

FIS Dry Freight Weekly Report

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15/10/2024

Market Review:

The Capesize market faced a week of downward pressure amid slower demand and macroeconomic factors, though there was a slight uptick in sentiment towards the end and a minor improvement in the Pacific market. The presence of fresh cargo in the Pacific and renewed interest from key players provides support, but a longer ballaster list and declining FFA rates suggest that any gains could be fragile. Market participants will be closely watching for additional cargo flow in the coming week to determine whether the positive momentum can be sustained. The week for the Panamax market diverged, showing healthy cargo volumes in the spot market against sharply falling FFAs. By the end of the week, the pace slowed, and subdued fixing activity added more downward pressure.

Freight Rate \$/day	14-Oct	07-Oct	Changes %	Short Term	Sentiment
Capesize 5TC	23,872	26,213	-8.9%	Bearish	↓
Panamax 4TC	11,347	11,397	-0.4%	Bearish	↓
Supramax 10TC	13,916	13,855	0.4%	Neutral to Bearish	↘
Handy 7TC	12,941	12,865	0.6%		

Capesize

It was a highly volatile week for the Capesize market, as the 5TC index dropped to a low of \$22,840 before a slight recovery on Friday, posting a 9% weekly decline. Its 30-day volatility surged to over 55%. The majority of the losses in the earlier part of the week were driven by slower iron ore demand and a weakening underlying iron ore market due to the lack of solid fiscal stimulus from China.

In the Pacific market, activity was subdued for most of the week. The key C5 iron ore route (West Australia to China) fixed immediately lower at the start of the week at \$10.45 for late Oct loading dates. As the week progressed, it slipped to around \$9.60 before recovering to \$9.90 for 26-27 Oct. Another iron ore trip from Whyalla to Qingdao was heard at the low \$15s for 11-25 Nov.

In the Atlantic, the C3 route followed the bearish trend, with its fixing rate for end-Nov falling to \$25.65 and then to \$25.25 by the end of the week. Healthy activity was observed from Brazil last week, with several trips from Itaguaí to Qingdao paying \$26.80 for 7-9 Nov and \$26.35 for 9-11 Nov. On the transatlantic routes, iron ore cargoes from Itaguaí to Rotterdam were paid at \$11.70 for 1-10 Nov and from Tubarao to Egypt at \$13 for the end of Oct and early Nov.

Cape 5TC Rolling Front Month Trading Range vs Spot

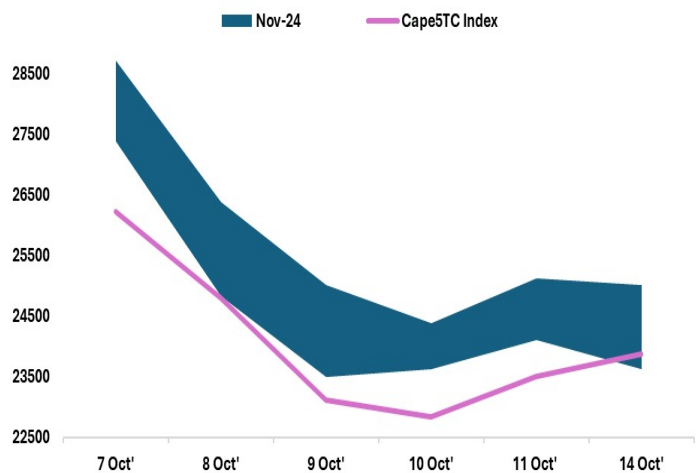


Chart source: FIS Live

FFA: The Capesize market faced a steady decline throughout most of the week, with some modest gains towards the end. Monday started quietly, with early pressure on prompt months, leading Oct and Nov contracts to slip to \$27,500 and \$26,200, respectively. Both Q1 and Cal25 contracts also faced downward pressure, finding support at \$17,350 and \$21,740. Weak demand in the Indian and Pacific Oceans exacerbated the situation on Tuesday, resulting in another significant drop. Oct opened \$900 lower at \$25,800, and continued sell-offs throughout the day pushed it down to \$24,850, which traded in large volume. Wednesday saw further losses, particularly for prompt months, as Oct dipped to \$24,000, Q4 fell to \$24,750, and Cal25 settled at \$21,700. The index mirrored this decline, dropping by \$1,680 to \$23,106. Thursday began cautiously after the previous day's dramatic sell-off, with Oct opening at \$24,000 where considerable size was traded. A better-than-expected index performance (down only \$262 to \$22,844) led to some recovery, as Oct climbed to \$24,400, Nov to \$25,750, and Q4 to \$25,250. The week ended on a positive note with solid bid support evident on Friday. Oct reached \$25,250, and Q4 traded actively at the same level. The index also rebounded by \$656 to \$23,509. Overall, the heavy trading volume in prompt contracts last week sets the stage for potentially interesting market dynamics in the weeks to come.

Short run bearish

Panamax

A mixed week for Panamax with the week started with signs of healthy cargo volume against a weakening FFAs market. By week's end, a more subdued atmosphere took hold, as both owners and charterers appeared to be recalibrating their expectations for the following week.

The Pacific market saw a mix of optimism and caution throughout the week. Early on, NoPac and Australian markets displayed a sense of balance with rates ticking up. Coal cargoes via Australia redelivery Singapore-Japan were fixed at \$16,000 and to China at \$15,500. Additionally, NoPac grains were paid at steady rate between \$12,000-\$13,000. However, the absence of

Chinese demand led to reduced coal volumes out of Indonesia, with one trip via Indonesia redelivering to the Philippines fixed at \$11,250 for 14-16 October and redelivering to China at \$15,500.

In the Atlantic market, the North began with a positive push, with indices showing slight gains and demand for minerals supporting an optimistic tone. However, the market faced challenges midweek, as momentum waned, and tonnage began to accumulate. For fronthaul routes, a trip via US East Coast redelivery India was heard at \$19,500. Later in the week, a grain cargo via US Gulf redelivery Sing-Japan was fixed at around \$23,000-\$24,000 for mid Oct. Transatlantic routes saw fixtures at \$12,000/day for mineral trips, but overall activity slowed, leading to lower bid levels from charterers. In the South, conditions were firmer with steady demand, grains trips with via ECSA with redelivery in Singapore-Japan for mid- Oct were fixed towards \$16,000 mid-week, then firmed up to \$17,500 before weekend.

Panamax 4TC Rolling Front Month Trading Range vs Spot

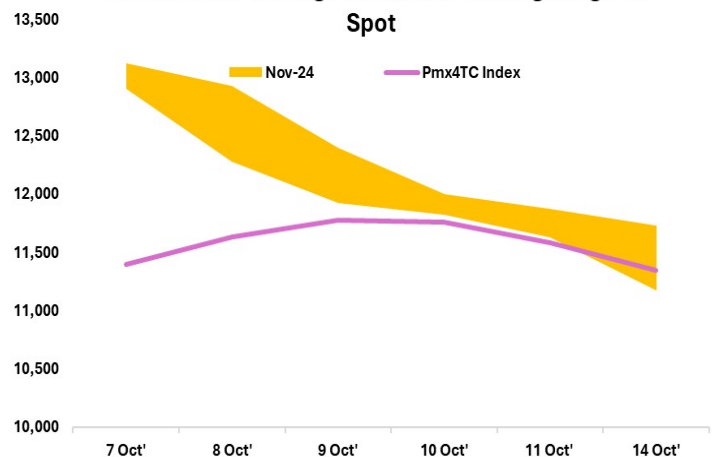


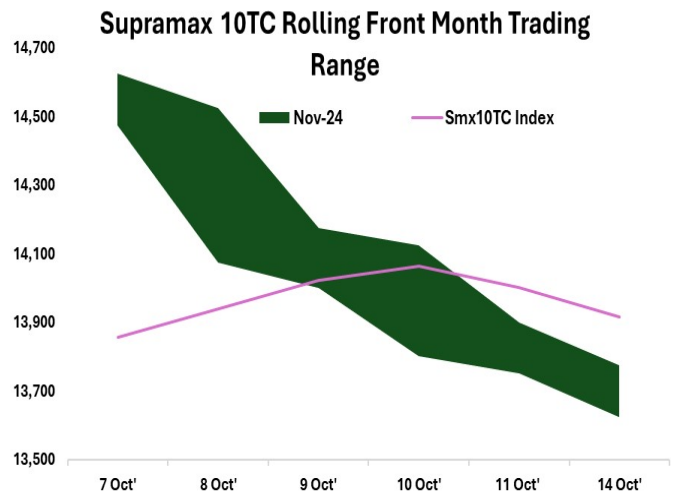
Chart source: FIS Live

Panamax FFA: The Panamax experienced significant declines, with rates falling by \$1,300 over the week. Monday started off with a slightly weaker tone, but some bid support emerged post-index (+\$237 to \$11,397), pushing Oct and Nov up to \$13,000 and \$13,800, while Q1 reached \$11,600. However, Tuesday brought renewed pressure, driven by weakness in the Capesize market, which heightened market anxiety. Despite a positive index move (+\$236 to \$11,633), Oct and Nov slipped to \$13,300 and \$12,900, while Dec tested the \$13,000 support level. The downturn continued on Wednesday, with Oct and Nov dropping by \$500 each to \$12,000 and \$12,500. The overall market sentiment weakened, prompting sellers to take advantage of the declining trend. The deferred contracts saw a similar pattern, with Cal25 falling to \$12,400 and Cal26 trading at \$12,250. Thursday saw a change of pace, as trading became more range-bound but with good volume. Oct and Nov sold off at \$11,800 and \$12,500, while Dec fell to \$12,600. The evening session brought some relief due to firmer Capesize activity, curbing the rate of sell-offs. Friday opened with Nov trading down to \$12,000 in high volume, while Q4 also slipped to the same level. The negative index (-\$179 to \$11,582) contributed to continued rate declines, although some bid support emerged, pushing Q4 back up to \$12,200 and Nov to \$12,250. The Panamax market corrected last week after a substantial divergence between rates and the index.

Short run bearish

Supramax

FFA: The Supramax market saw rates decline steadily throughout the week. Monday opened with low liquidity and range-bound activity, as Oct and Nov traded around \$14,650 and \$14,750. Further-out contracts saw minimal action, with Cal25 trading at \$13,500. On Tuesday, losses piled up, with the Supramax segment feeling the impact of larger vessel sizes and limited fresh inquiries from the Mediterranean. Oct and Nov fell to \$14,000 and \$14,150, respectively. Wednesday continued the downtrend, with early bid support fading by the afternoon. Oct dropped to \$14,000 and Nov to \$13,750. Thursday saw some fluctuation, as Nov traded between \$14,700 and \$14,800, Q1 held at \$11,750, and Oct ended the day at \$13,800. The week wrapped up quietly on Friday, with Oct closing at \$13,625, Nov at \$13,125, and Q1 at \$11,500. Overall, the Supramax market faced a challenging week, driven by broader market weaknesses and a lack of fresh demand.



Short run neutral to bearish

FFA Market Indexes

Freight Rate \$/day	14-Oct	07-Oct	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	23,872	26,213	-8.9%	24,046	16,389	16,177	33,333	13,070
Panamax4TC	11,347	11,397	-0.4%	13,759	11,518	8,587	25,562	8,587
Supramax10TC	13,916	13,855	0.4%	14,160	11,240	8,189	26,770	8,189
Handy7TC	12,941	12,865	0.6%	12,799	10,420	8,003	25,702	8,003

FFA Market Forward Values

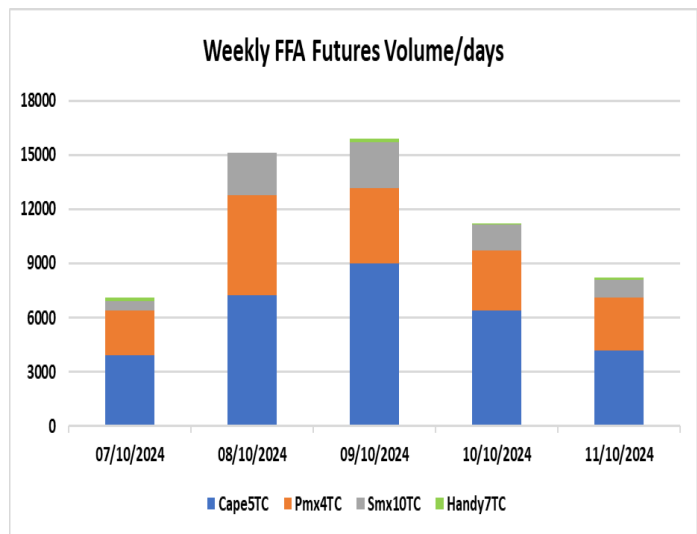
FFA \$/day	14-Oct FIS Closing	07-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Nov 24	24325	26550	-8.4%	27,200	24,500	29,250	24,500
Capesize5TC Q1 25	16700	17275	-3.3%	17,500	16,750	18,000	15,000
Panamax4TC Nov 24	11825	13800	-14.3%	13,850	11,900	15,800	11,900
Panamax4TC Q1 25	10550	11625	-9.2%	11,600	10,650	13,125	10,650
Supramax10TC Nov 24	13125	14725	-10.9%	14,750	13,300	15,300	13,300
Supramax10TC Q1 25	11500	12175	-5.5%	12,200	11,500	13,250	11,350

Data Source: FIS Live, Baltic Exchange

FFA Market

Following last week's sharp sell-off in the dry FFA market, trading volumes rebounded significantly to 70,500 lots, driven mainly by strong demand in the Capesize. The Panamax sector followed, with an average daily volume of 3,667 lots, compared to the Capesize's 6,150 lots per day. Meanwhile, the Supramax sector saw consistent activity, averaging 1,570 lots traded daily, while the Handysize segment remained relatively subdued, with a daily average of 122 lots.

On the open interest side, falling future prices and increased open interest confirmed a buildup of short positions in the market, suggesting that traders are becoming more bearish and expecting further price declines in the near term. As of Sept 23rd, open interest for the Cape 5TC contract was 165,121 (+4,720 w-o-w), Panamax 4TC was 149,881 (+5,380 w-o-w), and Supramax 10TC was 65,520 (+2,180 w-o-w). As the market transitioned into the second half of Oct, trading focus shifted from Oct to Nov contracts, with substantial activity also seen in Q1 and Cal25-26 contracts. In the options market, both Capesize and Panamax gained strong interests, resulting in a total of 1,860 lots and 2,925 lots traded last week, respectively.



On the voyage routes, the C5 route (West Australia to China) saw robust activity, with 4.03 million tonnes traded in prompt-month contracts for Oct and Nov, and an additional 1.1 million tonnes traded in Q1 contracts.

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