

## Dry FFA Market Signals

## Bull

- **Coal Shipments:** Coal demand remained strong in mid-July, with robust shipments from Australia and steady flows out of Indonesia. Consistently high demand from Japan and Korea was observed in recent weeks and is projected to remain elevated. This week, coal shipments toward China are also projected to reach a recent high, thanks to surging supply from Australia. (Cape & Pmx)
- **Grains Market:** Active grain activity reported out of NCSA and ECSA last week supported further gains in the Atlantic region. As a result, the P6 pushed toward \$14,000, with potential upside in the week ahead if projected cargo volume increases materialize. Total ECSA grain exports are forecast to continue trending above seasonal levels in mid-July, increasing to an estimated 7.4 MMT per week in early to mid-July, compared with the seasonal average of 5.1 MMT. (Pmx & Smx)
- **TA Market:** A steady week was seen on the Trans-Atlantic routes, mainly supported by improved NCSA grain demand, while the mineral side remained discounted. The P1A ticked up 5% last week to \$14,764, and the P2A steadied above \$20,000. (Pmx)
- **Minor Bulk Demand:** Healthy mineral flows have remained consistent on routes from South Africa and the Philippines to China. Coupled with a small expected increase on the Indo–China route, this could further support Supramax earnings. (Smx)

## Bear

- **Iron Ore Key Routes:** With the end of Australia's financial year and miners not rushing to boost sales, Capesize weekly iron ore shipments hit a two-month low last week, with volumes falling to 13.3 MMT (-4 MMT, -23% w-o-w). Exports from Australia are expected to gradually ease, following low seasonal patterns through the end of August, while Brazilian iron ore shipments have shown mixed trends in July before a typical strong August. In the coming weeks, C5 volume is expected to remain subdued, with a slight uptick projected in mid-July. Meanwhile, C3 cargo demand is projected to increase, potentially offsetting some of the shortfall. On the fixtures side, some activity returned to the Pacific, pushing C5 back to \$7 for mid-July and later to \$7.50 for 20–22 July. Ballaster tonnage increased on C3, with rates dropping further below \$20 for 21–30 July. (Cape)
- **Steel production cut:** Market sources have reported that Tangshan — China's top steelmaking hub — is planning to cut steel production by 30% during 4–15 July. Although the announcement remains unofficial, it may impact iron ore demand in the short term.
- **Vessel Supply:** Capesize tonnage supply remained largely unchanged, with open vessel counts at a five-week high. In contrast, the Panamax sector showed an uptick in tonnage supply, following comparably lower fixtures in the Pacific last week and more ballasters heading toward the Atlantic. Open Panamax + Kamsarmax vessels rose from 1,474 the previous week to 1,503 as of Monday, 7 July, while Supramax counts increased from 1,504 to 1,541 over the same period.

## Ferrous Market Signals

### Bull

- Trading activities of iron ore remained active last week, with a wide range of physical transactions taking place. Amid production cuts in Tangshan, the lump ore premium stayed firm and demand for concentrates remained robust.
- China port iron ore inventories down by 518,300 tons on the week.
- Both Shanghai and Shenzhen saw significant house sales growth on the year in H1 2025.
- The inventory of coking coal and coke in China major ports both down on the week.
- Major miners in Australia start to decrease shipments, and the arrivals expected to see a decrease from 2nd half of July.
- China's domestic coking coal prices rose significantly, in tandem with gains in futures prices. Physical coke prices stopped falling from July onwards. Northern Chinese provinces have called for the elimination of substandard coal capacities.
- China EAFs utilization rate is maintaining year-low level around 50% (excl. CNY week), which left more room for blast furnace to increase steel production.

### Bear

- Demand for pig iron continued its downward trend, which, based on the industry's seasonal cycle, is expected to persist until late August.
- China's iron ore port trades fell by 8% week-on-week.
- Steel mills increased their iron ore inventories over the past week.
- Tangshan's production cuts in China may restrict pig iron output in the short term.
- Bidding activity for both US and Australian coking coal remained cautious last week. However, Indian buyers maintain resilient demand during Monsoon weather.

Market Data Snapshot (4<sup>th</sup> Jun)

Open Interest /lots	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC	22,915	17,173	13,350	10,074	9,839	10,079
Pmx4TC	28,618	23,711	16,590	10,858	10,503	10,733
Smx10TC	12,185	10,718	9,263	6,083	6,053	6,063
Iron Ore 62%	398,181	420,852	262,183	90,040	110,005	62,968
Coking Coal	3,422	3,422	2,367	2,179	2,134	2,034
US HRC	5,326	4,882	4,245	2,818	1,854	2,199
FOB China HRC	892	1,012	354	335	335	185

Price	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC \$/day	16,013	17,838	19,888	21,033	20,488	19,117
Pmx4TC \$/day	12,478	11,761	11,652	11,365	11,121	10,617
Smx10TC \$/day	12,183	12,263	12,279	12,225	11,908	11,200
Iron Ore 62% \$/mt	95.89	95.85	95.60	95.30	94.96	94.57
Coking Coal \$/mt	178.00	178.00	179.50	182.50	183.50	184.50
US HRC \$/st	885	861	851	835	835	836
FOB China HRC	446.0	452.5	453.5	457.0	461.0	462.5

OI WoW %	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC	1.6%	7.8%	1.3%	0.4%	0.2%	0.0%
Pmx4TC	6.9%	12.5%	9.1%	7.1%	6.2%	5.7%
Smx10TC	6.7%	7.3%	5.9%	4.3%	4.0%	4.3%
Iron Ore 62%	4.8%	22.2%	17.0%	10.3%	18.8%	3.5%
Coking Coal	-2.3%	3.2%	-1.7%	1.9%	1.7%	1.0%
US HRC	-1.5%	1.4%	-1.8%	0.1%	0.3%	0.0%
FOB China HRC	6.7%	4.1%	-10.4%	0.0%	0.0%	0.0%

Price WoW %	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC \$/day	-5.0%	4.6%	3.3%	5.4%	3.8%	3.2%
Pmx4TC \$/day	11.2%	10.1%	8.8%	5.8%	5.6%	6.0%
Smx10TC \$/day	8.9%	8.2%	7.0%	7.7%	6.2%	6.4%
Iron Ore 62% \$/mt	1.4%	1.7%	1.8%	1.9%	1.9%	1.8%
Coking Coal \$/mt	1.1%	0.8%	1.4%	0.0%	0.5%	1.1%
US HRC \$/st	0.2%	-0.6%	-0.7%	-0.5%	-0.5%	-0.6%
FOB China HRC \$/t	0.5%	1.6%	1.8%	1.6%	2.4%	2.8%

Sources: EEX, SGX, CME

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