FIS

DRY FREIGHT WEEKLY REPORT

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FFA Market

Over the past week, Capesize FFA continued to trade in a high-level range. The market opened higher at the start of the week, with the front October contract trading at $48,750/day, up $500/day from the previous close. The curve shifted higher overall, and liquidity was good across all tenors. As trading progressed, prices continued to rise. Towards the close, some buyers took profits, prompting a modest pullback, and the October contract settled at $49,575/day, up $1,000/day intraday. Supported by the C3 route in the physical market, the strong performance early in the week carried into Tuesday morning, with the October contract briefly rising to $50,000/day. However, C5 spot prices subsequently weakened, and buyer sentiment in the FFA market turned cautious. Prices reversed from gains to losses, with selling pressure across all tenors. Front contracts fell rapidly, with the October contract dropping nearly $2,000/day, while Q4 26 and Q1 27 contracts also fell by nearly $1,000/day intraday. Entering midweek, Capesize FFA rebounded in a choppy manner, with active trading in front contracts. On Wednesday morning, the October contract saw healthy volume around $48,000/day. After the index was published that day, market sentiment warmed further, pushing prices higher, and front contracts generally posted decent gains, although the back end of the curve fluctuated relatively modestly. The upward momentum continued into Thursday morning, with the October contract trading multiple times at a high of $50,250/day. However, the market then encountered sustained selling pressure, and the curve shifted lower rapidly. By Friday's close, the October contract had fallen back to $45,650/day. Nevertheless, Capesize FFA prices remain at notably elevated levels. Capesize and Panamax volumes stood at 32,731 lots and 40,073 lots, while Supramax and Handysize volumes came in at 15,545 lots and 1,620 lots, respectively. Total weekly trading volume reached 89,969 lots.

The Capesize options market continued to show good liquidity, with a total of 3,340 lots traded during the week and a relatively concentrated distribution. October contracts accounted for 1,650 lots, December contracts for 400 lots, and Q1 27 contracts for 1,200 lots. In terms of structure, October contracts saw 500 call options and 1,150 put options traded; the 400 lots in December contracts were entirely call options. Investors are largely optimistic about tonnage demand in Q4 this year. In contrast, Q1 27 contracts saw 750 put options and 450 call options traded. From a fundamental perspective, a sharp decline in the Capesize market in Q4 is unlikely, while mine shipments in Q1 are typically slow; therefore, the current strategy of buying front-month contracts and selling back-month contracts for spread hedging carries relatively low risk. Panamax and Supramax options trading was relatively quiet last week, with 495 lots and 90 lots traded, respectively.

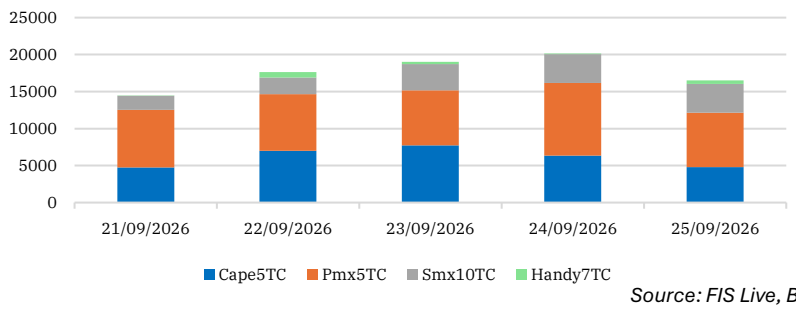
Iron ore routes continued to see active trading, with transactions concentrated in Q4 contracts. The C5 route recorded a total volume of 1,725 kt, with October contracts accounting for 1,475 kt during the week. November and December contracts traded 225 kt and 25 kt, respectively. Liquidity on the C3 route eased slightly compared with earlier periods, with weekly volume at 400 kt, of which September contracts accounted for 175 kt and October contracts 225 kt.

As of 28 September, open interest for the Capesize 5TC (180) rose to 192,985 lots (+7,004 lots WoW), Panamax 5TC to 195,024 lots (+6,081 lots WoW), and Supramax 10TC to 107,362 lots (+4,008 lots WoW).

Freight Rate $/day

	28-Sep	21-Sep	Changes %
Capesize5TC (180)	45,024	49,450	**-9.0%**
Panamax5TC	21,620	20,297	**6.5%**
Supramax10TC	20,586	20,355	**1.1%**
Handy7TC	18,028	17,876	**0.9%**

Weekly FFA Futures Volume/days



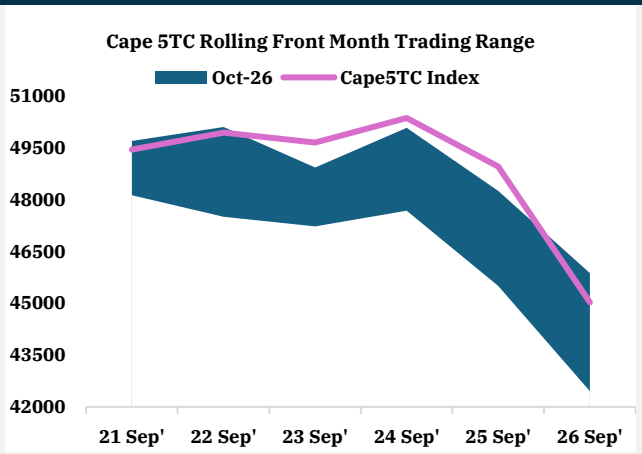
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA $/day	28-Sep FIS Closing	21-Sep FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD High	2026 YTD Low
Capesize5TC Oct 26	43,000	49,575	**-13.3%**	50,100	42,450	51,375	33,000
Capesize5TC Q4 26	42,125	47,150	**-10.7%**	47,625	41,400	47,925	24,875
Panamax5TC Oct 26	22,500	23,200	**-3.0%**	23,775	22,075	25,975	18,250
Panamax5TC Q4 26	22,225	22,935	**-3.1%**	23,400	21,925	24,875	14,060
Supramax10TC Oct 26	21,450	22,100	**-2.9%**	22,075	21,200	23,125	17,375
Supramax10TC Q4 26	21,125	21,650	**-2.4%**	21,700	20,875	22,100	12,550

Capesize

Over the past week, Capesize freight rates continued to hold at elevated levels. The TC average was mainly supported by the Atlantic region, where Brazilian iron ore and West African bauxite volumes remained stable. Coal exports from the US East Coast and Colombia kept regional fundamentals relatively tight, and freight rates on related routes performed well. In particular, the C14 route held steady above $50,000/day, while C8 and C9 rose by over 14% and 4%, respectively, during the week. However, the number of ballasting vessels in the Pacific region gradually increased, weighing on the overall market, with the C5 route falling by nearly 7% over the week.



Outlook

Since late last week, Capesize freight rates have shifted lower. Australian iron ore shipments in the Pacific region have remained stable, but as tonnage turnover has returned to normal, tonnage supply in the region has become relatively loose. At the same time, against the backdrop of elevated bunker fuel costs, owners of ballasting vessels have shown relatively low willingness to reposition to the Atlantic, making it difficult to absorb tonnage supply in the Pacific. In addition, as the quarter-end shipment acceleration by miners draws to a close, fundamentals in the Pacific are expected to remain under pressure going forward. In mid-to-late October, cargoes previously shipped from the Atlantic to China will arrive at ports in concentrated volumes, and the number of ballasting vessels in the Pacific may increase further, placing greater pressure on the market.

Nevertheless, downside support for Capesize vessels remains relatively firm. The tight tonnage supply situation in the Atlantic has not yet reversed, and as freight rates gradually decline, the profitability of Brazilian and West African miners is expected to improve. For small and medium-sized iron ore and bauxite miners, the shipping pace that had slowed due to high costs may recover, thereby driving new cargo volumes into the market.

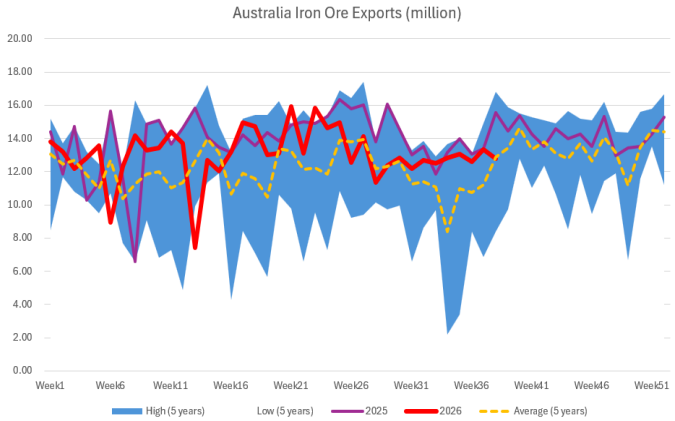
In the near term, dragged down by loose tonnage supply/demand in the Pacific, the market is unlikely to sustain its previous highs and may undergo further correction; however, supported by Atlantic routes, freight rates are expected to remain at elevated levels in Q4.

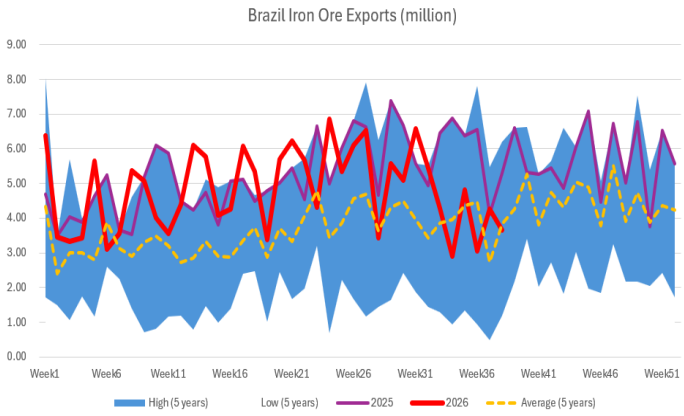
Neutral

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

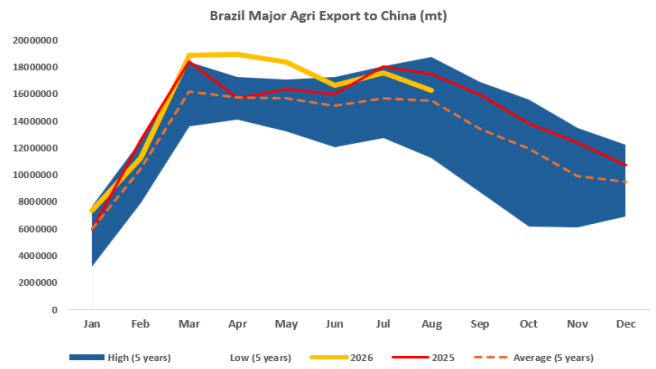
Export (million tonnes)	Aug-26	Sep-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Australia	76.2	83.0	240.8	239.3	250.6	244.2	951.2	941.7	925.2
Brazil	36.1	36.2	106.6	107.8	113.9	105.3	396.7	389.6	363.1
South Africa	4.9	4.8	13.7	14.6	12.4	13.4	53.2	52.2	50.8
India	2.5	1.8	4.3	6.7	8.0	5.9	28.0	40.3	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

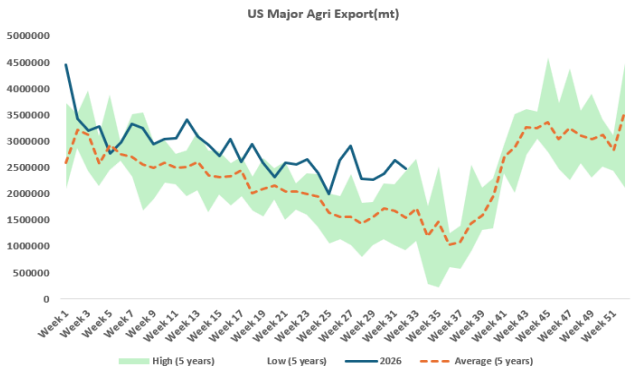




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	12.78	13.33	-0.55	16.3	16.5	-1.4%
Brazil-China	3.66	4.27	-0.61	43.0	42.4	1.3%

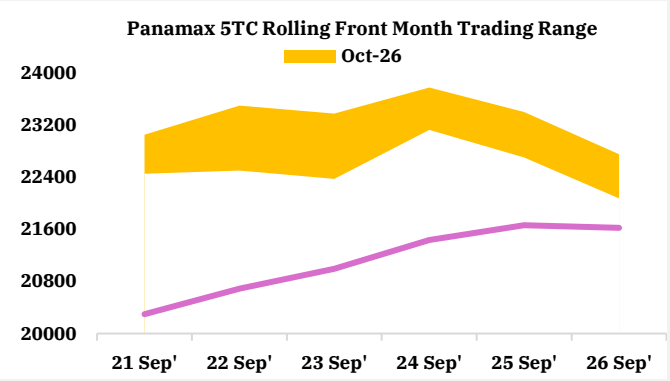




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs spiked and then faded last week, in line with our prior report. Market caution at highs is evident, with pullbacks following each approach to a stage high. The front-month contract's trading range widened to $22,075–23,500/day (prior week: $22,325–23,050/day), with volume up approximately 13% week-on-week. The backwardation structure of the forward curve remained flat, suggesting the market may be near a top but has not yet clearly turned weaker. In the options market, call volumes increased last week, with the Q4 contract PCR at around 0.5, reflecting broadly neutral sentiment; sentiment was bearish from early to mid-September and recovered somewhat late in the month.



Outlook

The Panamax index edged higher last week, with Panamax volumes in the Atlantic market increasing. Panamax rates remain competitive versus Capesizes, and some cargo owners prefer Panamax vessels to balance efficiency and cost. India's coal imports hit a 15-month high and are likely to remain elevated in Q4. Indian power plant coal inventories have fallen to a three-year low, with days of cover below nine. The Indian government is considering allowing imported coal to be blended with domestic coal as an emergency measure and is invoking emergency powers to require captive coal-fired power plants to operate at full capacity from 1 October to 31 December. If implemented, this would directly boost seaborne coal import demand and constitute a structural positive for Panamax. In China, as temperatures decline, coal consumption by major coastal power groups has fallen week-on-week, with imported coal demand relatively weak. Over the coming months, the seasonal increase in US soybean exports should stem the decline in US Gulf earnings and, together with Pacific coal chartering activity, support the Panamax market. Following US-China trade talks, tariffs on grains other than soybeans are currently exempted, and vessel demand is likely to improve.

Daily transits through the Panama Canal continue to decline, and dry bulk vessels have opted to reroute via Cape Horn in South America. The diversion lengthens voyages, absorbs available tonnage and increases tonne-mile demand. Capesize vessels are gaining share in the Australian coal trade, taking some market share from Kamsarmax. In the Indonesian coal trade, competition between Supramax and Panamax is intensifying—draft restrictions caused by drought favour smaller vessels. The Russia-Ukraine conflict has removed a large volume of traditional short-haul Panamax cargoes from the Black Sea region. Russian wheat exports via Baltic ports have surged and are expected to reach a record high in September.

Dry Bulk Trades/Coal

Export (million tonnes)	Aug-26	Sep-26(E)	Q3-25	Q3-26(E)	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	47.0	46.0	123.7	130.2	141.0	134.8	492.7	520.2	494.8
Australia	30.7	31.2	92.1	93.1	94.4	95.7	349.1	359.1	349.9
Russia	16.5	14.6	46.3	46.5	44.3	44.1	168.0	156.2	180.1
USA	6.7	7.2	18.9	21.6	19.0	22.0	78.3	86.3	81.2
Colombia	3.0	3.0	10.5	9.6	10.7	8.0	41.3	50.8	47.5
South Africa	5.2	5.5	13.2	15.9	15.3	17.9	61.6	59.0	59.2
Others	11.7	9.6	28.6	36.8	24.8	32.9	111.7	120.9	126.8
Global	120.8	117.0	333.3	353.7	349.5	355.3	1302.7	1352.4	1339.5

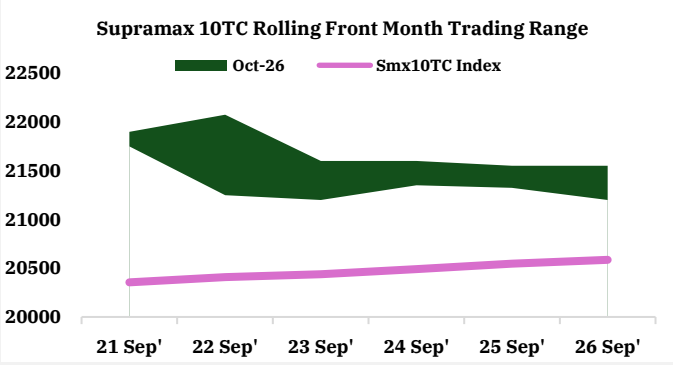
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Russia is also seeking to export grain via Murmansk, with related activity expected to start in October, potentially partially offsetting the loss of Black Sea cargoes. Near-term valuations are elevated, the FFA structure reflects market caution, and short-term pullback risk warrants attention.

Neutral to Bearish

Supramax

S10TC FFAs edged lower this week, moving contrary to the index. Given the limited absolute moves, the directional relationship between FFAs and the index offers limited informational value. The front-month contract traded in a range of $21,200–22,075/day, narrowing from $20,875–21,900/day the prior week, with the range shifting modestly higher. Volume was broadly in line with last week, while market participation improved notably versus earlier periods. On the term structure, backwardation flattened again, signalling a weakening in FFA market structure. In the options market, a small amount of call buying emerged, with overall sentiment yet to coalesce around a clear direction.



Outlook

The Supramax index has posted consecutive counter-trend gains in September. Pacific earnings held firm, with gains on Indonesian coal routes and backhaul trades into the Atlantic, potentially signalling that the anticipated seasonal upturn in coal trade is finally transmitting to dry bulk shipping. Both the S8 (Indonesia/East Coast India) and S10 (South China/Indonesia round voyage) routes recorded weekly gains. Supramax and Handysize were supported by cargoes from the North Pacific, Indonesia, the US Gulf and East Coast South America, respectively, with daily TC rates rising modestly.

Steel export cargoes from North China continued to increase, with overall market activity relatively high, providing core support for Supramax rates. Indian iron ore enquiries remained stable, with regional cargo activity improving. The seasonal recovery in US grain exports is expected to further boost the Supramax market. Water levels on the Mahakam and Barito rivers in Borneo, Indonesia, have fallen sharply. The Barito River has dropped from a normal 8–18 metres to 3–4 metres, barges are carrying half loads, per-tonne transport costs are estimated to have doubled, some stretches are unnavigable, and several producers have declared force majeure. Combined with government cuts to coal mine quotas, Indonesia's coal exports this month fell to a five-year low. Drought-induced draft restrictions are more favourable to smaller vessels, and Supramax vessels are becoming increasingly competitive with Panamax in Indonesian coal shipments. Philippine nickel ore exports are approaching their seasonal peak, providing marginal support to Supramax rates. Australian bauxite exports are set to reach a multi-month high; however, high freight costs for Guinean bauxite may, to some extent, constrain its export growth. A Handysize cargo vessel loaded with 15,000 tonnes of primary aluminium—the first such shipment since 2018—departed a Venezuelan smelter on 19 September bound for southern Louisiana in the US. This may signal the beginning of route diversification for small dry bulk vessels carrying bauxite.

Neutral

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