

FIS Dry Freight Weekly Report

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FFA Market

The Driven by the seasonal increase in iron ore shipments from Australia and Brazil, tonnage supply tightened on both major ocean routes, pushing Capesize freight rates higher. C5TC climbed to \$43,107/day on 7th May, the highest level since December 2023. As Panamax rates have recently been only around half those of Capesize vessels, substitution effects led to even larger gains for Panamax rates this week. In terms of trading volume, Capesize and Panamax volume stood at 26,797 lots and 20,605 lots respectively, while Supramax and Handysize contracts came in 10,530 lots and 560 lots, respectively. Some market participants were on holiday early in the week, with the majority of transactions concentrated in the latter half. Total weekly trading volume reached 58,492 lots.

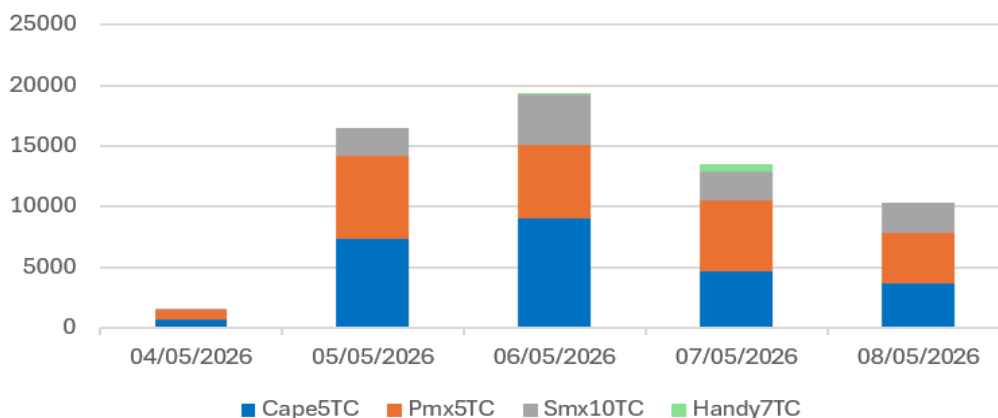
Overall options market liquidity was moderate. Capesize options traded a total of 2,590 lots, comprising 790 lots in June contracts, 1,260 lots in Q3 contracts, and 540 lots in Q4 contracts. In terms of p/c ratios, the June contract ratio stood at 0.52, the Q3 contract ratio at 0.4, while the Q4 contracts were entirely comprised of call options. This reflects a generally optimistic outlook among market participants regarding medium-term Capesize freight rate trends. Panamax options trading was relatively quiet, with total volume of 870 lots, primarily concentrated in Q3 contracts, which accounted for 630 lots. Additionally, in the Supramax segment, 240 lots of Cal27 call options were traded.

Following the resolution of the pricing dispute between BHP and CMRG, the Iron ore voyage route has been active. Total trading volume for the past week on C5 reached 3.725 million metric tons, primarily concentrated in front month contracts. Among these, 700,000 metric tons were traded for May contracts, 725,000 metric tons for June contracts, and 750,000 metric tons for July contracts. Back month contracts also saw some trading, with a combined volume of 550,000 metric tons for January, February, and March 2027 contracts. On the C3 route, trading activity was relatively quiet, with 150,000 metric tons traded in May contracts and 475,000 metric tons in June contracts.

As of 11th May, open interest for the Capesize 5TC (180) rose to 183,268 lots (+ 9,192 lots w-o-w), for the Panamax 5TC to 165,315 lots (+ 7,946 lots w-o-w), and for the Supramax 10TC to 95,952 lots (+ 5,434 lots w-o-w).

Freight Rate \$/day	11-May	5-May	Changes %
Capesize5TC (180)	41,630	39,146	6.35%
Panamax5TC	20,548	18,490	11.13%
Supramax10TC	17,266	17,024	1.42%
Handy7TC	15,077	14,774	2.05%

Weekly FFA Futures Volume/days



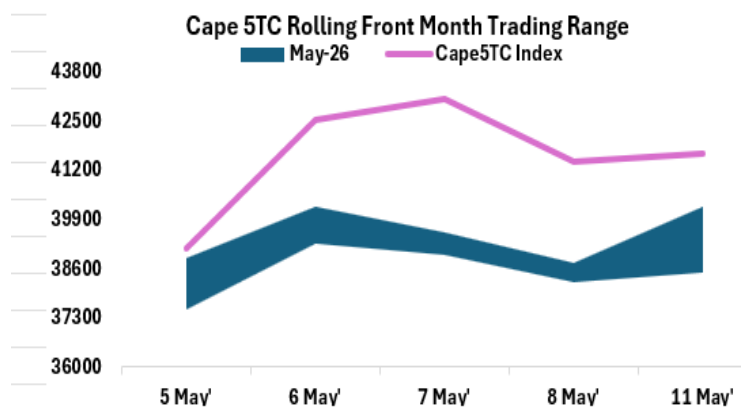
Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA \$/day	8-May FIS Closing	1-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD Mkt High	2026 YTD Mkt Low
Capesize5TC May 26	38,375	36,825	4.2%	40,250	36,550	40,250	25,500
Capesize5TC Q3 26	31,175	30,625	1.8%	32,250	30,625	32,250	24,825
Panamax5TC May 26	20,625	19,600	5.2%	20,750	19,375	21,850	16,850
Panamax5TC Q3 26	19,925	19,200	3.8%	20,250	18,975	20,250	14,450
Supramax10TC May 26	17,625	17,400	1.3%	18,025	17,325	18,575	13,950
Supramax10TC Q3 26	17,650	17,025	3.7%	17,875	16,900	17,875	13,150

Capesize

Early last week, market participants returned from the holidays, and forward contract prices moved higher rapidly, supported by the physical market. Front-month May and June contracts climbed to highs of \$40,250/day and \$36,750/day, respectively, on the 6th. As trading progressed, freight rates on the C3 and C5 routes pulled back. Combined with profit-taking by some market participants, the forward market edged down in the latter half of last week.



Outlook

Australia and Brazil are gradually entering their traditional peak shipping season. Meanwhile, procurement restrictions on BHP's resources have been lifted, and with the end of the Australian financial year approaching in late June, miners typically accelerate shipments in May and June. According to a Kpler survey, iron ore shipments from Australia are expected to rise further to 250 million tonnes in the second quarter, up from 223 million tonnes in the first quarter. Additionally, the number of vessels waiting to load at Western Australian ports has fallen to around 60, below the average of the past year, indicating an improvement in port congestion. On balance, in the near term, tight supply of Capesize tonnage is supporting elevated freight rates.

Due to the crisis in the Middle East, Vale's resources originally destined for its Sohar pellet plant in Oman are being rerouted to China and other Asian destinations. In the coal sector, this year's El Niño is expected to be relatively strong, which may lead to earlier high temperatures in some parts of China, increasing power generation demand and coal consumption. At the same time, the ongoing heatwave in India is also likely to boost seaborne coal import demand. However, it is worth noting that, according to vessel tracking data, port evacuation at Chinese ports from capsize vessels is expected to accelerate this week, which could free up some tonnage in the Pacific market and thereby cap the upward momentum of freight rates.

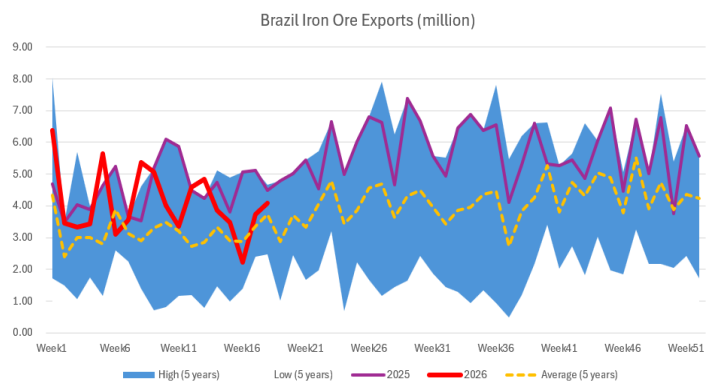
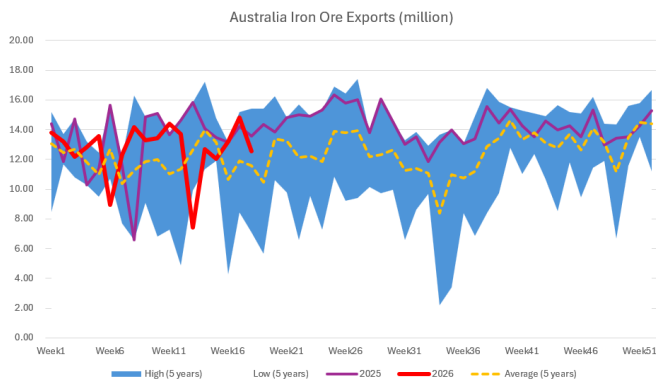
Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

As for bauxite, due to rainfall affecting mining and transportation, Guinea's bauxite exports typically decline seasonally in May. Kpler data shows that in the week beginning April 27, the country's bauxite exports fell to 3.34 million metric tons, and the four-week moving average of exports dropped to its lowest level since January.

Neutral to Bullish

Dry Bulk Trades/Iron Ore

Export (million tonnes)	Mar-26	Apr-26 (forecast)	Q2-25	Q2-26 (forecast)	Q3-25	Q3-26 (forecast)	2025	2024	2023
Australia	75.5	77.0	247.6	247.1	238.4	242.7	955.0	935.1	924.4
Brazil	26.4	30.7	100.2	101.3	111.3	115.3	403.1	381.3	369.5
South Africa	4.9	4.3	13.1	13.1	13.5	13.9	52.4	52.4	51.5
India	1.5	1.8	6.4	5.2	4.9	3.9	28.8	37.5	44.5
Canada	4.4	4.1	15.6	13.2	17.6	17.2	60.3	59.4	57.6
Global	131.4	135.8	438.2	438.2	449.6	457.1	1747.7	1695.2	1655.6



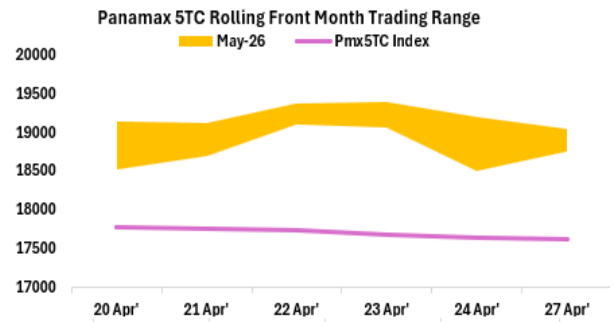
Iron Ore Key Routes

	IO Export Million mt		
	Last Week	Prev. Week	Chg %
Australia-China	18.66	19.10	-2.30%
Brazil-China	8.86	6.84	29.53%

Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

The May P5TC trended firmly higher, trading between a weekly low of \$19,475/day and a high of \$21,600/day. The overall trading range widened while turnover declined. The front-month Put/Call Ratio stood at 1.33, down from 2.5 previously, while the deferred-month ratio rose from 1.0 to 2.5. This indicates that under the prevailing bullish sentiment, short hedging positions have gradually shifted from front-month to deferred contracts.



Outlook

The Panamax market was strongly boosted by robust shipping demand for coal and grain, driving TC rates higher amid rising fixture activity. Coal cargo enquiries across Australia, Indonesia, China, Japan and Vietnam stayed buoyant, keeping spot vessel availability tight. Meanwhile, South America has entered its grain export peak season, further pushing freight rates upward. Market focus remains on the upcoming China–US talks, as any pickup in US soybean exports would directly underpin dry bulk fundamental demand. In the medium term, the probability of an El Niño event rises notably after June. Combined with growing fuel-switching demand, it is expected to keep annual coal shipping demand elevated. That said, reduced coking coal exports from Australia and Canada may weigh on structural seaborne demand.

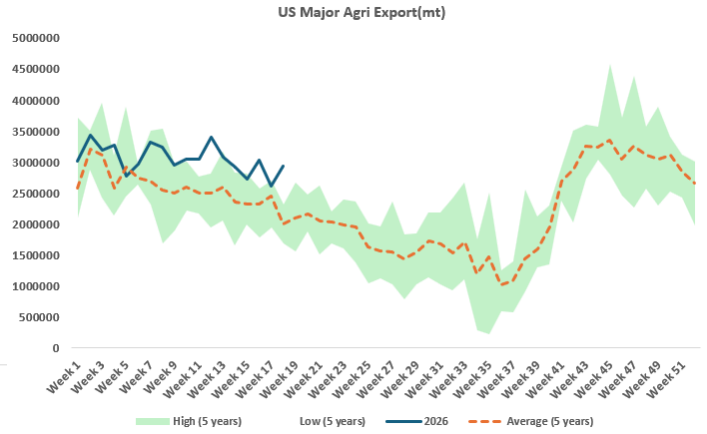
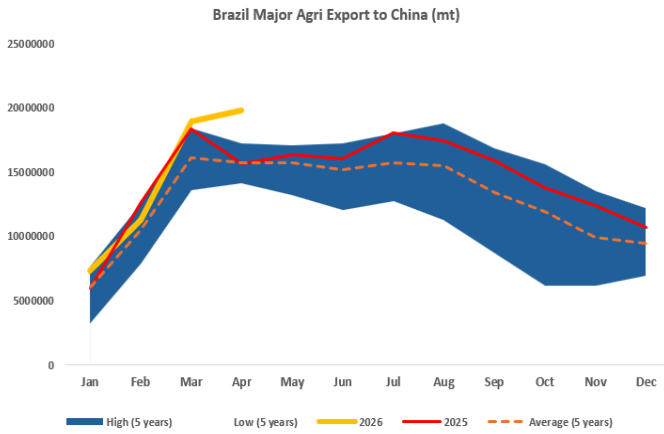
Over the longer run, expanding US crushing capacity will benefit future exports of soybean meal and soybean oil. Together with bumper grain output in South America supporting outbound shipments, global grain shipping demand is set to see concentrated volume growth from July to September amid multiple positive catalysts.

Dry Bulk Trades/Coal

Export (million tonnes)	Mar-26	Apr-26 (forecast)	Q2-25	Q2-26 (forecast)	Q3-25	Q3-26 (forecast)	2025	2024	2023
Indonesia	36.6	42	108.49	123	123.69	127	510.5	533.5	505.8
Australia	25.2	26.9	83.4	88.2	91.4	91.3	349.8	361.2	353.3
Russia	11.2	15.1	42.8	45.7	45.9	45.2	169.6	156.5	180.8
USA	7.2	6.5	20.2	20.4	18.7	20.4	79.3	90.3	83.7
Colombia	3.6	3	10.2	11.1	10.5	11.3	46.9	56.9	57.7
South Africa	5.9	4.5	16.6	14.4	13.2	14.5	63.0	60.6	60.0
Others	10.3	6.1	20.1	19	19.8	19	105.2	118.8	123.8
Global	100.0	104.1	301.79	321.8	323.19	328.7	1324.4	1377.8	1365.2

Neutral

Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg



Supramax

In the derivatives market, the S10TC traded steadily with heightened volatility toward the weekend, ranging between a weekly low of \$17,450/day and a high of \$18,325/day. Its overall trading range narrowed notably week-on-week, accompanied by lower trading turnover.

Outlook

Supramax TC rates remained firmly at elevated levels. Seaborne demand for coal and nickel ore moderated slightly, alongside softer coal cargoes in Southeast Asia and disrupted nickel ore shipments due to rainfall in the Philippines, weighing on overall cargo availability. That said, robust steel export volumes from northern Chinese ports effectively offset weaker cargo fundamentals and underpinned freight rates.

Looking ahead, seasonal coal demand in Southeast Asia is set to rise in summer, offering supportive tailwinds. Nevertheless, multiple headwinds persist restricted sulfuric acid exports from China, stalled fertilizer shipments out of the Middle East, and reduced bauxite deliveries amid the rainy season in Guinea will continue to cap dry bulk shipping demand. Meanwhile, the sizable volume of ballast vessels leaves tonnage relatively ample in the near term, limiting further upside for freight rates.

Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

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