

03/06/2025

Market Review:

Capesize returned with strong momentum following the UK bank holiday, underpinned by rising iron ore volumes from Brazil and a tightening tonnage list. On the demand side, Chinese iron ore imports are expected to rise, supported by declining portside and steel mill inventories throughout May. Healthy steel margins have also bolstered seaborne demand, with preliminary trade data indicating China imported approximately 102 Mt of iron ore in May—up 7% m-o-m. In contrast, Panamax fundamental remained weak last week, however paper values managed to edge higher as bullish Capesize sentiment pulled up adjacent market.

The week opened on a softer note amid renewed macroeconomic concerns. Market sentiment was pressured by U.S. President Donald Trump's plan to double tariffs on steel and aluminum, while China's Caixin Manufacturing PMI for May fell to 48.3—its first contraction since October 2024, highlighting weakening industrial activity.

Freight Rate \$/day	02-Jun	20-May	Changes %	Short Term
Capesize 5TC	19,071	15,005	27.1%	Neutral to Bullish
Panamax 4TC	8,631	9,533	-9.5%	Bearish to Neutral
Supramax 10TC	9,981	10,280	-2.9%	Neutral
Handy 7TC	10,779	10,567	2.0%	

Capesize

Capesize sentiment strengthened considerably last week as iron ore volumes from Brazil surged, lending much-needed support to the paper market. The benchmark 5TC index posted a robust 20% w-o-w gain, settling at \$19,900. On the physical side, for the week ended 1st Jun, C5 cargo volumes steadied at 16.7 million tonnes above its 4-week MA 16.1, while its fixing rate recovered from \$8.30 to sub \$9 for mid Jun laycan. In the Atlantic, C3 rose by 13.8% w-o-w to 5.9 million tonnes, with rates firming up to \$22 for late Jun by the end of last week. Reflecting tightening tonnage supply, Capesize ballast vessel counts declined to 615, down 13 vessels w-o-w.

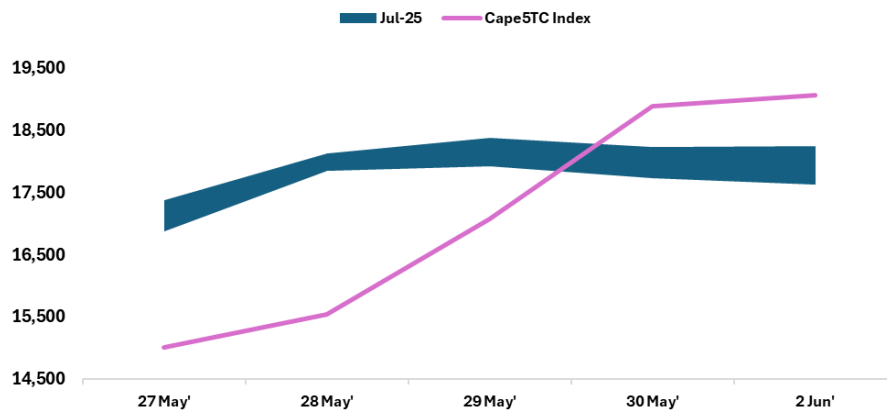
Elsewhere, sentiment around bauxite slightly improved. Kpler data showed bauxite shipments recovering to 1.4 Mt, in line with the 4-week average. However, with the Cape/Panamax spread widening beyond \$10,000, coal flows shifted toward smaller classes. Consequently, coal volumes slipped, ending a four-week rally, down 15.7% w-o-w to 4.5 Mt.

Looking ahead to Week 23, Capesize cargo volumes are projected to climb strongly to 22.8 million tonnes, up 4.8 million tonnes or 22% w-o-w. This is driven by further increase in iron ore flows and a potential recover on the bauxite – iron ore shipments are forecast to rise by 8% to 16.7 million tonnes, following by a strong week starting 9 Jun with exports reaching 20 million tonnes a week. While sentiment for bauxite its more sceptical, although Kpler data showed its shipments by Cape would hit 3.4 million tonnes (+2 million tonnes, 147%) this week. On the supply side, ballast vessel counts remains flat at 615, taking some pressure off from the supply-side. If cargo demand on the Brazil-China (C3) route continues to improve, further upside in Cape rates is expected.

FFA: Following the UK holiday, the FFA market returned with strong momentum. On Tuesday, nearly 2,000 lots changed hands in the Jun contract, making it a high-volume session. June opened higher, hitting \$17,750 early before easing to \$17,200. However, a post-index rally driven by improving physical flows saw Jun rebound above \$17,800. Volatility persisted mid-week with Q3 contracts swinging from \$17,750 down to \$17,500, before rebounding toward \$18,000. Both basins saw improved fixtures, propelling further gains. By Wednesday, Jun traded heavily between \$19,000–\$19,500, July stabilized at the upper \$18,100s, and Q3 lifted to \$18,500 before flattening into the weekend. Activity slowed entering the new week due to a public holiday in China. FFA pricing initially firmed but softened in thin liquidity. Jun peaked at \$19,600 before retreating to \$19,100. July slid from \$18,150 to \$17,750, while Q3 dropped \$200 to \$17,800.

Neutral to Bullish

Cape 5TC Rolling Front Month Trading Range



Panamax

Panamax spot rates remained under pressure last week, with subdued transatlantic activity and an expanding tonnage list in the Pacific weighing on sentiment. Despite a modest recovery in Australian coal flows, Indonesian exports slumped by 22% w-o-w to 4.5 Mt, pulling down Pacific rates. In the Atlantic, fundamentals weakened further with key indices P1A and P6 assessed lower at \$8,700 and \$10,900, respectively.

Overall Panamax volumes declined for the fourth consecutive week, down 2% to 23.8 Mt. Coal shipments fell 4% w-o-w to 12.4 Mt, staying below the 4-week average. Grain and mineral flows presented a mixed picture, with the only notable support coming from ECSA grain exports, which rebounded 25% to 3.9 Mt. However, surplus tonnage continued to pressure rates, with bid/offer spreads widening. ECSA-Sing/Japan grain trips were fixed between \$12,000–\$11,000, while NCSA-Far East trades reportedly fell below \$16,000. Supply-side pressures mounted as the Panamax ballast vessel count rose for the third consecutive week, up 52 to 1,525.

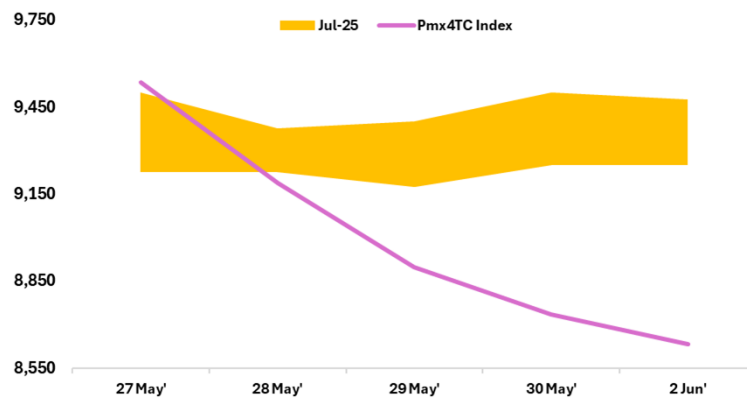
Looking to Week 23, Panamax volumes are projected to ease further to 22.7 Mt, driven by lower coal flows and muted US Gulf activity. ECSA grain exports are expected to hold firm at ~4.0 Mt, with upside potential to 5.0 Mt in the following week. However, the persistent oversupply continues to limit any recovery. Ballast tonnage rose again at the start of this week to 1,581 vessels, suggesting limited near-term support. With no clear signs of tonnage correction, the Panamax market remains rangebound and directionally dependent on Capesize strength.

FFA: The Panamax paper market traded in a narrow range last week, finding short-term support despite a declining index which dipped below \$8,800. June opened at \$9,000 with strong volume and, after a brief dip to \$8,900 midweek, rebounded to \$9,200 by week's end. July proved more resilient, edging up from \$9,200 to \$9,350. Q3 followed a similar pattern, gradually firming to \$9,850 by Friday.

This week began with limited movement amid the Chinese holiday. June and July held steady at \$9,200 and \$9,400, respectively, while Q3 initially pushed to \$9,800 before returning to \$9,700.

Bearish to Neutral

Panamax 4TC Rolling Front Month Trading Range



Supramax

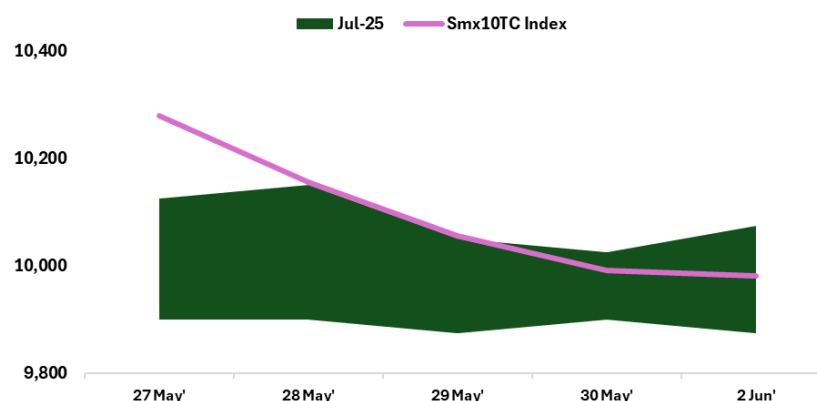
Supramax rates edged lower last week as market activity impacted by various holidays in the latter part of the week. Better enquired were heard from US Gulf at the start of last week, while in the Asian-Pacific increasing and Indo-China iron ore flow supported the upward move. Last week, total Supramax shipments rose by 4% to 19.4 million tonnes supported by grains flow. In the week ahead, we could see cargo volume retreats to 17.3 million tonnes (-2.2 million tonnes) due to lower Indonesia coal shipments and falling demand from India and China. With the small increase cargo volumes, we saw the number of open Supramax and Ultramax vessels come off to 1,460 (as of 2 Jun), maintaining a balanced near-term outlook.

FFA: Supramax paper saw a subdued week, with liquidity limited by regional holidays and sentiment broadly flat. On Tuesday, prompt rates softened early before recovering to close flat, with Jun trading at between \$9,700-\$9,800 and Jun/Jul at -\$200, Q3 ticked up to \$10,300, Cal26 printing \$10,000. Wednesday brought further weakness in the prompt, as June and July traded down to \$9,750 and \$9,900 respectively. Thursday and Friday were quiet sessions impacted by holidays in Europe, marked by thin liquidity and rangebound trading. Jun tested below \$9,700 but closed higher at \$9,800, Q3 hovered around \$10,300.

On Monday 2nd June, Supramax paper remained muted amid a Chinese holiday, seeing July moved from \$10,000 to \$9,900 and Q3 printed at \$10,350 with support presented at the close.

Neutral

Supramax 10TC Rolling Front Month Trading Range



FFA Market Indexes

Freight Rate \$/day	02-Jun	27-May	Changes %	2025 YTD	2024	2023	2022	2021
Capesize5TC	19,071	15,005	27.1%	14,202	22,593	16,389	16,177	33,333
Panamax4TC	8,631	9,533	-9.5%	9,090	12,763	11,518	8,587	25,562
Supramax10TC	9,981	10,280	-2.9%	9,053	13,601	11,240	8,189	26,770
Handy7TC	10,779	10,567	2.0%	9,585	12,660	10,420	8,003	25,702

FFA Market Forward Values

FFA \$/day	02-Jun FIS Closing	27-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2025 YTD Mkt High	2025 YTD Mkt Low
Capesize5TC Jul 25	17,700	17,600	0.6%	18,375	16,875	22,250	16,875
Capesize5TC Q3 25	17,950	18,000	-0.3%	18,625	17,500	25,375	17,500
Panamax4TC Jul 25	9,425	9,425	0.0%	9,500	9,175	11,900	9,150
Panamax4TC Q3 25	9,750	9,675	0.8%	9,900	9,575	15,225	9,425
Supramax10TC Jul 25	9,950	10,100	-1.5%	10,150	9,875	11,550	9,725
Supramax10TC Q3 25	10,400	10,200	2.0%	10,375	10,150	14,125	9,750

Data Source: FIS Live, Baltic Exchange

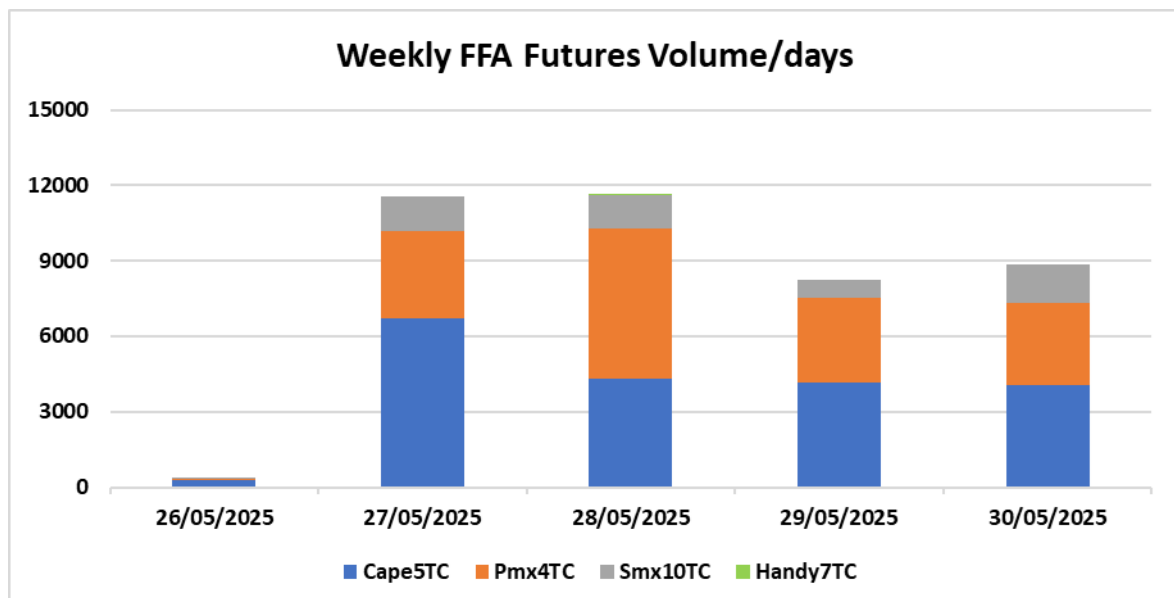
FFA Market

Market activity was partially subdued last week due to UK bank holiday on Monday and industry events in Singapore last week. Despite the shortened four-day week, activity remained firm on the Capesize with around 21,330 lots cleared. Panamax followed right behind, registering 16,250 lots. Less activity was seen on the smaller vessels with 4,940 lots cleared on Supramax and only 35 lots on Handy.

Bearish sentiment grew on the options front, particularly in the far-dated Panamax contracts. Notably, Panamax 5TC Cal26 drew substantial interest, with a total of 5,940 lots traded and a put/call ratio of 4.5, suggesting bearish sentiment and downside hedging appetite. For Capesize, options trading were focus on Jun, July and Q3 with total volumes reaching 1,335 lots. In total, options volume reached nearly 7,590 lots.

Open interest expectedly declined as we rolled into the new month, as of 2 Jun, Cape5TC open interest fell to 172,426 (-15,750 w-o-w), Pmx4TC rose to 152,370 lots (-27,870 w-o-w), and Smx10TC at 76,673 lots (-9,960 w-o-w).

Little activity was seen on the voyage side last week, for C5 only 750kt traded on Jun- July contract and 45kt on Q3. Additionally, 300kt Jun contracts were traded on the C3 route.



Dry Bulk Trades/Iron Ore

A positive week for global iron ore exports last week, as volumes rose by 2.3% to 34.7 million metric tonnes (MMT), up from 33.9 MMT the week before.

Australia's exports remained stable at 19.7 MMT, while Brazil, saw a stronger performance with volumes increasing by 4.8% to 8.9 MMT, up from 8.5 MMT. Among smaller exporters, Canada recorded a sharp increase of 43.2%, reaching 1.26 MMT from 0.88 MMT. South Africa also posted a solid gain, with exports rising 35.9% to 1.25 MMT from 0.92 MMT. Combined, Brazil and Australia exported 28.53 MMT, up 1.4% from 28.14 MMT.

On the demand side, China's iron ore imports fell slightly by 3.6% to 21.9 MMT, down from 22.7 MMT. In contrast, Japan and South Korea recorded a modest increase of 2.6%, importing a combined 3.1 MMT, up from 3.0 MMT. The overall rise in imports was driven primarily by these smaller importers, partially offsetting the decline from China.

By Vessel Size:

- **Capesize:** 15.2 MMT (-1.0% week-on-week)
- **Panamax/Kamsarmax:** 1.5 MMT (+22.6% week-on-week)
- **Supramax/Ultramax:** 0.9 MMT (-21.6% week-on-week)
- **Handysize/Handymax:** 0.3 MMT (-35.6% week-on-week)

For the week starting 2nd June (Week 23), Kpler's data projects a further decline in global iron ore exports, with total volumes estimated at 29.3 MMT, down by 5.4 MMT from the previous week. Australia's shipments are expected to fall to 17.2 MMT, down by 2.5 MMT, while Brazil is projected to export 7.4 MMT, a decrease of 1.5 MMT. Canada's exports are forecast to drop slightly to 1.0 MMT, down by 0.3 MMT, whereas South Africa is also expected to decline to 0.9 MMT, down by 0.4 MMT.

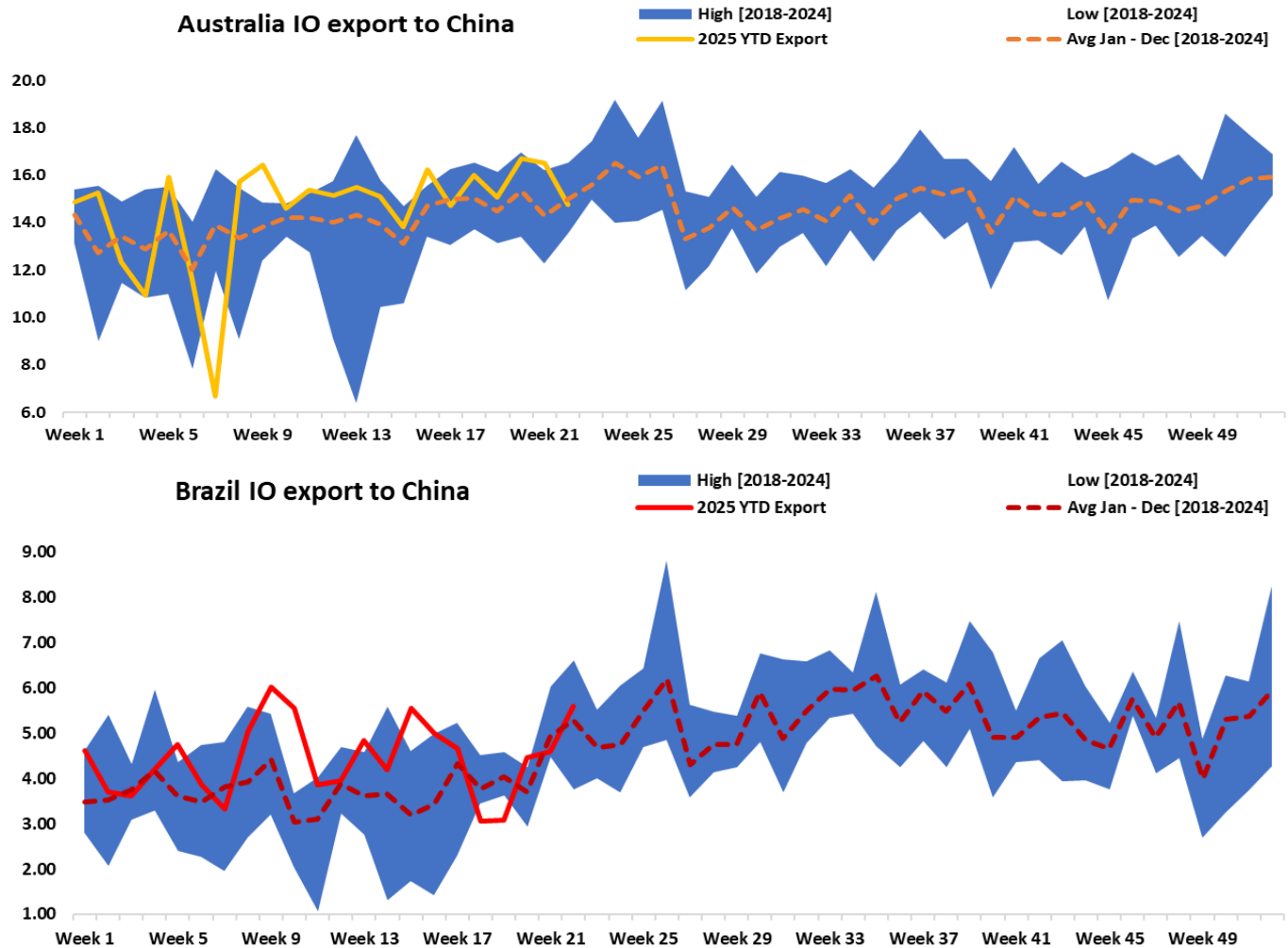
Dry Bulk Trades/Iron Ore

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	14.8	16.5	-10.6%	8.58	8.14	5.4%
Brazil-China	5.6	4.6	22.0%	20.22	18.62	8.6%

Seasonality Charts



Dry Bulk Trades/Coal

Global seaborne coal exports declined for a second consecutive week, falling by 9.5% to 21.5 MMT, down from 23.8 MMT the week before. The drop was largely driven by thermal coal, which fell by 14.7% to 13.9 MMT from 16.3 MMT. In contrast, metallurgical coal exports posted a modest increase of 5.6%, rising to 5.4 MMT from 5.2 MMT. Indonesia led the decline with exports falling by 15.3% to 7.9 MMT, down from 9.3 MMT. Russia also recorded a sharp contraction, down 32.8% to 2.34 MMT from 3.48 MMT. Australia was the only major exporter to see an improvement, with volumes rising by 19.8% to 5.5 MMT from 4.6 MMT.

On the demand side, Chinese imports continued to retreat, down 35.5% to 3.0 MMT from 4.7 MMT. India's intake also fell, down 12.7% to 3.4 MMT from 3.9 MMT. In contrast, Japan increased its coal imports by 24.8% to 1.8 MMT, up from 1.5 MMT the previous week.

By Vessel Size:

- Capesize: 4.3 MMT (-18.9% w-o-w)
- Panamax: 12.0 MMT (-7.7% w-o-w)
- Supramax: 3.8 MMT (+9.1% w-o-w)
- Handysize: 0.9 MMT (-37.7% w-o-w)

For Week 23, Kpler projects a slight rebound in global seaborne coal exports, with total volumes estimated at 23.0 MMT, up by 1.43 MMT from the previous week. Australia is expected to lead the gains, with exports forecast to rise by 2.6 MMT to 8.1 MMT. Russia's shipments are also projected to edge higher to 2.7 MMT, an increase of 0.39 MMT. In contrast, Indonesia's exports are expected to decline further, falling by 0.92 MMT to 6.9 MMT.

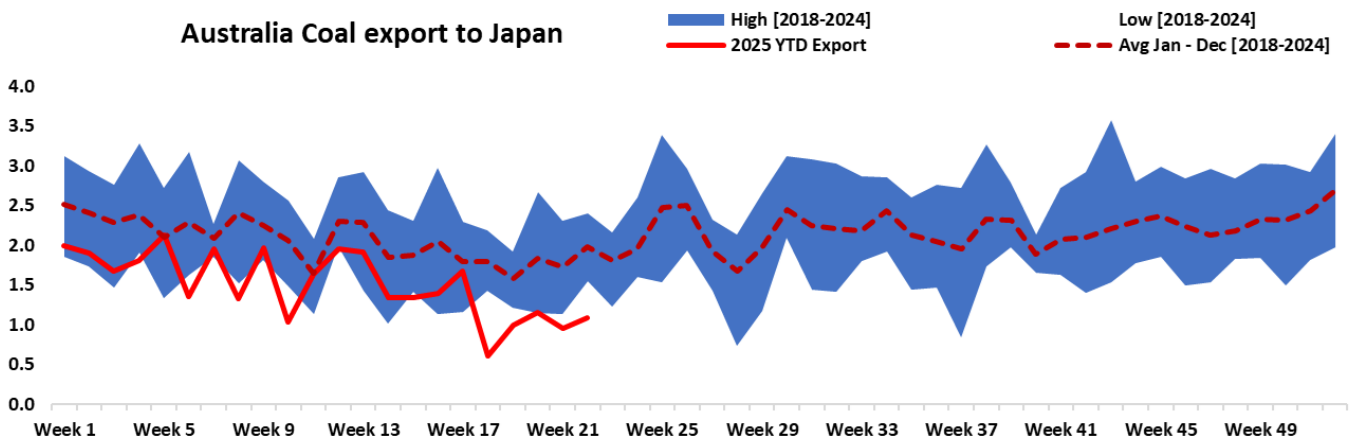
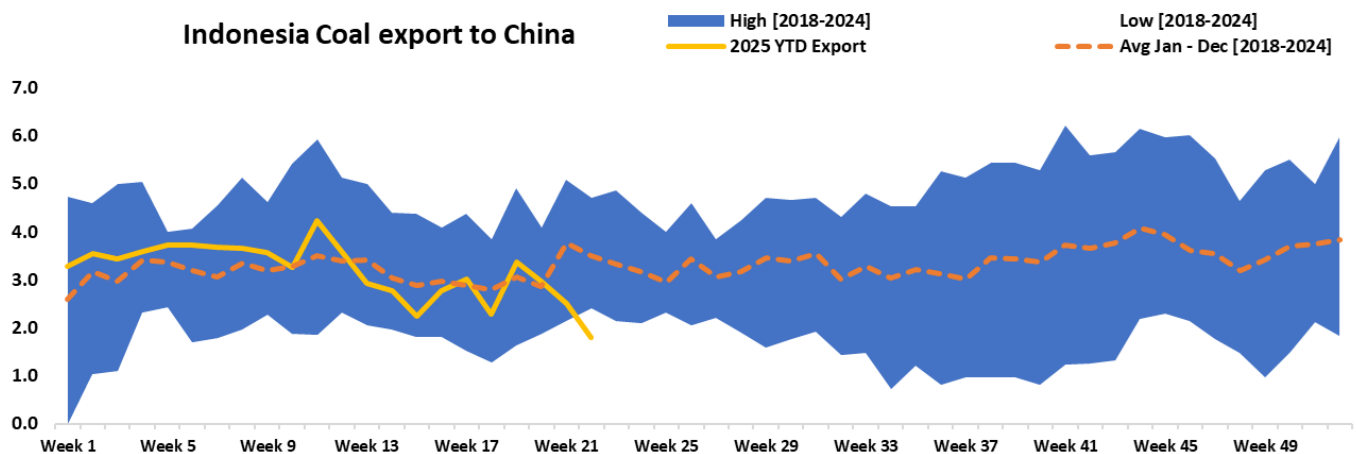
Dry Bulk Trades/Coal

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	1.8	2.5	-29%
Australia-Japan	1.1	1.0	15%

Seasonality Charts



Dry Bulk Trades/Agri

Global seaborne agricultural exports were largely unchanged last week, edging down slightly by 0.3% to 11.5 MMT from 11.6 MMT the week before.

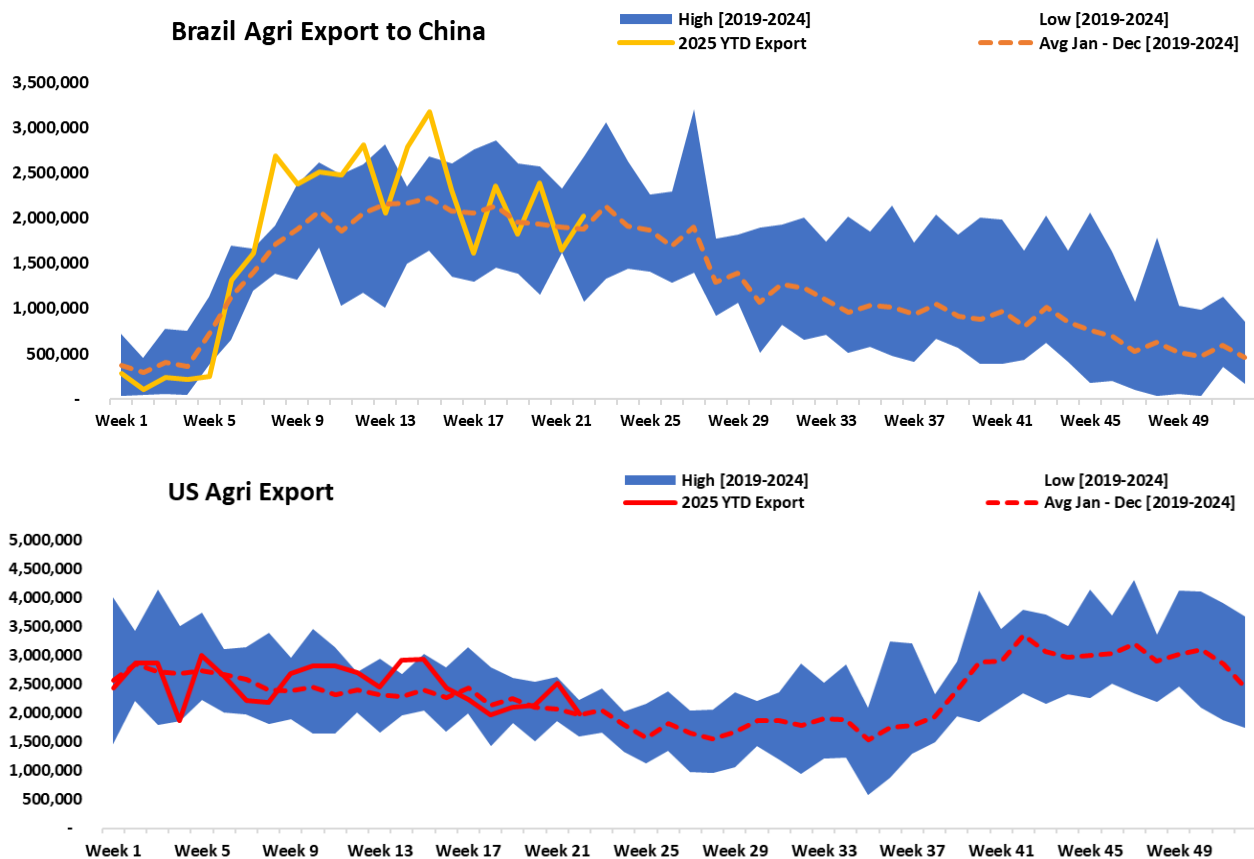
Shipments from East Coast South America (ECSA) rose by 8.3% to 5.5 MMT, up from 5.0 MMT. Brazil led the regional increase with exports climbing 20.4% to 3.9 MMT from 3.2 MMT, while Argentina saw a modest decline of 8.9% to 1.6 MMT from 1.8 MMT. In contrast, the United States experienced a 21.0% drop in exports, falling to 2.0 MMT from 2.5 MMT.

By Vessel Size:

- **Panamax:** 5.5 MMT (+7.3% w-o-w)
- **Supramax:** 3.1 MMT (-17.3% w-o-w)
- **Handysize:** 3.0 MMT (+8.8% w-o-w)

For Week 23, Kpler projects a modest rise in global seaborne agricultural exports, with total volumes expected to reach 12.28 million metric tonnes (MMT), up by 0.74 MMT from the previous week. ECSA is anticipated to lead the increase, with combined exports from the region forecast at 6.72 MMT, up by 1.27 MMT. Within ECSA, Brazil's shipments are expected to rise to 4.37 MMT, an increase of 0.48 MMT, while Argentina's exports are projected to reach 2.37 MMT, up by 0.74 MMT. In contrast, the United States is expected to see a decline in agricultural exports, falling to 1.32 MMT, down by 0.67 MMT.

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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