

Bulk Carriers Outlook: 2026

Bulk carrier markets entered 2Q'26 in a much stronger position than anticipated (F1), with freight rates outperforming despite a highly volatile macro backdrop. At first glance, the story is iron ore: strong export pace in 1Q'26, led by Australia (F4), while the Q1/Q2 seasonal transition once again amplified Capesize momentum. By late April, Capes spot rates had doubled YoY, were testing the 35–40k\$/day range and approaching the high levels seen in Dec'25. But that's only half the story: geopolitics has played a more complex role than initially expected.

Volatility didn't destroy demand, it compressed time

The war in the Middle East injected exceptional volatility into energy and freight markets, primarily through bunker price swings and disruptions to trading conditions. Although the overall intensity of the conflict eased through April, the continued blockade of the Strait of Hormuz – and the uncertainty surrounding its resolution – have maintained a high level of unpredictability. For bulk carriers, this volatility is not neutral: ships don't sit on shelves, time lost is supply gone. Periods of disruption, hesitation and rapid repositioning reduce effective supply and compress decision cycles. In that sense, the war has acted less as a drag on demand than as a volatility-driven accelerator, amplifying freight market moves and lifting sentiment.

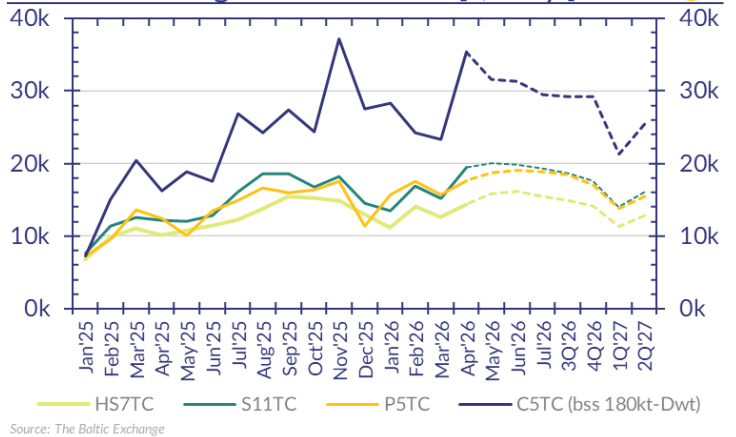
Dry-bulk ton-miles recover faster than expected

After a volatile start to the year, dry-bulk demand has recovered more convincingly than anticipated and Ton-Miles increased +5.2% YoY for 1Q'26 (F2). Australian iron ore exports proved resilient through the cyclone season, with disruptions short-lived and quickly reversed. This matters because Q1 is typically the weakest period for Capes. Instead, strong iron ore flows, firmer Atlantic activity and improving sentiment allowed the market to transition rapidly from seasonal weakness to tightening conditions. The Dec'25 thesis – Capes supported by iron ore and Atlantic developments – is now materialising faster than expected. It also contributes to absorb the fleet expansion due in 2026 (F3).

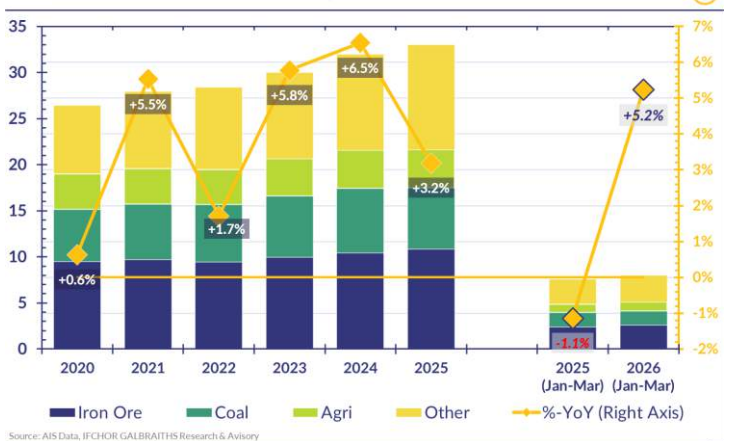
Capesize: iron ore leads the outperformance

The Capesize rally reflects both seasonal and structural factors. Strong Australian shipments (+4.3% or +13Mt YoY), recovering Brazil exports (+3.5% or +3.9Mt YoY) and the early stages of Simandou's ramp-up (2Mt in 1Q'26, 1Mt in Apr'26) at have tightened the large-vessel balance. Beyond volumes, the pricing dynamic is key: China's high-cost domestic iron ore remains the marginal tonne, meaning lower seaborne prices can increase import reliance rather than suppress demand. This dynamic continues to anchor Capesize demand into 2Q'26.

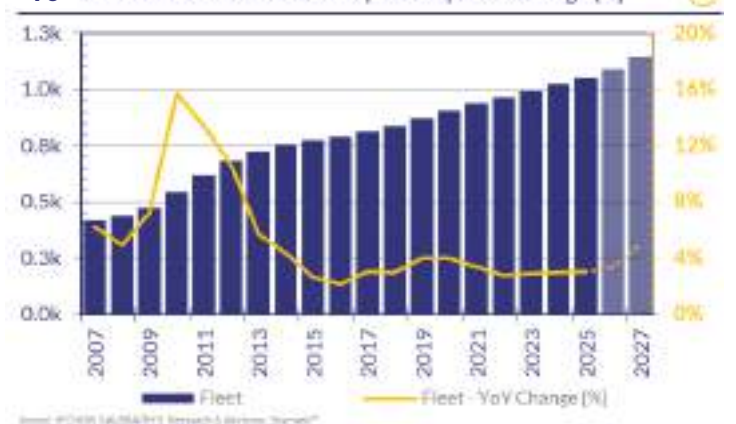
F1 TC Averages & FFA Curve [\$/day]



F2 Bulk Carriers - Ton-Miles By Cargo Capacity [Tt-nm]



F3 Bulk Carriers: Fleet Evolution [Mt-Dwt] & YoY Change [%]



Guinea: bauxite-to-iron ore optimisation begins

Although global bauxite exports are forecasted up +5.4% YoY in 2026, Guinea (+6.1% YoY) is emerging as the key swing factor in the Atlantic. While Simandou's ramp-up in 1Q'26 (*i.e.* ~2Mt) fell short of the most optimistic expectations, operational signals are strengthening. If government proposals to cap bauxite exports remain under discussion and may ultimately apply only to state-controlled miners such as NMC and CBG, there is a symmetrical incentive to increase iron ore exports. The economic rationale is clear: with broadly similar production costs and an iron ore premium of ~40\$/t, the incentive for Guinea to maximize iron ore exports is compelling. This dynamic is already visible in April. SMB/Winning has adjusted output, reportedly reducing bauxite exports by ~20%, while redeploying logistics capacity toward Simandou/Morebaya. In Apr'26, Guinea's iron ore exports is to reach a new monthly high above 1Mt. Our base case of maximised bauxite flows until Simandou ramps up is now evolving: the transition phase appears to have begun, with iron ore gradually displacing bauxite at the margin.

Coal: policy risk replaces volume growth

Coal remains structurally softer with 2026 exports expected to recover +0.8% YoY. Down -3.8% or -20Mt in 2026, Indonesia should continue to act as the main swing supplier, with evolving policies on quotas, domestic obligations and taxation constraining export visibility. Rather than a collapse in volumes, the market is seeing a redistribution of flows toward alternative origins such as Australia (+2.8% YoY), Russia and Colombia (F6). This supports certain Panamax routes but leaves overall coal trade growth limited and highly policy-dependent.

Agri: stronger support for Panamax and Supramax

Despite forecasted to expand +5.7% YoY in 2026, agri flows have provided stronger-than-expected support to mid-size segments in 1Q'26. US exports have exceeded seasonal norms following renewed trade alignment with China, which has added US volumes on top of significant Brazilian purchases (F7). This points to sustained Atlantic demand in 1H'26 and heavy Q2 arrivals into China from South America. As a result, Panamax and Supramax markets have proven more resilient than anticipated, even as fleet growth remains a structural headwind.

What about bulk carrier supply?

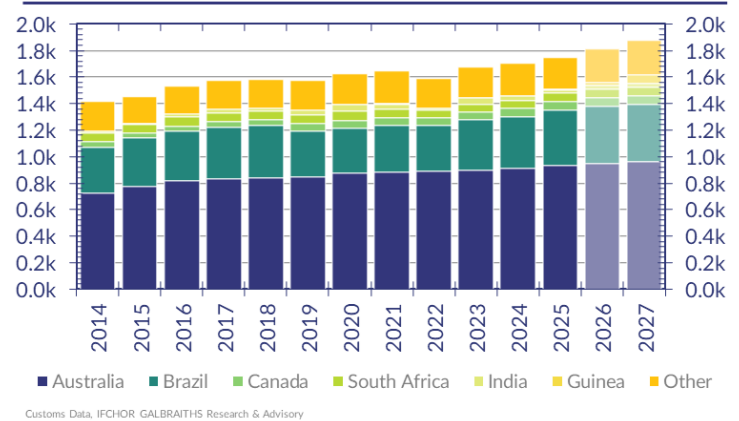
Fleet supply remains the main counterbalance. Deliveries up +3.3% YoY in 2026 are skewed toward Panamax and Supramax (+4% YoY), where fleet growth is expected to eventually outpace demand. Capesize supply remains more contained with a more favourable demand profile. This divergence continues to underpin relative strength in the larger segment.

Conclusions

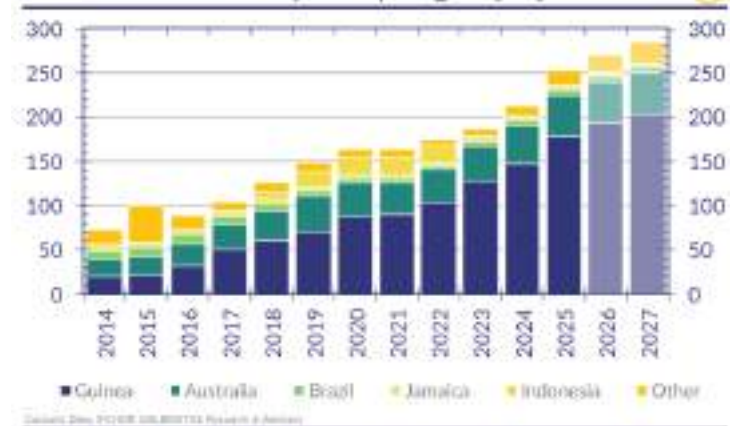
The Apr'26 Outlook is more constructive than Dec'25, particularly for Capesize. Freight has outperformed as iron ore exports surprised to the upside in 1Q'26 (F4), Australia led the recovery, and Guinea shifted from a medium-term story to an active market driver. Simultaneously, geopolitics has reinforced rather than undermined freight, with volatility acting as a catalyst for tighter effective supply.

Looking ahead, risks remain skewed positive for Capes and more balanced for mid-size bulkers. Guinea's ramp-up, Indonesian policy shifts, agri trade flows and weather patterns – particularly El Niño – will shape the next phase of the cycle, in a market where volatility itself has become a key driver.

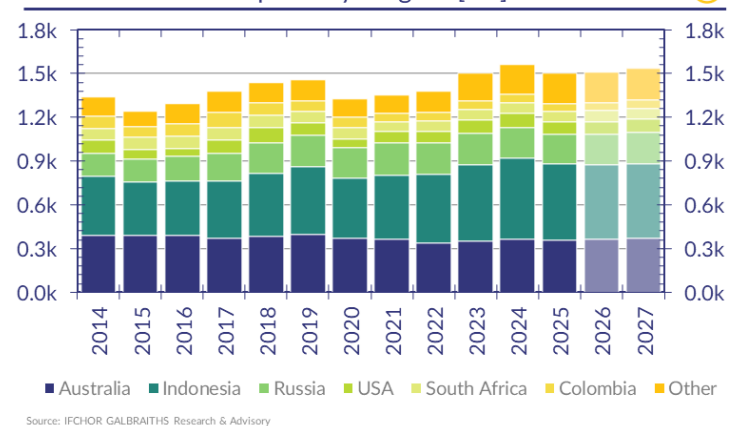
F4 Global Iron Ore Exports by Origin - [Mt]



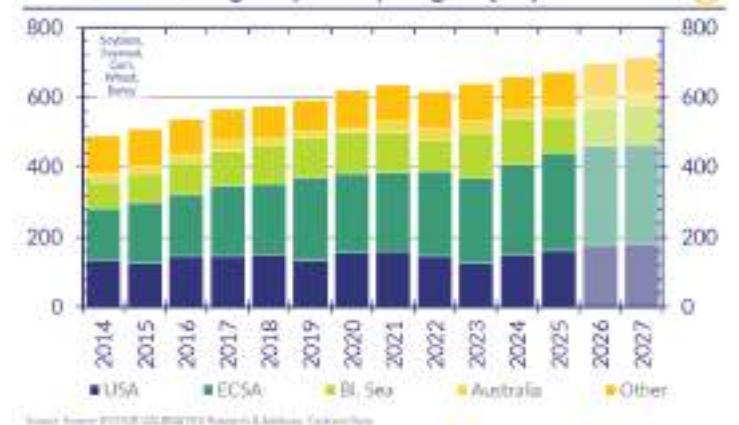
F5 Global Bauxite Exports by Origin - [Mt]



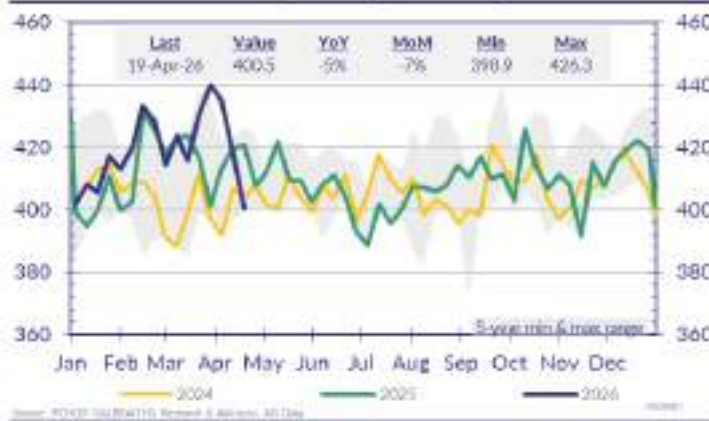
F6 Global Coal Exports by Origin - [Mt]



F7 Combined Agri Exports by Origin - [Mt]



Bulkers Total Congestion [Mt-Dwt]



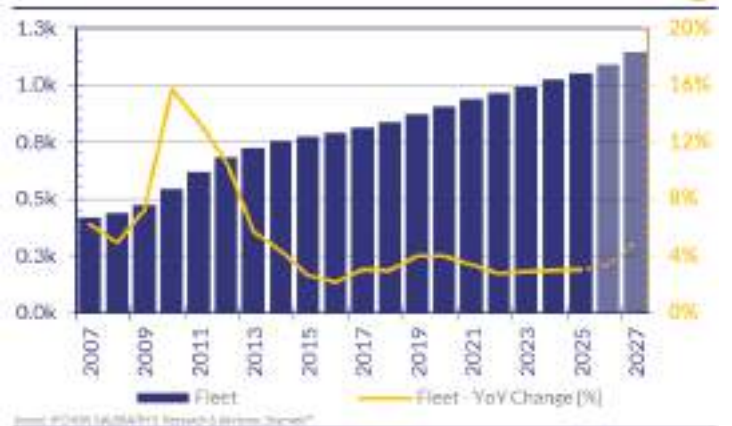
China - Iron Ore Stocks At Ports [Mt]



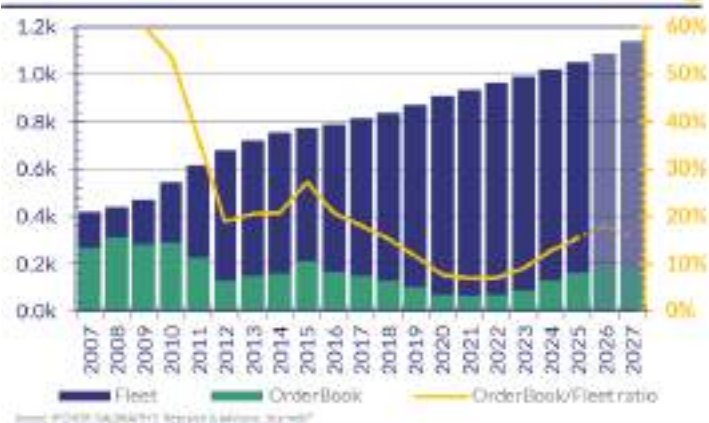
Bulk Carriers: Fleet, Deliveries & Demolitions [Mt-Dwt]



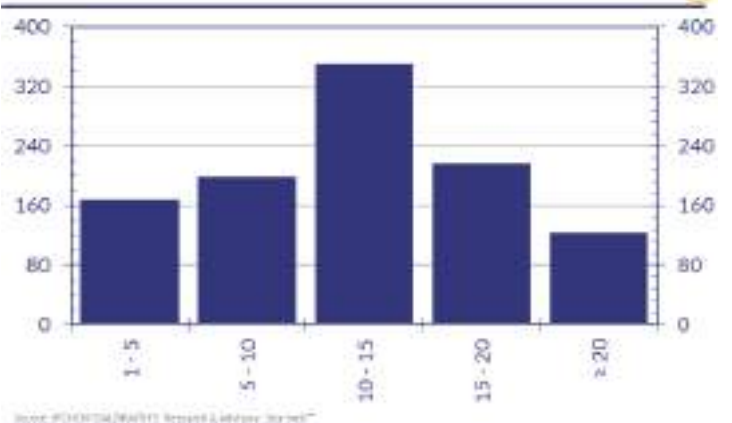
Bulk Carriers: Fleet Evolution [Mt-Dwt] & YoY Change [%]



Bulk Carriers: OrderBook & OrderBook/Fleet Ratio [Mt-Dwt, %]



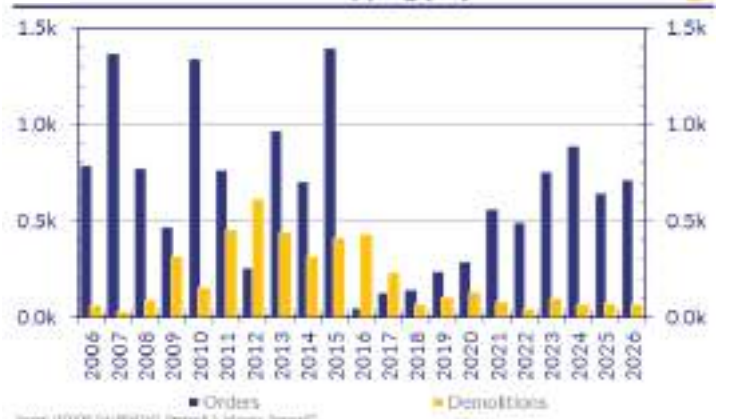
Bulk Carriers: Age Distribution [Mt-Dwt]



Bulkers: Deliveries per month [#]



Bulkers: Orders vs Scrapping [#]





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