FIS

DRY FREIGHT WEEKLY REPORT

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FFA Market

Over the past week, the FFA market faced some pressure, driven by a recovery in Capesize tonnage availability in the Pacific physical market. Early in the week, trading was subdued due to the Singapore holiday, with selling interest relatively active. The prompt August contract traded at $38,150/day at one point, down $850/day from the previous Friday's close. The index declined only marginally that day, attracting buyers to gradually step in and pushing the curve slightly higher. The August contract closed largely flat, while September and October contracts gained $325/day and $575/day, respectively. From Tuesday to Wednesday, the Capesize FFA market traded in a narrow range, with prices recovering after several dips on buying support. The back end of the curve was relatively active on Wednesday, with 2027 contracts mostly closing higher. The index recorded declines of over $2,000/day for two consecutive days mid-week, but the FFA market was not significantly weighed down, supported by solid physical market performance. On Thursday, August and September contracts rose to $39,250/day and $39,700/day, respectively. Friday opened strongly, with September and October contracts touching intraday highs of $40,000/day and $40,100/day. Although they eased slightly afterwards, prices were pushed back to higher levels near the close. Over the week as a whole, buying support in the FFA market remained relatively solid. This week, Capesize and Panamax volumes stood at 25,209 lots and 23,387 lots, respectively, while Supramax and Handysize volumes came in at 11,130 lots and 735 lots, respectively. Total weekly trading volume reached 60,461 lots.

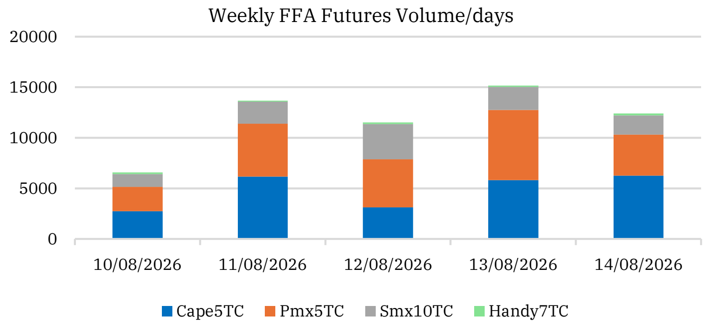
Last week, FFA prices moved higher amid fluctuations despite a decline in the index, driving active trading in the options market. Capesize options recorded a total of 8,760 lots traded, with trading concentrated at the back end of the curve. Front-month August and September contracts together accounted for only 270 lots, while Q4 26 contracts accounted for 1,770 lots, Q1 27 contracts for 2,880 lots, and Cal27 contracts for 3,780 lots. In terms of structure, Q4 contracts saw 420 lots of call options and 1,350 lots of put options, with a put/call ratio of 3.21; Q1 contracts saw 1,320 lots of call options and 1,560 lots of put options, with a put/call ratio of 1.18; while Cal27 contracts were entirely composed of put options. Against the backdrop of easing tonnage availability in the Pacific region and a rapid decline in the index, some investors believe that the recent rally in Capesize back-month contracts may be overvalued. Panamax also recorded some liquidity, with trading concentrated in Cal27 contracts, totalling 1,800 lots of call options. In the Supramax segment, 405 lots were recorded.

Iron ore route trading volumes declined compared with the previous week, though overall liquidity remained moderate. On the C5 route, a total of 1,025 kt was traded, of which August contracts accounted for 425 kt and Cal27 for 600 kt. On the C3 route, a total of 350 kt was traded during the week, with August and September contracts each accounting for 175 kt.

As of 17 August, open interest for the Capesize 5TC (180) rose to 189,422 lots (+5,177 lots w-o-w), for the Panamax 5TC to 186,191 lots (+8,520 lots w-o-w), and for the Supramax 10TC to 100,114 lots (+3,832 lots w-o-w).

Freight Rate $/day

	17-Aug	10-Aug	Changes %
Capesize5TC (180)	38,122	42,797	-10.9%
Panamax5TC	19,853	20,755	-4.3%
Supramax10TC	18,538	18,233	1.7%
Handy7TC	15,553	15,704	-1.0%



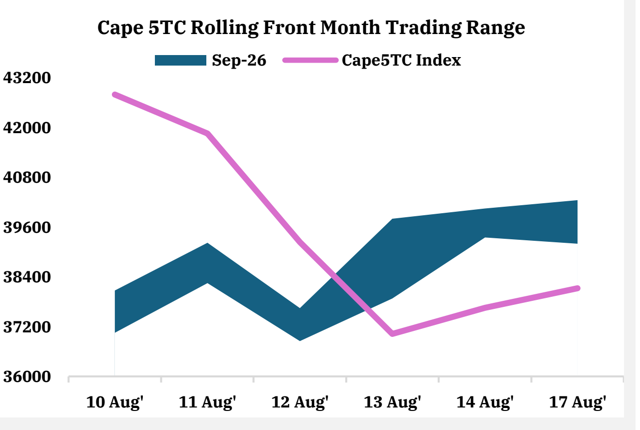
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA $/day	17-Aug FIS Closing	10-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low
Capesize5TC Sep 26	39,575	37,700	**5.0%**	40,250	36,850
Capesize5TC Q4 26	38,825	37,125	**4.6%**	39,225	36,800
Panamax5TC Sep 26	20,725	21,000	**-1.3%**	21,250	20,700
Panamax5TC Q4 26	20,971	20,775	**0.9%**	21,375	20,525
Supramax10TC Sep 26	19,925	19,900	**0.1%**	20,475	19,500
Supramax10TC Q4 26	19,875	19,200	**3.5%**	20,100	19,150

Capesize

This week, the Capesize market weakened as expected. Previously, prompt tonnage had been temporarily absorbed due to the typhoon and the Port Hedland strike, leading to tighter tonnage availability in the Pacific region and driving freight rates higher. As these disruptive factors gradually subsided, the previously absorbed tonnage returned to the market. With limited cargo volumes available, owners were compelled to lower their offers, resulting in a rapid retreat in freight rates. Over the week, both the C5 route price and the C5TC earnings recorded declines of more than 10%. In contrast, on the Atlantic side, shipment volumes from Brazil and West Africa remained steady, and the tonnage supply-demand balance remained relatively tight, with freight rates holding broadly stable. The iron ore market has recently lacked clear directional drivers. Steel mill losses remain significant, constraining the recovery in hot metal output. Temporary supply disruptions have not had a material impact on elevated inventories. Ore prices are expected to continue fluctuating at low levels until a seasonal recovery in downstream steel demand materialises.



Outlook

In the Pacific region, with tonnage restored and cargo volumes insufficient, freight rates may continue to face downward pressure. Ongoing negotiations between CMRG and Australian miners continue to cause disruptions to Australian iron ore shipments. At the same time, the current Capesize/Panamax freight rate ratio remains above 2, which may lead to some coal cargoes being shifted from Capesize to Panamax vessels. However, there are still potential bullish factors in the Pacific. Due to the stronger-than-average El Niño effect, typhoon activity may continue to disrupt tonnage availability. In addition, wage negotiations between BHP and its workers have yet to reach an agreement, which could once again lead to a temporary tightening of prompt tonnage supply.

On the Atlantic side, the peak period for Brazilian iron ore shipments is expected to be drawing to a close, and shipment volumes may weaken seasonally as we enter September. Before the end of the rainy season in West Africa, support from the Atlantic market for overall Capesize freight rates is expected to diminish somewhat.

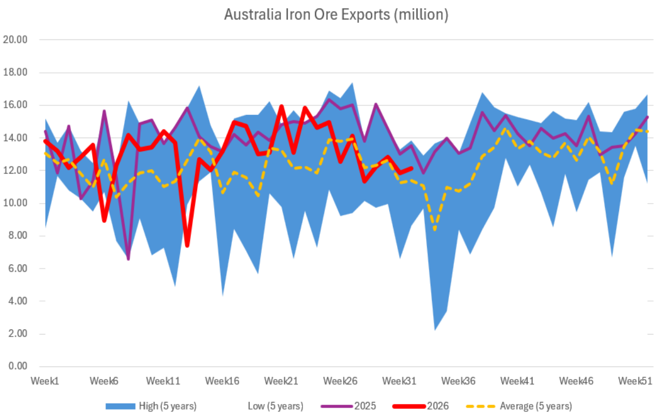
On balance, the Capesize market may face downward pressure in the near term. However, amid frequent extreme weather events, freight rates may remain at relatively elevated levels. Once West African cargo volumes rebound after the rainy season, the market may regain upward momentum.

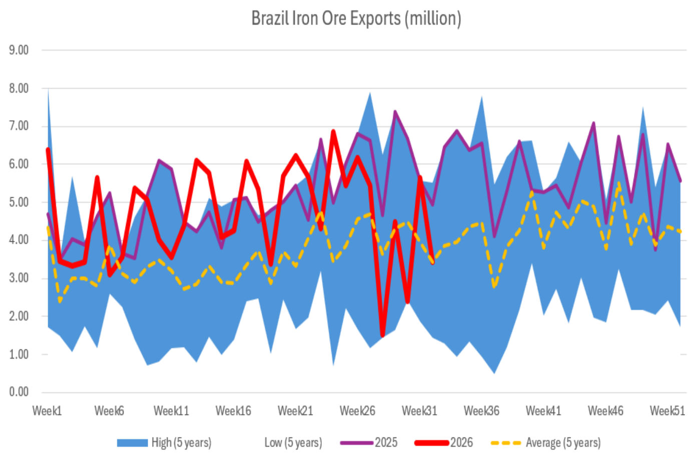
Neutral

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

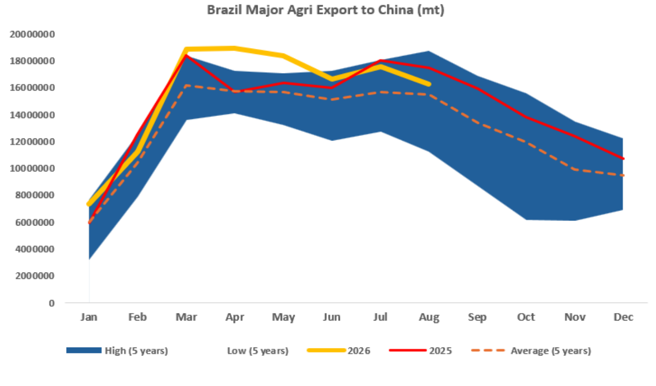
Export (million tonnes)	Jul-26	Aug-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	80.4	77.3	238.4	238.1	255.2	244.2	955	935.1	924.4
Brazil	34.2	40.4	111.3	110.8	110.8	107.9	403.1	381.3	369.5
South Africa	5.0	4.93	13.5	14.6	12.4	12.3	52.4	52.4	51.5
India	2.5	1.34	4.9	5.04	8.9	6.13	28.8	37.5	44.5
Canada	4.8	6.24	17.6	17.1	15.1	15.05	60.3	59.4	57.6
Global	150.2	149.4	449.9	447.3	471.1	447.8	1748	1695	1656

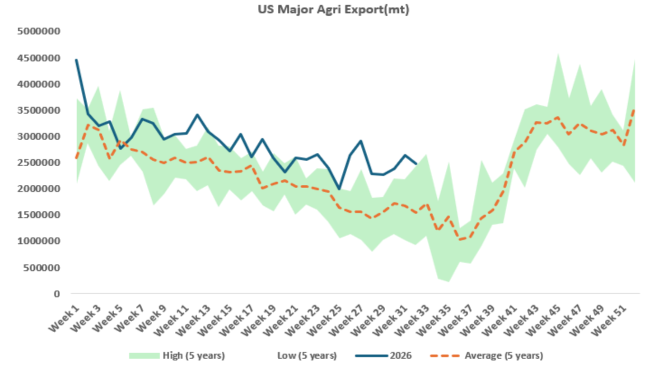




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	12.13	11.83	+2.54%	14.9	15.6	-4.8%
Brazil-China	3.44	5.64	-39.01%	35.7	35.6	0.2%

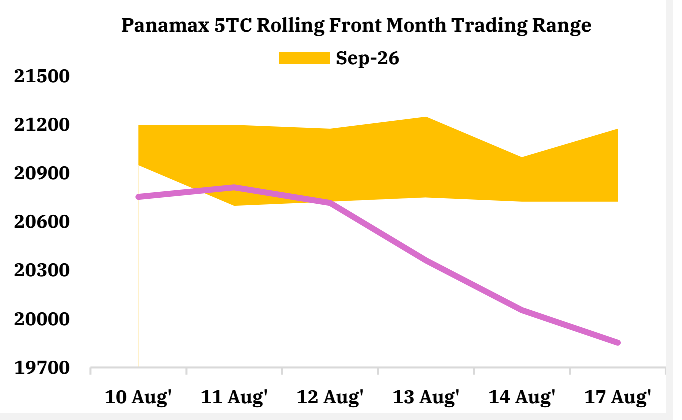




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs traded within a tight range and held firmer relative to the physical spot index. The September contract traded between $20,700–21,250/day, with the trading range narrowing materially for the second consecutive week. Weekly P5TC turnover continued to edge lower. The forward curve has shifted from backwardation into contango. Three consecutive weeks of structural deterioration point to a gradually developing medium-term bearish setup. Options market activity has picked up notably compared with early August. Heavy volumes have re-emerged in Cal27 call options, suggesting that the market views 2027 forward pricing as attractive, while near-month call option activity also remains brisk. Divergence between options market signals and FFA trends may increase market uncertainty and lift volatility going forward.



Outlook

Panamax spot rates corrected meaningfully over the week. Competition intensified for transatlantic and long-haul Pacific cargoes, prompting some shipowners to lower rate expectations. Time charter activity remained decent, with two fixtures concluded. The seasonal grain shipping window between South America and the Northern Hemisphere is drawing to an end, and agricultural cargo enquiries softened marginally. Summer heat has boosted China's coal-fired power demand. Bohai Rim coal inventories fell by more than 12% month-on-month in July. Indian coal stocks dropped by 6% in the first week of August, while South Korea and Japan also saw record-high seasonal temperatures. The temporary decline in Indonesian coal exports has been largely offset by robust demand, providing downside support. In addition, elevated Capesize market volatility this year is encouraging some cargoes to shift towards Panamax vessels, providing further support.

Neutral

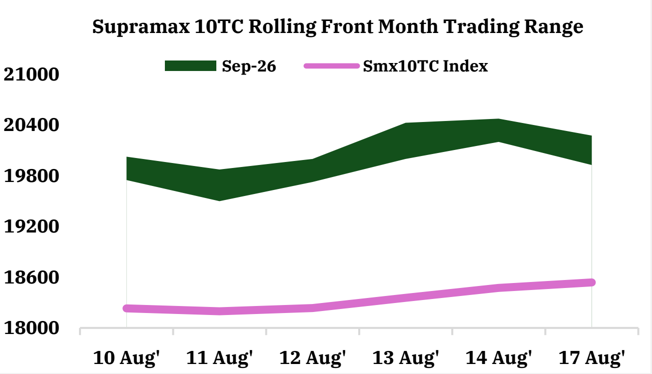
Dry Bulk Trades/Coal

Export (million tonnes)	Jul-26	Aug-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	37.2	47	123.7	130.2	141	135	492.7	520.2	494.8
Australia	31.2	30.8	92.1	93.2	94.4	95.7	349.1	359.1	349.9
Russia	15.4	15.7	46.3	45.7	44.3	44.1	168	156.2	180.1
USA	7.8	7.1	18.9	22	19	21.7	78.3	86.3	81.2
Colombia	3.6	3	10.5	9.6	10.7	8	41.3	50.8	47.5
South Africa	5.2	5.2	13.2	15.9	15.3	18	61.6	59	59.2
Others	15.5	10.4	28.6	35.5	24.8	33	111.7	120.9	126.8
Global	115.9	119.1	333.3	352.1	349.5	355.5	1303	1352	1340

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Supramax

S10TC FFAs trended higher this week. The September contract traded within a range of $19,500–20,475/day. Trading ranges have gradually widened since August, while weekly turnover edged lower. In terms of the term structure, backwardation has nearly flattened, continuing to signal lingering near-term downside pressure.



Outlook

Supramax spot rates edged higher over the week. Intermittent nickel ore shipments out of the Philippines continued to provide marginal freight support. Indian iron ore enquiry activity remained steady, lifting regional cargo flows. Rising grain cargoes in the North Pacific pushed rates higher, with round-trip fixtures in the region generally concluded at $18,000–19,000/day. Periodic flare-ups in the Strait of Hormuz continue to expose Supramax vessels to transit congestion. Escalating Russia-Ukraine tensions have brought major grain ports close to an operational standstill. Ukrainian grain exports fell sharply in the first 12 days of August, while ceasefire proposals for the Black Sea remain unresolved. European grain buyers are being forced to source from the US Gulf and Brazil, increasing overall tonne-mile demand.

For bauxite, Guinea's state-owned Nimba Mining is seeking contracts to secure minimum annual sales volumes while selling incremental volumes through monthly spot tenders. On 11 August, Norsk Hydro announced that its Brazilian Alunorte alumina refinery had cut output to 50% of capacity due to gas supply disruptions. The incident is expected to reduce monthly alumina exports by 160,000–260,000 tonnes. Nevertheless, global alumina supply remains ample, and other producers are likely to fill the supply gap quickly. Over the medium to long term, soft demand for minor bulks, including steel products and fertilisers, together with ample tonnage, will cap further upside for Supramax freight rates.

Neutral

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