FIS

WEEKLY DRY FFA AND FERROUS MARKET PREVIEW

12 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

Dry FFA Market Signals

Bull

- Simandou iron ore shipments will remain elevated in Q4, repeatedly setting new highs since project commissioning, boosting demand for long-haul tonnage and tonne-mile requirements. (Iron Ore)

- Vale, the top miner, benefits from long-term shipping contracts and fuel hedging mechanisms, keeping its unit maritime costs materially below spot levels. It has not cut production like smaller miners. (Iron Ore)

- Sharp crude oil price increases lifted Singapore VLSFO prices. Supply concerns and geopolitical tensions in the Middle East continue to underpin energy prices, providing a floor for ocean freight rates. (Oil)

- Rising Panamax demand across the transatlantic market absorbed tonnage and improved sentiment. A 76,000 DWT vessel for East Coast South America delivery on a transatlantic voyage was fixed at $35,000/day, while a 75,000 DWT vessel was fixed at $33,650/day. East Coast South America forward cargo activity remained brisk. An 82,000 DWT vessel for East Coast South America delivery, forward for late-October loading, was fixed at $22,650/day plus a $1.265mn ballast bonus; ballast premiums continue to rise. (PMX)

- Firm Australian coal demand and improved trans-Pacific activity also supported Panamax demand. (Coal)

- Higher US Gulf grain cargo volumes bolstered Atlantic freight rates. East Coast South America October vessel positions tightened, with spot tonnage drawing the strongest interest. (Grain)

- Daily transits through the Panama Canal remain at 32 vessels. Dry bulk carriers continue to divert via Cape Horn. Diversions extend sailing distances, absorb available tonnage and lift tonne-mile demand. (Canal)

- China’s steel exports and Southeast Asian nickel ore cargoes remain steady. Handysize spot tonnage remains tight. (Steel/Nickel)

- Autumn maintenance on the Daqin Railway has commenced, further tightening land transport. Coupled with roadworks at Mongolian border crossings that may constrain coal flows, seaborne coking coal demand is likely to remain robust. (Coal)

Bear

- The Capesize Atlantic market was the weakest segment this week. Routes from South Brazil and West Africa to China remained under pressure. C3 freight tumbled from the low $37/tonne range early in the week to around $33/tonne. A large backlog of ballasting vessels worsened the market imbalance, with demand heavily concentrated in November. North Atlantic sentiment softened, with weaker fixtures for both forward and return voyages amid limited activity. (Cape)

- Global steel consumption remains weak. To contain production costs, downstream steel mills continue to slow raw material restocking. Daily hot metal output has posted mild counter-seasonal declines since September, with over 90% of sampled steel mills operating at a loss. Following China's National Day holiday, restocking demand has faded. Port inventories remain high; mills are adopting hand-to-mouth purchasing and showing a strong inclination to push raw material prices lower. (Steel)

- Persistent tonnage oversupply in the Pacific and fewer enquiries during China's holiday weighed on the eastern market. (Cape)

- Daily coal consumption at China's major coastal power groups fell, leading to weak imported coal demand. (Coal)

Ferrous Market Signals

Bull

- Maintenance on the Daqin Railway has impaired coal transportation efficiency. Roadworks at Mongolian border ports are further restricting China's coal imports. China's demand for imported coal remains robust in October.

- Part of China's coking coal resources will be diverted to guarantee thermal coal supply. Pithead coal inventories remain generally low, leaving domestic coking coal supply constrained in October.

- The unsold rate at Shanxi coking coal auctions plunged from 93% to 8%, indicating the emergence of restocking demand amid falling inventories.

- Elevated ocean freight rates and persistently high energy costs for land transport underpin coking coal valuations.

- India's monsoon season has ended. Domestic coking coal inventories are low, with rigid demand remaining.

Bear

- Global iron ore shipments in the first week of October reached 34.873mn tonnes, up 1.444mn tonnes week-on-week. Overseas iron ore shipments remain elevated following the quarter-end shipment push. Arrivals after the holiday will keep supply pressure high.

- Only around 7% of sampled Chinese steel mills were profitable, near historic lows, while blast furnace utilisation remained high, suggesting production continues largely by inertia. Should finished product prices fall as mills seek to generate cash flow, a negative feedback loop across ferrous commodities may follow.

- The first round of coke price cuts took effect on 30 September, down RMB100/tonne for wet-quenched coke and RMB110/tonne for dry-quenched coke. Markets are pricing in a second round of cuts around mid-October.

- China's port iron ore inventories stand at 164mn tonnes, around seasonal highs.

- US Treasury yields remain elevated, and market pricing anticipates a second Fed rate hike at the end of October, weighing on liquid commodity prices.

- Three authorities jointly issued a notice on stable coal production and supply. Mines meeting safety standards may, upon approval by provincial governments, operate for the remainder of the year at monthly output of no more than 1/12 of approved annual capacity before 31 December.

- Steel mills have wrapped up raw material restocking following China's National Day holiday.

Market Data Snapshot (9th Oct)						
Open Interest /lots	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Cape5TC (180)	26,159	21,534	17,604	9,749	9,315	9,260
Pmx5TC	22,865	24,053	19,169	11,805	11,240	11,190
Smx10TC	12,626	16,986	10,383	6,375	6,050	6,125
Iron Ore (IODEX)	342,366	517,499	206,212	106,405	56,007	35,788
Coking Coal	3,736	2,645	1,805	1,145	1,415	965
US HRC	5,642	7,654	8,166	3,965	3,054	2,782
FOB China HRC	980	603	578	70	30	19

Price	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Cape5TC (180) $/day	36,250	38,650	39,107	30,646	25,729	29,964
Pmx5TC $/day	21,664	21,486	21,268	18,004	16,975	17,986
Smx10TC $/day	20,882	20,307	19,946	16,621	15,446	16,532
Iron Ore (IODEX) $/mt	90.46	90.59	91.03	91.15	91.37	91.47
Coking Coal $/mt	270	267	264	260	256	254
US HRC $/st	1,276	1,297	1,317	1,314	1,299	1,295
FOB China HRC $/t	499	497	500	504	506	507

OI WoW %	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Cape5TC (180)	5.8%	4.9%	6.1%	9.1%	4.6%	4.1%
Pmx5TC	3.2%	8.3%	7.3%	6.1%	4.5%	4.2%
Smx10TC	0.6%	18.5%	5.5%	7.7%	5.2%	6.2%
Iron Ore (IODEX)	-2.0%	9.8%	1.7%	4.2%	23.0%	18.5%
Coking Coal	-0.1%	10.0%	1.4%	1.8%	2.2%	1.0%
US HRC	-0.1%	-5.1%	9.5%	4.1%	1.1%	-2.1%
FOB China HRC	1.2%	14.4%	0.5%	-17.6%	0.0%	0.0%

Price WoW %	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27
Cape5TC (180) $/day	-7.0%	-4.4%	-3.0%	-2.6%	-3.3%	-2.4%
Pmx5TC $/day	0.8%	-0.3%	-0.7%	1.1%	1.4%	0.2%
Smx10TC $/day	3.3%	3.6%	2.9%	3.7%	3.2%	3.1%
Iron Ore (IODEX) $/mt	-0.8%	-0.8%	-0.7%	-0.8%	-0.7%	-0.6%
Coking Coal $/mt	2.9%	2.7%	2.5%	1.8%	1.4%	1.8%
US HRC $/st	0.1%	-0.5%	0.5%	0.2%	0.2%	0.5%
FOB China HRC $/t	0.2%	0.2%	0.5%	0.1%	0.1%	0.2%

Sources: EEX, SGX, CME

FIS

Edited by: Hao Pei, Senior Research Analyst

CONTACT

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

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

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 DMCC ('FIS DMCC') 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