FIS Dry Freight Weekly Report

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Market Review:

Overall, there was a volatile week in freight driven by US-China trade war rhetoric. The Capesize market reacted to the announcement of port charges on "US-linked vessels" and subsequent clarifications, with this sentiment also spilling over into the smaller sized vessels. Aside from these political interjections, the Cape market shows signs of volume recovery, with higher shipments expected out of Australia and Brazil. For Panamaxes demand looks steady, but with a potential drop coming from lower US origin grain exports. All markets remain exposed to further US-China trade related announcements.

Freight Rate $/day	13-Oct	06-Oct	Changes %	FIS Short Term View
Capesize 5TC	28,132	23,453	20.0%	Bearish
Panamax 4TC	14,921	13,550	10.1%	Bearish
Supramax 10TC	15,661	16,205	-3.4%	Neutral to Bearish
Handy 7TC	15,726	15,600	0.8%	

Capesize

The Capesize market experienced high volatility towards the end of the week following China's announcement of new port charges on a broad definition of "US-linked vessels". These charges will apply to berthing at Chinese ports, starting from 14th October, with a fixed fee of RMB 440 per net tonne, and gradual increases each April from 2026 to 2028. The Dry FFA market rallied amid concerns over a tightening vessel supply in the short term, as shipowners raised freight rates to offset the new port fees. The active Capesize November contract jumped by $2,000 on Friday, 10th October, and the Cape5TC index followed suit, spiking 21% on Monday, 13th October.

However, the Ministry of Transport of the People's Republic of China later issued an updated announcement on the special port dues for US-linked vessels. A new clause (Item 5 in Article 2) clarified that vessels built in China, as described in Items 1–4 of the definition of US-linked vessels, will be exempt from the special port fees. Additionally, Article 5 stated that US-linked vessels calling at Chinese ports will only be charged for their first five voyages per year, with subsequent voyages being exempted. In response to the clarification, which reduced the number of vessels likely to be affected, the FFA market gave up its Monday gains. The index fell by nearly $3,200 (or 11.3%) on Tuesday, 14th October, while both the Capesize November and Q4 contracts declined by around 12% at the time of writing. For dry bulk carriers still exposed to the fees, the cost impact could be significant. According to Kpler data, a C3 iron ore route could face annual port fees of up to $13 million, while the C5 route could exceed $16 million if operated continuously. If vessels are diverted to alternative routes, additional voyage time could further tighten available tonnage.

Beyond the port fee issue, tensions escalated as China imposed reciprocal port charges on US vessels and threatened further retaliatory measures against the US shipping sector, including sanctions on the US units of a South Korean shipping giant following new US export controls on rare earths. The US, in turn, expanded its chip export restrictions and threatened 100% tariffs on certain Chinese goods. As the world's two largest economies continue to exchange trade and shipping measures, all eyes are on the anticipated Trump–Xi summit in late October. Until then, the dry bulk and related commodity markets are expected to remain highly volatile and sensitive to further retaliation or supply disruptions.

Before the turmoil on Friday, the Capesize market had posted steady gains early in the week, supported by active iron ore cargoes in the Pacific. The C5 route improved from $9.30 early in the week to $9.80 midweek for 23rd October loading dates onward. In contrast, activity in the Atlantic remained limited but positive, with the C3 route fixed up to $24 for early November loadings. The physical market softened slightly on Thursday due to reduced activity in the Pacific, with C5 rates slipping to $9.35 for late October, and a lack of fresh demand in the Atlantic.

Following China's port fee announcement, on Monday, 13th October, C5 surged above $12 for 26–29 October loadings, while C3 rose to $26.70 for 3–9 November, in line with the sharp rally in FFAs.

Chart source: FIS Live

Outlook (Week 42 – Starting 13*th* October)

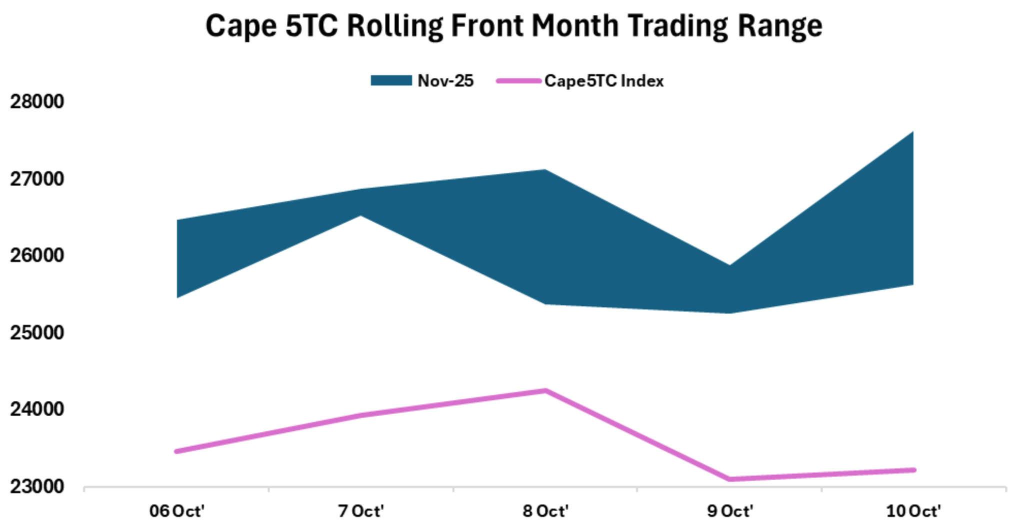
As the market digests the latest updates and reassesses the limited impact on global dry bulk supply, FFAs have retreated sharply from Monday evening and into Tuesday, trending back toward last Thursday's lows. Looking ahead to cargo demand in Week 42, iron ore exports from the top two suppliers show encouraging signs of recovery. Australian iron ore exports for 20–26 October laycan are projected to rise to 23.7 million tonnes, above the current 4-week moving average (19.4 million tonnes). Brazilian iron ore shipments are also ticking higher for late October to early November, at 8.9 million tonnes versus a 4-week average of 8.5 million tonnes.

This recovery in iron ore flows could bolster Capesize demand, while coal shipments remain subdued but are expected to pick up following the post–Golden Week restart in China. Excluding the expected coal rebound, total Capesize shipments are estimated at 20.3 million tonnes, below the 4-week moving average of 21.4 million tonnes.

FFA: The Capesize FFA market firmed gradually during the first half of last week, supported by rising iron ore activity in the Pacific and weather-related port disruptions in northern China. November opened the week around $26,300, adding $200–300 by Tuesday, with modest gains continuing into Wednesday morning. Similarly, Q4 rose from $25,600 to $25,900. However, sentiment shifted midweek as C5 fixtures were reported lower and only some major charterers remained active. Despite a still-positive index, the forward curve came under pressure. November fell sharply to $25,750 and drifted lower before the close, while Q4 slipped below $24,750. Thursday saw thin trading ahead of a major rebound on Friday, when strong buying returned and November surged from the low $26,000s to $27,500, with Q4 closing $1,700 higher at $26,250.

The rally extended into Monday, 13th October, as bullish sentiment carried across the curve. November and Q4 spiked to highs of $30,500 and $28,900, respectively, while Q1 also strengthened, reaching $18,100 before easing slightly by the close. The move reflected a mix of speculative momentum and short covering following China's port fee announcement, though traders remained cautious amid policy uncertainty and potential adjustments in physical demand.

Bearish



Panamax

The Panamax physical market showed a gradual improvement last week, with positive sentiment returning across both basins. In the Atlantic, fresh demand emerged from the US Gulf and USEC, alongside a modest recovery in the South Atlantic on the back of late October ECSA grain activity. Meanwhile, the Pacific market saw a noticeable pickup in activity as Asian participants returned from the week-long holiday, contributing to firmer sentiment. On a weekly basis, the Panamax 5TC climbed 10% as of Monday, 13th October. However, the FFA market saw sharper volatility, rallying strongly from late Friday before collapsing on Tuesday, 14th October, as the escalation of the US–China trade dispute spilled into the maritime sector and sentiment shifted rapidly.

Chart source: FIS Live

Outlook (Week 42 – Starting 13*th* October)

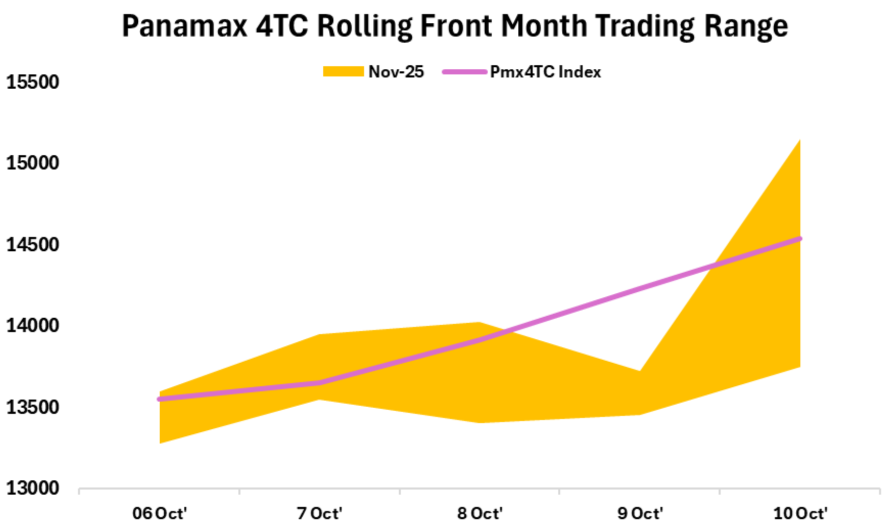
Looking ahead, Panamax coal flows are projected to rise to 15.8 MMT in late October, broadly in line with the four-week average, reflecting steady demand from China, South Korea, and Japan. ECSA grain exports, which declined sharply from late September, are expected to rebound strongly from late October, with Panamax grain shipments projected to reach 4.6 MMT per week, up nearly 1 MMT (+26% w-o-w). Conversely, US grain exports are likely to soften into late October and early November amid ongoing US–China trade tensions, with volumes potentially falling from the current 2.7 MMT to below 1 MMT, which could increase the number of open vessels.

Overall, weekly Panamax cargo volumes are expected to remain below the recent averages, adding pressure to earnings in the near term. That said, any new developments on trade policy or port fee measures could trigger swift adjustments in freight rates, keeping both the physical and paper markets highly sensitive to geopolitical headlines.

FFA: Last week was extremely active for the Panamax FFA market, with large volumes traded across the curve. Prompt contracts remained rangebound on Monday before firming on Tuesday, with November trading up to $13,700–$13,800 in size, and Q4 at $13,800 post-index. On Wednesday, pressure in the Cape market weighed on Panamax, dragging the curve lower: November dipped to $13,500 and Q4 to $13,450. Thursday saw prompt futures edging up, with November gaining $150 to $13,750 and Q4 rising over $200 to $13,650. Friday marked a dramatic move, with the market exploding higher. November surged to $15,800–$15,900 soon after the open, while Q4 touched $16,000. Afternoon corrections trimmed some gains, but bids returned toward the close, leaving November at $15,100 and Q4 at $14,600.

On Monday, 13th October, Panamax opened sharply higher, with November trading $15,750–$16,100, but the news that China -built vessels are exempt from special port fees triggered a pullback, with November settling at $15,300.

Bearish

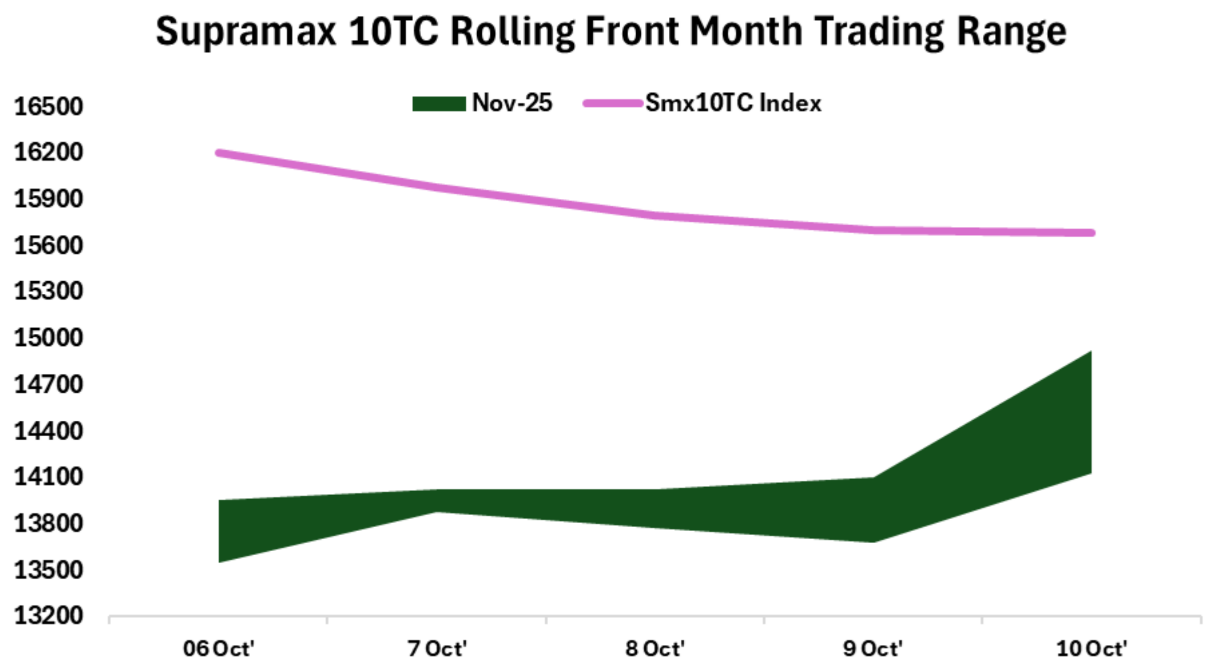


Supramax

FFA: The Supramax market began the week on a firmer footing, before softening midweek and regaining strength from Thursday through Friday. Monday opened with supportive bids, lifting November to $14,000, though most trades occurred between $13,750–$13,850. Tuesday saw softer sentiment following a weaker index (down $232), keeping November around $13,800–$13,900. Wednesday continued under pressure from larger sizes, with Nov trading $13,875–$13,950 before dipping briefly to $13,625. Thursday saw renewed bid support, with November rising to $14,100 and Q4 climbing from $14,150 to $14,350. The positive sentiment from the larger vessel sizes lifted Supramax further on Friday: November reached $14,850 before easing to $14,750, and Q4 rallied to $14,750 early in the session.

Monday, 13th October, the Supramax market opened with continued upward momentum: November traded at $15,900, later easing on a slightly negative index to $15,500, while Q4 traded $15,700 on a 90kt clip, with the curve softening by roughly $500 into the close.

Neutral to Bearish



FFA Market Indexes

Freight Rate $/day	13-Oct	06-Oct	Changes %	2025 YTD	2024	2023	2022	2021
Capesize5TC	28,132	23,453	20.0%	19,081	22,593	16,389	16,177	33,333
Panamax4TC	14,921	13,550	10.1%	11,294	12,763	11,518	8,587	25,562
Supramax10TC	15,661	16,205	-3.4%	11,439	13,601	11,240	8,189	26,770
Handy7TC	15,726	15,600	0.8%	11,131	12,660	10,420	8,003	25,702

FFA Market Forward Values

FFA $/day	13-Oct FIS Closing	06-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2025 YTD Mkt High	2025 YTD Mkt Low
Capesize5TC Nov 25	29,575	26,375	12.1%	30,875	25,250	30,875	24,050
Capesize5TC Q4 25	28,175	25,600	10.1%	29,250	24,300	29,250	18,875
Panamax4TC Nov 25	15,325	13,425	14.2%	16,100	13,275	16,100	12,050
Panamax4TC Q4 25	14,950	13,525	10.5%	15,715	13,375	15,715	9,375
Supramax10TC Nov 25	15,600	13,900	12.2%	16,125	13,550	16,125	12,750
Supramax10TC Q4 25	15,500	14,250	8.8%	16,050	14,025	16,050	9,650

Data Source: FIS Live, Baltic Exchange

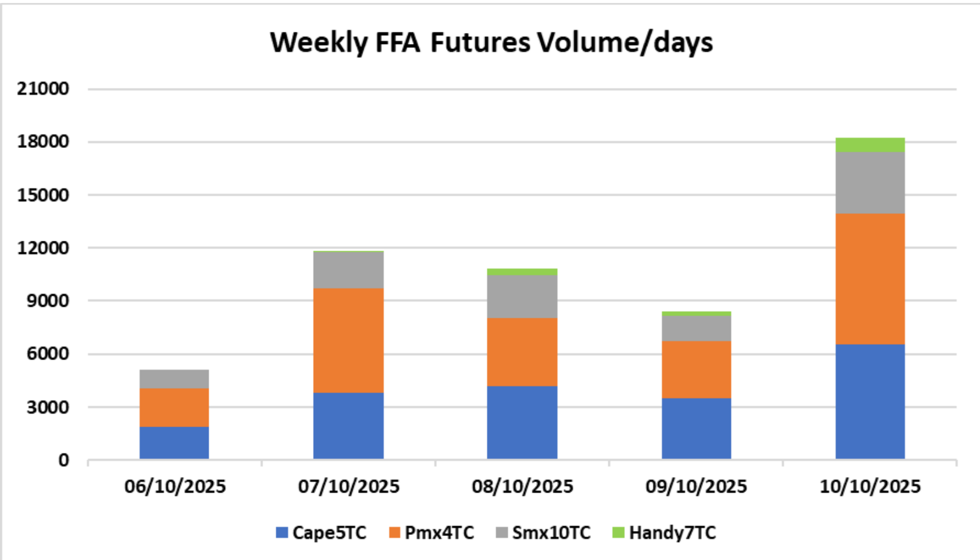
FFA Market

The dry FFA market saw heavy trading last Friday following China's announcement to levy port fees on US-flagged vessels and ships with US capital ties, pushing total weekly dry futures volume to nearly 59,000 lots. Among the larger segments, Capesize cleared 23,490 lots and Panamax 23,580 lots. Decent activity was also seen in the Supramax segment with 10,560 lots traded, while rising interest made it one of the busiest weeks for Handysize, with 1,360 lots changing hands. The bulk of trading focused on November and Q4 25 contracts, with additional interest in October, December and Q1 26, while activity on the Cal contracts remained limited.

On the options front, there was strong interest in Cape5TC October–December options, with Calls dominating across prompt months, 2H 26, and Cal 26, signalling a bullish sentiment in both the short and medium term. In total, around 4,770 lots of options were traded on Cape5TC. The Panamax options market also saw strong activity across November, December, and Q1–Q2 26, including a 45-day/month Cal 26 trade, leading to a total weekly volume of 23,580 lots traded.

On the voyage side, C5 attracted significant attention with 3.75 million tonnes traded, while C3 recorded 1.035 million tonnes for October–December laycans.

Following the sharp increase on Cape and Panamax FFAs on last Friday and Monday, open interest rose especially for the larger vessels as more long position have been built up. As of 13th October, open interest stood at: Capesize 5TC 166,969 lots (+6,620 w-o-w), Panamax 4TC 152,780 (+7,660 w-o-w), and Supramax 10TC 78,702 (+5,250 w-o-w).



Dry Bulk Trades/Iron Ore

Global iron ore exports fell 2.2% in Week 41 to 32.9 MMT, down from 33.6 MMT the prior week. The decline was primarily driven by a sharp 47.2% drop in Canadian shipments to 0.84 MMT and a 5.5% fall in Brazilian exports to 7.8 MMT. In contrast, Australian volumes rose 3.6% to 19.5 MMT, while South African exports inched up 1.0% to 1.02 MMT. Combined Brazilian and Australian shipments increased slightly by 0.8% to 27.2 MMT.

On the demand side, Chinese iron ore imports declined 8.0% to 21.2 MMT, while combined imports into Japan and South Korea surged 51.9% to 3.7 MMT.

By Vessel Size:

- **Capesize:** 14.5 MMT (−5.5% w-o-w)
- **Panamax:** 2.0 MMT (−22.4% w-o-w)
- **Supramax:** 1.3 MMT (+38.9% w-o-w)
- **Handysize:** 0.3 MMT (−6.9% w-o-w)

Looking ahead to Week 42, Kpler projects global iron ore exports to decline more sharply to 27.2 MMT. Australian shipments are expected to fall to 17.4 MMT, while Brazilian exports are forecast to drop to 6.0 MMT. Canadian volumes are set to edge down to 0.7 MMT, and South African shipments are projected to decrease more significantly to 0.4 MMT.

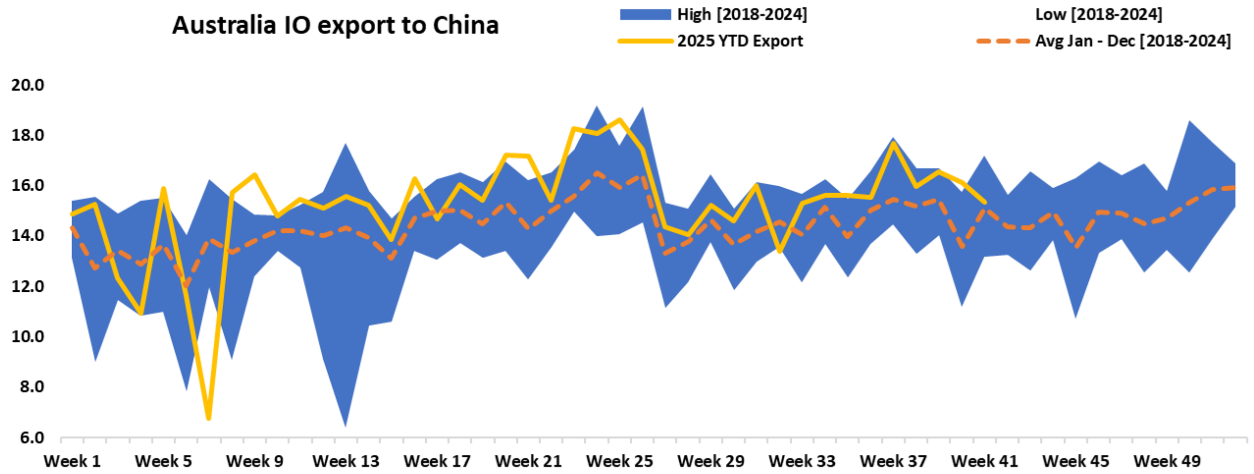
Dry Bulk Trades/Iron Ore

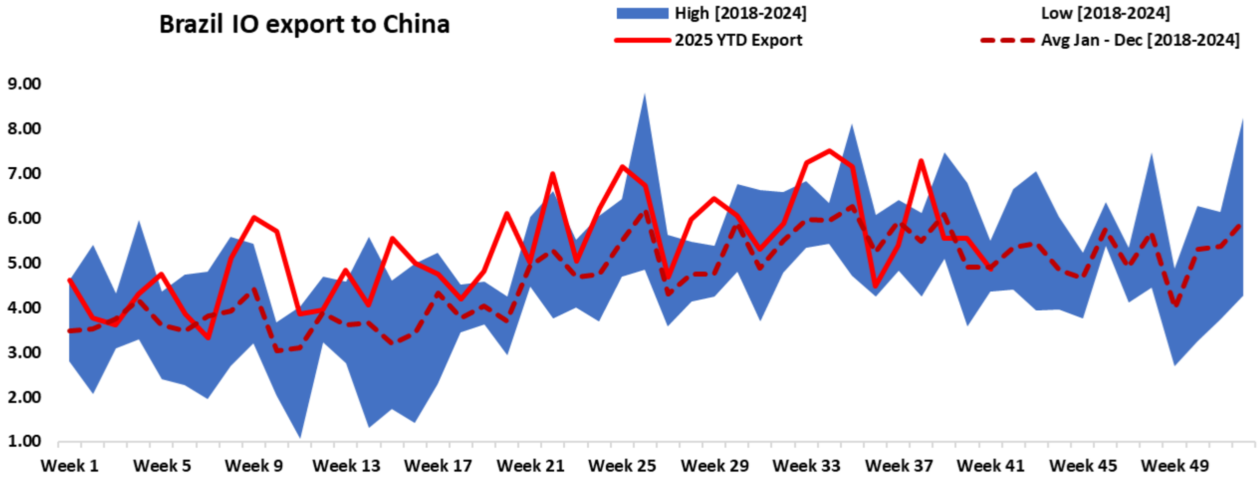
Export (million tonnes)	**Sep-25**	**Aug-25**	Q3-25	Q2-25	Q1-25	Q4-24	2024	2023	2022
Australia	82.9	77.8	237.6	247.0	213.4	237.6	936.1	925.5	921.6
Brazil	34.6	39.3	110.7	99.8	79.9	97.3	379.7	370.4	342.1
South Africa	4.5	4.8	13.7	13.1	13.3	13.0	53.0	52.9	52.5
India	2.1	1.3	4.9	6.3	8.6	6.9	37.5	44.5	16.2
Canada	5.8	6.1	16.3	14.9	11.0	14.3	57.2	57.6	53.1
Others	17.5	21.0	59.2	53.4	58.1	55.6	224.7	206.8	198.9
Global	**147.4**	**150.3**	**442.4**	**434.6**	**384.4**	**424.7**	**1688.2**	**1657.6**	**1584.4**

Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	15.4	16.1	**-4.7%**	9.5	9.5	**-1.9%**
Brazil-China	4.9	5.6	**-12.3%**	23.8	24.3	**-0.7%**

Seasonality Charts





Dry Bulk Trades/Coal

Global seaborne coal exports fell 4.8% in Week 41 to 24.6 MMT, down from 25.8 MMT the prior week. The decline was driven by lower shipments from Australia, which fell 7.2% to 6.8 MMT, and Indonesia, which dropped 4.5% to 10.0 MMT. Russian exports were broadly stable at 2.75 MMT (+0.4% w-o-w).

By coal type, metallurgical coal exports slipped 1.6% to 4.9 MMT, while thermal coal declined 2.9% to 17.8 MMT.

On the demand side, Chinese coal imports eased 3.6% to 6.2 MMT, while Indian arrivals fell sharply by 40.4% to 1.9 MMT. Japan’s imports dropped 13.2% to 2.5 MMT, while South Korea saw a notable 25.7% increase to 2.2 MMT.

By Vessel Size:

- **Capesize:** 3.9 MMT (+9.7% w-o-w)
- **Panamax:** 15.1 MMT (−5.8% w-o-w)
- **Supramax:** 4.3 MMT (−9.5% w-o-w)
- **Handysize:** 0.7 MMT (−29.8% w-o-w)

Looking ahead to Week 42, Kpler projects global coal exports to decline further to 23.3 MMT. Indonesian shipments are expected to ease to 9.5 MMT, while Australian volumes are likely to remain steady at 6.8 MMT. Russian exports are forecast to soften slightly to 2.5 MMT.

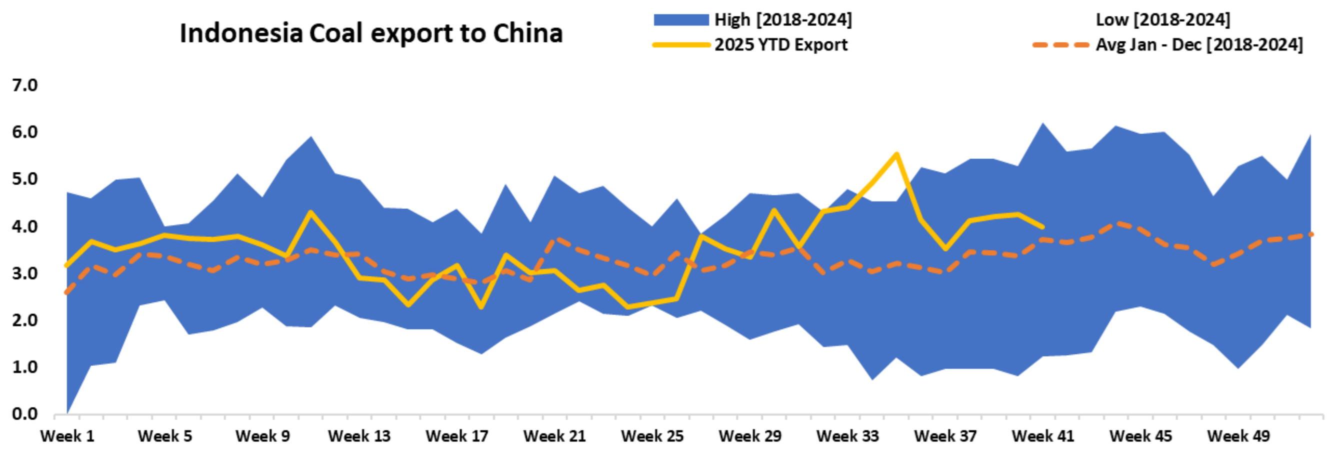
Dry Bulk Trades/Coal

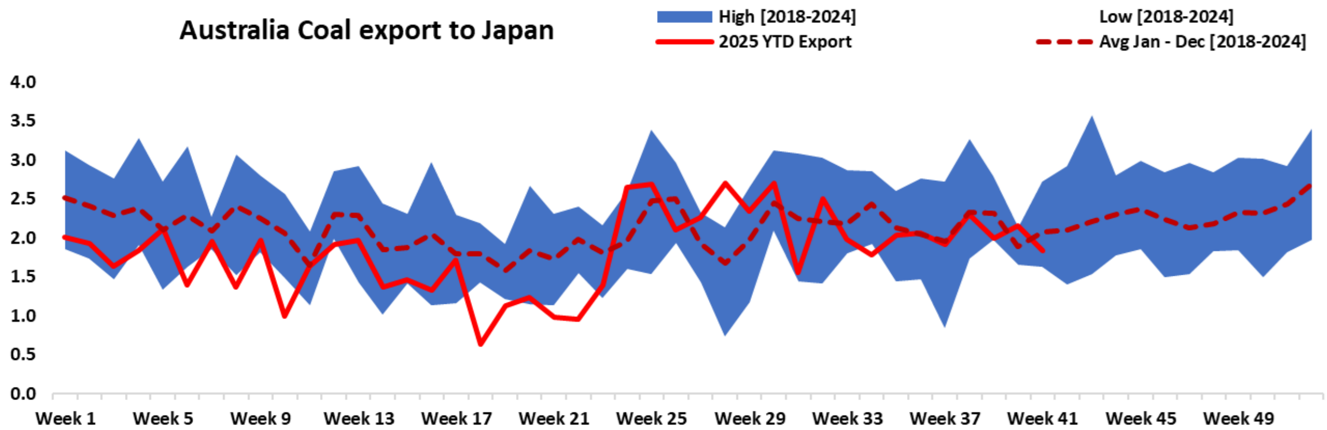
Export (million tonnes)	Sep-25	Aug-25	Q3-25	Q2-25	Q1-25	Q4-24	2024	2023	2022
Indonesia	44.6	48.0	133.8	109.7	117.2	142.6	533.5	505.8	451.5
Australia	31.3	29.5	92.3	84.7	77.3	96.6	361.2	353.3	341.3
Russia	13.1	15.7	44.9	43.2	35.5	36.1	156.5	180.8	178.3
USA	6.9	6.9	19.4	19.4	21.5	24.1	90.3	83.7	75.9
Colombia	3.8	3.5	10.8	10.2	12.2	13.0	56.9	57.7	54.5
South Africa	14.0	4.6	14.0	15.1	16.3	17.6	60.6	60.0	58.6
Others	7.9	8.7	24.7	29.4	27.4	28.9	118.8	556.0	501.3
Global	**112.9**	**116.9**	**339.8**	**311.9**	**307.5**	**358.9**	**1377.8**	**1365.2**	**1288.6**

Coal Key Routes

Coal Key Routes	Coal Export Million mt		
Coal Export Million mt	Last Week	Prev. Week	Chg %
Indonesia-China	4.0	4.3	**-6.3%**
Australia-Japan	1.8	2.2	**-14.9%**

Seasonality Charts





Dry Bulk Trades/Agri

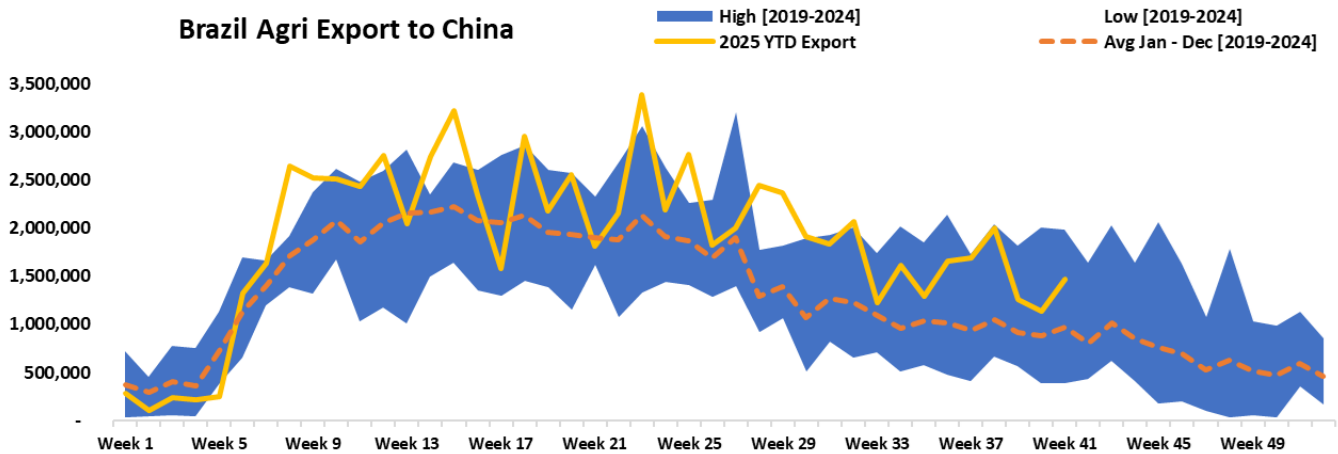
Global seaborne grains and oilseed exports declined 2.8% in Week 41 to 11.2 MMT, down from 11.5 MMT the prior week. The fall was led by Argentina, where shipments dropped 14.8% to 1.6 MMT, and the US, which saw an 8.1% decline to 2.4 MMT. Brazil was broadly steady, easing 3.0% to 2.9 MMT, while combined East Coast South America (ECSA) volumes fell 7.6% to 4.5 MMT.

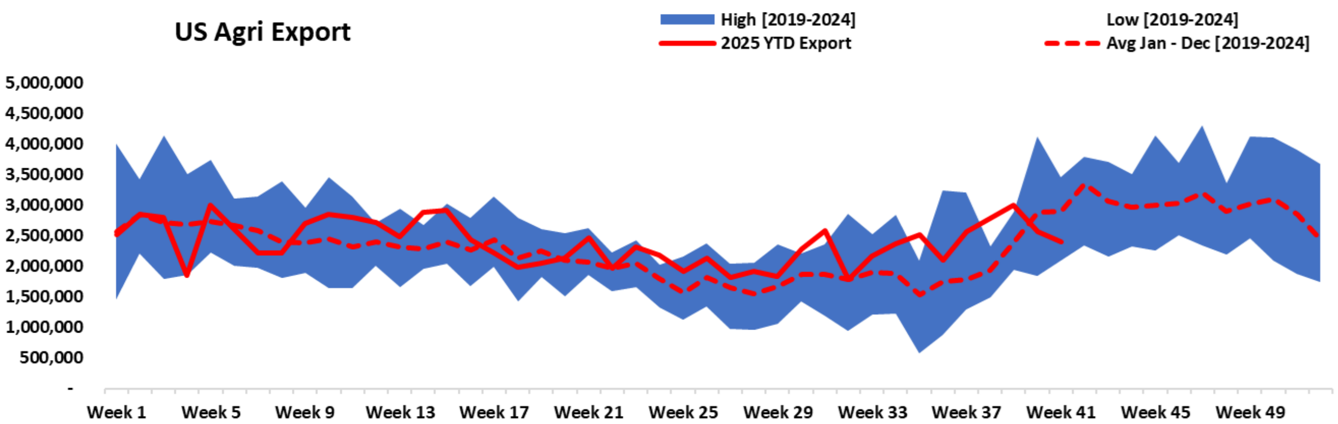
By Vessel Size:

- **Panamax:** 4.7 MMT (−14.4% w-o-w)
- **Supramax:** 3.6 MMT (+19.7% w-o-w)
- **Handysize:** 2.9 MMT (−4.0% w-o-w)

Looking ahead to Week 42, Kpler projects global agricultural exports to decline further to 9.1 MMT. Brazilian shipments are expected to rise slightly to 3.1 MMT, while Argentina is projected to remain broadly stable at 1.6 MMT. US exports are forecast to fall to 1.4 MMT, while combined ECSA volumes are set to edge higher to 4.8 MMT.

Seasonality Charts





Dry Bulk Trades/Agri

Export (million tonnes)	**Sep-25**	**Aug-25**	Q3-25	Q2-25	Q1-25	Q4-24	2024	2023
Brazil	15.9	17.4	50.9	48.3	38.4	29.2	160.4	181.8
USA	11.3	10.1	30.4	29.7	33.5	42.3	124.1	102.4
Argentina	7.6	8.9	25.4	22.7	20.2	17.7	79.6	52.3
Ukraine	2.0	2.6	6.6	7.4	6.0	7.7	42.5	25.3
Canada	3.0	1.8	7.7	12.5	10.7	15.4	44.0	40.3
Russia	3.6	3.2	9.3	4.7	5.6	11.1	47.7	49.9
Australia	2.1	2.3	7.4	10.4	9.7	6.4	29.6	40.7
Others	7.7	8.4	24.5	19.1	18.8	17.8	86.2	100.9
Global	**53.2**	**54.6**	**162.1**	**154.9**	**143.0**	**147.7**	**614.2**	**593.6**

Data Source: Kpler, Bloomberg

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