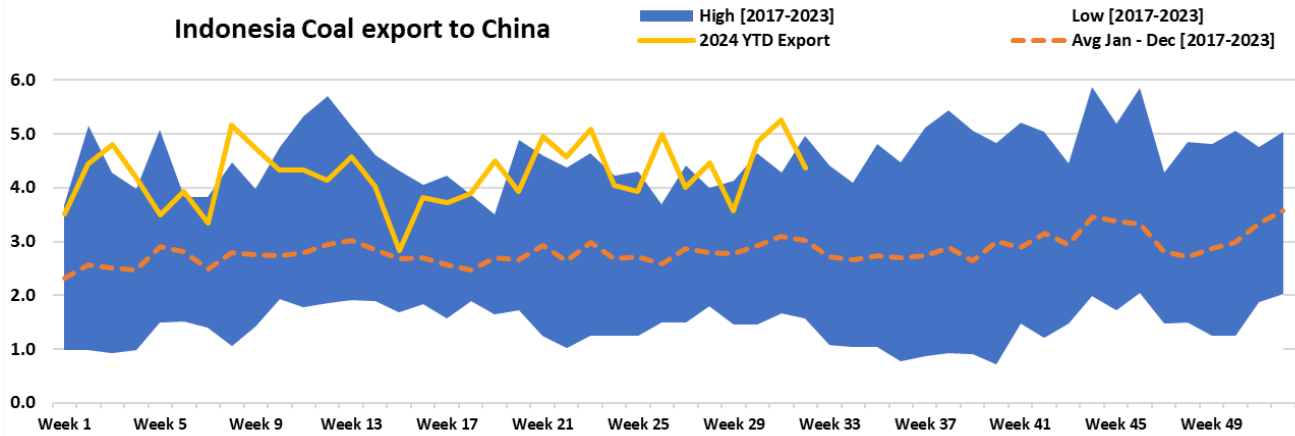
Dry Bulk Trades/Coal

Export (million tonnes)	Jul-24	Jun-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Indonesia	46.1	44.4	136.4	130.6	143.5	123.4	508.7	462.2	415.2
Australia	28.4	32.4	90.9	86.5	94.9	88.3	356.0	339.2	368.4
Russia	15.1	15.3	45.0	36.8	39.6	47.1	186.9	192.5	172.1
USA	7.9	7.9	21.3	22.4	21.1	19.5	80.8	69.5	68.6
Colombia	4.7	6.2	16.8	16.7	16.3	15.7	59.2	61.0	60.7
South Africa	3.7	4.9	15.0	15.2	16.0	14.9	61.9	61.6	62.0
Others	7.7	9.2	27.2	26.0	29.3	25.8	105.7	556.0	501.3
Global	113.6	120.3	352.5	334.2	360.6	334.7	1359.3	1279.8	1233.1

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	4.4	5.3	-17%
Australia-Japan	4.1	1.9	117%

Seasonality Charts

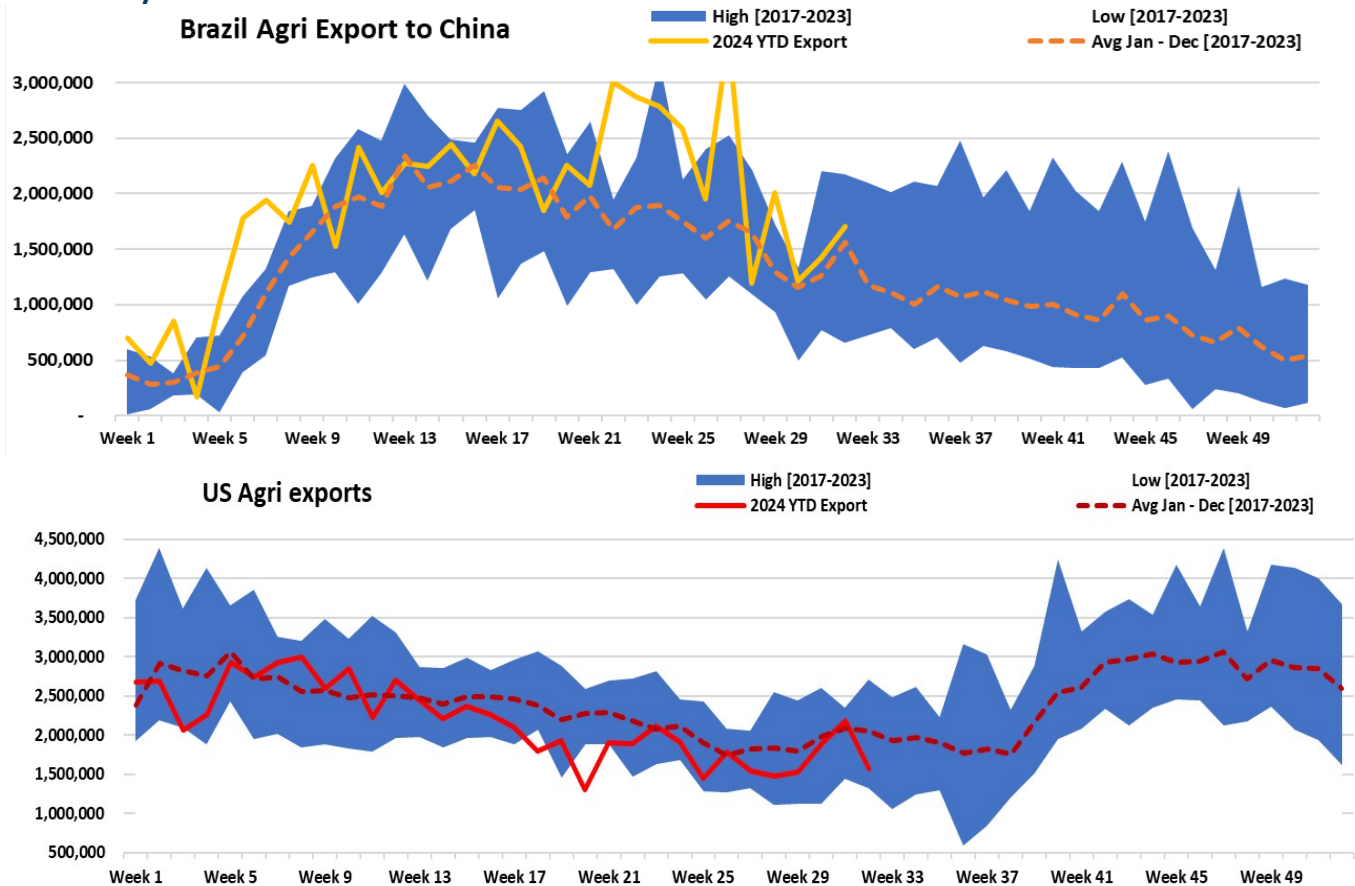


Dry Bulk Trades/Agri

Global grain shipments continued their decline for the second consecutive week, dropping by 17.8% to approximately 9.7 MMT. According to IHS Markit Commodities at Sea Service, shipments from ECSA plummeted by 20.0% to 5.0 MMT. North American shipments also had a negative week, decreasing by 17.9% to 2.2 MMT, largely due to a supply drop from the U.S., where exports fell to 1.6 MMT (-28.0% w-o-w). However, Canada provided a significant boost, with exports rising to 601,700 tonnes (+30.3% w-o-w).

In July, global grain shipments declined for the fourth consecutive month, slipping by 1.3% from June to 50.9 MMT. North America's Agri-bulk exports fell by 5.6% to 10.0 MMT, while Brazil's exports dropped by 2.3% to 19.6 MMT. In contrast, Argentina's export volume surged by 14.7% to 8.6 MMT, driven by favourable crop conditions. Year-over-year, Agri shipments still managed to increase by 3.3%.

Seasonality Charts



Export (million tonnes)	Jul-24	Jun-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022
Brazil	19.6	20.1	55.5	45.3	53.4	62.9	217.2	176.8
USA	7.5	7.7	25.0	34.1	34.7	18.3	106.9	129.5
Argentina	8.6	7.5	24.9	19.5	11.7	17.9	56.2	88.2
Ukraine	2.8	2.8	10.2	12.2	5.7	0.4	21.9	27.0
Canada	2.5	2.9	9.6	9.1	12.4	8.2	41.6	33.4
Russia	1.7	2.1	7.5	7.7	9.1	12.9	42.4	29.2
Australia	2.4	2.7	8.5	11.2	9.7	10.5	47.6	48.4
Others	5.7	5.8	17.8	21.7	22.0	21.9	84.5	96.4
Global	50.9	51.6	159.2	160.9	158.8	153.0	618.0	628.9

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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