FIS

DRY FREIGHT WEEKLY REPORT

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info@freightinvestor.com | freightinvestorservices.com | fis-live.com
London (+44) 20 7090 1120 | Dubai (+971) 4 4493900 | Singapore (+65) 6535 5189 | Shanghai (+86) 21 6335 4002

FFA Market

Over the past week, driven by the physical market, Capesize FFA prices moved further higher from elevated levels. At the start of the week, market sentiment turned cautious after the previous sharp rally, with the prompt September contract trading at $45,000/day and $44,800/day, broadly flat from the previous Friday's close. Although the C5TC index fell by over $1,000/day on the day, the futures market strengthened rapidly, supported by strong physical market transactions on the C3 and C5 routes. The September contract rose to $47,000/day by the afternoon session, and back-end quarterly and Cal contracts gained approximately $500/day. On Wednesday, the market extended its gains, moving higher quickly at the open, with the September contract trading at $48,500/day and $48,750/day in succession and briefly touching an intraday high of $50,000/day. Positive sentiment carried into Thursday's opening, with the September contract rising further to $50,500/day before selling pressure gradually emerged and prices retreated. Although the prompt contract saw limited losses, other contracts moved broadly lower, with front-month October and November contracts falling by $700/day and $1,000/day, respectively, and the back end of the curve mostly declining by around $500/day. Entering Friday, the futures market was once again driven by the physical market, opening higher and moving higher through the day, with buyers consistently lifting transaction prices and the September contract trading at $54,000/day at one point. Over the week, strong buying interest persisted, with the September contract accumulating a gain of over $8,000/day. Due to the holiday, trading was limited on Monday, but activity picked up significantly by mid-week. This week, Capesize and Panamax volumes stood at 28,671 lots and 27,787 lots, respectively, while Supramax and Handysize volumes came in at 13,640 lots and 890 lots, respectively. Total weekly trading volume reached 70,988 lots.

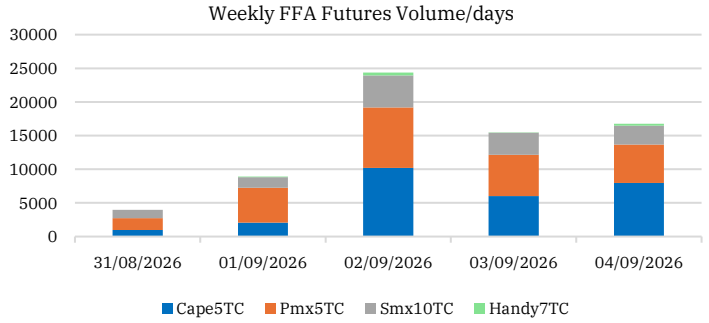
In the options market last week, influenced by volatile futures movements and sustained price increases, Capesize options liquidity was good, with a total of 7,980 lots traded during the week. Among these, October contracts accounted for 2,340 lots, Q4 26 contracts for 990 lots, Q1 27 contracts for 3,330 lots, and Cal27 contracts for 900 lots, with only minimal trading in other contracts. In terms of put/call ratios, October contracts recorded 0.34, Q4 contracts 1.75, Q1 contracts 2.47, and Cal27 contracts 0.25, with no clear consistency across contracts. With futures prices currently at year-to-date highs and well above levels seen in recent years, participants are concerned about a potential pullback, and futures positions carry elevated risk. As a result, charterers and owners have been positioning options in different directions based on their respective hedging needs. Panamax and Supramax recorded 1,380 lots and 195 lots of options trades, respectively.

Trading activity on iron ore freight routes was relatively active, with both the C3 and C5 routes recording positive volumes. On the C5 route, total weekly volume reached 880 kt, with trading most concentrated on Friday, when September contracts accounted for 225 kt and Q4 contracts for 150 kt. On the C3 route, weekly volume totalled 655 kt, concentrated in front-month contracts, with September contracts accounting for 430 kt and October contracts for 225 kt.

As of 7 September, open interest for the Capesize 5TC (180) rose to 176,929 lots (+4,425 lots w-o-w), for the Panamax 5TC to 178,609 lots (+6,995 lots w-o-w), and for the Supramax 10TC to 96,530 lots (+3,942 lots w-o-w).

Freight Rate $/day

	7-Sep	28-Aug	Changes %
Capesize5TC (180)	53,508	44,896	**19.2%**
Panamax5TC	21,878	20,834	**5.0%**
Supramax10TC	19,233	18,785	**2.4%**
Handy7TC	16,303	15,855	**2.8%**



Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

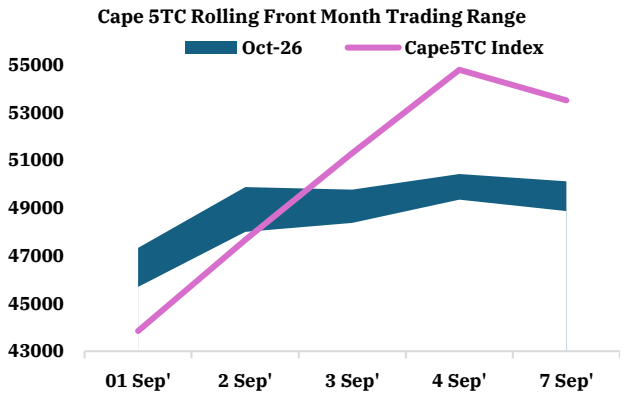
FFA $/day	07-Sep FIS Closing	28-Aug FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD High	2026 YTD Low
Capesize5TC Oct 26	49,200	45,700	**7.7%**	50,425	44,500	50,425	33,000
Capesize5TC Q4 26	46,300	44,150	**4.9%**	47,325	43,375	47,325	24,875
Panamax5TC Oct 26	23,575	23,700	**-0.5%**	25,975	22,900	25,975	18,250
Panamax5TC Q4 26	22,725	22,950	**-1.0%**	24,875	22,350	24,875	14,060
Supramax10TC Oct 26	21,625	21,775	**-0.7%**	23,125	20,875	23,125	17,375
Supramax10TC Q4 26	21,275	20,900	**1.8%**	22,100	20,225	22,100	12,550

Capesize

Over the past week, the Capesize market continued its upward trend, supported by tight tonnage supply in both ocean basins. In Brazil, iron ore exports during the traditional peak shipment season in August fell short of expectations due to rising freight costs and relatively low ore prices. Vale has recently increased its shipment pace, boosting tonnage demand in the Atlantic and attracting ballasting vessels from the Pacific to the Atlantic market.

Entering September, Australian iron ore shipments entered a peak period and, combined with persistent disruptions to vessel turnaround efficiency from typhoon activity, tonnage supply in the Pacific also remained tight.

Over the week, the C3 and C5 routes rose by approximately 8% and 13%, respectively. Overall, the Capesize market has strong support in the near term.



Outlook

Despite freight rates currently being at high levels, the likelihood of a sharp correction in the Capesize market in September remains low. Iron ore volumes from Australia and Brazil are holding steady, while bunker fuel prices are prone to upward movement amid rising tensions in the Middle East, providing support to freight rates. In terms of tonnage supply, according to Kpler vessel-tracking data, the number of ballasting Capesize vessels in the Atlantic has risen to its highest level since the first quarter, implying that tonnage supply on the Pacific route is tightening and owners have stronger bargaining power. Even if a correction were to occur, the downside is expected to be limited.

In addition, West Africa continues to provide positive factors for the market. Guinea's seaborne bauxite exports increased by 53% year-on-year to 15.8 million tonnes in August, while Simandou iron ore shipments reached a record 3.21 million tonnes, indicating that the impact of the rainy season on mine operations was less severe than expected.

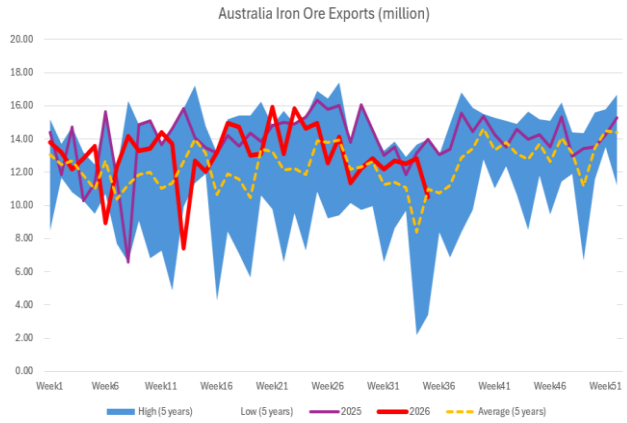
Against the backdrop of high freight rates, corrective pressure stems mainly from two factors. On the one hand, high freight rates may dampen some miners' willingness to ship. On the other hand, the Capesize/Panamax freight rate ratio has widened rapidly from 1.9 to above 2.15 since mid-August, with the spread exceeding $20,000/day, which may encourage some cargoes to be split and carried by Panamax vessels.

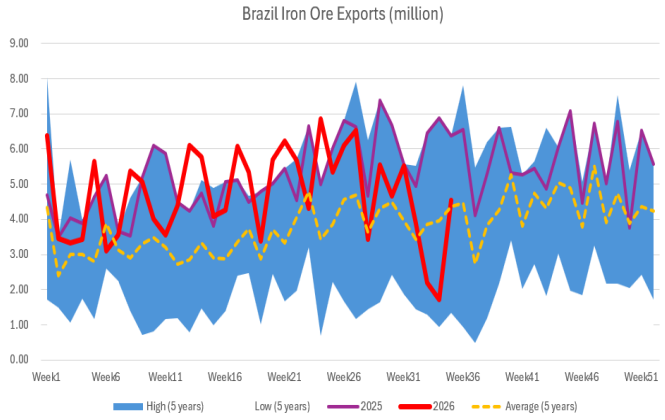
Neutral

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

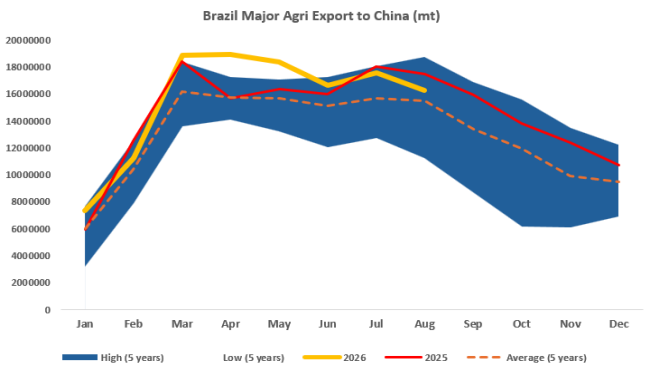
Export (million tonnes)	Aug-26	Sep-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	76.2	83.0	240.8	239.3	250.6	244.2	951.2	941.7	925.2
Brazil	36.1	36.2	106.6	107.8	113.9	105.3	396.7	389.6	363.1
South Africa	4.9	4.8	13.7	14.6	12.4	13.4	53.2	52.2	50.8
India	2.5	1.8	4.3	6.7	8.0	5.9	28.0	40.3	41.8
Canada	4.9	6.0	17.8	6.7	15.8	15.0	60.3	60.4	57.0
Global	140.7	148.5	443.4	439.4	464.7	447.8	1732.2	1716.5	1642.6

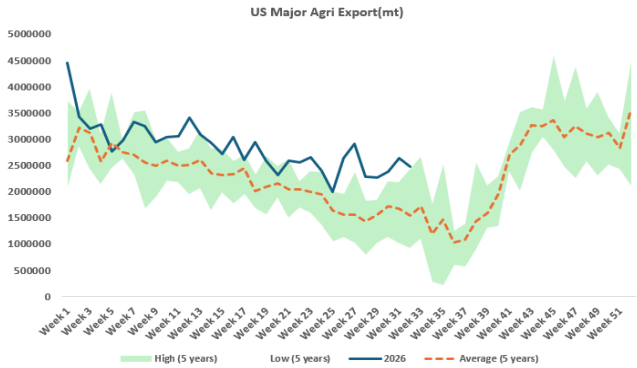




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	10.50	12.85	-2.35	17.2	15.2	13.1%
Brazil-China	4.53	1.73	+2.80	40.3	37.3	7.9%

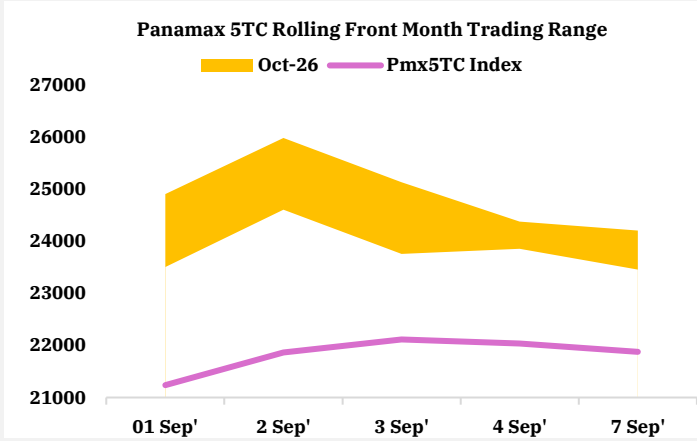




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs rallied and then retreated, with FFA gains lagging physical index moves. The active contract traded within $21,878–25,975/day, with the range nearly doubling versus the previous week. Weekly traded volume dropped sharply by 26%, signalling significantly higher volatility. Backwardation on the forward curve deepened, leaving the FFA structural backdrop bullish. Heavy put-dominated options activity in near-month contracts indicated rising market concerns over downside risks at elevated rate levels.



Outlook

The Panamax 5TC index rebounded rapidly last week. Transatlantic and fronthaul activity remained buoyed by persistent September cargo enquiries. An 83,000 dwt vessel was fixed from the US East Coast to Poland at $23,000/day. A 77,000 dwt vessel delivered Haldia concluded an ECSA fronthaul fixture at $22,500/day. Pacific markets drew support from coal cargoes and cargo splitting from Capesize volumes. Robust Australian and Indonesian coal enquiries alongside improved export outlooks provided further support to Pacific rates. Upside remains capped by ample available tonnage in the North Atlantic, limiting further rallies. Meanwhile, ballasting vessel supply surged in the Pacific. Black Sea shipping remains disrupted by hostilities, and Panamax tonnage availability sits below seasonal norms.

Commodity linkages: Domestic Chinese coking coal supply remains tight. Seaborne demand remains steady amid the September–October steelmaking peak season. The Barito River water level in Kalimantan, Indonesia, dropped to 0.6 m, well below normal levels and paralysing inland transport, driving Indonesian coal prices materially higher. Indian power plant coal stocks stand at critical levels; the restocking pace may accelerate after monsoon withdrawal. China's US soybean purchases for MY2026/27 have exceeded 8mn tonnes. Persistently lower US FOB soybean prices versus Brazil continue to incentivise Chinese buying interest.

Neutral to Bearish

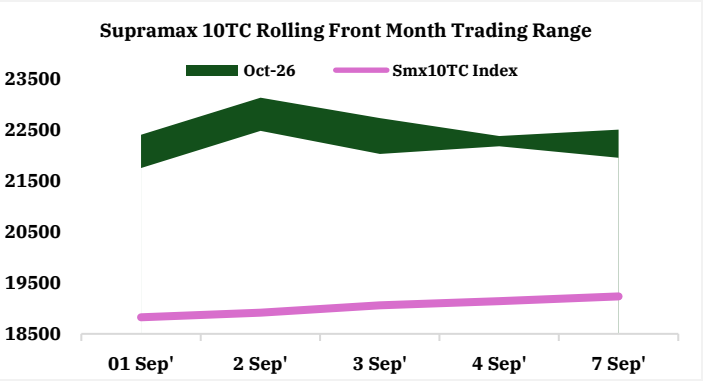
Dry Bulk Trades/Coal

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

The S10TC index has remained broadly flat since July, and last week was no exception. Active contracts traded within $21,950–23,125/day. Trading ranges widened materially while volumes contracted. FFAs underperformed physical indices and corrected amid concerns over elevated rate levels. On the term structure front, backwardation flattened out, signalling no structural bullish bias on the FFA side, even as heavy call-dominated options flow emerged.



Outlook

Gulf of Mexico markets strengthened markedly, erasing two weeks of losses and lifting the overall Supramax time charter complex. Grain-oriented fixtures to China and Egypt were concluded at $31,000–32,000/day. Spillover strength from Panamax rates saw multiple 63,000 dwt vessels fixed ECSA/Far East at $19,000/day plus a $900,000 repositioning bonus. Sustained North Pacific grain demand and rising backhaul enquiries offered further rate support.

Meanwhile, Indonesian coal chartering softened amid muted activity, capping upside for Pacific coal-carrying tonnage. The Mediterranean lagged, lacking fresh enquiries, and spot position rates drifted lower.

Neutral

Written by **Hao Pei**,
FIS Senior Research Analyst
haop@freightinvestor.com

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