FIS

DRY FREIGHT WEEKLY REPORT

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FFA Market

Over the past week, supported by tight tonnage supply in the physical market, the FFA market continued its upward trend with fluctuations. At the start of the week, Capesize FFAs sustained the strong performance from the previous week, with the prompt September contract trading at $42,500/day and $43,000/day in succession. However, the upward momentum subsequently moderated, and prices eased slightly from their highs, with liquidity decreasing concurrently and the market largely trading within a narrow intraday range. On Tuesday morning, prices remained elevated but volatile, with the September contract trading repeatedly around $42,500/day. Following the index release and news of stronger physical market transactions on the Atlantic route, the FFA market strengthened rapidly, with September and October contracts rising to $44,000/day and $45,100/day, respectively. Back-end quarterly and calendar contracts also recorded notable gains, with the Q4 26 contract rising by over $1,200/day and the Cal28 contract trading at $29,000/day, up approximately $600/day. Mid-week, FFAs continued to be driven by the physical market. On Thursday afternoon, weaker trading on the C5 route prompted active selling interest, with the September contract falling to an intraday low of $42,250/day. However, supported by a rebound in the physical market, buying interest re-emerged, pushing the September contract back to around $43,500/day. Intraday volatility was significant, but the contract ultimately closed largely flat. Over the week as a whole, the prompt September contract gained approximately $2,500/day. Panamax trading was active, with numerous spread trades concluded, and price movements largely tracked the Capesize market. This week, Capesize and Panamax volumes stood at 28,893 lots and 37,519 lots, respectively, while Supramax and Handysize volumes came in at 16,190 lots and 655 lots, respectively. Total weekly trading volume reached 83,257 lots.

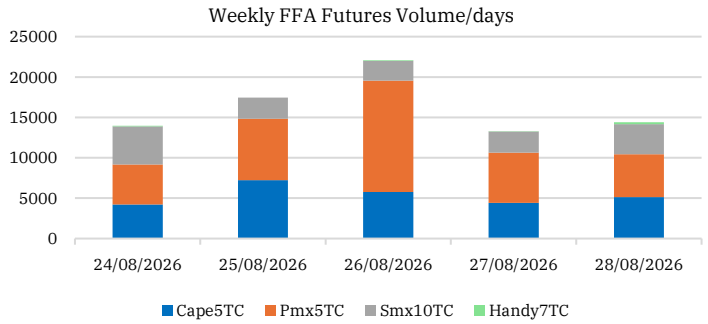
Options market liquidity was good, with a total of 6,245 lots traded, concentrated in the Capesize market at 5,780 lots. Among these, front-month September contracts accounted for 695 lots, including 255 put options and 440 call options. The back end of the curve was more active, with Q4 26 contracts recording 270 lots of put options and 1,395 lots of call options, Q1 27 contracts recording 750 lots of put options, and Cal27 contracts recording 360 lots of put options and 2,160 lots of call options. In terms of structure, call options dominated trading, but volumes were largely concentrated in the first half of the week, with put options dominating in the second half, reflecting increased investor caution after the sustained rise in FFA prices. Panamax options trading was subdued, with only 390 lots traded during the week; Supramax recorded 75 lots.

Iron ore route trading has been thin recently. During the week, only the C5 route recorded 540 kt in volume, of which September contracts accounted for 500 kt and November contracts for 40 kt. No transactions were recorded on the C3 route.

As of 31 August, open interest for the Capesize 5TC (180) fell to 172,504 lots (-19,244 lots w-o-w), for the Panamax 5TC to 171,614 lots (-17,916 lots w-o-w), and for the Supramax 10TC to 92,588 lots (-10,888 lots w-o-w).

Freight Rate $/day

	28-Aug	24-Aug	Changes %
Capesize5TC (180)	44,896	38,602	**16.3%**
Panamax5TC	20,834	19,178	**8.6%**
Supramax10TC	18,785	18,707	**0.4%**
Handy7TC	15,855	15,755	**0.6%**



Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

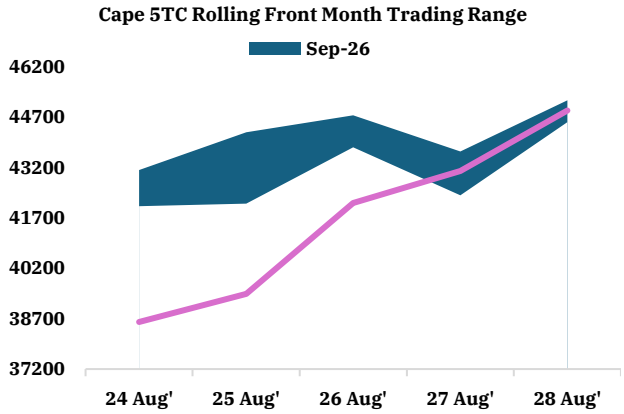
FFA $/day	28-Aug FIS Closing	24-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD High	2026 YTD Low
Capesize5TC Sep 26	45,200	42,450	**6.48%**	45,200	42,050	45,200	31,200
Capesize5TC Q4 26	44,150	42,150	**4.74%**	44,150	41,575	44,150	24,875
Panamax5TC Sep 26	22,075	21,050	**4.87%**	22,125	20,800	22,125	18,175
Panamax5TC Q4 26	22,950	21,600	**6.25%**	22,950	21,375	22,950	14,060
Supramax10TC Sep 26	19,775	19,825	**-0.25%**	20,300	19,550	20,625	17,150
Supramax10TC Q4 26	20,900	19,825	**5.42%**	21,000	19,825	21,000	12,550

Capesize

Recently, both ocean basins have experienced tight tonnage supply, driving Capesize freight rates higher.

In the Pacific, iron ore shipment schedules from Western Australia remained steady. However, affected by Typhoon Saudel, vessel turnaround efficiency declined, and prompt tonnage could not be quickly redeployed to the Pacific region. On the Atlantic side, Brazilian miners continued to maintain ample cargo volumes, providing solid support to freight rates. At the same time, as the West African rainy season draws to a close, demand for tonnage on long-haul routes is expected to increase, with owners holding firm on offers.

Over the week, freight rates on the C3 and C5 routes rose by over 7% and 10% week-on-week, respectively.



Outlook

At present, the key factors driving the upward movement in the Capesize market are expected to continue to exert influence this week. According to information from China's meteorological authorities, Typhoon Saudel, having weakened and then intensified again, may once again impact the southeastern coastal areas of China, thereby continuing to disrupt tonnage turnover. On the demand side, based on seasonal patterns, Australian miners typically enter their shipment peak in September. Cargo volumes in the Pacific region are expected to increase further, and miners will actively charter vessels to secure tonnage.

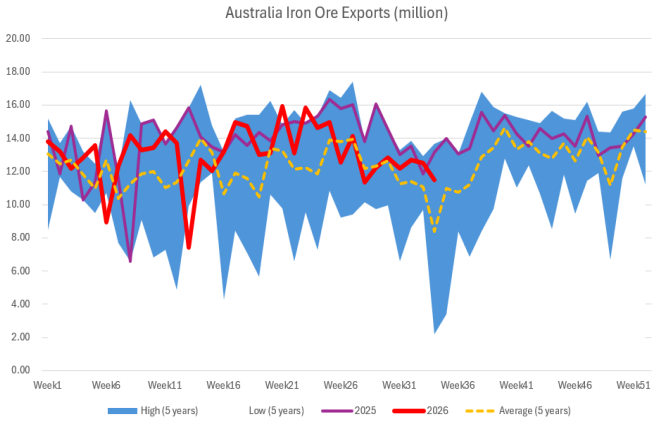
On the Atlantic side, tenders from the Simandou and Liberian mines have already emerged, and new cargo volumes from West Africa are expected to gradually materialise after the rainy season, providing support to Atlantic market demand. Overall, both ocean basins feature positive factors, and with prices already at elevated levels, there remains potential for further upside driven by fundamentals.

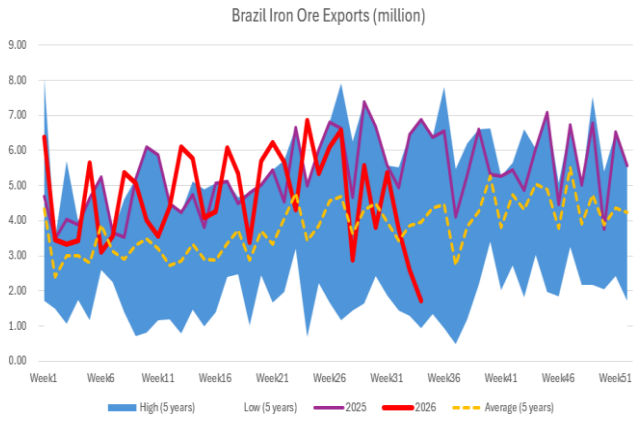
Neutral to Bullish

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

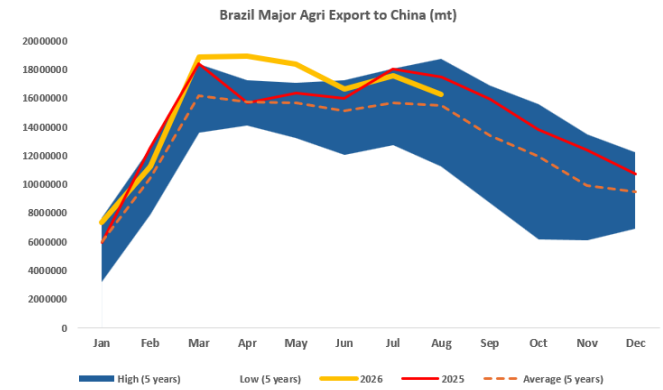
Export (million tonnes)	Jul-26	Aug-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	80.4	77.3	238.4	238.1	255.2	244.2	955	935.1	924.4
Brazil	34.2	40.4	111.3	110.8	110.8	107.9	403.1	381.3	369.5
South Africa	5.0	4.93	13.5	14.6	12.4	12.3	52.4	52.4	51.5
India	2.5	1.34	4.9	5.04	8.9	6.13	28.8	37.5	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

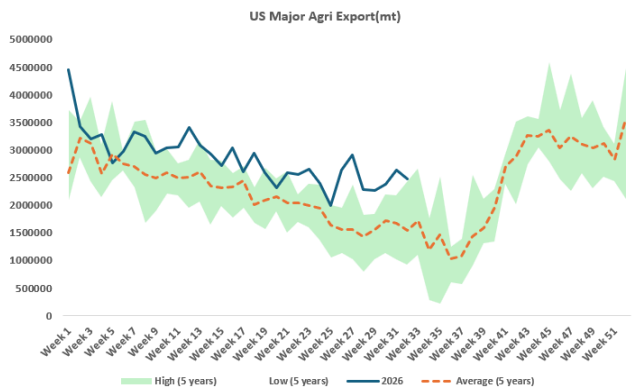




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg %	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	11.47	12.52	-8.39%	15.2	13.9	9.5%
Brazil-China	1.73	2.59	-33.20%	37.3	35.8	4.3%

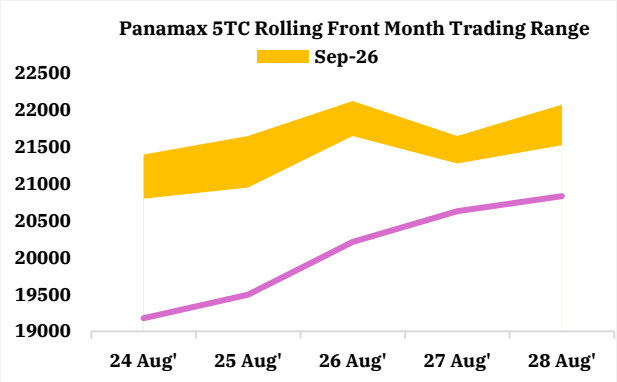




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs trended higher, with broader trading ranges in the second half of August versus the first half, though FFA gains lagged physical index appreciation. The September contract traded within $20,800–22,125/day. P5TC turnover fell week-on-week due to a Monday public holiday. The forward curve deepened into contango, signalling FFA market caution towards the near-term rally. In options, the front-month PCR stands at 0.28, while Q4 PCR stands at 0.33, pointing to lingering bullish betting interest. Rising front-month option activity alongside alternating strength between FFA and physical indices suggests heightened near-term volatility risk.



Outlook

The Black Sea represents the dominant supply-side disruptor. Reciprocal strikes on ports and vessels by Russia and Ukraine have nearly halted grain exports across the Black Sea and Azov waters, wiping out over 97% of export capacity. Ukrainian Black Sea ports have ceased cargo operations; Odessa has been largely idle since late July, and three major grain terminals at Russia's Novorossiysk have been forced offline. Monthly Black Sea grain export capacity collapsed from 3.3 million tonnes to 250,000 tonnes. Global wheat prices have risen roughly 6.5% since the start of August and are around 30% higher year-on-year. Trade patterns are being reshuffled: lost Black Sea volumes are being diverted to US Gulf origins or split onto smaller vessels, materially altering Panamax demand fundamentals.

The Panama Canal Authority announced severe El Niño-driven drought restrictions: daily transits will drop from 36 to 34 vessels starting 3 September, then to 32 vessels from 15 September. Regional rainfall is 34% below historical averages, with water levels at their lowest since July 2024. The canal handles 5% of global seaborne trade and 40% of US container traffic. Tighter transit slots will force laden Panamax vessels to reroute via the Cape of Good Hope or Cape Horn, extending voyage durations, absorbing available tonnage and lifting tonne-mile demand. Draft limits for large vessels have also been reduced; lower loading capacities push up per-unit freight costs.

EU gas inventories sit at multi-year seasonal lows, making coal-for-gas substitution likely to persist through Q4. Import scope remains for high-grade seaborne coal into China. In India, monsoon withdrawal is boosting coal burn for power generation; power plant stockpiles have drawn down, and restocking demand is set to emerge.

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

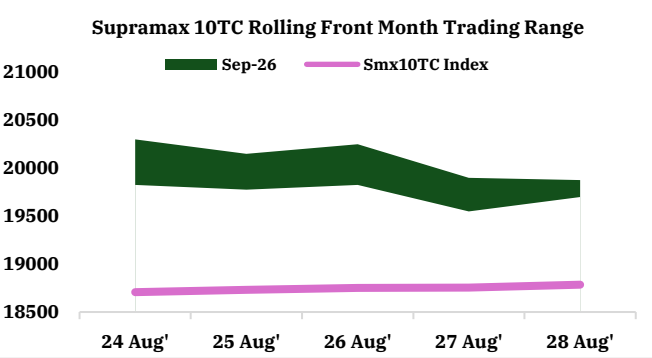
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Despite the cluster of demand-side positives, ample tonnage persists across the Atlantic and Pacific basins, capping further freight upside. Cargo diversion towards smaller vessels erodes spot Panamax requirements. A deepening contango on the FFA curve reflects derivative market scepticism over the sustainability of current freight gains.

Neutral

Supramax

The S10TC index has traded sideways for most of the period since July, and last week was no exception. FFAs edged lower in choppy trading, with the September contract trading within $19,550–20,300/day. The time structure flipped from flat back into backwardation, pointing to an underlying firm market and low odds of a sharp correction. Call option volumes across multiple tenors have picked up over the past two weeks.



Outlook

Supramax spot rates stayed flat week-on-week. Supramax vessels are gaining a competitive edge versus Panamax on Indonesian coal cargoes. Rising North Pacific grain demand, higher Indonesian coal volumes and a mild recovery in the Indian Ocean lend support to Asian routes. North American enquiry levels saw some volatility, yet US Gulf Supramax freight rates remained elevated. In addition, Philippine nickel ore exports are approaching their seasonal peak, offering marginal freight support.

Similar to larger vessel segments, total and available Supramax tonnage remains ample, especially in Asia, which could act as a direct headwind for freight earnings. Tonnage tightening driven by typhoons is short-lived. Pacific typhoon activity will gradually ease entering September.

Neutral

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