FIS Dry Freight Weekly Report

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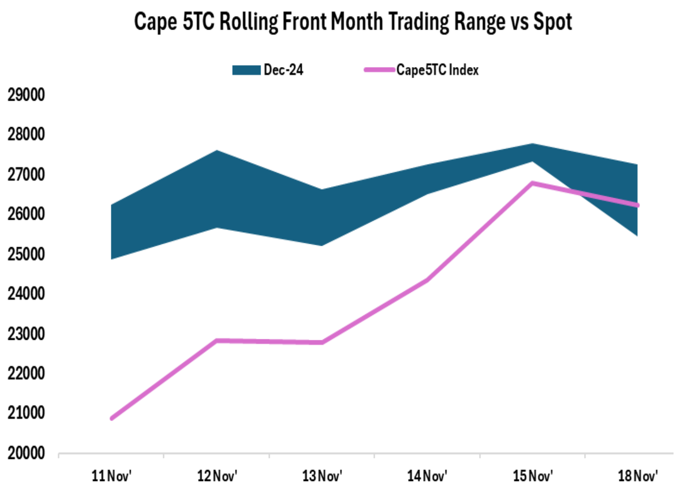
Market Review:

Cape extended further gains last week, driven by healthy cargo demand across all key regions, particularly strengthened by a strong recovery in Brazilian ore and coal cargo volumes. Additionally, some investors are optimistic about a potential rebound in demand from China, anticipating that more supportive policies may be introduced before the year ends. As the new week began, the FFA market saw a heavy correction following last week's rally, which brought in some senses of caution. However, thin tonnage availability and seasonal demand suggest that the market could remain firm in the near term. For the Panamax, the outlook improved and supported by rising coal and grains demand, and a more balance dynamic between the two basins.

Freight Rate $/day	18-Nov	11-Nov	Changes %	Short Term	Sentiment
Capesize 5TC	26,220	20,872	25.6%	Neutral to Bullish	↗
Panamax 4TC	9,485	9,303	2.0%	Neutral to Bearish	↘
Supramax 10TC	10,722	11,418	-6.1%	Neutral to Bearish	↘
Handy 7TC	12,261	12,613	-2.8%		

Capesize

The Capesize market surged strongly last week, with the index climbing over 25%, bolstered by positive fundamentals in both basins and a firming FFA market. Moreover, this rally was also coincided with a recovery in the underlying iron ore market, as Chinese officials signalled ample room to launch robust monetary policies to support economic growth through Nov and Dec this year.



Capesize iron ore shipments retreated 8.5% over week to 28.4 million tonnes due to lower exports from Australia, but a small increase volume from long haul trip out of Brazil. The other strong supportive factor was robust coal demand as winter season takes hold seeing key regions boost exports and a high volume week from South Africa to Asia, as a result coal shipments on Capesize vessels soared up by 60% over the week to around 7.4 million tonnes. Furthermore, minor bulk weekly shipments also improved by 25.4% from the previous week to 4.4 million tonnes.

In the Pacific, the key C5 iron ore route (West Australia to China) made some solid gains last week as the demand picked up in Pacific, fixing from $10.00 for late Nov loading dates to $10.30 mid-week while the market took a breather. On Friday, C5 shot up to $11.25-$11.45 for early Dec laycan to finish the week firm. FFAs had a correction as we came into this week but C5 still hold onto around mid $11s. Additionally, an iron ore cargo from TRMT to Qingdao was fixed at $9.50 for 25-27 Nov. Moving to the Atlantic, rates also rose amid healthy cargo volumes from Brazil and renewed activity in North Atlantic, leading to a more balance outlook. Moving iron ore on the C3 route was paid $3 higher at $26 for Dec dates, from $22.50-23.50 at the start of the last week. Other iron ore trips in the basin also lifted a touch, from Seven Islands to Qingdao at $29.15 for 11-17 Dec, and from Narvik to Erdemir and China were fixed at $12.90 and mid $28s, respectively.

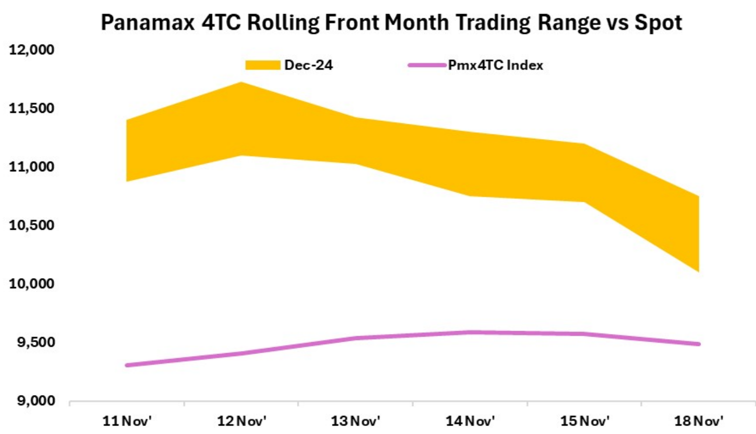
Chart source: FIS Live

FFA: The Capesize market showed positive momentum overall this week. On Monday, early bid support lifted Dec rates to $25,000, up nearly $1,000 from Friday's close. Strong Pacific demand, particularly in the C5 route, supported rates throughout the day, with Nov trading at $23,250 and Dec reaching a high of $26,250. Tuesday was volatile, with heavy buying pushing Nov to $23,750, Dec to $27,750, and Q1 to $16,350. Despite a strong index increase (+$1,960 to $22,875), the market turned bearish as sellers entered, leading Nov and Dec to fall back to $22,600 and $25,750, respectively. The physical market continued to strengthen throughout the week, driven by rising cargo volumes in both the Indian Ocean and Atlantic regions. Wednesday remained volatile, with initial declines in prompt contracts as Nov dropped to $22,800 and Dec to $25,250 before finding bid support. Following a small index dip (-$64 to $22,771), buy-side flows regained momentum, driving Nov to $23,000 and Dec to $26,600. Further out, Q1 traded at $15,750, and Cal 25 at $21,200. Thursday saw early bid support, but the market traded within a narrow range for the rest of the day, bringing some stability after a turbulent week. Nov and Dec traded up to $23,400 and $27,250, respectively, while Cal 25 saw trading activity at $21,250. Friday maintained this range-bound trend, with Dec opening at $27,750, dipping slightly, and closing at $27,325, marking an overall increase for the week.

Short run neutral to bullish

Panamax

The week started with robust demand for NoPac grains and Australian coal in the Pacific, alongside modest gains in the Atlantic. However, as the week progressed Pacific market momentum slowed, leading to a longer tonnage list and some rate pressure as charterers reduced their bids. In terms of demand, Panamax grain shipments rose for the second consecutive week, with volumes climbing 7.6% from the prior week to 6.0 million tonnes. Meanwhile, Panamax coal shipments surged by 23.3% to 24.3 million tonnes amid rising winter demand, while minor bulk shipments held steady at 4.6 million tonnes.



The Pacific basin initially benefited from steady coal flows out of Australia, with round trips redelivery Singapore-Japan fixing at $14,500 early in the week. However, these levels were discounted to $12,500 as sentiment softened. Indonesian coal activity remained subdued, with rates for trips to South China easing to $10,000-$11,500, while voyages to India commanded above $9,000. NoPac grain round trips for mid-November cargoes remained steady at the lower end of the range, fixing around $12,500.

In the Atlantic, we saw increased mineral activity on both FH and TA runs. Mineral trips from the US Gulf to Egypt or Skaw-Barcelona were fixed between $9,500-$10,000. On the fronthaul, improved demand supported fixtures from the US Gulf to India with minerals at $16,750, while grain runs to Singapore-Japan fetched $18,250.

In the South Atlantic, grain demand also strengthened, particularly in ECSA, where market sentiment improved steadily. The P6 climbed above $10,000 as optimism grew cautiously, supported by end-November and early December activity.

Chart source: FIS Live

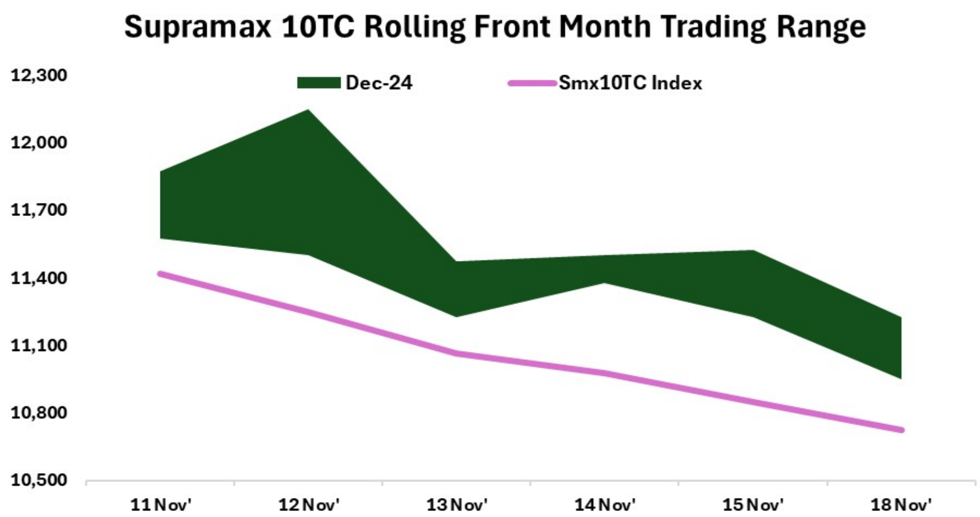
Panamax FFA: The Panamax market saw early gains, although they didn't hold, leading to a weekly decline despite gains in the index. Monday started strong due to support from larger vessel classes and short-covering activity, pushing Nov and Dec to $10,250 and $11,400, respectively. Cal 25 traded up to $11,550, with resistance from spreads versus the Supramaxes, and the market ended with bids just below the day's highs. On Tuesday, the market opened with support due to declining lead times in key basins and momentum from an overnight rally. However, these gains were short-lived, as the curve corrected quickly. Dec and Q1 initially traded at $11,750 and $10,450 but dropped to $11,200 and $10,250 post-index (+$107 to $9,410). Cal 25 surged due to short covering, reaching $11,950. The day closed lower, with patchy trading in the afternoon as Capes traded lower. Wednesday saw the Panamax market remain relatively stable despite Capesize volatility, with Nov trading around $11,200 and Dec at $11,250. Thursday was mostly range-bound, with Dec trading within a $200 range around $11,200 before coming under pressure in the afternoon, closing at $10,750. Further out, Cal 25 and Cal 26 traded down to $11,500 and $11,150. Friday continued with range-bound trading, with Nov and Dec closing at their lows of $10,700 and $9,750, respectively, ending the week slightly down overall.

Short run neutral to bearish

Supramax

FFA: The Supramax market faced continued headwinds last week due to soft demand and increasing vessel availability. Monday saw quiet trading in prompt contracts, with Nov trading within a $250 range and Dec within a $300 range, opening at the daily high of $11,875. Most trading activity focused on the back end, with Cal 25 seeing significant volume around $11,800-$11,900. On Tuesday, the market saw healthy volume, with early support pushing Dec to $12,300. However, post-index (-$170 to $11,248), the market became heavily offered, and Dec dropped by $700 to close at $11,500. Prompt rates softened further on Wednesday, with Nov and Dec hitting lows of $11,250 and $11,300, respectively. This decline extended down the curve, with Cal 25 slipping to $11,750. Despite a quiet afternoon session, some support re-entered the market, closing slightly above the day's lows. Thursday was range-bound, with Dec and Q1 trading within a $200 range. Some bid support lifted Dec back to $11,500. Friday continued with minimal movement; Dec dipped to $11,225 and closed at the day's low, while Q1 pushed down to $10,275. Overall, it was a subdued week for Supramaxes, with range-bound trading dominating several days, resulting in only a slight weekly decline.

Short run neutral to bearish



FFA Market Indexes

Freight Rate $/day	18-Nov	11-Nov	Changes %	2024 YTD	2023	2022	2021	2020
Capesize5TC	26,220	20,872	25.6%	23,466	16,389	16,177	33,333	13,070
Panamax4TC	9,485	9,303	2.0%	13,299	11,518	8,587	25,562	8,587
Supramax10TC	10,722	11,418	-6.1%	13,977	11,240	8,189	26,770	8,189
Handy7TC	12,261	12,613	-2.8%	12,799	10,420	8,003	25,702	8,003

FFA Market Forward Values

FFA $/day	18-Nov FIS Closing	11-Nov FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2024 Mkt High	2024 Mkt Low
Capesize5TC Dec 24	25,625	25,875	-1.0%	28,000	24,000	29,000	18,900
Capesize5TC Q1 25	15,000	15,700	-4.5%	16,500	14,200	18,000	13,100
Panamax4TC Dec 24	10,100	11,450	-11.8%	11,900	10,400	13,850	10,050
Panamax4TC Q1 25	9,800	10,175	-3.7%	11,950	9,500	13,125	9,300
Supramax10TC Dec 24	10,950	11,825	-7.4%	12,300	10,900	14,750	10,900
Supramax10TC Q1 25	10,225	10,500	-2.6%	10,750	10,100	13,250	10,100

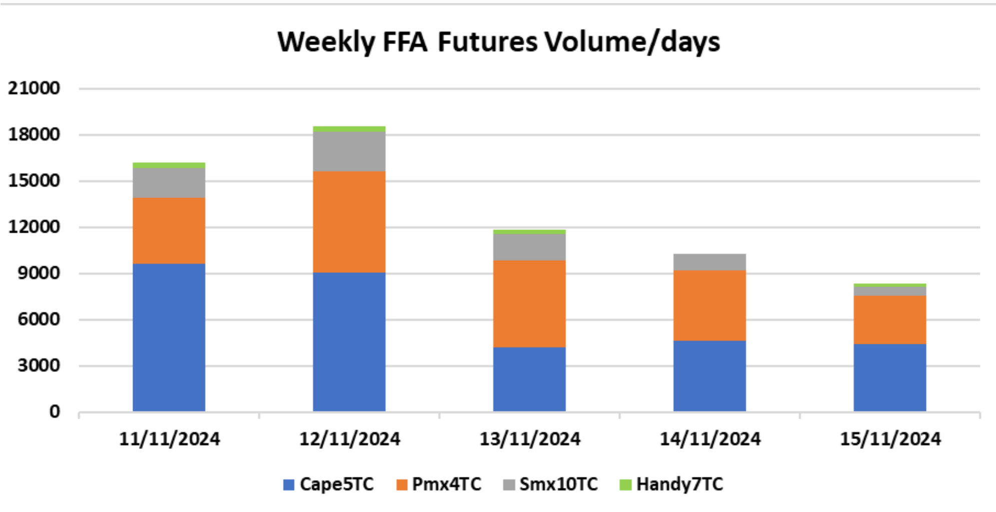
Data Source: FIS Live, Baltic Exchange

FFA Market

The dry FFA market saw robust activity last week, with total weekly trading volumes rising to nearly 76,000 lots, driven by strengthening futures prices and heightened interest in larger vessel classes. Capesize contracts dominated trading with an average of 6,380 lots per day, followed by Panamax and Supramax contracts at 4,840 and 1,570 lots per day, respectively. The Handy market was less active with around 260 lots traded daily. Options activity was notable, particularly in Capesize contracts, which recorded 3,580 lots traded, compared to 270 lots in Panamax and 30 lots in Supramax.

A sharp increase in Panamax open interest was observed last week, aligning with a decline in Dec prices, suggested that short positions were built up. While for Cape, open interest grew at a slower pace, while weekly prices remained steady, potentially signalling a pause in the recent bullish momentum. As of 18th Nov, Cape 5TC stood at 175,267 (+2,800 w-o-w), Panamax 4TC at 161,254 (+7,430 w-o-w), and Supramax 10TC at 70,487 (+2,160 w-o-w).

The key iron ore route C5 (West Australia to China) recorded 6.315 million tonnes last week, among that 3.915 million tonnes were cleared on Nov- Dec contracts and 2.4 million tonnes on Cal25. In addition, smaller volume was noted on the C3 route (Brazil to China), with 55,000 tonnes cleared on Jan and Q1 contracts.



Dry Bulk Trades/Iron Ore

Iron ore shipments fell by 9.6% last week to 31.0 MMT, driven by weakened demand from smaller markets, contributing to overall market softness. Australian exports declined sharply, retreating 18.6% from the previous week's peak to 16.9 MMT, with lower volumes sent to primary markets such as China and the JKT region. In contrast, Brazil's exports rebounded by 3.1% to 7.9 MMT, supported by growing Chinese demand. Canada recorded a significant 26.9% increase in exports, reaching 1.3 MMT, while South and West Africa also performed well, with shipments rising by 14.6% to 1.8 MMT.

On the demand side, China's iron ore imports increased by 3.4% to 25.2 MMT. However, Australian exports to China fell by 13.5% to 14.7 MMT after rebounding the week prior. Conversely, China boosted its imports of higher-grade iron ore from Brazil, which surged by 36.7% to 7.3 MMT. This marks a seasonal high, exceeding all previous levels within the past six years.

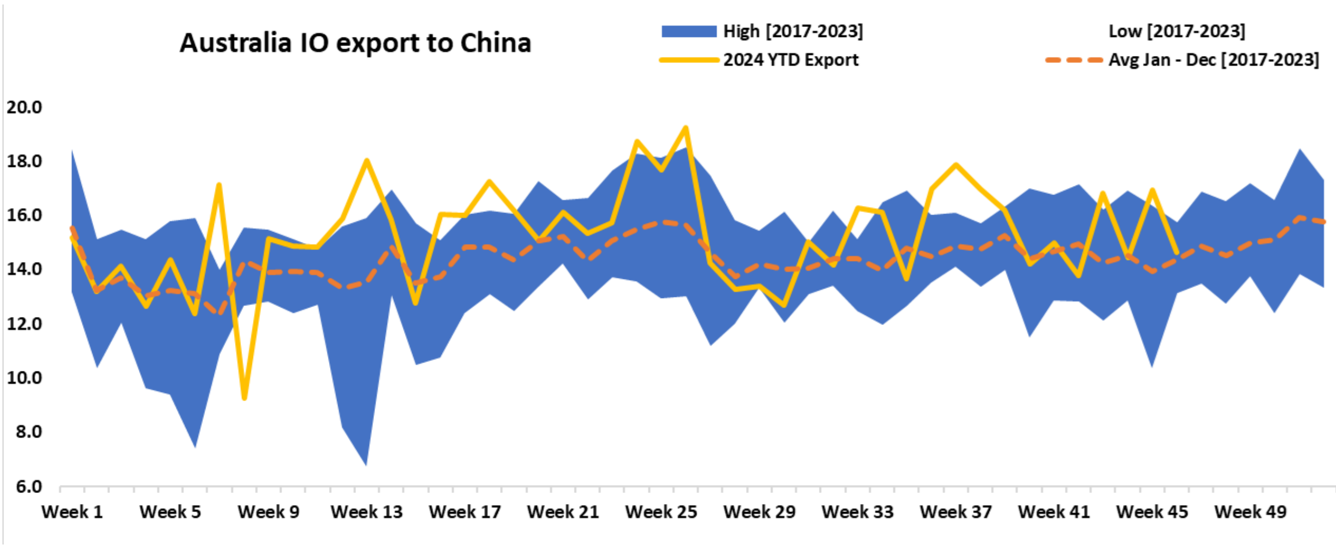
Dry Bulk Trades/Iron Ore

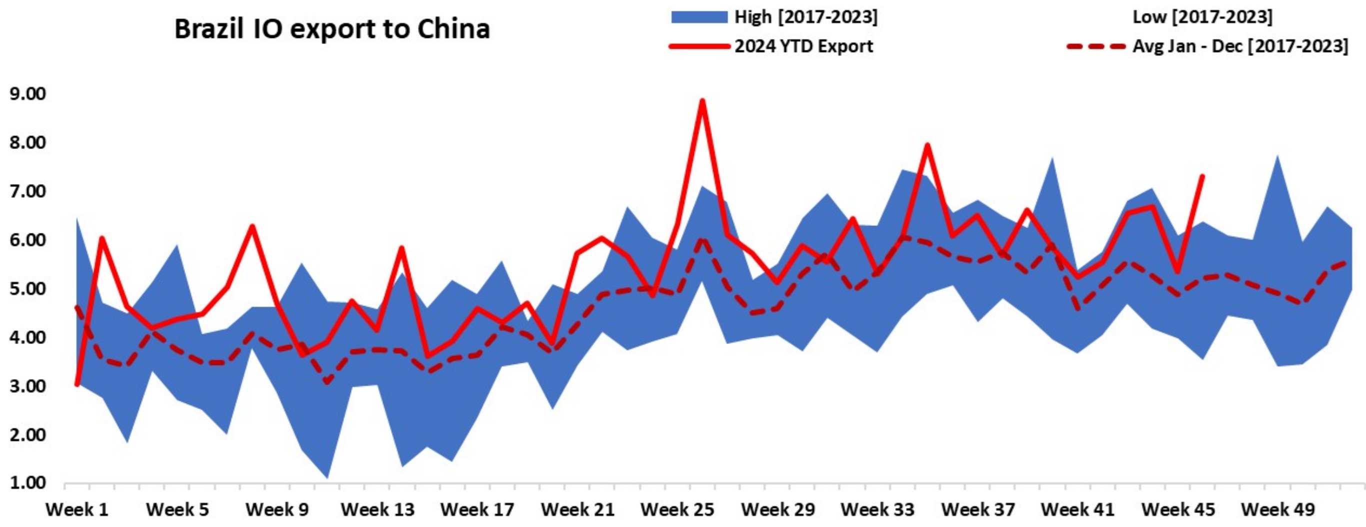
Export (million tonnes)	Oct-24	Sep-24	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Australia	77.5	84.0	238.6	249.4	223.2	244.8	947.9	935.9	923.0
Brazil	35.2	35.1	108.2	95.6	84.2	103.3	372.0	344.6	353.3
South Africa	3.1	5.2	13.6	14.2	14.0	14.2	55.4	56.5	60.0
India	2.7	1.4	6.1	10.5	15.6	13.7	45.3	15.9	36.9
Canada	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	14.7	16.9	-14%	10.51	9.32	13%
Brazil-China	7.3	5.3	37%	24.50	21.20	16%

Seasonality Charts





Dry Bulk Trades/Coal

Global coal shipments rebounded significantly last week, climbing 17.0% to 32.1 MMT, driven by surging demand from China. Indonesia's coal exports rose by 16.8% to 13.6 MMT, while Australian exports also advanced, increasing by 6.1% to 8.3 MMT.

Despite this, China's coal imports dipped slightly, down 1.2% to 10.7 MMT. In contrast, Japan's coal demand soared by 35.8% to 4.8 MMT. Indonesian exports to China reached an all-time high for the six-year seasonal range, climbing 12.8% to 6.9 MMT. Similarly, Australian coal exports to Japan spiked 55.3% to 3.8 MMT, also setting a six-year seasonal high. This uptick in imports is likely driven by the need to secure energy resources for increased electricity demand during winter.

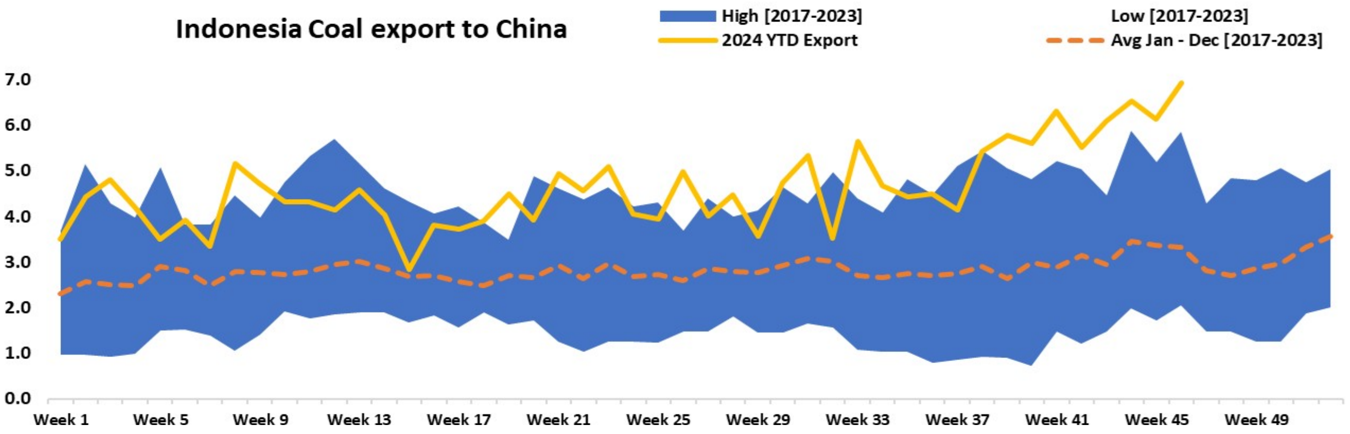
Dry Bulk Trades/Coal

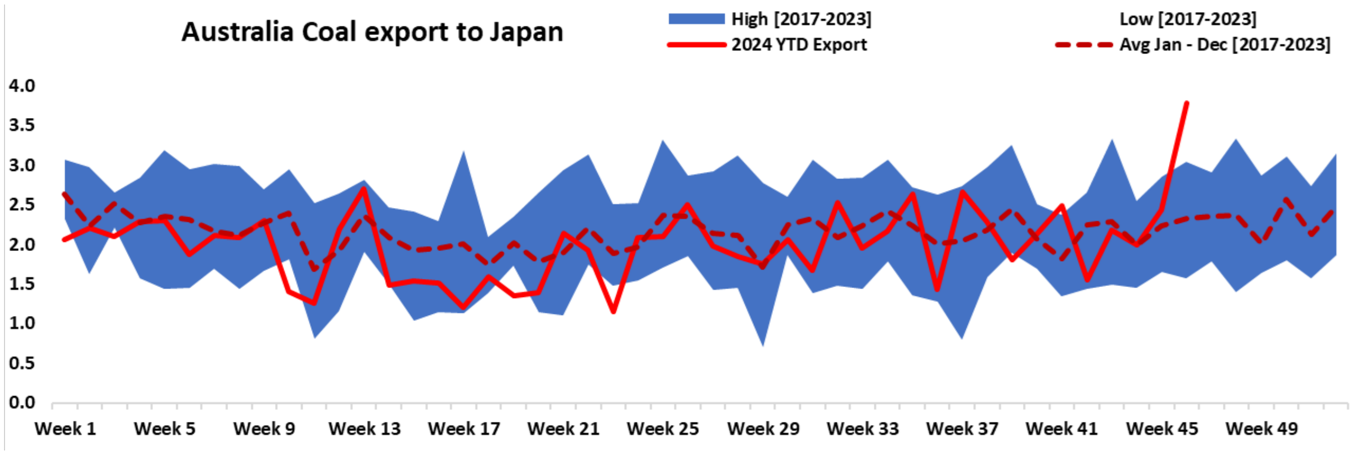
Export (million tonnes)	**Oct-24**	**Sep-24**	Q3-24	Q2-24	Q1-24	Q4-23	2023	2022	2021
Indonesia	52.1	48.0	139.7	136.3	130.6	143.5	508.7	462.2	415.2
Australia	31.6	30.4	91.7	90.7	86.5	94.9	356.0	339.2	368.4
Russia	13.9	11.4	41.6	45.0	36.8	39.6	186.9	192.5	172.1
USA	8.7	8.0	23.0	21.2	22.4	21.1	80.8	69.5	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	6.9	6.1	**13%**
Australia-Japan	3.8	2.4	**55%**

Seasonality Charts



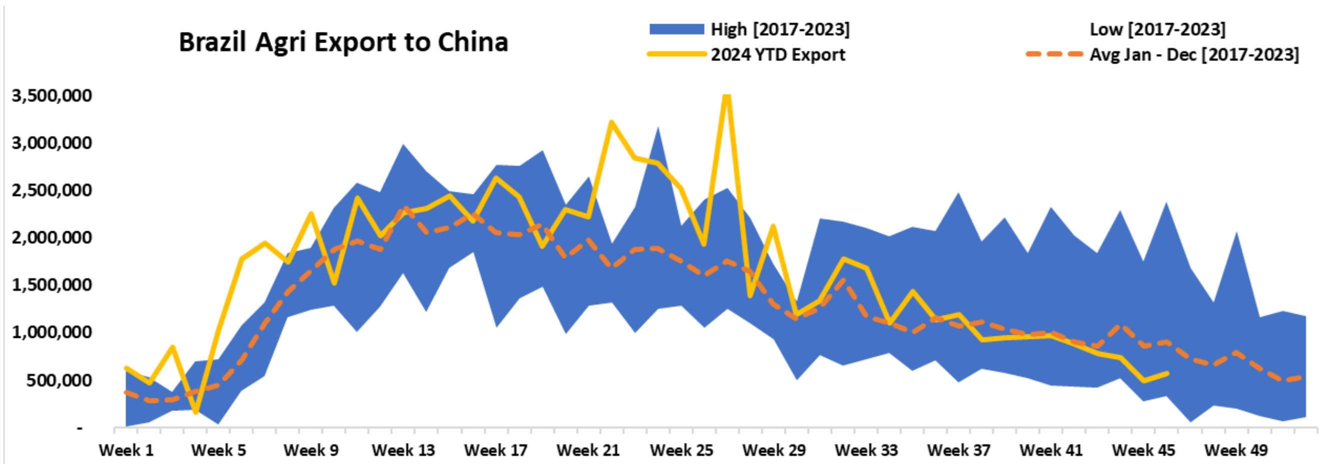


Dry Bulk Trades/Agri

Global grain shipments rebounded by 7.4% last week to 10.9 MMT. Shipments from the East Coast of South America (ECSA) rose by 25.0% to 4.3 MMT, with Brazil leading the increase as its exports grew by 25.2% to 2.9 MMT. Argentina also contributed significantly to the ECSA surge, with exports jumping 35.7% to 1.4 MMT.

Conversely, North American grain exports fell by 5.2% to 4.4 MMT. While US exports edged up by 0.9% to 3.3 MMT, this gain was offset by a steep 19.9% decline in Canadian exports, which dropped to 1.1 MMT, weighing on the region's overall performance.

Seasonality Charts



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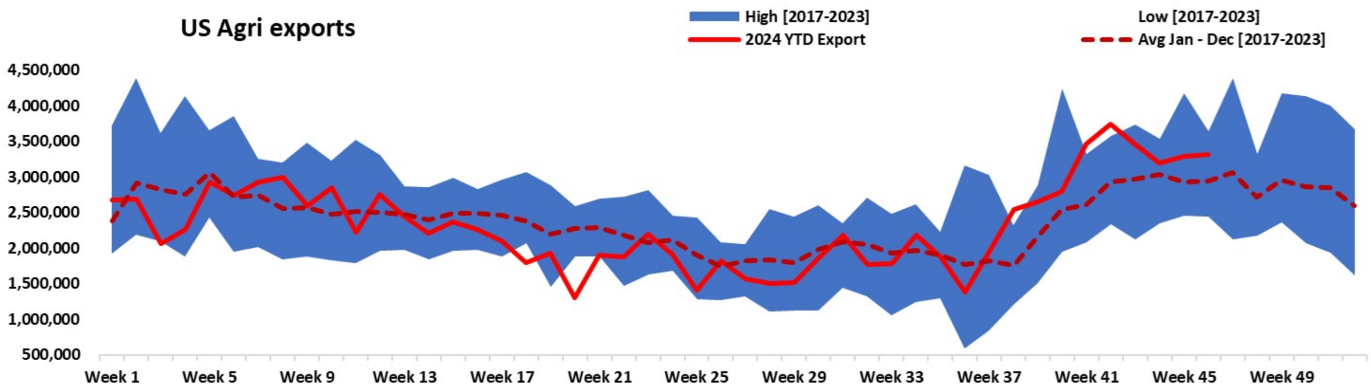

Dry Bulk Trades/Agri

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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