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WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

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Dry FFA Market Signals

Bull

- The Pacific basin remains the core driver of activity in the Capesize market. Sustained chartering activity from Australian miners underpins the C5 route, establishing firm support at $13–13.5/mt. (Capesize)

- Heightened US-Iran tensions and disrupted oil flows through the Strait of Hormuz are keeping oil prices elevated, lifting operating costs and bolstering owners' price-holding stance. (Oil)

- Inventory drawdowns and supply risks stemming from CMRG contract negotiations, alongside stalled BHP labour talks, have kept iron ore prices resilient despite weak steel mill profitability. Steady ore shipments from miners provide support to freight rates. (Ports)

- Charterer demand picked up last week; some buyers locked in September tonnage ahead of tropical depression formation over South China. (Charters)

- Three Panamax time charter fixtures were concluded in China last week, all with tenors of six months or longer, signalling solid underlying demand. (Panamax)

- Improved transatlantic enquiries and rising fronthaul cargo interest suggest that the market is nearing a cyclical bottom. (Panamax)

- Higher North Pacific grain cargo volumes are supporting freight rates. Supramax round-trip fixtures in the North Pacific held at $18,000–19,000/day. (Supramax)

- The US Gulf market remains firm. Buyers are seeking alternatives to Black Sea cargoes, underpinning US Gulf-related rates. The S1C and S4A US Gulf–Continent Europe routes traded strongly. (Supramax)

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Dry FFA Market Signals

Bear

- On the South Brazil–China and West Africa–China routes, cargo lists are reasonable and ballasting tonnage remains stable, yet actual trading remains thin amid ample available tonnage, capping C3 freight rates. (Capesize)

- Global seaborne grain order flow remains muted. The South American grain harvest season is drawing to a close, removing a key demand pillar. Ukraine's grain exports fell sharply year-on-year in August, triggering a steep decline in Black Sea cargo volumes. (Grains)

- Coal freight rates on India-bound routes softened. While Australia–India Panamax rates held steady, broader Pacific sentiment deteriorated, while South Africa–India rates suffered spillover weakness from the Atlantic. Lower power plant stocks in India have not yet translated into fresh import demand. (Coals)

- Supramax coal rates on Indonesia–India routes weakened amid limited new enquiries and abundant tonnage. Charterers remain cautious, putting downward pressure on owners' rate expectations. (Supramax)

- Minor bulk demand, including steel-related cargoes, remains soft and is failing to provide meaningful support to freight rates. (Supramax)

Ferrous Market Signals

Bull

- Daily Mongolian coal customs clearance volumes dropped sharply last week, affected by power outages in port server networks and environmental inspections.

- The unsold-lot ratio in China's coking coal auctions fell to around 1.3%, a historic low.

- Tight coking coal supply, ongoing inventory drawdowns and holding-back behaviour among intermediate traders intensified physical market tightness, fostering broadly bullish market sentiment. DCE coking coal futures saw rapid structural improvement, shifting from deep contango towards a near-flat structure, with backwardation emerging in some Q4 contract spreads.

- Australian coal mines face supply-side disruptions, while India remains heavily reliant on imported coking coal.

- Portside coking coal enquiries were active; offers and concluded deals trended higher day by day last week, with smooth cargo turnover.

- According to CRU data, average FOB prices for Australian premium hard coking coal stood at around $236/t over January–July 2026, representing an increase of roughly 25% year-on-year.

Bear

- Mysteel-tracked total global iron ore shipments reached 32.588 Mt, up 0.576 Mt week-on-week. Combined Australian and Brazilian iron ore shipments totalled 27.087 Mt, up 1.402 Mt week-on-week.

- Earlier shortfalls in Asian iron ore arrivals caused by typhoons have largely been recovered. Total iron ore arrivals at China's 47 ports reached 28.56 Mt, up 9.65 million tonnes week-on-week.

- Average daily hot metal output across 247 Chinese steel mills stood at 2.38 million tonnes, down 5,200 tonnes week-on-week. Output retreated after two consecutive weeks of modest gains, signalling limited restart momentum among mills. Surging coal and coke costs and the first round of coke price hikes further compressed steel mill margins. With only limited room for marginal improvement in end-user demand, the upside potential for hot metal restarts is expected to remain capped. Around 32–33% of steel mills remained profitable, sitting at multi-month lows throughout August.

- China's July crude steel output stood at 76.93 Mt, down 3.6% year-on-year. Cumulative January–July output reached 577.04 Mt, down 3.1% year-on-year.

- Indian steel mills remain under profit pressure and show subdued appetite for high-priced Australian coking coal.

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Market Data Snapshot (21st Aug)						
Open Interest /lots	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Cape5TC (180)	23,146	24,195	18,054	14,467	15,138	5,900
Pmx5TC	22,964	24,970	18,927	16,467	15,482	7,111
Smx10TC	13,810	13,634	9,838	9,297	7,707	3,865
Iron Ore (IODEX)	317,324	405,774	292,566	102,360	85,635	27,107
Coking Coal	3,360	2,935	2,070	1,410	1,565	975
US HRC	5,637	7,387	7,514	6,545	5,040	3,138
FOB China HRC	770	1,231	291	165	205	52

Price	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Cape5TC (180) $/day	39,675	42,643	43,843	42,064	40,086	28,957
Pmx5TC $/day	19,782	21,286	22,432	22,014	20,707	17,339
Smx10TC $/day	18,586	20,264	21,143	20,382	19,100	15,032
Iron Ore (IODEX) $/mt	95.33	95.70	95.54	95.50	95.48	95.32
Coking Coal $/mt	233.00	249.00	250.00	251.00	251.50	252.00
US HRC $/st	1,194	1,200	1,185	1,154	1,135	1,115
FOB China HRC $/t	485.0	494.0	497.5	499.0	502.0	504.5

OI WoW %	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Cape5TC (180)	-0.8%	-0.9%	1.9%	1.8%	0.4%	4.6%
Pmx5TC	-1.2%	-0.3%	5.3%	5.0%	3.5%	9.0%
Smx10TC	-0.5%	3.6%	3.4%	6.5%	2.3%	7.2%
Iron Ore (IODEX)	-1.6%	-15.9%	34.7%	3.1%	9.5%	9.9%
Coking Coal	0.0%	9.3%	22.5%	4.8%	1.6%	-3.0%
US HRC	0.6%	-18.4%	4.3%	13.9%	5.6%	21.7%
FOB China HRC	0.9%	79.7%	34.7%	6.5%	32.3%	18.2%

Price WoW %	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27
Cape5TC (180) $/day	0.8%	6.9%	8.8%	8.3%	7.1%	6.2%
Pmx5TC $/day	-2.0%	1.6%	2.8%	4.1%	3.9%	4.1%
Smx10TC $/day	-0.6%	0.4%	1.3%	1.2%	1.6%	2.8%
Iron Ore (IODEX) $/mt	-0.2%	-0.3%	-0.4%	-0.3%	-0.2%	-0.2%
Coking Coal $/mt	3.6%	6.9%	6.8%	6.8%	6.6%	6.3%
US HRC $/st	-0.2%	-1.2%	-2.9%	-3.4%	-3.2%	-2.5%
FOB China HRC $/t	-0.2%	1.6%	1.5%	1.3%	1.6%	1.5%

Sources: EEX, SGX, CME

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