FIS

WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

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Dry FFA Market Signals

Bull

- Guinea seaborne bauxite exports reached 15.8mn tonnes in August, up 53% year-on-year. Reduced rainfall eased disruptions to mining and logistics. Simandou iron ore shipments reached a record 3.21mn tonnes in August, offsetting wet-season impacts through additional locomotive capacity. (Bauxite)

- El Niño is causing water stress and lower hydropower output, supporting coal demand in Asia through higher thermal power burn. Europe is also seeing resilient coal demand amid elevated gas prices. (Weather)

- China's purchases of US soybeans for MY2026/27 have exceeded 8mn tonnes. US soybean FOB prices remain at a discount to Brazilian levels, stimulating Chinese buying interest. (Grain)

- The Barito River water level in Kalimantan fell to 0.6 m (normal: 5–11.5 m), nearly halting river barge transport and underpinning Indonesian coal prices. (Weather)

- Global weekly iron ore shipments rose 2.5% to 35.22mn tonnes, above the 5-year average of 34.37mn tonnes. Brazilian shipments jumped 17% week-on-week to 8.37mn tonnes. (Iron Ore)

- Supported by the Panamax freight rebound, multiple 63,000 dwt vessels concluded ECSA/Far East fixtures at $19,000 plus a $900,000 repositioning bonus. (PMX)

- Petroleum coke and US corn exports drove a sharp rebound in US Gulf Supramax rates after two quiet weeks. (SMX)

- Ongoing air strikes between Russia and Ukraine are constraining Black Sea grain exports. Trade flows are shifting towards the US Gulf, lifting overall tonne-mile demand. (Geo-Tension)

Bear

- Fuel oil costs account for over 85% of total costs on the C3 and C5 routes. Some miners may adjust chartering patterns amid cost pressure. Bauxite FOB prices have fallen below West Africa/China freight rates. (Capesize)

- US corn crop condition ratings fell to 57%, showing greater deterioration than in previous seasons. (Grain)

- A sharp rise in Pacific ballasting vessel supply is weighing on the near-term shipping earnings outlook. (Capesize)

- Weak profit margins and high inventories among Chinese steel mills continue to dampen iron ore buying appetite. (Steel)

Ferrous Market Signals

Bull

- Coking coal supply remains tight as Shanxi mine resumptions fall well short of expectations and Mongolian coal customs throughput remains low, keeping the physical spot market firm. Iron ore receives dual support from surging ocean freight rates and lower arrivals.

- Strict safety inspections persist in Shanxi, with 60 million tonnes/year of capacity still offline. China's seaborne coking coal import demand remains robust, while Indian steel mills have turned cautious amid shrinking margins.

- Iron ore inventories across 45 ports fell by 2.30 million tonnes to 163.15 million tonnes. Daily hot metal output at 247 sampled mills edged higher to 2.3682 million tonnes. Resilient demand is reflected in hot metal output remaining stable during the off-season.

- Freight's share of China 62% Fe CIF prices rose to 20% in August, surpassing May's previous high of 18%. Capesize C3 Brazil/China freight breached $40/tonne for the first time since 2021, lifting spot landed costs.

- A partial operational halt at Usiminas mines has removed 200 kt of weekly shipments; together with higher freight rates, this provides marginal support to iron ore prices.

Bear

- Global iron ore shipments during 24–30 August rose by 2.73 million tonnes week-on-week to 35.72 million tonnes. Arrival expectations are improving as typhoon disruptions fade.

- Real estate remains a drag: January–July new starts fell 24% year-on-year, while construction area fell 12.7% year-on-year.

- Steel mill profitability remains poor, with only 30% of mills profitable in China. Coke price hikes are compressing margins, capping further upside in hot metal output.

- The market is pricing in normalised throughput at Ganqimaodu Port, which could bring incremental Mongolian coal supply and ease marginal tightness in the coking coal market.

- The market expects potential capacity releases in Shanxi in September and October to coincide with stronger seasonal demand.

Market Data Snapshot (4th Sep)						
Open Interest /lots	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180)	25,703	19,094	16,771	15,424	6,596	6,596
Pmx5TC	25,204	21,800	19,124	16,689	7,899	7,779
Smx10TC	13,117	10,978	10,413	8,437	4,460	4,430
Iron Ore (IODEX)	344,825	379,802	148,246	114,651	62,355	25,903
Coking Coal	3,165	3,765	1,795	1,735	1,140	1,255
US HRC	6,268	7,983	6,965	5,549	3,196	2,561
FOB China HRC	1,409	684	200	335	95	19

Price	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180) $/day	56,939	53,707	50,546	47,857	36,564	33,060
Pmx5TC $/day	22,700	24,214	23,271	22,204	18,611	17,982
Smx10TC $/day	19,761	22,257	21,739	20,589	16,680	16,062
Iron Ore (IODEX) $/mt	99.65	99.54	99.35	99.10	98.91	98.69
Coking Coal $/mt	275.00	275.00	274.50	272.00	272.00	271.50
US HRC $/st	1,226	1,243	1,238	1,216	1,194	1,167
FOB China HRC $/t	505.0	509.5	510.5	514.5	519.5	521.0

OI WoW %	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180)	2.0%	2.3%	4.6%	-0.1%	5.2%	5.2%
Pmx5TC	1.7%	7.1%	6.4%	3.9%	3.2%	3.2%
Smx10TC	-1.7%	10.6%	7.2%	4.1%	8.0%	7.3%
Iron Ore (IODEX)	4.2%	-1.1%	21.1%	18.4%	32.8%	15.6%
Coking Coal	5.7%	21.5%	22.9%	20.9%	15.7%	3.3%
US HRC	-1.1%	-5.9%	5.2%	-2.1%	4.1%	3.9%
FOB China HRC	-4.8%	82.9%	7.5%	63.4%	72.7%	0.0%

Price WoW %	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180) $/day	16.1%	7.5%	5.4%	4.5%	6.1%	3.8%
Pmx5TC $/day	2.8%	2.2%	0.0%	1.1%	1.4%	1.0%
Smx10TC $/day	-0.1%	2.9%	3.4%	3.6%	4.4%	2.9%
Iron Ore (IODEX) $/mt	1.1%	1.1%	1.2%	1.1%	1.1%	1.1%
Coking Coal $/mt	1.9%	1.9%	1.8%	1.1%	1.1%	1.2%
US HRC $/st	1.7%	3.6%	4.0%	2.9%	2.9%	2.2%
FOB China HRC $/t	4.3%	1.4%	1.1%	1.4%	1.7%	1.7%

Sources: EEX, SGX, CME

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