FIS

WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

27 Jul 2026

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Dry FFA Market Signals

Bull

- Vessel transits through the Strait of Hormuz have slumped to extremely low levels. Traffic through the Bab el-Mandeb Strait has also faced severe disruption. The dual-chokepoint crisis continues to drain available shipping capacity globally. (Geopolitical Freight Risk Premium)
- Excess Capesize vessel capacity is gradually being absorbed, while cargo volumes on long-distance mineral shipping routes remain steady, pushing freight rates higher from mid-week. (Capesize)
- According to the latest briefings released by the United Nations and the International Maritime Organization (IMO), approximately 500 vessels carrying 6,000 seafarers remain trapped in the Strait of Hormuz and are unable to depart amid escalating US-Iran tensions. (Geopolitical Freight Risk Premium)
- The dual-chokepoint crisis at the Strait of Hormuz and Bab el-Mandeb has lifted global energy prices, bolstering seaborne demand for coal as a substitute energy source. (Coal)
- Indonesia is in the transition period for its coal export centralisation reform. A wave of pre-emptive cargo shipments is likely to emerge in Q4, boosting short-term seaborne coal export volumes. (Coal)
- Congestion levels at South China ports remain above the 12-month average, tying up part of the available shipping capacity. (Shipping Capacity)
- According to Kpler, global primary aluminium production stood at 5.98 Mt in June, down 1.47% YoY, largely reflecting a 34.5% decline in GCC output. (Aluminium)
- Australian miner Arrow Minerals (ASX: AMD) announced on 17 July 2026 that the Government of Guinea had awarded it a new industrial exploration permit for the Niagara Bauxite Project. This marks the first clear policy pivot by Guinea's authorities following widespread mining licence revocations across the sector in 2025, with the state reopening permit approvals for foreign mineral developers. (Bauxite)

Bear

- China's port iron ore inventories remain elevated, limiting upward price momentum. Pressure from cuts in hot metal output is weighing on iron ore prices. (Iron Ore)
- Earlier increases in iron ore shipments are gradually arriving at ports, driving a sharp week-on-week rebound in this week's port arrivals, while supply-side bullish factors have largely faded. (Iron Ore)
- Late July typically marks the off-season for steel production in the Northern Hemisphere, which could trigger a further slowdown in iron ore purchasing. (Iron Ore)
- Coal inventories at southern Chinese ports remain elevated, dampening purchasing appetite for imported coal. (Coal)
- The South American soybean export season is ending, with grain cargo volumes expected to decline going forward. (Grains)

Ferrous Market Signals

Bull

- With spot market liquidity constrained for FMG's iron ore products, some demand may shift to other mainstream Australian iron ore grades, providing moderate positive tailwinds for unrestricted miners, including BHP and Rio Tinto.

- Inventory restocking demand may emerge in India after the monsoon season draws to a close, serving as a potential catalyst for marginal market improvement.

- A total of 171 coal mines in Shanxi were suspended, involving annual production capacity of 230.6 million tonnes. As of 8 July, only 98 mines had resumed operations, while another 73 mines with combined capacity of 95.65 million tonnes remained idle, with no signs of an accelerated resumption of production.

- Following the catastrophic gas explosion at Liushenyu Coal Mine in Qinyuan on 22 May, Shanxi Province rolled out 17 new coal mine safety regulations, which are projected to reduce off-book coal output by more than 100 million tonnes.

- Geopolitical risks in the Middle East, including US-Iran tensions and Houthi activities, remain persistent. Vessel transits through the Strait of Hormuz and Bab el-Mandeb have declined, lifting freight and fuel costs and providing cost-side support to iron ore prices.

- In the early hours of Friday, 24 July 2026, a vehicle accident occurred at the Peak Downs open-pit coal mine operated by BMA, a joint venture between BHP and Mitsubishi, in central Queensland. All BMA mining sites will suspend operations for 24 hours.

Bear

- China's hot metal output, while standing at a seasonal high, has clearly entered a downward cycle, with sustained production cuts highly likely throughout August.

- Shrinking profit margins across Chinese steel mills may trigger a broader range of maintenance shutdowns.

- China's building materials trading volume remained at a low level of around 80,000 tonnes over the past week. High temperatures and rainy weather curbed downstream construction activity, leading to continued accumulation in total steel inventories and showing clear off-season characteristics.

- With typhoon conditions abating, iron ore port arrivals have rebounded markedly over the past two weeks.

- Global weekly iron ore shipments have rebounded to above 34 million metric tonnes, with combined shipments from Australia and Brazil rising in tandem to over 28 million metric tonnes. Port arrivals posted a notable week-on-week increase.

- BHP and FMG have raised their iron ore shipment guidance for FY27, Vale has lifted its production forecast, and Simandou continues to ramp up output, keeping global seaborne iron ore supply at a high level.

Market Data Snapshot (24th Jul)

Open Interest /lots	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	24,507	20,141	18,406	13,284	12,900	13,433
Pmx5TC	23,836	22,984	21,258	14,793	13,988	13,933
Smx10TC	14,495	14,003	10,821	6,873	6,933	6,763
Iron Ore (IODEX)	318,934	359,694	391,143	132,192	61,595	60,244
Coking Coal	2,795	2,905	2,525	1,015	995	1,100
US HRC	5,654	5,868	10,685	5,868	4,693	3,755
FOB China HRC	1,198	824	487	346	145	165

Price	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) $/day	34,986	32,871	35,361	36,121	35,393	34,186
Pmx5TC $/day	19,554	18,614	19,311	19,821	19,204	18,439
Smx10TC $/day	19,414	18,714	19,211	19,086	18,475	17,846
Iron Ore (IODEX) $/mt	98.25	98.15	98.40	98.51	98.34	98.21
Coking Coal $/mt	229.00	221.00	223.50	226.00	227.00	229.00
US HRC $/st	1,156	1,195	1,200	1,188	1,160	1,143
FOB China HRC $/t	485.5	486.5	488.5	493.0	494.5	498.0

OI WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180)	1.2%	1.2%	8.1%	1.1%	-0.5%	3.0%
Pmx5TC	-1.1%	5.2%	8.2%	3.0%	2.8%	2.9%
Smx10TC	0.0%	2.9%	3.0%	4.8%	3.4%	3.4%
Iron Ore (IODEX)	-1.0%	-7.1%	37.9%	20.3%	20.0%	4.1%
Coking Coal	0.0%	3.4%	20.5%	8.6%	8.7%	9.5%
US HRC	0.1%	-13.4%	19.6%	3.5%	7.6%	2.1%
FOB China HRC	0.0%	0.7%	1.0%	0.0%	3.6%	13.8%

Price WoW %	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Cape5TC (180) $/day	1.4%	2.3%	2.3%	2.8%	3.0%	2.7%
Pmx5TC $/day	-2.0%	-4.9%	-2.5%	-0.4%	-0.9%	-0.7%
Smx10TC $/day	-0.4%	-4.0%	-0.3%	0.8%	0.3%	0.2%
Iron Ore (IODEX) $/mt	-1.1%	-2.0%	-1.9%	-1.7%	-1.7%	-1.7%
Coking Coal $/mt	-1.3%	-2.9%	-2.8%	-2.5%	-2.4%	-1.9%
US HRC $/st	0.2%	1.4%	1.0%	0.8%	1.6%	2.1%
FOB China HRC $/t	-0.1%	-0.4%	-0.5%	0.2%	0.1%	-0.3%

Sources: EEX, SGX, CME

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