

FIS Dry Freight Weekly Report

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Market Review:

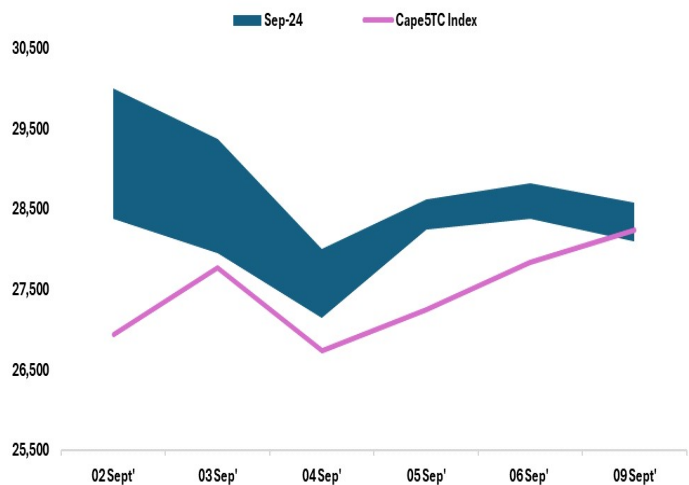
Last week, the paper market across all vessel sizes drifted lower due to a lack of substantial improvements in the underlying fundamentals. In the spot market, Cape rates remained supported by ongoing activity of iron ore voyages in the Pacific and transatlantic runs. However, Panamax sector struggled with decreased fixing activity, leading to losses on all routes. Additionally, recent Chinese economic data showed deflationary pressures and presented mixed signals on commodity trade figures: August saw record-high soybean imports from Brazil and increased crude oil imports compared with July, but a decline in iron ore and coal import volumes.

Freight Rate \$/day	09-Sept	02-Sept	Changes %	Short Term	Sentiment
Capesize 5TC	28,232	26,935	4.8%	Neutral to Bearish	↘
Panamax 4TC	10,385	10,412	-0.3%	Neutral to Bearish	↘
Supramax 10TC	13,879	14,259	-2.7%	Neutral to Bearish	↘
Handy 7TC	12,948	13,337	-2.9%		

Capesize

The Capesize market saw a correction early in the week, following weakness in the paper market. Despite this, the underlying market remained supported by healthy iron ore cargo volumes and steady fixing rates in the Atlantic. By the week’s end, market confidence recovered fuelled by active cargo demand from all three majors and disruptions caused by a typhoon making landfall in parts of South China. On a weekly basis, Capesize iron ore shipments edged up 2% to 30.9 million tonnes, driven by robust Australian volumes. Nevertheless, coal and bauxite segments fell out of the negative territory, with coal shipments on Capesize vessels slumped by 21.5% over the week to around 5.8 million tonnes. Additionally, minor bulk weekly shipments fell by 6.6% to 3.2 million tonnes. As the new week started, the market faced increased pressure due to the persistent shortage of coal cargoes.

Cape 5TC Rolling Front Month Trading Range vs Spot



In the Pacific, the key C5 iron ore route (West Australia to China) initially rose from the previous week's peak of \$11.70 to \$11.85 for laycans between 17th-21st Sept. Mid-week, the C5 market dipped to \$11.20 due to a weaker oil market. Despite this downturn, busy activity from the three major shippers and concerns over potential port closures in South China and Southeast Asia caused by Super Typhoon Yagi helped the market recover. By the end of the week, C5 rates strengthened to \$11.90-\$12 for 20th-22nd Sept.

Moving to the Atlantic, the C3 route held steady at the start of the week, with rates at \$27.85 for 24-26 Sept laycans and \$27.25 for 10-15 Oct. Following a similar trend as the Pacific, C3 rates dipped to \$26 on Wednesday for early October laycans before recovering to \$27.40, and eventually reaching \$28.20 later in the week but weekly cargo volumes reported to be lower. Additional gains were seen on the transatlantic round, with trips from Puerto Bolivar to Eren and Iskenderun fixing in the low \$17s. The week closed on a positive note, supported by healthy iron ore cargo volumes and improved sentiment in the Atlantic market.

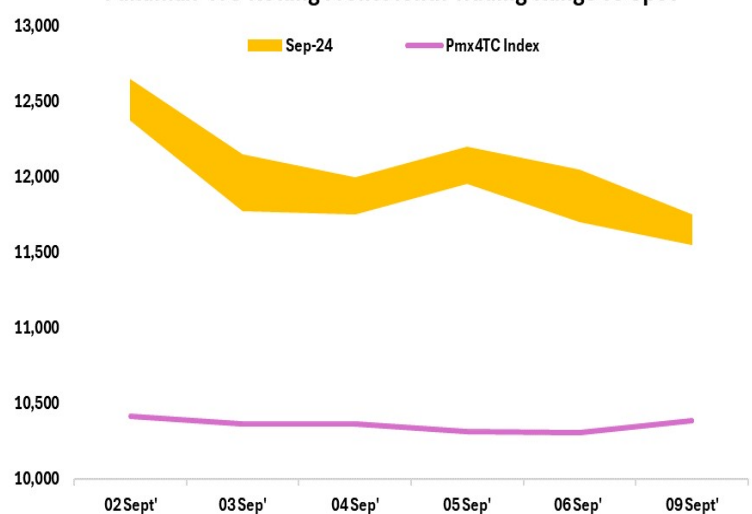
FFA: The Capesize market experienced a volatile week with considerable fluctuations. Monday opened lower with Sep dropping to \$29,000 and Q4 to \$28,250 before some brief recoveries. Despite a positive index (+\$1,235 to \$26,935), the market was sold off again in the afternoon, with Oct trading down to \$29,900, Q4 at \$28,150. Tuesday started flat, with Sep hovering around \$29,000, but heavy selling pressure in the evening session as the week went on, activity in the Pacific began to slow. Sep fell to \$28,000, Oct to \$29,000, and Q4 to \$27,500, finding some stability at the close. Wednesday saw continued downward pressure early in the session, with Sep reaching a low of \$27,500. Post-index (-\$1,036 to \$26,738) saw the market rebounded, pushing Sep back up to \$28,000 and Oct to \$29,500. Thursday brought a modest recovery with heightened cargo inquiries and improved rates, with Sep back up to \$28,700 and Oct to \$29,500. Despite a brief sell-off, buyers returned, pushing the market higher once again. On Friday, the market remained relatively stable with a positive index (+\$585 to \$27,832). Sep rose to \$28,750, while Oct to \$30,250, driven by strong buying interest as the weekend approached.

Short run neutral to bearish

Panamax

Prompt tonnage continued to build up in the North Atlantic, and combined with reduced grain shipments from the South, the Panamax market faced increased bearish pressure last week. On Monday, market sentiment appeared to improve with the return of Australia coal demand, if this positive shift continues and is reinforced by favourable developments in other key regions later this week, it could lift the Panamax market out of its recent downturn. In terms of demand, both the coal and grain segments deteriorated last week. Panamax coal shipments ended its three-week steady increase and dropped by 6.8% to 14.8 million tonnes due to sharp decline from the Australia shipments. Similarly, Panamax grain shipments slumped 18.4% from the previous week to below 4 million tonnes, impacted by lower cargo volumes from all key regions. Additionally, minor bulk shipments retreated from the previous peak but still at a healthy level of around 4.2 million tonnes.

Panamax 4TC Rolling Front Month Trading Range vs Spot



Regarding fixtures, we observed losses across all routes, with P1A experiencing the most significant decline. In the Atlantic basin, The South Atlantic remained the focus in the Atlantic basin with scant fixtures heard from the North which built up its tonnage. Standard trips with 82kt of grains via ECSA with redelivery in Singapore-Japan were initially fixed over 1k lower to \$14,000. On the TA routes, a trip via ECSA redelivery Skaw-Gibraltar was fixed at \$16,000 for mid Sept laycan; a cargo with iron ore from Narvik to Ghent was fixed at \$7.35 for 6-15 Aug. In the Asian market, coal shipments from Indonesia were prominent, with trips to China fixing in the low \$10,000s and to Singapore-Japan up to \$12,000. There were fewer coal cargoes from Australia this week, with a trip from East Coast Australia to India fixed at \$16,500. Additionally, a NoPac grain run was fixed at a support level of \$14,250.

FFA: The Panamax market experienced a relatively quiet week, with limited fluctuations and a generally rangebound trend. Monday kicked off with subdued trading, as Sep and Oct slipped to \$11,850 and \$13,850 respectively, while Q4 dropped to \$13,800. Cal25 also softened, closing at \$12,700. On Tuesday, the market continued to see narrow trading, as owners remained under recent pressure, especially in the Atlantic basin. Post-index selling (-\$45 to \$10,367) saw Sep traded to \$11,750 and Oct to \$13,750. Cal25 also dipped to \$12,600, with the market offered at the lows by day's end. Wednesday remained rangebound with the index dropping by \$4 to \$10,363 while the Sep contract saw a slight increase of \$175 by the market close. Thursday began with some early buying, pushing Sep and Oct above \$12,000 and \$14,000, but post-index (-\$53 to \$10,310) selling dragged prices back down a little bit, Cal25 briefly rose but returned to opening levels. Friday was similarly quiet, with early bids pushing Sep and Q4 up \$250, but post-index (-\$1 to \$10,309) activity brought Sep down to \$11,800, leaving the rest of the curve unchanged. The week ended with minimal volatility and a relatively flat market overall. Though there were brief periods of improvement, the Panamax market remained mostly rangebound, with gains often erased by afternoon selling pressure.

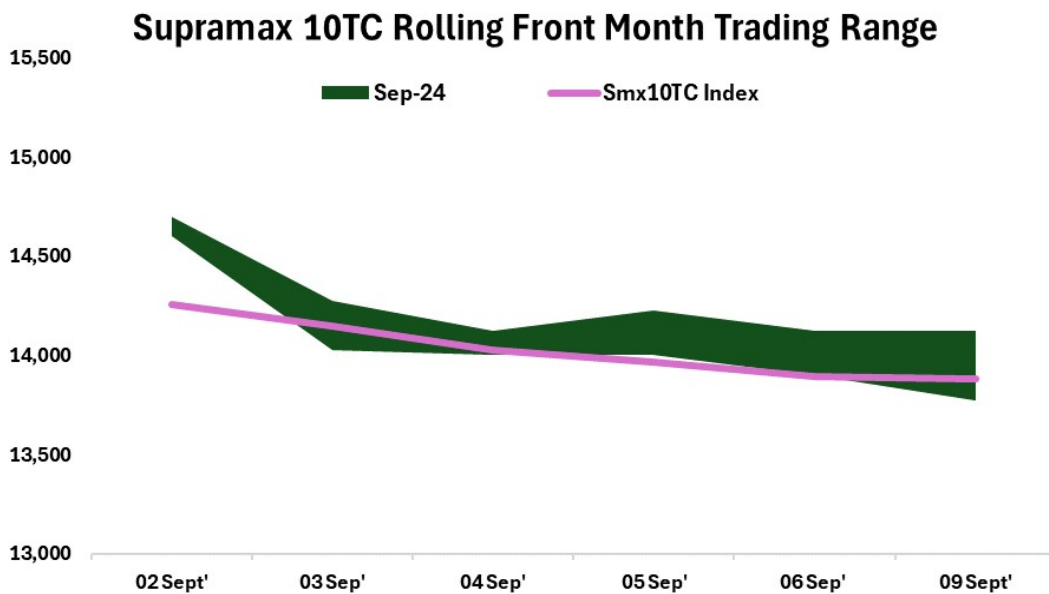
Short run neutral to bearish

Chart source: FIS Live

Supramax

FFA: The Supramax market had a lacklustre week as the north and south Atlantic experienced a shortage of fresh inquiries. Monday began with some early bid support, pushing Sep and Q4 up slightly, but rates fell post-index (-\$110 to \$14,259), with Sep closing at \$14,275. On Tuesday, the market remained under pressure as the summertime lull still impacted the Atlantic, and a \$112 drop to \$14,147 in the index led to further declines. Sep traded down to \$14,050, Q4 to \$14,100, and Cal25 reached a low of \$12,600. Wednesday followed a similar pattern, with rates under pressure at the start. However, post-index (-\$121 to \$14,026), buying interest picked up slightly, closing the day flat compared to Tuesday. Thursday's focus shifted to deferred contracts, with significant trading on Cal25, ranging between \$12,825 and \$12,650. A quiet afternoon resulted in a close slightly above Wednesday's level. By Friday, rates had declined further, with Sep dropping to \$13,900 and Q4 fluctuating within a \$250 range, hitting a low of \$14,150. Cal25 remained unchanged at \$12,650. The week closed with lower prompt months and a flatter deferred curve.

Short run neutral to bearish



FFA Market Indexes

Freight Rate \$/day	09-Sept	02-Sept	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	28,232	26,935	4.8%	23,677	16,389	16,177	33,333	13,070
Panamax4TC	10,385	10,412	-0.3%	14,075	11,518	8,587	25,562	8,587
Supramax10TC	13,879	14,259	-2.7%	14,280	11,240	8,189	26,770	8,189
Handy7TC	12,948	13,337	-2.9%	12,796	10,420	8,003	25,702	8,003

FFA Market Forward Values

FFA \$/day	09-Sept FIS	02-Sept FIS	Changes %	Weekly Mkt		2024 Mkt	
	Closing	Closing		High	Low	High	Low
Capesize5TC Sept 24	28300	29050	-2.6%	29,750	27,200	30,000	23,000
Capesize5TC Q4 24	27850	28200	-1.2%	28,850	27,100	30,500	25,650
Panamax4TC Sept 24	11675	12025	-2.9%	12,400	11,500	17,950	11,500
Panamax4TC Q4 24	13925	13900	0.2%	14,450	13,600	17,250	12,300
Supramax10TC Sept 24	13900	14275	-2.6%	14,550	13,800	16,150	12,300
Supramax10TC Q4 24	13925	14500	-4.0%	14,600	13,900	15,650	12,150

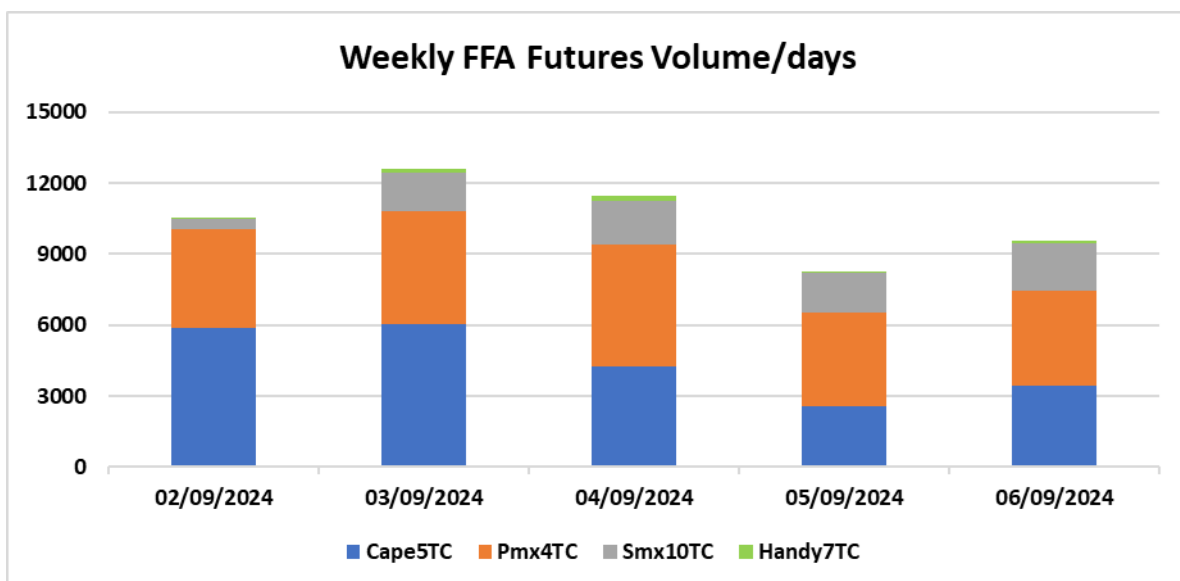
Data Source: FIS Live, Baltic Exchange

FFA Market

Trading activity picked up last week with heavy volumes being traded at the start of the week. However, caution took hold later in the week as futures prices recovered, leading to a quieter close. A total of 61,300 lots were traded in the dry FFA market, the Capesize and Panamax contracts attracted the most interest, with daily averages of 4,430 lots and 4,420 lots, respectively. Supramax contracts followed with an average of 1,510 lots per day, while Handysize contracts saw less interest, with an average of around 120 lots traded daily. The primary focus was on Sep, Oct, Q4, and Cal25 contracts, with less attention given to further-dated contracts.

Open interest rose gradually despite falling futures prices, indicating bearish sentiment and increasing positions. As of September 9th, open interest stood at 159,694 for the Cape 5TC contract (+3,870 w-o-w), 151,607 for the Panamax 4TC contract (+4,780 w-o-w), and 65,898 for the Supramax 10TC contract (+1,490 w-o-w).

In voyage routes, the C5 market saw robust trading activity, with 5.3 million tonnes traded for Sep and Oct prompt contracts. Meanwhile, the C3 market recorded 50,000 tonnes traded for the Sep month.



Dry Bulk Trades/Iron Ore

Iron ore shipments were nearly unchanged compared to the previous week, with a slight decline of 0.3%, bringing the total to around 33.7 million metric tons (MMT). Among the top exporters, Australia recovered by 12.0% from the dip in the previous week to approx. 19.3 MMT, with shipments to China surpassing the six-year seasonal range, as shown in the chart below. Brazil's exports experienced a sharp fall of 25.2% last week, down to 7.7 MMT, which was the main factor contributing to the overall lower shipment volume. Elsewhere, exports from South and West Africa remained steady, dipping slightly by 2.4% to a total of 1.5 MMT.

On the demand side, seaborne volumes bound for China increased by 6.3% compared to the previous week, reaching 26.3 MMT. Notably, Australian exports to China surged by 28.2% to 17.6 MMT. In contrast, Brazilian exports to China declined by 28.3% to 5.7 MMT, remaining close to the six-year seasonal average.

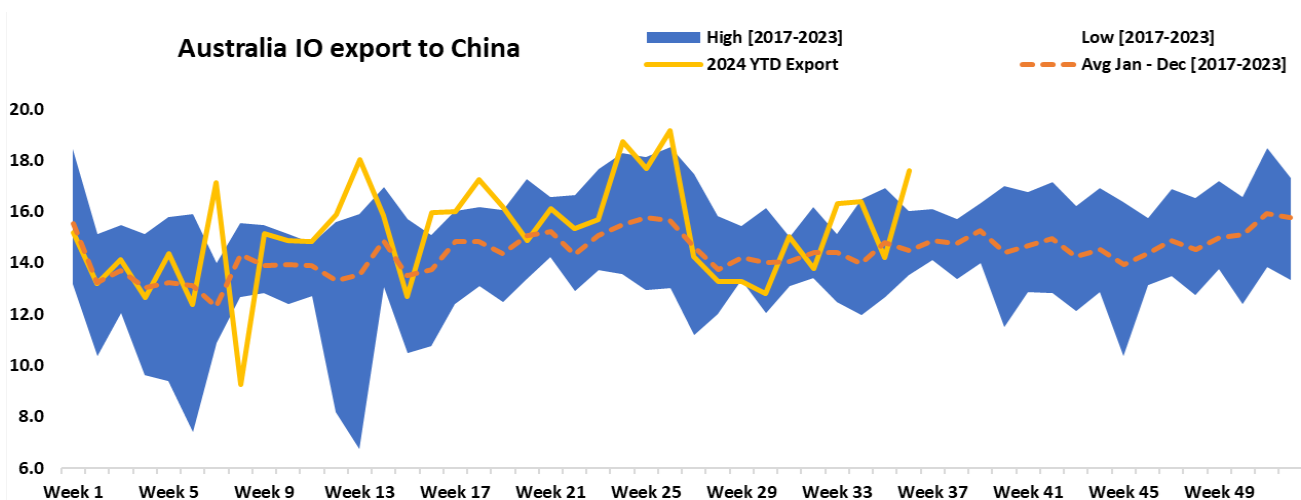
Dry Bulk Trades/Iron Ore

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

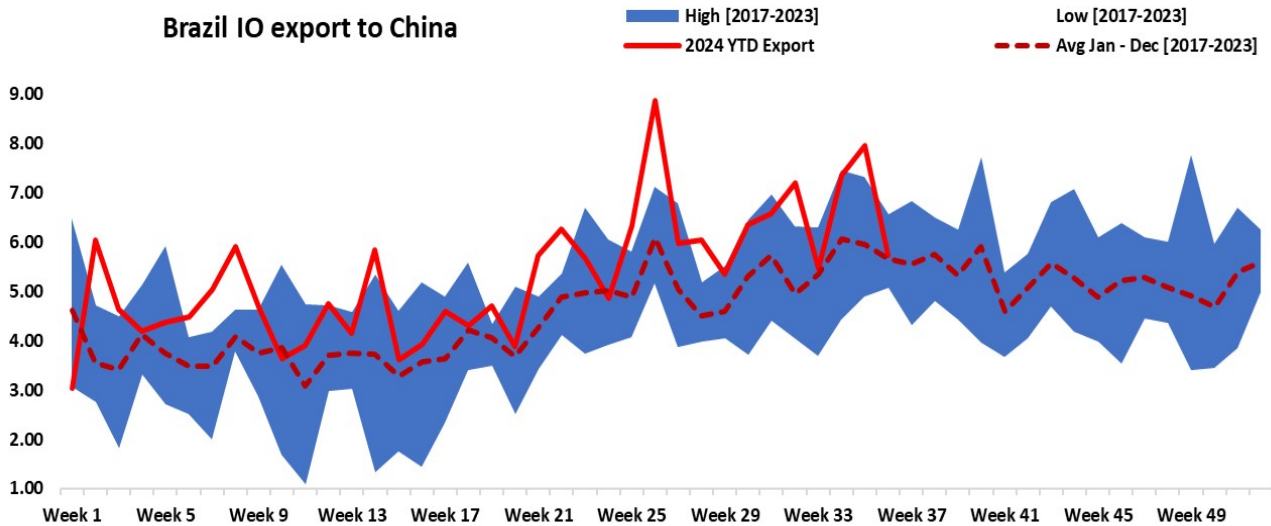
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	17.6	14.2	24.0%	11.61	11.31	2.6%
Brazil-China	5.7	8.0	-28.0%	27.82	27.50	1.2%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

After a brief rebound at the end of Aug, global coal shipments fell by 10.5% last week to 26.2 MMT, as export volumes from both key regions declined. Indonesia's coal exports dropped by 4.1% from the previous week, reaching 11.45 MMT. The primary driver behind this decline was the sharp reduction in coal shipments from Indonesia to India, which plummeted by 25.9% to 2.4 MMT. In contrast, shipments from Indonesia to China rose by 12% to 4.9 MMT. Exports from Indonesia to the JKT region also increased by 20.3% to 2.2 MMT, though this had a minimal impact on the overall totals.

Meanwhile, Australia, another key exporter, experienced a significant drop in coal shipments, falling by 21.9% to approximately 6 MMT. Shipments to China from Australia decreased by 25.4% to 1 MMT, and exports to India fell sharply by 38.2% to 390 KT. However, shipments to Japan rose by 5.4% compared to the previous week, reaching 3.0 MMT.

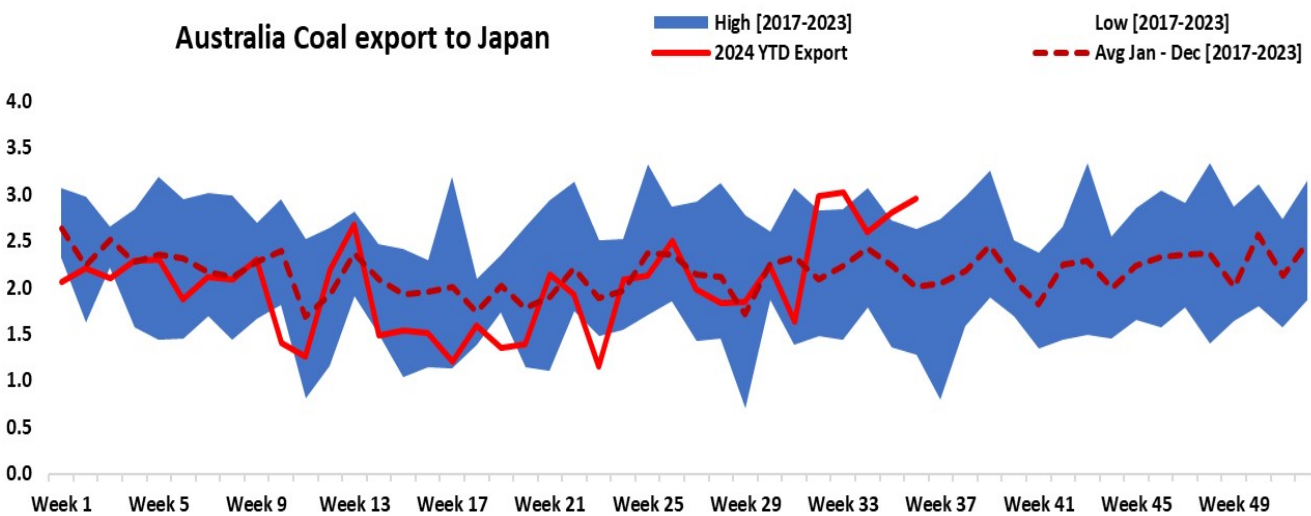
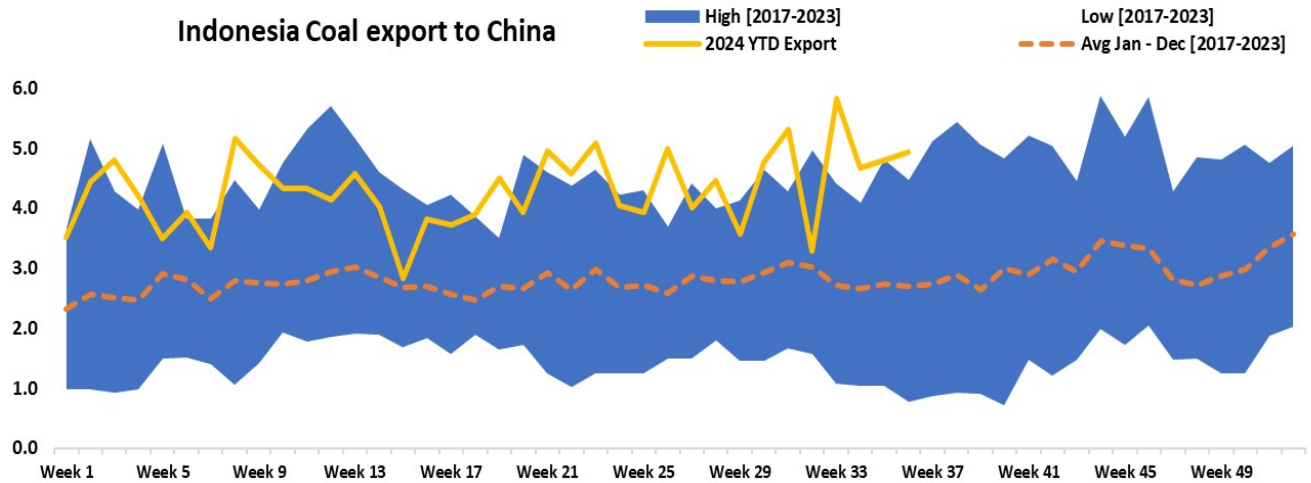
Dry Bulk Trades/Coal

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	4.9	4.8	2.8%
Australia-Japan	3.0	2.8	5.4%

Seasonality Charts

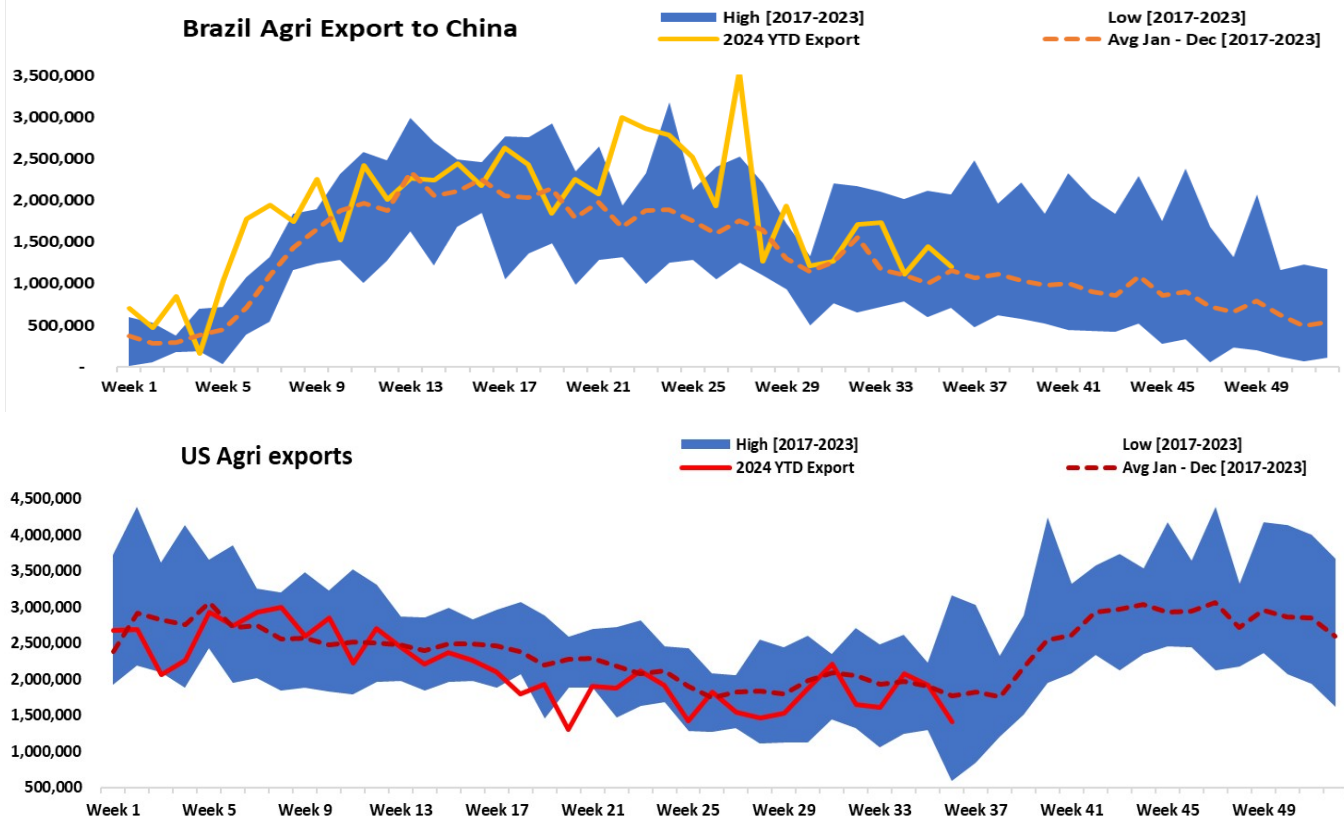


Dry Bulk Trades/Agri

Global grain shipments fell by 18.1% to around 9.7 million tonnes due to lower shipments from key regions. According to data from IHS Markit Commodities at Sea Service, exports from the East Coast of South America (ECSA) fell by 18.3% to 5.3 MMT, with Brazil alone seeing a significant decrease of 23.7% from the previous week, down to 3.7 MMT. While exports from Argentina steadied at 1.6 MMT, a slight 1.6% increase w-o-w. In contrast, North American shipments showed some positive momentum, rising by 8.6% week-over-week to 1.1 MMT. This growth was mainly driven by Canada with exports increasing by 18.8% to 612 KT. Meanwhile, U.S. shipments remained stable, with a total weekly volume of 475 KT.

On the demand side, grain shipments to China remained subdued for the third consecutive week. Last week's volume fell by 18.1% to 1.9 MMT, with shipments from Brazil remaining at their seasonal average level but slightly lower weekly exports from US.

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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