

FIS Dry Freight Weekly Report

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Market Review:

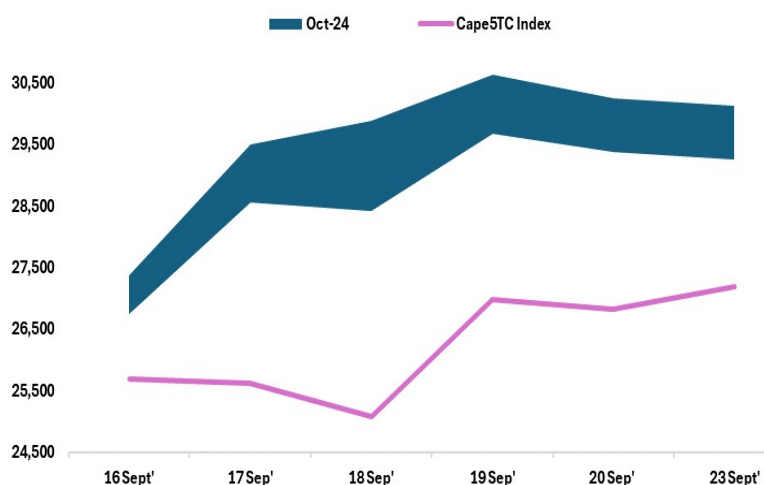
The Capesize market saw a resurgence in activity following the holiday, driven by improved sentiment particularly in the Atlantic basin. While last week closed on a positive note, market participants remain cautious this week, closely watching to see if the higher rates can be sustained by new orders. The smaller vessel sizes, in both the spot and FFA markets, experienced further gains, buoyed by firm coal and mineral demand across key regions. The outlook remains mixed as the market awaits signs of continued momentum.

Freight Rate \$/day	23-Sept	16-Sept	Changes %	Short Term	Sentiment
Capesize 5TC	27,162	25,684	5.8%	Neutral to Bullish	↗
Panamax 4TC	12,632	11,640	8.5%	Neutral to Bullish	↗
Supramax 10TC	14,412	13,954	3.3%	Neutral to Bullish	↗
Handy 7TC	12,746	12,727	0.1%		

Capesize

The Capesize market ended last week on a positive note, with futures contracts showing slightly higher gains than spot rates. Trading activity picked up after the Asian holiday, despite initial rate declines, as better sentiment in FFAs buoyed the physical market amid mixed views from participants. On the demand side, Capesize vessels saw a recovery across all segments, notably with bauxite shipments rising 16.7% to 2.8 million tonnes. Iron ore shipments also increased by 8.5% to 33.3 million tonnes, while coal shipments improved 6% to 7.3 million tonnes, driven by strong demand from key suppliers. Additionally, the narrowing of the Cape vs. Panamax spread from \$17,000 to \$14,000 led to a shift, with more coal volumes being moved via Panamax vessels.

Cape 5TC Rolling Front Month Trading Range vs Spot



Despite reduced activity in the Pacific market due to the Asian holiday at the start of the week, the key C5 iron ore route (West Australia to China) held steady at \$11.55 - \$11.75 for early October loading dates, before ticking up to a weekly high of \$11.90 for October 1-3. Mixed sentiment was observed mid-week as tonnage supply outweighed demand for prompt dates, with only one major charterer securing cargo at the low \$11.50 range. However, a firmer FFA market on late Wednesday boosted confidence in the physical market, pushing C5 rates back up to \$11.80 - \$11.90. Additionally, iron ore shipments from TRMT to Qingdao were fixed at \$9.85 for September 26-28 dates, while shipments to Son Duong were concluded at \$7.00 for September 23-25. On the coal front, lower cargo volumes were reported from East Coast Australia throughout the week.

In the Atlantic market, fronthaul trips saw a modest increase in Brazilian iron ore shipments, pushing C3 rates higher from the mid-\$26s to the low-to-mid \$28s for mid-October dates. Other iron ore cargoes were heard fixed at \$26.70 from Sudeste to Qingdao for early October, and at \$28.65 from Itaguaí to Qingdao for October 14-16. Furthermore, increased iron ore volumes were observed on the Transatlantic routes, with several fixtures from East Coast Canada to Qingdao for mid-October loading.

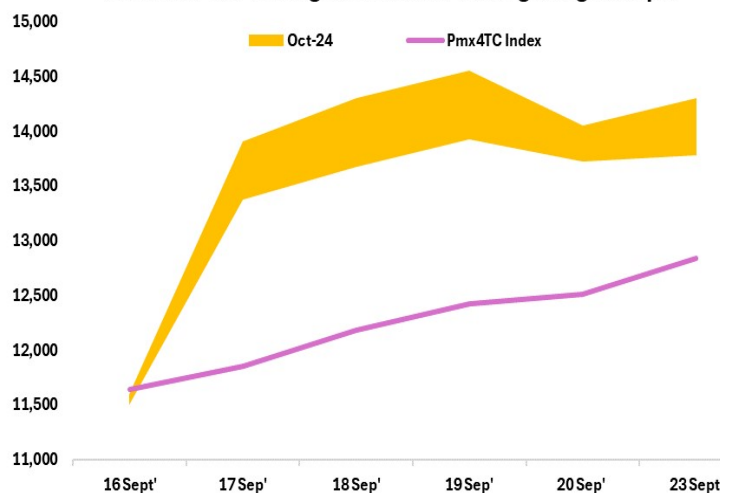
FFA: The Capesize market recorded weekly gains, despite losing ground in a couple of daily sessions, especially towards the end of the week where selling pressure increased. On Monday, the market opened flat, with Oct trading at \$28,500 and Q4 at \$27,000. Despite a slightly weaker-than-expected index at \$25,684 (+\$64), the market gained traction in the afternoon, supported by an increase in momentum in the Pacific, and Oct pushed up to \$29,250. Tuesday was volatile, with early bid support pushing Sep and Oct to \$27,450 and \$29,500, respectively. However, post-index (-\$61 to \$25,623), the market dipped, Oct closed at \$28,500 and Q1 dropped to \$15,900. Wednesday saw initial weakness as Oct traded down to \$28,250, but an aggressive afternoon rally reversed the trend, pushing Oct to \$29,750 and Q4 to \$27,800. Market volatility was further exasperated as spreads were highly active throughout the day. Early bid support continued Thursday, with Oct reaching \$30,500, while further down the curve, Cal25 traded up to \$21,650. However, post-index (+\$1,897 to \$26,980) saw the market lose \$500 on the front end, and the day closed offered slightly above the day's lows. Friday started strong with Oct trading at \$30,500, but sellers quickly took control, pushing Oct back down to \$29,250 by the evening. Similarly, Q4 selling pressure saw rates push down to \$27,950. Overall, the week ended with mixed sentiment, showing gains but ending with significant selling pressure.

Short run neutral to bullish

Panamax

Panamax time charter rates strengthened throughout last week, supported by robust fixing activity in the Atlantic and increased coal demand in Asia. The market closed on a positive note, with strong momentum carrying into the new week. Coal volumes played a central role, reaching a weekly high of 21.0 million tonnes. Despite a slight narrowing in the Cape-Panamax rate spread, Panamax vessels continued to transport around 47% of global coal shipments. However, grain shipments saw a notable decline, dropping nearly 19% to 4.6 million tonnes, while minor bulk cargoes also slipped by 12% week-on-week to 4.3 million tonnes, following a high in the previous week.

Panamax 4TC Rolling Front Month Trading Range vs Spot



Last week, the North Atlantic remained strong with the transatlantic routes achieving the highest gains among all. The continent return trips reached \$12,000. Notable fixtures on the fronthaul included a trip via US Gulf redelivery China fixed at \$18,500 and another via US East Coast redelivery India heard at \$25,500. In the South Atlantic, decent cargo volumes also provided support. Grains cargoes via ECSA with redelivery in Singapore-Japan were fixed higher, increasing from \$16,000 to \$16,250 as the week progressed.

The Asian market experienced a good clear-out of tonnage at the start of the week, particularly with coal shipments from Australia and Indonesia. Trips via Indonesia redelivery Japan was fixed at \$18,000 to \$18,500, while Indo/S China trips were around \$13,000. Additionally, coal cargoes via EC Australia redelivery India fetched \$14,250. The NoPac round trip for grains pushed higher to \$16,000 by the end of the week, compared to the previous week's level in the mid \$14,000s. Overall, it was a more optimistic week with improved activity across both basins.

Chart source: FIS Live

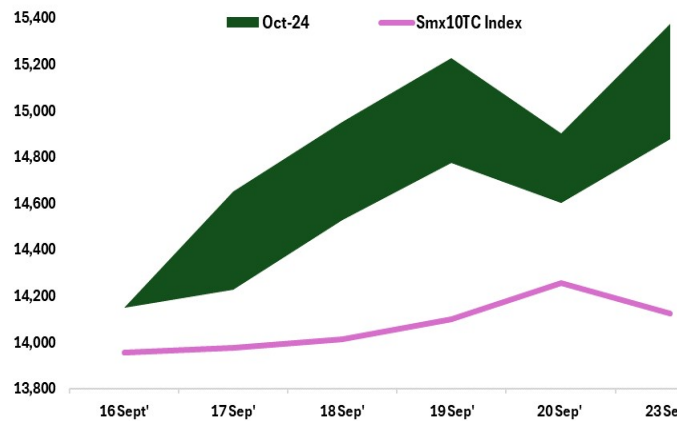
Panamax FFA: The Panamax market experienced steady improvements at the start of the week before partially losing ground towards the end of the week. Driven by robust period demand, especially on Atlantic routes, supported by strong mineral and grain demand from the US Gulf. Monday began with limited activity as Oct dropped to \$13,200 and Q4 to \$13,500. Post-index (+\$127 to \$11,640) support saw Q4 recover to \$13,750, but liquidity was limited as the market closed at opening levels. By Tuesday, early bid support and steady volumes helped push Oct up to \$13,800, with Q4 breaking the \$14,000 resistance to reach a high of \$14,050. The day ended on a stronger note, with Cal25 trading up to \$12,700. Continued support through to Wednesday saw Oct and Q4 trade within a narrow range between \$14,000 and \$14,250, while Q1 gained traction and traded up to \$11,800. Though momentum was slow, the market remained supported at these levels. Thursday began positively as firmer Cape sentiment lifted Panamax rates, with Oct reaching highs of \$14,500 and Q4 at \$14,400. However, a softer Cape sentiment triggered some uncertainty, pushing Oct and Q4 back below \$14,000 and Cal25 down to \$12,700 by the close of the day. There was minimal volatility on Friday, with Oct trading around \$14,000 before sellers pushed it down to \$13,800. Q4 followed a similar pattern, dropping to \$13,900 as the day ended on a quieter note. While there were some mid-week gains, the market ended with some softness, leaving traders waiting to see if momentum would pick up.

Short run neutral to bullish

Supramax

FFA: The Supramax market also recorded gains this week, driven by a couple of strong days midweek before mellowing out on the tail end. Monday started quietly, with Oct and Q4 trading down to \$14,100 and \$13,500, while Cal25 dipped to \$12,550. Overall, there was minimal movement throughout the day due to low liquidity. Tuesday brought stronger bid support as Oct climbed to \$14,600 and Q4 reached \$14,350, with Cal25 ticking up to \$12,800. Despite a modest index gain (+\$20 to \$16,008), the market held steady near the day's highs. Wednesday saw continued upward momentum, with Oct reaching \$14,900 and Q4 at \$14,600, supported by strength in the larger vessel sizes. The market closed at its highest levels of the week. Early Thursday, bid support pushed Oct and Nov to \$15,150 and \$15,000, respectively. However, post-index (+\$84 to \$16,131), the market came under pressure, pulling Oct back down by \$300 and Cal25 slipping to \$12,650. Friday opened under pressure due to weaker sentiment in larger vessels, causing Oct and Q4 to dip to \$14,600 and \$14,550. However, support quickly returned, and both contracts rebounded to the day's earlier levels, and the week concluded on a stable, rangebound note.

Supramax 10TC Rolling Front Month Trading Range



Short run neutral to bullish

FFA Market Indexes

Freight Rate \$/day	23-Sept	16-Sept	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	27,162	25,684	5.8%	23,832	16,389	16,177	33,333	13,070
Panamax4TC	12,632	11,640	8.5%	13,949	11,518	8,587	25,562	8,587
Supramax10TC	14,412	13,954	3.3%	14,267	11,240	8,189	26,770	8,189
Handy7TC	12,746	12,727	0.1%	12,794	10,420	8,003	25,702	8,003

FFA Market Forward Values

FFA \$/day	23-Sept FIS	16-Sept FIS	Changes %	Weekly Mkt	Weekly Mkt	2024 Mkt	2024 Mkt
	Closing	Closing		High	Low	High	Low
Capesize5TC Oct 24	30000	29250	2.6%	30,600	28,550	33,050	24,500
Capesize5TC Q4 24	27950	27475	1.7%	28,500	27,000	30,500	25,650
Panamax4TC Oct 24	14300	13550	5.5%	14,500	13,200	16,250	13,200
Panamax4TC Q4 24	14250	13825	3.1%	14,350	13,500	17,250	12,300
Supramax10TC Oct 24	15300	14250	7.4%	15,400	14,200	16,000	14,000
Supramax10TC Q4 24	14900	14025	6.2%	15,000	14,000	15,650	12,150

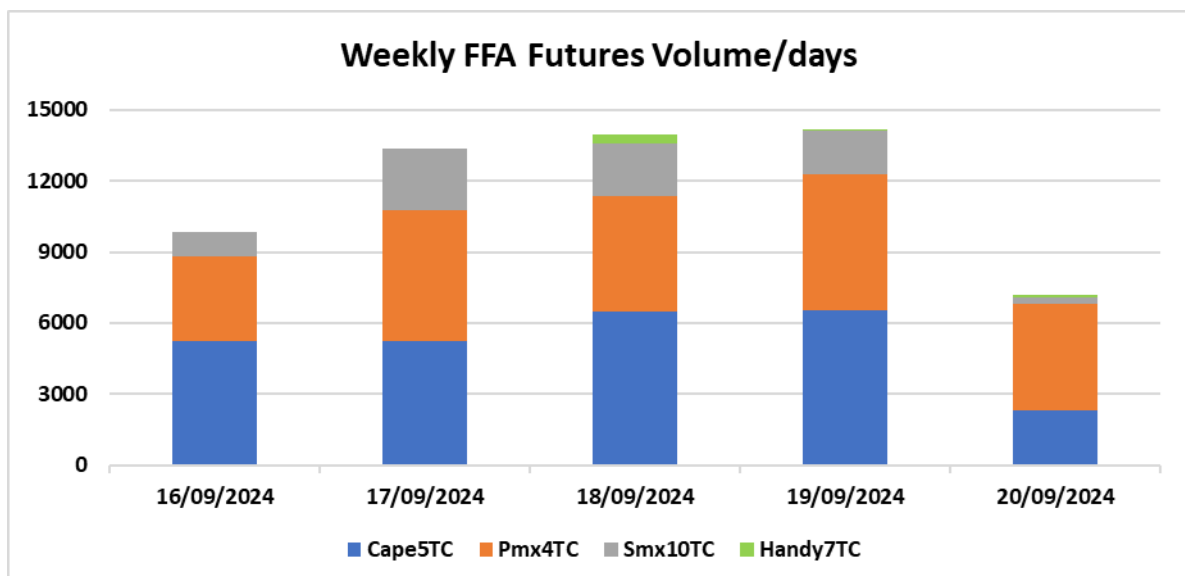
Data Source: FIS Live, Baltic Exchange

FFA Market

Last week marked one of the busiest periods in the dry FFA market, as more participants returned to trading. A total of around 67,860 lots were traded, with Capesize and Panamax contracts attracting the most interest, averaging 5,170 and 4,840 lots per day, respectively. Supramax gained traction, averaging 1,600 lots daily, while Handysize saw lower activity at just 100 lots per day. Trading focused mainly on October, November, Q4, Q1, and Cal25 contracts, with some attention to Dec-24 and new interest emerging for Cal29-31 periods. The options market was quieter, recording 630 lots for Capesize and 1,320 lots for Panamax.

Open interest continued to rise alongside steady future prices, suggesting a bullish market outlook. As of Sept 23rd, open interest for the Cape 5TC contract was 174,206 (+9,400 w-o-w), Panamax 4TC was 160,686 (+3,700 w-o-w), and Supramax 10TC was 69,711 (+2,300 w-o-w).

On the voyage routes, the C5 (West Australia to China) route saw increased activity, with 6.58 million tonnes traded on prompt Sept – Nov contracts. The C3 (Tubarao to Qingdao) market reported 225,000 tonnes traded for the Oct contract and 720,000 tonnes traded on Cal25.



Dry Bulk Trades/Iron Ore

Iron ore shipments rebounded last week after three weeks of decline, increasing by 3.4% to approximately 35.1 million metric tonnes (MMT). Australia, the largest contributor, experienced a 3.3% rise in exports to 20.8 MMT, despite a decrease in demand from China. Brazil also saw a modest increase, with exports rising 4.8% to 8.6 MMT. Notably, Canada's iron ore exports surged by 47.6% to 1.2 MMT, while South and West Africa faced disappointing results, with exports dropping by 18.8% to 1.4 MMT.

On the demand side, seaborne volumes heading to China fell by 5.5% to 27.0 MMT. Australian exports to China decreased by 3.1% to 17.6 MMT, although they still exceeded the six-year seasonal range. Brazilian exports to China also declined, down 10.1% to 6.6 MMT, yet remained above the six-year seasonal average. Over the past four weeks (Weeks 35-38), iron ore exports have fluctuated, generally exceeding year-on-year levels. Despite the ongoing downturn in China's property market, the country continues to build its iron ore reserves, with demand increasing year-on-year by an average of 19.9%.

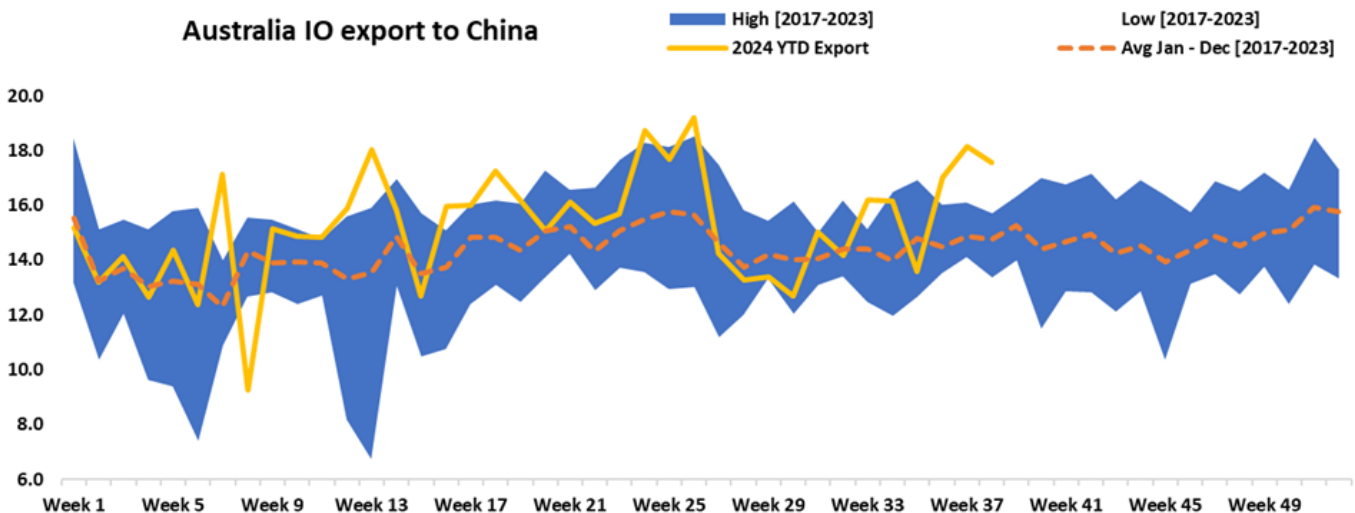
Dry Bulk Trades/Iron Ore

Export (million tonnes)	Aug-24	Jul-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Australia	78.9	75.8	249.4	223.2	244.8	236.0	947.9	935.9	923.0
Brazil	38.2	35.0	95.6	84.2	103.3	103.6	372.0	344.6	353.3
South Africa	5.0	3.4	14.2	14.0	14.2	13.2	55.4	56.5	60.0
India	1.8	2.9	10.5	15.6	13.7	9.1	45.3	15.9	36.9
Canada	7.1	4.9	14.6	13.7	16.9	17.2	61.1	57.3	57.1
Others	17.0	16.9	53.9	48.4	51.2	47.7	184.1	177.5	201.8
Global	148.1	139.0	438.2	399.2	444.1	426.8	1667.5	1587.8	1632.0

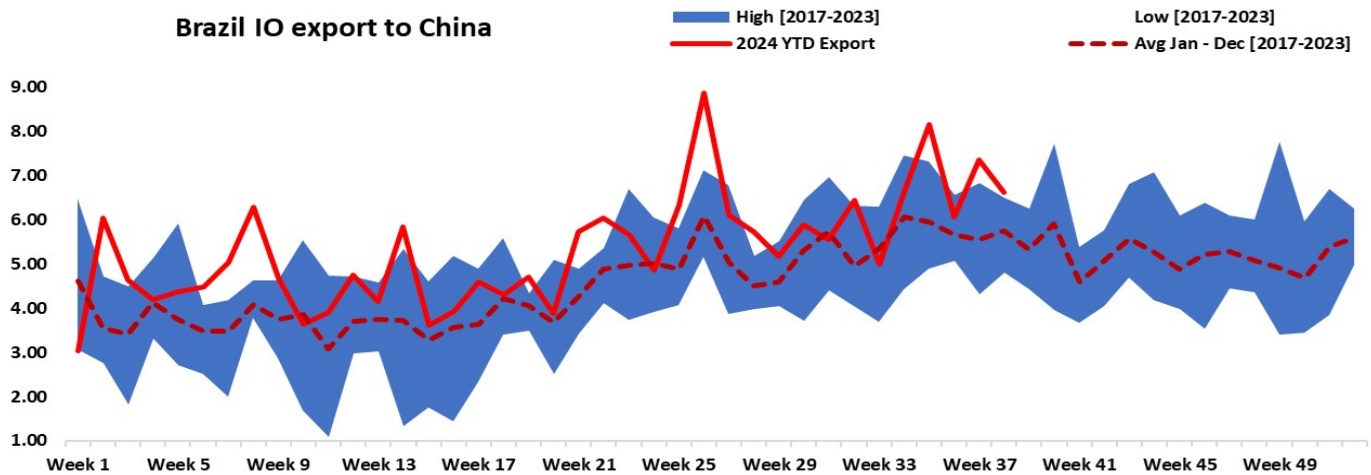
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	17.6	18.1	-3.1%	11.71	11.60	1.0%
Brazil-China	6.4	7.4	-12.5%	27.19	27.58	-1.4%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Global coal shipments saw a significant increase of 16.5% last week, reaching 30.5 million metric tonnes (MMT). This growth was primarily fuelled by a remarkable rise in shipments from Indonesia, which jumped 24.0% to approximately 12.2 MMT. Australia also contributed to the positive trend, with coal exports rising by 8.4% to 8.3 MMT. However, demand for Indonesian coal in the JKT region declined, with shipments falling by 28.5% to 1.1 MMT. Conversely, Australian coal exports to the JKT region surged by 24.1% to 5.0 MMT, while shipments to China decreased by 20.1% to 1.3 MMT. Notably, exports to India experienced a remarkable increase of 145.8%, reaching 682 KT.

On the demand front, coal seaborne volumes destined for China rose by 28.8% to 9.9 MMT. Indonesian coal exports to China significantly increased, up 41.3% to 5.9 MMT, well above the six-year seasonal average. Additionally, shipments from Australia to Japan also surpassed its peak six-year seasonal range, surging 41.8% week-on-week to 4.0 MMT. Over the past four weeks, global coal shipments have consistently exceeded year-on-year levels. The JKT region has shown a strong demand for coal imports, with an average increase of 23.5% year-on-year during this period. China's coal demand has also demonstrated positive growth in three out of the last four weeks, likely driven by increased energy consumption to mitigate the warm weather experienced in September.

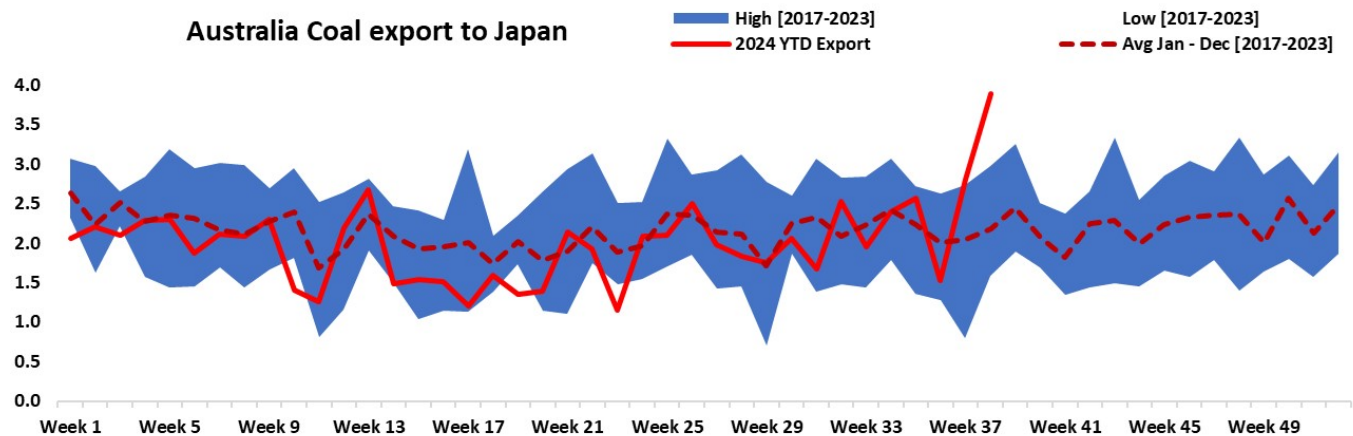
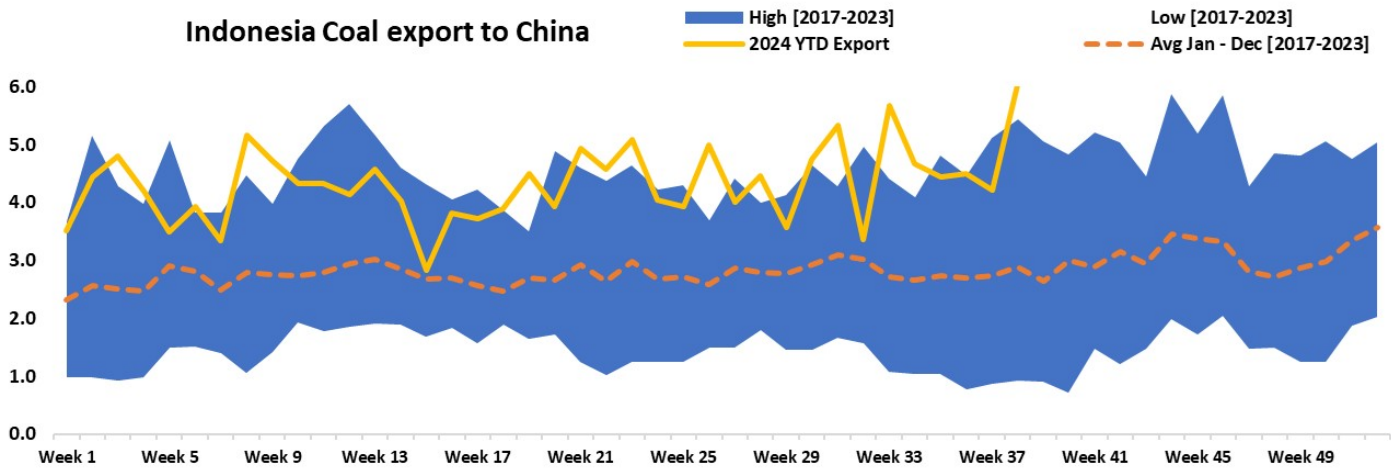
Dry Bulk Trades/Coal

Export (million tonnes)	Aug-24	Jul-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022	2021
Indonesia	46.3	45.7	136.3	130.6	143.5	123.4	508.7	462.2	415.2
Australia	33.5	27.9	90.7	86.5	94.9	88.3	356.0	339.2	368.4
Russia	13.9	15.4	45.0	36.8	39.6	47.1	186.9	192.5	172.1
USA	8.0	7.5	21.2	22.4	21.1	19.5	80.8	69.5	68.6
Colombia	5.6	4.7	16.8	16.7	16.3	15.7	59.2	61.0	60.7
South Africa	5.2	3.5	15.0	15.2	16.0	14.9	61.9	61.6	62.0
Others	7.1	8.2	27.2	26.0	29.3	25.8	105.7	556.0	501.3
Global	119.7	113.0	352.3	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	5.9	4.2	41.3%
Australia-Japan	4.0	2.8	41.8%

Seasonality Charts

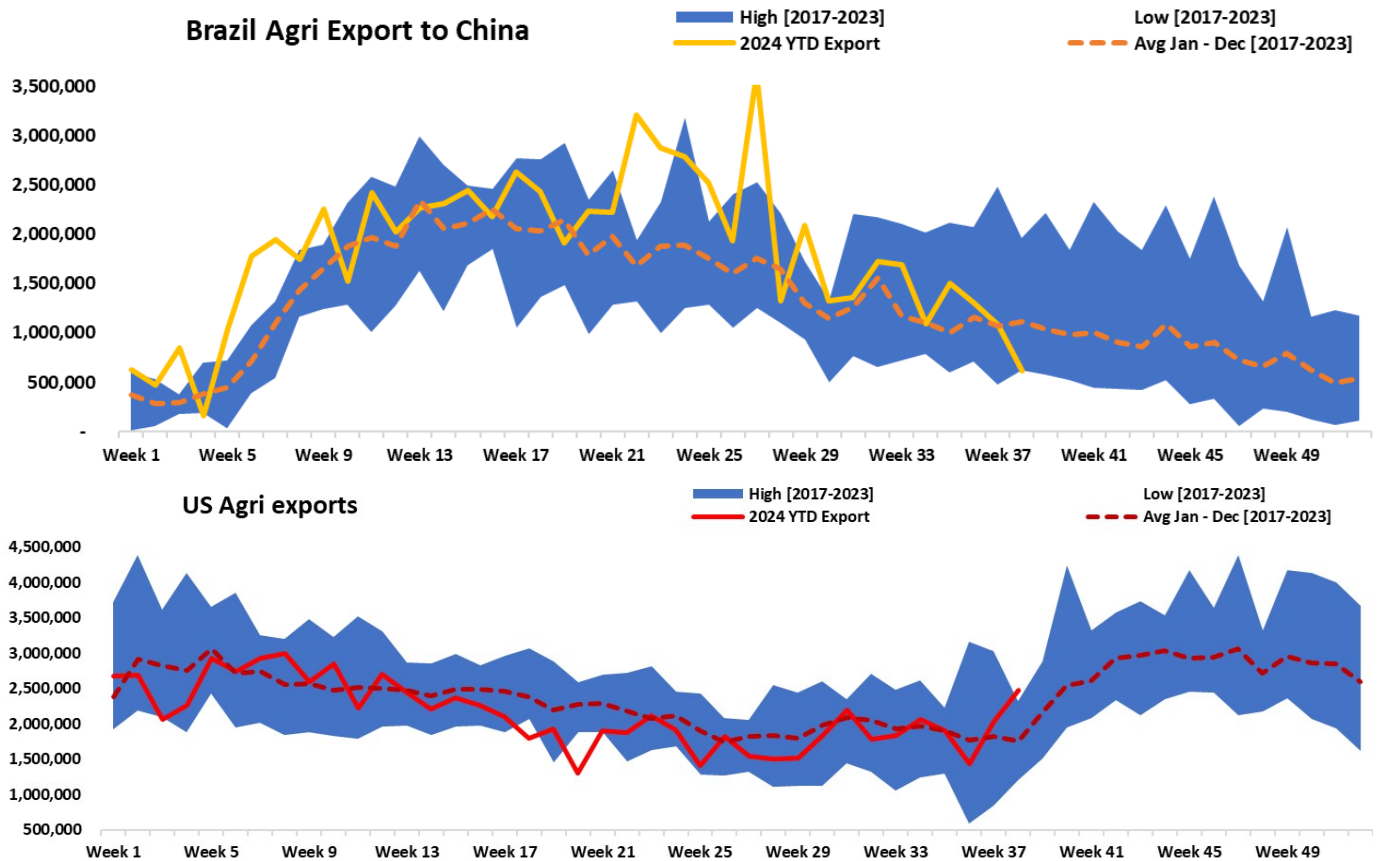


Dry Bulk Trades/Agri

Global grain shipments experienced a notable decline of 12.8% last week, totalling around 9.7 million metric tonnes (MMT). This drop was largely attributed to reduced exports from key regions, particularly the East Coast of South America (ECSA), where shipments fell by 26.8% to 4.1 MMT. Brazil, as the leading exporter, faced significant challenges due to widespread wildfires impacting agricultural yields, resulting in a substantial 29.2% decrease in exports to 2.8 MMT. Argentina also saw a decline, with its output down by 23.9% to 1.3 MMT. In contrast, North American exports rose by 20.2% week-over-week to 3.4 MMT, driven by a 25.0% increase in U.S. exports to 2.5 MMT and an 8.0% rise in Canadian exports, reaching 880,000 tonnes.

On the demand side, grain shipments to China continued to wane and fell by 32.3% w-o-w to 1.4 MMT last week. Shipments from Brazil to China reached a six-year seasonal low. Over the past four weeks (Weeks 35-38), agri-bulk volumes have generally trended lower compared to the same period last year, with the exception of Week 35. This

Seasonality Charts



Export (million tonnes)	Aug-24	Jul-24	Q2-24	Q1-24	Q4-23	Q3-23	2023	2022
Brazil	20.2	19.7	55.9	45.0	53.2	62.7	216.7	176.8
USA	8.5	7.4	25.0	34.0	34.6	18.3	106.7	129.5
Argentina	5.9	8.7	24.8	19.5	11.7	17.8	56.1	88.2
Ukraine	3.0	2.8	10.4	12.5	5.7	0.4	21.8	27
Canada	2.6	2.6	9.7	9.0	12.4	8.1	41.4	33.4
Russia	2.6	1.8	7.5	8.4	9.4	13.1	42.9	29.2
Australia	2.3	2.3	8.4	11.1	9.6	10.5	47.3	48.4
Others	4.9	6.2	18.1	20.7	21.5	21.3	82.8	402.6
Global	50.0	51.5	159.8	160.2	158.2	152.3	615.7	628.9

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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