

# FIS Dry Freight Weekly Report

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

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**Market Review:**

The Capesize spot market was the standout last week, the market continued to climb up reaching 4-month highs. Key iron ore routes in both Atlantic and Pacific had strong volume but a 6.3% decline from the previous weeks volumes. The Panamax market continued its downward trend following limited fresh inquiry with only coal demand in the pacific providing support. Limited commentary on the Supramaxes which remained flat throughout the week.

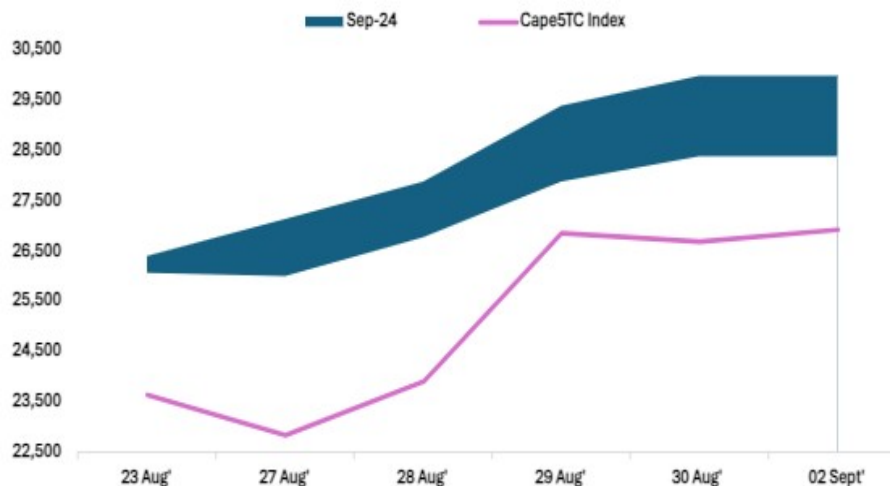
Freight Rate \$/day	02-Sept	26-Aug	Changes %	Short Term	Sentiment
Capesize 5TC	26,935	22,846	17.9%	Neutral to Bullish	↗
Panamax 4TC	10,412	11,096	-6.2%	Neutral to Bearish	↘
Supramax 10TC	14,259	14,483	-1.5%	Neutral	-
Handy 7TC	13,337	13,470	-1.0%	Neutral	-

**Capesize**

The Capesize market had a bullish week, with the 5TC index climbing towards \$27,000 and prompt month futures gaining throughout the four trading days. Key iron ore routes in both the Atlantic and Pacific basins showed strong cargo volumes and higher fixing levels. Additionally, there was increased activity on the transatlantic and fronthaul routes in the North Atlantic. In terms of cargo volumes, iron ore shipments by Capesize vessels declined by 6.3% from the previous week's high to around 30.1 million tonnes, mainly due to reduced shipments from Australia. However, Brazilian exports rose sharply by 26.1% to 9.9 million tonnes. Minor bulk volumes also fell from recent highs to 3.7 million tonnes. On the other hand, Capesize coal shipments reached a two-month high, increasing by 24.4% over the week to approximately 7.4 million tonnes.

On the fixture front, the key C5 iron ore route from West Australia to China saw firming rates, starting the week at \$11.20 for mid-September laycans and peaking at \$11.65 on Thursday. Although the C5 route dipped to \$11.25-\$11.40 in several fixtures before the weekend, it quickly rebounded to just below \$12 on Monday. Another iron ore cargo from TRMT to Qingdao was fixed at around \$9 for a 9-11 September laycan. In the Atlantic basin, rates for the C3 route moved higher, rising from \$26.65 for a 16-17 September laycan to a high of \$28.65 for 18-24 September. Other trips reported from the North Atlantic included iron ore cargoes from Seven Islands to South China, fixed at \$31.75 for 18-24 September, and from Narvik to Qingdao, which paid \$32.30 for 15-21 September. These fixtures supported the overall strength of the market.

Cape 5TC Rolling Front Month Trading Range vs Spot



Overall, the Capesize market demonstrated resilience, with robust demand and increasing rates across key routes. Despite some declines in iron ore shipments from Australia and minor bulk volumes, the market was bolstered by strong Brazilian exports and a rise in coal shipments. The continued firmness in both basins points to a positive outlook, with market participants keeping a close eye on rate movements and cargo volumes to assess future trends.

FFA: The Cape market experienced an active week. Following the long weekend due to the UK Monday bank holiday, the market climbed up on Tuesday. September opened at \$26,250 and Q4 at \$27,000 and continued to gain momentum post-index (-\$799 to 22,846), closing at \$26,800 and \$27,250, finishing the day positively at the highs. On Wednesday, momentum increased, driven by rumours of improving physical sentiment. (Continued)

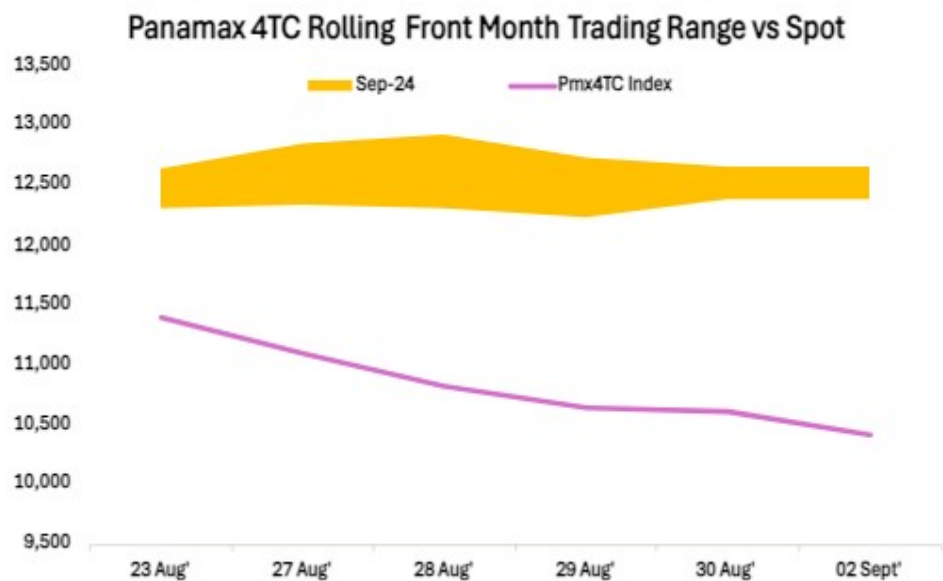
September started at \$27,250 and rallied to \$27,750, with Q4 reaching \$28,100. Despite a late-day sell-off, the market maintained its gains, closing with September at \$27,250 and Q4 at \$27,800. Thursday saw a strong surge, with September climbing to \$29,400 and October to \$30,250. Supported by a strong index (+\$2,962 to \$26,870), the market withstood some selling pressure and ended at the day's highs. On Friday, the market opened lower after Thursday's significant gains, with September falling to \$28,500. However, strong buying interest in the afternoon pushed September back up to \$30,000 and October to \$30,500, closing the week on a strong note with solid support heading into the weekend.

**Short run neutral to bullish**

### Panamax

The Panamax market continued its downward trend from the previous week, with rates declining due to a lack of fresh inquiries and limited activity in key regions. Although coal demand in the Pacific provided some support, it was not enough to lift rates significantly. In the Atlantic, flat cargo volumes from East Coast South America (ECSA) added further pressure to the market. Both the coal and grain segments showed weak performance last week, contributing to the overall softness.

Panamax coal shipments saw a modest increase of 3.0% to 16.4 million tonnes. Similarly, Panamax grain shipments edged up by 3.3% from the previous week, reaching 4.8 million tonnes, mainly driven by an uptick in cargo volumes from North America. Despite these small gains, the market remained under strain due to the overall lacklustre demand. On a positive note, minor bulk shipments showed a strong recovery, bouncing back from the sharp declines of the previous two weeks. These shipments increased by 25.3% over the week to 4.9 million tonnes, offering a glimmer of hope amid otherwise subdued market conditions.



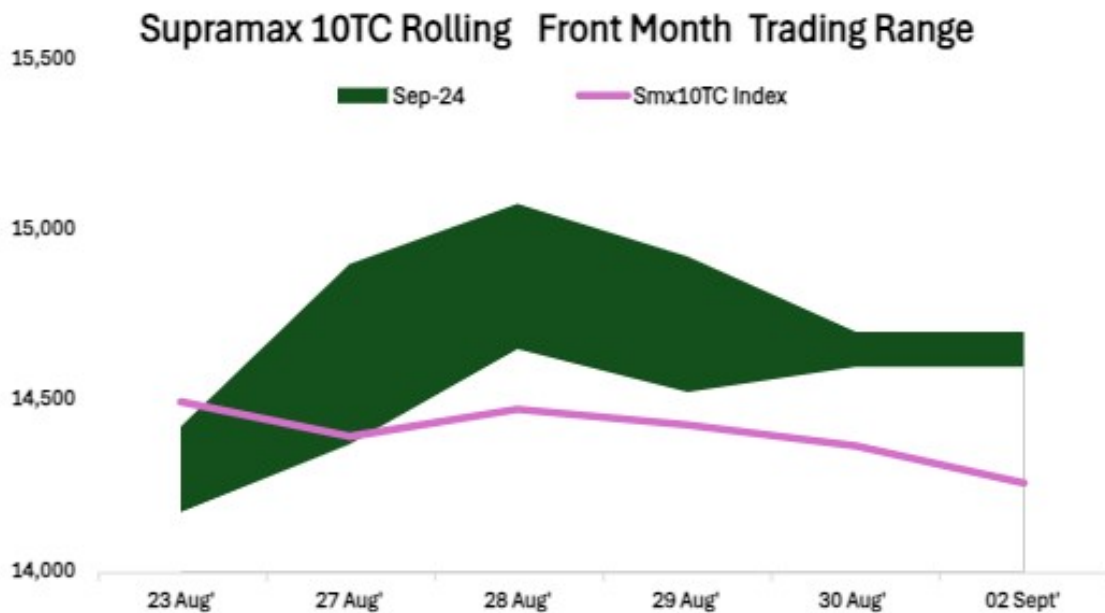
FFA: This week saw a series of fluctuations in the Panamax market. Before the long weekend, the market was subdued. However, Tuesday brought a more optimistic outlook, September and Q4 rates gained ground, with September vs October trading at -\$1,250. Cal25 and Cal26 saw trades between \$12,750-\$13,000 and \$12,500-\$12,600, respectively. The market ended the day at the highs, showing improved support. Wednesday saw early bid support pushing September and October up to \$12,950 and \$14,500, respectively. However, post-index (-\$278 to \$10,818) selling caused rates to drop back down, with September and Q4 ending at \$12,300 and \$14,000, respectively. The Cal25 also fell to \$12,800, closing at the day's lows. Thursday began with market instability but stabilized later in the day. Significant volume was traded on the September versus October spread, fluctuating between \$1,550 and \$1,450. Q4 briefly fell below \$14,000 but recovered to that level. By the afternoon, rates had improved, with September at \$12,700 and October at \$14,250. The Cal25 rose to \$12,900, recouping most of its earlier losses. Friday started off quietly but saw increased activity in the afternoon. September and October rates climbed to \$12,700 and \$14,350, respectively, while Q4 reached \$14,450. Further out, Cal25 and Cal26 saw minimal movement, trading within a \$150 range. The market closed on a strong note, ending the week with solid support as the weekend approached.

**Short run neutral to bearish**

## Supramax

FFA: The Supramax market experienced a week characterized by stable trading with modest fluctuations. Tuesday brought an optimistic tone, with September climbing to \$14,800 and October and Q4 up to \$15,150 and \$15,000, respectively. Cal25 saw trades up to \$12,900, ending the day on a higher note. Wednesday saw strong bidding early on, pushing September and Q4 up to \$15,000 and \$15,100, respectively, with Cal25 hitting \$13,000. However, post-index (= \$80 to \$14,474) adjustments led to rates dropping back, with September and Q4 ending at \$12,300 and \$14,000, and Cal25 at \$12,800. Thursday began with a small market wobble but stabilized later in the day. Significant volume was traded on the September versus October spread, with rates fluctuating between \$1,550 and \$1,450. Although Q4 dropped briefly below \$14,000, it recovered to \$14,000, and September and October rates improved to \$12,700 and \$14,250, respectively. Cal25 also rebounded to \$12,900, recovering much of the day's earlier losses. Friday brought limited excitement but saw some afternoon activity. Despite a weak physical market, support from the Cape segment drove rates higher. September and October increased to \$12,700 and \$14,350, respectively, while Q4 reached \$14,450. Minimal movement was observed further out, with Cal25 and Cal26 trading within a \$150 range.

Short run neutral



## FFA Market Indexes

Freight Rate \$/day	02-Sept	26-Aug	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	26,935	22,846	17.9%	23,563	16,389	16,177	33,333	13,070
Panamax4TC	10,412	11,096	-6.2%	14,184	11,518	8,587	25,562	8,587
Supramax10TC	14,259	14,483	-1.5%	14,172	11,240	8,189	26,770	8,189
Handy7TC	13,337	13,470	-1.0%	12,787	10,420	8,003	25,702	8,003

## FFA Market Forward Values

FFA \$/day	02-Sept FIS Closing	27-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Sept 24	29050	27050	7.4%	30,000	26,000	30,000	17,150
Capesize5TC Q4 24	28200	27250	3.5%	28,850	26,900	30,500	17,150
Panamax4TC Sept 24	12025	12800	-6.1%	13,700	11,900	17,950	11,900
Panamax4TC Q4 24	13900	14325	-3.0%	14,500	13,800	17,250	12,300
Supramax10TC Sept 24	14275	14850	-3.9%	15,000	14,300	16,150	12,400
Supramax10TC Q4 24	14500	15000	-3.3%	15,100	14,500	15,650	12,150

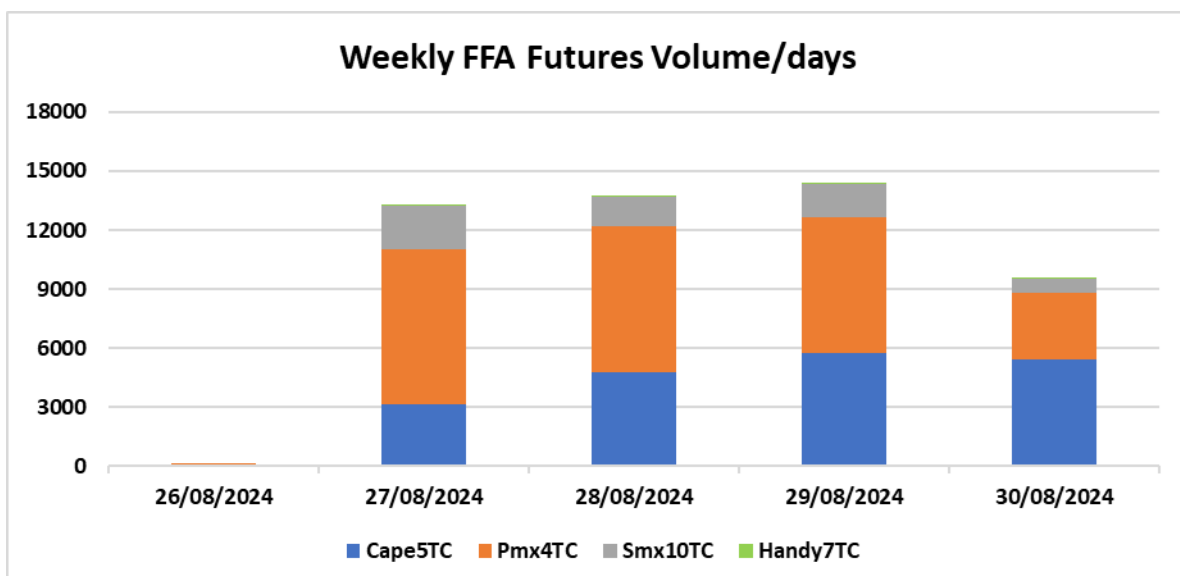
Data Sources: FIS Live, Baltic Exchange

## FFA Market

Following the last UK summer bank holiday, market participants returned with renewed enthusiasm, driving a notable increase in trading activity. In the shortened four-day week, the dry FFA market saw nearly 60,000 lots traded in total. Capesize contracts averaged around 3,835 lots per day, while Panamax contracts averaged 5,140 lots per day. Supramax volumes were lower, with an average of 1,210 lots per day, and Handysize remained relatively quiet with just 30 lots traded daily. The main focus was on Sep, Q4, and Cal25 contracts. Moreover, further out on the curve saw decent significant interest on Q1-4 25 and Cal26 contracts, with some small clips traded on Cal27. In contrast, the options market showed limited activity post-holiday, with only 1,615 lots traded in Capesize and 240 lots in Panamax.

With Aug month contract come to expire, open interest contracted significantly, as of 30 Aug, the open interest for the Cape 5TC contract was 153,920 (-10,870 week-over-week), Panamax 4TC was 145,993 (-13,160 week-over-week), and Supramax 10TC was 64,163 (-7,560 week-over-week).

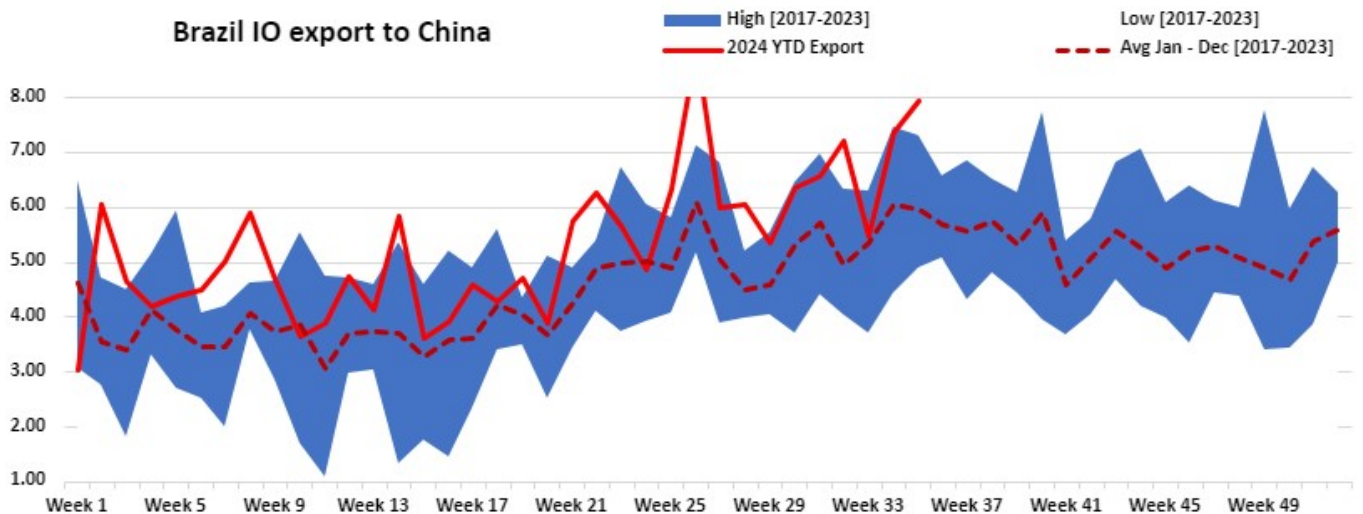
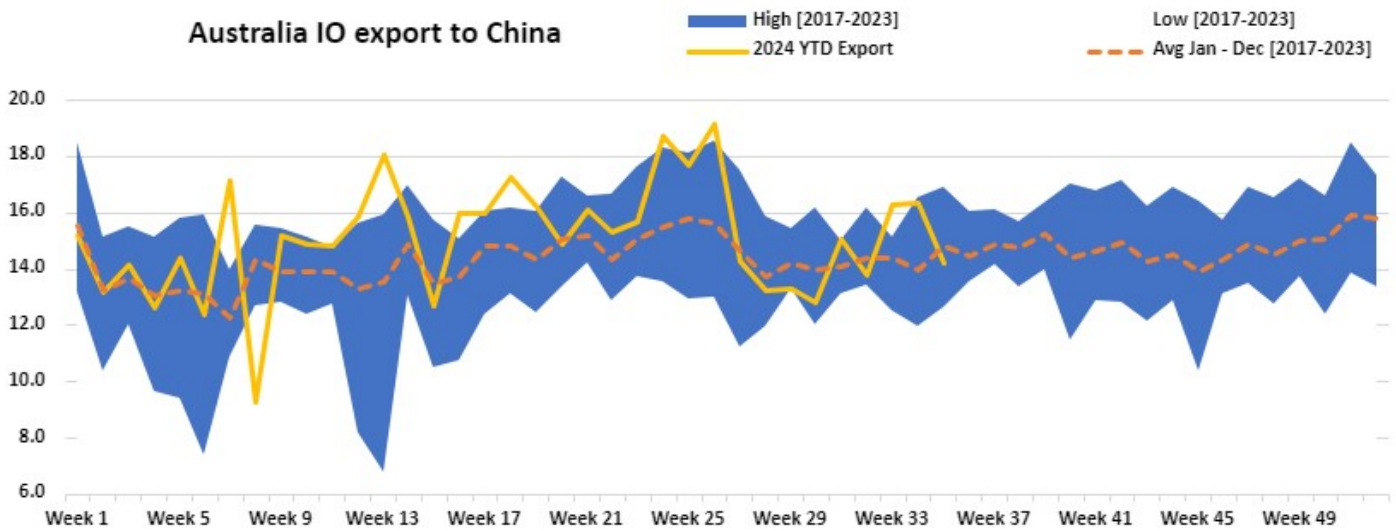
On the voyage routes, the C5 market experienced strong trading activity, with 4.975 million tonnes traded for Sep and Oct prompt contracts. Other iron ore routes also saw good interest; the C3 market recorded 900,000 tonnes traded for Sep-Nov positions, while the C7 market had a smaller volume of 175,000 tonnes traded, focused solely on Sep.



## Dry Bulk Trades/Iron Ore

Iron ore shipments took a step back after last week's rebound, dropping by 6.5% to approximately 33.5 million metric tonnes (MMT). Australia's exports, the largest contributor, tumbled by 11.8% to about 17.2 million metric tonnes (MMT) due to a slump in demand from China. On the other hand, Brazil saw a substantial increase in shipments, soaring by 20.5% from the previous week to 10.1 million tons, far exceeding seasonal norms. Exports from South and West Africa remained relatively stable, slipping slightly by 0.6% to a total of 1.5 million tons.

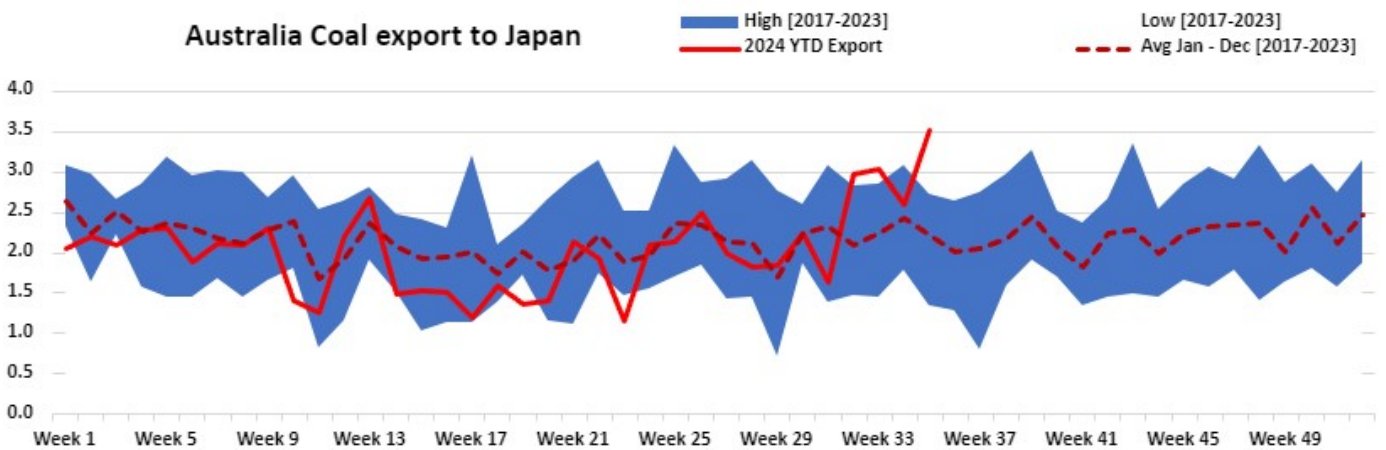
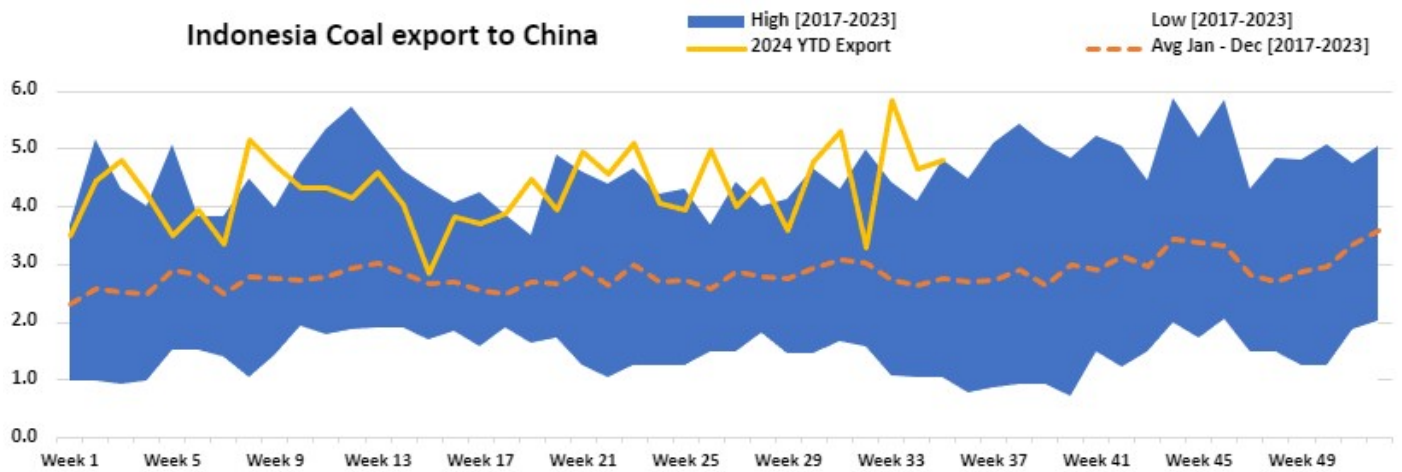
On the demand side, China's seaborne volume largely decreased by 9.6% to 25.2MMT. Australian exports to China fell by 13.4% to 14.2 MMT. In contrast, Brazilian exports to China surged by 9.6% to 8 MMT, significantly surpassing the seasonal average.



## Dry Bulk Trades/Coal

Global coal shipments surged by 13.4% last week, driven by a powerful uptick in shipments from key regions. Indonesia exports reached 12.1 million tonnes, marking a 19.3% increase from the previous week. Shipments from Indonesia to China climbed 4.7%, reaching 4.8 million metric tonnes (MMT). Additionally, demand from other key regions also surged, with coal shipments from Indonesia to the JKT region rose 27.5% to 1.7 MMT. Meanwhile, shipments from Australia to Japan skyrocketed by 35.5% from the previous week, hitting 3.5 MMT—far exceeding seasonal averages.

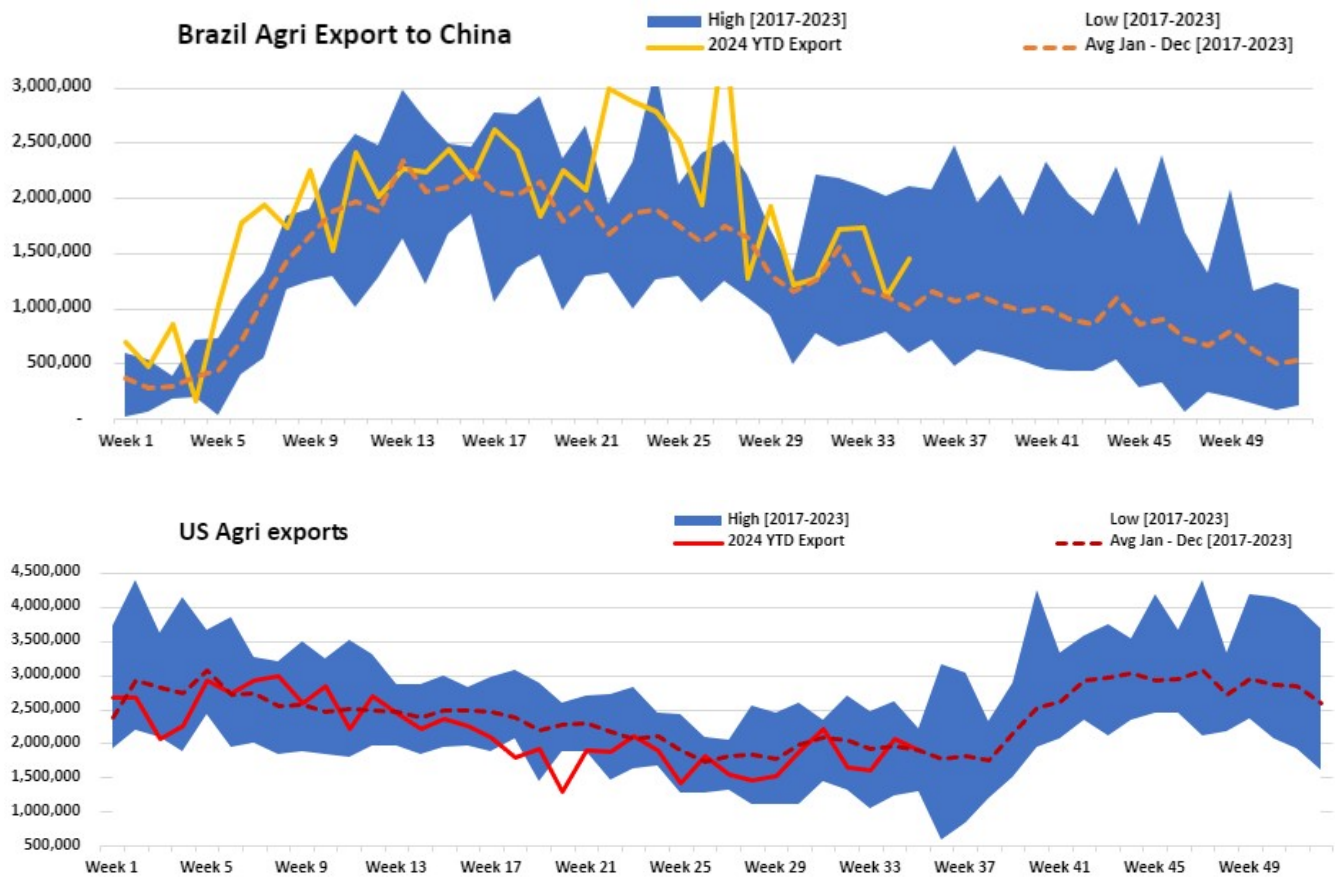
In contrast, Australian coal shipments decreased slightly to approximately 7.8 MMT, a 2.9% decrease week-over-week. However, coal exports to the JKT region surged by nearly 28.9% to 8.6 MMT. Exports to China also saw a modest increase of 3.6%, reaching 8.2 MMT, while exports to India rose by 9.3% week-over-week, hitting 4.9 MMT.



## Dry Bulk Trades/Agri

Global grain shipments saw a significant uptick last week, rising by 12.4% to approximately 11.6 million tonnes. According to data from IHS Markit Commodities at Sea Service, exports from the East Coast of South America (ECSA) jumped by 10.6% to 6.1 MMT, with Brazil alone contributing 4.5 MMT—a robust 11.9% increase from the previous week.

On the other side of the globe, North American shipments also had a strong week, climbing by 25.9% to 1.1 MMT. This surge was largely driven by Canada, where shipments skyrocketed by 154.3% week-over-week to 585 KT. Meanwhile, U.S. shipments faced a downturn, with total weekly volume dropping by 22.4% to 475 KT.



Data Sources: IHS Commodities at Sea, FIS

Written by **Emma Feng**, Head of Research; **Lena Liu**, Research Analyst

+44 (0) 207 090 1120

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