

## Dry FFA Market Signals

## Bull

- **Iron Ore Key Routes:** Australian iron ore exports have been trending upward for five consecutive weeks, with a sharp spike in volumes for the week starting 16th Jun, driven by a fiscal year-end supply push. Brazilian exports have also shown consistent strength since mid-May, with weekly volumes surpassing the 4-week moving average for four straight weeks. This combination has tightened the tonnage list for late June and early July, supporting a bullish outlook. While last week's total iron ore shipments dipped to 26.4 million tonnes—an 18.5% decline from the prior peak—another increase appears imminent as both C3 and C5 are experiencing strong cargo flows. On the C5 route, rates climbed steadily from below \$9 to \$10.30–\$10.40 for late June laycans. C3 also firmed, with fixtures reaching \$24.00 for 18–28 June. (Cape)
- **Coal Shipments:** Australian coal exports have posted gains over the past three weeks, rising from 4.6 million tonnes to 6.7 million tonnes by 8th June, and surging again to 8.7 million tonnes this week, +30% w-o-w. Renewed demand from China and Japan has bolstered Panamax activity. Coal volumes moved by Panamax are estimated at 13.1 MMT this week (+6%), with further growth expected to 17.9 MMT for the week starting 16th June. (Cape & Pmx)
- **TA Market:** Rising coal activity from the USEC has supported both FH and TA rates higher. The P1A saw the largest gain, jumping 24% w-o-w to \$10,790. The P2A index also rose 10% over the same period, reaching \$17,840. (Pmx & Smx)
- **ECSA Grains:** Grain exports out of ECSA have shown renewed strength over the past two weeks, with weekly volumes in the 5.7–6.1 MMT range—above the 4-week moving average of 5.6 MMT. Strong demand in the North Atlantic has drawn down available tonnage, briefly lowering activity in Week 33 before a notable rebound projected for Week 34 starting 16th June. China's soybean imports hit a record in May, with Brazil accounting for 80% of the supply. (Pmx & Handy)

## Bear

- **Vessel Supply:** Ballast vessel supply continues to grow in both Panamax and Supramax sectors. For Week 23, Pmx+Kamsarmax counts increased from 1,489 to 1,564, while Supramax rose by 157 to reach 1,498. As of 9th June, Panamax availability held steady at 1,564, with Supramax rising further to 1,561. (Pmx & Smx)
- **Indonesia Coal:** Indonesian coal exports have remained below the 4-week moving average since early June. Softer demand from key buyers has placed continued downward pressure on Panamax and Supramax earnings. (Pmx & Smx)

## Ferrous Market Signals

### Bull

- The DCE coking coal cumulatively fell by 14.6% since late May, triggering strong demand for valuation repair after oversold conditions. Catalyzed by rumours such as "Mongolian coal exports proposed to levy 20% resource tax" and "production cuts in Shanxi's main producing areas", futures prices rebounded strongly in late half of last week, driving the overall recovery of ferrous commodities.
- China and the US held calls on trade issues in June, boosting market sentiment and alleviating short-term pressure from external policy disturbances.
- The decline in coal prices reduced raw material costs. The average weekly profit per ton of rebar for steel mills significantly, and the production of EAF steel enterprises recovered slightly during the same time.
- The previous decline in China HRC prices created a price advantage in international markets. The price difference between China and Vietnam reached \$50/ton, and port inventories continued to decline last week, with short-term export orders easing inventory accumulation pressure.
- China iron ore port inventories saw continuous decrease in May and June. Given a seasonal low mills iron ore inventories, the overall supply of iron ore was tight.

### Bear

- Apparent consumption of rebar in China dropped by 197,000 tons week-on-week to 2.29 million tons last week. Under the interference of high temperatures, rainy weather, and mid-to-high school entrance exams in June, East China and southern regions entered an inventory accumulation phase. The inventory-to-sales ratio increased by 0.3 days to 7.4 days week-on-week, with weak terminal purchasing willingness.
- The hot metal output of 247 steel mills is expected to maintain a high level of 2.4 million tons/day in June, reached 3.288 million tons. Steel mills showed insufficient motivation for active production cuts.
- Coking coal inventory of in cookery plants increased by 156,000 tons month-on-month, significantly higher than the same period in previous years. Although total rebar inventory slightly de-stocked, the seasonal inventory increasing expected to last through June and July.
- The physical coke price saw the third rounds of coke cut by 50-55 yuan/ton in early June in China.

Market Data Snapshot (6<sup>th</sup> Jun)

Open Interest /lots	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC	23,221	17,640	13,689	13,153	9,648	9,408
Pmx4TC	28,286	23,286	15,393	13,605	8,664	8,419
Smx10TC	11,465	9,615	8,203	7,798	5,068	5,068
Iron Ore 62%	304,282	351,852	150,402	185,826	50,472	44,721
Coking Coal	3,477	3,492	2,582	2,412	1,929	1,829
US HRC	9,110	6,412	4,025	3,883	2,851	1,790
FOB China HRC	811	490	443	395	396	391

Price	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC \$/day	21,917	18,858	17,625	19,192	19,892	19,638
Pmx4TC \$/day	9,775	9,817	9,892	10,325	10,400	10,179
Smx10TC \$/day	10,183	10,350	10,492	10,808	10,767	10,604
Iron Ore 62% \$/mt	96	96	95	94	94	93
Coking Coal \$/mt	183	179	180	181	182	183
US HRC \$/st	878	915	905	885	860	850
FOB China HRC	446	449	451	450	456	460

OI WoW %	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC	5.8%	9.9%	6.0%	3.6%	5.1%	5.3%
Pmx4TC	2.9%	11.6%	3.2%	1.9%	0.8%	0.8%
Smx10TC	-5.0%	5.2%	4.7%	2.8%	4.8%	4.8%
Iron Ore 62%	-1.4%	4.4%	12.4%	16.7%	12.2%	5.6%
Coking Coal	1.9%	6.6%	2.2%	2.8%	9.7%	10.2%
US HRC	2.3%	-8.3%	5.2%	4.4%	25.8%	7.8%
FOB China HRC	0.0%	3.8%	6.5%	14.5%	-3.4%	-0.8%

Price WoW %	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC \$/day	14.0%	6.3%	-1.1%	1.7%	-1.6%	-1.8%
Pmx4TC \$/day	6.6%	4.2%	1.9%	0.0%	1.1%	0.2%
Smx10TC \$/day	4.4%	3.8%	1.5%	2.4%	3.4%	3.0%
Iron Ore 62% \$/mt	-0.2%	-0.1%	-0.2%	-0.1%	0.0%	0.1%
Coking Coal \$/mt	-2.0%	-2.5%	-2.2%	-1.9%	-2.1%	-2.0%
US HRC \$/st	4.5%	14.1%	15.7%	12.5%	8.9%	5.2%
FOB China HRC \$/t	-0.1%	0.0%	0.8%	0.4%	1.3%	1.2%

Sources: EEX, SGX, CME

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