FIS DRY FREIGHT WEEKLY REPORT

20 Oct 2026

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

Against the backdrop of a relatively loose tonnage supply-demand balance on the Atlantic route, the Pacific route failed to generate sufficient cargo volumes to support freight rates, and Capesize FFAs continued to retreat from elevated levels amid active trading. After the sharp volatility of the previous week, the market opened relatively calmly last Monday, with the nearby November contract trading at $38,500/day, broadly flat against the previous week's close. As trading progressed, sellers gradually entered the market, and prices came under downward pressure. Front-end Q4 contracts all declined notably: the November contract fell to $37,850/day, and the Q4 contract dropped to $37,000/day, down $1,100/day intraday. The downward momentum continued and intensified on Tuesday, especially after the index release, when selling pressure strengthened further and drove front contracts sharply lower. The November contract fell to $36,000/day, down nearly $2,000/day intraday; the back end of the curve was relatively stable, with the Cal27 contract down about $300/day intraday. On Wednesday, the index plunged by $3,302, keeping the FFA market under downward pressure. Buying interest was quickly absorbed, and the November contract closed at $33,500/day, down more than $4,000/day intraday, while the Cal27 contract also retreated by nearly $1,000/day. In early trading on Thursday, the market still showed no sign of stabilising, and the curve continued to shift lower overall. However, by the evening session, some buying support emerged at the lows, helping Capesize FFAs stage a rebound on Friday, with nearby contract prices rising by more than $1,000/day. Still, compared with the earlier decline, the rebound was relatively limited. This week, Capesize and Panamax volumes stood at 40,703 lots and 37,246 lots, respectively, while Supramax and Handysize volumes came in at 14,410 lots and 930 lots, respectively. Total weekly trading volume reached 93,289 lots.

Amid the sharp decline in FFA prices, the Capesize options market saw very active trading last week, with total volume reaching 11,935 lots. Overall, bulls held an overwhelming advantage, with a put/call ratio of only 0.098 and call options totalling 10,870 lots. The trading pace also showed notable shifts. Early in the week, wait-and-see sentiment was relatively strong, with only a small volume transacted in front November and December contracts and little difference between call and put option volumes. As FFA prices fell consecutively, the options market became active from midweek onwards. In particular, Cal27 calls traded 1,080 lots on both Wednesday and Thursday. After FFA prices found support on Thursday evening, Cal27 calls recorded a massive 5,040 lots on Friday. Given that West African ore shipments in 2027 will provide considerable tonne-mile demand, the more than 10,000 lots of Cal27 calls traded during the week may represent miners or traders locking in a ceiling for 2027 shipping costs.

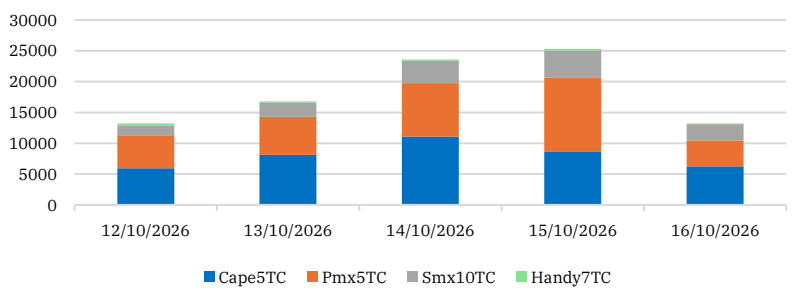
Trading activity on iron ore-related routes slowed compared with earlier periods, with total weekly volume of 470kt. The C5 route traded 145kt during the week, while the C3 route traded 325kt in December contracts.

As of 19 October, open interest for Capesize 5TC (180) stood at 186,924 lots, up 10,510 lots week-on-week, Panamax 5TC at 186,306 lots, up 4,940 lots week-on-week, and Supramax 10TC at 106,615 lots, up 3,301 lots week-on-week.

Freight Rate $/day

	19-Oct	12-Oct	Changes %
Capesize5TC (180)	27,015	34,115	**-20.8%**
Panamax5TC	20,573	21,888	**-6.0%**
Supramax10TC	21,577	20,989	**2.8%**
Handy7TC	18,280	17,970	**1.7%**

Weekly FFA Futures Volume/days



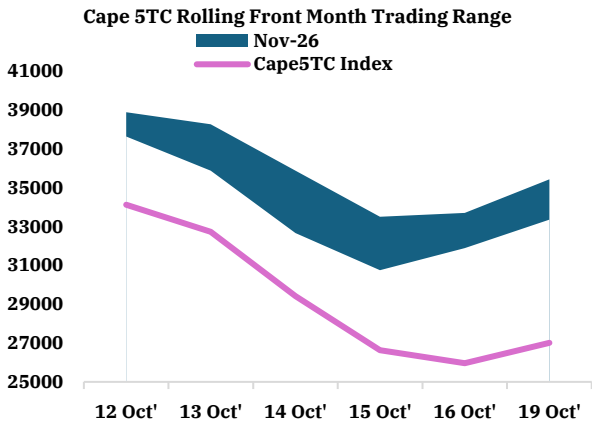
Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

FFA Market Forward Values

FFA $/day	19-Oct FIS Closing	12-Oct FIS Closing	Changes %	Weekly Mkt High	Weekly Mkt Low	2026 YTD High	2026 YTD Low
Capesize5TC Nov 26	34,925	37,825	-7.7%	38,875	30,750	48,000	30,750
Capesize5TC Q1 27	29,075	28,625	1.6%	29,325	26,625	33,100	18,875
Panamax5TC Nov 26	19,700	21,100	-6.6%	21,850	18,750	25,250	18,750
Panamax5TC Q1 27	16,750	17,500	-4.3%	17,675	15,775	18,950	12,750
Supramax10TC Nov 26	20,225	20,200	0.1%	20,500	19,175	22,350	18,375
Supramax10TC Q1 27	16,125	16,350	-1.4%	16,300	15,400	16,925	11,000

Capesize

Last week, the Capesize market faced strong selling pressure, with freight rates falling across both ocean basins. The Capesize 5TC dropped from $35,860/day at the start of the week to $25,961/day on Friday, hitting its lowest level since April this year. The market saw periods of increasing tonnage supply and reduced demand, causing prices to weaken steadily.



The decline was more pronounced in the Pacific. As freight rates on the Atlantic route retreated sharply last week, the region's attractiveness weakened markedly, curbing owners' willingness to reposition ballasting vessels there and leaving more tonnage available on Pacific routes. Although Australian iron ore shipments were broadly stable last week, C5 route freight rates fell by nearly 18% week-on-week amid competition among owners. Brazilian and West African ore shipments recovered somewhat, but it will still take time to absorb ballasting vessels in the region, with freight rates there also recording a decline of nearly 10% during the week.

Outlook

The Capesize market halted its decline and rebounded before the end of last week. From a fundamental perspective, both ocean basins still need cargo volumes in the near term to absorb ballasting vessels, but for Q4, bullish factors are relatively dominant. Kpler data show that iron ore shipment schedules in Western Australia are relatively concentrated in the second half of October, which will support regional tonnage demand; Brazilian iron ore shipments also typically show seasonal growth in Q4. In addition, West Africa saw an unseasonal surge in rainfall from late September to early October, causing iron ore and bauxite shipments to fall short of expectations, a factor already reflected in the earlier sharp decline on the Atlantic route. As the impact of rainfall gradually fades and freight rates retreat, Guinea's ore shipments are expected to return to seasonal patterns.

On the cost side, with no easing in the Middle East situation, bunker fuel costs will continue to provide underlying support to the market. Data from ESG show that Singapore fuel oil inventories fell to a nine-week low of 18.04mn barrels last week, and VLSFO spot prices once again exceeded $900/mt.

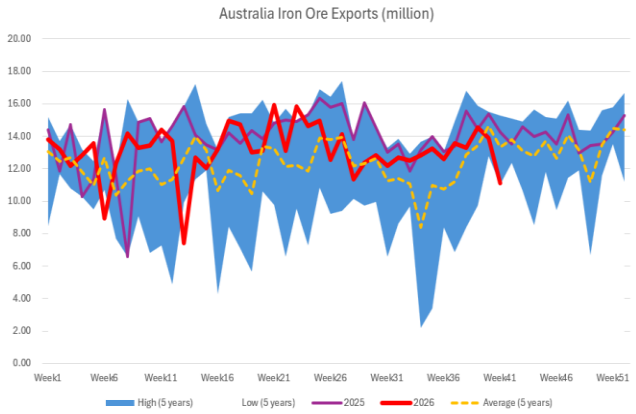
On the bearish side, iron ore prices remain at low levels due to weak demand from Chinese steel mills and have already reached the cost levels of some small and medium-sized mines, with some marginal production having exited the market. Major Australian and Brazilian miners have also been affected, with overall shipment volumes below expectations, and this trend may continue for the remainder of the year.

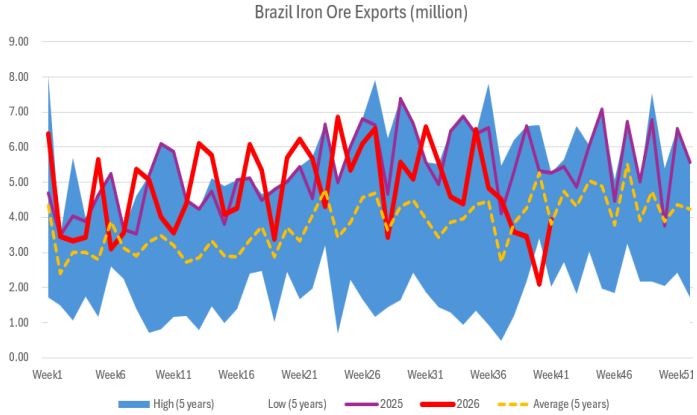
Neutral to Bullish

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Dry Bulk Trades/Iron Ore

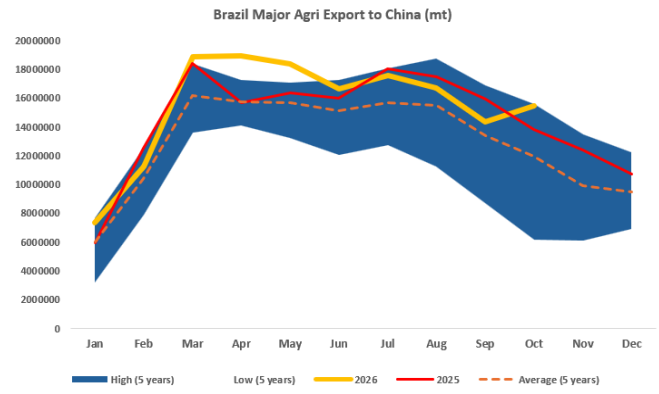
Export (million tonnes)	Sep-26	Oct-26(E)	Q3-25	Q3-26	Q4-25	Q4-26(E)	2025	2024	2023
Australia	82.0	82.8	240.8	238.3	250.6	245.9	951.2	941.7	925.2
Brazil	34.0	35.2	106.6	108.0	113.9	108.8	396.7	389.6	363.1
South Africa	4.6	4.2	13.7	14.4	12.4	11.4	53.2	52.2	50.8
India	1.2	1.7	4.3	5.7	8.0	5.4	28.0	40.3	41.8
Canada	5.8	5.7	17.8	16.2	15.8	15.0	60.3	60.4	57.0
Global	148.7	161.6	443.4	458.2	464.7	467.7	1732.2	1716.5	1642.6

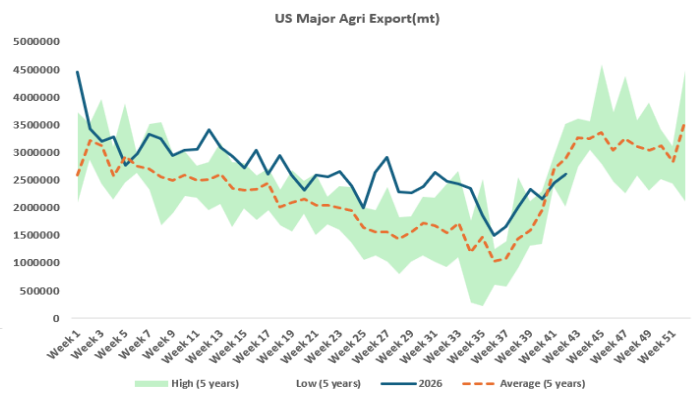




Iron Ore Key Routes

	IO Export Million mt			Freight Rate $/mt		
	Last Week	Prev. Week	Chg	Last Week Avg	Prev. Week Avg	Chg %
Australia-China	11.13	13.88	-2.75	11.7	14.24	-17.83%
Brazil-China	3.93	2.09	+1.84	30.08	33.29	-9.64%

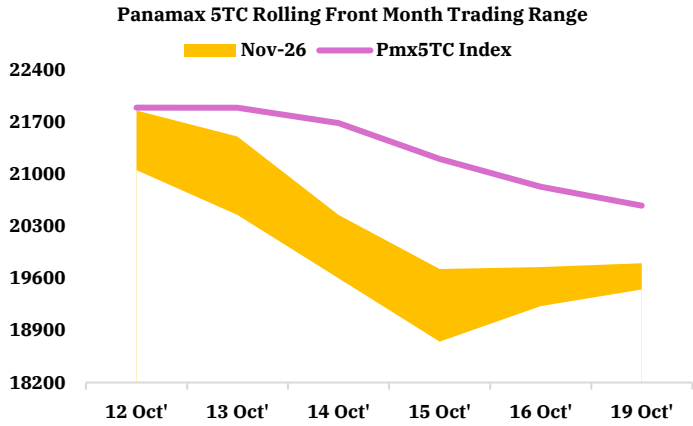




Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Panamax

Panamax FFAs stabilised after a pullback last week, declining more slowly than Capesizes. The front-month contract's trading range widened sharply to $18,750–21,850/day (prior week: $21,125–22,325/day), with average daily volume rebounding 19%. The backwardation structure of the forward curve continued to narrow, suggesting continued market weakening. In the options market, both near- and far-month activity was almost entirely in puts, concentrated in 2027 contracts.



Outlook

Panamax rates failed to extend their pre-holiday relative strength but fell significantly less than Capesize rates. Coal cargoes and grain transportation in the Panamax market were stable. Southeast Asian coal cargoes increased, with Indonesia-to-China/India coal transport demand holding firm amid a reshaping of the geopolitical energy landscape; Australian coal transport also provided supplementary cargoes. Brazilian grain cargoes declined somewhat, but US Gulf grain cargoes were relatively firm; combined with elevated international bunker prices, rates edged higher. Indian power plant inventories fell from 54.9mn tonnes in April to 18.6mn tonnes by end-September, a 66% decline, with nearly 47% of coal-fired plants at critically low stock levels. About 60% of the reduction in Indonesian exports had originally been destined for China and India; India has been forced to increase purchases from alternative sources such as Australia and South Africa, and longer voyage distances provide structural support to Panamax tonne-mile demand.

Post-holiday, the Pacific chartering market recovered slowly; although Australian and North Pacific coal and grain cargoes absorbed some tonnage, overall transaction volumes were insufficient to fully reverse the downward rate trend. When Capesize rates are elevated, splitting Capesize cargoes into Panamax parcels supports Panamax demand. However, after Capesize daily hire fell to around $25,000/day and the earnings gap with Panamax narrowed sharply, charterer demand may shift back to Capesize. Panamax fundamentals were resilient last week, with the modest decline driven more by Capesize weakness and weaker risk appetite across macro assets.

Neutral

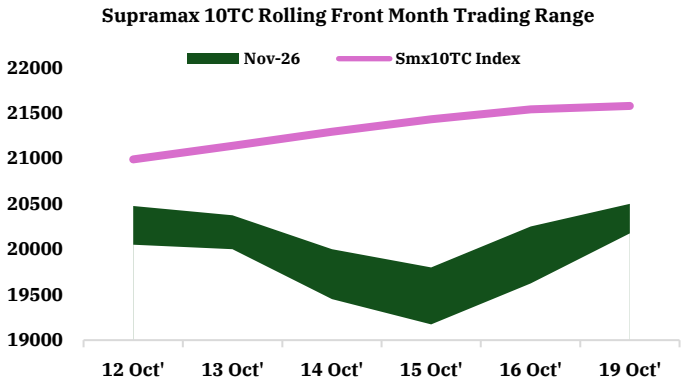
Dry Bulk Trades/Coal

Export (million tonnes)	Sep-26	Oct-26(E)	Q3-25	Q3-26	Q4-25	Q4-26(E)	2025	2024	2023
Indonesia	34.3	38.0	123.7	108.1	141.0	119.6	492.7	520.2	494.8
Australia	31.7	31.5	92.3	93.9	94.8	95.7	349.8	359.0	349.8
Russia	14.5	13.9	46.0	46.7	44.6	40.6	168.0	156.3	180.1
USA	6.7	7.5	18.9	20.8	19.1	21.9	78.4	86.3	81.1
Colombia	3.2	5.0	10.5	11.5	10.7	14.5	41.3	50.8	47.5
South Africa	5.3	5.4	13.2	14.7	15.3	17.9	61.6	59.0	59.2
Others	9.0	11.1	30.0	32.0	28.4	32.8	116.5	120.8	127.0
Global	104.7	112.4	334.6	327.7	353.9	343.0	1308.3	1352.4	1339.5

Source: FIS Live, Baltic Exchange, Kpler, Bloomberg

Supramax

S10TC FFAs bottomed and rebounded this week, initially dragged down by the broader derivatives sell-off before a strong index-driven recovery provided support. The front-month contract traded in a range of $19,175–20,500/day, with the range width unchanged from the prior week's $19,525–20,850/day. Average daily volume rebounded 22%. In terms of the term structure, backwardation steepened, making it the firmest in both price action and structure among the three vessel classes. In the options market, substantial call volume emerged in 2027 contracts.



Outlook

Supramax was the only vessel class to post a positive weekly return. Post-holiday steel export transport demand from North China rebounded, with a clear concentrated catch-up shipment effect. South China/Indonesia round-voyage TCT daily hire rose 3.6% from the previous period. Nickel ore transport demand was relatively strong, with mines concentrating shipments ahead of the rainy season, providing additional cargo support for Supramaxes. Philippine nickel ore exports are approaching their seasonal window; despite RKAB quota constraints on Indonesian nickel ore, domestic smelters' reliance on imported ore has risen, benefiting small and medium-sized vessels in regional transshipment. Coal transport from Indonesia to Southeast Asia was active; Kalimantan-to-India coal cargoes maintained good shipment momentum, with tight prompt tonnage supporting daily hire. Unlike the severe overcapacity in Capesize, Supramax was supported by three main cargo sources: North China steel, nickel ore and regional coal. Prompt available tonnage remained tight, with supply-demand conditions significantly better than those of larger vessels.

Neutral

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

The information provided in this communication is not intended for retail clients. It is general in nature only and does not constitute advice or an offer to sell, or the solicitation of an offer to purchase any swap or other financial instruments, nor constitute any recommendation on our part. The information has been prepared without considering your investment objectives, financial situation, or knowledge and experience. This material is not a research report and is not intended as such. FIS is not responsible for any trading decisions taken based on this communication. Trading swaps and over-the-counter derivatives, exchange-traded derivatives, and options involve substantial risk and are not suitable for all investors. You are advised to perform an independent investigation to determine whether a transaction is suitable for you. No part of this material may be copied or duplicated in any form by any means or redistributed without our prior written consent. Freight Investor Services Ltd (FIS) is authorised and regulated by the Financial Conduct Authority (FRN: 211452) and is a member of the National Futures Association ("NFA"). Freight Investor Services PTE Ltd ('FIS PTE') is a private limited company, incorporated and registered in Singapore with company number 200603922G, and has subsidiary offices in India and Shanghai. Freight Investor Solutions FZCO ('FIS FZCO') is a private limited company, incorporated and registered in Dubai with company number DMCC1225. Further information about FIS including the location of its offices can be found on our website at freightinvestorservices.com