DRY FREIGHT WEEKLY REPORT

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FFA Market

Over the past week, driven by the physical market, Capesize FFA prices rallied sharply overall, while Panamax followed the Capesize trend and moved higher amid fluctuations over the week. After Monday's opening, the Capesize market strengthened rapidly, with the prompt August contract posting the most significant gains. It opened at $36,250/day and continued to climb, reaching $38,250/day by the afternoon session. The back end of the curve was also active, with the Q4 and Cal27 contracts touching $37,750/day and $29,900/day, respectively. Although selling interest increased during the afternoon session and prices eased slightly, overall performance remained strong. This momentum continued into mid-week. At Wednesday's opening, the August contract traded at $40,000/day and the September contract at $39,500/day, representing cumulative gains of approximately $5,000/day and $1,700/day, respectively, from the 31 July close. After the index was released, the market continued to move higher, with the August contract briefly reaching $41,750/day. Entering the latter half of last week, selling pressure gradually emerged. At Thursday's opening, front-month contracts moved lower on increased volume. However, as the day's index decline was smaller than expected, buyer confidence recovered and buyers re-entered the market, stabilising prices. Both the August and September contracts retreated by approximately $1,000/day intraday. At Friday's opening, prices moved higher before heavy selling shifted the curve lower overall. Over the week as a whole, Capesize FFAs still recorded significant gains. This week, Capesize and Panamax volumes stood at 36,501 lots and 24,515 lots, respectively, while Supramax and Handysize volumes came in at 13,920 lots and 525 lots, respectively. Total weekly trading volume reached 75,461 lots.

In the options market last week, driven by FFA trading activity, volumes were concentrated in the Capesize market, with a total of 5,475 lots traded during the week and transactions across all contract tenors. Among these, August, Q4 2026 and Cal27 contracts saw relatively concentrated trading, recording 700 lots, 2,235 lots and 1,440 lots, respectively. In terms of structure, weekly options trading largely tracked the FFA market trend. As of Wednesday's close, call options were actively traded. August contracts recorded 700 lots of call options, with no put options traded; Q4 contracts recorded 1,110 lots of call options and 630 lots of put options, with a put/call ratio of 0.57; Cal27 contracts recorded 720 lots of call options and 540 lots of put options, with a put/call ratio of 0.75, indicating broadly bullish market sentiment. Entering the latter half of the week, as FFA prices corrected, liquidity in the options market weakened accordingly. No trades were recorded in Panamax options during the week, while the Supramax market recorded 645 lots of options traded.

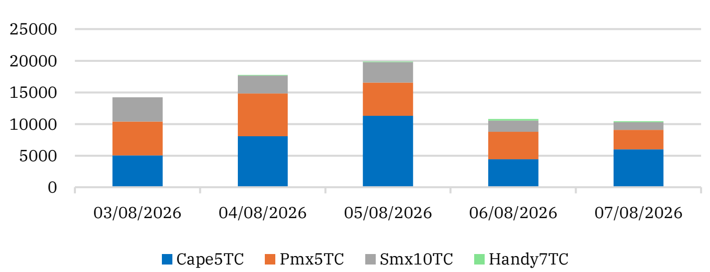
Iron ore-related freight routes saw active trading, with volumes concentrated in front-month contracts on the C5 route. Among these, August contracts accounted for 2,587 kt and September contracts for 280 kt. The C3 route was relatively quiet, with total weekly volume of 140 kt, of which August contracts accounted for 120 kt and September contracts for 20 kt.

As of 10 August, open interest for the Capesize 5TC (180) rose to 184,245 lots (+8,873 lots w-o-w), for the Panamax 5TC to 177,671 lots (+6,193 lots w-o-w), and for the Supramax 10TC to 96,282 lots (+3,286 lots w-o-w).

Freight Rate $/day

	10-Aug	3-Aug	Changes %
Capesize5TC (180)	42,797	37,892	**12.9%**
Panamax5TC	20,755	19,212	**8.0%**
Supramax10TC	18,233	18,313	**-0.4%**
Handy7TC	15,704	15,906	**-1.3%**

Weekly FFA Futures Volume/days



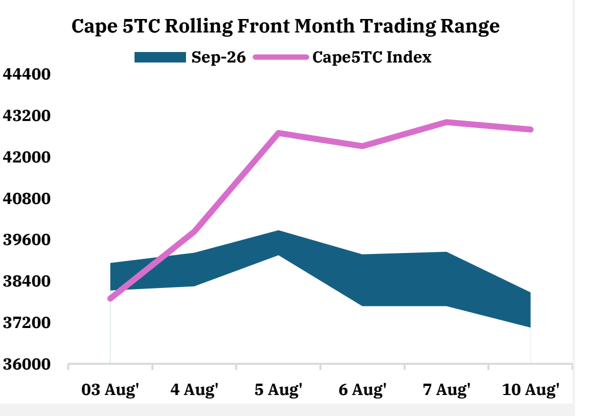
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA $/day	10-Aug FIS Closing	03-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low
Capesize5TC Sep 26	37,700	38,600	**-2.3%**	39,875	37,050
Capesize5TC Q4 26	37,125	37,475	**-0.9%**	38,000	36,800
Panamax5TC Sep 26	21,000	21,250	**-1.2%**	21,825	20,550
Panamax5TC Q4 26	20,775	20,725	**0.2%**	21,000	20,225
Supramax10TC Sep 26	19,900	20,200	**-1.5%**	20,625	19,725
Supramax10TC Q4 26	19,200	19,425	**-1.2%**	19,575	19,075

Capesize

This week, the Capesize market rallied strongly, driven by robust activity in the Pacific region, with freight rates on the C5 route and the 5TC average both rising by over 10% week-on-week. Although cargo volumes from Australian miners did not show a significant increase, concerns over short-term tonnage supply in the Pacific region, stemming from port strikes and typhoon weather, prompted active enquiries and reinforced owners' confidence in maintaining higher offers, pushing rates upwards. In addition, sustained heatwave conditions supported steady coal demand in East and South Asia, providing further support to the market.



On the iron ore front, with the conclusion of production restrictions in the Tangshan area, the average daily hot metal output of sample steel mills in China rebounded modestly as expected. However, steel mill losses remain severe, with nearly 70% of mills in loss-making territory, and the room for further growth in hot metal output remains extremely limited until a seasonal recovery in downstream steel demand materialises. At the same time, iron ore port inventories have re-entered an accumulation trend, which will continue to weigh on ore prices. Although progress in negotiations between CMRG and Rio Tinto, along with easing expectations of Federal Reserve rate hikes, has provided some support to market sentiment, prices still lack sustained momentum for a rebound in the near term.

Outlook

This week, the Capesize market traded in a range-bound pattern at elevated levels after a sharp rally early in the week. Iron ore chartering demand on Pacific routes, which served as the primary driver of this upward move, may be more of a short-term disruptive factor. Nevertheless, due to a stronger-than-average El Niño effect, Bloomberg cited forecasters predicting that typhoon activity in the Northwest Pacific this year could be approximately 60% higher than the historical average. Throughout the typhoon season, port operations in Asia are likely to face persistent disruptions from extreme weather, which could exert intermittent pressure on tonnage supply in the Pacific. On the Atlantic side, Brazilian iron ore shipments are currently at their seasonal peak, and while West African ore shipments are affected by the rainy season, overall momentum remains relatively strong. The number of ballasting vessels in the Atlantic continues to decline, attracting ballasting vessels from the Pacific. In the near term, the overall tonnage supply-demand balance in both oceans remains stable, with strong underlying support.

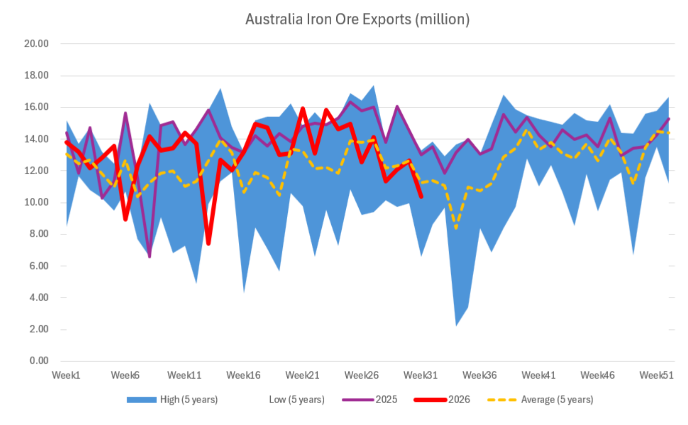
In the bauxite sector, according to Kpler data, mining and logistics activities in Guinea were disrupted by seasonal rainfall, with monthly shipments falling to 12.4 million metric tonnes, the lowest level in 11 months. However, shipments still registered a year-on-year increase of 6%, which also suggests that the Guinean government has not implemented formal export restriction measures.

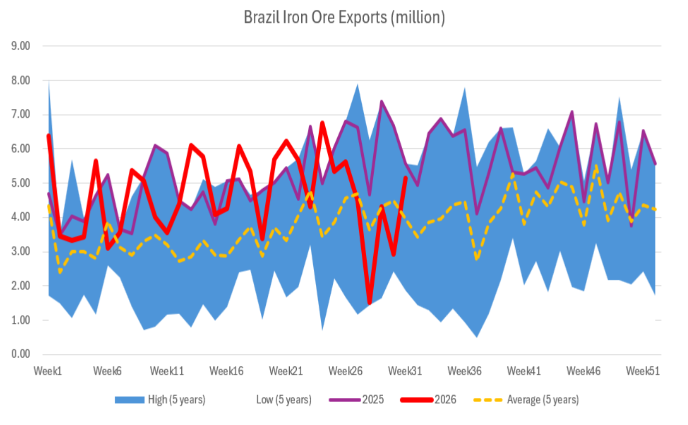
Neutral to Bullish

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

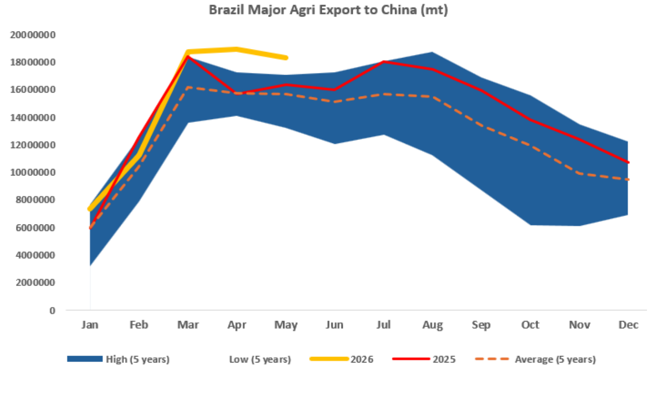
Export (million tonnes)	Jul-26	Aug-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	80.4	77.3	238.4	238.1	255.2	244.2	955.0	935.1	924.4
Brazil	34.2	40.4	111.3	110.8	110.8	107.9	403.1	381.3	369.5
South Africa	5.0	4.9	13.5	14.6	12.4	12.3	52.4	52.4	51.5
India	2.5	1.3	4.9	5.0	8.9	6.1	28.8	37.5	44.5
Canada	4.8	6.2	17.6	17.1	15.1	15.0	60.3	59.4	57.6
Global	150.2	149.4	449.9	447.3	471.1	447.8	1747.7	1695.2	1655.6

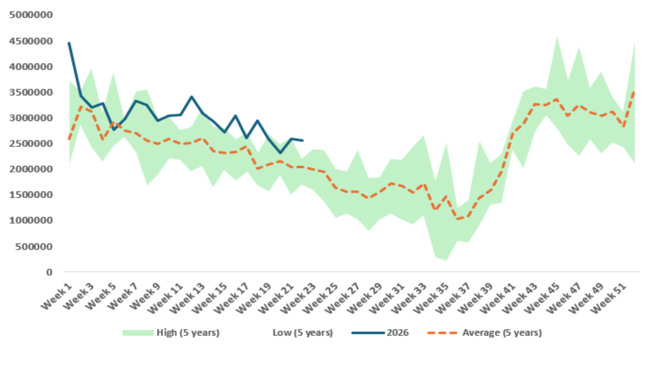




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	10.39	12.65	-17.87%	16.23	14.45	12.36%
Brazil-China	5.14	2.92	76.03%	35.57	34.81	2.19%

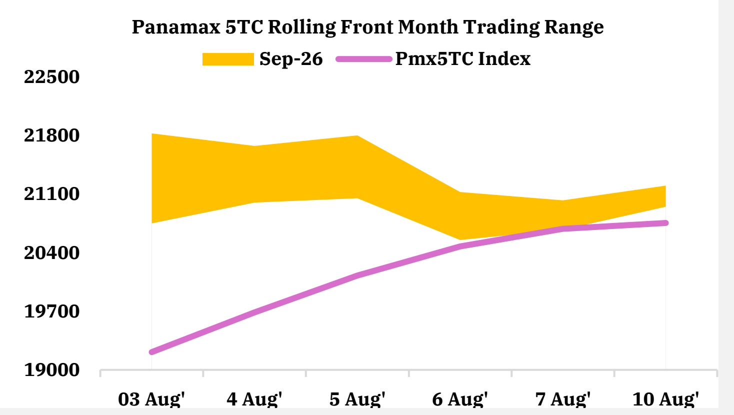




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs failed to rebound alongside the physical indices and trended lower amid fluctuations. The September FFA contract traded within a range of $20,550–$21,825/day, with a markedly narrower trading range. Since July, FFA rebounds have coincided with widening trading ranges, while declines have been accompanied by contracting ranges. Weekly P5TC volume stood at 24,515 lots, a modest week-on-week increase; turnover has remained comparable over the past three weeks. The backwardation structure has flattened, signalling medium-term firmness but near-term softness. Near-month options turnover remained thin last week.



Outlook

Physical Panamax rates extended their rebound. Asian coal demand picked up, driven by record-high temperatures across parts of China, Japan and South Korea, rapidly drawing down coastal inventories. Meanwhile, coal shipments out of Australia and Indonesia remained elevated. That said, reduced steelmaking activity and higher Mongolian overland coking coal deliveries have capped seaborne coking coal demand for August. The South American grain season is entering its seasonal lull, and grain cargo volumes are set to decline going forward.

Near-term cargo activity for coal and grains has improved alongside rising fixture volumes. Heatwaves across southern China have boosted power generation demand for cooling. South American grain harvesting is nearing completion, pointing to fewer grain-related fixtures ahead. Nevertheless, high coal stockpiles at southern Chinese ports are limiting thermal coal buying interest. Smaller tonnage vessels in the Atlantic continue to siphon cargoes away from larger vessels.

Frequent typhoons are affecting Asia in the near term, potentially causing delays to port operations.

Neutral

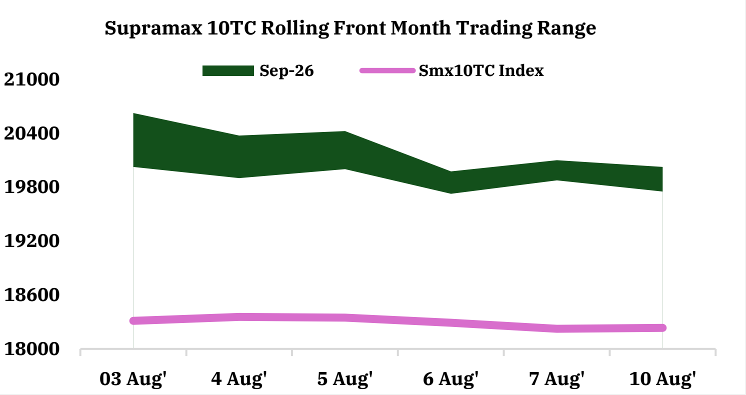
Dry Bulk Trades/Coal

Export (million tonnes)	Jun-26	Jul-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	44.2	47.0	123.7	140.0	141.0	134.8	492.7	520.2	494.8
Australia	32.6	30.4	92.1	92.3	94.4	95.7	349.1	359.1	349.9
Russia	15.7	17.2	46.3	47.5	44.3	44.1	168.0	156.2	180.1
USA	7.7	7.0	18.9	21.3	19.0	30.6	78.3	86.3	81.2
Colombia	4.0	3.5	10.5	9.5	10.7	8.0	41.3	50.8	47.5
South Africa	6.0	5.5	13.2	16.1	15.3	9.3	61.6	59.0	59.2
Others	9.0	9.6	28.6	29.7	24.8	32.9	111.7	120.9	126.8
Global	119.2	120.2	333.3	356.4	349.5	355.3	1302.7	1352.4	1339.5

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Supramax

This week, S10TC FFAs initially tracked the physical indices lower before staging a modest counter-trend rebound later in the week amid improved sentiment for larger-vessel FFA contracts. The August contract traded within a range of $19,750–20,625/day, with a wider trading range. Weekly volume reached 13,920 lots, maintaining the recent uptrend in weekly turnover. In terms of the term structure, mild backwardation has persisted with limited overall changes. The curve still points to medium-term firmness while leaving room for near-term corrections.



Outlook

Supramax indices remained under pressure. Minor bulk demand remained soft, and erratic nickel ore shipments out of the Philippines provided no meaningful support. Resumed alumina exports from Indonesia also failed to underpin freight rates.

Escalating geopolitical tensions in the Black Sea have deterred both grain and coal vessels from transiting the region, suppressing shipping activity. Some tonnage has shifted into domestic trades, which has provided partial support to freight rates. The market is awaiting a potential cargo rush triggered by Indonesia's coal export policy reforms.

Neutral

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