

Dry FFA Market Signals

Bull

- **Coal Shipments:** Coal shipments from Australia remained robust last week, providing solid support for Capesize tonnage demand. According to Kpler, exports totaled 9.5 million metric tons (MMT), an increase of 1.9 MMT or 25% w-o-w. A further spike in volumes is anticipated for the week starting 23 June. In contrast, coal loadings from Indonesia remained subdued. (Cape & Pmx)
- **Chinese Iron Ore Demand:** Iron ore inventories at 45 major Chinese ports continued to decline, reinforcing near-term import appetite and supporting Capesize freight demand. (Cape)
- **Vessel Supply:** The Panamax and Supramax ballast lists showed some contraction last week, indicating a potential tightening in tonnage supply. Open Panamax + Kamsarmax vessels fell from 1,590 to 1,521, while Supramax counts decreased from 1,558 to 1,515 over the same period. (Pmx & Smx)
- **ECSA Grains:** As expected grain exports out of ECSA continued to trend above their 4-week moving average last week, with forward demand indicators suggesting sustained momentum this week. (Pmx & Handy)
- **Minor Bulk Demand:** Improved Chinese demand for minerals has been noted on routes from South Africa and SE Asia to China, supporting Supramax market activity. (Smx)

Bear

- **Iron Ore Key Routes:** Iron ore export volumes on key Capesize routes rose modestly but lacked the acceleration needed to sustain rate momentum. C5 volumes edged up to 18.3 MMT from 17.9 MMT, while C3 reached 5.7 MMT, both marginally above their 4-week averages. However, slowing fixtures led to a sharp correction in freight: C5 fell from \$11.00 to \$9.50 for early July loadings. Atlantic weakness was also evident, with C3 rates dropping from \$26.00 for 5–11 July laycan to \$22.00 for 14–15 July. (Cape)
- **TA Market:** Limited grain and mineral activity reported on the Trans-Atlantic routes, with shipments from the US and Canada declined 12% w-o-w, or 1.1 MMT, to 8.3 MMT. Both P1A and P2A retreated from mid-week to \$12,273 and \$18,916 respectively, down 4% w-o-w. (Pmx & Smx)
- **Indonesia Coal:** The low activity on the Indo-China route last week despite some improvement seen in the Indian ocean. Despite some improvements in Indian Ocean demand, overall softness in Indonesian exports continues to pressure Supramax earnings. (Smx)

Others

- **Middle East Tension:** US Equity market saw small gains and Brent crude hit a five-month high of \$81.40 before falling back after US strikes on Iran's nuclear facilities. Investors are closely watching for any signs that Tehran may retaliate by targeting regional energy infrastructure or disrupting shipping through the Strait of Hormuz.

Ferrous Market Signals

Bull

- In recent weeks, import trades of high-grade iron ore fines have been relatively active. Particularly, the trading volume of high-grade fines from Brazil has increased significantly. Steel mills are more inclined to purchase high-grade fines as they can improve production efficiency and reduce costs in the steel-making process, suggesting resilient downstream demand.
- The spot market for iron ore has been relatively active, with an increasing number of trades between traders and steel mills. Iron ore prices at major Chinese ports have also shown a slight upward trend, reflecting a certain degree of buying sentiment in the market.
- The inventory of coking coal and coke at major Chinese ports was down on the week.
- According to Mysteel's statistics, the total inventory of imported iron ore at 45 ports in China was 138.94 million tons, a week-on-week decrease of 389,800 tons. The daily port clearance volume was 3.14 million tons, an increase of 123,100 tons on the week.
- Rio Tinto's weekly shipments fell 7% to 7.2 million tons due to maintenance at Western Australia ports.
- The utilization rate of China's electric arc furnaces (EAFs) has been on a declining trend for three consecutive weeks, tightening steel supply in some provinces.
- Australian port congestion (Bloomberg) delayed 1.5 million tons of iron ore shipments, exacerbating near-term supply tightness.

Bear

- Imported iron ore inventory at Chinese domestic steel mills totaled 89.36 million tons, up 1.38 million tons week-on-week. Daily consumption of sampled mills rose to 3.01 million tons, pushing inventory turnover to 29.69 days (up 0.4 days). However, inventory levels remained 2.77 million tons lower year-on-year.
- The blast furnace operating rate was 83.82%, an increase of 0.41% on the week and 1.01% on the year. Daily average pig iron production reached 2.42 million tons, up 5,700 tons on the week and 22,400 tons on the year.
- From January to May, the sales area and sales revenue of newly-built commercial housing in China decreased by 2.9% and 3.8% year-on-year, respectively—roughly the same as the January–April period.
- Port congestion in China has eased.

Market Data Snapshot (20th Jun)

Open Interest /lots	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC	24,188	23,314	14,263	13,180	10,159	9,909
Pmx4TC	29,412	27,255	18,856	14,650	9,893	9,648
Smx10TC	11,570	11,345	8,978	8,578	5,593	5,593
Iron Ore 62%	324,212	398,028	223,096	196,254	70,130	69,204
Coking Coal	3,322	3,632	2,862	2,397	2,099	2,059
US HRC	8,725	5,885	4,353	4,218	2,804	1,784
FOB China HRC	811	881	1031	395	336	335

Price	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC \$/day	24,233	18,996	17,783	19,304	20,246	19,925
Pmx4TC \$/day	10,458	10,442	10,396	10,425	10,567	10,321
Smx10TC \$/day	10,129	10,838	10,913	11,071	11,050	10,925
Iron Ore 62% \$/mt	95	94	93	93	92	92
Coking Coal \$/mt	179	173	174	175	177	177
US HRC \$/st	872	905	881	863	852	845
FOB China HRC	445.0	440.0	442.0	443.0	446.5	450.5

OI WoW %	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC	2.6%	10.9%	1.4%	-1.9%	3.0%	3.2%
Pmx4TC	2.8%	4.0%	12.9%	3.7%	8.0%	8.2%
Smx10TC	0.0%	8.4%	5.4%	6.6%	4.4%	4.4%
Iron Ore 62%	2.4%	-3.6%	30.6%	0.4%	14.1%	18.7%
Coking Coal	-1.0%	-0.1%	6.5%	0.4%	3.4%	3.5%
US HRC	-1.2%	-6.0%	5.6%	2.6%	-1.8%	0.1%
FOB China HRC	0.0%	92.4%	2.0%	0.0%	-14.9%	-8.5%

Price WoW %	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25
Cape5TC \$/day	-3.1%	-8.3%	-0.5%	-0.8%	-0.9%	-1.3%
Pmx4TC \$/day	-1.9%	-1.7%	1.4%	0.4%	-0.2%	-0.6%
Smx10TC \$/day	-1.1%	0.4%	2.0%	2.1%	0.8%	1.0%
Iron Ore 62% \$/mt	-0.4%	-0.7%	-0.7%	-0.7%	-0.8%	-0.8%
Coking Coal \$/mt	-0.8%	-2.3%	-2.3%	-2.1%	-2.6%	-2.6%
US HRC \$/st	1.2%	1.9%	-0.3%	1.1%	1.2%	0.5%
FOB China HRC \$/t	0.7%	-0.7%	-0.7%	-0.7%	-1.2%	-0.7%

Sources: EEX, SGX, CME

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