

## Dry FFA Market Signals

### Bull

- Singapore VLSFO prices held in the elevated \$880–920/tonne range, with Brent crude trading at \$100–110/bbl. High bunker costs provide a cost anchor for forward freight and support owners in holding firm on spot rates. (Energy)
- The ultra-long-haul Simandou/China route continues to absorb Capesize tonnage, providing structural floor support for the C3/C14 routes. (Capesize)
- Panamax coal cargo availability is generally healthy, with Southeast Asian coal cargoes increasing. (PMX)
- Some repair yards are conducting safety inspections, delaying the release of vessels from repairs, tightening available tonnage and supporting time-charter rates. (Ships)
- Grain transportation is broadly stable. Brazilian grain cargoes have declined somewhat, but US Gulf grain cargoes remain relatively firm. Combined with elevated bunker prices, freight rates edged higher. (Grains)
- Indian power plant inventories fell from 54.9mn tonnes in April to 18.6mn tonnes by end-September, a 66% decline. Nearly 47% of coal-fired plants are at critically low levels, with fuel cover of less than four days. About 60% of the reduction in Indonesian exports was originally destined for China and India; India has been forced to increase purchases from alternative sources such as Australia and South Africa, with longer voyage distances bullish for Panamax tonne-mile demand. (Coal)
- Post-holiday steel export transportation demand from North China rebounded, with a clear concentrated catch-up shipment effect. (Steel)
- Nickel ore transportation demand is relatively strong, with mines concentrating shipments ahead of the rainy season, providing additional cargo support for Supramaxes. (Nickel)

**Bear**

- Capesize 5TC average daily earnings fell to around \$25,000/day, halving from the September peak. Australian miner shipping demand in the Pacific remains persistently weak, with available tonnage clearly oversupplied. (Cape)
- Average daily hot metal output at 247 steel mills stood at 2.34mn tonnes, down 77,000 tonnes YoY. In addition, most Chinese steel mills have been loss-making for two consecutive quarters, while blast furnace maintenance has increased recently. (Steel)
- China's 47-port iron ore inventory rose to a high of 173mn tonnes, implying limited underlying import demand for Q4. (Iron Ore)
- The Atlantic ballaster list is lengthening, with South Brazilian and West African cargoes insufficient to absorb prompt tonnage. (Cape)
- North Pacific cargo volumes are recovering slowly post-holiday, while North American and Mediterranean markets are flat, limiting further upside for Supramax rates. (SMX)
- After Capesize average daily earnings fell to the \$25,000/day range, the earnings gap with smaller vessels narrowed sharply, potentially increasing competition with smaller vessels going forward. (Shipping Flow)

## Ferrous Market Signals

### Bull

- China's September imports of Australian coking coal reached 3.34mn tonnes, more than double the level in the same period of 2025 and up 20.1% MoM from August. China became Australia's largest single export market for coking coal that month.
- Raw coal inventories at Ganqimaodu port are at historic lows, limiting incremental imports. Mine restarts in Shanxi's main producing areas remain slow; auctions at major mines have recovered, though high-priced coal still sees failed bids.
- China's third round of coke price-cut proposals has been shelved, with cost support regaining the upper hand. Coal prices are more likely to rise than fall, supporting coke costs; deteriorating coking plant profitability is the marginal factor behind potential near-term supply contraction.
- Ukraine's Ferrexpo reported iron ore pellet output for the first nine months down 27% YoY to 2.04mn tonnes, including 1.70mn tonnes of 65% Fe premium pellets (-36%) and 304kt of 67% Fe DR pellets (more than double YoY), due to the suspension of VAT refunds and tight liquidity.
- Australian spot resources remain tight; China's domestic coking coal output remains 15% below pre-accident levels.

## Bear

- Progress on China's domestic supply-guarantee policy, a recovering auction market and coking coal futures basis repair are reducing China's incentive for further incremental seaborne coking coal purchases.
- Global iron ore shipments totalled 34.873mn tonnes this week, up 1.44mn tonnes (+4.32%) WoW. Combined shipments from Australia and Brazil reached 27.93mn tonnes, up 223,000 tonnes (+0.80%) on the week.
- Average daily hot metal output at 247 steel mills in China stood at 2.34mn tonnes, down 77,000 tonnes YoY. Blast furnace maintenance has increased recently. Mills are mainly drawing down their in-plant inventories, with little appetite for proactive restocking.
- The NDRC and NEA held a meeting in Taiyuan on coal mine restarts, output increases and supply guarantees, adopting a "one mine, one policy" approach to accelerate the restart of temporarily suspended mines. Capacity utilisation at 523 Chinese mines stood at 71.4% (+5.1%).
- Concentrated restocking following China's National Day holiday is unsustainable. Apparent rebar demand has declined.
- Brazilian miner Cedro has been approved to build the new Porto do Meio iron ore export terminal in Itaguaí, Rio de Janeiro state, with a designed capacity of 24mn tonnes/year, an initial capacity of 15mn tonnes/year, investment of approximately \$710mn and expected completion in three years. Cedro currently produces about 7.5mn tonnes/year of sinter fines, 80% of which is exported, and previously relied on port facilities owned by Vale, CSN and others.
- Indian demand is weak, with buyers preferring PCI coal over hard coking coal.
- The World Bank Group plans to increase support for metals and minerals fivefold to \$19bn in FY2026–2030, from \$3.6bn in FY2021–2025, to promote critical mineral development, jobs and economic growth.

## Market Data Snapshot (16th Oct)

| Open Interest /lots | Oct-26  | Nov-26  | Dec-26  | Jan-27  | Feb-27 | Mar-27 |
|---------------------|---------|---------|---------|---------|--------|--------|
| Cape5TC (180)       | 27,665  | 25,023  | 19,031  | 9,707   | 9,093  | 9,007  |
| Pmx5TC              | 22,650  | 25,558  | 21,709  | 11,799  | 11,504 | 11,449 |
| Smx10TC             | 12,661  | 17,811  | 11,388  | 6,780   | 6,160  | 6,285  |
| Iron Ore (IODEX)    | 342,342 | 520,885 | 296,360 | 119,962 | 64,071 | 47,153 |
| Coking Coal         | 3,721   | 2,925   | 1,955   | 1,150   | 1,415  | 955    |
| US HRC              | 5,644   | 7,226   | 7,946   | 4,332   | 3,357  | 2,926  |
| FOB China HRC       | 983     | 924     | 649     | 106     | 18     | 22     |

| Price                  | Oct-26 | Nov-26 | Dec-26 | Jan-27 | Feb-27 | Mar-27 |
|------------------------|--------|--------|--------|--------|--------|--------|
| Cape5TC (180) \$/day   | 32,000 | 31,511 | 35,125 | 29,564 | 25,043 | 29,314 |
| Pmx5TC \$/day          | 20,993 | 19,589 | 19,400 | 16,782 | 15,861 | 16,800 |
| Smx10TC \$/day         | 21,200 | 20,125 | 19,843 | 16,379 | 15,200 | 16,371 |
| Iron Ore (IODEX) \$/mt | 90.97  | 91.23  | 91.29  | 91.39  | 91.31  | 91.39  |
| Coking Coal \$/mt      | 267    | 267    | 267    | 263    | 262    | 258    |
| US HRC \$/st           | 1,285  | 1,327  | 1,356  | 1,355  | 1,335  | 1,307  |
| FOB China HRC \$/t     | 494    | 489    | 490    | 496    | 500    | 502    |

| OI WoW %         | Oct-26 | Nov-26 | Dec-26 | Jan-27 | Feb-27 | Mar-27 |
|------------------|--------|--------|--------|--------|--------|--------|
| Cape5TC (180)    | 5.8%   | 16.2%  | 8.1%   | -0.4%  | -2.4%  | -2.7%  |
| Pmx5TC           | -0.9%  | 6.3%   | 13.3%  | -0.1%  | 2.3%   | 2.3%   |
| Smx10TC          | 0.3%   | 4.9%   | 9.7%   | 6.4%   | 1.8%   | 2.6%   |
| Iron Ore (IODEX) | 0.0%   | 0.7%   | 43.7%  | 12.7%  | 14.4%  | 31.8%  |
| Coking Coal      | -0.4%  | 10.6%  | 8.3%   | 0.4%   | 0.0%   | -1.0%  |
| US HRC           | 0.0%   | -5.6%  | -2.7%  | 9.3%   | 9.9%   | 5.2%   |
| FOB China HRC    | 0.3%   | 53.2%  | 12.3%  | 51.4%  | -40.0% | 15.8%  |

| Price WoW %            | Oct-26 | Nov-26 | Dec-26 | Jan-27 | Feb-27 | Mar-27 |
|------------------------|--------|--------|--------|--------|--------|--------|
| Cape5TC (180) \$/day   | -11.7% | -18.5% | -10.2% | -3.5%  | -2.7%  | -2.2%  |
| Pmx5TC \$/day          | -3.1%  | -8.8%  | -8.8%  | -6.8%  | -6.6%  | -6.6%  |
| Smx10TC \$/day         | 1.5%   | -0.9%  | -0.5%  | -1.5%  | -1.6%  | -1.0%  |
| Iron Ore (IODEX) \$/mt | 0.6%   | 0.7%   | 0.3%   | 0.3%   | -0.1%  | -0.1%  |
| Coking Coal \$/mt      | -1.1%  | 0.0%   | 0.9%   | 1.2%   | 2.3%   | 1.6%   |
| US HRC \$/st           | 0.7%   | 2.3%   | 3.0%   | 3.1%   | 2.8%   | 0.9%   |
| FOB China HRC \$/t     | -1.0%  | -1.6%  | -2.1%  | -1.6%  | -1.2%  | -1.0%  |

Sources: EEX, SGX, CME

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