

Dry FFA Market Signals**Bull**

- China Steel Association: Chinese mills boost iron ore restocking; Pacific C5 fixtures surge, lifting prompt Capesize FFA premiums.(China Iron Ore)
- There were Greek shipowners indicated that slow steaming cuts effective Capesize capacity significantly, which should have a long-term impact through 2026. (Shipping Capacity)
- Middle East tensions extend vessel detours while Atlantic Capesize shortage widens, boosting FFA arbitrage. (Capesize)
- Australia Pilbara port congestion cuts idle fleet.(Capesize)
- US corn/soy exports beat forecasts, while Atlantic Panamax chartering hits Apr–May peak.(US Grains)
- South African coal exports rebound; Africa–Far East fixtures lift Panamax FFA.(Coal&PMX)
- Indonesia coal exports recover; regional Panamax demand strengthens near-month FFA. (Coal&PMX)

Bear

- Capesize spot/FFA retreat from highs with profit-taking pressures and front-month premiums.(Capesize)
- Brazilian port congestion eases. Capesize supply rises, loosening tightness.(Capesize)
- China iron ore port stocks hit 135mn tons; high inventories curb import demand.(Iron Ore)
- World Ports Organization: Prolonged Hormuz closure risks GDP contraction; dry bulk demand downside.(Geo-Tension)
- 2026 Capesize fleet growth 3.6% above demand indicated long-run FFA oversupply pressure.(Capesize Fleet)
- Middle East fertilizer trade disrupted; Gulf Supramax chartering collapses.(Supramax)

Ferrous Market Signals

Bull

- Chinese steel mills ramp up blast furnace run rates to elevated levels after the May Day holiday, with daily hot metal output staying above 2.39 million tonnes, providing solid support for iron ore demand.
- Iron ore notched a fourth consecutive weekly rise. Improved profit margins among domestic steel mills have underpinned sustained raw material procurement appetite.
- Escalating Middle East geopolitical tensions pushed Capesize freight rates higher, lifting iron ore landed costs and offering price support to the ore market.
- Iron ore inventories at China's key ports have declined for three straight weeks, reflecting steady consumption by downstream steel mills.
- BHP has reached a long-term supply agreement with China featuring exclusive discounts and favourable freight clauses, bolstering near-term market sentiment.
- Market rumours suggest a roof collapse at Australia's Ivara coal mine, resulting in a roughly one-month delay to all shipment schedules. The mine dispatched 5–6 cargoes over March–April, largely bound for India. Indian long-term contract buyers have turned to the spot market to secure alternative supply. Coupled with output disruptions at the NGYC mine, near-term PMV coal supply has tightened notably.
- Indonesia is mulling export duties and windfall profit taxes on coal and nickel to shore up fiscal subsidies. The policy remains under inter-ministry deliberation between the Ministry of Finance and the Ministry of Energy and Mineral Resources, with specific tax rates and effective timelines yet to be confirmed.
- Global steel export demand has strengthened alongside rising steel prices across Europe and Asia, lifting the export competitiveness of Chinese steel products.
- Infrastructure-related steel demand in China has rebounded, as accelerated progress of local projects drives higher consumption of rebar and wire rod.
- China's Q1 GDP growth came in at 5.0%, beating market consensus forecasts. Improved macroeconomic sentiment lends support to cyclical commodities including iron ore.

Ferrous Market Signals

Bear

- May marks the peak export season for Australia and Brazil, with Simandou supply ramping up and overall seaborne iron ore shipments surging.
- China's port-side iron ore inventories remain at elevated historical levels, with abundant stockpiles capping further price upside.
- Iron ore futures edged lower amid rising shipments from Brazil and West Africa, as a supply surplus begins to loom over the market.
- BHP has relaxed its spot supply restrictions, boosting the availability of high-grade ore and weakening underlying price support.
- Market discussions over crude steel output controls have resurfaced, with potential production caps posing downside risks to iron ore demand.
- Freight-driven cost support for iron ore has faded, as Middle East geopolitical tensions show clear de-escalation signs.
- China's April iron ore imports climbed 10.5% year-on-year, with another sizable influx of shipments expected in May.
- Australian April coking coal exports jumped 11% month-on-month to 12.5 million tonnes, and ample seaborne supply continues to pressure prices.
- China's coking coal imports remain robust, while domestic production stays near record highs.
- International coking coal buyers in Japan and South Korea remain on the sidelines, adopting a wait-and-see stance in anticipation of lower prices.

Market Data Snapshot (8th May)

Open Interest /lots	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Cape5TC (180)	20,660	17,783	12,126	11,956	12,028	10,912
Pmx5TC	22,420	20,682	15,224	14,304	12,894	8,796
Smx10TC	13,085	12,872	7,087	6,687	6,597	5,397
Iron Ore (IODEX)	461,228	673,482	184,831	83,346	73,561	31,256
Coking Coal	2,233	3,439	2,330	1,900	1,455	580
US HRC	7,706	8,742	6,061	3,846	3,576	3,249
FOB China HRC	1,202	750	256	166	32	8

Price	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Cape5TC (180) \$/day	38,396	34,389	31,864	30,761	31,129	31,021
Pmx5TC \$/day	20,650	21,061	20,482	19,943	19,479	18,675
Smx10TC \$/day	17,643	18,179	18,107	17,586	17,286	16,604
Iron Ore (IODEX) \$/mt	110.99	110.43	109.78	109.15	108.55	107.94
Coking Coal \$/mt	238.00	239.25	239.25	240.50	242.00	243.50
US HRC \$/st	1,078	1,101	1,130	1,128	1,120	1,078
FOB China HRC \$/t	512.0	513.5	517.5	518.0	518.0	520.5

OI WoW %	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Cape5TC (180)	3.4%	7.6%	5.1%	4.6%	5.4%	3.6%
Pmx5TC	8.1%	6.3%	11.2%	11.3%	4.2%	3.8%
Smx10TC	1.7%	11.0%	10.5%	5.5%	4.6%	4.2%
Iron Ore (IODEX)	-3.1%	8.8%	23.2%	11.1%	8.0%	7.6%
Coking Coal	2.8%	-7.0%	17.7%	9.2%	3.6%	0.0%
US HRC	0.8%	-1.9%	7.3%	20.9%	19.6%	20.2%
FOB China HRC	0.3%	3.9%	91.0%	0.0%	88.2%	0.0%

Price WoW %	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26
Cape5TC (180) \$/day	4.6%	-0.1%	1.3%	1.5%	3.1%	2.8%
Pmx5TC \$/day	5.3%	5.4%	3.8%	4.4%	4.1%	4.7%
Smx10TC \$/day	0.8%	2.5%	3.8%	3.4%	3.9%	3.5%
Iron Ore (IODEX) \$/mt	2.4%	2.5%	2.5%	2.5%	2.5%	2.4%
Coking Coal \$/mt	1.3%	0.9%	0.5%	0.6%	0.8%	0.2%
US HRC \$/st	-0.6%	-2.6%	-0.2%	-0.3%	0.7%	0.4%
FOB China HRC \$/t	2.1%	2.7%	3.3%	2.9%	2.7%	2.9%

Sources: EEX, SGX, CME

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