

Dry FFA Market Signals

Bull

- **Capesize Coal Shipments:** Coal cargo volumes for Capesize are set to rebound sharply in mid-October, supported by increased demand for Australian coal from key buyers. Weekly shipments are expected to hit a record level of just under 6 MMT, up from the recent range of around 4.5 MMT.
- **Australia Coal:** Australia coal activity shows robust growth in late Sept with weekly exports rising from 7.7 MMT last week to an estimate of 11.1 MMT for mid Oct laycan, thanks to strong buying interest from Japan and South Korea. (Pmx & Smx)
- **Grains Market:** The grains market showed some positivity last week. In the Pacific, NoPac flows were supported by firm demand for prompt dates, while weather-related delays in the South Pacific further bolstered rates. In the Atlantic, the P6 route continued to receive consistent support, with 2H October fixing at a premium over the index in the high \$15,000–\$16,000 range; interest for later dates has also started to surface. Vessel tracking indicates a rebound in ECSA grain shipments for mid-to-late October laycans, rising from 4.5 MMT/week in late Sept–early Oct to 4.8 MMT/week. However, ECSA volumes remain well below seasonal highs, with the 4-week moving average at 5.9 MMT, down from the recent peak of 6.3 MMT. Meanwhile, US export volumes have remained strong over the past three weeks but limited fresh demand or fixtures have been reported for mid-to-late October dates. (Pmx & Smx)

Bear

- **Iron Ore Key Routes:** Both Australia and Brazil recorded modest increase in iron ore exports last week, keeping volumes on key routes above the 4-week moving average, supported by firm demand and decent activity in the first half of the week across both the Pacific and Atlantic basins. In the Pacific, Australian exports to China rose by 1.0 MMT (6.4% w-o-w) to 17.1 MMT. The C5 rate held steady at the previous week's highs, trading at \$10.80–\$11.00 for 10 Oct onward laycans. In the Atlantic, sentiment turned more cautious later in the week amid reduced activity from South Brazil and West Africa to China. The C3 route nevertheless fixed higher, up from the high \$24s the week before to \$25.50–\$25.85 for 20–25 Oct laycans. However, the upward momentum appears unsustainable, with softer iron ore demand expected in the mid-October window. The upcoming major Chinese holiday is likely to curb market activity, adding pressure on Capesize earnings in the weeks ahead. (Cape)
- **Chinese Demand:** Market activity is expected to slow as China enters its National Day holiday (1–8 Oct). Iron ore imports are projected to fall from the current weekly level of 26.6 MMT to around 23.1 MMT for mid-October loadings—well below the 4-week moving average of 25.6 MMT. By origin, Australian shipments to China are estimated at 16.6 MMT for mid-October, down slightly from last week's 17.1 MMT but still within the recent range. In contrast, C3 cargoes are set to correct more sharply, averaging 5.4 MMT per week in mid-October versus 6.9 MMT last week and below the 4-week average of 6.2 MMT. (Cape)

- **Coal Shipments:** Coal flows remained steady through September, with last week's shipments tracking the 4-week moving average of 25.1 MMT. A sharper pullback is expected mid-October, with volumes projected at just 19.0 MMT, led by weaker Chinese demand. Panamax shipments are set to fall heavily, from 16.1 MMT/week in early October to around 10.3 MMT/week mid-month. Capesize coal cargoes, however, are expected to rebound in the coming week, partly offsetting Panamax weakness. (Pmx)
- **TA Market:** Small improvement was seen in the North Atlantic mid-week amid increase activity on the TA runs and minerals activity out of US Gulf provided supports. However, less demand was report on the fronthaul business, seeing both P1A and P2A indices continued to fall throughout last week to \$17,655 (-9% w-o-w) and \$25,228 (-5% w-o-w) on Friday 26th Sept. (Pmx)

Ferrous Market Signals

Bull

- Over the past two weeks, ahead of China's National Day (Golden Week) holiday, the physical iron ore market has seen robust restocking activity.
- China's steel mills have maintained higher operating rates and utilization rates compared to the same period in previous years.
- Australian coking coal has witnessed a resurgence in buying interest, driven by the return of Indian buyers. By late September, supplies of both PLV and PMV coking coal remained tight. Additionally, low-vol coking coal supply from miners on the US East Coast has also been constrained.

Bear

- According to MySteel, iron ore port inventories across China stood at 140 million tons, marking a weekly increase of 1.99 million tons. Daily iron ore evacuation volumes remained roughly on par with the previous week, while steel mills significantly boosted their inventories through restocking activities in preparation for the China National Day holiday.
- Over the past three weeks, the utilization rate of China's electric arc furnaces (EAFs) has dropped by 5% and is currently hovering at a seasonal low. This decline has created additional room for steel production via blast furnaces.
- During the previous week, Australian iron ore miners sold multiple cargoes of medium-grade fines through quarterly strip contracts, offering larger discounts. The move was linked to ongoing, unresolved negotiations over long-term supply contracts.

Market Data Snapshot (26th Sep)

Open Interest /lots	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Cape5TC	19,954	20,884	14,678	13,940	8,147	8,147
Pmx4TC	25,734	20,654	16,793	13,742	8,642	8,662
Smx10TC	12,459	11,437	8,767	7,760	4,180	4,170
Iron Ore (IODEX)	347,487	417,045	460,901	313,820	237,098	55,359
Coking Coal	3,592	2,990	2,754	1,741	1,267	1,055
US HRC	5,165	4,907	4,466	3,800	2,206	1,548
FOB China HRC	1,043	622	517	318	184	203

Price	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Cape5TC \$/day	26,850	29,786	26,529	23,686	17,868	15,461
Pmx4TC \$/day	15,414	14,645	13,948	12,941	11,334	10,358
Smx10TC \$/day	16,630	15,736	14,393	13,221	11,343	10,014
Iron Ore (IODEX) \$/mt	105.32	103.60	103.40	103.25	100.71	100.24
Coking Coal \$/mt	187.00	193.00	196.00	200.00	206.00	206.00
US HRC \$/st	808	805	843	865	880	880
FOB China HRC \$/t	474	474	476	478	479	481

OI WoW %	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Cape5TC	0.9%	4.6%	6.7%	4.7%	5.0%	5.8%
Pmx4TC	-0.4%	3.3%	11.2%	1.6%	8.7%	8.9%
Smx10TC	-0.8%	6.5%	2.5%	2.8%	3.3%	3.1%
Iron Ore (IODEX)	-4.8%	-22.8%	30.5%	9.2%	11.3%	1.5%
Coking Coal	0.0%	-3.2%	7.2%	0.0%	0.0%	0.0%
US HRC	0.7%	-7.1%	37.0%	2.1%	54.8%	39.3%
FOB China HRC	0.0%	-1.6%	32.2%	52.9%	-12.0%	-1.0%

Price WoW %	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
Cape5TC \$/day	0.5%	-2.3%	-3.9%	-3.0%	1.0%	-1.1%
Pmx4TC \$/day	-0.2%	-1.2%	-0.3%	0.7%	2.2%	2.4%
Smx10TC \$/day	0.7%	1.3%	-0.4%	-0.2%	1.9%	0.8%
Iron Ore (IODEX) \$/mt	-0.4%	-2.8%	-2.8%	-2.8%	-2.8%	-2.8%
Coking Coal \$/mt	0.0%	0.5%	-0.3%	0.4%	2.0%	1.0%
US HRC \$/st	-0.5%	-3.0%	-0.8%	-0.3%	0.0%	0.0%
FOB China HRC \$/t	-0.4%	-0.5%	-0.6%	-0.4%	-0.6%	-1.0%

Sources: EEX, SGX, CME

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