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WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

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Dry FFA Market Signals

Bull

- The Capesize market reversed losses and climbed last week on robust seaborne iron ore shipments. Tight tonnage availability across major trade lanes further underpinned the recovery on C5. In addition, C3 saw support from shipowners. (Capesize)

- In the week ending June 14, Australia's iron ore shipments pulled back from a two-year high hit in early June. Boosted by improved port efficiency following maintenance, Brazil's exports hit a year-to-date peak of 9.66 million tonnes last week. (Iron Ore)

- With fixtures achieving premiums last week, tight prompt tonnage in Northern Europe and the West Mediterranean supported rates. (Panamax)

- The resumption of Chinese fertiliser exports and the reopening of the Strait of Hormuz could support Supramax demand. (Supramax)

- Heavy rainstorms in southern China have boosted hydropower output and curbed cooling demand, leaving major power firms with relatively high coal inventory cover days. Thermal power generation and coal consumption will rise in the coming months as the peak electricity demand season arrives. (Coal)

- Market rumours that China intends to book US soybean cargoes for Q4 2026 through Q1 2027 have lifted sentiment across US agricultural commodity markets. Traders priced in an improved export demand outlook for US oilseeds on potential large-scale buying interest from Chinese importers. (Coal)

- A private bauxite miner in Guinea cut shipments over the past two months amid surging ocean freight since April, prioritizing long-term supply contracts for alumina refineries, with port stocks building to 8-9 million tonnes while concurrent mine maintenance has curbed output. The miner plans to load 9 vessels in June and raise shipments to 10–11 vessels in July as freight costs ease. (Bauxite)

Dry FFA Market Signals

Bear

- Declining global energy prices, coupled with China's rainy summer season, will weigh on domestic iron ore demand across June and July. Seasonal construction slowdowns amid heavy rainfall are squeezing steel mill margins and prompt restrained raw material purchasing, while cheaper fuel costs weaken freight support for iron ore import prices. (Capesize)

- The Pacific Panamax freight market remains bearish amid limited cargo availability. Sluggish demand from Australia and the North Pacific, together with excess spot tonnage, has intensified downward pressure on rates. (Panamax)

- The South American grain export season is beginning to draw to a close. Panamax freight rates are likely to stay under pressure from late June through July. (Grains)

Ferrous Market Signals

Bull

- Chinese traders noted that steel mills still prefer to increase lump ore usage to reduce coke consumption amid expectations of further coke price hikes. However, as steel mill margins have been squeezed by rising mid-grade fines prices, the upside potential for lump ore prices is likely limited.

- The eighth round of coke price hikes has been accepted by some northern steel mills, yet market participants widely believe upside potential for coke will be capped after this round, which in turn creates a valuation ceiling for coking coal.

- Structural overseas supply shrinkage remains a long-term constraint. BHP specialists noted Australia's metallurgical coal exports have fallen from 190–200 million metric tonnes in 2019 to roughly 150 million metric tonnes at present, representing a cumulative reduction of 40 million tonnes.

- Citing Mongolia's official state news agency, the national trade union has announced a nationwide strike across the full energy industrial chain, scheduled to commence on June 30, 2026. The work stoppage will cover domestic coal mines, thermal power plants, power transmission & distribution grids and heating facilities, involving roughly 35 industrial entities. The industrial action stems from a complete breakdown of collective wage bargaining for the 2026–2027 cycle.

- While suspended coal mines in Shanxi have begun restart inspections, strict provincial safety supervision remains in place, significantly slowing the recovery of domestic production capacity.

- Although China's spot market stayed quiet during the Dragon Boat Festival holiday, sellers remain upbeat about post-holiday demand, expecting tight domestic supply to persist.

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Ferrous Market Signals

Bear

- Coal mines in Shanxi have received formal notices to resume production under strict safety compliance, and markets expect the temporary tightness in domestic coking coal supply to ease gradually.

- Inquiries for Indonesian coke from India declined, as extreme weather weighed on local steel demand.

- Heightened rate-hike odds boosted the US dollar, eroding purchasing power for commodity buyers across the Pacific and exerting downward pressure on seaborne iron ore and coking coal prices.

- De-escalating geopolitical tensions in the Middle East further dampened bullish sentiment, weighing on both coking coal and coke prices.

- Global iron ore shipments rose 1.73 million tonnes week-on-week to 35.47 million tonnes this week, maintaining persistent supply-side pressure. Imported iron ore inventories at 45 major Chinese ports stood at 165.5737 million tonnes, continuing to accumulate and remaining at a multi-year high. Vessels waiting at ports numbered 121, up 4 from the prior week.

- Freight rates on the C5 route have returned to historical seasonal norms, weakening support from import cost fundamentals.

- Heavy downpours and extreme high temperatures across southern China have widely slowed outdoor civil construction projects. Construction sites are only restocking to meet immediate requirements, leading to a marked decline in end-user buying sentiment for construction steel and pushing building material demand into its seasonal off-peak phase.

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Market Data Snapshot (19th Jun)						
Open Interest /lots	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Cape5TC (180)	25,140	21,587	14,662	15,669	12,538	12,538
Pmx5TC	23,825	23,121	18,442	16,137	11,256	11,261
Smx10TC	13,977	12,970	9,817	8,658	6,118	6,073
Iron Ore (IODEX)	406,638	373,342	246,959	171,321	53,538	31,773
Coking Coal	3,284	2,615	2,327	1,645	625	610
US HRC	7,931	6,533	6,682	6,466	4,955	4,049
FOB China HRC	1,058	1,244	309	346	235	129

Price	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Cape5TC (180) $/day	36,039	29,875	30,946	33,304	33,239	32,711
Pmx5TC $/day	19,657	19,021	19,246	19,214	18,686	18,386
Smx10TC $/day	18,864	18,586	18,354	18,189	17,821	17,364
Iron Ore (IODEX) $/mt	100.33	98.64	98.50	98.41	98.28	98.13
Coking Coal $/mt	243.00	241.50	242.00	242.00	242.00	242.00
US HRC $/st	1,120	1,159	1,198	1,210	1,184	1,142
FOB China HRC $/t	493.0	490.5	491.5	495.5	498.0	500.5

OI WoW %	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Cape5TC (180)	0.9%	17.3%	-2.6%	3.2%	5.5%	5.5%
Pmx5TC	-0.1%	2.5%	1.2%	2.1%	10.5%	11.0%
Smx10TC	-3.0%	6.8%	3.1%	1.2%	4.1%	4.1%
Iron Ore (IODEX)	-2.3%	-2.2%	14.5%	26.6%	12.7%	-2.6%
Coking Coal	0.9%	0.6%	2.0%	1.5%	-6.7%	-9.0%
US HRC	0.0%	-8.1%	8.0%	11.6%	8.4%	7.6%
FOB China HRC	1.8%	18.4%	3.3%	16.9%	100.9%	330.0%

Price WoW %	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26
Cape5TC (180) $/day	2.4%	0.9%	2.4%	4.1%	3.0%	2.4%
Pmx5TC $/day	-5.5%	-11.4%	-8.5%	-6.1%	-6.4%	-7.0%
Smx10TC $/day	0.0%	-6.1%	-5.6%	-4.8%	-2.6%	-2.6%
Iron Ore (IODEX) $/mt	-1.2%	-2.7%	-2.8%	-2.6%	-2.5%	-2.4%
Coking Coal $/mt	-0.4%	-1.4%	-1.6%	-1.8%	-2.0%	-2.0%
US HRC $/st	-0.3%	-0.4%	-0.3%	0.4%	0.3%	1.1%
FOB China HRC $/t	-0.2%	-1.2%	-1.2%	-0.5%	-1.3%	-1.4%

Sources: EEX, SGX, CME

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