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WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

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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

Dry FFA Market Signals

Bull

- Capesize rates rallied sharply this week. Brazilian iron ore and West African bauxite are expected to remain strong in Q4, with more coal cargoes from the US East Coast and Colombia set to replace Russian volumes. (Cape)

- Australian iron ore shipments rose markedly week-on-week, led by Rio Tinto. (Iron Ore)

- India's thermal coal imports in August hit a 15-month high of 5.52mn tonnes, while power plant inventories fell to roughly 22.9mn tonnes. (Coal)

- Daily transits through the Panama Canal dropped from 36 to 32 vessels, while Panamax slot allocations fell to 23. Some dry bulk vessels have begun diverting via Cape Horn. The longer voyage absorbs available tonnage and boosts tonne-mile demand. (PMX)

- Philippine nickel ore exports are near their seasonal peak, offering marginal support for Supramax rates. (Nickel Ore)

- Indonesia approved additional coal quotas for Bayan Resources and lifted force majeure. (Coal)

- Australia's seaborne alumina exports are set to hit a multi-month high in September, as domestic consumption weakens ahead of a planned 40% production cut at Rio Tinto's Yarwun alumina refinery starting in October 2026. (Alumina)

- China and the US agreed to include US coal in the reciprocal tariff-reduction framework covering around $30bn of imports in each direction. The measure is expected to facilitate Chinese imports of US coal in 2027 and 2028. (Coal)

Bear

- As more Atlantic cargoes discharge in China, the number of ballasting vessels in the Pacific will rise, potentially capping the current rally in Capesize and Panamax rates. (Cape/PMX)

- The global Capesize ballast fleet rose by roughly 9% week-on-week, with notable increases across Australia, the South Atlantic and North Atlantic. Rising ballast capacity eases tightness in spot supply and weighs on freight rates. (Fleet Capacity)

- Average daily crude steel output at key monitored steel enterprises in early September stood at 1.924mn tonnes, down 7.8% year-on-year. China's 2026 crude steel output is projected to fall 3.7% YoY to 921mn tonnes. (Steel)

- Coal consumption at China's major coastal power groups fell week-on-week, with imported coal demand remaining muted. (Coal)

- Persistent geopolitical conflict has removed a large volume of Panamax cargoes from traditional short-haul Black Sea routes. (PMX)

- The NDRC released new guidelines paving the way for a phased resumption of mine production. Output had slumped after safety shutdowns triggered by a fatal mine accident in Shanxi in May. The new notice allows penalised mines to restart production following safety assessments and provincial approval. China's coking coal supply gap is expected to narrow gradually. (Coal)

Ferrous Market Signals

Bull

- Mysteel global iron ore shipments totalled 34.258mn tonnes, down 0.913mn tonnes (-2.60%) week-on-week. Australia's three major miners are set to ramp up shipments; Brazil and minor suppliers cut volumes, while Guinea shipments are on an upward trajectory.

- Average daily hot metal output at 247 Chinese steel mills stood at 2.3763mn tonnes, up 0.0134mn tonnes WoW. Iron ore inventories at these mills reached 93.3136mn tonnes, rising by 4.7132mn tonnes month-to-date and surpassing the same period last year, reflecting robust pre-holiday restocking, though stocking activity is nearing an end.

- Freight rates remained elevated, with West Australia/North China at $16.38/tonne (+51.9% YoY) and Brazil/North China at $42.71/tonne (+75.6% YoY). Freight provides valuation support for iron ore and coking coal prices.

- Spot Australian coking coal remains tight. Daily customs clearance of Mongolian coking coal fell sharply ahead of the holiday, while China retains near-term demand for high-grade coking coal.

Bear

- Total imported iron ore inventories across 47 Chinese ports reached 171.3593mn tonnes, up 1.1271mn tonnes WoW and 19.15% YoY. The number of vessels waiting at ports stood at 129 (+26.47% YoY). Steel mill restocking failed to draw down port inventories.

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- The steel association proposed production curbs and inventory reductions, limiting room for further pre-holiday restocking demand.

- Chinese buyers are increasingly resistant to high-priced cargoes, with weaker forward purchasing appetite. Domestic coking coal futures corrected sharply amid supply-guarantee policies.

- Indian steel mills reduced purchases amid price gains and diversified coal sourcing towards Russia, the US, Canada and Mozambique. India remains Australia's largest coking coal buyer, and Indian blast furnace mills continue to rely on imported coking coal.

- Shanxi held a coal safety, stable production and supply conference on 26 September. Governor Lu Dongliang called for orderly mine resumptions and full capacity ramp-up, as well as the legally compliant release and expansion of advanced capacity and market-based transfers of replacement capacity. The policy bias has shifted further from "safety first" towards prioritising supply guarantees.

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Market Data Snapshot (25th Sep)

Open Interest /lots	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180)	26,413	22,221	19,916	16,169	8,716	8,712
Pmx5TC	24,586	21,532	20,936	17,349	10,720	10,545
Smx10TC	12,912	12,467	12,611	9,378	5,515	5,375
Iron Ore (IODEX)	339,394	373,574	337,698	184,420	90,082	37,251
Coking Coal	3,225	3,666	2,405	1,790	1,145	1,385
US HRC	6,077	5,770	8,120	7,293	3,769	2,866
FOB China HRC	1,409	926	452	535	85	30

Price	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180) $/day	49,879	45,732	44,036	42,536	32,786	28,129
Pmx5TC $/day	21,364	22,750	22,632	21,993	18,389	17,618
Smx10TC $/day	19,904	21,354	21,275	20,625	16,807	15,743
Iron Ore (IODEX) $/mt	97	95	95	95	95	95
Coking Coal $/mt	278	265	262	259	256	253
US HRC $/st	1,237	1,281	1,322	1,330	1,328	1,307
FOB China HRC $/t	499	500	501	505	508	509

OI WoW %	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180)	0.0%	7.1%	9.8%	2.3%	11.5%	11.4%
Pmx5TC	-1.2%	-2.5%	8.3%	3.8%	9.2%	8.7%
Smx10TC	0.0%	1.8%	5.2%	4.3%	4.5%	5.2%
Iron Ore (IODEX)	-2.3%	-1.6%	29.2%	13.3%	7.0%	9.4%
Coking Coal	0.0%	1.6%	-4.4%	3.8%	0.0%	9.5%
US HRC	0.0%	-15.9%	-0.7%	11.8%	2.4%	0.3%
FOB China HRC	-0.6%	-0.9%	8.1%	15.1%	0.0%	25.0%

Price WoW %	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27
Cape5TC (180) $/day	1.0%	-5.3%	-4.9%	-3.0%	-2.2%	-2.0%
Pmx5TC $/day	0.5%	1.6%	0.0%	1.0%	0.0%	0.4%
Smx10TC $/day	-0.5%	-1.8%	-1.6%	-0.8%	-1.4%	-1.1%
Iron Ore (IODEX) $/mt	-0.7%	-2.2%	-2.2%	-2.1%	-2.1%	-2.1%
Coking Coal $/mt	1.1%	1.1%	1.6%	1.8%	1.4%	1.0%
US HRC $/st	0.0%	0.1%	1.7%	2.8%	4.1%	5.0%
FOB China HRC $/t	-0.1%	-0.5%	-0.5%	-0.1%	0.0%	-0.6%

Sources: EEX, SGX, CME

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Edited by: Hao Pei, Senior Research Analyst

CONTACT

Paul Geddes
PaulG@freightinvestor.com
m: (+44) 7745644966

Federico Picciolini
FedericoP@freightinvestor.com
m: (+44) 7543223444

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