

## Dry FFA Market Signals

## Bull

- **Iron Ore Key Routes:** Iron ore exports are poised to rebound following the end of the Chinese holiday. Vessel tracking shows that weekly iron ore shipments fell below the 4-week moving average over the past two weeks due to slow activity during the holiday period. However, demand is expected to pick up for the week beginning 12 May, with weekly volume reaching 34.6 Mt (+5.0 Mt, +16.6% w-o-w). Strong steel demand projected through mid-to-late May is likely to support sustained imports of iron ore. Fixtures-wise, last week C5 slipped below \$8 to \$7.5 for late May laycan, and C3 slid to \$18 for early June. (Cape)
- **Coal Shipments:** Global coal exports rebounded to around 24.2 MMT in the week ending 11 May, aligning with the 4-week moving average. Capesize cargoes rose nearly 1 MMT w-o-w to 4.1 MMT, underpinned by stronger Asian demand—particularly for metallurgical coal. Panamax volumes surged 22% to 14.5 MMT, with projections for a further rise to 17.8 MMT in the current week. Chinese, Japanese, and South Korean demand showed notable recovery early in the week. (Cape & Pmx)
- **TA Market:** Decent grains activity was observed from mid-week last week, although P1A and P2A indices only increased slightly to \$12,466 and \$18,913, respectively. NCSA–Skaw/Gibraltar fixtures were reported at \$14,000/day for 11–13 May loading windows, up from the \$13k levels seen earlier. (Pmx & Smx)
- **Tariff Easing:** Global financial markets rallied after America and China agreed to sharply reduce trade tariffs for 90 days. The agreement may spur a wave of precautionary stockpiling on both sides, providing additional upside for dry bulk demand in the short term. (Dry Bulk)

## Bear

- **ECSA Grains:** Fronthaul grain activity from East Coast South America slowed noticeably, with volumes dropping over 1 MMT w-o-w to 5.3 MMT last week, versus the 4-week average of 5.7 MMT—an 18% decline. A modest rebound is expected this week, though the Asian holiday on Monday may keep activity below weekly norms. (Pmx)
- **Vessel Supply:** Ballast vessel counts rose across all sizes last week. As of the week starting 12 May, Capesize tonnage remained stable, while Panamax and Supramax availability continued to build, potentially exerting downward pressure on rates if demand fails to match pace. (Pmx & Smx)

### Bull

- Last week, the trade agreement between the US and the UK, as well as the progress made in the China-US trade negotiations over the weekend, have both played a role in driving the margins of the commodities market, in particular for industrial products, which corrected significantly during the past month. The concentrated emergence of macro news has provided an opportunity for commodity prices to rebound.
- The price difference of HRC between China and South Korea has expanded to \$7/t. China has a stable market share in the Asian market for its competitive exports.
- Some steel mills in East China will enter a routine maintenance cycle of about 20 days starting from this week. It is expected that the output of HRCs will drop back below the annual average level to 3.19 million tons, which is expected to ease the pressure of inventory accumulation.
- Last week, the global iron ore shipment volume was 30.29 million tons, a decrease of 215,000 tons compared with the previous week. The shipment volume from Australia and Brazil was 24.225 million tons, a decrease of 1.179 million tons compared with the previous week.
- The continuous depreciation of US dollar against CNY as well as the softened of seaborne iron ore price, increased landing margin.
- The virtual steel margin remains healthy level, which strengthens the resilience of materials buying.

### Bear

- The average daily output of pig iron in China last week slightly declined from the highest level of 245.8 this year, and there is little possibility of a further increase in the future. In addition, the apparent demand for building materials dropped sharply by 23% last week, which once led to a decline in the steel market.
- According to the survey conducted by Mysteel, in the latest period, the project fund availability rate has only slightly rebounded to 59%, remaining below the normal construction threshold of 60%.
- China coking coal futures have continuously hit new lows in seven years. The domestic coking coal inventory is on the high side, and the short - term consumption capacity is limited. Australian coking coal prices fell slightly last week but remained high overall. Due to the low trade volume, the demand from India remains stable.
- The total inventory of iron ore in 45 ports across the country is 142.39 million tons, a decrease of 637,700 tons w-o-w. The daily port clearance volume is 3.15 million tons, a decrease of 166,300 tons w-o-w.
- In China, the average daily pig iron output of steel enterprises is 2.46 million tons, increasing by 2,200 tons on the week and 111,500 tons on the year. According to the maintenance data, it is predicted that the pig iron output has reached its annual peak this week, which means pig iron expected to enter declining phase from next week to mid-July.

Market Data Snapshot (9<sup>th</sup> May)

Open Interest /lots	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC	22,689	17,450	11,934	11,365	11,326	9,093
Pmx4TC	30,997	27,621	13,909	12,294	12,129	8,134
Smx10TC	10,740	9,990	7,058	6,958	6,833	4,573
Iron Ore 62%	278,594	376,532	207,536	103,563	125,736	36,473
Coking Coal	3,344	3,387	2,657	2,382	2,267	1,639
US HRC	7,788	10,263	4,861	3,053	2,599	1,644
FOB China HRC	1,630	1,190	580	391	402	446

Price	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC \$/day	16,092	18,358	18,858	19,042	19,550	20,733
Pmx4TC \$/day	10,508	10,046	10,138	10,225	10,396	10,408
Smx10TC \$/day	10,238	10,208	10,388	10,521	10,638	10,446
Iron Ore 62% \$/mt	98	97	96	95	94	93
Coking Coal \$/mt	189	187	187	188	189	191
US HRC \$/st	890	823	804	802	810	824
FOB China HRC	452	447	451	451	455	455

OI WoW %	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC	3.1%	11.6%	3.0%	1.7%	1.2%	1.5%
Pmx4TC	3.9%	13.5%	10.2%	4.4%	3.6%	1.9%
Smx10TC	0.1%	11.6%	5.1%	3.3%	3.1%	1.9%
Iron Ore 62%	1.4%	0.5%	9.1%	19.6%	18.6%	20.2%
Coking Coal	0.0%	3.8%	-0.4%	-0.4%	0.2%	0.6%
US HRC	1.6%	-4.7%	1.9%	2.8%	0.9%	9.7%
FOB China HRC	0.0%	7.5%	38.4%	57.0%	31.4%	28.9%

Price WoW %	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC \$/day	-16.5%	-13.3%	-7.9%	-7.2%	-6.0%	-4.0%
Pmx4TC \$/day	-4.0%	-7.7%	-6.3%	-5.6%	-4.7%	-4.0%
Smx10TC \$/day	-1.7%	-2.9%	-2.4%	-2.5%	-2.1%	-0.7%
Iron Ore 62% \$/mt	1.4%	1.3%	1.1%	1.0%	1.0%	0.9%
Coking Coal \$/mt	1.1%	1.2%	-0.3%	-0.3%	-0.3%	-0.3%
US HRC \$/st	1.8%	1.4%	0.5%	0.3%	0.4%	1.0%
FOB China HRC \$/t	-0.7%	-1.9%	-1.7%	-1.7%	-2.2%	-1.9%

Sources: EEX, SGX, CME

## CONTACT

## Paul Geddes

PaulG@freightinvestor.com  
m: (+44) 7745644966

## Federico Picciolini

FedericoP@freightinvestor.com  
m: (+44) 7543223444

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd (FIS PTE) is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC (FIS DMCC) is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at [freightinvestorservices.com](http://freightinvestorservices.com)