

Dry FFA Market Signals

Bull

- **Iron Ore Key Routes:** As expected, Brazilian shipments rose by 12% last week to 7.3 MMT, surpassing their 4-week MA. A steady increase in shipments was also reported from Australia, with weekly totals reaching 18.1 MMT (+3% w-o-w). The combined increase pushed iron ore shipments by Capesizes—and their earning rates—higher for another week. In the Pacific, C5 rates gradually climbed from the high \$10s to \$11 for 12–14 Dec laycan mid-week, then rose further to \$12 for 14–16 Dec on Friday amid bullish sentiment and firm demand for iron ore and coal. In the Atlantic, C3 was flat at the low \$24s for late-December dates before edging up to \$25 by end-December, as fundamentals improved in the South and supply tightened further in the North, with C8 and C9 gaining significantly.
- This week, vessel data suggests iron ore shipments may fall below their 4-week MA, as strong Australian shipments could be offset by lower exports from Brazil again. However, robust demand from China and South Korea for Australian iron ore and coal is expected to support C5 rates and keep sentiment positive. (Cape)
- **Coal Shipments:** Global coal exports were stable last week at 27.3 MMT, with mixed performance across key suppliers. This trend is expected to persist, as surging exports from Australia provide support even though lower shipments are projected from Indonesia, US and Canada. On the demand side, imports from China, South Korea, and India are projected to retreat below their recent range. With the Cape5TC/Pmx5TC ratio exceeding 2.1 last week, more Capesize coal stems are likely to split onto Panamax. (Pmx)

Bear

- **Ballast Supply:** Ballast counts for standard Capesize vessels dropped from 600 in mid-November to below 580 last week. Meanwhile, Panamax and Supramax ballast counts continued to grow, rising to 1,433 (+8) for Panamax and 1,424 (+44) for Supramax as of 1 Dec. (Pmx & Smx)
- **Grains Market:** ECSA grain flows failed to spike last week, causing P6 rates to drift lower. This week, limited support has emerged from the US Gulf, and fresh enquiries for ECSA grain remain lacking—setting a softer tone for the Atlantic market. (Pmx)

Ferrous Market Signals

Bull

- Physical trades of Australian medium-grade iron ore was brisk last week, mainly driven by the sentiment of advanced inventory building ahead of the upcoming Christmas and New Year's Day.
- Despite being in the traditional off-season for construction activities in China, the sales volume of Chinese construction steels has exceeded the supply volume for three consecutive weeks, with inventories continuing to drop significantly. Market trading activity remains robust.
- Northern China's construction steel makers had 11 production lines under maintenance last week (up 4 MoM), with maintenance scope expanded. 6 lines restarted production (down 3 MoM), showing a slower resumption pace.
- The total issuance volume of China special-purpose bonds in the fourth quarter reached 538.5 billion yuan, representing a year-on-year increase of 14.3%. Notably, the implementation pace of special-purpose bonds has accelerated significantly toward the year-end.

Bear

- The capacity utilization rate of electric arc furnace steelmaking has rebounded, while that of blast furnace steelmaking has declined. Consequently, the marginal demand for iron ore and coking coal has trended downward.
- FMG increased December SSF discount from 7.25% to 8.5%. The company increased FBF discount from 4% to 5%.
- Trading in the Asian coking coal market remained sluggish. Sporadic demand was seen in India, yet buyers expressed doubts about accepting the price of \$200/ton FOB.
- In the Chinese market, demand stayed weak while domestic coking coal supply improved. Steel mills maintained a low-inventory strategy, showing a preference for port spot coal with higher cost-performance and low willingness to purchase forward cargoes.
- Some steel mills in northern China launched the first round of coke price cuts, with a reduction range of RMB 50 – 55/ton, effective from December 1st.

Market Data Snapshot (28th Nov)

Open Interest /lots	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC	23,378	12,743	9,470	9,498	6,785	6,785
Pmx4TC	24,126	17,437	15,046	13,796	7,637	7,637
Smx10TC	12,280	9,310	7,550	7,030	3,750	3,750
Iron Ore (IODEX)	569,137	582,615	150,079	120,476	49,606	46,682
Coking Coal	5,054	2,117	1,338	1,058	562	610
US HRC	4,992	5,702	3,714	3,804	2,441	1,476
FOB China HRC	1,386	696	328	151	65	53

Price	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC \$/day	29,989	22,389	16,236	20,264	22,000	24,079
Pmx4TC \$/day	15,714	13,786	12,896	14,093	14,467	13,988
Smx10TC \$/day	15,539	13,382	12,014	13,475	13,575	13,714
Iron Ore (IODEX) \$/mt	105.49	102.20	101.40	100.80	100.18	99.56
Coking Coal \$/mt	197.50	201.50	203.50	206.00	210.00	210.00
US HRC \$/st	908	933	920	908	885	885
FOB China HRC \$/t	452.5	460.5	460.0	466.0	466.0	466.5

OI WoW %	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC	8.6%	13.5%	1.7%	1.2%	4.2%	4.2%
Pmx4TC	2.5%	3.4%	2.8%	4.6%	6.5%	6.5%
Smx10TC	1.6%	5.4%	4.4%	4.0%	1.8%	1.8%
Iron Ore (IODEX)	-9.1%	26.8%	16.2%	16.1%	13.2%	8.6%
Coking Coal	-1.3%	8.7%	8.1%	4.2%	0.4%	0.8%
US HRC	-6.5%	11.7%	4.7%	4.9%	0.7%	0.0%
FOB China HRC	36.8%	12.4%	5.1%	0.7%	18.2%	0.0%

Price WoW %	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC \$/day	10.5%	9.8%	10.0%	4.9%	4.0%	-1.0%
Pmx4TC \$/day	-4.2%	-4.6%	-2.9%	-3.7%	-1.7%	-4.0%
Smx10TC \$/day	-1.9%	-3.9%	-1.6%	-2.4%	-0.2%	-1.1%
Iron Ore (IODEX) \$/mt	1.5%	1.4%	1.2%	1.3%	1.2%	1.2%
Coking Coal \$/mt	-0.8%	-0.9%	-1.0%	-1.0%	-0.2%	-0.7%
US HRC \$/st	-0.5%	-0.3%	0.5%	1.3%	-0.2%	-0.6%
FOB China HRC \$/t	0.1%	1.0%	-0.4%	0.9%	0.9%	0.9%

Sources: EEX, SGX, CME

CONTACT

Paul Geddes

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

Federico Picciolini

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd (FIS PTE) is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions DMCC ('FIS DMCC') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com