FIS

Dry Freight Weekly Report

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FFA Market

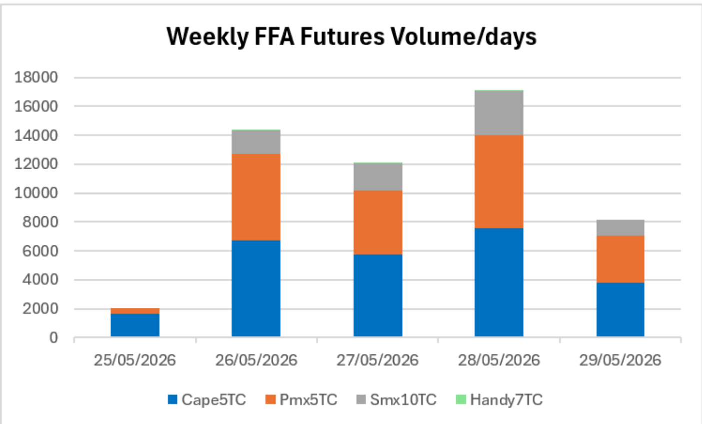
During the reporting week, overall trading activity decreased as most market participants were on holiday. Nevertheless, freight rates moved higher, driven by tightening vessel supply on the Pacific route, and iron ore-related routes maintained a strong performance. In Brazil, with reduced rainfall in mining areas, shipment volumes remained elevated, and the C3 route price edged up by 1.96% over the week. Australia continued its end-of-financial-year shipment rush, and the C5 route price rose modestly by 0.6%, closing at a multi-year high of $16.87/mt on the 28th. Supported by this, the time charter rate for the Pacific round voyage C10 surged to $52,518/day on the same day, a daily increase of 4.89% and a week-on-week gain of approximately 18%. In terms of trading volume, Capesize and Panamax volume stood at 20,880 lots and 15,198 lots respectively, while Supramax and Handysize contracts came in 5,935 lots and 125 lots, respectively. Total weekly trading volume reached 42,138 lots.

The options market was also affected by the holiday, with overall trading relatively light. Capesize options recorded a small number of transactions, including 270 lots of June contracts and 1,260 lots of Q3 2026 contracts, with call/put ratios of 0.8 and 1.0, respectively. The market sentiment was generally neutral. The Panamax market was quieter, with 60 lots of June call options and 60 lots of July put options traded.

Trading activity on iron ore routes was weak during the week, with only one transaction of 50,000 metric tons recorded on the C5 route for June.

As of 1st June, open interest for the Capesize 5TC (180) has reached 182,313 lots (- 14,107 lots w-o-w), 159,461 lots for the Panamax 5TC (- 17,868 lots w-o-w), and 93,031 lots for the Supramax 10TC (- 10,511 lots w-o-w).

Freight Rate $/day	1-Jun	26-May	Changes %
Capesize5TC (180)	46,346	43,602	6.3%
Panamax5TC	21,095	20,318	3.8%
Supramax10TC	17,813	17,677	0.8%
Handy7TC	15,353	15,169	1.2%



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

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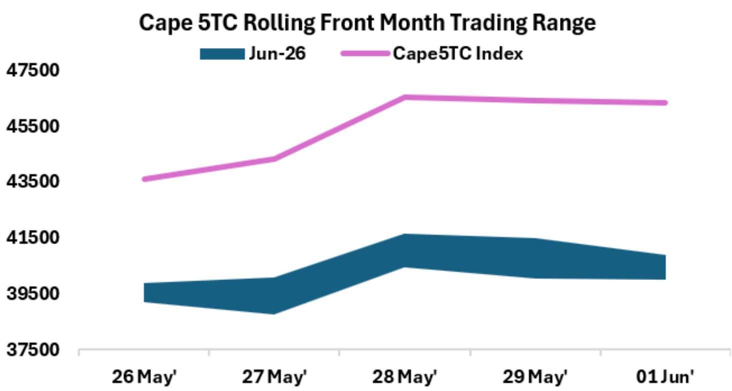
FFA Market Forward Values

FFA $/day	01-Jun FIS Closing	26-May FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD Mkt High	2026 YTD Mkt Low
Capesize5TC Jun26	40,875	39,175	4.3%	41,625	38,750	41,625	25,875
Capesize5TC Q3 26	33,075	32,825	0.8%	33,550	32,375	33,650	24,825
Panamax5TC Jun 26	21,800	21,600	0.9%	22,250	21,050	23,750	16,625
Panamax5TC Q3 26	21,050	20,675	1.8%	21,325	20,475	21,725	14,450
Supramax10TC Jun26	18,275	18,300	-0.1%	18,750	18,025	19,850	14,025
Supramax10TC Q3 26	18,125	17,900	1.3%	18,450	17,675	19,025	13,150

Capesize



The Capesize FFA market performed strongly last week. On the prompt side, at the opening on the 27th, the June contract was quoted at $39,000/day and the July contract at $33,900/day. Driven by optimistic market sentiment, the forward curve shifted higher overall. In late trading on the 28th, the June contract briefly surged to $41,500/day. As the weekend approached and the index retreated from its highs, prompt contract prices fell back quickly on Friday, with the June contract dropping to $40,000/day. Market liquidity weakened somewhat in the afternoon session, but buying support on the downside remained stable.

As China is about to enter the off-season for steel consumption, coupled with rapidly rising coal prices squeezing steel mill profit margins, iron ore prices are under pressure. However, high hot metal output can still provide some support to iron ore demand in the near term. In addition, other Asian countries are also facing the impact of high temperatures and rainfall, and the likelihood of a strong El Niño event is increasing, which may have a more significant impact on downstream construction activity compared with previous years.

Outlook

Kpler vessel tracking data shows that the supply of ballasting vessels in the Pacific region remains well below the five-year average. In the first half of June, Australian miners are likely to continue their shipment rush, and due to the previous procurement restrictions imposed by CMRG, the overall shipment rush after the lifting of restrictions could be stronger than in normal years.

On the macro front, US-Iran negotiations have encountered renewed setbacks, with Iranian sources indicating that talks will be suspended and the Strait of Hormuz fully blocked. Oil prices have rebounded in response. Overall, the Capesize freight market has strong underlying support and still has room for further upward moves.

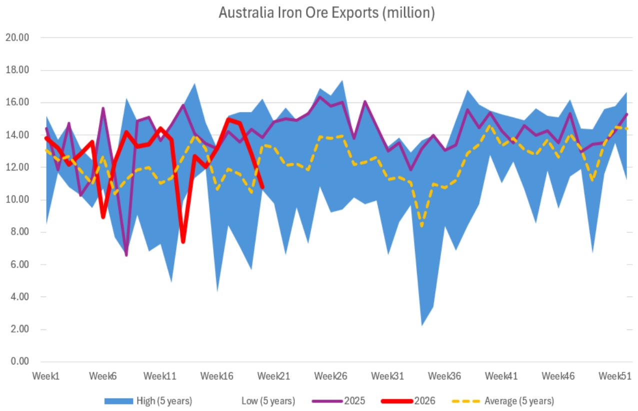
Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

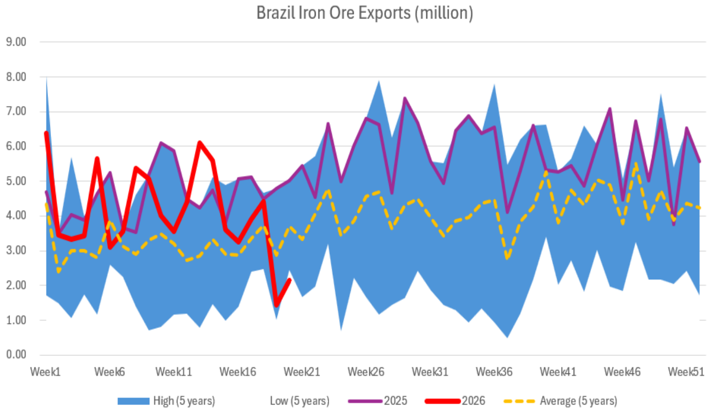
Guinea plans to announce export reform measures in June aimed at controlling bauxite export volumes. According to a survey by Mysteel, some mining companies believe that the approval procedures for the supporting policies have not yet been completed, making it unlikely that such measures will be promulgated in June. Guinea had previously planned to introduce controls in April, but those ultimately did not happen.

Neutral to Bullish

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
Global	**141.1**	**147.5**	**449.9**	**455.0**	**471.1**	**461.4**	**1747.7**	**1695.2**	**1655.6**



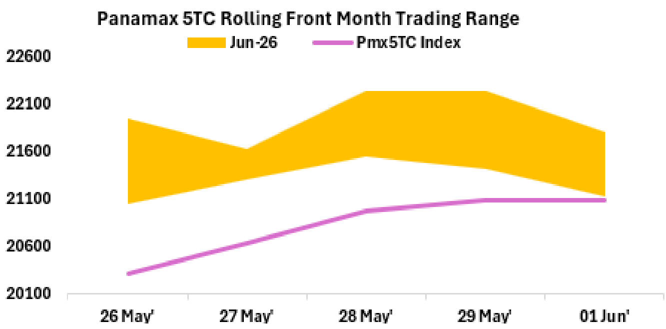


Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	11.46	12.97	-11.64%	16.5	15.2	8.5%
Brazil-China	2.96	2.50	18.4%	37.5	36.4	3.0%

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

Panamax



In the derivatives market, P5TC FFA traded choppily last week with sliding settlement levels, underperforming the index overall. The June contract oscillated between \$21,125/day and \$22,250/day, with the trading range halved and turnover down 60% week-on-week. The backwardated curve flattened further versus the prior week. Nearby contracts look vulnerable to further weakness amid bearish sentiment evidenced by rising naked put open interest, while fresh call option positioning on far months signals the market retains cautious long-term optimism and avoids outright bearishness, consistent with the flatter backwardation profile.

Outlook

The Panamax market bottomed out and stabilized last week. In the Pacific basin, lifted coal loadings from Indonesia and Australia boosted owners' pricing stance. On the Atlantic front, persistently robust Brazilian soybean exports were counterbalanced by ample available tonnage plus softer energy costs, weighing on route earnings. Prompt open tonnage has largely been absorbed, tightening vessel supply across Continental Europe, the Western Mediterranean and the East Coast of South America and underpinning forward fixture values.

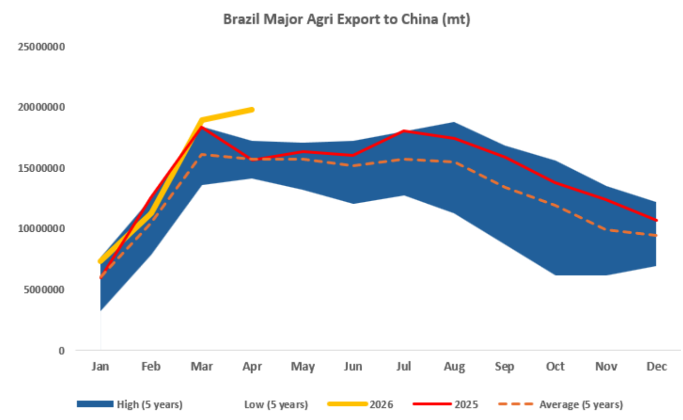
Over the longer run, elevated fuel prices, limited ballast tonnage and geographical routing constraints remain constructive tailwinds for Panamax earnings. Downside risks stem from cargo diversion onto Supramax, Ultramax and Kamsarmax vessels competing for grain volumes. Around 15 million dwt of new Panamax tonnage is scheduled to enter the fleet in 2026, marking a 40% year-on-year rise and the largest delivery volume since 2014, which caps the upside potential of long-term Panamax rates.

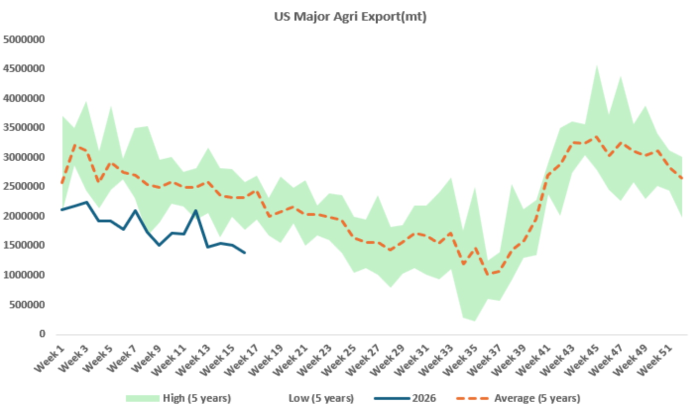
Neutral

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
Global	**99.7**	**112.3**	**333.3**	**349.0**	**349.5**	**353.5**	**1302.7**	**1352.4**	**1339.5**

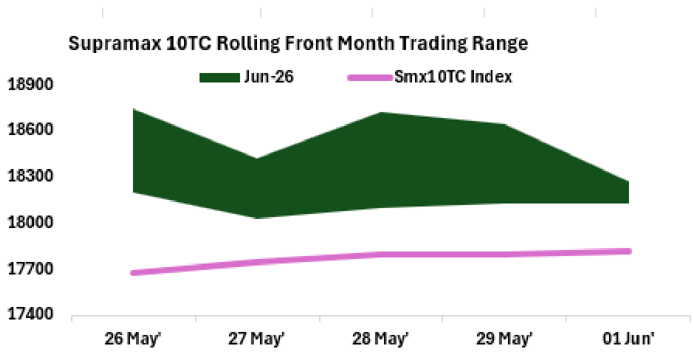
Data Source: FIS Live, Baltic Exchange, Kpler, Bloomberg





Supramax

Mirroring the Panamax complex, the S10TC index held steady while FFA derivatives trended lower on choppy trade. The June contract traded within $18,025/day–$18,750/day on sharply compressed trading ranges and diminished turnover. The backwardated forward curve flattened noticeably, pointing toward elevated near-term downside risks and prompting market participants to roll physical cover hedges further out the curve.



Outlook

Supramax spot earnings edged lower last week amid public holidays across parts of Europe on Monday, with trading concentrated mainly on spot TCT and short-period time charters. Fixed fixtures out of the US Gulf reflected robust demand and strong pricing power on the Atlantic basin. Upcoming inland waterway maintenance across the US Midwest is expected to divert certain cargo volumes toward Supramax tonnage. Overall coal-carrier supply remains ample, weighed by slower Chinese steel exports and muted seaborne coal appetite. Impending bauxite export curbs in Guinea are set to cap associated shipping demand. Freight rates stay under persistent pressure from rising vessel supply and flexible ballast positioning, alongside a steady pool of prompt tonnage available for June loading globally.

Neutral

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

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

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