

# FIS Dry Freight Weekly Report

info@freightinvestor.com | freightinvestorservices.com | (+44) 207 090 1120

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## FFA Market

During the reporting week, Capesize freight rates on the Atlantic route declined significantly, driven by a seasonal slowdown in West African bauxite shipments and weak demand on the North Atlantic round voyage. On May 20 alone, the C8 route recorded a decline of more than 10%. Meanwhile, on the Pacific route, where Australian iron ore shipments are in the end-of-financial-year rush, rates held up relatively well and still posted a gain of around 5% over the week. Overall, supported by chartering demand on the Pacific route, the rate for the Capesize 5TC is expected to remain at elevated levels until the end of the Australian mine loading schedule in June. In terms of trading volume, Capesize and Panamax volume stood at 30,022 lots and 32,550 lots respectively, while Supramax and Handysize contracts came in 14,220 lots and 425 lots, respectively. Total weekly trading volume reached 77,217 lots, which is within the normal range.

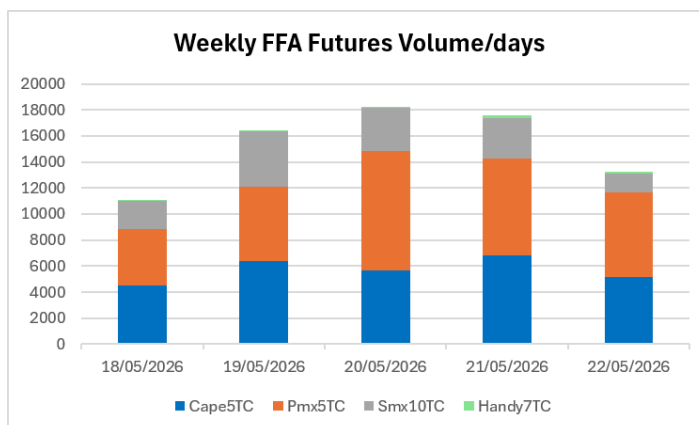
Options market liquidity was generally moderate. A total of 1,000 lots of Capesize options were traded, of which 445 lots were June contracts, all of which were call options. This reflects that, supported by iron ore shipment rushes, market participants are generally optimistic about market performance in June. Additionally, 180 lots of Q4 contracts and 360 lots of Cal27 contracts were traded. Panamax options trading was relatively active, with a total of 1,920 lots traded, almost all concentrated in Cal27 contracts. It is worth noting that both Capesize and Panamax Cal27 contracts traded during the week were put options. This may be driven by macro factors, with the prospect of a breakthrough in US-Iran negotiations, freight rates that have been pushed to high levels this year by high oil prices may decline once the Strait of Hormuz is reopened to navigation. Supramax options traded 180 lots.

Trading activity on iron ore routes were moderate during the week. Total trading volume for the past week on C5 reached 1.45 million metric tons, concentrated in front-month contracts. Among these, 800,000 metric tons were traded for June contracts, 550,000 metric tons for July contracts, and 300,000 metric tons for July contracts. On the C3 route, 383,000 metric tons were traded in June contracts and 235,000 metric tons in July contracts.

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 transactions 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 transactions were recorded on the C3 route.

As of May 25, open interest for the Capesize 5TC (180) rose to 196,420 lots (+ 6,550 lots w-o-w), for the Panamax 5TC to 177,329 lots (+ 4,176 lots w-o-w), and for the Supramax 10TC to 103,542 lots (+ 2,190 lots w-o-w).

Freight Rate \$/day	22-Jan	18-May	Changes %
Capesize5TC (180)	41,428	41,959	-1.3%
Panamax5TC	20,004	22,597	-11.5%
Supramax10TC	17,767	17,815	-0.3%
Handy7TC	15,168	15,339	-1.1%



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

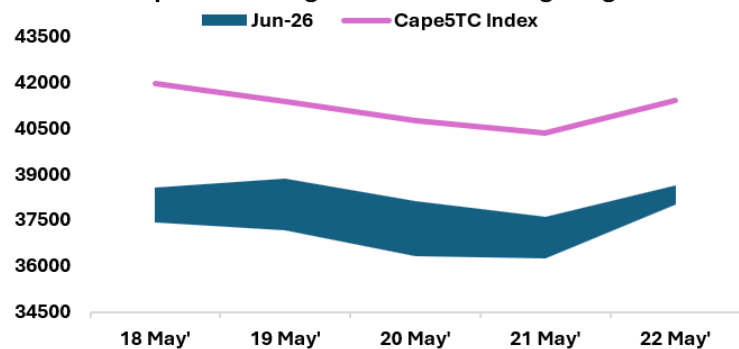
## FFA Market Forward Values

FFA \$/day	22-May FIS Closing	18-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD Mkt High	2026 YTD Mkt Low
Capesize5TC Jun26	38,525	37,575	2.5%	38,875	36,250	39,625	25,875
Capesize5TC Q3 26	33,425	32,775	2.0%	33,550	31,950	33,650	24,825
Panamax5TC Jun 26	20,650	21,125	-2.2%	21,850	19,425	23,750	16,625
Panamax5TC Q3 26	20,100	20,200	-0.5%	20,600	19,190	21,725	14,450
Supramax10TC Jun26	18,100	18,000	0.6%	18,575	16,800	19,850	14,025
Supramax10TC Q3 26	17,625	17,600	0.1%	18,125	16,700	19,025	13,150

## Capesize

In the Capesize FFA market, the June contract price fell to around \$36,500/day on the 21st May, before rebounding quickly and closing at approximately \$38,500/day on Friday. Forward contracts showed a similar trend. The Cal27 contract was sold off on the 20th May, hitting a low of \$26,250/day, but had erased all of its losses by Friday's close. Overall, although current prices remain elevated at nearly double the level of the same period last year, which may lead to some downward correction pressure, the underlying support remains relatively strong.

Cape 5TC Rolling Front Month Trading Range



From an iron ore fundamental perspective, China's average daily hot metal output from blast furnaces increased further to 2.41 million tonnes last week. Although downstream steel performance has weakened due to the impact of hot and rainy weather, the decline in end-user demand has not yet been significantly transmitted to steel mill profit margins. As a result, iron ore demand is expected to remain stable in the near term.

## Outlook

Based on vessel scheduling, iron ore shipments from Australia are expected to reach their seasonal peak from late May to early June. According to Kpler's forecast, BHP's iron ore production in its fiscal fourth quarter (April to June) is projected to be 76 million tonnes, close to the upper end of its annual guidance range (284–296 million tonnes). With vessel demand on the Pacific route remaining robust, freight rates should receive some support in the near term. Additionally, on the Atlantic route, shipments from the Simandou project reached a record 1.14 million tonnes in the previous week, which may indicate improved railway transport efficiency for the project.

It is worth noting that iron ore congestion at Chinese ports is currently severe, with the number of vessels waiting to discharge reaching a multi-month high. Over the medium to longer term, a meaningful improvement in the high port inventory situation is unlikely.

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

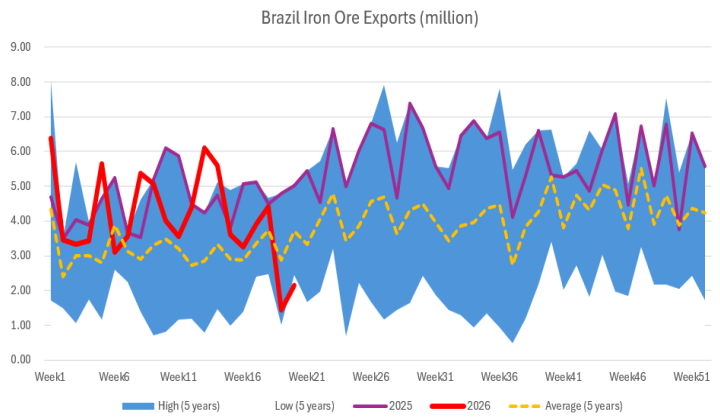
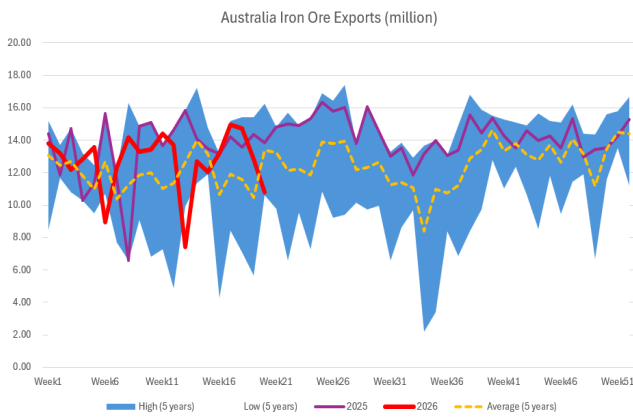
On the macro front, the Middle East situation shows signs of easing, with market expectations that the US and Iran will reach an agreement. This has driven a correction in crude oil futures prices, which could exert some downward pressure on the currently elevated freight rates.

As for bauxite, market sources suggest that Guinea plans to implement export controls on bauxite to boost prices.

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>



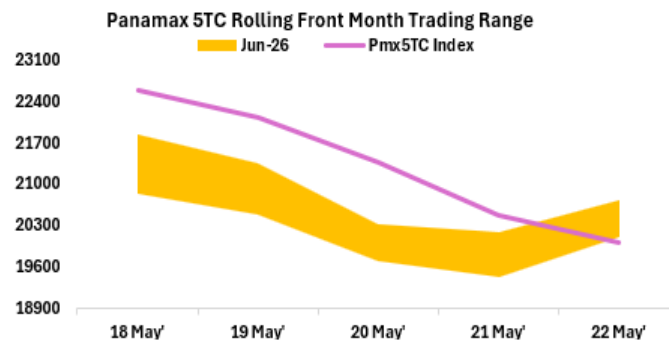
### Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	10.78	12.82	<b>-15.91%</b>	15.2	15.3	<b>-1.1%</b>
Brazil-China	2.14	1.45	<b>47.59%</b>	36.4	36.4	<b>-0.2%</b>

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

## Panamax

P5TC FFA corrected and then stabilized last week. The June contract traded between a high of \$21,850/day and a low of \$19,425/day. Its trading range narrowed moderately this week, accompanied by a slight drop in trading volume, and the contango structure flattened. The Put-Call Ratio (PCR) of near-month contracts rebounded from 0.75 to 1.0, moving sideways within the 0.75–1.33 range recently, indicating balanced bullish and bearish sentiment. The figure has fallen markedly from 2.5 in early May. For far-month contracts, 1,800 new put lots were added with no new call positions, suggesting the market faces downward correction pressure after a period of strong volatility.



### Outlook

The Panamax market retreated last week, mainly as the previous coal restocking cycle in the Pacific basin came to an end. Meanwhile, a rise in ballast vessels on long-haul routes dragged down both charter hire and freight rates. Following regional capacity reallocation, the premium of Pacific round voyage hire over Atlantic routes narrowed from \$6,000/day to \$3,200/day. Charter rates for China-Japan and Pacific Coast Agreement routes posted notable declines, while time charter rates for the Brazil-China route remained broadly steady.

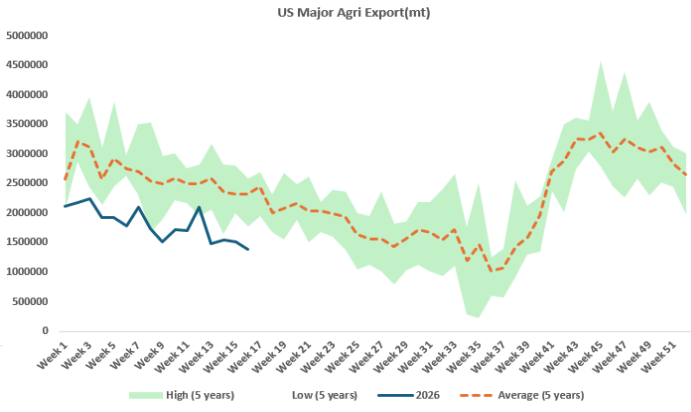
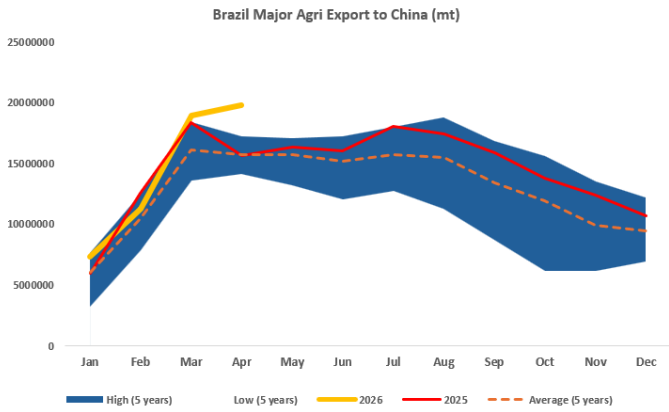
In the short term, growing maintenance activities at domestic steel mills in China are likely to boost seaborne coal demand and deliver marginal support to the market. However, Indonesia has tightened coal export controls, with a number of mines yet to obtain production permits, creating uncertainties on the supply side. In the medium term, China's agricultural imports from the US will underpin long-term shipping capacity demand, and increased US corn exports will further drive additional tonnage requirements. The current Laden/Ballaster Ratio stands at 1.31, up sharply from 1.19 at end-April, pointing to tightening capacity relative to cargo demand.

**Neutral**

### Dry Bulk Trades/Coal

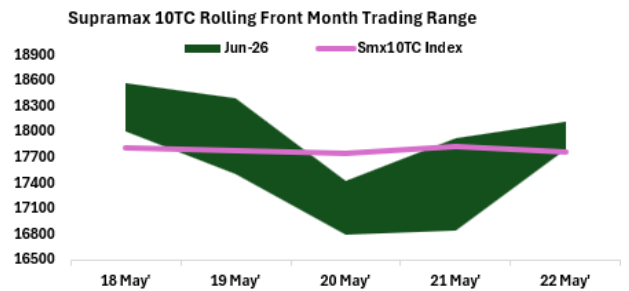
Export (million tonnes)	Apr-26	May-26 (forecast)	Q3-25	Q3-26 (forecast)	Q4-25	Q4-26 (forecast)	2025	2024	2023
Indonesia	34.3	39.6	123.7	137.2	141.0	134.8	492.7	520.2	494.8
Australia	27.2	28.0	92.1	91.8	94.4	91.8	349.1	359.1	349.9
Russia	11.9	15.2	46.3	40.5	44.3	43.1	168.0	156.2	180.1
USA	6.7	7.3	18.9	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 the derivatives market, S10TC bottomed out and recovered during the week. The June contract hit a high of \$18,575/day and a low of \$16,800/day. Its trading range expanded slightly while trading volume declined, and the contango structure widened.



## Outlook

The Supramax market index edged higher this week, driven by robust ongoing steel exports from China which accelerated tonnage absorption. In the medium term, restrictions on nickel ore export quotas continue to weigh on overall shipping demand.

By route, time charter rates for the China-Indonesia route rebounded sharply and led the rally of the overall index. Nevertheless, abundant ballast vessels from the Atlantic basin put pressure on the market. The Laden/Ballaster Ratio reached 1.76, a notable increase from 1.45 at late April, signaling tightening ships against cargo demand.

Neutral

According to Kpler data, the number of dry bulk vessels passing through the Strait of Hormuz has dropped sharply, while alumina shipments across GCC regions hit a record high. As over one-third of global fertilizer shipping relies on the Hormuz Strait, weaker transit activity has triggered a notable decline in tonnage demand for fertilizer cargoes.

Indonesia's Minister of Finance recently proposed levying vessel fees in the Malacca Strait, following Iran's relevant measures. Singapore and Malaysia quickly responded to safeguard unimpeded navigation in the waters. In accordance with the United Nations Convention on the Law of the Sea, coastal states have no right to impose unilateral transit charges. The Malacca Strait currently handles 40% of global seaborne trade, holding critical shipping significance.

In the derivatives market, S10TC surged ahead of the index at the early stage before easing slightly and converging toward the index in the latter half of the week. It traded between a weekly low of \$16,925/day and a high of \$18,375/day. At the end of the reporting period, the Supramax 10TC index stood at \$16,689/day, below its five-year average of \$18,911/day.

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

Written by **Hao Pei**,  
FIS Senior Research Analyst  
[haop@freightinvestor.com](mailto:haop@freightinvestor.com)

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