FIS

WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

29 Jun 2026

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Dry FFA Market Signals

Bull

- Bunker fuel prices have stabilised, potentially providing a floor for vessel operating costs.(Fuel)

- The anticipated decline in Australian wheat output is expected to compel Asian buyers to pivot towards longer-haul alternative supplies from Brazil and Argentina, materially boosting tonne-mile demand for Kamsarmax and Panamax vessels. (Panamax&Kamsarmax)

- The probability of El Niño developing between May and July 2026 has been lifted to 82%, with the odds of it intensifying into a strong El Niño by year-end rising to 37%. Historical patterns show El Niño typically delivers a positive impact on dry bulk freight rates.(Weather)

- Potential industrial action at BHP has been averted following a proposed remuneration deal, with the next round of wage negotiations scheduled for July 7. (Iron Ore)

- Amid high temperatures and lower nuclear power availability, Japan and South Korea are ramping up coal intake, a trend set to persist through August. (Coal)

- With the Strait of Hormuz reopened, market participants increasingly expect accumulated aluminum inventories in the Gulf region to be released and suspended local smelting capacity to resume gradually, lifting demand for small tonnage vessels carrying aluminum cargoes. (Supramax)

Dry FFA Market Signals

Bear

- As the peak summer power consumption period approaches, coastal power plants across China hold ample coal inventories with muted purchasing sentiment overall, keeping domestic coal import demand subdued.(PMX)

- On long-distance mineral routes for the Capesize market, fresh cargo volumes from Brazil and West Africa were thin this week. Freight rates only edged slightly higher amid temporary mid-week demand surges. Persistent oversupply of ballast tonnage kept weighing on market performance, resulting in week-on-week rate declines.(Capesize)

- With major Australian iron ore miners wrapping up their end-quarter shipment push volumes, outbound shipments are poised for a notable drop in July. (Iron Ore)

- As the Northern Hemisphere enters summer, major Asian steel-producing nations are expected to curb output amid rainy weather and sweltering heat respectively. (Steel)

- In the grain complex, persistently weak domestic soybean crush margins have significantly curtailed downstream buying interest, while South American grain trade activity continues to soften, dragging freight rates further lower. (Grains)

- Tonnage oversupply prevails in the Pacific, driving weaker freight rates for Indian coal shipments.(Panamax)

- China's import coal demand remains subdued, while nickel ore shipments face weather-related disruptions, weighing on loading schedules. Across Southeast Asia, market activity stays broadly quiet, with vessel supply-demand dynamics tilting towards looser conditions, thereby exerting downward pressure on freight rates.(Coal&Nickel)

- The ceasefire and shipping safety enhancement measures have pushed marine insurance premiums in the Middle East Gulf down from around 5% of hull value to nearly 3%.(Geo-Politics)

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Ferrous Market Signals

Bull

- CRMG convened an industry forum, stoking market jitters over supply contract negotiations between Chinese buyers and Australian miners for low-grade iron ore fines. Potential changes to supply balances have lifted price expectations for low-grade ore.

- Market participants note that a hike in Shanxi domestic coking coal benchmark prices for July could divert buyers toward seaborne coal markets.

- A key supply risk for July stems from ongoing union talks between BHP and staff at Port Hedland, which may disrupt shipments.

- Stringent safety mine suspensions persist across Shanxi. Downstream and implicit carbon inventories keep drawing down, leaving tight supply of high-quality low-sulfur primary coking coal.

- Despite weak seasonal steel demand and shrinking mill margins, large-scale production cuts at steelworks have yet to materialize.

Bear

- Imported coal arrivals will build up through July; domestic coal safety oversight eases marginally, with strong expectations of restored output as temporary mine workers convert to permanent contracts.

- Heavy registered warrants for DCE coking coal and coke weigh on derivatives sentiment.

- Australian miners ramped up iron ore and coking coal shipments in the final week of June to hit quarterly guidance targets.

- AISI data show US steel imports totaled 9.1 million net tons in the first five months of 2026, down 26.3% YoY, largely due to 50% tariffs imposed by the US government.

- Rising trade protectionism sees India launch an antidumping probe into hot-rolled flat steel imports from China, Japan and Russia; the move exerts limited near-term sentiment pressure on seaborne raw material markets.

Market Data Snapshot (26th Jun)

Open Interest /lots	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	22,638	15,981	15,893	12,778	12,763	12,788
Pmx5TC	23,641	18,504	16,452	11,901	11,906	11,876
Smx10TC	13,131	10,175	8,868	6,207	6,162	6,162
Iron Ore (IODEX)	334,246	332,157	193,136	66,529	33,486	38,429
Coking Coal	2,640	2,297	1,625	665	650	820
US HRC	5,810	7,305	7,450	5,111	4,169	3,394
FOB China HRC	1,583	398	457	251	129	146

Price	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) $/day	26,614	28,782	31,804	32,393	31,986	31,000
Pmx5TC $/day	18,532	18,300	18,357	17,932	17,675	17,318
Smx10TC $/day	17,671	17,311	17,196	17,029	16,689	16,354
Iron Ore (IODEX) $/mt	98.76	98.59	98.50	98.29	98.08	97.90
Coking Coal $/mt	241.00	241.25	241.75	242.00	242.25	243.00
US HRC $/st	1,156	1,181	1,194	1,180	1,142	1,107
FOB China HRC $/t	488.5	493.5	492.5	495.5	500.5	502.0

OI WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	4.9%	9.0%	1.4%	1.9%	1.8%	1.8%
Pmx5TC	2.2%	0.3%	2.0%	5.7%	5.7%	5.7%
Smx10TC	1.2%	3.6%	2.4%	1.5%	1.5%	1.5%
Iron Ore (IODEX)	-10.5%	34.5%	12.7%	24.3%	5.4%	-0.4%
Coking Coal	1.0%	-1.3%	-1.2%	6.4%	6.6%	7.9%
US HRC	-11.1%	9.3%	15.2%	3.1%	3.0%	2.3%
FOB China HRC	27.3%	28.8%	32.1%	6.8%	0.0%	4.3%

Price WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) $/day	-10.9%	-7.0%	-4.5%	-2.5%	-2.2%	-2.9%
Pmx5TC $/day	-2.6%	-4.9%	-4.5%	-4.0%	-3.9%	-4.7%
Smx10TC $/day	-4.9%	-5.7%	-5.5%	-4.4%	-3.9%	-3.4%
Iron Ore (IODEX) $/mt	0.1%	0.1%	0.1%	0.0%	-0.1%	-0.1%
Coking Coal $/mt	-0.2%	-0.3%	-0.1%	0.0%	0.1%	0.0%
US HRC $/st	-0.3%	-1.4%	-1.3%	-0.3%	0.0%	0.6%
FOB China HRC $/t	-0.4%	0.4%	-0.6%	-0.5%	0.0%	-0.1%

Sources: EEX, SGX, CME

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