

Dry FFA Market Signals

Bull

- **Iron Ore Key Routes:** Global iron ore export volumes rose for the third consecutive week, with the upward trend likely to continue into the week starting 19th May, supported by strong Brazilian shipments. Vessel tracking data indicates that weekly iron ore shipments rebounded to 33.1 million tonnes last week—above the 4-week moving average of 31.4 million tonnes. An increase to approx. 34.5 million tonnes (+1.7 Mt, +5.0% w-o-w) is expected this week, driven by healthy Chinese demand. On key routes, C3 volumes firmed significantly, while C5 saw a modest rise. In terms of fixtures, C5 was fixed at the low \$7.40s before rebounding to \$8 for early June laycans. C3 stabilized around \$18.50 for cargoes from 4 June onwards. (Cape)
- **Coal Shipments:** Australian coal exports are projected to peak over the next two weeks, rising from 7.2 million tonnes last week to 11.4–14.2 million tonnes per week by late May to early June. This growth will be reflected in Capesize coal cargoes, which are expected to increase by 3.5 MMT w-o-w to 8.1 MMT—a 77% weekly jump. Panamax volumes are projected to surge 28% to 17.6 MMT this week, with a correction to 10.8 MMT anticipated for the week beginning 26th May. (Cape & Pmx)
- **ECSA Grains:** Following two weeks of low shipments, grain activity from East Coast South America is expected to increase sharply due to a surge in supply from Brazil and Argentina. Weekly ECSA volumes are projected to jump 72% w-o-w to 8.9 MMT this week, up 3.8 MMT from last week, vs the 4-week average of 5.5 MMT. Another strong week is anticipated starting 26th May. Brazil's state-run agency CONAB forecasts a 7.2% rise in soybean exports, reaching 105.9 million tonnes for the 2024/2025 season. (Pmx)

Bear

- **Chinese Housing Market:** Economic data released Monday showed falling home prices across all surveyed cities. Fixed asset investment grew only 4% YTD, and consumer spending remained weak. Crude steel output was nearly flat year-on-year, suggesting that increased exports are offsetting sluggish domestic demand. (Cape)
- **TA Market:** Last week saw index declines due to muted activity and a rising tonnage count. P1A and P2A indices fell to \$10,900 (-5% w-o-w) and \$17,181 (-3%), respectively. (Pmx & Smx)
- **Bauxite Supply:** The Guinean government revoked mining licenses for 51 companies to regain control over strategic minerals like bauxite, iron ore, and gold. However, industry sources note none of the affected companies are major producers. Guinea—being the largest bauxite exporter—has seen robust shipments in recent weeks, which supported Cape freight rates. (Cape)
- **Vessel Supply:** Ballast vessel counts continued to build across all segments. For the week starting 19th May, Capesize and Panamax availability remained steady after the prior week's increase. Supramax availability rose more notably, from 1,528 last Monday to 1,558 on 19th May. (Dry bulk)

Ferrous Market Signals

Bull

- In April 2025, China's steel exports exceeded 10.46 million tons, surging 13.5% YOY. The strong export data offset the weakening domestic demand. If tariffs and trade barriers further ease in the future, it potentially bring more steel export opportunities.
- The inventory of imported iron ore at China steel mills is 89.61 million tons, an increase of 21,800 tons week-on-week and 3.107 million tons lower year-on-year. The daily average molten iron output is 2.45 million tons, which is 8,700 tons lower than the previous week and 78,800 tons higher year-on-year, indicating the pig iron demand is resilient.
- The port infrastructure collapse result in a halt for Peru's Shougang Hierro iron mine, which produced 13 million tons of iron ore annually. However, the market currently believed that the increase of global iron ore shipment in H2 could make up the loss.
- Both landing margin and steel mills margin expanded, which would theoretically support iron ore and prime coking coal price in mid-run.
- According to the data from the CISA, in the first quarter, the total profit of key - statistics steel enterprises was 18.251 billion yuan, a YOY increase of 109.66%. The average profit rate was 1.40%, a YOY increase of 0.78%.

Bear

- China iron ore inventory at 45 ports decreased by 73,000 tons week-on-week and 640,000 tons year-on-year. With firm demand and the seasonal increase in shipments in the second quarter, the decline in port inventories is expected to further slow down during the upcoming rainy season in June.
- The price spread between scrap steel and pig iron continues to narrow. Along with the increase in daily consumption of EAF mills, it may further squeeze the demand for blast furnace iron in short-run.
- The port inventory of iron ore fines has decreased, while that of concentrates has increased, which has lowered the overall value of port resources.
- The first - round price cut for coke enterprises in Shandong and Hebei, China has been implemented, with a range of 50 - 55 yuan per ton.
- It is difficult to reduce coal inventory, but steel enterprises are taking the initiative to reduce raw materials inventory, which has hindered the demand for coking coal and coke. DCE coking coal active contract refreshed lowest since September 2016.

Market Data Snapshot (16th May)

Open Interest /lots	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC	22,954	20,105	12,314	11,520	11,362	8,970
Pmx4TC	31,095	29,461	16,245	13,021	12,701	8,219
Smx10TC	10,775	11,180	7,693	7,278	7,118	4,678
Iron Ore 62%	288,570	418,121	244,420	101,078	137,154	37,704
Coking Coal	3,344	3,282	2,807	2,447	2,287	1,669
US HRC	7,753	9,866	5,350	3,651	3,542	1,942
FOB China HRC	1,617	818	476	413	359	408

Price	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC \$/day	16,304	18,904	18,829	19,104	19,633	20,788
Pmx4TC \$/day	10,508	10,254	10,267	10,408	10,604	10,592
Smx10TC \$/day	10,267	10,450	10,617	10,729	10,854	10,608
Iron Ore 62% \$/mt	101	100	99	98	97	96
Coking Coal \$/mt	190	189	189	190	191	192
US HRC \$/st	895	818	788	790	790	800
FOB China HRC	457	468	469	466	470	473

OI WoW %	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC	1.2%	15.2%	3.2%	1.4%	0.3%	-1.4%
Pmx4TC	0.3%	6.7%	16.8%	5.9%	4.7%	1.0%
Smx10TC	0.3%	11.9%	9.0%	4.6%	4.2%	2.3%
Iron Ore 62%	3.6%	11.0%	17.8%	-2.4%	9.1%	3.4%
Coking Coal	0.0%	-3.1%	5.6%	2.7%	0.9%	1.8%
US HRC	-0.4%	-3.9%	10.1%	19.6%	36.3%	18.1%
FOB China HRC	-0.8%	-31.3%	-17.9%	5.6%	-10.7%	-8.5%

Price WoW %	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25
Cape5TC \$/day	1.3%	3.0%	-0.2%	0.3%	0.4%	0.3%
Pmx4TC \$/day	0.0%	2.1%	1.3%	1.8%	2.0%	1.8%
Smx10TC \$/day	0.3%	2.4%	2.2%	2.0%	2.0%	1.6%
Iron Ore 62% \$/mt	2.4%	3.2%	3.2%	3.3%	3.2%	3.2%
Coking Coal \$/mt	0.3%	0.9%	1.3%	1.3%	1.1%	0.8%
US HRC \$/st	0.6%	-0.6%	-2.0%	-1.5%	-2.5%	-2.9%
FOB China HRC \$/t	1.0%	4.8%	4.0%	3.2%	3.2%	3.8%

Sources: EEX, SGX, CME

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