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Simandou starts shipping, what's next for iron ore and freight markets?

Alexis Ellender - Senior Lead, Dry Bulks Insight

Zhiyuan Li – Dry Bulk Insight Analyst

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Simandou ramp-ups and challenges

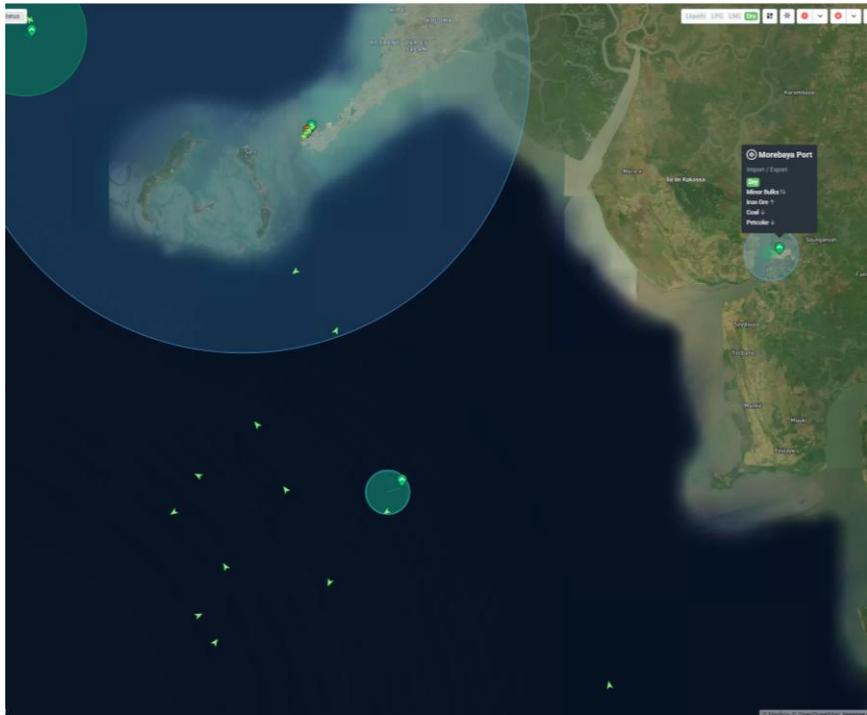
Zhiyuan Li – Dry Bulk Insight Analyst



Kpler is closely monitoring first Simandou exports

The first vessel loading Simandou iron ore will leave the Port of Morebaya in the coming days

Morebaya terminal and *Winning Youth* on Kpler platform



Source: Kpler

Satellite image of Morebaya

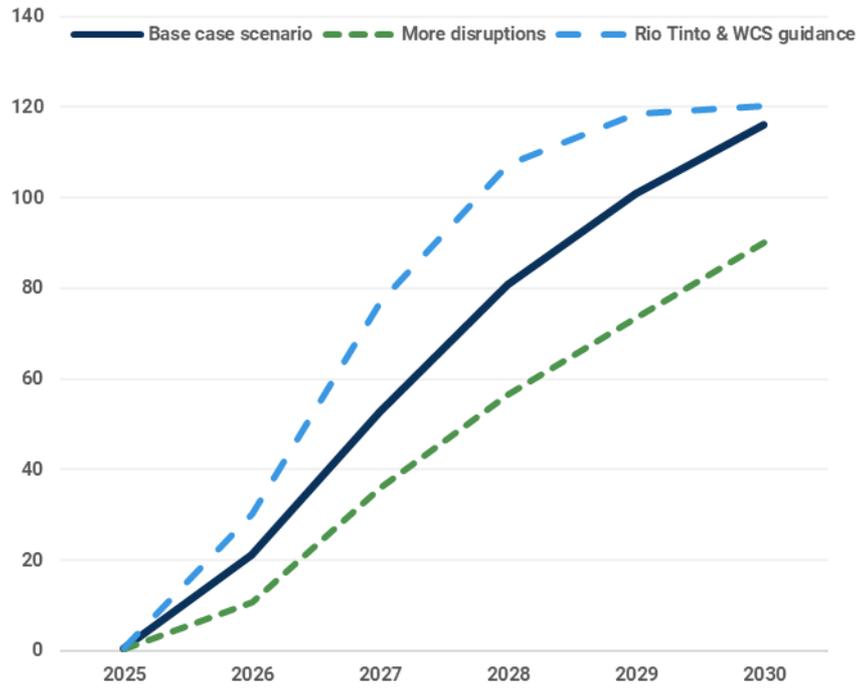


Source: Kpler

How quickly can Simandou ramp up iron ore exports?

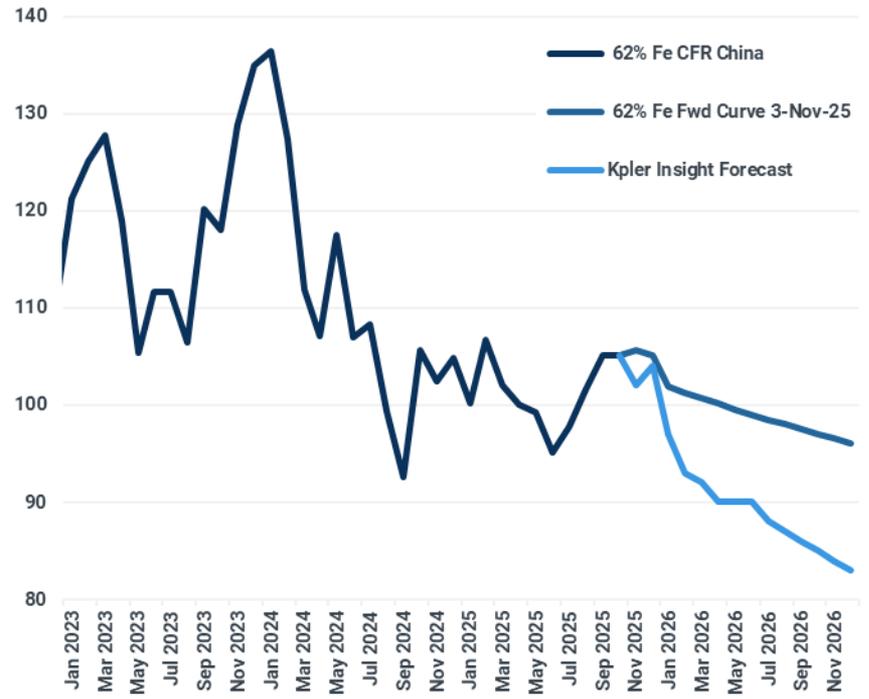
And how will the prices react?

Simandou exports from 2025 to 2030 (Mt)



Source: Kpler Insight

Iron ore prices with Simandou (\$/t)

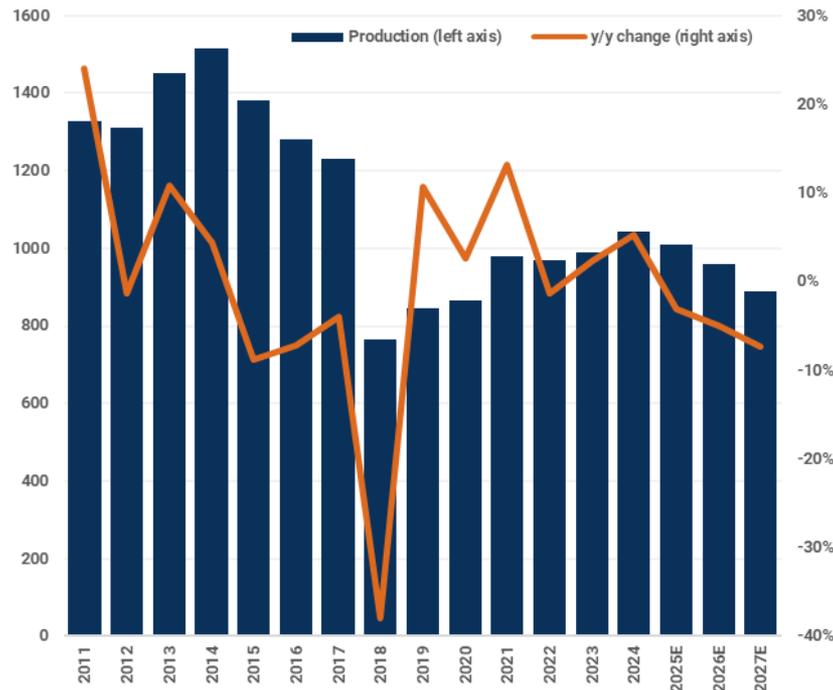


Source: Marketview, Kpler Insight

High-cost production will be squeezed out of the market

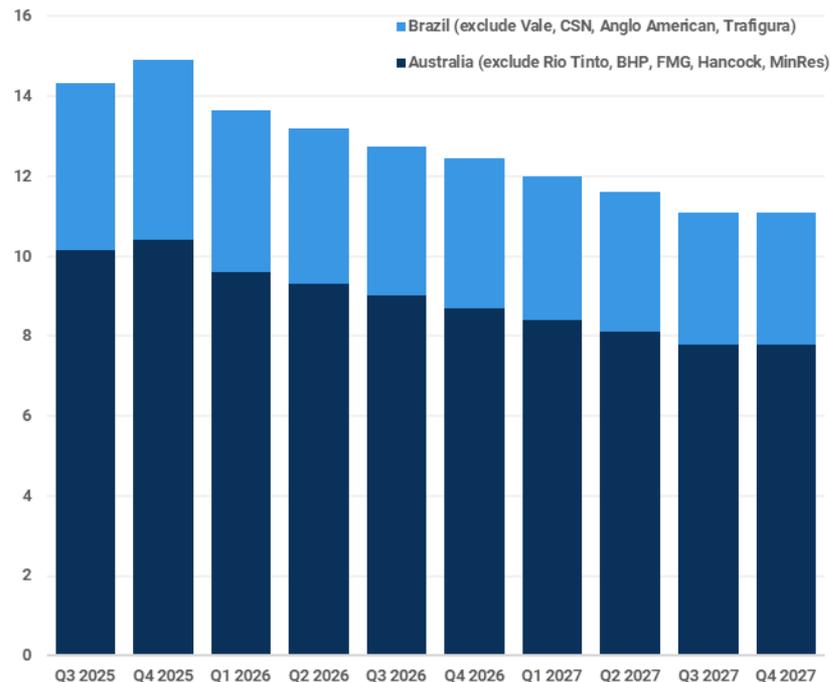
Domestic production in China may take the hardest hit as prices dip further

Domestic Chinese Run-of-Mine (ROM) production (Mt)



Source: NBS, Kpler Insight

High-cost supplies in decline: AUS and BRA as example(Mt)

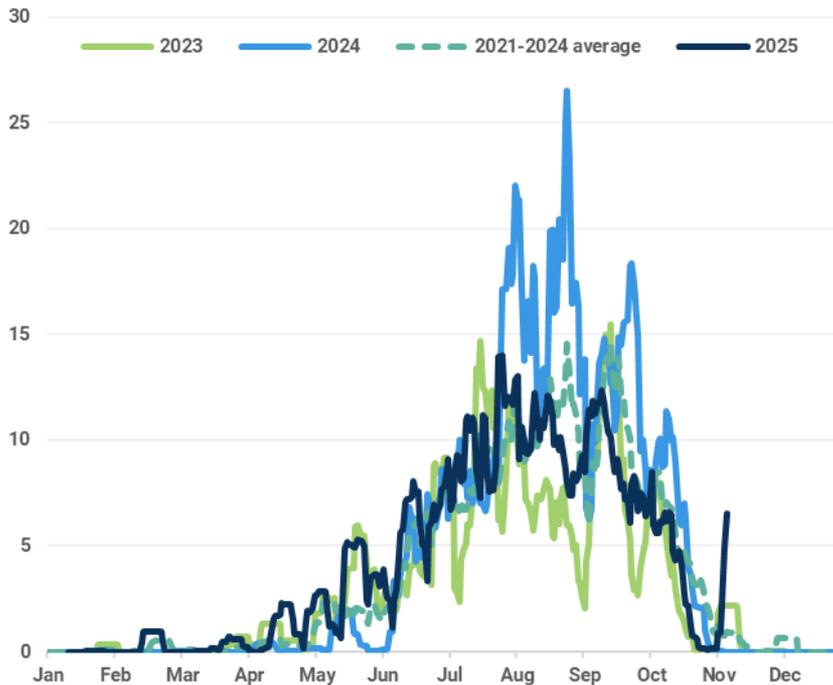


Source: Kpler Insight

Near and mid-term challenges during ramp-ups: climate conditions

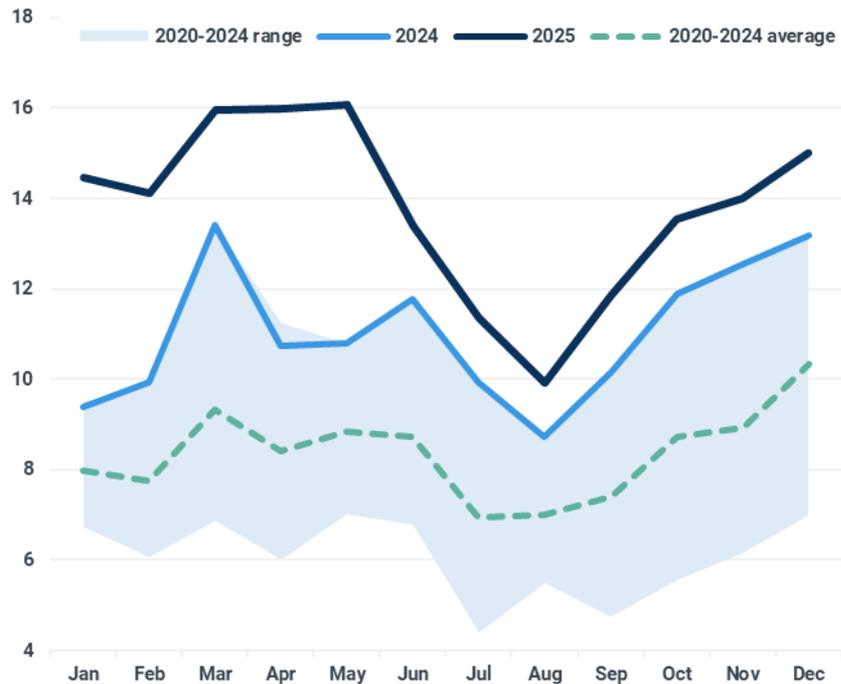
The 2026 rainy season (May to Oct) will test the resilience of the project's early ramp-ups

10-day moving average of precipitation in Kankan (mm)



Source: Meteostat, Kpler Insight

Seasonality in Guinean bauxite exports (Mt)



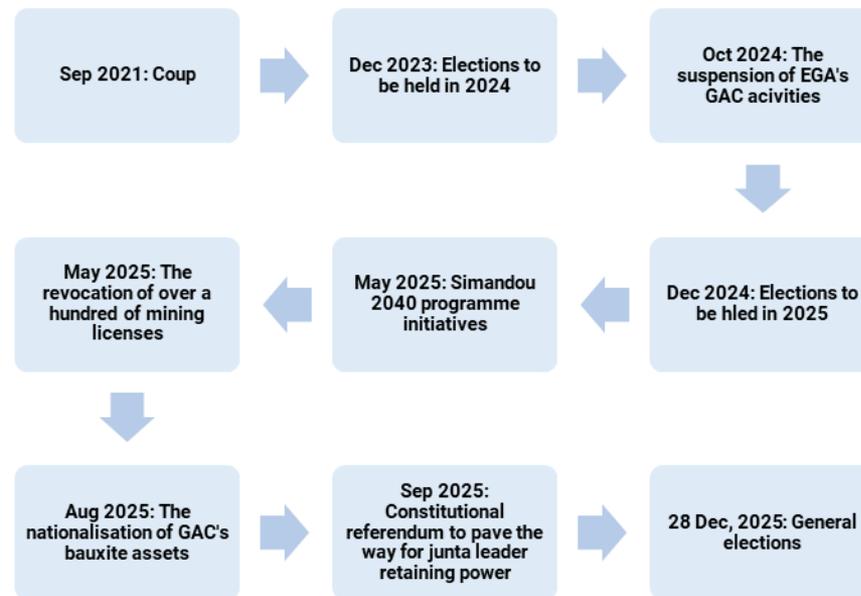
Source: Kpler Insight

Constraints and uncertainty over long-term Simandou iron ore supply

The upcoming Dec 25 elections will reassure investors or bring more uncertainty?

- **Political and social instability:** December 2025 elections, social unrest, strikes
- **Resource nationalism:** local processing capacity – feasibility studies to be done by late-2027
- **Infrastructures and logistics coordination:** railway, ports, barge capacity
- **Market competition:** Chinese-backed investments in other resource-rich African countries
- **Highly reliant on the Chinese market:** China will be the receiver of most of the Simandou ore

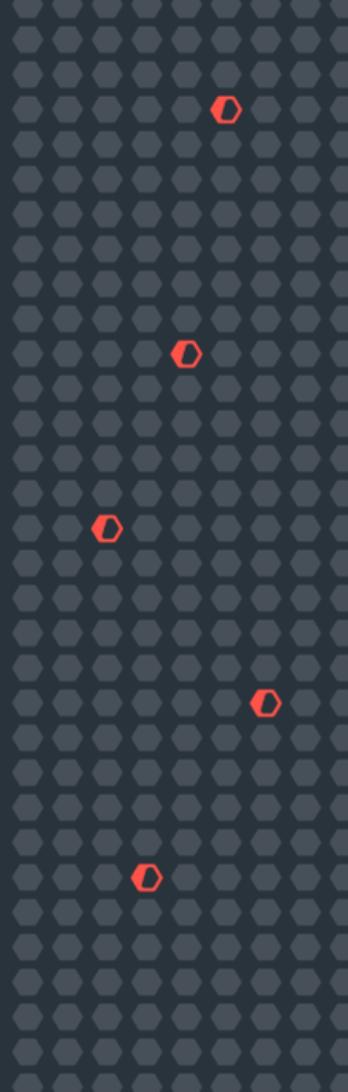
Major political and resource nationalism events in Guinea



Source: Kpler Insight

Freight market implications

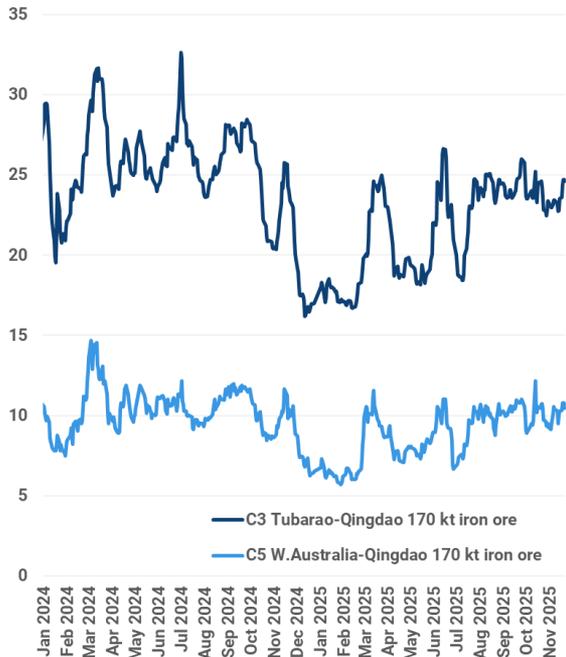
Alexis Ellender - Senior Lead, Dry Bulks Insight



How much will it cost to ship Guinean iron ore to China?

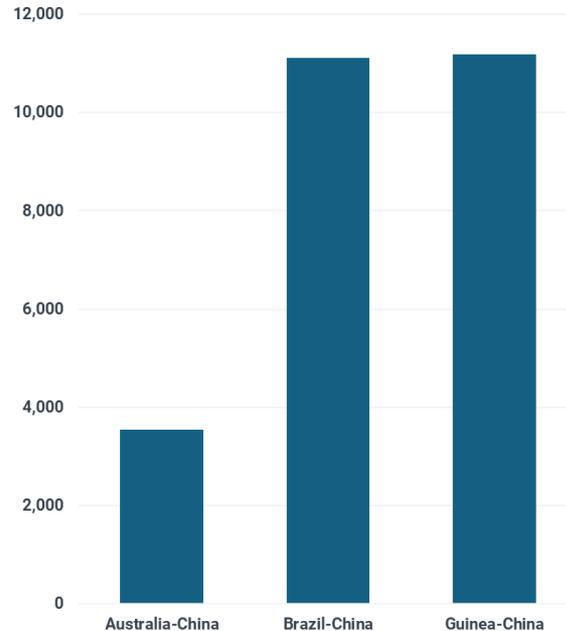
Guinea-China is comparable to a Brazil-China voyage in both length and duration, but significantly longer than Aus-China

Iron ore spot voyage rates (\$/t)



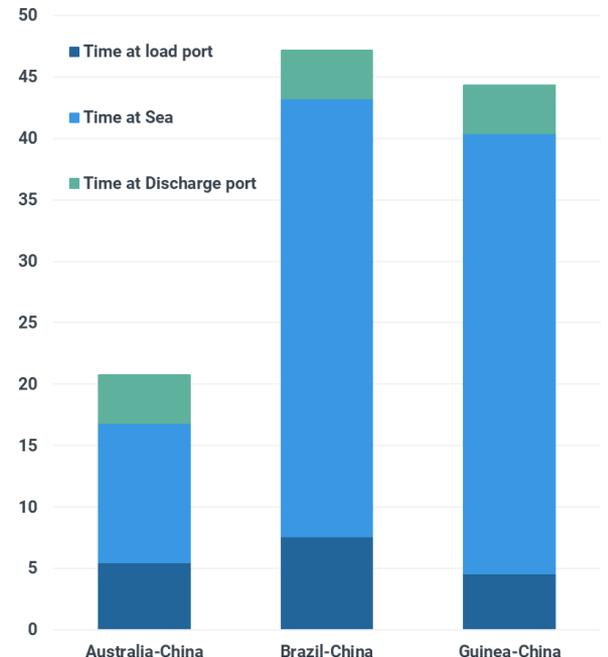
Source: Baltic Exchange

Voyage length (nm)



Source: Kpler Insight

Voyage duration (days)

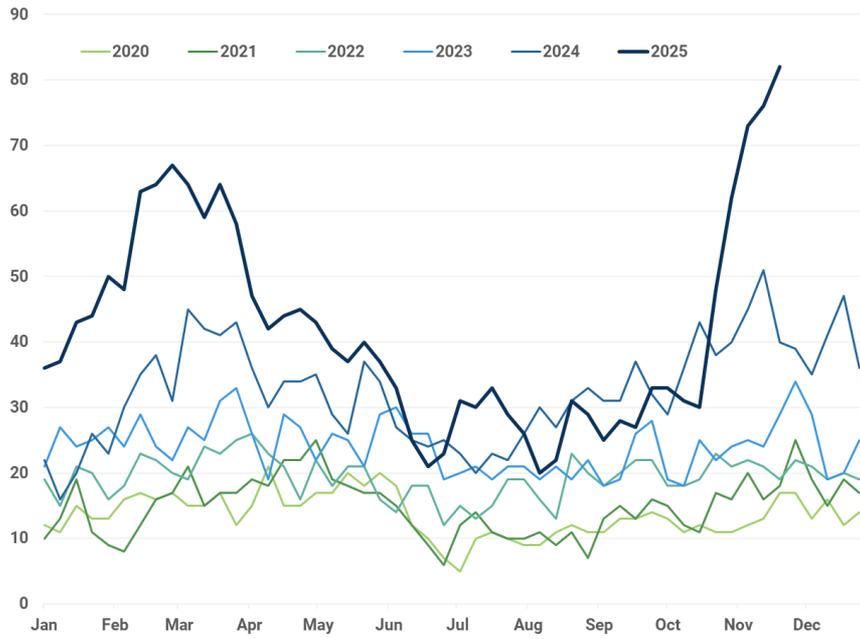


Source: Kpler Insight

Freight market implications

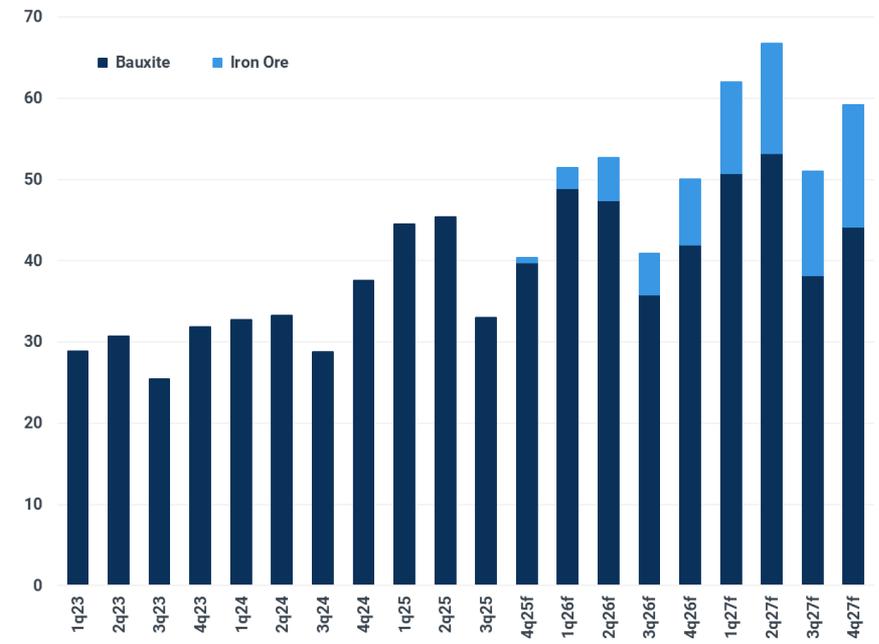
Even more vessels heading to West Africa, a new seasonality for Capesize trade, and ton mile growth

Capesize (100k+ dwt) vessels on route to Guinea (count)



Source: Kpler Insight

A new seasonality in Capesize trade driven by Guinea (Mt)

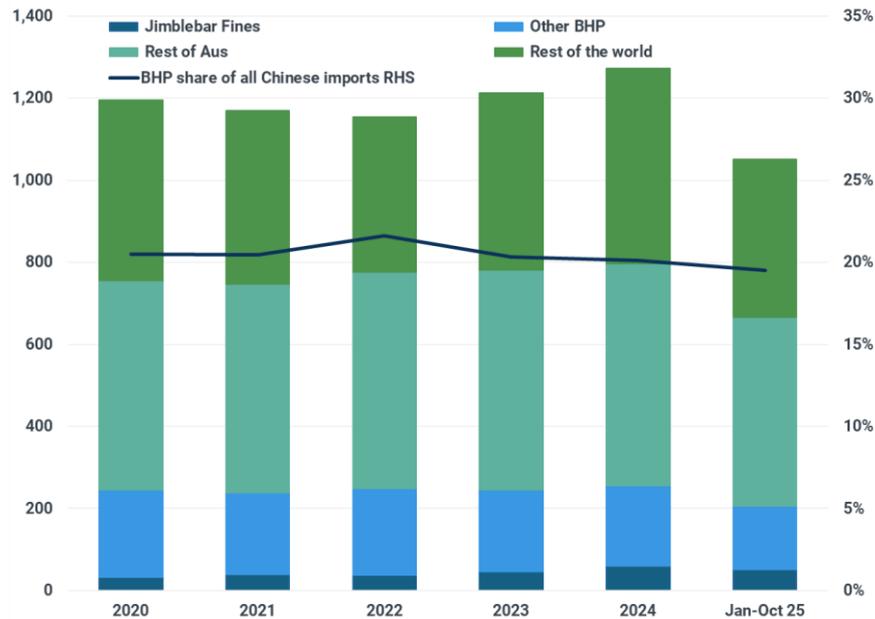


Source: Kpler Insight

CMRG laid down a marker for the iron ore market with BHP product 'bans'

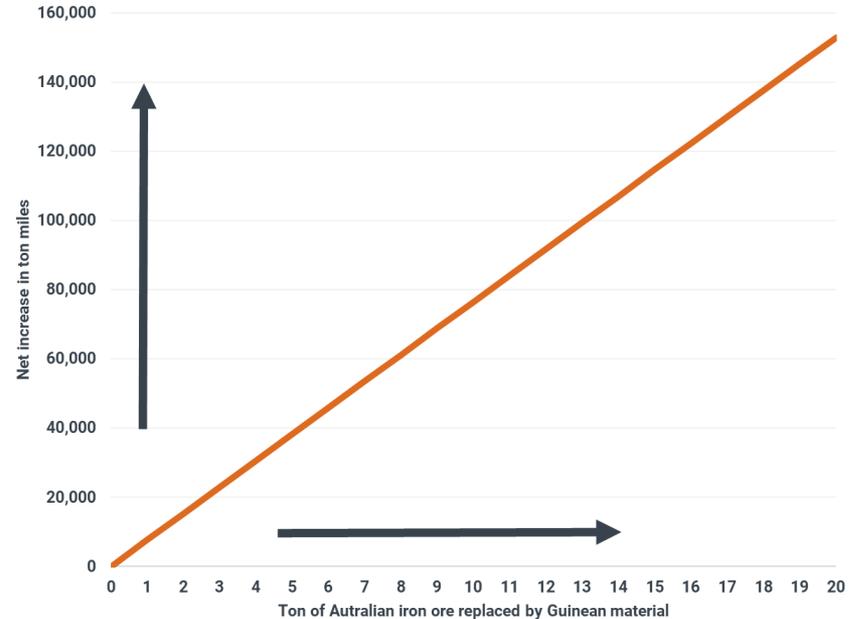
Long-term drive to improve pricing power supports supply diversification and fronthaul cargo growth

BHP and Australia share of Chinese iron ore imports (Mt)



Source: Kpler

Ton mile effect of switching from Aus-China to Guinea

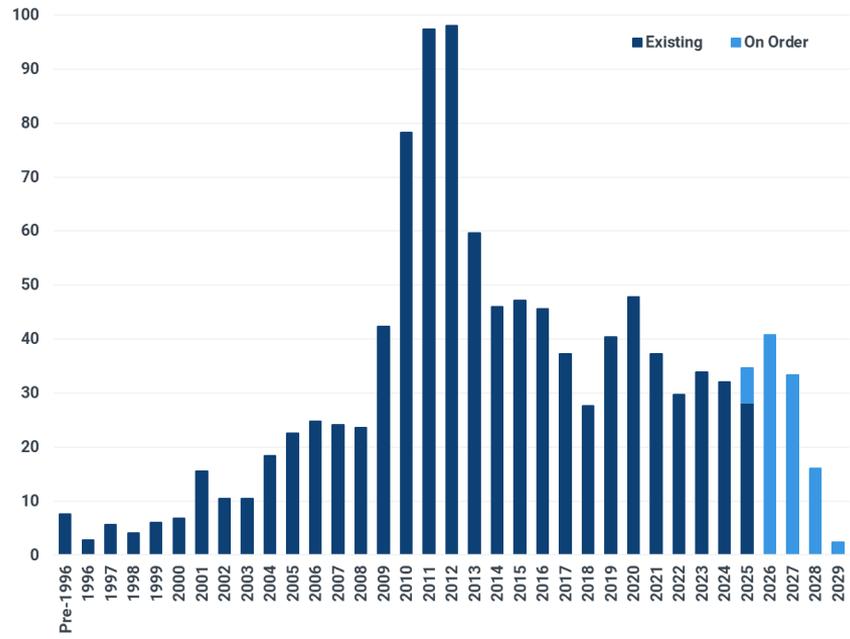


Source: Kpler Insight

The number of bulkers off market is set to increase

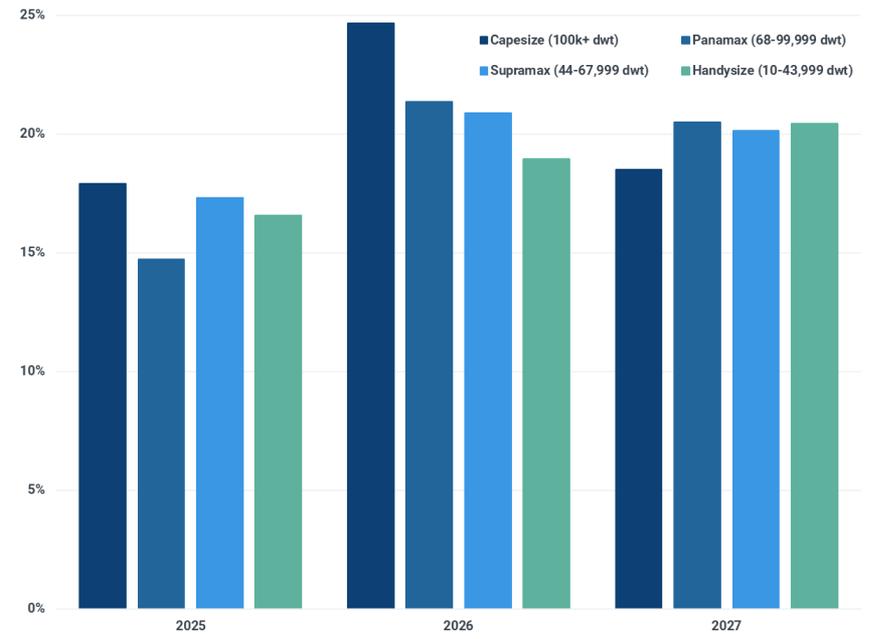
Vessels built over 2011-2012 coming up for special surveys, set to tighten supply over the next two years

Dry bulk carrier fleet by year of build (Mdwton)



Source: Kpler Insight

Proportion of fleet due for special survey by year (% count)

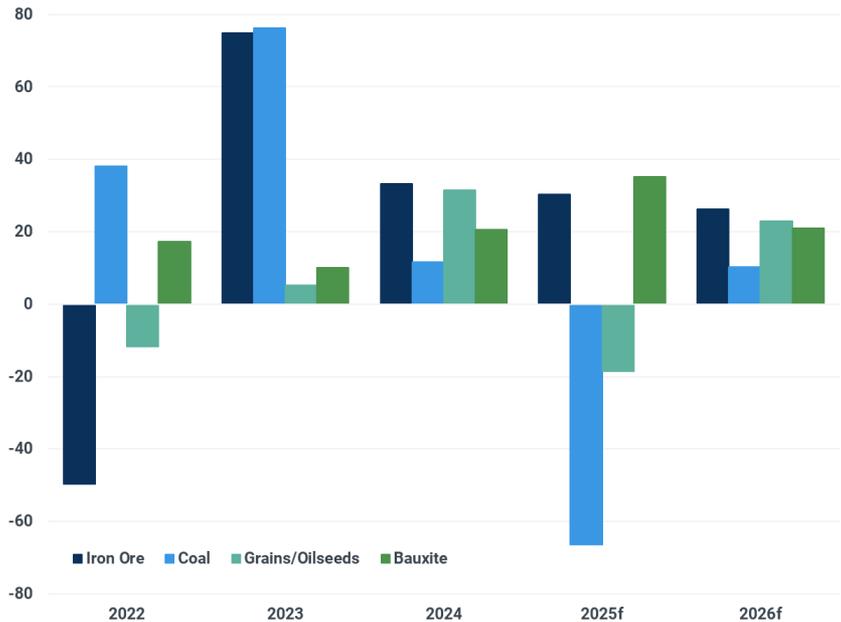


Source: Kpler Insight

Firm outlook for Capesize dry bulk carrier market in 2026

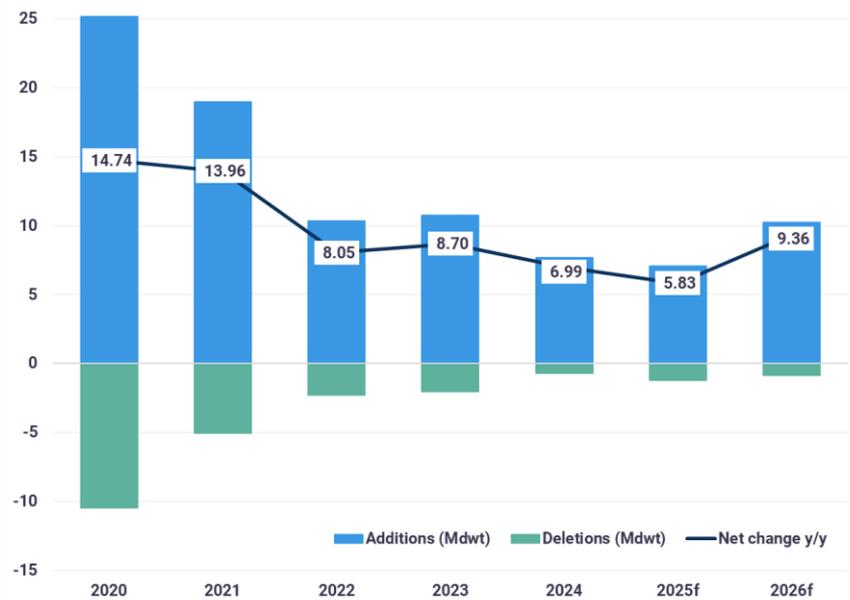
Expansion in iron ore trade, plus bauxite growth, more vessels off hire, and modest fleet growth, to support earnings

Annual growth in seaborne dry bulk trade (Mt)



Source: Kpler Insight

Capesize (100k+ dwt) fleet growth (Mdwt)



Source: Kpler Insight

Q&A



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Thank you

insight@kpler.com

drybulk@kpler.com