

Dry FFA Market Signals

Bull

- **Coal Shipments:** Global weekly exports retreated from its five weeks high due to slower shipment out of Australia last week, providing limited support for the tonnage demand. According to Kpler, Australia exported around 7.1 million metric tons (MMT) last week, down from 9.5 MMT previous week. However, coal volumes are anticipated to pick up for the week starting 30 June, as strong demand persists from the key regions - China, Japan and S Korea - during the high temperature month of July. Additionally, market source reported more coal volume has shifted to Capesize for early July laycan. (Cape & Pmx)
- **Chinese Iron Ore Demand:** Iron ore price rebounded slightly last week due to increased pig iron production and fresh restocking activity, boosting market confidence in short term seaborne iron ore demand. (Cape)
- **Vessel Supply:** The Panamax and Supramax sectors showed further tightening in tonnage supply. Open Panamax + Kamsarmax vessels fell from 1,463 to 1,243, while Supramax counts decreased from 1,503 to 1,292 over the same period. (Pmx & Smx)
- **ECSA Grains:** A decent level of fixtures reports for 2H July and early Aug lifted rates above \$13,000, with potential upside in the week ahead if projected increased cargo volumes materialize. Total ECSA grain exports are forecasted to continue trending above seasonal levels this week, increasing from 5.3 MMT to an estimated 8.9 MMT. (Pmx & Smx)
- **Minor Bulk Demand:** Improved Chinese demand for minerals has been noted on routes from South Africa and SE Asia to China. Coupled with small increase expected on the Indo-China route, this could further support Supramax market activity. (Smx)

Bear

- **Iron Ore Key Routes:** Capesize iron ore shipments fell noticeably last week, with weekly volume dropping below its 4-week moving average first time since mid-May, at 15.9 MMT (-1 MMT, -6% w-o-w). Exports from both suppliers were lower than seasonal average level, especially from Brazil – C3 cargo volume fell by 22% to 4.8 MMT, while C5 also decreased by 8% to 17 MMT. Fixing rates came under further pressure amid the light activity: C5 fixed over \$2 lower to \$7.25 for mid-July loadings and deteriorated to \$6.65 before the weekend; meanwhile, C3 rates initially ticked up at the start of the week to \$23.50, but as vessel supply increased in the region, C3 rates drifted to \$20.35 for 21–27 July. (Cape)

Others

- **TA Market:** Some recovery was observed on the Trans-Atlantic routes, driven by improved NCSA grain and USEC mineral activity. A trip via NCSA with redelivery Gibraltar was paid at \$14,000 for 30 June. Nevertheless, wider bid-offer gaps emerged between owners and charterers towards the end the week. Both P1A and P2A strengthened throughout the week, closing at \$14,095 (+15% w-o-w) and \$20,283 (+7% w-o-w), respectively.

Ferrous Market Signals

Bull

- According to MySteel, the port trades volume grew significantly in June compared with May and last June, along with seasonal high pig iron consumption, indicated a resilient demand market in the summer of China.
- The utilization rate of China 247 steel enterprises nationwide was 90.83%, up 0.04% month-on-month. The capacity utilization rate of EAF steel enterprises was 54.5%, down 0.04% month-on-month, indicating a recent decline in scrap steel usage and relatively strong iron ore usage.
- The met coal inventories in both ports and mills are decreasing gradually. DCE coking coal maintained strong trend from the nine-year low created in early June.
- China's steel prices have remained at global lows, significantly enhancing export competitiveness. Mysteel data shows that the price spread of HRC between China and Vietnam stayed at \$55/t last week, far higher than the annual average of \$44/t.
- Geopolitical crises and risks of economic recession have both eased, and commodities with high liquidity may once again experience volatility due to the rise in risk appetite.

Bear

- The steel consumption of China's manufacturing industry decreased significantly in July. According to the research of MySteel, the production of air conditioners, refrigerators and washing machines was 29.6 million units, a month - on - month decrease of 16%. This is mainly due to the increase in export tariffs and the marginal weakening of subsidy incentives.
- In July, China nationwide high-temperature weather directly affected the construction progress of building sites. Steel enterprises have subsequently adjusted their production schedules.
- The exemption for certain steel products is set to expire in July, with market attention on whether the Donald Trump administration will further raise the steel tariff rate.
- Floods and disastrous weather have occurred in some southwestern cities in China.

Market Data Snapshot (27th Jun)

| Open Interest /lots | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
|---------------------|---------|---------|---------|--------|--------|--------|
| Cape5TC | 22,551 | 15,932 | 13,180 | 10,034 | 9,824 | 10,079 |
| Pmx4TC | 26,768 | 21,070 | 15,200 | 10,138 | 9,893 | 10,153 |
| Smx10TC | 11,420 | 9,988 | 8,743 | 5,833 | 5,818 | 5,813 |
| Iron Ore 62% | 379,800 | 344,272 | 224,040 | 81,662 | 92,563 | 60,819 |
| Coking Coal | 3,502 | 3,317 | 2,407 | 2,139 | 2,099 | 2,014 |
| US HRC | 5,407 | 4,814 | 4,321 | 2,815 | 1,849 | 2,199 |
| FOB China HRC | 836 | 972 | 395 | 335 | 335 | 185 |

| Price | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Cape5TC \$/day | 16,858 | 17,050 | 19,258 | 19,954 | 19,733 | 18,525 |
| Pmx4TC \$/day | 11,221 | 10,683 | 10,713 | 10,746 | 10,529 | 10,017 |
| Smx10TC \$/day | 11,183 | 11,329 | 11,479 | 11,346 | 11,213 | 10,525 |
| Iron Ore 62% \$/mt | 94.55 | 94.28 | 93.94 | 93.56 | 93.21 | 92.86 |
| Coking Coal \$/mt | 176.00 | 176.50 | 177.00 | 182.50 | 182.50 | 182.50 |
| US HRC \$/st | 883 | 866 | 857 | 839 | 839 | 841 |
| FOB China HRC | 444.0 | 445.5 | 445.5 | 450.0 | 450.0 | 450.0 |

| OI WoW % | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
|---------------|--------|--------|--------|--------|--------|--------|
| Cape5TC | -3.3% | 11.7% | 0.0% | -1.2% | -0.9% | -1.0% |
| Pmx4TC | -1.8% | 11.7% | 3.8% | 2.5% | 2.5% | 2.5% |
| Smx10TC | 0.7% | 11.2% | 1.9% | 4.3% | 4.0% | 3.9% |
| Iron Ore 62% | -4.6% | 54.3% | 14.2% | 16.4% | 33.8% | 5.8% |
| Coking Coal | -3.6% | 15.9% | 0.4% | 1.9% | 1.9% | 3.6% |
| US HRC | -8.1% | 10.6% | 2.4% | 0.4% | 3.6% | 0.3% |
| FOB China HRC | -5.1% | -5.7% | 0.0% | -0.3% | 0.0% | 0.0% |

| Price WoW % | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 |
|--------------------|--------|--------|--------|--------|--------|--------|
| Cape5TC \$/day | -11.3% | -4.1% | -0.2% | -1.4% | -1.0% | -1.2% |
| Pmx4TC \$/day | 7.5% | 2.8% | 2.8% | 1.7% | 2.0% | 2.3% |
| Smx10TC \$/day | 3.2% | 3.8% | 3.7% | 2.7% | 2.6% | 1.9% |
| Iron Ore 62% \$/mt | 1.1% | 1.3% | 1.4% | 1.4% | 1.5% | 1.5% |
| Coking Coal \$/mt | 1.7% | 1.7% | 1.3% | 3.4% | 3.1% | 2.8% |
| US HRC \$/st | -2.4% | -1.7% | -0.7% | -1.5% | -0.7% | -0.5% |
| FOB China HRC \$/t | 0.9% | 0.8% | 0.6% | 0.8% | -0.1% | -0.1% |

Sources: EEX, SGX, CME

CONTACT

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

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

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