FIS Dry Freight Weekly Report

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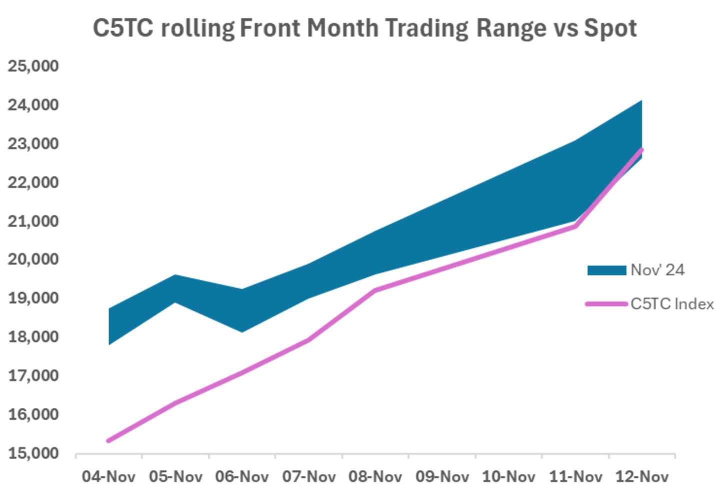
Market Review:

The recent rally in equities following Trump's re-election has sent the S&P 500 and crypto markets to record highs, reflecting a broadly positive sentiment on US economic growth. This confidence also lifted the dry freight market significantly last week. The anticipation of ultra-high tariffs on China could alter global trade patterns further. We expect longer tonne-mile gains from grains rerouted to China from non-US regions and a potential rise in US coal exports to Asia. Yet, the minor bulk sector faces headwinds if tariffs target EU building materials and steel, dampening demand and reduce cargo volumes. In the FFAs, the spotlight of last week was on Capesize with spot soaring 36% over week on Monday and weekly trading volume over 35,000 lots.

Freight Rate $/day	11-Nov	04-Nov	Changes %	Short Term	Sentiment
Capesize 5TC	20,872	15,332	36.1%	Neutral to Bullish	↗
Panamax 4TC	9,303	9,422	-1.3%	Neutral	-
Supramax 10TC	11,418	12,552	-9.0%	Neutral	-
Handy 7TC	12,613	12,874	-2.0%		

Capesize

At the start of the last week, market participants were optimistic ahead of China unveiling a fiscal stimulus package by the end of the week, Cape rates recouped some of the previous week's losses despite only two majors seeking for iron ore and short of fixtures out of Brazil. Additionally, a market source reported that some steel mills in Northen China had begun their winter stocking in prepared for an early Lunar New Year that landed in end of Jan 2025, instead of mid Feb. A fresh round of iron ore buying interest from China suggested a better demand-supply outlook in Pacific basin. By the mid week, the strong rally in the FFA markets pushed the fixing rates higher, although cargo volumes were thin in some key regions. It is worth to mention that the ballaster towards Brazil remained lengthy while cargo volumes has not rebounded to a high level.



On a weekly basis, Capesize iron ore shipments rose 6.7% over week to 31.1 million tonnes driven by a strong 15.7% exports increase from Australia. However, coal shipments on Capesize vessels fell sharply by over 30% over the week to around 4.7 million tonnes as user preference shifted to Panamax and Supramax, while minor bulk weekly shipments also dropped by 26.0% from the previous week to 3.1 million tonnes.

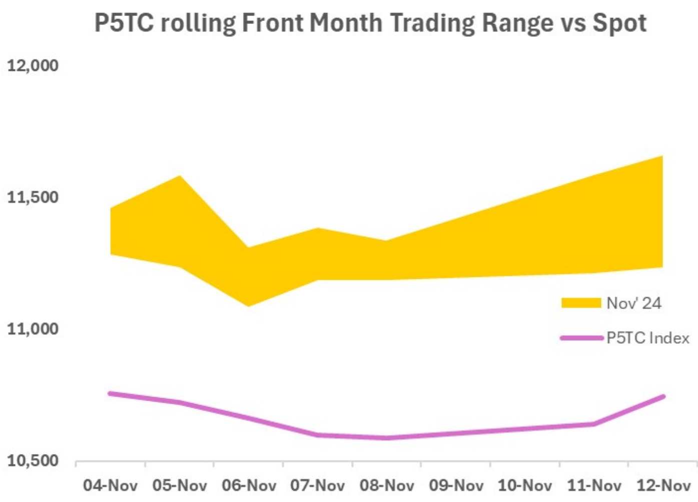
In terms of fixtures, the key C5 iron ore route (West Australia to China) started in a firmed note, ticking up from $8.70 mid Nov loading dates to $ 9.20 for most of the week, before it was up again to $9.40-$9.60 for 24-28 Nov before the weekend as prompt vessel supply tighten up in the Pacific basin from increasing cargo volumes out of Australia. Apart from that, little was reported on the coal side. In the Atlantic, good numbers of Brazilian cargoes were fixing for end-Nov loading at steady rate between $20.30-$21 last week for C3 route, and another iron ore trip from Itaguai to Qingdao was heard at $21.95 for 2-4 Dec. On Monday 11th Dec, C3 was lifted to $23.5 for early Dec dates. Limited activity reported elsewhere, but there was an iron ore cargo from Kamsar to Yantai was fixed slightly higher at $20.50 for 18-22 Nov.

Chart source: FIS Live

FFA: The Cape FFAs led the resurgence in rates from the start of last week with rate moving up over $5,000/day from across the week to highs of 26,925 on 12th Nov. Good bid support could not be disrupted by other commodity trading after the results of the US Election were announced, as rates consistently moved up across the reporting period. Nov24 broke through the $20,000 on the 8th Nov, pushing up to reach a high of nearly $27,000. Q3-25 listed from $23,600 to just over $24,000, with the Cals fairly unchanged with Cal26 at $20,450 (+$200) and Cal 27 at $20,250 (+$50). This upward trajectory was also clear to see in the index that added over $5,000 across the same period.

Short run neutral to bullish

Panamax



The Panamax market remained range-bound last week, with the index edging lower; however, the futures market was supported by a bullish Capesize market. Both basins started the week on a quiet note, with the Atlantic region declining as the week progressed due to a higher tonnage supply outpacing demand. In contrast, the Pacific side anticipated a market rebound if coal demand provided more support. In the near term, we expect increased coal volumes to turn to Panamax due to the wide spread with Capesize vessels and rising winter demand. Additionally, as U.S. grain exports enter peak season, uncertainties surrounding trade relations with China may lead to higher export volumes in the short term. Last week, Panamax grain shipments rose by 17.3% from the previous week to 5.6 million tonnes, while minor bulk shipments increased by 3.3% to 4.6 million tonnes. Most cargo volume centered on coal, with total coal shipments drifting 2.3% lower to 16.1 million tonnes.

In the Pacific, the market seemed steady with a decent coal flow out of Australia and Indonesia. Fixture-wise, NoPac grain round trips held steady around $12,500. East Coast Australian coal trips were fixed up to $12,500, while Indonesian coal trips to China were discounted further, fixed between $9,000 to the high $9,000s. With the tonnage list still long, market players remained cautious about potential gains, with limited buying interest.

In the Atlantic, there was mixed performance in the North, where the P1A index recovered slightly but was dragged down by a small decline in P2A. Fresh demand emerged for U.S. grains and minerals, but fixing rates had yet to improve amid ample vessel supply and weak demand in the South. A transatlantic run via the U.S. Gulf with redelivery to Skaw-Barcelona was fixed at $12,000, while front-haul rates ranged from $18,000 to $18,500. In the South, P6 recorded the largest drop as rates fell below $10,000. A grain run via East Coast South America (ECSA) redelivery Skaw-Gibraltar was fixed at $14,500 for a 75,000 dwt vessel, and an 82,000 dwt vessel for redelivery in Singapore-Japan was paid at $14,000.

Chart source: FIS Live

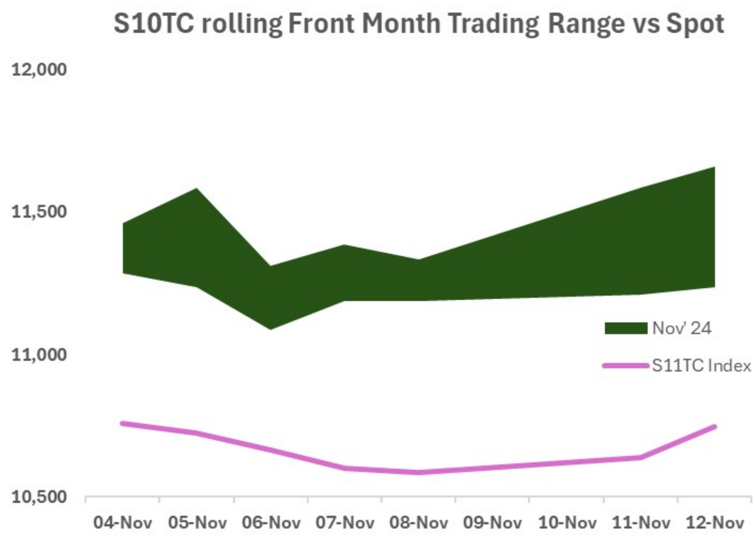
Panamax FFA: Although less dramatic, Panamaxes followed the trend of the bigger ships and moved up across the reporting period. Panamaxes enjoyed the supportive effects of a rising Cape market, but was fairly flat in trading levels compared to the bigger vessel sizes. Trading moved around a few hundred dollars on many contract periods across the week commencing 4th November, with things picking up more on prompt periods at the beginning of the next week. Across the reporting period Dec moved up from $10,825 to $11,450, Q3-25 relatively unchanged $12,125 to $12,100, and Cals 26 and 27 also unmoved at $11,350 and $11,425 respectively.

Short run neutral

Supramax

FFA: Supramaxes were generally on a downward trend, overall mirrored by the index, which declined constantly, totalling -$1134 over the course of the reporting period. Monday 4th November saw some limited trade with highs of $12,425, trading only in a $200 range from Friday's close. Despite a significant drop in the index (-$233), the week continued with rangebound activity, with Nov and Dec trading back to $12,200 and $12,450 respectively. Prompt rates continued to soften, extending losses to the backend of the curve, as the Cal25 traded to the lows of $11,900, with the index decreasing by $256 on 7th November. The week ended with more trades on the longer dated end of the curve, which saw most of the day's volume, but both Nov and Dec continued to trade down to $11,750 and $12,000 respectively.

Short run neutral



FFA Market Indexes

Freight Rate $/day	11-Nov	04-Nov	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	20,872	15,332	36.1%	23,439	16,389	16,177	33,333	13,070
Panamax4TC	9,303	9,422	-1.3%	13,385	11,518	8,587	25,562	8,587
Supramax10TC	11,418	12,552	-9.0%	14,048	11,240	8,189	26,770	8,189
Handy7TC	12,613	12,874	-2.0%	12,810	10,420	8,003	25,702	8,003

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FFA Market Forward Values

FFA $/day	11-Nov FIS Closing	04-Nov FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Nov 24	23,075	18,675	23.6%	23,150	17,750	27,750	17,250
Capesize5TC Q1 25	15,700	14,000	12.1%	15,800	13,600	18,000	13,100
Panamax4TC Nov 24	10,175	10,025	1.5%	10,300	9,750	14,000	9,750
Panamax4TC Q1 25	10,175	9,825	3.6%	10,250	9,600	13,125	9,300
Supramax10TC Nov 24	11,650	12,200	-4.5%	12,500	11,500	14,800	11,500
Supramax10TC Q1 25	10,500	10,650	-1.4%	10,700	10,100	13,250	10,100

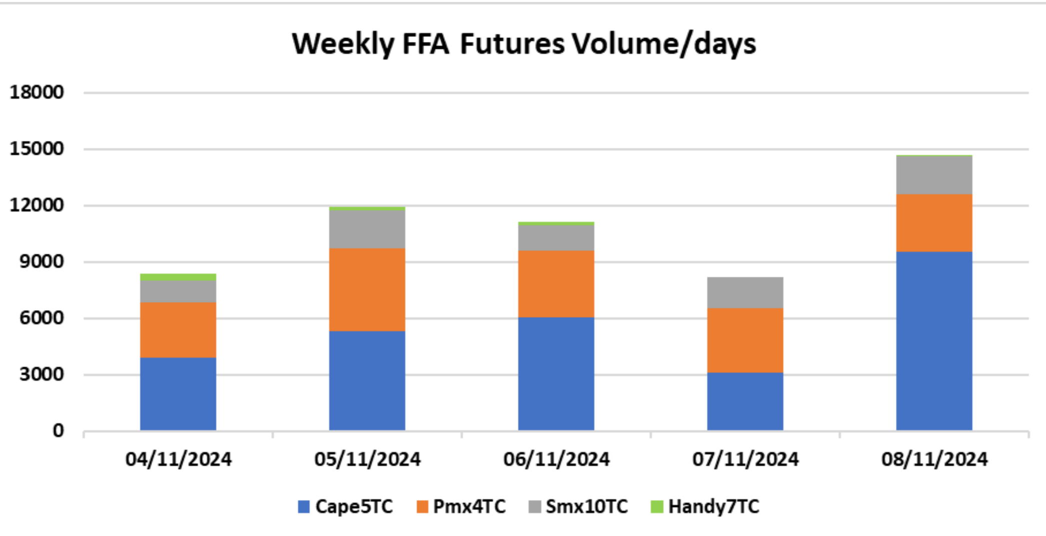
Data Source: FIS Live, Baltic Exchange

FFA Market

One of the busiest weeks for the dry FFA market last week was fuelled by speculation over China's stimulus measures and US election results, reaching a volume high of 61,480 lots. Capesize contracts led with 5,580 lots traded daily, followed by Panamax and Supramax contracts traded averagely 3,470 and 1,650 lots respectively. Little action was seen on Handy with less than 150 lots per day. Options trading was modest, but saw steady interest in the larger sizes, seeing 420 lots traded in Cape while 480 lots in Panamax.

The sharp increase in open interest for larger vessel sizes, alongside rising futures prices, indicating that long positions were being built and improved market sentiment. As of 11th Nov, Cape 5TC stood at 172,473 (+8,700 w-o-w), Panamax 4TC at 153,821 (+6,580 w-o-w), and Supramax 10TC at 68,324 (+3,900 w-o-w).

The key iron ore route C5 (West Australia to China) recorded 6.525 million tonnes last week, among that 5.625 million tonnes were cleared on Nov- Dec contracts and 900kt on Q1. Decent volume also reported on the C3 route (Brazil to China), with 955,000 tonnes cleared across Nov, Dec and Q1 contracts. Along with 150,000 tonnes traded on C7 Jan contract.



Dry Bulk Trades/Iron Ore

Iron ore shipments rebounded last week, rising by 7.5% to 34.7 million metric tonnes (MMT), largely driven by renewed buying interest from China. Australian iron ore exports led the recovery, climbing 17.6% to 21.0 MMT, while Brazilian exports dropped for the second consecutive week by 11.0% to 7.6 MMT. North America also saw declines, with Canadian iron ore was down 7.4% from previous week to 1.0 MMT. In contrast, exports from West and South Africa continued their upward trend, marking a third consecutive week of growth, up by 8.0% to 1.6 MMT.

China's iron ore imports rose by 2.8% to 25.2 MMT amid restocking activity and anticipated demand. Since steel margins declined, buying preference shifted toward lower-grade Australian ore, results in an export increase of 25.2% last week from Australia to 18.1 MMT. However, Chinese demand for higher-grade Brazilian ore accordingly fell by 22.2% to 5.3 MMT. In October, global iron ore shipments declined by 5.0% to 141.1 MMT, and China's demand dipped by 4.9% to 107.1 MMT due to increased domestic steel production and ongoing challenges in the property sector.

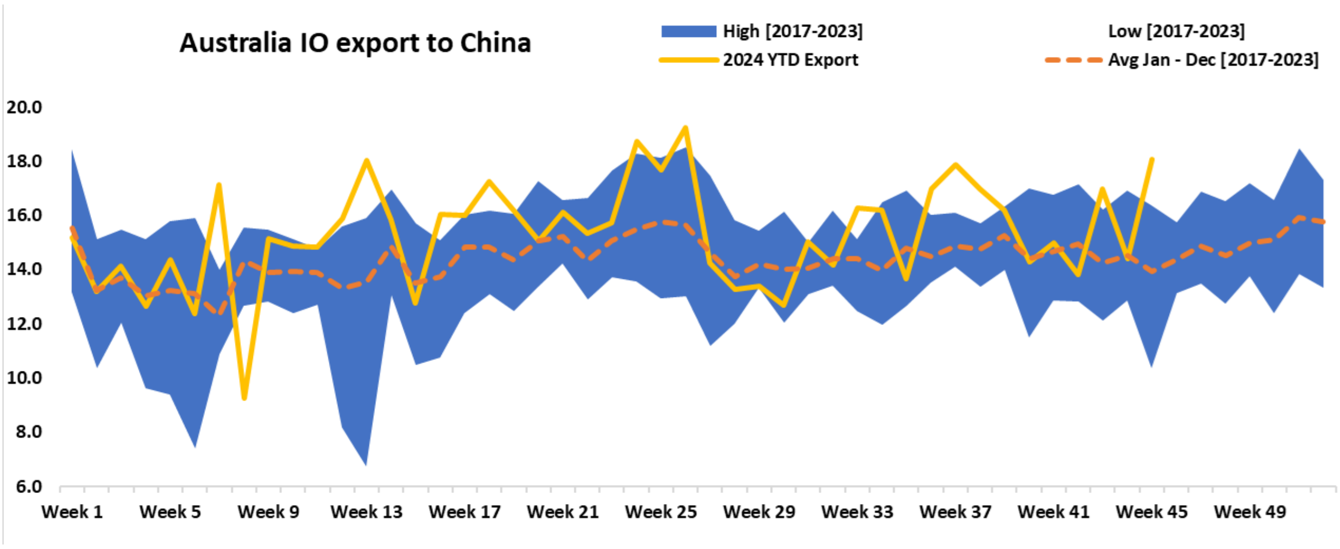
Dry Bulk Trades/Iron Ore

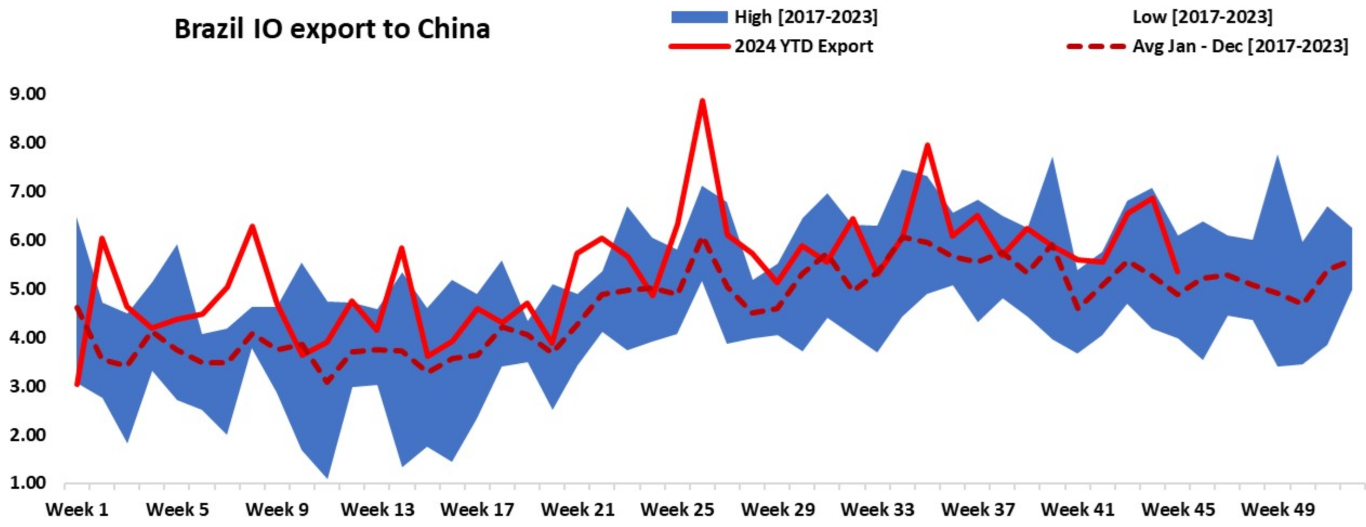
Export (million tonnes)	Oct-24	Sep-24	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Australia	77.5	84.0	238.6	249.4	223.2	244.8	947.9	935.9	923.0
Brazil	35.2	35.1	108.2	95.6	84.2	103.3	372.0	344.6	353.3
South Africa	3.1	5.2	13.6	14.2	14.0	14.2	55.4	56.5	60.0
India	2.7	1.4	6.1	10.5	15.6	13.7	45.3	15.9	36.9
Canada	6.0	6.6	18.6	14.6	13.7	16.9	61.1	57.3	57.1
Others	16.5	16.2	50.3	53.9	48.4	51.2	184.1	177.5	201.8
Global	**141.1**	**148.5**	**435.4**	**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	18.1	14.4	25%	9.32	8.63	8%
Brazil-China	5.3	6.9	-22%	21.20	20.61	3%

Seasonality Charts





Dry Bulk Trades/Coal

Global coal shipments decreased by 3.8% last week to 28.4 MMT, largely due to slow demand from China. Indonesia's coal exports slipped by 1.9% to 12.2 MMT, while Australian exports rose by 12.0% to 7.9 MMT. China's total coal imports fell by 6.3% to 11.0 MMT, yet Indonesian exports to China edged up by 0.5% to 6.6 MMT, surpassing a six-year seasonal high. Furthermore, Australian coal exports to China decreased by 13.2% to 2.2 MMT. On the other hand, Australian coal shipments to Japan surged by 46.7% to 3.5 MMT, surpassing six years seasonal average.

In October, global coal exports increased by 7.5% to 125.8 MMT, driven by rising demand ahead of the winter and increased reliance on coal for heating. China, the world's largest coal importer, saw a 22.1% MoM increase in coal imports to 46.3 MMT, reflecting higher energy needs and reduced hydropower output.

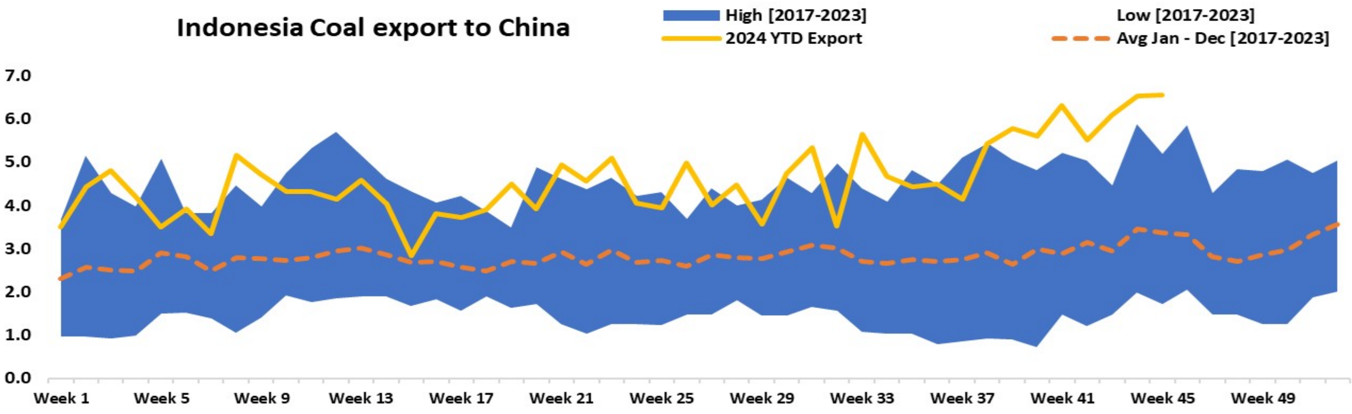
Dry Bulk Trades/Coal

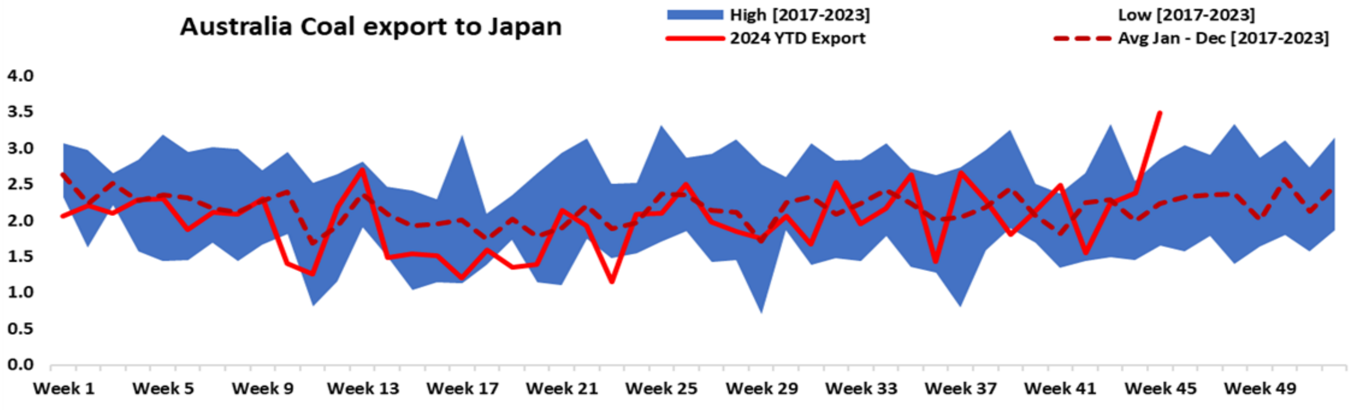
Export (million tonnes)	**Oct-24**	**Sep-24**	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Indonesia	52.1	48.0	139.7	136.3	130.6	143.5	508.7	462.2	415.2
Australia	31.6	30.4	91.7	90.7	86.5	94.9	356.0	339.2	368.4
Russia	13.9	11.4	41.6	45.0	36.8	39.6	186.9	192.5	172.1
USA	8.7	8.0	23.0	21.2	22.4	21.1	80.8	69.5	68.6
Colombia	4.4	4.6	15.0	16.8	16.7	16.3	59.2	61.0	60.7
South Africa	6.2	5.3	14.1	15.0	15.2	16.0	61.9	61.6	62.0
Others	8.8	9.2	25.1	27.2	26.0	29.3	105.7	556.0	501.3
Global	**125.8**	**117.1**	**350.2**	**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	6.6	6.5	**1%**
Australia-Japan	3.5	2.4	**47%**

Seasonality Charts





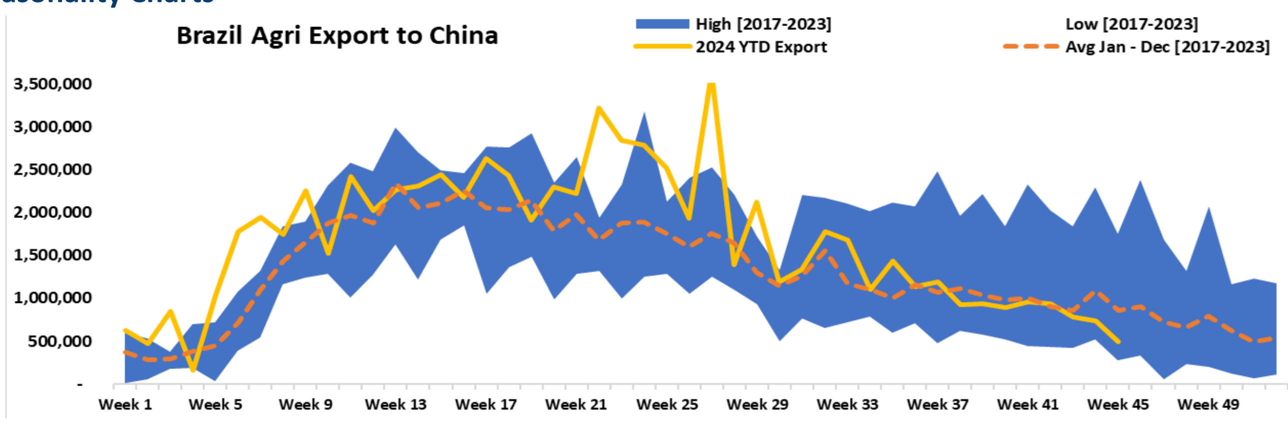
Dry Bulk Trades/Agri

Global grain shipments dropped by 11.7% last week to 9.6 MMT as lower shipments from ECSA region followed its seasonal pattern. Last week grains shipments from ECSA fall by 31.6% to 3.1 MMT, with Brazil and Argentina experiencing declines of 31.4% and 35.5%, respectively. In North America, grain exports rebounded by 6.8% to 4.7 MMT, overtaking the ECSA as the leading agricultural export region. This growth is likely due to a strong soybean and corn harvest benefitting from the favourable weather, with the US posting a marginal 0.9% increase to 3.4 MMT and Canada's exports surging by 26.0% to 1.3 MMT.

For October, global grain shipments rose by 9.9% to 54.3 MMT, buoyed by a surge in U.S. shipments, which surged by 61.4% month-on-month to 14.8 MMT. Meanwhile, imports from China increased by 50.5% to 12.7 MMT, largely driven by high demand for soybeans and corn and significant high supply from the US.

Notably, soybean futures approached near-record highs amid uncertainty surrounding U.S. tariffs on China and potential disruptions to the U.S.-China grain trade. During 2018-2019, U.S. grain exports to China fell to around 10-20% of China's total imports, down from over 35% in 2017. The gap was then filled by increased exports from Brazil, Argentina, and Ukraine. Since 2020, the U.S. has regained market share and recovered to 31-33% over the past three years, with average annual exports of 50.6 MMT. If U.S.-China trade relations worsen, the U.S. share of China's grain imports expected to have a sharp fell, however would support longer tonnes mills from other regions.

Seasonality Charts



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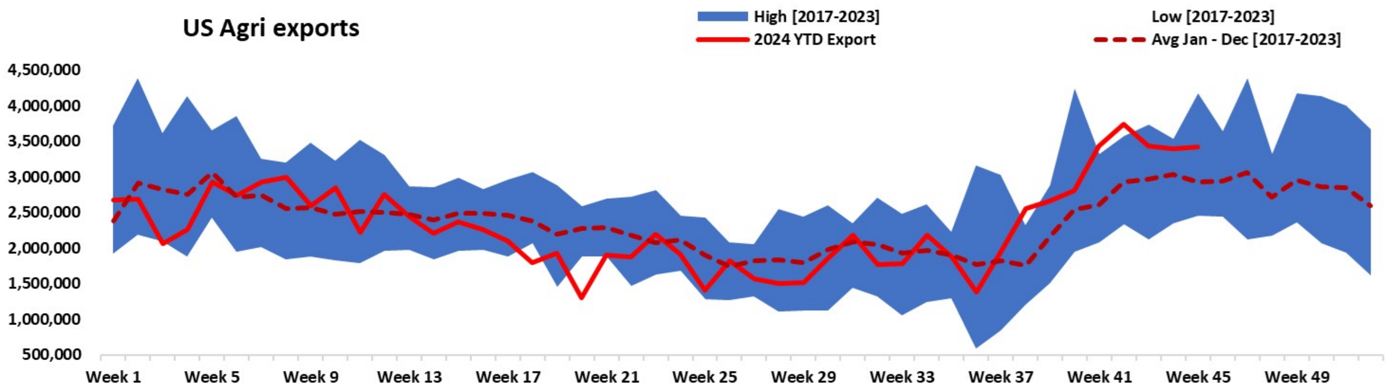

Dry Bulk Trades/Agri

Export (million tonnes)	Oct-24	Sep-24	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022
Brazil	16.2	17.4	57.5	55.9	45.3	53.4	216.7	176.8
USA	14.8	9.2	25.2	25.0	34.1	34.7	106.7	129.5
Argentina	6.5	6.8	21.6	24.8	19.5	11.7	56.1	88.2
Ukraine	2.3	2.9	8.7	10.4	12.2	5.7	21.8	27
Canada	4.7	3.3	8.5	9.7	9.1	12.4	41.4	33.4
Russia	3.6	3.3	8.9	7.5	7.7	9.1	42.9	29.2
Australia	1.7	2.0	6.7	8.4	11.2	9.7	47.3	48.4
Others	4.6	4.5	16.2	18.1	21.7	22.0	82.8	402.6
Global	**54.3**	**49.4**	**153.2**	**159.8**	**160.9**	**158.8**	**615.7**	**628.9**

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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