

## Dry FFA Market Signals

## Bull

- **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, the US, and Canada provide support in both basins, even though lower shipments are projected from Indonesia. On the demand side, strong imports from Japan and South Korea, along with recovering shipments destined for India this week, offset falling volumes from China. With the Cape5TC/Pmx5TC ratio rising further to 2.6 last week, more Capesize coal stems are likely to split onto Panamaxs. (Cape & Pmx)
- **Bauxite Exports:** Kpler vessel data raised its forecast for Capesize bauxite shipments from Guinea to China from the previous 1.5 MMT per week to nearly 1.8 MMT for the coming week, covering end-Dec and early-Jan laycans. (Cape)

## Bear

- **Iron Ore Key Routes:** Strong iron ore shipments continued from Australia in mid-to-late Dec, with forecast weekly volume peaking at 19.7 MMT (+1.6 MMT, +8.7%), above the 4-week MA of 18.9 MMT. Conversely, Brazilian iron ore volumes remained below their recent range, weighing on market sentiment late last week. Accordingly, voyage rates surged amid steady demand in the Pacific and North Atlantic before easing on subdued activity from S Brazil. In the Pacific, C5 rates rose into the \$12s and ticked up to the mid-\$12s for 18 Dec onwards. In the Atlantic, C3 also started strong and fixed at \$25.5 for late-Dec and early-Jan dates before drifting below \$25 as North Atlantic activity slowed ahead of the weekend.
- For this week, vessel data suggests Australian shipments will retreat from last week's peak and return to just above their recent range. Combined with a further decline in Brazilian volume, total iron ore shipments are expected to fall further below their 4-week MA. (Cape)
- **Chinese Demand:** According to Mysteel, more steel mills ramped up maintenance schedules last week and began showing lower output, indicating a weaker demand outlook. Despite high port inventories and falling iron ore spot prices, the supply side saw exports rise sharply as miners pursued a strong year-end push. (Cape)
- **Ballast Supply:** Ballast counts for standard Capesize vessels and Panamaxs were largely unchanged on a weekly basis. However, Supramax ballast counts increased further to 1,427 (+21) as of 8 Dec. (Smx)
- **Grains Market:** ECSA grain flows are projected to fall further for a fourth consecutive week starting 8 Dec, due to lower shipments from both the US and ECSA. (Pmx & Smx)

## Ferrous Market Signals

### Bull

- Capesize capacities were tight in the Pacific area, which could boost the overall CFR cost for iron ore.
- China's rebar prices rebounded last week. Driven by sharp declines in both output and inventory, the short-term supply contraction has outpaced the demand downturn by a wide margin.

### Bear

- Market participants are showing a preference for non-PBF ore brands. This is attributable to declining cost-effectiveness and impaired sintering performance caused by impurities. Meanwhile, steel mills are ramping up blast furnace maintenance schedules, which is expected to exert downward pressure on port ore prices in the short term.
- In the lump ore market, ample supply has led to a downtrend in secondary transaction prices, with the market lacking clear support factors.
- Heavy pollution weather has emerged in multiple regions across China, and the market expects a further increase in subsequent blast furnace maintenance activities, driven by environmental protection policies and seasonal production adjustments.
- Iron ore inventories were up slightly over the past week. Top miners from Australia are trying to ship more before Christmas.
- Market rumors regarding the resumption of negotiations between Chinese steel mills and BHP have re-emerged. If negotiations make progress, the market may anticipate a downward adjustment in medium-grade iron ore pricing or an increase in supply.
- BHP's iron ore spot trading volume surged by 79% year-on-year and 37.5% quarter-on-quarter in Q4. A total of 8.7 million metric tons of medium-grade iron ore—equivalent to 87 cargo vessels—were traded. The primary driver is that long-term contract negotiations with China Mineral Resources Group have not yet concluded, prompting the diversion of relevant cargoes to the spot market.
- Chinese buyers have shown tepid interest in seaborne coking coal procurement. Rising arrivals of Mongolian coal have exacerbated the supply glut, while steel mills are holding off on purchases, awaiting stabilization of domestic coal prices and the implementation of the second round of coke price cuts.

## Market Data Snapshot (5th Dec)

Open Interest /lots	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC	25,900	13,801	9,454	9,600	7,195	7,195
Pmx4TC	23,833	17,135	15,321	14,241	8,372	8,372
Smx10TC	12,720	10,340	8,055	7,355	3,990	3,990
Iron Ore (IODEX)	527,267	636,764	167,529	129,538	56,559	49,740
Coking Coal	4,904	2,162	1,438	1,205	602	650
US HRC	4,959	6,145	4,072	4,301	2,476	1,433
FOB China HRC	1,540	1,495	476	175	126	54

Price	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC \$/day	32,657	20,200	15,614	19,557	21,914	23,929
Pmx4TC \$/day	14,906	12,893	12,550	13,900	14,377	14,053
Smx10TC \$/day	15,546	12,914	12,014	13,446	13,625	13,746
Iron Ore (IODEX) \$/mt	107.12	103.39	102.72	102.13	101.33	100.73
Coking Coal \$/mt	205.00	208.50	210.25	212.25	214.25	216.50
US HRC \$/st	908	933	925	911	893	893
FOB China HRC \$/t	450.0	453.5	458.5	462.0	460.0	461.0

OI WoW %	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC	10.8%	8.3%	-0.2%	1.1%	6.0%	6.0%
Pmx4TC	-1.2%	-1.7%	1.8%	3.2%	9.6%	9.6%
Smx10TC	3.6%	11.1%	6.7%	4.6%	6.4%	6.4%
Iron Ore (IODEX)	-7.4%	9.3%	11.6%	7.5%	14.0%	6.6%
Coking Coal	-3.0%	2.1%	7.5%	13.9%	7.1%	6.6%
US HRC	-0.7%	7.8%	9.6%	13.1%	1.4%	-2.9%
FOB China HRC	11.1%	114.8%	45.1%	15.9%	93.8%	1.9%

Price WoW %	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26
Cape5TC \$/day	8.9%	-9.8%	-3.8%	-3.5%	-0.4%	-0.6%
Pmx4TC \$/day	-5.1%	-6.5%	-2.7%	-1.4%	-0.6%	0.5%
Smx10TC \$/day	0.0%	-3.5%	0.0%	-0.2%	0.4%	0.2%
Iron Ore (IODEX) \$/mt	1.5%	1.2%	1.3%	1.3%	1.1%	1.2%
Coking Coal \$/mt	3.8%	3.5%	3.3%	3.0%	2.0%	3.1%
US HRC \$/st	0.0%	0.0%	0.5%	0.3%	0.9%	0.9%
FOB China HRC \$/t	-0.6%	-1.5%	-0.3%	-0.9%	-1.3%	-1.2%

Sources: EEX, SGX, CME

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