

Dry FFA Market Signals

Bull

- **Iron Ore Key Routes:** Weekly iron ore shipments rose 6.5% w-o-w to 15.1 MMT (week ending 27 July), supported by steady export volumes from both Australia and Brazil. Firm TA and FH demand in the N Atlantic tightened tonnage, driving C3 rates up from mid-high \$23s to \$25 for 20 Aug onwards. Canadian iron ore exports also surged to 1.1 MMT, significantly above the 4-week average, while Brazil maintained strong output. In the Pacific, C5 activity firmed strongly mid-week, with rates peaking at \$10.50 for 9–11 Aug laycan before easing on Friday. Looking ahead, shipments are expected to normalize toward the 4-week average, with Atlantic strength likely offset by softer Pacific volumes. (Cape)
- **Macro Sentiment:** Market sentiment was buoyed by news of a mega hydropower project in Tibet last week, expected to boost Chinese steel and raw material demand. Additionally, equity markets in the U.S. and EU saw gains after EU reached a trade deal with U.S. President Trump, averting tariff uncertainty over transatlantic trade. (Dry Bulk)
- **Minor Bulk Demand:** Strong Indonesian coal demand from China and India lifted Supramax earnings last week, with shipments up 23% w-o-w to 2.9 MMT. This trend is projected to persist into the coming weeks. Besides, demand for nickel and minor bulks are expected to tick higher this week for mid-August laycans, supporting outbound flows from Southeast Asia to China and India. (Smx)

Bear

- **Coal Shipments:** Coal demand is set to ease due to cooling demand from China, with its weekly shipments projected to decline to 21.7 MMT for laycan 9 Aug onwards, against its 4-week moving average of 25.0 MMT. The Panamax segment is expected to bear the brunt of this drop, with its coal shipment down to 12.7 MMT (-6.2 MMT, -33% w-o-w) during the same period. (Pmx & Cape)
- **ECSA Grains Market:** The ECSA grains market showed signs of caution last week, with reduced activity leading to lower rates by the weekend. Weekly export volumes fell over 12% w-o-w to 5.8 MMT. While a modest rebound is anticipated for early-to-mid August laycans, exports are expected to trend lower in the coming weeks, consistent with seasonal patterns. (Pmx & Smx)
- **TA Market:** Not so positive for the mineral demand out of USEC, although grains shipments from NCSA remained healthy in the North Atlantic. Both P1A and P2A appear to have peaked, with rates starting to slide on subdued activity. Spot rates fell to \$20,345 (-4% w-o-w) for P1A and \$25,938 (-3% w-o-w) for P2A. (Pmx)
- **Chinese Iron Ore:** Mysteel data shows a slight increase in imported iron ore inventories across 45 Chinese port, while weekly hot metal production data showed a modest decrease though still within seasonally high levels, suggesting a potential softening in near-term seaborne iron ore demand.

Ferrous Market Signals

Bull

- By the end of July, the “summer break” in the automotive industry is drawing to a close, with production lines expected to return to normal operation. Meanwhile, a Mysteel survey shows that some home appliance manufacturers reported a month-on-month increase in August orders, with marginal improvements in order structure.
- The China National Energy Administration has launched a coal production verification campaign, raising market expectations of a potential supply contraction.
- In the FOB Australia coking coal market, Chinese demand gradually replaced Indian demand in July, narrowing the spread between CFR China and FOB Australia prices.
- A major Chinese coke producer initiated a third round of domestic coke price hikes, raising prices by 50–55 yuan/ton.
- Anglo American’s H1 metallurgical coal output fell 46% YoY to 4.3 million mt, primarily due to an underground fire at the Grosvenor mine.
- Iron ore inventories at Chinese steel mills remained at seasonal lows, while pig iron consumption continued to show resilience.

Bear

- For August, discounts for BHP's MACF, NHGF, and JMBF narrowed to \$2.25/dmt, \$1.93/dmt, and \$5.77/dmt respectively (based on the average of 62% Fe iron ore index), down from July levels of \$2.43/dmt, \$2.17/dmt, and \$5.86/dmt, indicating a weakening discounting trend.
- In March, Rio Tinto notified customers of a planned reduction in iron content for its Pilbara Blend Fines due to ongoing orebody quality degradation. Similarly, in 2024, BHP reduced the iron content of MACF and NHGF to 60.6% Fe and 61.7% Fe, respectively.
- On July 25, the DCE announced new position limits: the Sep25 coking coal futures contract is capped at 500 lots per day, and other contracts are limited to 2,000 lots. Following this tightening, trading volumes in these two contracts declined by over 20%.
- Anglo American produced 31.4 million wmt of iron ore in H1 2025, a 2% YoY increase. Output from Minas-Rio (Brazil) rose 7% to 13.1 million mt, while Kumba (South Africa) output slipped 1% to 18.2 million mt.
- Port Hedland, Australia, exported a record 54.6 million mt of iron ore in June 2025, up 0.7% YoY. H1 exports totalled 288 million mt, a 0.4% YoY increase.

Market Data Snapshot (25th Jul)

Open Interest /lots	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC	23,169	21,223	14,340	10,781	10,256	10,536
Pmx4TC	31,279	27,975	22,614	12,010	11,174	11,394
Smx10TC	12,498	12,468	10,386	6,895	6,580	6,585
Iron Ore 62%	412,677	411,345	448,963	171,793	157,322	128,649
Coking Coal	3,392	3,792	3,107	1,975	1,949	1,759
US HRC	5,714	4,880	5,359	2,944	2,050	2,641
FOB China HRC	931	1,680	978	350	350	186

Price	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC \$/day	21,846	23,854	23,908	24,342	23,588	21,883
Pmx4TC \$/day	14,569	13,411	12,823	12,457	11,596	10,683
Smx10TC \$/day	13,445	13,580	13,330	12,910	12,320	11,160
Iron Ore 62% \$/mt	99.55	103.03	103.29	102.95	102.51	102.05
Coking Coal \$/mt	178.00	199.00	203.00	208.00	211.00	215.00
US HRC \$/st	871	847	862	860	865	868
FOB China HRC	460.0	486.0	490.0	491.0	493.0	495.5

OI WoW %	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC	0.3%	10.5%	7.4%	2.9%	1.3%	1.4%
Pmx4TC	0.4%	-3.7%	9.3%	3.6%	2.1%	2.0%
Smx10TC	0.3%	3.0%	2.3%	1.0%	0.6%	0.7%
Iron Ore 62%	-0.8%	-10.9%	7.9%	15.8%	13.1%	26.2%
Coking Coal	0.0%	-0.7%	17.6%	-7.2%	-6.0%	-12.2%
US HRC	2.4%	-3.5%	11.1%	0.8%	0.0%	-2.0%
FOB China HRC	2.6%	-7.7%	-1.1%	-11.4%	-2.0%	-1.6%

Price WoW %	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
Cape5TC \$/day	3.2%	0.2%	-1.0%	0.0%	1.2%	0.8%
Pmx4TC \$/day	-0.7%	-7.7%	-5.9%	-1.3%	-2.0%	-1.8%
Smx10TC \$/day	-4.1%	-5.6%	-5.4%	-2.8%	-2.5%	-1.9%
Iron Ore 62% \$/mt	1.2%	2.2%	2.5%	2.4%	2.3%	2.3%
Coking Coal \$/mt	1.0%	10.2%	10.9%	12.4%	12.8%	13.8%
US HRC \$/st	-0.5%	0.1%	1.4%	1.1%	1.8%	1.0%
FOB China HRC \$/t	2.4%	5.4%	5.4%	5.5%	6.6%	7.4%

Sources: EEX, SGX, CME

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