

13/05/2025

Market Review:

Capesize rates fell sharply last week, weighed down by reduced cargo volumes during the Chinese holiday and a surplus of available tonnage. Despite the pressure, coal and bauxite demand is expected to increase this week, if cargo volumes help to absorb the growing vessel supply. Meanwhile, the three smaller vessel segments—Panamax, Supramax, and Handysize—traded within narrow ranges, reflecting the ongoing uncertainty around macroeconomic indicators and market fundamentals.

The new trading week began on a firmer note, supported by positive sentiment stemming from tariff reduction news between the US and China. The agreement has helped easing some previous concerns about economic growth in the world’s two largest economies and could potentially prompt a wave of stockpiling activity for minor bulk commodities such as corn, petcoke, steel, and fertilizers on minor bulk trade.

Freight Rate \$/day	12-May	06-May	Changes %	Short Term
Capesize 5TC	14,354	16,897	-15.1%	Bullish
Panamax 4TC	10,739	10,902	-1.5%	Bearish
Supramax 10TC	10,224	10,063	1.6%	Neutral
Handy 7TC	9,978	10,066	-0.9%	

Capesize

The Capesize market surrendered all gains seen earlier this month, as spot rates fell by over 15% week-on-week. The prompt month continued to decline throughout the shortened four-day trading week. The downturn was largely driven by reduced iron ore and bauxite shipments, as Chinese buyers returned gradually from the week-long holiday. Total Capesize shipments dropped to 18 million tonnes, down 1.4 million tonnes or 7.9% w-o-w.

By commodity, iron ore shipments declined by 8.2% to 13.2 million tonnes for the week ending 11th May, consistent with subdued Chinese import activity. On key trading routes, C5 saw both export volumes and freight rates edge lower, with last fixtures reported at \$7.50 for 27–29 May. C3 followed the trend, fixing at around \$18 for 10th June onwards despite a marginal uptick in cargo volumes. Bauxite exports plunged nearly 50% to 688kt, dragging overall volume down further. Conversely, coal shipments rebounded sharply to 3.9 million tonnes, with projections indicating continued strength over the coming fortnight.

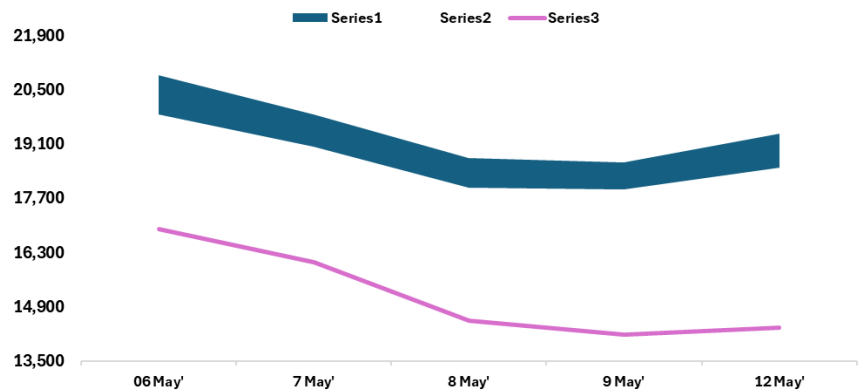
Looking ahead, total Capesize cargo volumes are expected to rise, supported by increased coal and bauxite activity. However, this will be partially offset by lower iron ore exports from Australia and Brazil. For the week beginning 12th May, Capesize shipments are projected to increase significantly to 21.6 million tonnes (+3.6 Mt, or +19.7% w-o-w). Within this, iron ore volumes are forecast to fall further to 12.2 million tonnes—the third consecutive weekly decline—before rebounding to 18.1 million tonnes in the following week. Coal shipments are expected to climb further, reaching 4.3 million tonnes, amid stronger buying interest from Japan and increased Indonesian supply. Bauxite shipments, supported by robust demand, are projected to surge to 4.4 million tonnes, up sharply from the prior week’s 688kt, according to Kpler vessel tracking data.

On the supply side, the number of ballast vessels continues to rise and outnumbered the loading vessel numbers first time since March, suggesting an emerging oversupply scenario. Ballast counts increased from 622 to 646 for the week ending 22nd May and are projected to climb further to 658 at the start of the new week. If demand fails to keep pace, downward pressure on freight rates appears inevitable.

FFA: FFA activity picked up promptly on Tuesday, with immediate selling pressure.

May traded down \$500 to close at \$18,000, while June dropped \$200 to \$20,250, after briefly testing \$19,850. Q3 fell from \$20,000 to settle between \$19,700–\$19,750. On Wednesday, futures remained rangebound within a \$200 window, as the market awaited clearer direction from the physical side. On Thursday, selling intensified post-index. The front of the curve dropped by \$1,000, with May and June contracts falling below \$16,000 and \$18,000, respectively. Q3 also declined over \$600 to around \$19,000, before a modest rebound was observed ahead of the weekend.

Cape 5TC Rolling Front Month Trading Range



The new week opened on a firmer note, buoyed by optimism following news of easing US–China trade tensions. Despite the public holiday in Singapore, trading volumes were decent. May recovered to \$16,500, while June rallied to an intra-day high of \$19,350, before settling back to \$18,650 on light volume. It remains to be seen whether physical market activity will support these gains, amid a broadly improved sentiment in global financial markets.

Bullish

Panamax

Despite the bearish sentiment and sharp decline in the Capesize market put a cap on Panamax FFAs, the Panamax sector managed to hold its ground, supported by resilient coal demand. On a weekly basis, Panamax shipments climbed to a six-week high of 26.4 million tonnes, surpassing the four-week moving average of 25.2 million tonnes.

The primary driver was healthy coal supply from both regions, aligned with sustained demand from Asian buyers. A modest uptick in grain activity out of Canada and US also contributed to the momentum. Coal shipments via Panamax vessels rose by 18% w-o-w (+2.6 million tonnes) to reach 14.4 million tonnes for the week ending 11th May. Additionally, iron ore maintained strong performance, holding steady at 2.1 million tonnes, above the four-week average of 1.9 million tonnes. However, grain shipments from East Coast South America (ECSA) dropped sharply, falling 18.5% w-o-w to 5.3 million tonnes.

Heading into the new week, Panamax faced some corrections as cargo volumes are retreating from the previous peak and increased vessel supply. Panamax cargo volumes are projected to decline by 15% to 22.3 million tonnes, before rebounding to 25.6 million tonnes for the week beginning 19th May. Coal shipments are expected to remain flat in the near term. However, Australian coal supply may surge significantly—from around 6 million tonnes currently to as high as 19 million tonnes per week by mid- to late May, which would favourably destinate to Japan and S Korean. Similar picture painted on the grains side left less support on Panamax this week, grains from US and Canada looks steadied at its recent ranges however sharp decline from Brazil. ECSA grains are forecast to decline by 10% to around 4.8 million tonnes, with a rebound to 6.4 million tonnes expected later in May. In parallel, vessel supply continues to build, open Panamax and Kamsarmax tonnage is forecast to rise to 1,496 vessels (+50) on 12th May, potentially adding downward pressure on the Panamax rates.

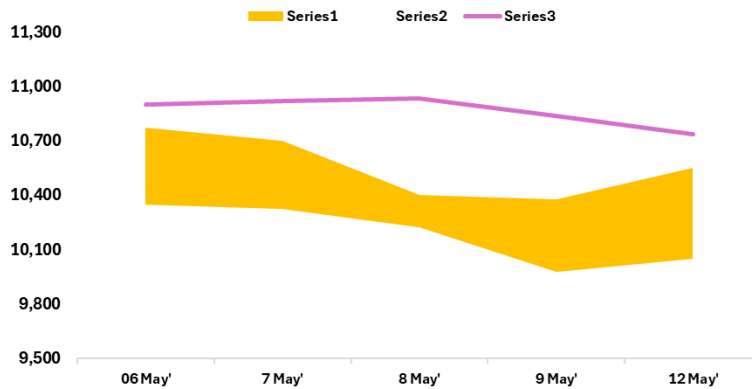
FFA: It was a relatively uneventful week in the Panamax FFA market, which traded largely rangebound. Mid-week saw a slight uptick as physical activity improved across both basins. On the Tuesday morning, May ticked \$150 higher to \$10,570 from short covering, Jun traded at \$10,550 in decent size before edging higher to \$10,650 later in the session, likewise Q3 ticked higher to \$10,700. However, sentiment weakened toward the end of the week after another negative index, Panamax futures began to drift lower. May hovered at around \$10,500, Jun fell by \$300 to trade at between \$10,300–\$10,350 at most of the session before dipped to \$10,100 at the close, while Q3 moved within \$200 range at \$10,400.

On Monday 12th May, the market opened with optimism from some Chinese and physical buyers. Both June and Q3 opened higher at \$10,600 and \$10,650, respectively. However, momentum faded in the afternoon session, and prices retreated back to Friday's closing levels.

Bearish

Chart source: FIS Live

Panamax 4TC Rolling Front Month Trading Range



Supramax

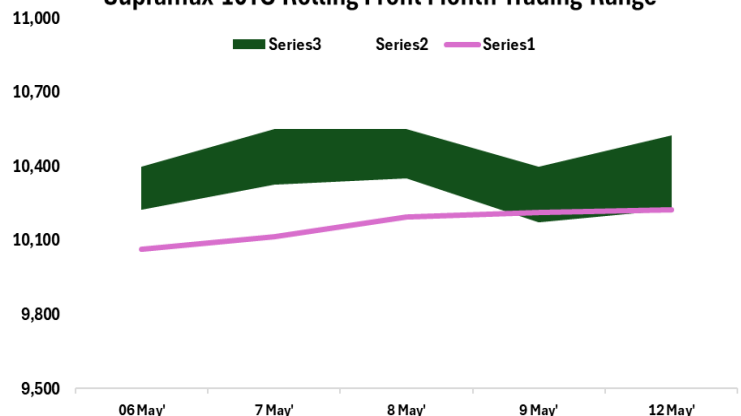
Unlike the larger vessel, Supramax rates posted modest gains last week, supported by stronger demand and firmer fixture activity from the US Gulf and South Atlantic. Highlight fixtures included a trip from the US Gulf to the Continent at \$16,000 and from East Coast South America to the Continent fixed in the mid \$20,000s. In contrast, the Asia-Pacific market remained under pressure, with weaker demand resulting in declining rates across most routes. As a result, total Supramax shipments fell slightly to 17.8 million tonnes last week, largely due to reduced activity in the Asian region.

Looking ahead, demand in the Atlantic is projected to increase further, supporting a 6% weekly rise in Supramax cargo volumes to 18.9 million tonnes, which would bring activity in line with the four-week moving average. However, the tonnage list continues to build, with the number of open Supramax and Ultramax vessels rising for a second week—from 1,481 to 1,558 as of 12th May. If this trend persists and demand fails to absorb the growing supply, it may limit further gains in the near term.

FFA: Supramax paper traded within narrow ranges throughout the week, with liquidity and momentum generally subdued despite some consistent bid support. On Tuesday, May traded between \$10,100 and \$10,250, while Q3 saw prints at \$10,600 and \$10,650, even as larger sizes came under pressure.

Wednesday brought a modest lift across the curve, with May reaching \$10,400 and June up to \$10,600, supported by a positive index and back-end interest in Cal26 at \$10,100 and \$10,200. Thursday continued the rangebound trend, May traded in size at \$10,300 and \$10,400, June between \$10,400 and \$10,550, and Cal26 traded multiple times at \$10,150. Friday saw the curve edge slightly lower despite a positive index; May traded at \$10,200, June at \$10,200 and \$10,250, and Q3 slipped to \$10,500, with some spread interest on Q3 versus Q4 at \$250. On Monday 12th May, the week began with a slight lift, May traded up to \$10,500, June ranged from \$10,300 to \$10,500, and Q3 and Q4 printed at \$10,650 and \$10,400 respectively, as steady bid support followed a mildly positive index.

Supramax 10TC Rolling Front Month Trading Range



Neutral

FFA Market Indexes

Freight Rate \$/day	12-May	06-May	Changes %	2025 YTD	2024	2023	2022	2021
Capesize5TC	14,354	16,897	-15.1%	13,883	22,593	16,389	16,177	33,333
Panamax4TC	10,739	10,902	-1.5%	9,002	12,763	11,518	8,587	25,562
Supramax10TC	10,224	10,063	1.6%	8,871	13,601	11,240	8,189	26,770
Handy7TC	9,978	10,066	-0.9%	9,463	12,660	10,420	8,003	25,702

FFA Market Forward Values

FFA \$/day	12-May FIS Closing	06-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2025 YTD Mkt High	2025 YTD Mkt Low
Capesize5TC Jun 25	18,600	19,950	-6.8%	20,875	17,925	23,875	17,575
Capesize5TC Q3 25	19,625	19,800	-0.9%	20,500	18,675	23,250	17,600
Panamax4TC Jun 25	10,050	10,500	-4.3%	10,775	9,975	13,325	9,200
Panamax4TC Q3 25	10,500	10,600	-0.9%	10,800	10,225	12,875	9,425
Supramax10TC Jun 25	10,500	10,375	1.2%	10,550	10,175	13,300	9,650
Supramax10TC Q3 25	10,775	10,725	0.5%	10,825	10,475	13,000	9,750

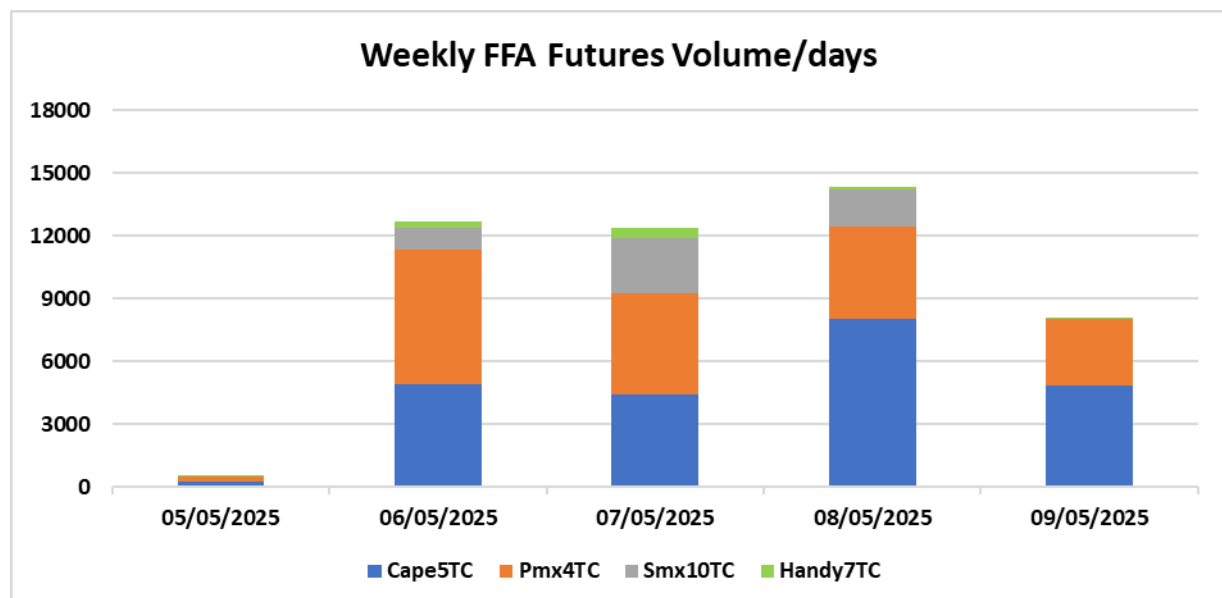
Data Source: FIS Live, Baltic Exchange

FFA Market

Following the UK bank holiday, dry FFA markets saw a robust return to trading. Volumes were strong across larger segments, with Capesize clearing 26,400 lots and Panamax 18,980 lots. Supramax also saw early-week activity with 7,051 lots, and Handysize volumes improved to 990 lots.

On the options front, activity remained subdued, likely due to the post-holiday effect and narrow underlying price ranges. Focus remained on prompt contracts May and June, with light trading on Q3 and Q4 2025. Total options volume was reported at 650 lots on Capesize and 390 lots on Panamax. On the voyage side, C5 was heavily traded with 4.025 million tonnes for May and 575kt for June. Additionally, 150kt of May contracts were traded on the C3 route.

Open interest increased a touch participants rolled more positions into June and increased exposure for Aug–Sept. Notably, the sharp decline in Capesize futures was accompanied by rising open interest, suggesting increased short positioning. As of 12 May, Cape5TC open interest rose to 178,911 (+6,450 w-o-w). While Pmx4TC stood at 172,248 lots (+9,690 w-o-w), and Smx10TC at 79,513 lots (+1,680 w-o-w).



Dry Bulk Trades/Iron Ore

Global iron ore exports recorded a modest decline last week, falling by 0.8% to 30.2 million metric tonnes (MMT), down from 30.5 MMT the week before last. Australian exports decline to 16.9 MMT last week, down 9.4% from 18.7 MMT the week before last. Brazil's exports, on the other hand, increased by 3.9% to 7.0 MMT, up from 6.7 MMT. Among smaller exporters, Canada recorded an impressive 37% increase, rising from 1.0 MMT to 1.4 MMT. South Africa remained relatively stable, with exports slipping slightly by 1.1% to 0.87 MMT, compared to 0.88 MMT the week before last.

On the demand side, China's iron ore imports increased modestly by 0.6%, rising from 19.7 MMT to 19.8 MMT last week. In contrast, imports by Japan and South Korea nearly halved, falling 43.0% to 1.2 MMT last week from 2.1 MMT the week before last.

By Vessel Size:

- Capesize: 13.2 MMT (-8.2% w-o-w)
- Panamax/Kamsarmax: 2.0 MMT (-7.3% w-o-w)
- Supramax/Ultramax: 1.4 MMT (+64.4% w-o-w)
- Handysize/Handymax: 0.2 MMT (-56.5% w-o-w)

For the week starting 12th May, Kpler's data projects a relatively similar export numbers to last week, with total volumes estimated at 27.3 MMT down 2.9 MMT. Australia's exports are expected to reach 15.6 MMT, down 1.3 MMT; Brazil's exports are projected at 6.9 MMT, a decrease of 0.1 MMT; Canada is forecast to export 1.3 MMT, also down 0.1 MMT; while South Africa's exports are expected to fall by 0.17 MMT to 0.7 MMT.

Dry Bulk Trades/Iron Ore

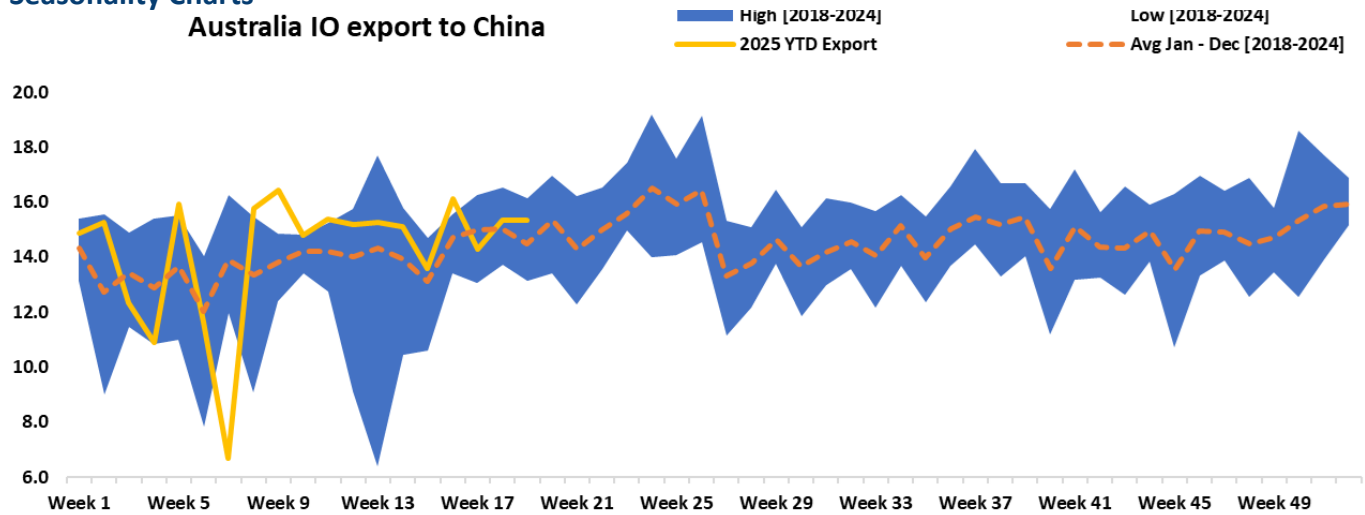
Export (million tonnes)	Apr-25	Mar-25	Q1-25	Q4-24	Q3-24	Q2-24	2024	2023	2022
Australia	74.3	83.6	213.4	237.7	234.3	213.4	936.1	925.5	921.6
Brazil	29.6	28.5	79.9	97.3	105.8	94.9	379.7	370.4	342.1
South Africa	3.8	4.8	13.3	13.0	12.9	13.4	53.0	52.9	52.5
India	2.2	3.4	8.6	6.9	6.3	10.2	37.5	44.5	16.2
Canada	4.6	4.0	11.0	14.3	17.3	13.1	57.2	57.6	53.1
Others	15.6	22.5	58.1	55.6	57.6	58.3	224.7	206.8	198.9
Global	130.1	146.9	384.4	424.7	434.2	435.3	1688.2	1657.6	1584.4

Iron Ore Key Routes

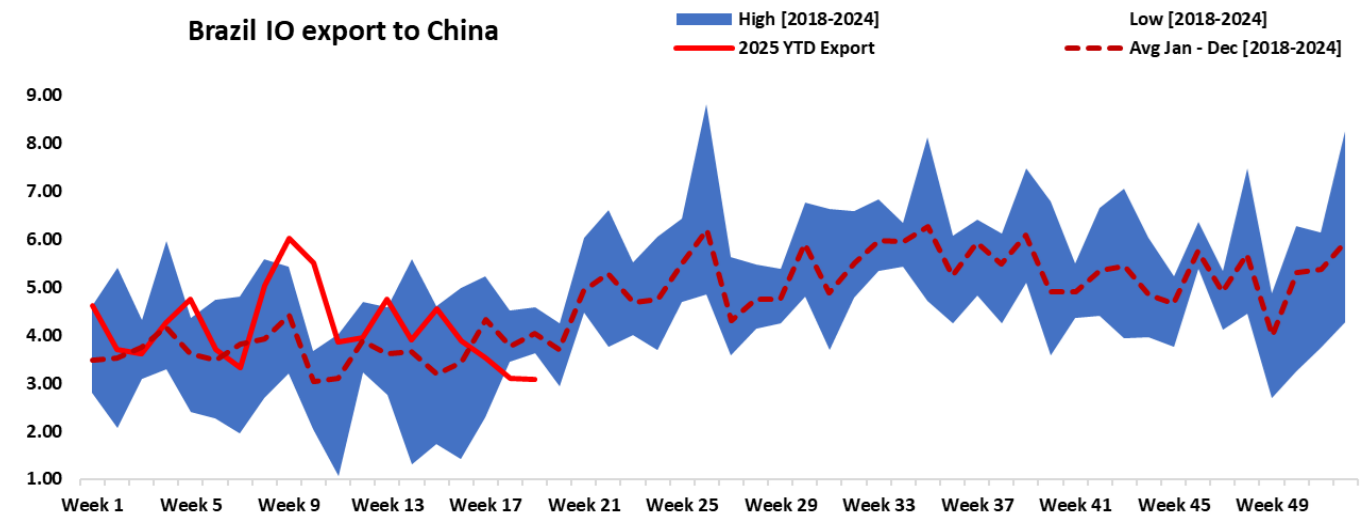
	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week	Prev. Week	Chg %
Australia-China	15.3	15.4	-0.1%	7.72	8.03	-3.9%
Brazil-China	3.1	3.1	-1.3%	18.67	19.54	-4.5%

Seasonality Charts

Australia IO export to China



Brazil IO export to China



Dry Bulk Trades/Coal

It was an overall positive week for seaborne coal, with global export volumes rising 9.2% to 23.9 MMT, up from 20.9 MMT the week before last. Both metallurgical and thermal coal contributed to the increase. Metallurgical coal exports surged by 43.6% to 4.2 MMT, up from 2.9 MMT, while thermal coal rose 8.2% to 17.5 MMT from 16.2 MMT.

Indonesia recorded a slightly negative week, with coal exports falling by 5.2% to 8.6 MMT, down from 9.1 MMT. In contrast, Australia had a very strong performance, with exports surging by 43.6% to 6.3 MMT, up from 4.3 MMT the week before last.

On the demand side, China increased its coal imports by 27.7% to 5.8 MMT, up from 4.5 MMT. Japan also saw a sharp rise, doubling its imports to 1.9 MMT, a 67.0% increase from 1.1 MMT. India imported 3.3 MMT of coal, up 2.5% from 3.2 MMT the previous week.

By Vessel Size:

- Capesize: 3.9 MMT (+23.2% w-o-w)
- Panamax/Kamsarmax: 14.4 MMT (+21.9% w-o-w)
- Supramax/Ultramax: 3.8 MMT (-14.7% w-o-w)
- Handysize/Handymax: 1.5 MMT (+34.5% w-o-w)

For the week starting 12th May, vessel data projects a decline in global seaborne coal exports, with total volumes estimated at 21.9 MMT, down 2.0 MMT from last week. Indonesia's exports are expected to remain relatively stable at 8.4 MMT, down slightly by 0.2 MMT. Australia's exports are forecast to rise modestly to 6.4 MMT, up 0.1 MMT from the previous week.

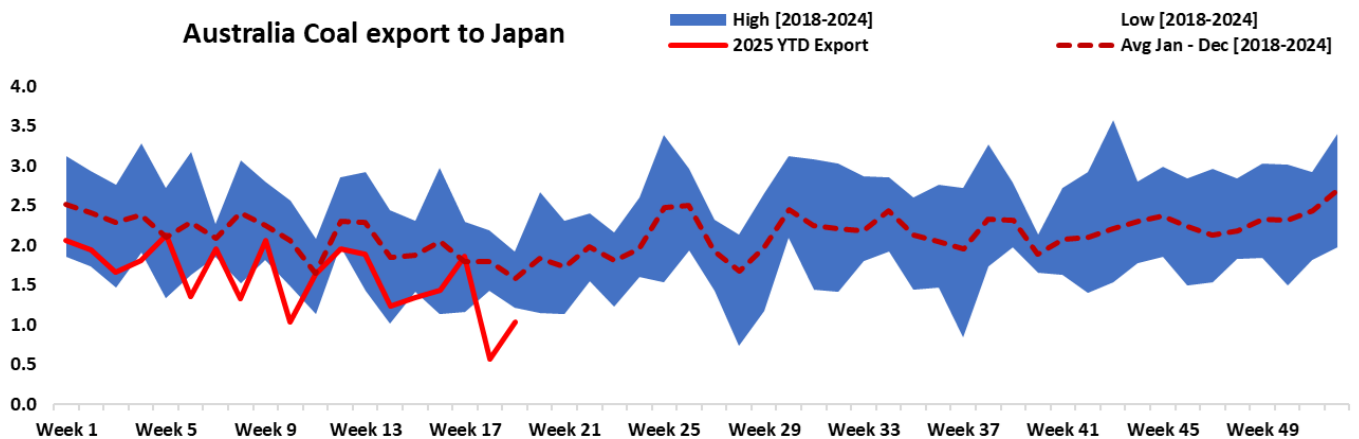
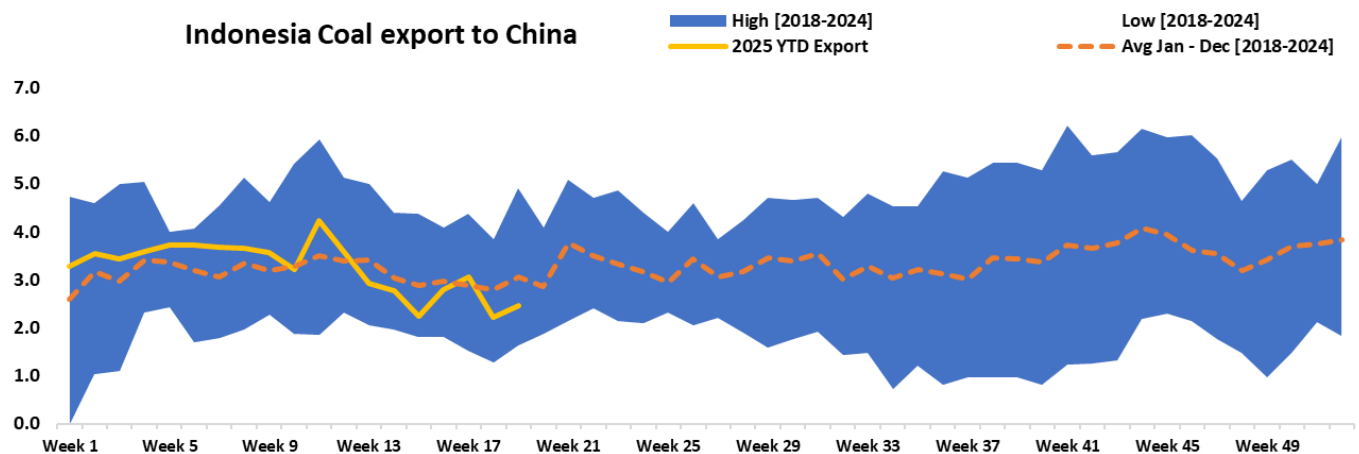
Dry Bulk Trades/Coal

Export (million tonnes)	Apr-25	Mar-25	Q1-25	Q4-24	Q3-24	Q2-24	2024	2023	2022
Indonesia	37.0	38.2	117.2	142.6	131.4	130.4	533.5	505.8	451.5
Australia	26.4	30.5	77.3	96.6	90.3	88.8	361.2	353.3	341.3
Russia	13.4	12.0	35.5	36.1	40.3	43.3	156.5	180.8	178.3
USA	6.3	8.5	21.5	24.1	22.6	21.6	90.3	83.7	75.9
Colombia	2.8	4.7	12.2	13.0	13.3	15.8	56.9	57.7	54.5
South Africa	16.3	6.7	16.3	17.6	13.1	14.7	60.6	60.0	58.6
Others	10.2	10.7	27.4	28.9	29.5	30.3	118.8	556.0	501.3
Global	100.9	111.3	307.5	358.9	340.5	344.9	1377.8	1365.2	1288.6

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	2.5	2.2	11%
Australia-Japan	1.0	0.6	81%

Seasonality Charts



Dry Bulk Trades/Agri

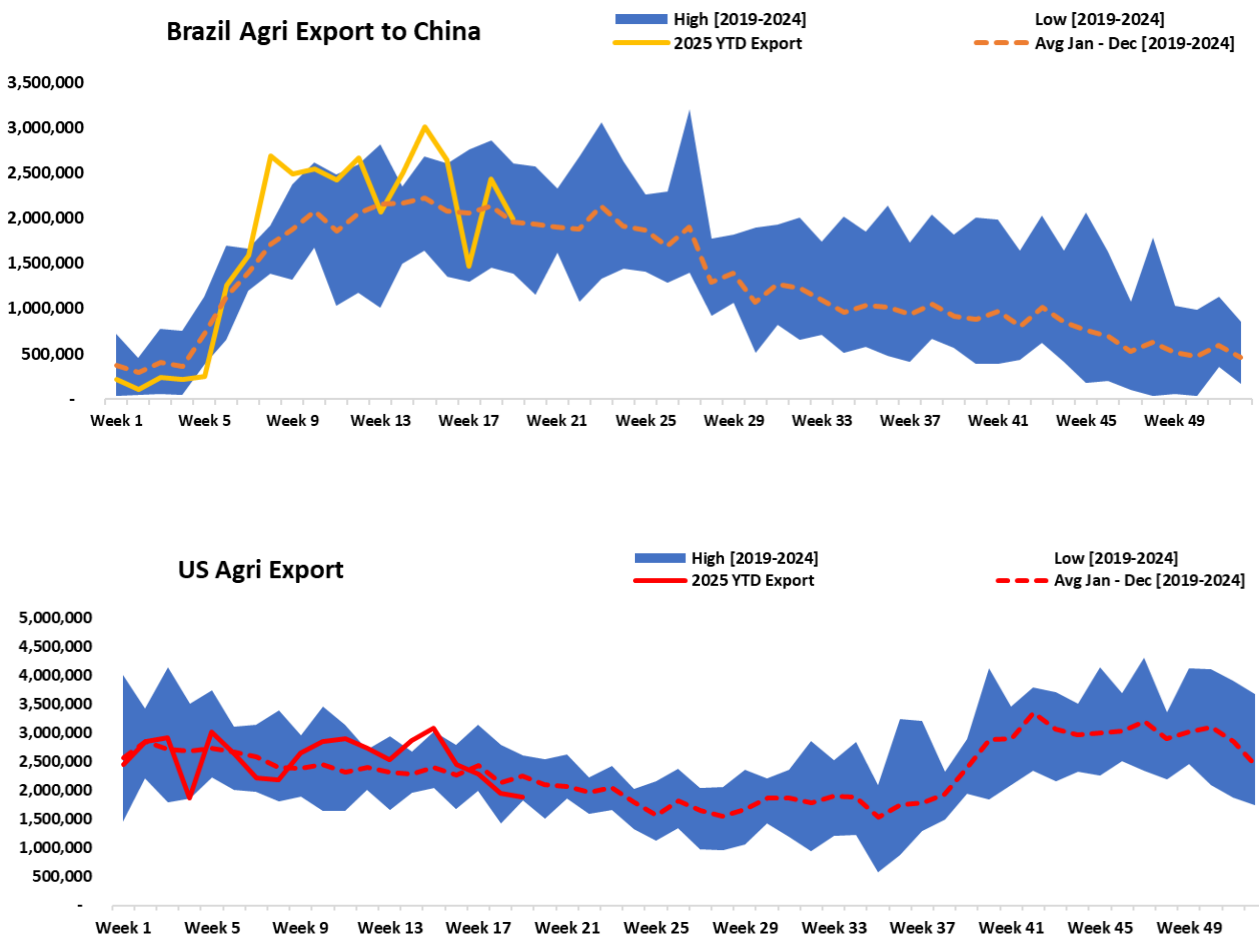
Global seaborne agricultural exports fell by 6.9% last week to 11.1 MMT, down from 11.9 MMT the previous week. Shipments from East Coast South America (ECSA) declined sharply by 18.4% to 5.1 MMT, down from 6.3 MMT. Within the region, Brazilian exports dropped by 22.1% to 3.5 MMT from 4.5 MMT, while Argentina recorded 1.7 MMT, down 11.5% from 1.9 MMT. Exports from the United States remained relatively steady at 1.9 MMT, a marginal 3.1% decrease from 2.0 MMT the week before last.

By Vessel Size:

- Panamax/Kamsarmax: 5.8 MMT (+3.2% w-o-w)
- Supramax/Ultramax: 2.7 MMT (-11.8% w-o-w)
- Handysize/Handymax: 2.5 MMT (-22.0% w-o-w)

For the week starting 12th May, vessel projects agricultural exports to remain relatively stable at 10.4 MMT, down 0.7 MMT from last week. ECSA exports are expected to reach 4.5 MMT, a decline of 0.6 MMT. Within this, Brazil is forecast to export 3.2 MMT (-0.3 MMT), and Argentina 1.3 MMT (-0.4 MMT). In contrast, U.S. exports are projected to increase slightly to 2.1 MMT, up 0.2 MMT from last week.

Seasonality Charts



Dry Bulk Trades/Agri

Export (million tonnes)	Apr-25	Mar-25	Q1-25	Q4-24	Q3-24	Q2-24	2024	2023
Brazil	15.5	18.1	38.4	29.2	45.9	48.5	160.4	181.8
USA	11.1	12.3	33.5	42.3	24.7	24.1	124.1	102.4
Argentina	7.3	6.5	20.2	17.7	19.8	23.6	79.6	52.3
Ukraine	2.2	2.4	6.0	7.7	9.9	12.1	42.5	25.3
Canada	4.3	4.0	10.7	15.4	9.1	10.3	44.0	40.3
Russia	1.8	1.4	5.6	11.1	12.9	12.1	47.7	49.9
Australia	3.7	3.2	9.7	6.4	5.4	7.8	29.6	40.7
Others	5.9	6.5	18.8	17.8	21.5	21.3	86.2	100.9
Global	51.7	54.4	143.0	147.7	149.2	159.8	614.2	593.6

Data Source: Kpler, Bloomberg

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