FIS

Dry Freight Weekly Report

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Market Review:

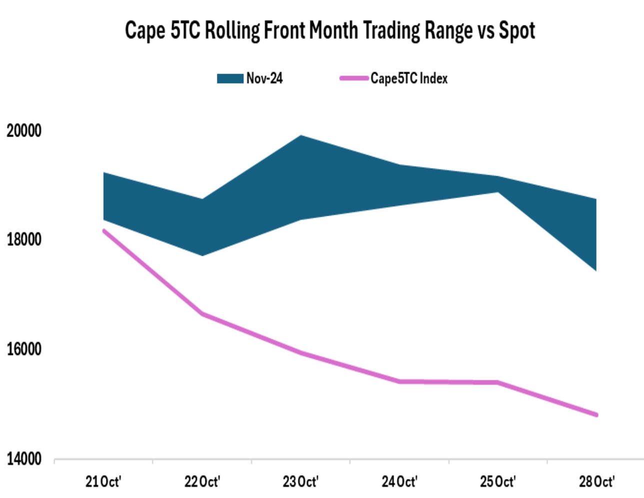
The Capesize market faced persistent downward pressure last week, with limited signs of stabilisation despite steady Pacific activity. Disruptions from Typhoon Trami and increased buying interest from China provided some mid-week support. Cargo volumes were mixed, with falling coal demand but offset by increase in iron ore and bauxite shipments. Similarly, the Panamax market also recorded another week of losses. Although an oversupply of vessels persists, demand across all key commodities showed signs of improvement, suggesting a potential recovery if this positive momentum holds.

Freight Rate $/day	28-Oct	21-Oct	Changes %	Short Term	Sentiment
Capesize 5TC	14,811	18,174	-18.5%	Neutral to Bearish	↘
Panamax 4TC	9,375	10,166	-7.8%	Neutral to Bearish	↘
Supramax 10TC	13,568	13,763	-1.4%	Neutral to Bearish	↘
Handy 7TC	13,023	13,073	-0.4%		

Capesize

The Capesize market saw persistent downward pressure this week, with only limited signs of stabilization despite relatively steady Pacific activity. The mid-week saw minor resistance, driven by disruptions from Typhoon Trami impacting iron ore and coal flows, alongside an uptick in buying interest from China. Iron ore prices also saw a slight lift amid renewed confidence from steel mills, though this was insufficient to counterbalance broader market challenges. The Brazil-China route remained under pressure, with ballast supply exceeding demand.

Cargo volumes showed mixed trends: Capesize iron ore shipments rose by 8.3% to 29.6 million tonnes, marking an end to a four-week decline. Bauxite shipments saw a strong rebound, up 21% week-over-week to over 4 million tonnes, while Capesize coal volumes continued their decline, dropping 14.8% to 4.6 million tonnes. By week's end, bearish sentiment continued to dominate, leaving the market to close on significant losses.



In terms of fixtures, the Pacific began slowly as some players attended a key industry conference in Western Australia. The C5 West Australia-China iron ore route dropped to $8.50 for early November loadings, rebounded briefly to $8.80 mid-week, but ultimately softened to below its opening level. Coal demand remained sparse, with a Whyalla-Qingdao shipment fixed just below $14, while a late October Gladstone-China trip fetched $17,500 daily.

In the Atlantic, ballast supply pressures kept rates down, with C3 settling at $20.50 for November loadings, a level that held through week's end. Fixtures included mid-November shipments from Seven Islands to Qingdao at below $28 and from Djen Djen at $12.25. Bauxite demand, however, was steadier, with a Boffa-Rizhao cargo fixed at $21.70 for early Nov.

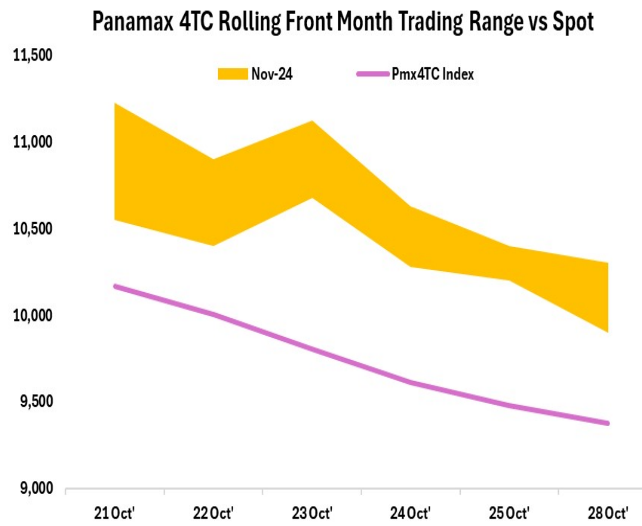
Chart source: FIS Live

FFA: The Capesize market opened the week gapped down, and despite some fluctuations, the week closed flat to open. On Monday, the Capesize market started off weak with prompt rates slipping at open. Oct dropped to $21,500, and Nov declined to $19,125 (down by $1,000 from Friday's close), continuing a downward trajectory throughout most of the day. Most of the trading volume focused on Cal25, fluctuating between $20,350 and $20,750. Tuesday's morning session was marked by strong selling, with Nov trading down to $18,250 (down $500), further decreasing to $17,750 later in the day. Dec also experienced a substantial decline, down to $20,250, spurring increased activity in Nov-Dec spreads. The evening session, however, saw a significant turnaround, with Nov rebounding to $18,500, Dec to $21,000, and strong trading volume for Cal25 at $20,300. Wednesday brought some improvements, with prompt rates reaching weekly highs. While early selling in Asia's morning session saw Nov and Dec well offered at $18,250 and $20,750, respectively, the post-index correction (down $722 to $15,932) saw buyers to regain momentum, pushing Nov and Dec up to $19,850 and $21,750. However, Thursday's market failed to sustain this rally, as Nov sold off to $19,350 early on, with heavy trading further pushing Nov down to $18,750, while Cal25 fell to $20,250. A brief revival occurred in the afternoon following a smaller index reduction (down $516 to $15,416), lowered by limited mining demand and increased tonnage supply, though the FFA market offered slight support. The week ended quietly, with Nov initially bought at $19,250 before dropping to $18,750. Cal25 closed at $20,300, with Q1 under pressure and trading at $14,200. Persistent fluctuations in sentiment left the week still in the red but much flatter compared to previous weeks.

Short run neutral to bearish

Panamax

Following the Cape market's downturn, Panamax posted another week of losses in both spot and FFA markets, though declines were less severe. The outlook of over vessels supply dampened gains, yet demand showed signs of improvement, hinting that the market may stabilise if this momentum holds. In terms of cargo volumes, Panamax coal volumes increased by 17.3% over week to at around 17.8 million tonnes, thanks to recovering demand and strong shipments from Australia. Meanwhile, iron ore exports rebounded significantly last week and its shipments by Panamax also soared up 79.3% from the previous week to 2.8 million tonnes. Moreover, minor bulk shipments also showed positive signs as its weekly volume rose 15.6% over week to 4.4 million tonnes. At last, Panamax grain shipments recovered nearly 9% from its previous sharp fell to 6.3 million tonnes last week, thanks to strong exports from Canada and US.



In the Pacific, despite the market saw a fresh around of cargoes demand, the tonnage supply was still lengthy that pressured rates lower. On the coal run, Indonesia trip redelivery South China and Japan dropped to $11,000 and $13,000 respectively, while NoPac trips redelivery Sing-Japan were fixed at $13,000 amid moderate demand.

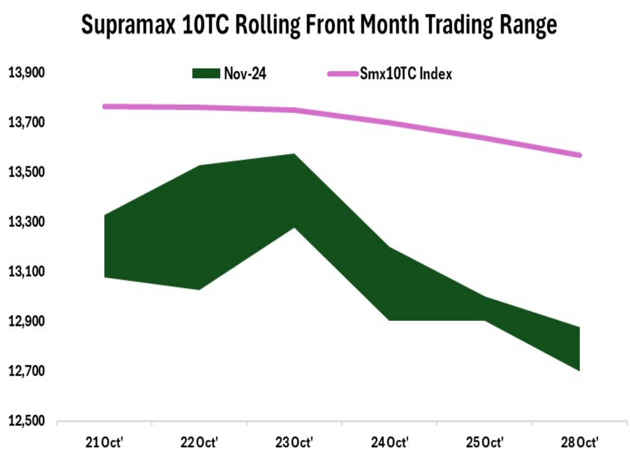
The Atlantic market continued its downward trend with higher vessel availability and reduced transatlantic and fronthaul activity. In the North Atlantic, the P1A and P2A indices fell sharply as grain and mineral demand weakened. A USEC-to-Passero coal trip was heard at $10,000, with transatlantic bids falling below that level. Meanwhile, the US Gulf fronthaul saw bid-offer gaps widen, leaving activity subdued. In the South Atlantic, the P6 index fell further with sub-index fixtures reported. Grains via ECSA with redelivery Singapore-Japan fixed at $14,500–$14,750 for early November, while Skaw-Gibraltar redelivery settled at $15,750, and ECSA-to-ARAG/Denmark transatlantic fixed at $17,250.

Chart source: FIS Live

Panamax FFA: The Panamax market faced continued downward pressure throughout the week, with occasional positive sessions unable to offset overall losses. Monday trading saw Nov drop to $10,500 and Dec to $10,800. The post-index correction (down $60 to $10,166) brought some bid support, pushing December up to $11,100. Tuesday's morning session was quiet, with both the Atlantic and Pacific basins struggling to gain traction and amid another index decline (down $163 to $10,003). However, a turnaround in the Capesize market mid-afternoon and speculation that Panamax rates may have hit a floor led to some short-covering activity. This resulted in Oct and Nov trading up to $10,900, with Q1 reaching $10,200, although buying interest faded by the close. On Wednesday, initial bid support saw rates going up, with Nov reaching a high of $11,125, spurred by increased cargo demand in the Pacific and short-covering. However, a disappointing index correction (down $201 to $9,802) led to further declines, with Nov and Dec closing at $10,650 and $11,500. Thursday opened with Nov trading down to $10,600 and $10,500 in quick succession, with good volume. Afternoon trading saw further dips, as Nov fell to $10,250 and Dec to $10,990, though deferred contracts remained stable. Friday's trading was rangebound, providing some hope that the rate slide may have stabilized. Nov traded within a narrow $200 range, closing the week at $10,375, amidst a quieter Cape market.

Short run neutral to bearish

Supramax



FFA: Supramax rates experienced a relatively muted week, with midweek gains reversing by week's end, ultimately closing lower. Monday saw low trading volume as the prompt came under pressure, with Nov and Dec trading at $13,050 and $13,250, respectively. Post-index (down $5 to $13,763) the market found some minor resistance, narrowing intraday trading ranges. Tuesday was more positive, with early standoffs eventually yielding some bid support, spurred by activity in larger sizes. This saw Nov reach $13,300, with Cal25 closing at $12,600. Wednesday opened with some support, but this quickly gave way to declines, especially in prompt months, as Nov and Dec dropped to $13,250, and backend rates fell in tandem, with Q1 trading down to $11,050. Thursday's session started slowly, with liquidity picking up later in the day. Both Nov and Dec slipped below the $13,000 support level, trading at $12,950 and $12,900, while deferred rates held steady with Cal25 at $12,550. Friday saw another low-liquidity session, with narrow intraday ranges between $12,900 and $13,000. The week ended quietly, with limited movement and minimal new developments.

Short run neutral to bearish

FFA Market Indexes

Freight Rate $/day	28-Oct	21-Oct	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	14,811	18,174	-18.5%	23,718	16,389	16,177	33,333	13,070
Panamax4TC	9,375	10,166	-7.8%	13,575	11,518	8,587	25,562	8,587
Supramax10TC	13,568	13,763	-1.4%	14,136	11,240	8,189	26,770	8,189
Handy7TC	13,023	13,073	-0.4%	12,812	10,420	8,003	25,702	8,003

FFA Market Forward Values

FFA $/day	28-Oct FIS Closing	21-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Nov 24	17,700	18,800	-5.9%	20,750	17,500	29,250	17,500
Capesize5TC Q1 25	13,375	14,625	-8.5%	15,350	13,600	18,000	13,450
Panamax4TC Nov 24	10,200	10,600	-3.8%	11,650	10,000	15,800	10,000
Panamax4TC Q1 25	9,900	9,950	-0.5%	10,150	9,700	13,125	9,700
Supramax10TC Nov 24	12,850	13,100	-1.9%	13,500	12,750	15,300	12,750
Supramax10TC Q1 25	10,875	10,875	0.0%	11,350	10,800	13,250	10,800

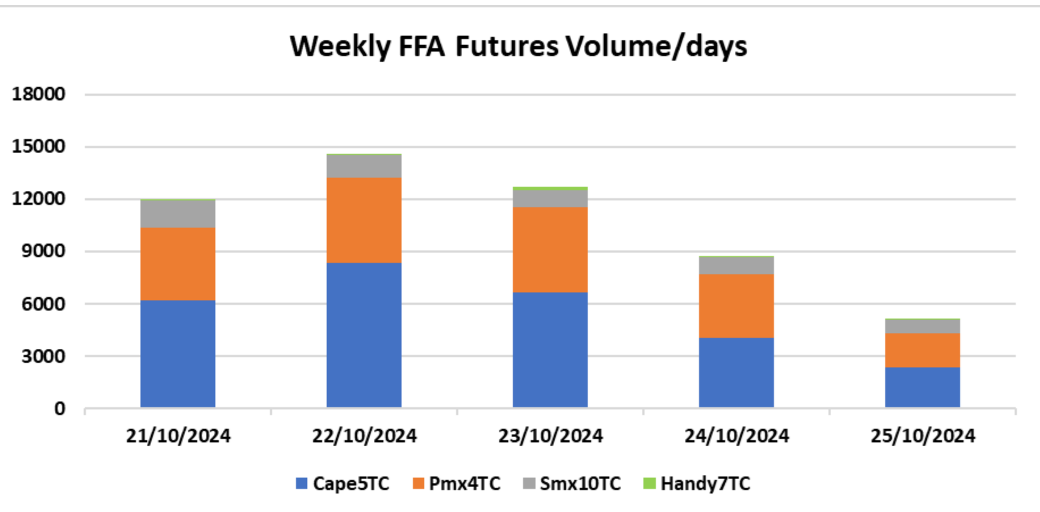
Data Source: FIS Live, Baltic Exchange

FFA Market

A less hectic week for FFA market last week with total weekly volume easing to 67,900 lots. Decent trading activity come on the back of sharp price declines across the larger vessels, Capesize and Panamax contracts drew the most attention with daily average volumes of 5,520 and 3,900 lots, respectively. Supramax contracts maintained steady interest at 1,130 lots per day, while Handysize contracts saw minimal engagement, averaging only 60 lots daily. The options market also saw strong activity, with Panamax options taking the lead, trading 6,570 lots over the week. Capesize options followed with 2,960 lots, reflecting traders' strategic hedging and speculative plays amid the volatile conditions.

On the positioning front, we saw aggressive short building on the liquid contracts of Nov, Dec, Q1 and Cal25. As of 28th Oct, open interest for the Cape 5TC contract was 182,379 (+3,930 w-o-w), Panamax 4TC was 163,773 (+3,410 w-o-w), and Supramax 10TC was 72,057 (+2,700 w-o-w).

Trading on key voyage routes was notably active, especially along the C5 route (West Australia to China), where volumes reached 5.625 million tonnes for the week. Most of the trading was concentrated in Nov and Dec contracts, though there was some interest in Q1 contracts as well. The C3 route (Brazil to China) experienced solid trading as well, with 320,000 tonnes cleared on Nov and Q1 contracts.



Dry Bulk Trades/Iron Ore

Iron ore shipments experienced a strong rebound last week, increasing by 11% to 33.7 MMT. This surge was driven largely by renewed demand from Chinese steel mills. Australia led in exports, rising by 12.8% to 19.3 MMT after four weeks of decline, while Brazil followed with an 18.3% increase to 8.8 MMT. Canada and West Africa also reported gains, with Canadian exports up 35.4% and West Africa rising by 7.5%. Chinese iron ore imports are on pace to hit a record high in October, estimated at 120 MMT, with weekly seaborne volumes to China up 19.3% to 27.0 MMT.

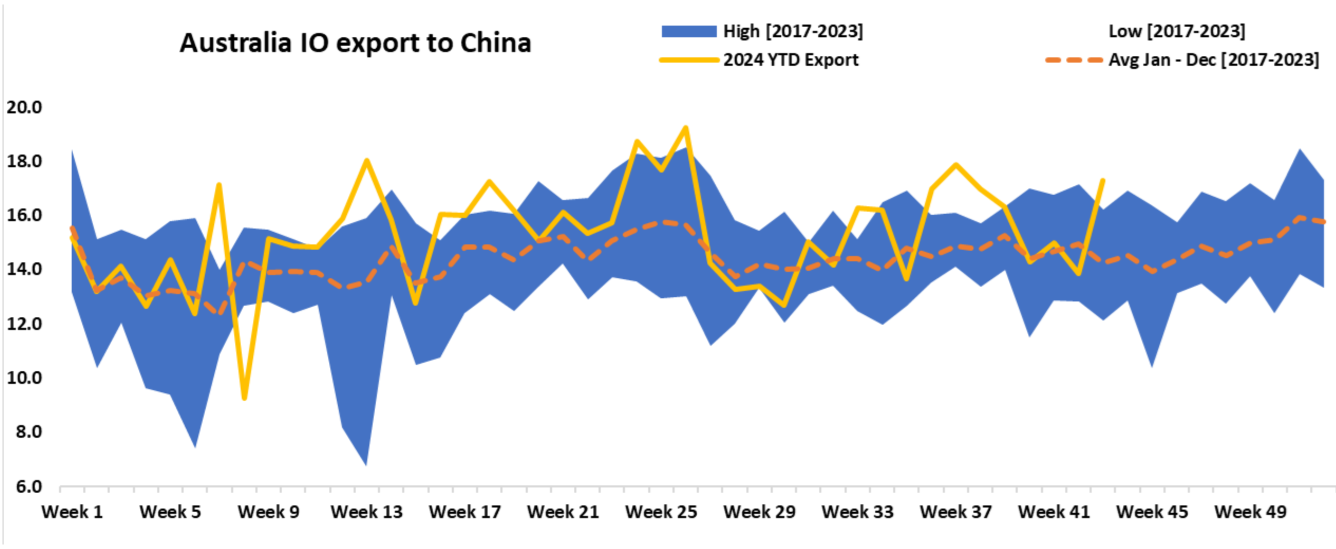
Dry Bulk Trades/Iron Ore

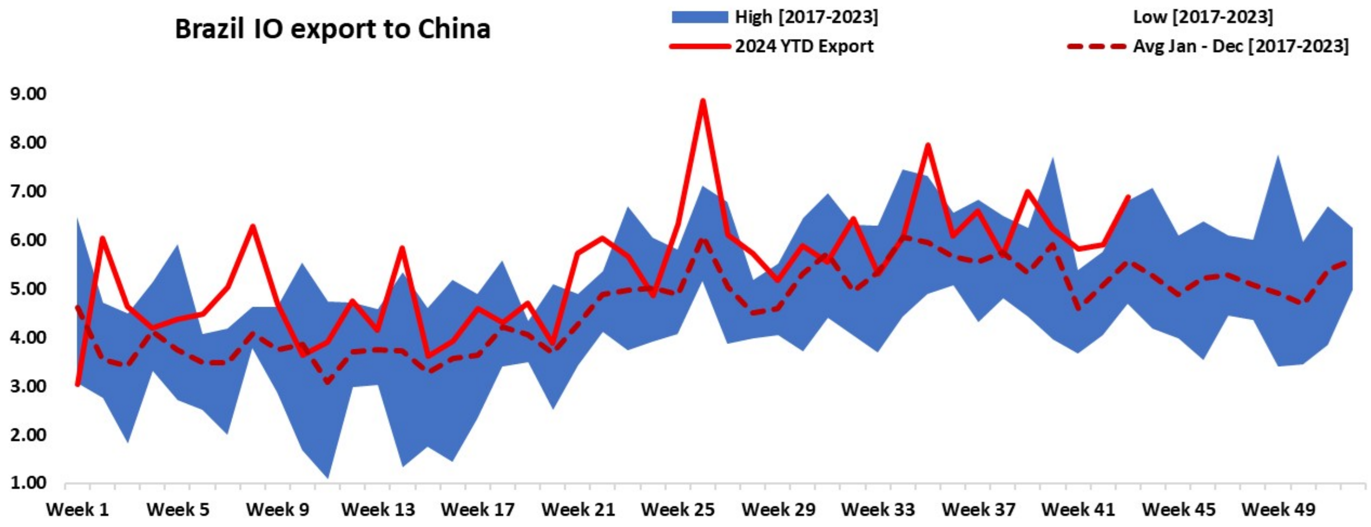
Export (million tonnes)	Sep-24	Aug-24	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Australia	83.9	78.9	238.5	249.4	223.2	244.8	947.9	935.9	923.0
Brazil	35.1	38.1	108.2	95.6	84.2	103.3	372.0	344.6	353.3
South Africa	5.2	5.0	13.6	14.2	14.0	14.2	55.4	56.5	60.0
India	1.4	1.9	6.2	10.5	15.6	13.7	45.3	15.9	36.9
Canada	6.6	7.1	18.6	14.6	13.7	16.9	61.1	57.3	57.1
Others	16.1	17.4	50.5	53.9	48.4	51.2	184.1	177.5	201.8
Global	**148.3**	**148.4**	**435.7**	**438.2**	**399.2**	**444.1**	**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	17.3	13.9	**25%**	8.71	9.43	**-8%**
Brazil-China	6.9	5.9	**17%**	21.12	23.69	**-11%**

Seasonality Charts





Dry Bulk Trades/Coal

Global coal shipments bounced back, climbing by 14.6% to 30.3 MMT, as rising electricity demand in China bolstered reliance on coal. Indonesia's coal exports grew by 14.1% to 13.0 MMT, with shipments to China up 12.9%. Australian exports also rose, increasing 23.3% to 7.7 MMT, with a marked uptick to Japan, which doubled to 3.3 MMT. Russian coal exports followed suit, rising by 19.5% to approximately 3.1 MMT. Regional demand saw China's imports grow by 15.6% to 10.6 MMT, with the Japan-Korea-Taiwan (JKT) region up 41.5%.

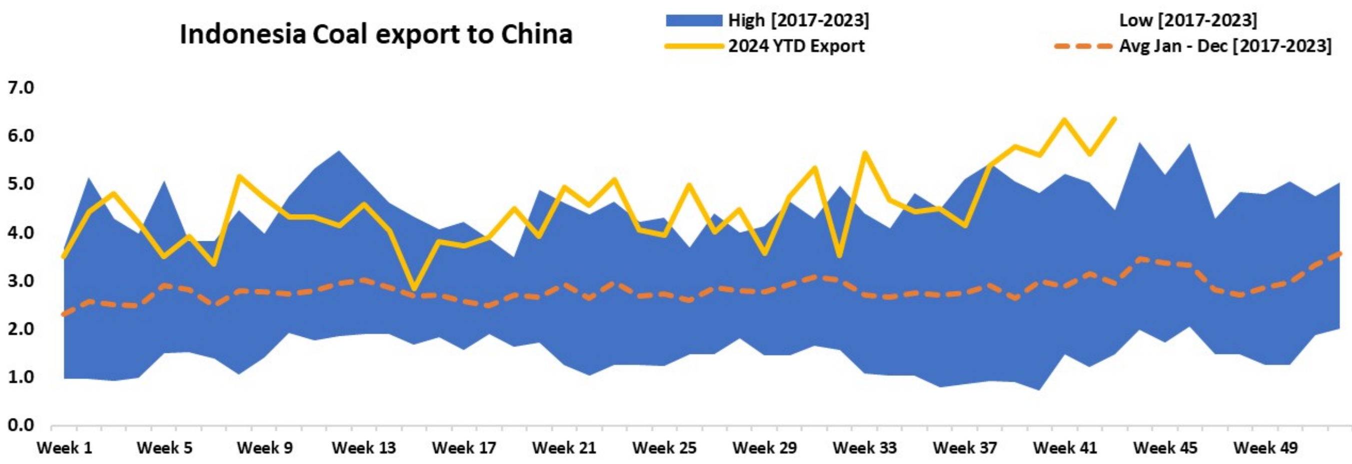
Dry Bulk Trades/Coal

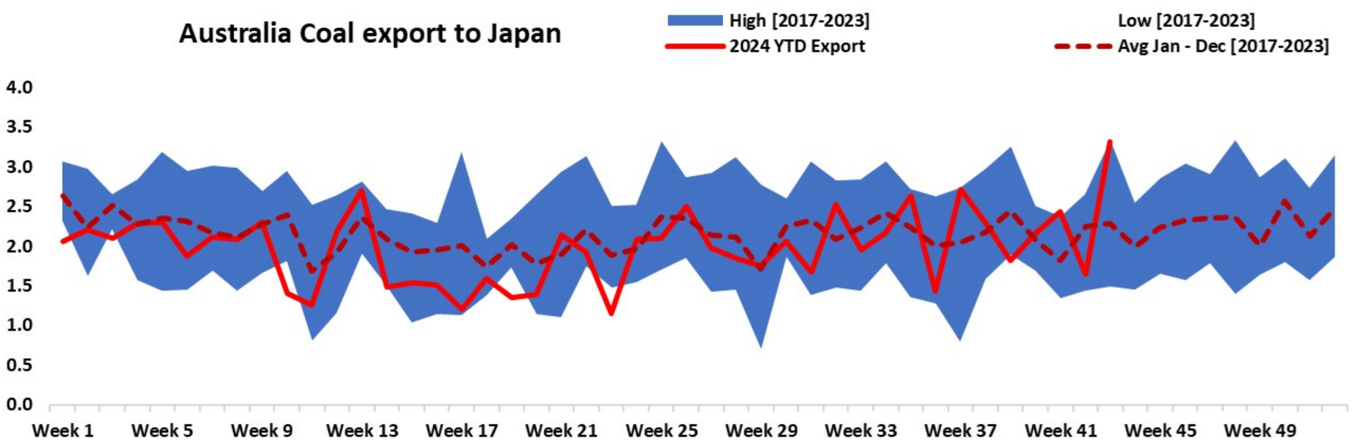
Export (million tonnes)	**Sep-24**	**Aug-24**	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Indonesia	48.1	45.9	139.7	136.3	130.6	143.5	508.7	462.2	415.2
Australia	30.9	33.6	92.4	90.7	86.5	94.9	356.0	339.2	368.4
Russia	11.4	14.8	41.8	45.0	36.8	39.6	186.9	192.5	172.1
USA	8.3	7.4	23.1	21.2	22.4	21.1	80.8	69.5	68.6
Colombia	4.7	5.7	15.1	16.8	16.7	16.3	59.2	61.0	60.7
South Africa	5.4	5.2	14.1	15.0	15.2	16.0	61.9	61.6	62.0
Others	8.9	7.7	24.9	27.2	26.0	29.3	105.7	556.0	501.3
Global	**117.6**	**120.3**	**351.2**	**352.3**	**334.2**	**360.6**	**1359.3**	**1279.8**	**1233.1**

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	6.4	5.6	**13%**
Australia-Japan	3.3	1.6	**101%**

Seasonality Charts

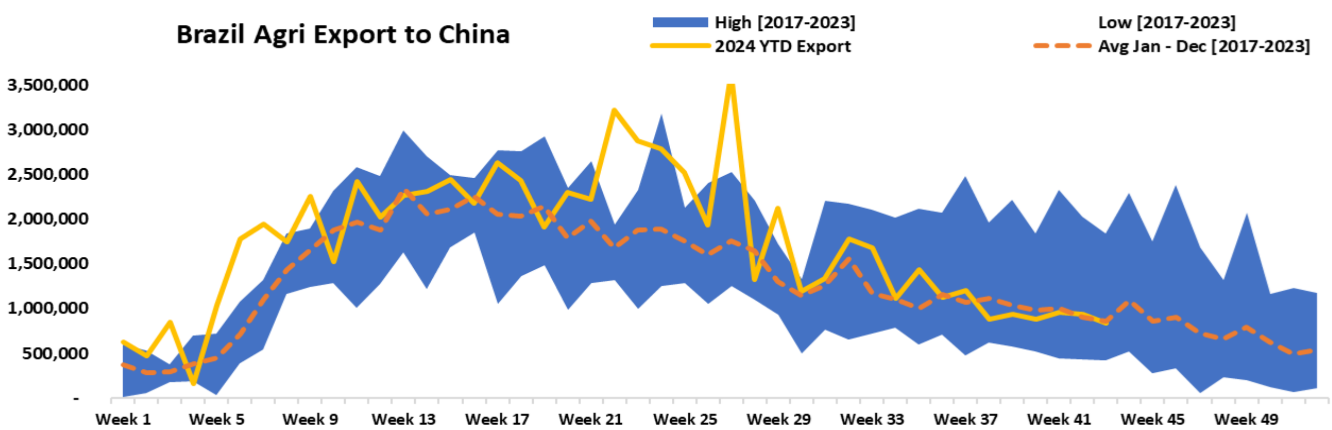




Dry Bulk Trades/Agri

Grain shipments rebounded by 5.1% to 11.8 MMT, largely due to strong exports from Canada and Russia, which increased by 59.5% and 77.7%, respectively. However, exports from the East Coast of South America (ECSA) fell, with Brazil down 3.8% and Argentina dropping by 36.4%, bringing ECSA's total down 13.9% to 4.5 MMT. North America saw a net positive week, with exports rising by 4.6% to 4.9 MMT, driven by Canada's gains, despite an 8.8% decline from the U.S.

Seasonality Charts



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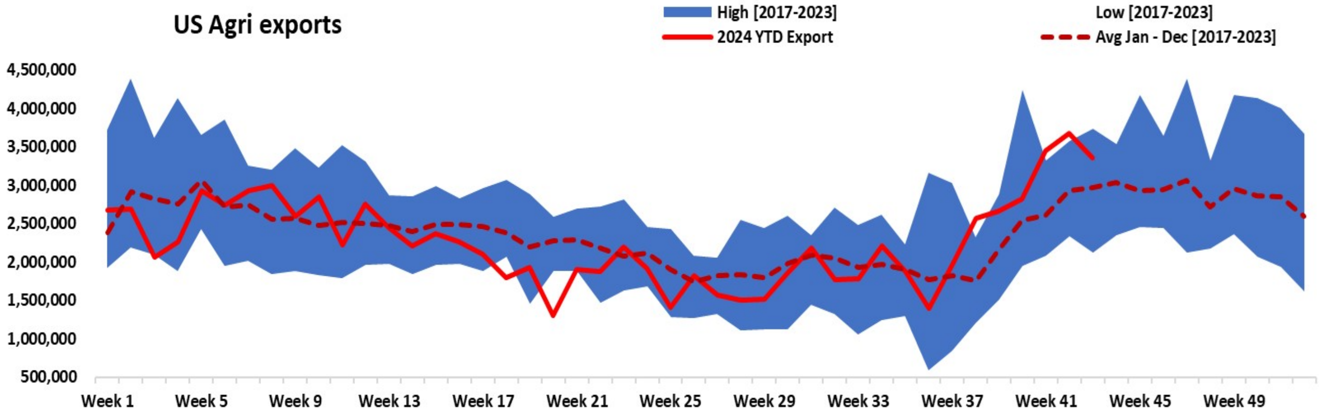

Dry Bulk Trades/Agri

Export (million tonnes)	Sep-24	Aug-24	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022
Brazil	16.5	20.3	56.4	55.9	45.3	53.4	216.7	176.8
USA	9.2	8.6	25.2	25.0	34.1	34.7	106.7	129.5
Argentina	6.8	6.0	21.5	24.8	19.5	11.7	56.1	88.2
Ukraine	2.9	3.0	8.6	10.4	12.2	5.7	21.8	27
Canada	3.0	2.6	8.2	9.7	9.1	12.4	41.4	33.4
Russia	3.3	3.4	8.9	7.5	7.7	9.1	42.9	29.2
Australia	2.1	2.3	6.7	8.4	11.2	9.7	47.3	48.4
Others	4.2	5.3	15.8	18.1	21.7	22.0	82.8	402.6
Global	**48.0**	**51.4**	**151.4**	**159.8**	**160.9**	**158.8**	**615.7**	**628.9**

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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