

Dry FFA Market Signals

Bull

- China's seaborne coal imports fell 6% year-on-year in May, but rebounded month-on-month to 30 million tonnes, driven by seasonal restocking at coastal power plants amid heatwaves in southern China lifting cooling-related power demand. June Chinese coal imports are poised to extend month-on-month growth. Japan's May coal imports jumped 11% YoY, with June imports projected to surge 60% YoY, supported by delayed nuclear restarts and coal's price advantage over Asian LNG. (Coals)
- Booming freight market sentiment has lifted secondhand ship valuations across all bulk segments. For older tonnage, 15-year-old Capesize vessel values rose by more than 20% in H1; 15-year-old Panamax ships also posted price gains of more than 20%, while 10-year-old Supramax vessels appreciated by more than 15%. (Ship Deals)
- Effective July 3, 2026, the Panama Canal Authority (ACP) lowered the maximum authorised draft for Neopanamax locks from 50 feet to 49.5 feet, a proactive water conservation measure to pre-empt El Niño-related drought risks. Constrained canal capacity has forced US Gulf grain exporters to avoid the Panama route entirely and reroute shipments via the Cape of Good Hope, pushing up global ton-mile demand. (Panamax)
- Domestic Indian coking coal output is likely to fall when the monsoon rains set in, potentially pushing the country back into the seaborne import market for supply replenishment. (Coking Coal)
- Prolonged heatwaves triggered by El Niño will have two-sided market effects: supporting thermal coal demand across Asia, and longer ocean transit routes for global grain shipments, boosting dry bulk ton-mile fundamentals. (Weather)

Dry FFA Market Signals

Bear

- The 60-day ceasefire agreement between the US and Iran has boosted market sentiment. The Financial Times reported weekly vessel transits through the Strait of Hormuz surged more than fourfold. (Geopolitics)
- Indonesia, the world's largest seaborne coal exporter, posted May coal exports of 40 million tonnes, down 26% year-on-year, marking five consecutive months of YoY declines. The government is rolling out a state-centralised coal export reform: private miners must gradually transfer export operations to state-owned platforms during the transition period from June 1 to December 31, 2026. Private producers will be banned from direct overseas coal shipments starting September 1, 2026. (Coal)
- Though Guinea's formal bauxite export quota policy has not yet been released, global bauxite shipments rose 33% YoY in H1. Market consensus expects a 10% cut in Guinea's bauxite exports in H2 when quota curbs take effect. (Bauxite)
- Seasonal iron ore demand in China, India and Japan typically softens in July amid typhoons and rainy seasons. (Iron Ore)
- There were market rumours that from July 15th, FMG SSF and some of its flagship iron ore grades would no longer be available for collection from Chinese ports. (Iron Ore)
- The EU plans to impose a 15% export tariff on metal scrap, while the UAE has introduced a four-month temporary ban on scrap metal exports. (Tariffs)
- Large volumes of aluminium cargoes have cleared the Strait of Hormuz following the reopening of shipping lanes, creating a short-term surplus in primary aluminium supply. (Aluminium)

Ferrous Market Signals

Bull

- Market rumours circulate that exports of certain FMG iron ore grades to China have been restricted. Negotiations between China Mineral Resources Group (CMRG) and Fortescue Metals Group (FMG) remain difficult facing setbacks.
- BHP and FMG have wrapped up fiscal year-end shipment targets. Australian ore shipments are set to enter a seasonal downward cycle, providing gradual support to supply-side sentiment.
- Mongolia's energy sector announced a nationwide strike scheduled to begin on June 30, demanding an overall 30% pay rise. Markets fear a marginal contraction in Mongolian coal supply.

Bear

- Profit margins of Chinese steel mills have slumped to roughly 43%, with over half operating at a loss while liquidating finished steel stocks.
- Domestic coal mines are rapidly ramping up output; Mongolian coal shipments are set to recover by mid-July. Freight rates have fallen sharply following the de-escalation of US-Iran tensions.
- The 10th round of coke price hikes has been initiated, yet steel mills resist price increases amid sluggish finished steel demand, meaning full implementation faces significant resistance.
- Trading prices from Chinese online coal auctions have declined with a rising number of unsold cargoes. Purchasing activity by coal traders and coal washing plants has slowed markedly.
- Additional imported coal volumes accumulated in late June, coupled with expectations of guaranteed domestic supply in China, capping upside potential for coking coal futures.
- A wave of scheduled maintenance at Chinese steel mills is expected around mid-July, which is expected to trigger a material drop in hot metal output.
- Supply of Australian Premium Low Vol (PLV) hard coking coal has increased amid muted buying interest; purchasers from China and India remain on the sidelines.

Market Data Snapshot (26th Jun)

Open Interest /lots	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	23,045	16,892	16,628	12,683	12,633	12,748
Pmx5TC	23,781	19,818	17,024	11,961	11,936	11,911
Smx10TC	14,122	11,613	9,562	6,228	6,183	6,183
Iron Ore (IODEX)	320,487	352,172	207,428	84,571	39,892	54,728
Coking Coal	2,750	2,472	1,665	720	710	890
US HRC	5,672	7,796	7,914	5,006	4,197	3,505
FOB China HRC	1,510	433	457	251	129	146

Price	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) \$/day	32,729	33,325	34,589	34,982	34,329	33,314
Pmx5TC \$/day	19,618	19,125	19,011	18,786	18,318	17,918
Smx10TC \$/day	18,907	18,729	18,311	17,800	17,368	17,004
Iron Ore (IODEX) \$/mt	97.99	97.81	97.70	97.57	97.48	97.35
Coking Coal \$/mt	241.00	238.50	239.50	240.50	241.50	242.50
US HRC \$/st	1,156	1,173	1,174	1,165	1,133	1,104
FOB China HRC \$/t	482.0	482.0	487.5	494.0	494.5	497.0

OI WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	1.8%	5.7%	4.6%	-0.7%	-1.0%	-0.3%
Pmx5TC	0.6%	7.1%	3.5%	0.5%	0.3%	0.3%
Smx10TC	7.5%	14.1%	7.8%	0.3%	0.3%	0.3%
Iron Ore (IODEX)	-4.1%	6.0%	7.4%	27.1%	19.1%	42.4%
Coking Coal	4.2%	7.6%	2.5%	8.3%	9.2%	8.5%
US HRC	-2.4%	6.7%	6.2%	-2.1%	0.7%	3.3%
FOB China HRC	-4.6%	8.8%	0.0%	0.0%	0.0%	0.0%

Price WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) \$/day	23.0%	15.8%	8.8%	8.0%	7.3%	7.5%
Pmx5TC \$/day	5.9%	4.5%	3.6%	4.8%	3.6%	3.5%
Smx10TC \$/day	7.0%	8.2%	6.5%	4.5%	4.1%	4.0%
Iron Ore (IODEX) \$/mt	-0.8%	-0.8%	-0.8%	-0.7%	-0.6%	-0.6%
Coking Coal \$/mt	0.0%	-1.1%	-0.9%	-0.6%	-0.3%	-0.2%
US HRC \$/st	0.0%	-0.7%	-1.7%	-1.3%	-0.8%	-0.3%
FOB China HRC \$/t	-1.3%	-2.3%	-1.0%	-0.3%	-1.2%	-1.0%

Sources: EEX, SGX, CME

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