

# FIS Dry Freight Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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**Market Review:**

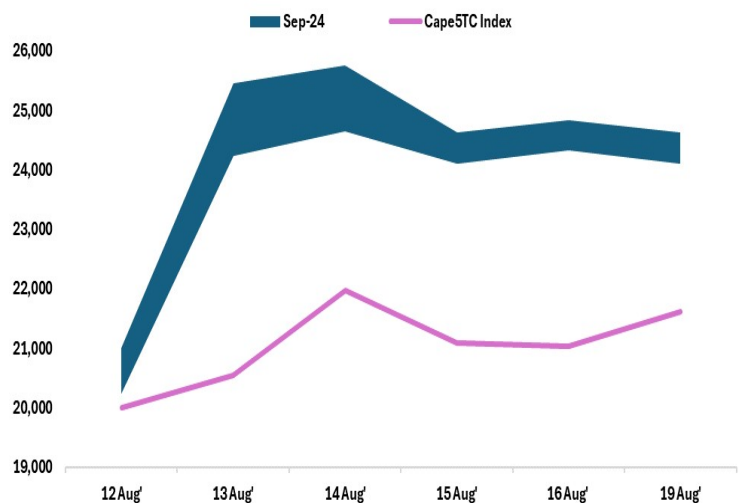
The Capesize spot market maintained its upward momentum, driven by strong demand for iron ore and coal in key regions. However, bearish sentiment towards the iron ore market and ongoing challenges in the Chinese property sector led to a sell-off in the futures market, resulting in small losses across all dry vessel sizes. Panamax rates showed slightly more support last week, with increased shipments of coal and grains, though it remains to be seen how the new week will unfold.

Freight Rate \$/day	19-Aug	12-Aug	Changes %	Short Term	Sentiment
Capesize 5TC	21,510	20,008	7.5%	Neutral to Bullish	↗
Panamax 4TC	12,564	12,921	-2.8%	Neutral to Bearish	↘
Supramax 10TC	14,358	14,239	0.8%	Neutral	-
Handy 7TC	13,575	13,603	-0.2%		

**Capesize**

The Capesize market remained largely positive last week amid strong activity on the Australia to China route and a balanced Atlantic market. The 5TC spot rate climbed above \$21,500, reflecting solid demand for iron ore and coal, however prompt futures giving back early gains on the Thursday’s selloff. In the Pacific, all three major charterers were actively seeking cargoes supporting the market, while rates on the Brazil and West Africa to China routes ticked lower. Overall, sentiment remained upbeat due to tight vessel supply for prompt dates. By commodity type, iron ore shipments by Capesize vessels increased by 1.3% w-o-w to around 30.0 million tonnes, with Australian exports rising significantly by 14.2% to 18.3 million tonnes. Additionally, Capesize coal shipments continued their upward trend, increasing by 7.7% to approximately 7.2 million tonnes, while minor bulk volumes firmed up by 12.2% to 3.1 million tonnes.

Cape 5TC Rolling Front Month Trading Range vs Spot



On the fixture front, the key C5 iron ore route from West Australia to China saw rates firming, starting the week at \$10.45 for late August laycan and peaking at \$11 before settling in the \$10.50-\$10.70 range for early September. Another iron ore cargo from TRMT to Qingdao was fixed at between \$8-\$8.50 for 17-19 Aug and to Son Duong heard at low \$7s for 20-22 Aug. In the Atlantic basin, moving iron ore on the C3 route moved lower to \$25.05 for early Sept, then \$24.5 for 5 Sept onwards and more cargo fixed at around this level rest of the week. Other trips with iron ore from Seven Islands to S. China was fixed at \$29 for 27-31 Aug, and to El Dekheila paid at \$11 for 30 Aug-5 Sept. The minor bulk segment also saw positive momentum, with a bauxite cargo from Boffa to Fangcheng fixed at \$25.20 for mid-September, highlighting the overall strength of the market.

FFA: The Capesize market experienced a generally positive week, with notable gains early on, though activity slowed as the week progressed. Monday began with the market opening slightly below Friday’s close, with Sept trading at \$23,875 (down from \$24,375) and Q4 dipping to \$26,000 (from \$26,550). However, by the afternoon, bid support strengthened, pushing Aug and Sep up to \$20,750 and \$24,400, respectively. The day closed just off its highs. Tuesday saw a busy day across the board. Sept initially traded at \$24,500 before dipping down to \$24,250, stabilising before ramping up again. (Continued)

FFA: Solid gains were seen in the C5 market, driven by activity from major miners, continued through till Wednesday, with Sept reaching a high of \$25,500 in size, Nov at \$26,750 and Q4 at \$27,000. Wednesday was marked with early morning bid support, particularly on the prompts, but this momentum waned in the afternoon gave way to more subdued activity in the afternoon. Sept and Q4 initially traded up to \$25,750 and \$27,150, respectively. However, the index (+\$1,436 to \$21,976) acted as a reverse indicator and the prompts proceeded to trade down, Sept fell to \$24,650 and Q4 traded down to \$26,625. Some positive fixtures allowed for a slight rebound, with rates recovering from their lows by close. Thursday opened cautiously, with Sept eventually being sold at \$24,500, down \$1000 from Wednesday's close. The market remained active, with Q4 trading at \$26,500 in significant volume, Q1 at \$16,300 and Cal25 at \$21,600. However, post index (-\$892 to \$21,084), activity thinned, and volatility decreased, with Sept closing at \$24,200. By Friday, as rates in the Pacific stabilised, so did the market, with the index comparatively flat (-\$47 to \$21,037). Sept closed at \$24,275, not far off Monday's open at \$23,875, though there was more movement further along the curve.

Short run neutral to bullish

## Panamax

The Panamax market continued to decline last week with no clear signs of recovery. The Atlantic saw further rate drops due to a lack of fresh inquiries and limited activity. In contrast, the Pacific market showed more resilience, supported by healthy cargo volumes and a slightly shorter tonnage list compared to the previous week. As the new week begins, the market is starting quietly but may benefit from positive sentiment in the Capesize sector. In terms of demand, both the coal and grain segments showed signs of recovery last week. Panamax coal shipments increased by 11.9% to 15.1 million tonnes after two weeks of slight declines. Similarly, Panamax grain shipments rose by 9.5% from the previous week, reaching 5.3 million tonnes, driven by growing cargo volumes from North America. Meanwhile, minor bulk shipments eased slightly from the previous week's peak, stabilising at around 4.3 million tonnes.

Fixtures wise, the ongoing strong coal demand from the key regions kept lending in support for the Pacific market, along with longer run grains business. Nevertheless, rates eased in a slow pace with NoPac redelivery Sing-Japan fixing at mid-high \$12,000s. On the coal front, trips via EC Australia redelivery South China and India were fixed at \$13,600 and \$13,000 respectively, while trip via Indonesia redelivery India got paid at \$10,000. In the Atlantic, limited activity in the North again failed to turn the tide, with P1a and P2a posted the highest losses among all routes. A trip via US Gulf redelivery Skaw-Gibraltar was fixed at discount level \$25,000. On the bright side, firm grain demand in the South helped to clear out some tonnage. Cargoes via ECSA redelivery Sing-Japan were fixed marginally higher from \$17,000 to \$17,250, reaching to the weekly high \$17,750 just before weekend. This gives some confidence to the market as it suggests that P6 may have found a floor.

FFA: The Panamax market saw rates peak on Wednesday before retreating towards the end of the week, resulting in only modest gains overall. Monday's Asian was quiet until Europe opened, offering down the prompt contracts. Aug and Sept traded down to \$13,100 and \$13,60, respectively, though bid support for Q4 was seen at \$14,750. Following the index (-\$206 to \$12,821), the market operated within narrow intra-day trading ranges with reduced liquidity, closing just off the day's lows. Tuesday saw a more positive tone, despite further losses in the underlying as the Atlantic continued to weaken. Buoyed by the firmer Capesize market, rates gradually bid up throughout the day. Aug and Sept traded up to \$13,350 and \$14,350, respectively, while Q4 traded in good volume up to \$15,100 and Cal25 at \$13,500. Wednesday started with early morning bid support, with Aug and Sept trading up to \$13,400 and \$14,650, respectively, while Q4 pushed up to \$15,300. However, following the index (-\$31 to \$12,701) and the degradation in Cape rates, support was lost, particularly on the prompt contracts, with Sept trading down by \$500 to \$14,150, deferred activity did not observe quite the same drop at Cal25 closed at \$13,475. A sluggish day on Thursday, with early pressure on rates across the curve before settling into a rangebound day. Sept traded at \$14,000 and Q4 at \$15,000 where they found solid support. By Friday trading was extremely rangebound, with Sept fluctuating within \$75 range before closing at \$14,025, and the index saw minimal movement (-\$19 to \$12,634).

Short run neutral to bearish

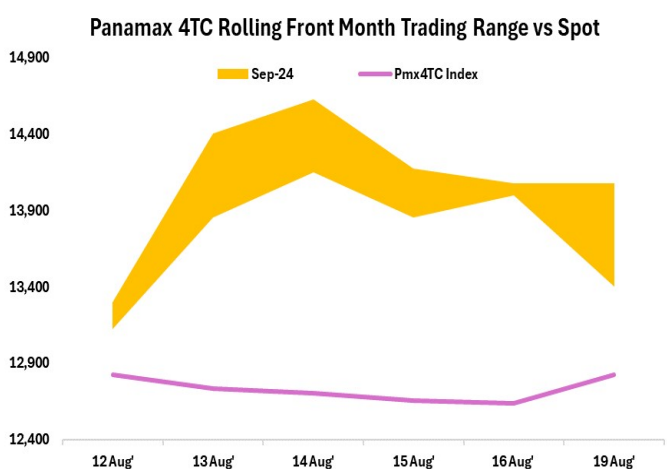
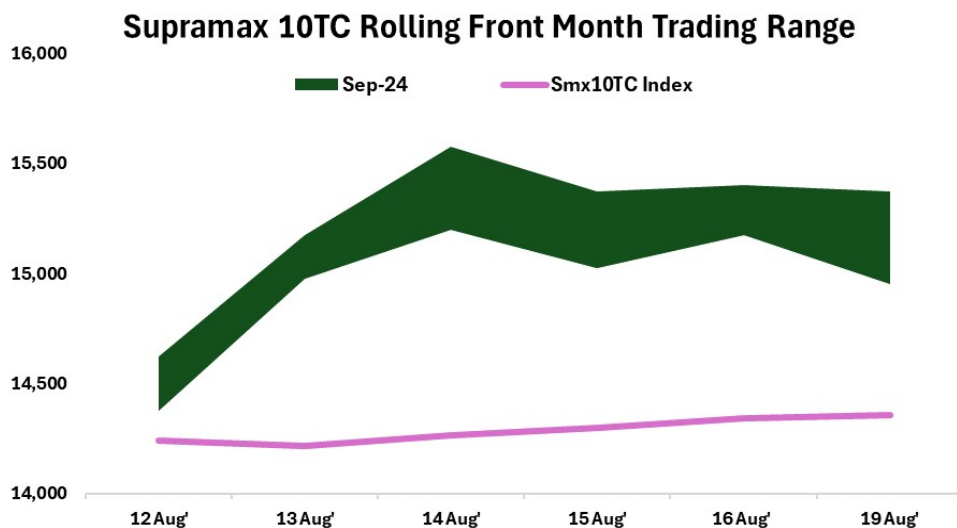


Chart source: FIS Live

## Supramax

FFA: The Supramax market followed a similar pattern to the other vessel segments, with a midweek peak followed by some downward pressure and a plateau by week's end. Monday started slowly, particularly in the morning. Post-index (-\$74 to \$14,239), activity picked up, with Sept and Oct trading to highs of \$15,100 and \$15,500, respectively. The market closed off the day's highs, having recovered the morning losses and roughly flat to Friday's close. Tuesday opened lower, but prices increase throughout the day, bolstered by good buying support. Despite downward pressure on Atlantic rates due to limited fresh inquiry in the US Gulf, positive sentiment from the larger vessel markets helped Sept and Q4 contracts reach highs of \$15,200 and \$15,300, respectively. Despite another negative index (-23 to \$14,216), there was also some activity on the deferred contracts, with Cal25 trading up to \$13,350. On Wednesday, a strong morning push saw Aug and Sept contracts hit highs of \$14,700 and \$15,600, respectively, meanwhile Q4 peaking at \$15,400. However, as the day progressed, rates across the curve softened to various degrees, though they remained above the previous day's close. Thursday saw early strength, supported by fresh inquiry from Asia and gains in the larger vessel segments. However, following the index update (+\$34 to \$14,299), the market traded at the lower end of the day's range, with Sept and Q4 reaching lows of \$15,000 and \$15,050, respectively, while Cal25 held around \$13,300. Friday was a quiet day, with trading mostly rangebound and focused on the prompt contracts. Sept and Oct reached highs of \$15,350 and \$15,800, respectively, closing slightly higher on the prompt, while other positions remained flat.

### Short run neutral



## FFA Market Indexes

Freight Rate \$/day	19-Aug	12-Aug	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	21,510	20,008	7.5%	23,526	16,389	16,177	33,333	13,070
Panamax4TC	12,564	12,921	-2.8%	14,350	11,518	8,587	25,562	8,587
Supramax10TC	14,358	14,239	0.8%	14,158	11,240	8,189	26,770	8,189
Handy7TC	13,575	13,603	-0.2%	12,749	10,420	8,003	25,702	8,003

## FFA Market Forward Values

FFA \$/day	19-Aug FIS Closing	12-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Sept 24	24100	24325	-0.9%	25,500	23,250	30,500	17,150
Capesize5TC Q4 24	25875	26475	-2.3%	27,100	25,800	30,500	17,150
Panamax4TC Sept 24	13625	13850	-1.6%	14,600	13,350	17,950	12,300
Panamax4TC Q4 24	14800	14975	-1.2%	15,300	14,750	17,250	12,300
Supramax10TC Sept 24	15000	15075	-0.5%	15,500	14,850	16,150	12,400
Supramax10TC Q4 24	15100	15025	0.5%	15,400	14,850	15,650	12,150

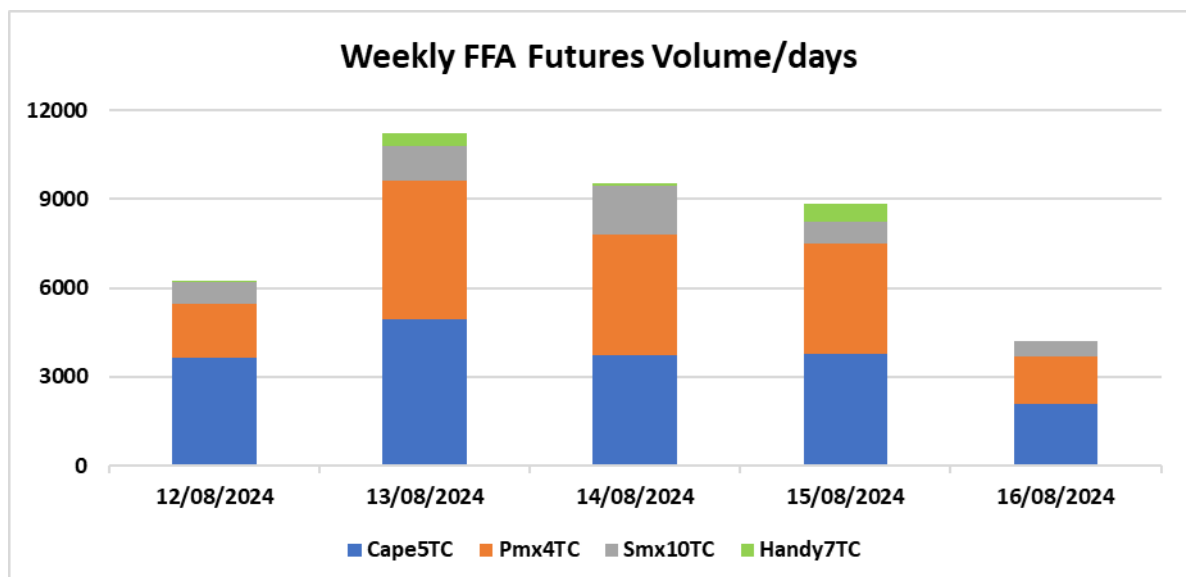
Data Source: FIS Live, Baltic Exchange

## FFA Market

Trading activity in the dry FFA market was slightly lower last week affected by a major European holiday, with total volume reported at under 50,000 lots. Despite this, the Capesize futures market experienced higher volumes due to increased volatility. On average, Capesize and Panamax futures traded about 3,630 lots and 3,190 lots per day, respectively. Supramax and Handy futures saw less interest, with daily averages of 960 and 220 lots. The primary focus was on September, Q4, and Cal25 contracts, while trading volume was thin for the longer end of the curve, with small clips traded for Q1-4 25 and Cal26. The options market was also less active, with approximately 1,200 lots traded in Capesize and 240 lots in Panamax.

Open interest continued to build despite slowly falling future prices, indicating a bearish sentiment. As of August 19th, open interest for the Cape 5TC contract was 159,982 (+4,040 week-over-week), Panamax 4TC was 155,200 (+4,470 week-over-week), and Supramax 10TC was 70,120 (+800 week-over-week).

In the voyage routes, the C5 market saw strong activity, with 4 million tonnes traded for August and September prompt contracts, and 3.4 million tonnes for Q4'24 and Q1'25. Additionally, the C3 market recorded 375,000 tonnes traded for August and Q4 positions.



## Dry Bulk Trades/Iron Ore

Iron ore shipments advanced for the second consecutive week, reaching 33.1 million metric tonnes (MMT) last week, marking a 1.2% marginal increase from the previous week. The primary driver was an increase Australian export, which climbed by 13.5% w-o-w to 18.8 MMT. Meanwhile, shipments from Brazil decreased by 13.0%, dropping to approximately 7.7 MMT. On a positive note, exports from South & West Africa rebounded, recovering from previous declines with a 52.5% increase last week to 2.2 MMT.

On the demand side, seaborne volumes headed for China rose slightly by 1.5% from the previous week, reaching 24.8 MMT. Despite ongoing challenges in its property sector and weak downstream steel demand, China has shown a willingness to stockpile. Shipments from Australia saw a significant improvement, rebounding 16.3 MMT, marking a notable 18.3% increase week-on-week, climbing above the six-year seasonal average. However, weekly import shipments from Brazil retreated to below 5.5 MMT last week, a 24.1% decrease w-o-w. Additionally, exports to Southeast Asia saw a substantial surge last week, with volumes rising significantly by 49.5% to 1.6 MMT.

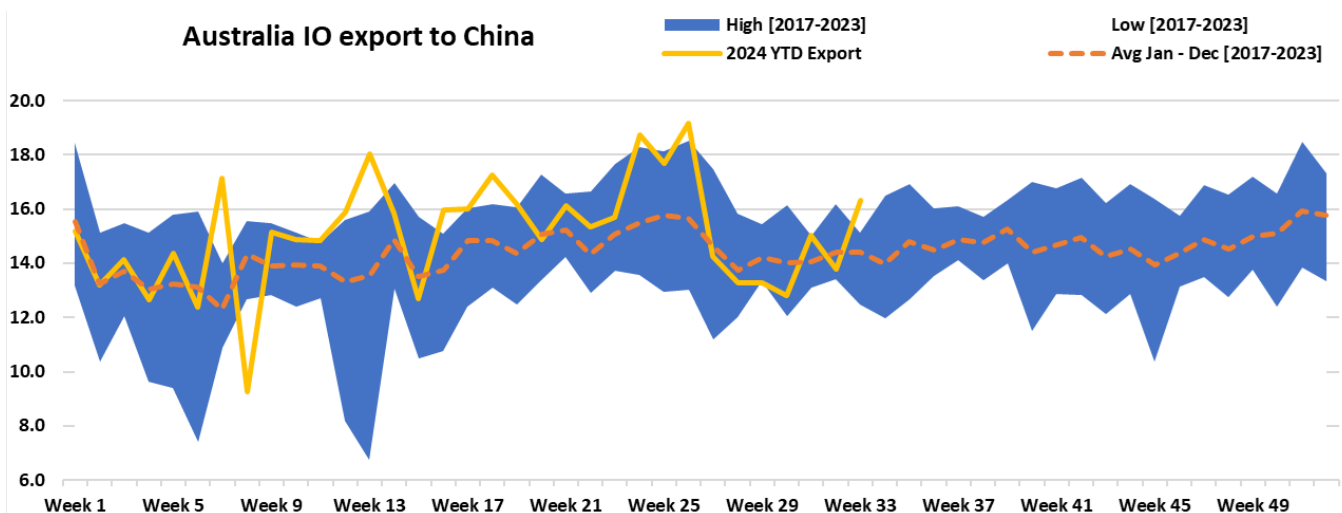
### Dry Bulk Trades/Iron Ore

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
<b>Global</b>	<b>139.3</b>	<b>155.6</b>	<b>438.8</b>	<b>399.2</b>	<b>444.1</b>	<b>426.8</b>	<b>1667.5</b>	<b>1587.8</b>	<b>1632.0</b>

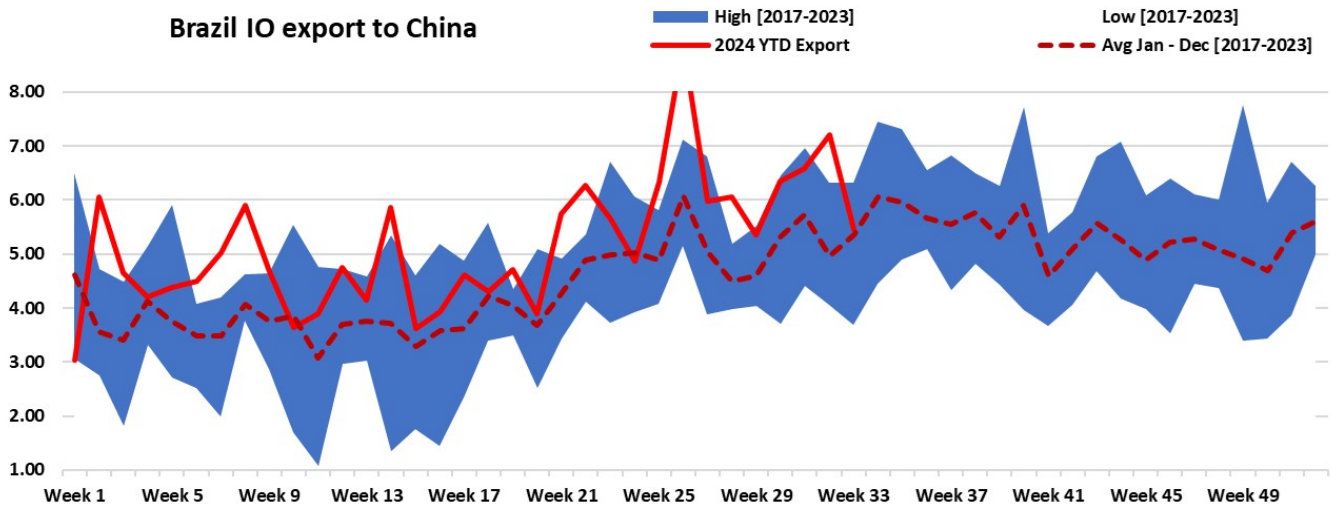
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	16.3	13.8	<b>18.3%</b>	10.46	9.81	<b>6.6%</b>
Brazil-China	5.5	7.2	<b>-24.1%</b>	25.11	24.23	<b>3.7%</b>

### Seasonality Charts



### Brazil IO export to China



### Dry Bulk Trades/Coal

After a brief dip last week, global coal shipments rebounded by 8.3% to 27.9 MMT. This uptick was largely driven by robust shipments from Indonesia, which reached 11.0 MMT, marking a 19.3% increase from the previous week. Notably, shipments from Indonesia to China surpassed the peak of their six-year seasonal average, surging to 5.8 MMT, up 77.0% w-o-w. Shipments from Australia to Japan also surpassed the peak of their six-year seasonal average, increasing 1.5% w-o-w, to 3.0 MMT. In contrast, demand from other key regions is down, with coal shipments from Indonesia to the JKT region falling by 21.3% to 1.2 MMT.

Australian coal shipments remained strong, reaching approximately 8.1 MMT, a 2.1% increase week-over-week. Exports to the JKT region grew by 6.1% to 4.3 MMT, while shipments to India saw a slight decline of 2.3% to 1.1 MMT. Additionally, the temporary suspension of Russia's coal export duty from May 1 to August 31 resulted in a 14.4% rise in total exports to 3.2 MMT, with exports to China specifically surging by 34.6% to 1.1 MMT.

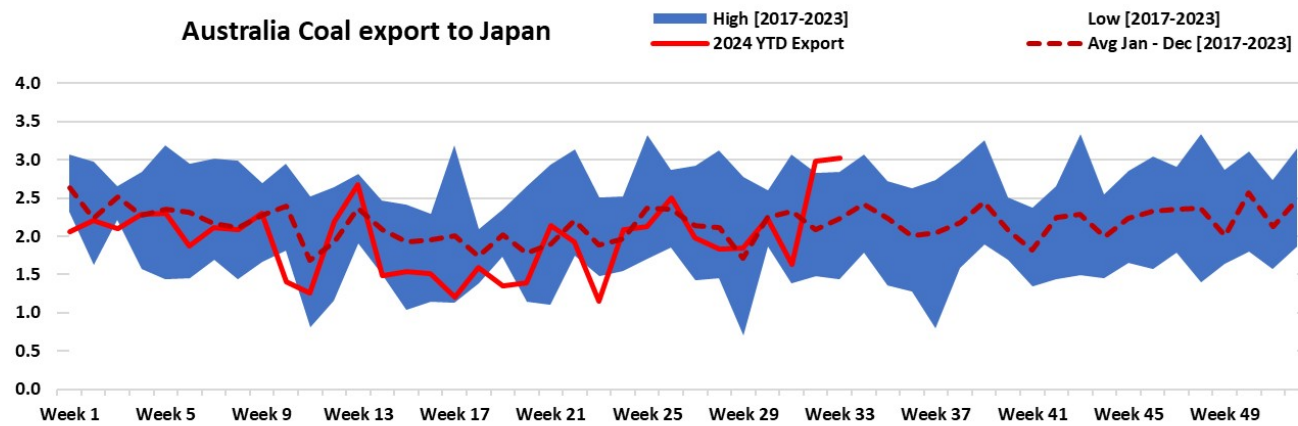
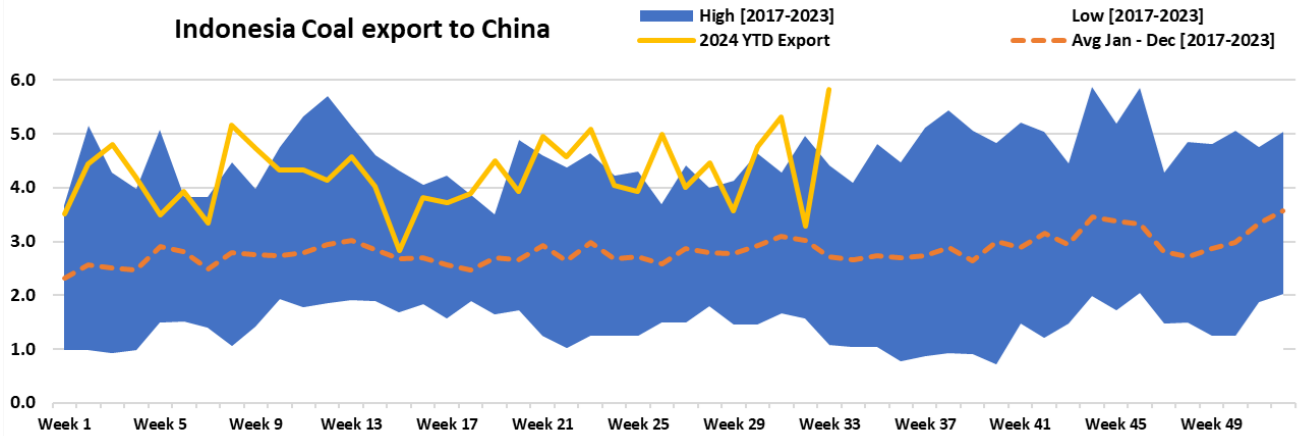
### Dry Bulk Trades/Coal

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
<b>Global</b>	<b>113.6</b>	<b>120.3</b>	<b>352.5</b>	<b>334.2</b>	<b>360.6</b>	<b>334.7</b>	<b>1359.3</b>	<b>1279.8</b>	<b>1233.1</b>

### Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	5.8	3.3	77.0%
Australia-Japan	3.0	3.0	1.5%

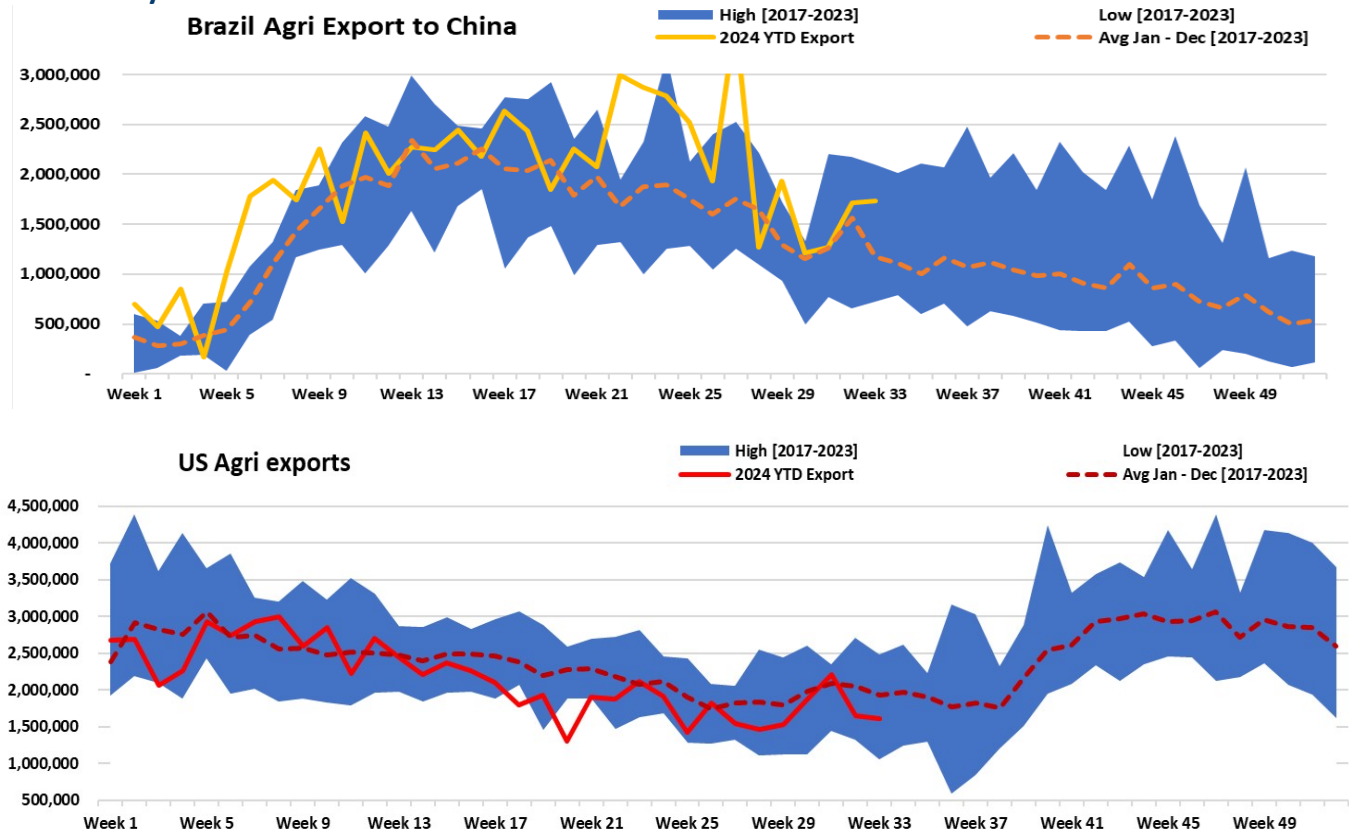
## Seasonality Charts



## Dry Bulk Trades/Agri

The grain sector had a positive week overall, with weekly volumes rebounding by 6.9% to approximately 10.9 million tonnes. This increase was driven by East Coast of South America (ECSA) and North America. According to data from IHS Markit Commodities at Sea Service, shipments from the East Coast of South America (ECSA) surged by 20.4% to 6.1 MMT, with Brazil alone shipping 4.5 MMT, marking a 5.6% rise from the previous week. Additionally, Argentina's export volume surged by 120.9% to 1.5 MMT due to favourable crop conditions. On the other side, shipments from North America posted a positive week, with a weekly 12.2% increase to 2.6 MMT last week. This growth is attributed to the significant boost from Canada, which saw export climbing to 960 kt, an increase of 49.2% week-over-week. This is despite shipments from the U.S. experiencing a slight decline, with total weekly volume falling by 2.3% to 1.6 MMT.

## 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
<b>Global</b>	<b>50.9</b>	<b>51.6</b>	<b>159.2</b>	<b>160.9</b>	<b>158.8</b>	<b>153.0</b>	<b>618.0</b>	<b>628.9</b>

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

Written by **Emma Feng**, Head of Research

+44 (0) 207 090 1120

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