

Dry FFA Market Signals

Bull

- **Chinese demand:** Inventory levels at major Chinese steel mills fell by 9.9% to 15.2 million tonnes in late March vs mid-March, according to CISA. Following last week's dip, global iron ore exports are forecasted to rebound sharply in the week starting April 7th, up 36% to 40.2 million tonnes from 29.5 million tonnes the prior week. (Cape)
- **Metals:** Bauxite shipments from both Guinea and Australia are expected to peak for the week starting 7th Apr. (Cape)
- **Coal Shipments:** Coal volumes on big vessels are expected to rebound in the coming weeks Capesize coal shipments could double this week to 6.3 million tonnes (+3 MMT w-o-w), while Panamax coal flows are projected to increase by 4.3 million tonnes, reaching 15.2 million tonnes. The surge is driven by robust Australia exports and a modest pickup out of Indo market, met with decent demand from China, India and Japan. (Cape & Pmx)
- **Cape/Pmx Spread:** The Cape/Panamax spot spread narrowed last week to levels last seen in late February, falling below \$7,000. Vessel tracking data suggests a near-term uptick in Capesize coal cargoes, lending further support. (Cape)
- **ECSA Grains:** Market forecasts remain positive. Last week grains export out of ECSA rose 10% w-o-w to 5.7 million tonnes and expected to increase further to 8.9 million tonnes (+3.1 MMT w-o-w) in the week starting 7th Apr. (Pmx)

Bear

- **Macro Risk-Off Sentiment:** Global markets tumbled as the Trump administration's swingeing tariffs reignited fears of a deeper economic slowdown. Risk sentiment deteriorated sharply: Brent and Copper sold off, the S&P 500 fell 6%, China's CSI 300 dropped 7%, tech stocks shed more than 10%, and the Nikkei 225 declined 8% on Monday. (Dry bulk)
- **Iron Ore Key Routes:** C5 iron ore flows eased for the week ending 6th Apr, falling to 14.3 million tonnes (-1MMT). While a reversal in this trend remains possible in the near term, current sentiment suggests that buying may remain largely limited to feed-based procurement. C5 fixtures for mid-end Apr laycan retraced back to \$8.75/tonne, down from the mid-\$9.40s seen earlier in the week. On the C3 route, volumes are projected to trend upward through the remainder of April. However, last week's flows dipped 12% to 4.2 million tonnes due to the Chinese public holiday on last Friday, broadly in line with the four-week moving average. Activity on TA routes remained subdued, contributing to a softening in C3 rates, which edged down to \$22.10/tonne for end-April laycan. (Cape)
- **Thin activity in the TA market** as charterers waited post holidays to gauge market direction. P1a and P2a indices retreated to the lower end of recent ranges, reflecting limited fresh inquiry and a cautious tone from both sides of the market. (Pmx)

Ferrous Market Signals

Bull

- The oversold on ferrous sector potentially bring a technical rebound. As most of tariffs on ferrous were fully placed and priced-in in Q1.
- China calls for new rounds of investments on major ETFs by the government owned company Central Huijin. The company act as equity market saver for several times during systematic risks.
- The demand of coking coal in China emerged in construction season.
- The pig iron daily production volume was 2.39 million tons in early April, 6.35% higher y-o-y.
- The five major types of steels in China was at five-year low during the same period.
- The average daily transaction volume of second-hand houses in Shanghai has jumped from 598 units in February to 947 units in March.
- This year, the issuance of local government bonds has reached 2.84 trillion yuan, hitting a record high for the same period in history.
- In China, the steel consumption of the infrastructure industry in March increased by 9.0% on the month, and it is expected to continue to grow by 11.3% in April. The steel consumption of the real estate industry in March increased by 6.7% on the month, and it is expected to continue to grow by 8.1% in April.
- The Indian government has upgraded its steel quality supervision system and required that all steel products included in the "Steel Quality Control Order" must obtain the certification of the Bureau of Indian Standards. This will effectively prevent inferior steel products from flowing into the market.
- Several China mills accepted the 1st round of physical coke price uptick by 50-55 yuan/ton. Previously, the physical coke price has corrected by 11 rounds, totaled 550 – 605 yuan/ton.

Bear

- The unexpected high US tariffs brought collateral damage to the financial market, triggered sell-offs among all assets.
- The tariffs from US bring heavy pressure to FOB flat steel market in Asia.
- High Australia and Brazil delivery and relative high port arrivals in April in China
- The virtual steel margin in China reached negative area for the first time of year in April. Physical steel margin in China was squeezed significantly.
- China port inventories were at seasonal high at 147 million tons.
- Indian buyers indicated sufficient inventories of coking coal, which potentially drag down the price of Australia coking coal

Market Data Snapshot (4th Apr)

Open Interest /lots	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Cape5TC	22,889	15,424	12,414	10,899	10,854	10,839
Pmx4TC	32,464	24,220	18,436	10,581	10,521	10,516
Smx10TC	11,930	8,690	7,355	5,803	5,813	5,813
Iron Ore 62%	285,996	396,518	170,656	115,478	61,082	56,565
Coking Coal	4,022	3,550	2,337	2,392	2,142	2,102
US HRC	5,961	7,736	9,070	4,493	1,753	1,525
FOB China HRC	1,088	1,060	660	406	247	153

Price	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Cape5TC \$/day	16,992	18,163	19,371	19,167	19,308	19,779
Pmx4TC \$/day	10,483	10,042	9,842	10,025	10,046	10,100
Smx10TC \$/day	10,096	10,042	10,300	10,000	10,233	10,292
Iron Ore 62% \$/mt	101.83	100.62	99.72	98.75	98.01	97.22
Coking Coal \$/mt	179.00	183.75	187.50	189.00	190.50	192.50
US HRC \$/st	932	836	812	808	805	807
FOB China HRC	460	462	465	469	474	474

OI WoW %	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Cape5TC	4.1%	8.6%	2.7%	3.8%	3.7%	3.5%
Pmx4TC	3.3%	9.3%	7.9%	5.9%	5.4%	5.4%
Smx10TC	0.8%	6.8%	-0.1%	2.4%	2.4%	2.4%
Iron Ore 62%	-5.0%	17.6%	6.8%	26.8%	9.5%	5.4%
Coking Coal	-3.1%	-2.2%	2.3%	11.2%	10.9%	11.1%
US HRC	0.4%	-2.8%	-0.7%	-1.4%	0.6%	2.7%
FOB China HRC	20.1%	-18.5%	2.5%	3.3%	3.8%	2.0%

Price WoW %	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Cape5TC \$/day	-12.9%	-13.9%	-10.6%	-11.8%	-11.1%	-10.3%
Pmx4TC \$/day	-11.8%	-15.4%	-16.1%	-14.4%	-13.5%	-13.0%
Smx10TC \$/day	-23.7%	-24.0%	-21.2%	-23.4%	-20.9%	-20.5%
Iron Ore 62% \$/mt	-1.5%	-1.6%	-1.6%	-1.7%	-1.7%	-1.8%
Coking Coal \$/mt	2.0%	4.1%	5.6%	4.7%	3.1%	3.1%
US HRC \$/st	4.7%	-1.3%	-1.0%	-1.3%	-2.4%	-2.2%
FOB China HRC \$/t	-1.2%	0.4%	1.1%	0.3%	1.3%	0.7%

Sources: EEX, SGX, CME

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