

# FIS Dry Freight Weekly Report

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## FFA Market

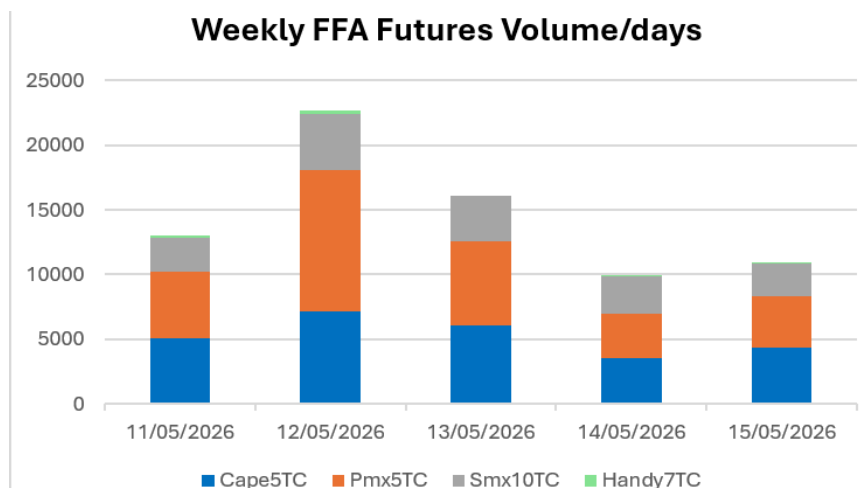
Driven by robust iron ore shipments, Capesize freight rates moved higher, reaching \$48,433/day on 13th May, the highest since 2023. The market subsequently faced some selling pressure, and rates gradually retreated from the high. Panamax rates recorded larger gains. Coal activity on Pacific routes increased due to rising electricity demand driven by high temperatures in Asia. Meanwhile, the significant spread between Capesize and Panamax rates continued to support the Panamax market. In terms of trading volume, Capesize and Panamax volume stood at 27,738 lots and 30,100 lots respectively, while Supramax and Handysize contracts came in 15,868 lots and 430 lots, respectively. Total weekly trading volume reached 74,136 lots.

The options market was relatively active this week. A total of 3,650 lots of Capesize options were traded, including 980 lots in June contracts, 1,080 lots in Q34 contracts, 720 lots in Cal27 contracts, and 840 lots in Cal28 contracts. The p/c ratio for June contracts stood at 0.18, while all Q34 contracts traded were call options. After C5TC hit multi-year highs mid-week, the market sees some room for a pullback; however, in the context of high oil prices and stable iron ore shipments from Australia and Brazil, participants remain optimistic that Capesize rates will stay elevated for the rest of the year. Panamax options and Supramax options traded 645 lots and 695 lots, respectively.

Last week, influenced by the US-China summit, trading activity on iron ore routes slowed compared with previous periods. Total trading volume for the past week on C5 reached 1.608 million metric tons, with trades still concentrated in front-month contracts. Among these, 400,000 metric tons were traded for May contracts, 658,000 metric tons for June contracts, and 300,000 metric tons for July contracts. No trade were recorded on the C3 route.

As of 18th May, open interest for the Capesize 5TC (180) rose to 189,87 lots (+ 6,602 lots w-o-w), for the Panamax 5TC to 173,153 lots (+ 7,838 lots w-o-w), and for the Supramax 10TC to 101,352 lots (+ 5,400 lots w-o-w).

Freight Rate \$/day	18-May	11-May	Changes %
Capesize5TC (180)	41,959	41,630	0.8%
Panamax5TC	22,597	20,548	10.0%
Supramax10TC	17,815	17,266	3.2%
Handy7TC	15,339	15,077	1.7%



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

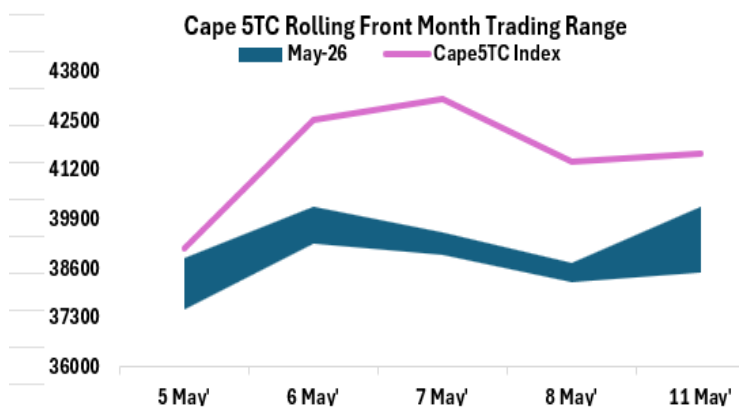
## FFA Market Forward Values

FFA \$/day	18-May FIS Closing	11-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD Mkt High	2026 YTD Mkt Low
Capesize5TC Jun26	37,575	36,500	2.9%	39,625	34,625	39,625	25,875
Capesize5TC Q3 26	32,775	32,250	1.6%	33,650	31,275	33,650	24,825
Panamax5TC Jun 26	21,125	22,350	-5.5%	23,750	20,850	23,750	16,625
Panamax5TC Q3 26	20,200	20,825	-3.0%	21,725	19,900	21,725	14,450
Supramax10TC Jun26	18,000	18,925	-4.9%	19,850	18,000	19,850	14,025
Supramax10TC Q3 26	17,600	18,350	-4.1%	19,025	17,550	19,025	13,150

## Capesize

During the reporting week, Brazilian iron ore shipments rebounded significantly compared with the previous week. According to Mysteel data, Brazilian iron ore shipments increased by 2.41 million metric tons week-on-week during 11–17 May, a rise of 51.5%. Supported by demand on the Atlantic route, C5TC continued to move higher.

From the perspective of iron ore fundamentals, the average daily hot metal output from blast furnaces in China remains stable at around 2.39 million tonnes. Due to the energy conservation supervision work, steel mills have limited incentive to resume further production. Although high oil prices provide underlying support for ore prices, after the end of the traditional peak demand season, iron ore prices face downward pressure amid elevated inventory levels.



## Outlook

As Australian miners approach the end of their financial year in late June, vessel schedule suggests that BHP and Fortescue are expected to accelerate iron ore sales in mid-to-late May, providing support to Capesize freight rates on the Pacific route. Kpler vessel tracking data indicates that the supply of ballasting Capesize vessels in the Pacific region has declined by 10% year-on-year and is 6% below the five-year average level. However, with the seasonal slowdown in bauxite chartering activity on the Atlantic route, some tonnage may shift back to the Pacific route. Coupled with the current high port evacuation levels at Chinese ports, the upward momentum for Capesize rates on the Pacific route may be tempered by the increase in vessel supply.

Over the medium to longer term, driven by the high rates of Capesize vessels, new deliveries of this vessel type reached 810,000 deadweight tonnes in April, the highest level in six months. The net increase in Capesize capacity for the full year could reach 9 to 10 million deadweight tonnes, the highest level since 2021. The continued increase in vessel supply may constrain the upside potential for Capesize freight rates in the future.

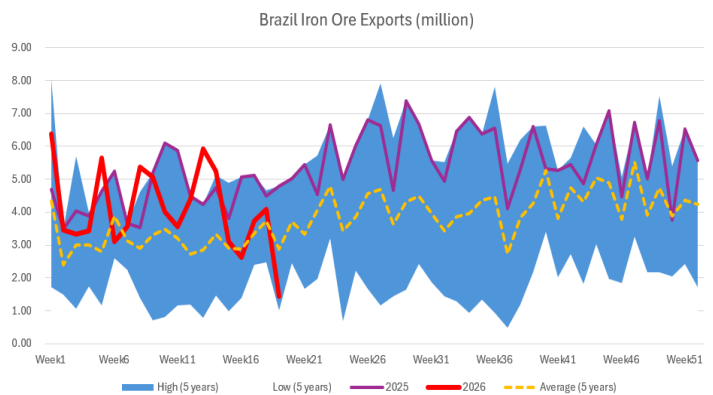
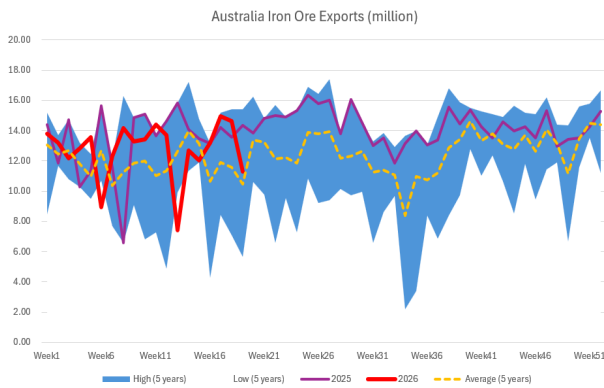
Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

As for bauxite, Kpler data shows that Guinea's bauxite exports fell from a record 21.34 million metric tons in March to 18.60 million metric tons in April. Exports are expected to continue declining in May and June, in line with seasonal patterns, though overall shipment volumes are still projected to present a year-to-year increase.

Neutral

### Dry Bulk Trades/Iron Ore

Export (million tonnes)	Apr-26	May-26 (forecast)	Q3-25	Q3-26 (forecast)	Q4-25	Q4-26 (forecast)	2025	2024	2023
Australia	79.4	82.0	238.4	242.7	255.2	250.6	955.0	935.1	924.4
Brazil	32.9	34.7	111.3	115.3	110.8	107.2	403.1	381.3	369.5
South Africa	4.7	4.6	13.5	13.9	12.4	12.4	52.4	52.4	51.5
India	2.2	1.8	4.9	3.9	8.9	7.1	28.8	37.5	44.5
Canada	3.5	4.7	17.6	17.2	15.1	15.2	60.3	59.4	57.6
<b>Global</b>	<b>141.1</b>	<b>147.5</b>	<b>449.9</b>	<b>455.0</b>	<b>471.1</b>	<b>461.4</b>	<b>1747.7</b>	<b>1695.2</b>	<b>1655.6</b>



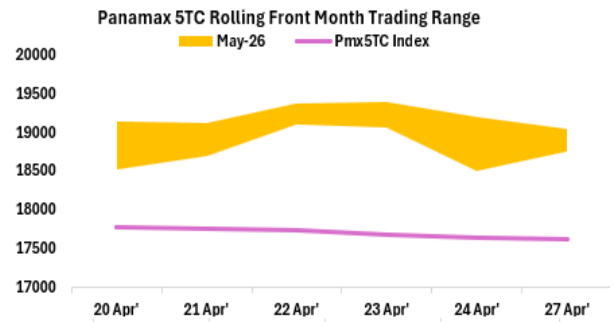
### Iron Ore Key Routes

	IO Export Million mt		
	Last Week	Prev. Week	Chg %
Australia-China	11.28	14.62	<b>-22.8%</b>
Brazil-China	1.45	4.09	<b>-64.5%</b>

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

## Panamax

The P5TC index flattened after rallying while derivative prices corrected lower. Weekly rates fluctuated between \$20850/day and \$23750/day with widening trading ranges and rising trading volume for two consecutive weeks. The put-call ratio of near-month contracts fell to 0.75, down from 1.33 last week and 2.5 in early May. The ratio for far-month contracts dropped from 1.0 to 0.67, indicating that short hedging positions on both near and far contracts are gradually unwinding amid strong market sentiment.



### Outlook

Panamax market has outperformed all freight indices since Ma. Rates extended sharp rallies to hit a three-year high last week before showing evident topping signals. Panamax demand stays firm in the long run, with robust coal shipments from Australia and Indonesia and solid coal import demand across Northeast Asia, Southeast Asia and South Asia.

Asian construction steel demand is likely to weaken in summer, yet extreme heat brought by El Niño will boost power consumption and coal burning demand, forming an effective offset. Driven by high coal prices, China has increased the use of non-seaborne thermal coal, while India has turned cautious on seaborne coking coal and halted aggressive buying.

Grain freight is supported by old grain destocking in US Gulf and record-high soybean output in Brazil, while the latest WASDE report cut projected yields of wheat and corn. Strikes broke out at 32 ports in Brazil, disrupting near-term loading progress, and the market fears a second round of strikes in June. Following the latest China-U.S. summit, China has committed to purchasing an additional minimum of \$17 billion worth of US agricultural products annually from 2026 to 2028. This pledge is separate and incremental to the existing 25 MMT (million metric tons) annual soybean import quota for 2026–2028 agreed in October 2025.

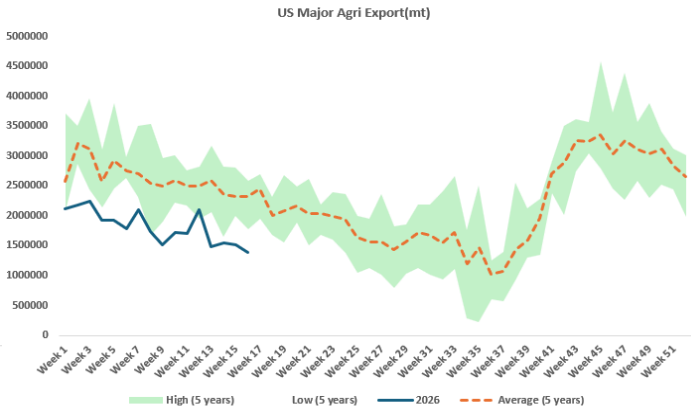
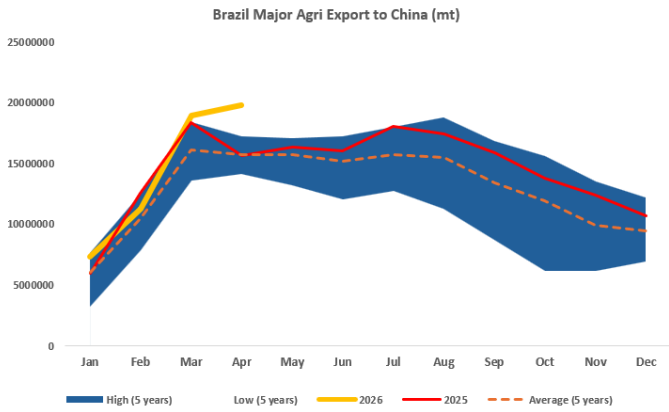
In the long-term, high-energy prices and elevated shipping costs, coal-for-oil substitution and rising global power consumption will sustain seaborne coal trade, keeping Panamax charter rates at relatively high levels seen in the past three years.

**Neutral**

### Dry Bulk Trades/Coal

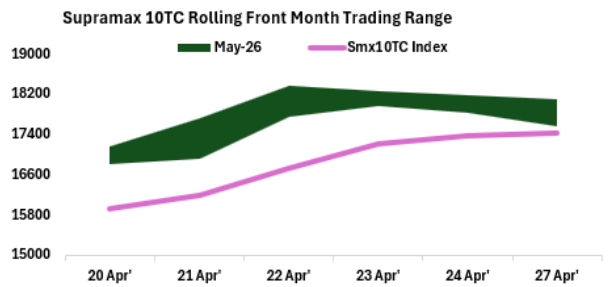
Export (million tonnes)	Apr-26	May-26 (forecast)	Q3-25	Q3-26 (forecast)	Q4-25	Q4-26 (forecast)	2025	2024	2023
Indonesia	34.3	39.6	123.7	137.2	141.0	134.8	492.7	520.2	494.8
Australia	27.2	28.0	92.1	91.8	94.4	91.8	349.1	359.1	349.9
Russia	11.9	15.2	46.3	40.5	44.3	43.1	168.0	156.2	180.1
USA	6.7	7.3	18.9	21.3	19.0	22.0	78.3	86.3	81.2
Colombia	3.9	3.7	10.5	12.4	10.7	12.1	41.3	50.8	47.5
South Africa	5.9	5.7	13.2	16.1	15.3	17.9	61.6	59.0	59.2
Others	9.9	12.9	28.6	29.7	24.8	31.8	111.7	120.9	126.8
<b>Global</b>	<b>99.7</b>	<b>112.3</b>	<b>333.3</b>	<b>349.0</b>	<b>349.5</b>	<b>353.5</b>	<b>1302.7</b>	<b>1352.4</b>	<b>1339.5</b>

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



## Supramax

In derivatives market, S10TC moved steadily with weekly trading volume surging by nearly 40%, trading within the range of \$18000/day to \$19850/day with expanded fluctuation band. The overall trading range narrowed noticeably alongside lower trading volume.



## Outlook

The Supramax index edged higher during the last report week, underpinned by steady growth in Chinese steel exports and sluggish Indonesian nickel ore shipments. Inquiry activity for Indonesia-China nickel ore routes softened, yet spot rates remained firm.

Sustained aluminum price hikes have pushed global aluminum smelters to raise operating rates. The alumina market is in surplus, and imports by GCC countries are poised to hit a three-month peak. Guinea saw a sharp drop in bauxite exports last week, and follow-up export restrictions on alumina deserve close attention.

Abundant empty ballast movements of Supramax vessels across Pacific and Atlantic oceans are likely to cap near-term rate upside.

**Neutral**

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

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