

18/03/2025

Market Review:

The Capesize 5TC index reached its four-month highs near \$24,000, driven by strong iron ore and coal demand. Early last week, decent iron ore interest pushed C5 and C3 higher. Since Chinese mills continue to operate on low iron ore and steel inventories, Cape iron ore shipments is projected to reach higher from mid-March to April. The winner for a change was Panamax last week, showing the biggest daily volume last Thursday along with surging rates. Despite the previous week gains in FFA were partially erased early this week, they fundamentally remained positive.

Freight Rate \$/day	17-Mar	10-Mar	Changes %	Short Term	Sentiment
Capesize 5TC	22,954	20,554	11.7%	Neutral to Bullish	↗
Panamax 4TC	11,287	7,786	45.0%	Neutral to Bullish	↗
Supramax 10TC	10,020	8,893	12.7%	Neutral to Bullish	↗
Handy 7TC	10,315	10,090	2.2%		

Capesize

The Capesize 5TC index reached a new high for the year and edged closer to \$24,000, supported by steady iron ore and coal demand from key players. In the first half of last week, all three majors were actively securing tonnage on the C5 route, driving rates up from \$9.90 to \$11.50 for end-March laycans, before softening below \$11 ahead of the weekend. On the C3 route, a strong volume of fixtures at the start of the week lifted sentiment, pushing rates over \$2 higher to the \$24.25–\$24.75 range for mid-April cargoes. Despite a slight uptick in the number of ballasters from 612 to 615 Capesize vessels as of 17th March, the laden-to-ballast ratio still remained above 1, indicating a healthy overall demand outlook.

Heading into this week, iron ore flows appeared to slow, but a resurgence in demand remains likely as Chinese mills continue to operate on low iron ore inventories. Projections indicate a sharp increase in pig iron and crude steel output from mid-March to April. According to Kpler, weekly iron ore cargo volumes are expected to rise from 30.1 million tonnes to 35.0 million tonnes, driven by robust demand from China and Japan.

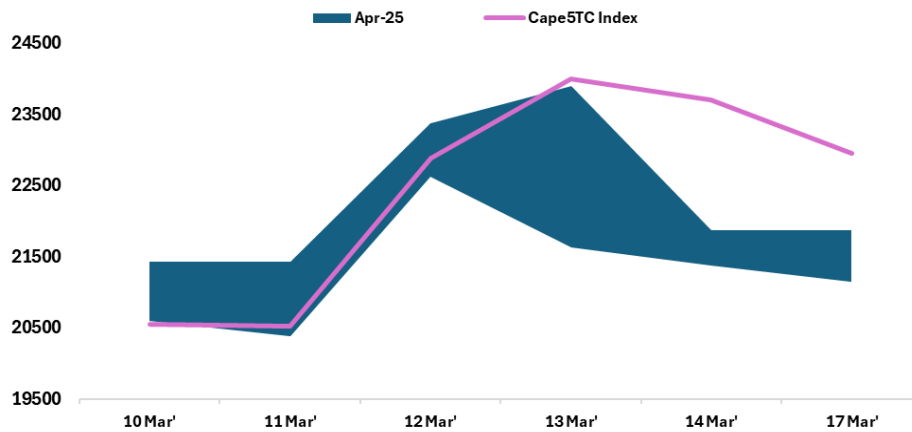
By commodity volume, Cape iron ore shipments stood at approximately 14.8 million tonnes (+4.6% w-o-w) and are expected to remain steady for the week ending 23rd March. If there are no further weather disruptions, increasing exports from Brazil and Australia could push weekly shipments toward 19.7 million tonnes by the end of the month.

Coal shipments also showed signs of recovery, particularly from Indonesia, while Australian supply remained strong. Cape coal shipments are projected to reach 5.8 million tonnes this week, up from 4.3 million tonnes the previous week. Meanwhile, bauxite shipments from Guinea surged amid high Chinese demand, tightening available tonnage. Cape bauxite cargo volumes are expected to increase from under 1 million tonnes last week to 4.8 million tonnes this week, before settling to 2.3 million tonnes in the following week, starting 24th March.

On the downside, discussions continue regarding China's potential 50 million mt reduction in annual crude steel production in 2025. However, uncertainty remains over whether the government will officially mandate and enforce the cuts, given their potential impact on economic growth. Additionally, late-week weather disruptions in China and Australia introduced an element of caution in the market.

FFA: Prompt futures rebounded on Tuesday amid increased fixture activity in the Pacific and Chinese port closures due to dense fog, including disruptions at Changjiangkou and Qingdao. April contracts saw strong bids, initially rising by \$1,000 to trade around \$21,000, before gaining further momentum and reaching a weekly high of \$23,370. Trading then settled within a \$22,700–\$22,960 range. Q2 futures followed a similar pattern, peaking on Wednesday at \$23,100–\$23,500, before retracing to \$22,800 and later \$22,000 to end the week with marginal gains. On Friday, April and Q2 contracts corrected lower to \$21,750 and \$22,000, respectively, amid softer fixture activity and weaker offers. This week, front-month futures have recovered slightly, albeit on low trading volumes. **Short run neutral to bullish**

Cape 5TC Rolling Front Month Trading Range vs Spot



Panamax

The Panamax market saw a surge in futures trading volume last week, supported by heightened activity in both the Atlantic and Pacific basins. In the Atlantic, the Transatlantic (P1A) route led the gains, rising 37% w-o-w to \$10,668. Significant gains also showed on the P2A route which climbed 9% to \$17,213, and P6 advanced 16% to \$12,877. Strong demand for coal and grain shipments from the US and Canada to Japan and China underpinned the market, while Panamax mineral cargo volumes also saw a sharp increase, reaching 815kt—well above the four-week moving average of 658kt.

In the South Atlantic, grain shipments from ECSA continued to rise toward the four-week moving average, with expectations of sustained demand in the coming week. A fixture for ECSA-Singapore/Japan redelivery was reported at \$12,850 for April-loading dates, reinforcing the bullish sentiment.

In the Pacific basin, robust coal shipments provided strong support, particularly from Australia, where weekly coal exports increased from 7.3 MMT to 10.7 MMT in the week starting March 17. Indonesian coal shipments also grew, rising from 9.0 MMT to 10.9 MMT over the same period, with Panamax vessels carrying approximately 36% of the total volumes.

Additionally, ballast capacity analysis confirmed vessel availability has tightened this week, with open Panamax vessel availability declining from 703 to 679 ships as of March 17—the lowest level since December 2023. This tightening supply is likely to provide further support to rates.

Panamax FFA: The Panamax futures market had a strong rally last week, with front-month contracts surging higher. April contracts began the week at \$11,500, reaching a mid-week peak of \$12,900, driven by strength in the physical market and Capesize support. However, a late-week selloff and a weaker-than-expected index report led to a slight correction, with April settling at \$12,700. Q2 futures followed a similar trajectory, rising from below \$12,000 to a high of \$12,950, before easing toward the end of the week. However, early this week, much of the previous gains were erased, with April dropping below \$12,000 and Q2 declining to \$12,375 on Monday, 17th March.

Short run neutral to bullish

Panamax 4TC Rolling Front Month Trading Range vs Spot

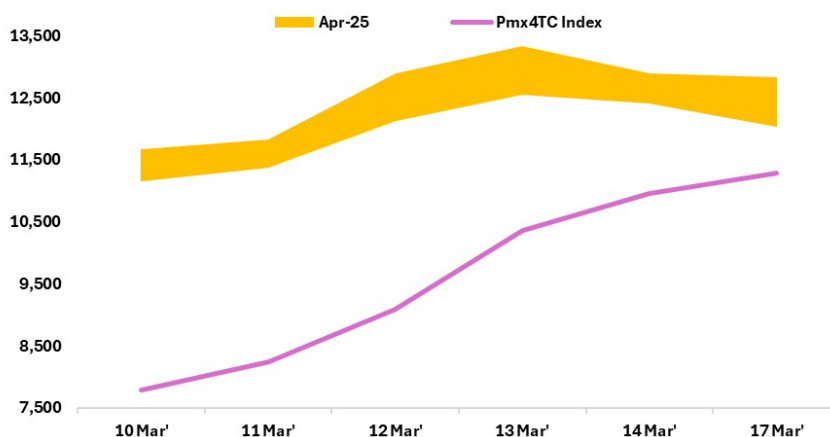


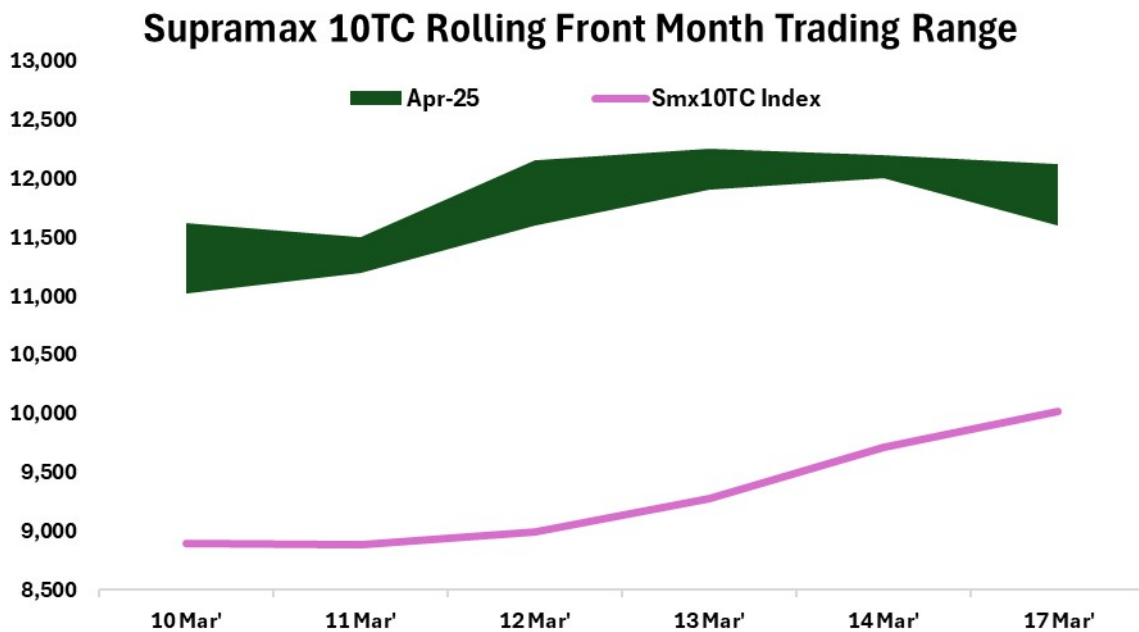
Chart source: FIS Live

Supramax

FFA: Supramax indices posted a weekly gain of 13.0%, supported by lower tonnage supply in both the Atlantic and Pacific basins. While demand was stronger in Asia, the Atlantic market remained mixed, with tariff uncertainties prompting a cautious approach.

Supramax paper started the week on a positive note, with March trading at \$9,800 and April reaching \$11,600, but momentum stalled on Tuesday as narrow intraday trading dominated. Midweek saw a strong lift in sentiment, with March rising to \$10,200 and April hitting \$12,200, though thinning liquidity led to some profit-taking. Thursday was busy but relatively flat, with early gains in March and April before rates drifted lower as Q2 traded between \$12,300 and \$11,950. With physical buyers evident in the morning session. Friday saw limited movement due to low liquidity, with March fluctuating between \$10,100 and \$10,300, while April ranged from \$11,950 to \$12,250.

Short run neutral to bullish



FFA Market Indexes

Freight Rate \$/day	17-Mar	10-Mar	Changes %	2025 YTD	2024	2023	2022	2021
Capesize5TC	22,954	20,554	11.7%	11,366	22,593	16,389	16,177	33,333
Panamax4TC	11,287	7,786	45.0%	7,642	12,763	11,518	8,587	25,562
Supramax10TC	10,020	8,893	12.7%	7,883	13,601	11,240	8,189	26,770
Handy7TC	10,315	10,090	2.2%	8,733	12,660	10,420	8,003	25,702

FFA Market Forward Values

FFA \$/day	17-Mar FIS Closing	10-Mar FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2025 YTD Mkt High	2025 YTD Mkt Low
Capesize5TC Apr 25	21,250	20,925	1.6%	23,900	20,375	23,900	14,575
Capesize5TC Q2 25	22,225	22,025	0.9%	23,900	21,375	23,900	16,075
Panamax4TC Apr 25	12,025	11,575	3.9%	13,325	11,375	13,375	9,475
Panamax4TC Q2 25	12,375	11,950	3.6%	13,300	11,825	13,300	9,900
Supramax10TC Apr 25	11,600	11,450	1.3%	12,250	11,200	13,500	9,600
Supramax10TC Q2 25	11,825	11,900	-0.6%	12,550	11,775	13,400	9,875

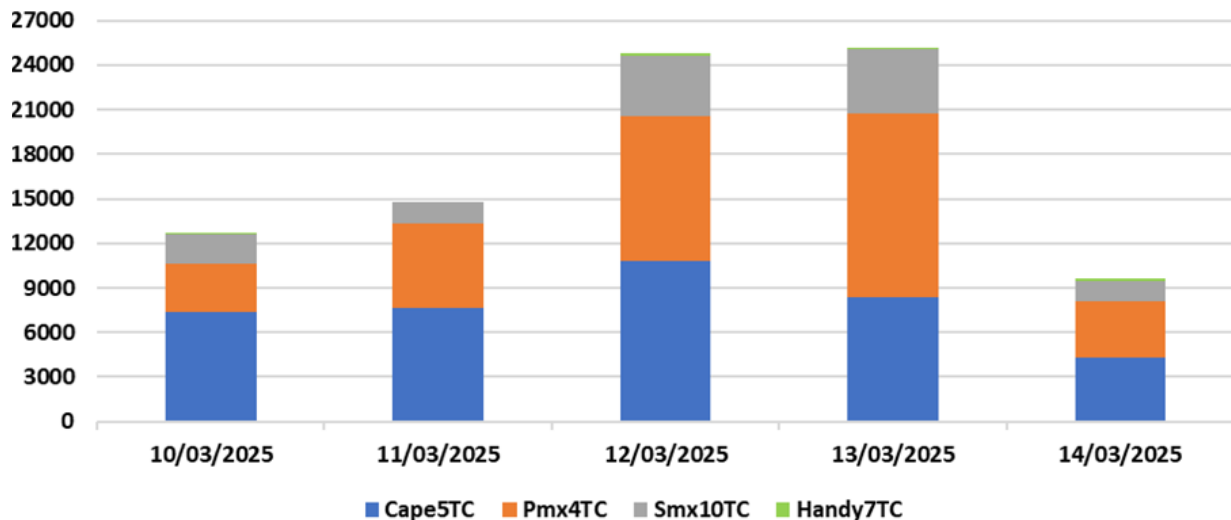
Data Source: FIS Live, Baltic Exchange

FFA Market

We had the busiest trading week in the dry FFA market with focus on the larger vessel sizes and total futures volumes reaching 95,430 lots. As the future prices peaked up to its highest-level last Wednesday, correction took place the following day, resulting in large volume changes hand. Panamax even broke its highest daily volume record on last Thursday nearly 12,400 lots. In a daily average, we saw around 7,690 lots cleared in Cape and 7,000 lots in Panamax, while Supramax reported increasing volume of 2,650 lots. On the option front, majority of the interests focus on Cape with weekly total of 6,400 lots traded, along with some small sizes done in the Panamax and Supramax. On the voyage route, C5 saw strong interest with 7.225 million tonnes cleared, with 6.325 million tonnes traded on Mar-Apr contracts along with Q2 traded 250kt per month and Q3 50ktm.

On Monday 17th March Cape5TC open interest stood at 175,904 lots (+7,615 w-o-w), Pmx4TC at 179,739 lots (+13,070 w-o-w), Smx10TC at 83,330 lots (+5,620 w-o-w).

Weekly FFA Futures Volume/days



Dry Bulk Trades/Iron Ore

Global iron ore exports totaled 30.5 million tonnes last week, with Australia supplying 18.6 MMt, slightly up from 18.2 MMt the previous week. Brazil's shipments declined to 5.1 MMt from 7.2 MMt, while South Africa increased exports by nearly 60% to 1.3 MMt, with steady volumes expected through early April.

Iron ore flows from Australia and Brazil have slowed this week but are projected to rise in the last two weeks of March. On the demand side, China imported 20.5 MMt, while Japan and South Korea combined for 2.7 MMt.

By vessel size, Capesize carried 14.8 MMt (+4.5% w-o-w), Panamax/Post-Panamax 1.6 MMt (+5.6%), Supra/Ultramax 1.8 MMt (-6.7%), and Handysize/Handymax 248kt.

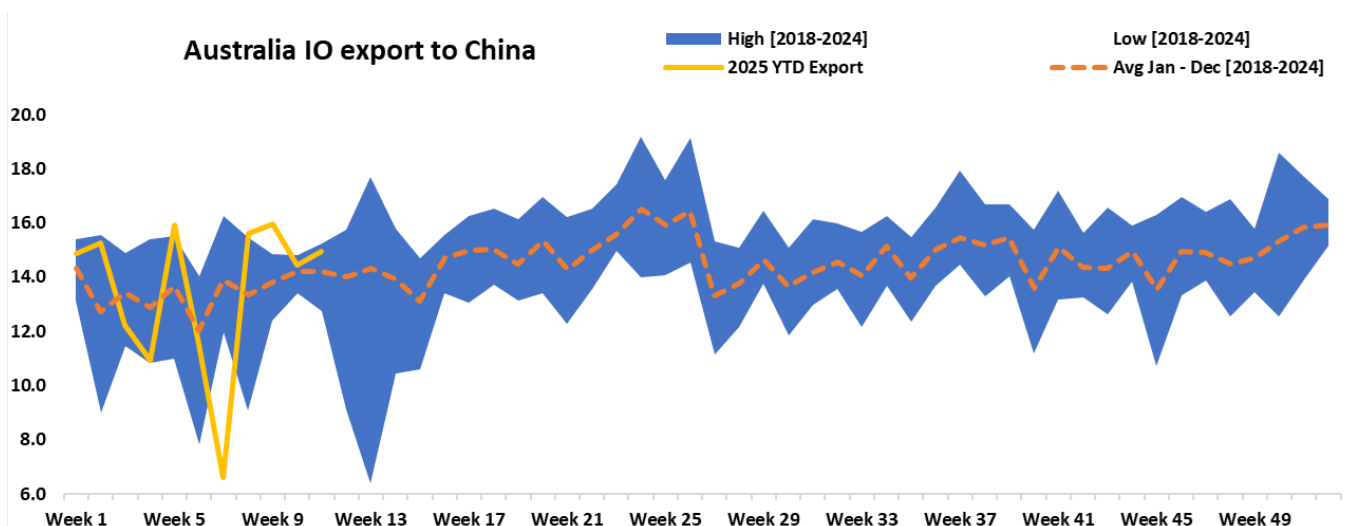
Dry Bulk Trades/Iron Ore

Export (million tonnes)	Feb-25	Jan-25	Q3-24	Q3-24	Q2-24	Q1-24	2024	2023	2022
Australia	58.1	70.9	237.7	234.3	245.4	237.7	936.1	925.5	921.6
Brazil	25.5	26.1	97.3	105.8	94.9	81.8	379.7	370.4	342.1
South Africa	3.9	4.5	13.0	12.9	13.4	13.7	53.0	52.9	52.5
India	2.9	2.1	6.9	6.3	10.2	14.1	37.5	44.5	16.2
Canada	3.1	4.1	14.3	17.3	13.1	12.5	57.2	57.6	53.1
Others	18.0	17.8	55.6	57.6	58.3	53.2	224.7	206.8	198.9
Global	111.6	125.5	424.7	434.2	435.3	394.1	1688.2	1657.6	1584.4

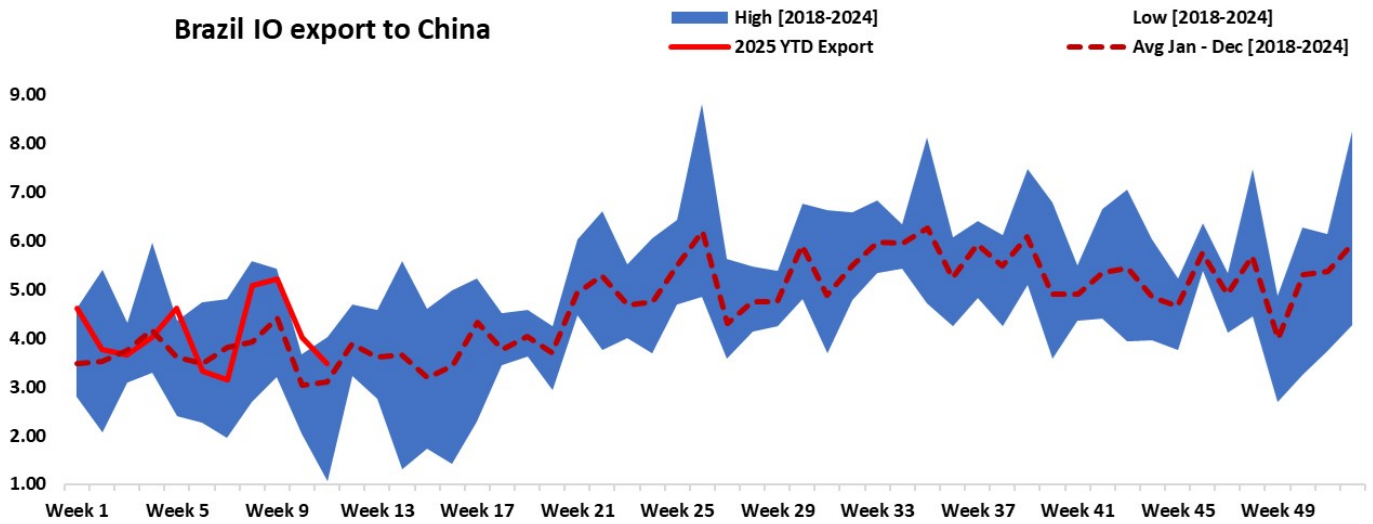
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.0	14.5	3%	10.70	10.17	5%
Brazil-China	3.5	4.0	-13%	23.73	20.76	12%

Seasonality Charts



Brazil IO export to China



Dry Bulk Trades/Coal

Dry Bulk Trades/Coal

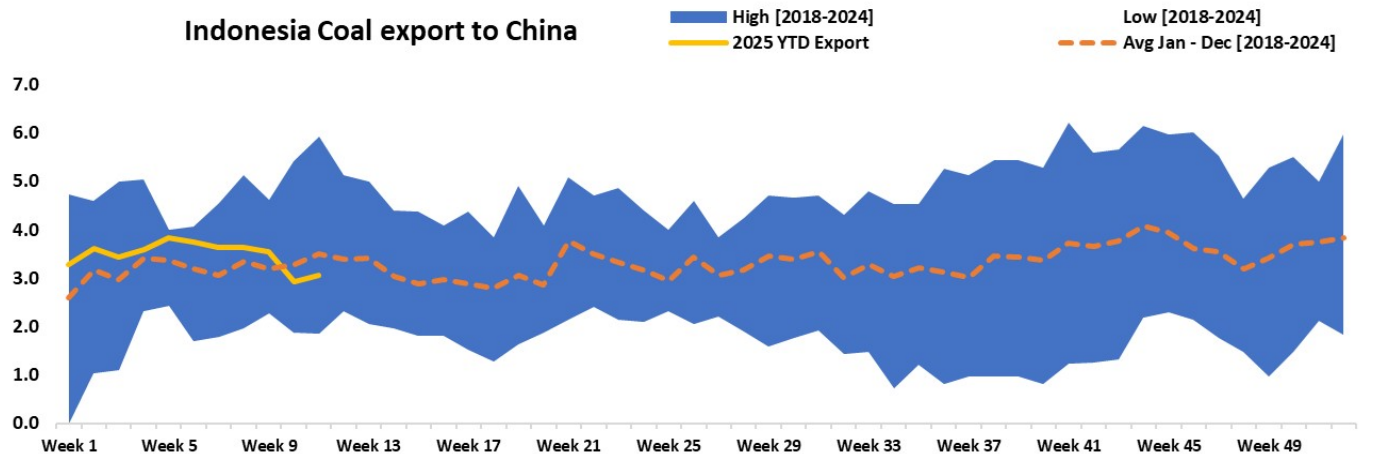
Export (million tonnes)	Feb-25	Jan-25	Q3-24	Q3-24	Q2-24	Q1-24	2024	2023	2022
Indonesia	39.5	39.3	142.6	131.4	130.4	129.1	533.5	505.8	451.5
Australia	22.4	25.2	96.6	90.3	88.8	85.5	361.2	353.3	341.3
Russia	10.9	12.3	36.1	40.3	43.3	36.8	156.5	180.8	178.3
USA	7.0	6.1	24.1	22.6	21.6	22.0	90.3	83.7	75.9
Colombia	4.6	3.1	13.0	13.3	15.8	14.7	56.9	57.7	54.5
South Africa	17.6	5.6	17.6	13.1	14.7	15.3	60.6	60.0	58.6
Others	7.9	8.4	28.9	29.5	30.3	30.1	118.8	556.0	501.3
Global	96.4	99.9	358.9	340.5	344.9	333.5	1377.8	1365.2	1288.6

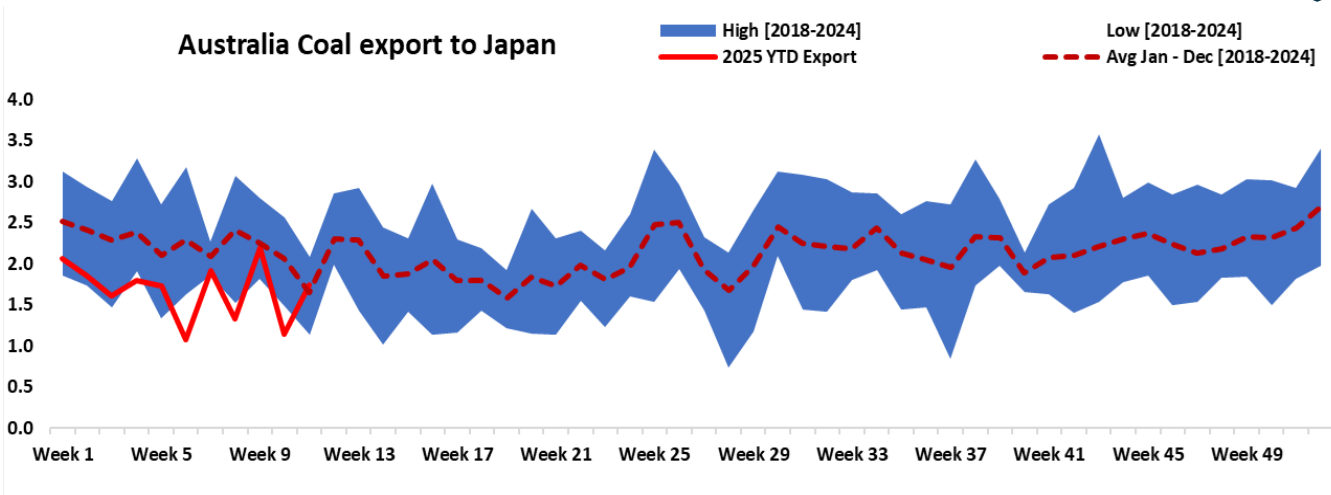
Coal Key Routes

Coal Key Routes	Coal Export Million mt		
	Last Week	Prev. Week	Chg %
Indonesia-China	3.1	2.9	4.8%
Australia-Japan	1.7	1.1	52.6%

Seasonality Charts

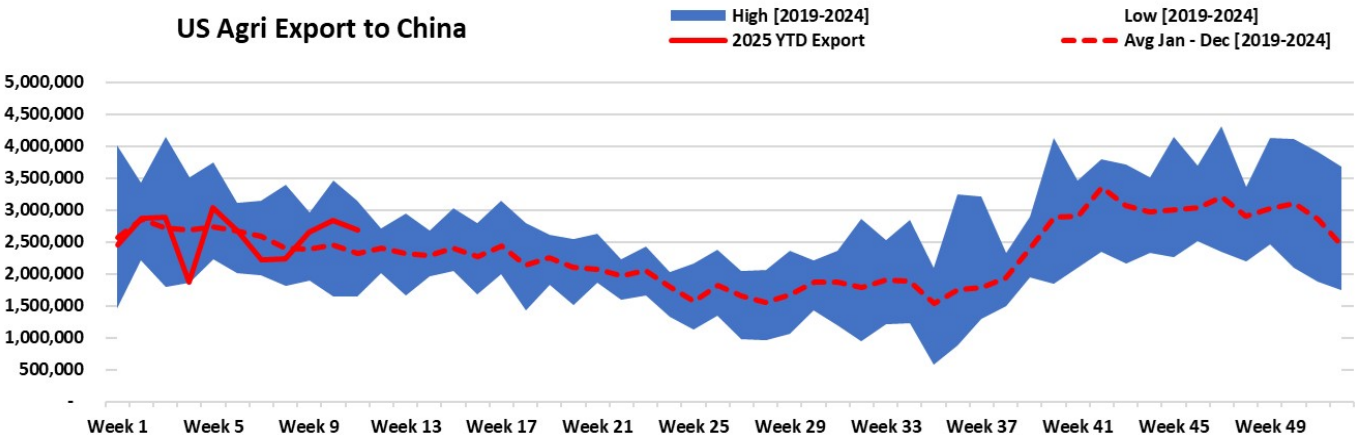
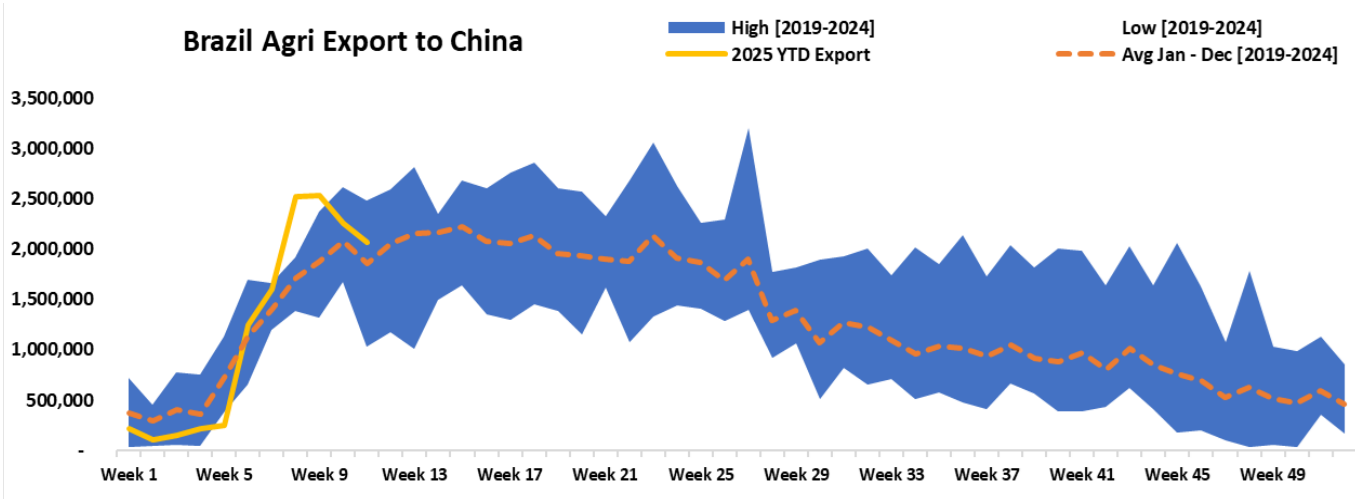
Indonesia Coal export to China





Grains

Seasonality Charts



Grains/Oilseed

Export (million tonnes)	Feb-25	Jan-25	Q3-24	Q3-24	Q2-24	Q1-24	2024	2023
Brazil	13.7	6.8	29.2	45.9	48.5	36.8	160.4	181.8
USA	9.8	11.5	42.3	24.7	24.1	33.0	124.1	102.4
Argentina	6.3	7.3	17.7	19.8	23.6	18.4	79.6	52.3
Ukraine	2.4	1.3	7.7	9.9	12.1	12.8	42.5	25.3
Canada	3.0	3.9	15.4	9.1	10.3	9.2	44.0	40.3
Russia	1.9	2.2	11.1	12.9	12.1	11.8	47.7	49.9
Australia	3.1	3.4	6.4	5.4	7.8	10.0	29.6	40.7
Others	6.2	5.6	17.8	21.5	21.3	25.7	86.2	100.9
Global	46.4	42.1	147.7	149.2	159.8	157.6	614.2	593.6

Data Source: IHS Markit Commodities at Sea Service, Bloomberg

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