

FFA Market

This week, the FFA market traded lower overall, pressured by weakness in the Pacific market. The Capesize segment failed to sustain the positive sentiment from the previous week, coming under selling pressure at the opening, with the prompt July contract falling by approximately \$600/day to \$29,250/day. After the index was updated, offers moved further lower, and by the close, the intraday decline had widened to around \$1,000/day. Prices continued to retreat on Tuesday, but buyers subsequently stepped in, driving a market rebound, and Capesize trading turned more active, largely recouping the previous day's losses by the close. However, from mid-week onwards, influenced by the loose supply-demand dynamics in the physical market, the FFA market weakened again, with prices trending lower. The prompt July contract saw its losses widen, and by Friday's close, it had fallen by approximately \$2,200/day cumulatively over the week. In the Panamax segment, although it also faced oversupply and insufficient new cargo enquiries, buying support was relatively stronger compared with the Capesize market, and prices did not show significant decline over the week. Capesize and Panamax volume stood at 36,855 lots and 33,527 lots respectively, while Supramax and Handysize contracts came in 13,045 lots and 320 lots, respectively. Total weekly trading volume reached 83,747 lots.

Over the past week, options market liquidity was generally moderate, with Capesize options trading a total of 2,130 lots. Among these, August contracts accounted for 630 lots, comprising 30 lots of put options and 600 lots of call options, with trading concentrated in the early part of the week when market sentiment was relatively positive. Additionally, Cal27 contracts traded 1,080 lots of put options, reflecting that amid a weaker physical market, some investors believe there is further room for downside in prices. Panamax options trading remained subdued, with a total of 785 lots traded during the week, concentrated in August contracts (450 lots), with a put/call ratio of 0.5, indicating that buying support in the Panamax market was relatively more resilient than in the Capesize segment. No trades were recorded in the Supramax market.

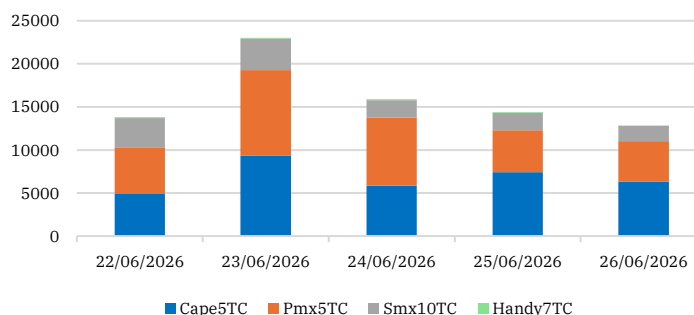
Last week, iron ore routes saw active trading. The C5 route was particularly active, with a total weekly volume of 2420kt, of which prompt July contracts were the most concentrated, accounting for 1185kt. The C3 route also saw some transactions, all in July contracts, totaling 310kt metric tons.

As of 29th June, open interest for the Capesize 5TC (180) up to 206,996 lots (+ 6,865 lots w-o-w), for the Panamax 5TC to 182,687 lots (+ 5,094 lots w-o-w), and for the Supramax 10TC to 105,214 lots (+ 1,489 lots w-o-w).

Freight Rate \$/day

	29-Jun	22-Jun	Changes %
Capesize5TC (180)	28,588	33,444	-14.5%
Panamax5TC	19,117	18,532	3.2%
Supramax10TC	19,050	19,640	-3.0%
Handy7TC	14,884	16,839	-11.6%

Weekly FFA Futures Volume/days



Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA \$/day	29-Jun FIS Closing	22-Jun FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low
Capesize5TC Jul 26	28,000	28,875	-3.0%	30,175	26,500
Capesize5TC Q3 26	30,300	30,650	-1.1%	31,600	29,000
Panamax5TC Jul 26	18,875	18,150	4.0%	19,350	17,850
Panamax5TC Q3 26	18,750	18,442	1.7%	19,400	18,350
Supramax10TC Jul 26	18,625	18,100	2.9%	18,775	17,600
Supramax10TC Q3 26	18,250	17,775	2.7%	18,375	17,375

Capesize

Kpler vessel tracking data indicates that the number of Capesize vessels in ballast in the Pacific region has risen to a new year-to-date high. Although iron ore miners remain active, ample tonnage supply has weighed on freight rate performance, with the C5 route price falling by 14.44% over the week and dragging down overall Capesize earnings. By contrast, the C3 route declined by 12.65%, but the pace of Brazilian iron ore shipments has been more stable in the near term, while West African bauxite shipments have also been better than expected, providing some support to Atlantic route earnings and making its performance relatively more resilient.

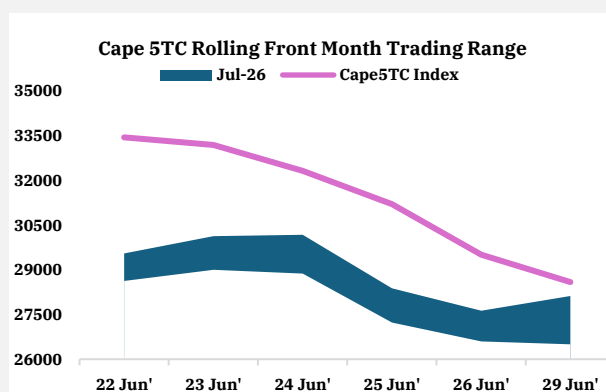
On the iron ore front, the average daily hot metal output from blast furnaces at domestic steel mills edged up again week-on-week, remaining at year-to-date highs. Although elevated coal and coke prices continue to squeeze steel mill profit margins, they have not yet reached a level that would force mills to cut production. Thus, the demand side continues to provide some support to iron ore prices. However, against the backdrop of persistent weakness in downstream steel demand and accelerating inventory accumulation at ports, the market lacks momentum for any rebound, and the upside room for prices remains limited. Market participants are largely maintaining a cautious wait-and-see stance. On the news front, according to reports by Bloomberg and other media outlets, negotiations between CMRG and FMG have stalled, which could potentially create disruptions to the supply of certain resources going forward.

Outlook

At present, the number of ballasting vessels in the Pacific region remains elevated, with ample tonnage supply. Although coal transportation demand can provide some support to the market, with the end of June approaching, iron ore mining areas in Australia typically enter a traditional maintenance period, bringing expectations of a seasonal decline in shipments. Overall market sentiment remains weak. In addition, as more ballasting vessels gradually shift to the Atlantic region, there is also a risk of further correction on the Atlantic route, whose earnings have been relatively stable previously.

In the bauxite sector, although the Guinean government had previously indicated plans to announce export restrictions in June, current indications suggest that this policy will once again be postponed. With the onset of the rainy season, Guinea's bauxite exports have not weakened as significantly as expected. According to Kpler data, Guinea's bauxite exports reached 4.0 million metric tons in the previous week, the highest level in five weeks. As progress in US-Iran negotiations has led to lower fuel costs, producers' incentive to ship has improved. This is expected to provide some support to Capesize market.

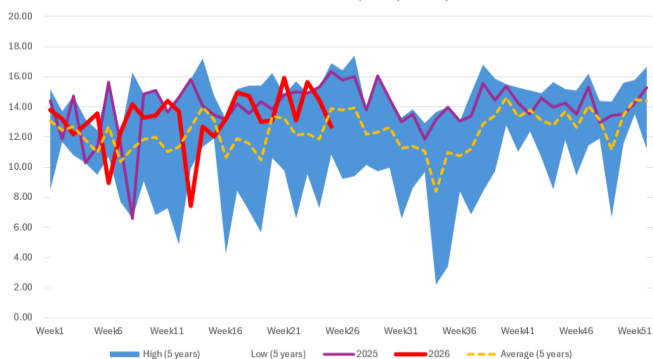
Neutral to Bearish



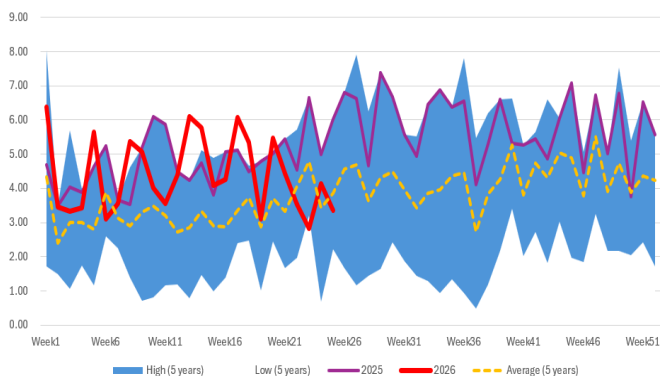
Dry Bulk Trades/Iron Ore

Export (million tonnes)	May-26	Jun-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	84.4	89.4	238.4	242.7	255.2	250.6	955.0	935.1	924.4
Brazil	32.8	36.6	111.3	116.4	110.8	107.2	403.1	381.3	369.5
South Africa	3.2	4.2	13.5	13.9	12.4	12.4	52.4	52.4	51.5
India	3.2	2.4	4.9	5.0	8.9	6.8	28.8	37.5	44.5
Canada	4.5	4.4	17.6	17.2	15.1	15.2	60.3	59.4	57.6
Global	146.3	158.1	449.9	459.8	471.1	462.8	1747.7	1695.2	1655.6

Australia Iron Ore Exports (million)



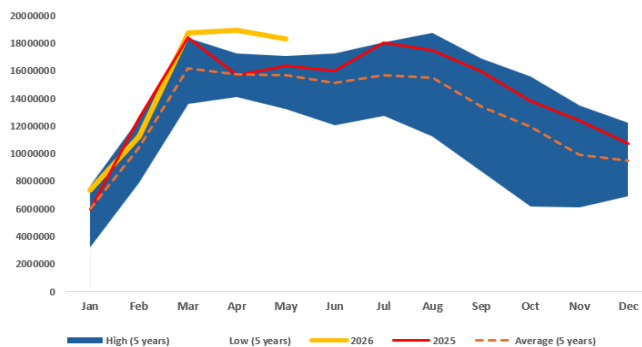
Brazil Iron Ore Exports (million)



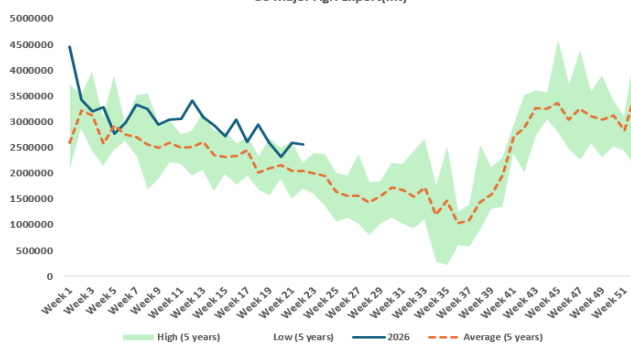
Iron Ore Key Routes

	IO Export Million mt			Freight Rate \$/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	12.69	14.42	-12.00%	11.2	11.2	-0.7%
Brazil-China	3.36	4.14	-18.84%	31.0	32.4	-4.4%

Brazil Major Agri Export to China (mt)

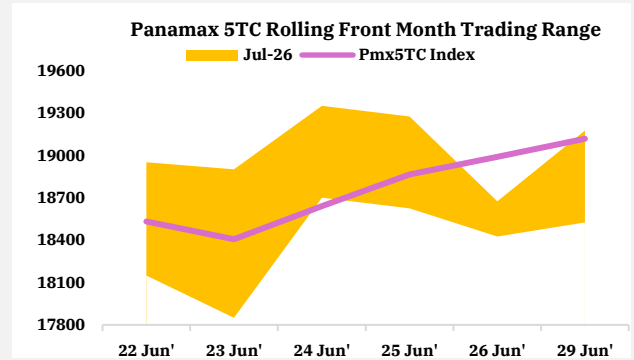


US Major Agri Export(mt)



Panamax

Panamax FFAs dipped to lows before staging a rebound. While FFA volatility exceeded physical freight fluctuations, the overall trend remains upward. The July contract traded within two bands of \$18,150–21,500/day and \$17,850–19,350/day. The time charter range halved week-on-week, signaling subdued market volatility. Cumulative volume across 5TC contract maturities hit 32,817 lots, down 20% sequentially. The forward curve flipped from mild contango to backwardation with frequent structural shifts and a flattening slope, hinting the downward correction may bottom out shortly. On the options front, call option turnover picked up versus last week, covering both near and far-month tenors.



Outlook

The dry bulk complex traded divergently this week. The Pacific basin saw active coal and grain cargo inquiries, yet ample available tonnage kept freight rates under persistent downside pressure. Indonesia's coal export volumes bound for China, India and Europe fell sharply last week. Although China's June coal imports are projected to rise over 11% year-on-year, domestic power plants hold elevated inventory levels, slowing summer restocking activity. Meanwhile, high temperatures and rainy seasons have cooled coking coal demand for steelmaking; still, traders will maintain partial high-grade coking coal imports to fill supply gaps from maintenance outages at Shanxi domestic mines. In Japan and South Korea, elevated temperatures and lower nuclear power availability lifted coal discharge volumes at regional ports. Corn and soybean export volumes from the US, Brazil and Argentina posted steep declines last week, markedly easing port congestion at major grain load ports. Atlantic fixture inquiries improved sequentially, yet regional tonnage supply loosened noticeably. Shipowners avoided long-term charter contracts and high-specification tonnage, leaving time charter and voyage freight rates vulnerable to downside pressure.

Coal will likely act as a floor for freight valuations, while grains serve as the marginal price-setting factor. Medium-to-long term, coal retains a persistent cost advantage over natural gas in Europe, a dynamic that will hold throughout the full year. The El Niño weather pattern is expected to extend and expand high-temperature spells across the Northern Hemisphere, further boosting thermal coal consumption.

Dry Bulk Trades/Coal

Export (mil mt)	May-26	Jun-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	36.9	44.2	123.7	140.0	141.0	134.8	492.7	520.2	494.8
Australia	29.7	32.6	92.1	92.3	94.4	95.7	349.1	359.1	349.9
Russia	13.4	15.7	46.3	47.5	44.3	44.1	168.0	156.2	180.1
USA	8.1	7.7	18.9	21.3	19.0	30.6	78.3	86.3	81.2
Colombia	2.6	4.0	10.5	9.5	10.7	8.0	41.3	50.8	47.5
South Africa	5.1	6.0	13.2	16.1	15.3	9.3	61.6	59.0	59.2
Others	10.3	8.9	28.6	29.7	24.8	32.9	111.7	120.9	126.8
Global	105.9	119.1	333.3	356.4	349.5	355.3	1302.7	1352.4	1339.5

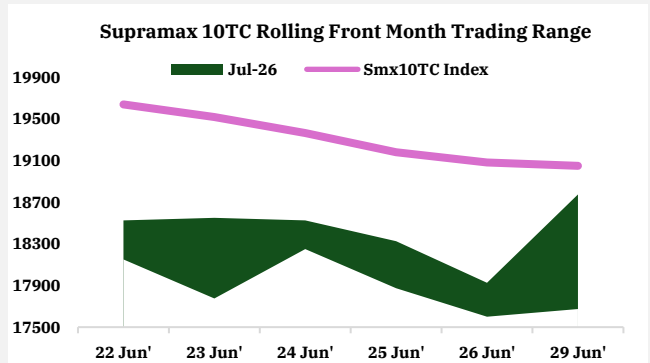
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

For grains, South America will gradually enter its seasonal export peak. Steady purchasing from China plus restocking demand out of Europe and the Middle East will offer mild support to freight sentiment. Overall, excess tonnage supply still requires absorption, yet bearish fundamental catalysts have largely been priced in. The dry bulk market is entering a consolidation bottoming phase.

Neutral

Supramax

S10TC FFAs plunged sharply before paring part of losses, converging closer to spot freight indices. The July contract traded within a sharply narrowed band of \$17,600–18,775/day. Weekly trading volume totaled 12,930 lots, falling 17.85%. The forward curve remained in backwardation with a similar curvature to last week, pointing to a structurally bullish backdrop. Options trading stayed subdued.



Outlook

After outperforming larger vessel classes for three straight weeks on strong momentum, Supramax rates edged lower this week. Shipowners in the Atlantic basin retained firm pricing stance yet overall fixture activity cooled off; Pacific basin cargo inquiries weakened, weighing down vessel offers. That said, summer heatwaves and extreme weather have lifted cooling power demand in South China and Europe, with coal import demand providing partial downside support for Pacific small-vessel freight rates.

Guinea's June bauxite shipments are projected at 16–16.5 million tonnes, down 1–1.5 million tonnes month-on-month. While formal export quota policies are yet to be released, markets widely expect Guinea to proactively curb outbound volumes in H2. Meanwhile, Australian miners ramp up bauxite and alumina shipments aggressively to hit fiscal year-end performance targets, partially offsetting Guinea's supply cuts. Indian cement kilns are shifting fuel mix toward cheaper petroleum coke, which could displace thermal coal consumption to a certain extent. On fertilizers: fleets carrying fertiliser cargoes departed the Middle East Gulf en masse over the past two weeks, yet fresh tonnage arriving for Gulf loading has not rebounded, signaling softer freight demand ahead. In addition, accumulated aluminum inventories in the Gulf have started shipping out, and previously suspended smelter capacity is gradually restarting. Institutions estimate GCC aluminum output will require two quarters to fully recover to pre-conflict levels. Improved navigation safety conditions across the Middle East have pulled hull insurance premiums down from around 5% of hull value to nearly 3%, substantially lowering shipowners' operating costs and offering marginal support to time charter rates.

Neutral

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