08 July 2026

IFCHOR GALBRAITHS

Weekly Dry-Bulk

MARKET COMMENTARY

Geopolitical tensions intensified this week as hostilities resumed in the Gulf and Lebanon. Markets reacted after the US President declared the ceasefire over, criticized Iranian negotiators, signalled further strikes, and the administration revoked a waiver allowing Iranian oil exports. Brent crude briefly climbed to 80.6$/b before easing to 79$/b, still up +10% WoW. Inflation concerns also lifted the US 10-year Treasury yield to 4.60%, after the Jun'26 FOMC minutes acknowledged a case for higher interest rates. In sharp contrast, with China's 10-year government bond yield at just 1.73%, the PBOC reaffirmed a moderately accommodative policy at its 2Q'26 meeting, citing weak global growth, geopolitical tensions and trade frictions.

Despite only average loading activity last week, dry bulk spot rates remained well supported by strong global coal shipments and persistent congestion at Chinese ports. Concentrating in China, queues of vessels awaiting discharge have remained at 5-year seasonal records for nearly 2 months, reducing fleet availability across both the Pacific and Atlantic basins, including around Brazil. More volatility ahead? With heavy rainfall, flooding and typhoon activity continuing across China, a rapid normalization of that congestion appears unlikely, whilst higher crude oil prices likely feeding through to bunker costs may discourage owners from ballasting into the Atlantic.

METALS & MACROECONOMICS

Last week, Chinese steel margins remained under pressure. Both HRC and Rebar spot margins edged up +1% WoW, while Month+3 margins continued to soften as HRC down -3% WoW and Rebar down -1% WoW. China's steel stocks rose +2.3% WoW to 13.2Mt, still +29% YoY and +5% MoM (**F2**).

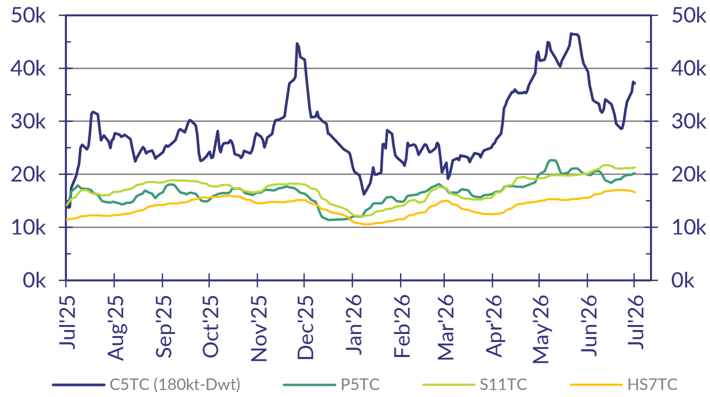
India's finished steel consumption surged +8.3% YoY to 41.6Mt in Apr-Jun'26, even as cheap imports from China, Japan and Russia prompted the DGTR to initiate an anti-dumping probe into HRC imports from all three origins. Tata Steel outlined a long-term capacity expansion to 40Mt/year, citing India's structural 7-8% annual steel demand growth.

On the trade front, USTR Greer confirmed on 01-Jul the US did not agree to renew USMCA in its current form, a significant development for North American steel and auto trade. Japan announced provisional anti-dumping duties of 3.86%-20.71% on Taiwanese cold-rolled stainless steel and 33%-45% on Chinese origin, effective 09-Jul’26.

08-Jul-2026			Value	WoW	MoM	52-week High	52-week Low
Cape 5TC (182kt-Dwt)		[$/day]	40,633	+21.4%	-5.1%	50,041	17,218
Pmax 5TC		[$/day]	20,209	+3.2%	+1.2%	22,691	11,391
Smax 11TC		[$/day]	21,317	+0.8%	+5.7%	21,715	12,038
LFO RTM		[$/t]	568.5	-3.1%	-14.4%	858.8	379.0
LFO SGP		[$/t]	637.3	-6.9%	-18.2%	1,194.3	418.0
Brent 09/2026	ICE	[$/bbl]	78.9	+10.3%	-14.4%	102.8	59.0
°Steel RB 10/2026	SHFE	[$/t]	394.8	+0.2%	-2.4%	420.2	382.2
°Steel HRC 10/2026	SHFE	[$/t]	421.1	-0.1%	-2.4%	447.0	395.6
Iron Ore 08/2026	SGX	[$/t]	99.3	+1.1%	-1.4%	111.6	95.4
Coal API2 Cal'01/2027	ICE	[$/t]	113.8	+3.2%	-9.8%	135.2	94.0
Wheat 09/2026	CBT	[$/bu]	6.11	+1.9%	+2.6%	6.92	5.41
Corn 12/2026	CBT	[$/bu]	4.56	+3.2%	+2.3%	5.05	4.30
Soybean 11/2026	CBT	[$/bu]	11.93	+3.8%	+5.1%	12.08	10.40

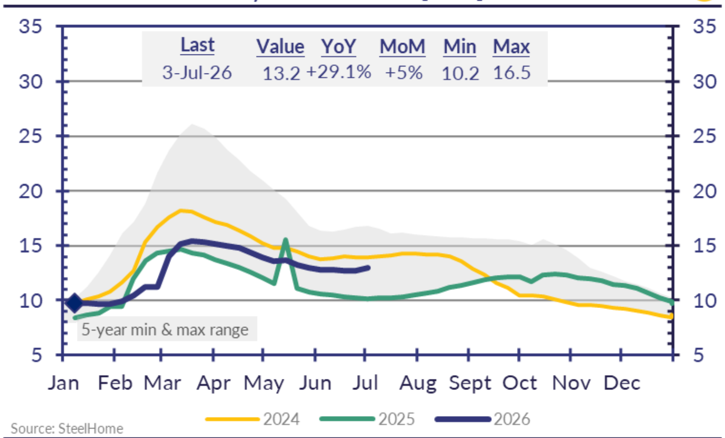
°: converted from CNY into USD & excl. 13%-VAT

F1 T/C Daily Spot Freight Rates [$/day]



Source: The Baltic Exchange

F2 China - Weekly Steel Stocks [Mt]



Source: SteelHome

IFCHOR GALBRAITHS

Switzerland
Place Pépinet 1
CH-1003 Lausanne

+41 21 310 31 31

United Kingdom
Bridgegate House,
124-126 Borough High Street
London SE1 1BL
+44 207 378 6363

www.IfchorGalbraiths.com
Research@IfchorGalbraiths.com

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COAL

China's main-6 coastal power plant coal stocks rose to 14.7Mt (**F3**) as of 03-Jul, up +2% YoY and +9% MoM, hovering near YTD high this week, further underscoring a persistent supply glut despite the start of the peak summer demand season.

The build reflects a striking confluence of supply-side pressure and demand-side disruption, coupled with severe flooding, typhoons and tornadoes across southern and central China have slowed coal consumption. The number of Panamax vessels waiting to discharge coal in southern China rose +8 WoW to, well above the seasonal norm of ~40.

On 06-Jul, coal inventories at Chinese ports stood at 78.2Mt, only marginally below its 78.7Mt record that was reached on 12-May. Daqin Railway freight volumes slipped -5.1% MoM to 36.9Mt in Jun'26, though still up +13.8% YoY.

Meanwhile, Indonesian seaborne coal exports eased -2% MoM to 39.2Mt in Jun'26, though still up +17% YoY, with China receiving 16.5Mt, up +51% YoY

IRON ORE

Still below the 100$ mark, SGX active contract for Jul'26 has lifted to an intraday high of 99.6$/t today on the back of renewed US-Iran tensions and perspective of skyrocketing energy prices.

On the demand side, CMRG widened restrictions on Fortescue, instructing mills and traders not to purchase any new dollar-denominated Super Special Fines cargoes while signalling plans to restrict existing SSF inventories at mainland ports, the latest escalation in China's campaign to consolidate bargaining power over seaborne iron ore procurement.

Tangshan blast-furnace use eased -0.1% MoM to 75.5% yet stayed +2.1% higher YoY (**F4**). Chinese port stocks edged -0.2% WoW to 159.7Mt, still +20% YoY and at a 5-year seasonal high.

At Port Hedland, unions confirmed an eight-hour strike on 16-Jul after more than 6 months of failed talks, a near-term supply disruption risk for the world's largest iron ore export terminal.

Weekly loadings however softened, with Australia down -9.2% WoW to 17.7Mt/wk and Brazil easing -7.7% WoW to 8.4Mt/wk.

AGRI

China has resumed buying U.S. soybeans, purchasing at least 10 cargoes or 0.5Mt for Sep–Nov'26 shipment as it moves toward a White House-announced target of importing 25Mt annually.

The Panama Canal Authority will further reduce the maximum authorised draught for Neopanamax vessels to 49ft from 24-Jul and 48.5ft from 15-Aug as Gatun Lake water levels are set to decline further. While current restrictions remain far less severe than during the 2023 El Niño disruption, additional cuts could tighten capacity and affect U.S. Gulf-to-Asia grain exports.

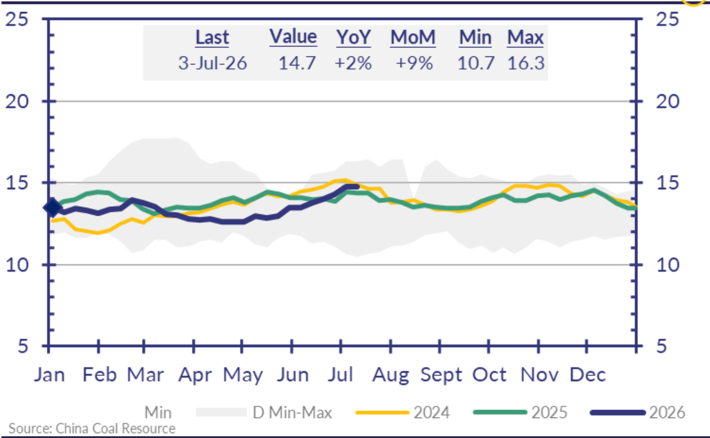
China's soybean crushing margins turned positive in June, reaching +$1.7/t (**F5**), although still almost -60% lower YoY. Meanwhile, soybean inventories at ports are still at seasonal record highs.

Ukraine's grain harvest might slow in the coming weeks due to rainfall delaying barley and wheat harvests and risks of deteriorating grain quality. It echoes last year's harvest disruptions. At the same time, the rains may benefit late-season crops in regions previously affected by dry conditions.

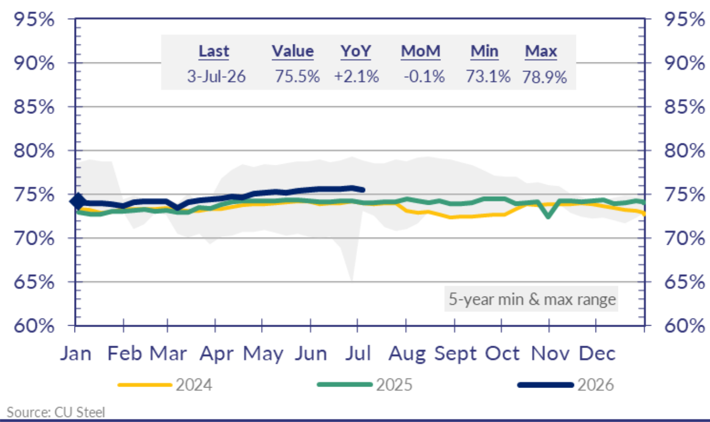
08-Jul-26			Value	WoW	MoM	YoY	52-week High	52-week Low
China Stocks	Steel	[Mt]	13.2	+2.3%	+3.4%	+29.1%	15.4	9.7
	Iron Ore	[Mt]	159.7	-0.2%	+0.4%	+19.7%	166.9	130.1
	Coal	[Mt]	25.1	+4.0%	+3.9%	+5.6%	25.1	19.4
Coal Days Cover	China *	[Day]	18.7	+2.7%	+13.3%	+14.0%	24.8	14.2
	India	[Day]	14.0	+0.0%	-12.5%	-30.0%	20.0	14.0
USDA Global Stocks '26/'27	Corn	[Mt]	281.2	N.A.	-4.6%	+2.2%	294.8	272.1
	Wheat	[Mt]	275.4	N.A.	-2.7%	+4.8%	283.1	260.1
	Soybean	[Mt]	124.9	N.A.	+0.1%	-0.3%	126.1	122.0

* Six Key Coastal Power Companies, NOT Key Coal-Fired Power Plants.

F3 China - Stocks Main-6 Coastal Power Plants [Mt]



F4 Blast-Furnace Operating Rate in Tangshan - [%]



F5 China - Soybean Crush Margins [$/t]