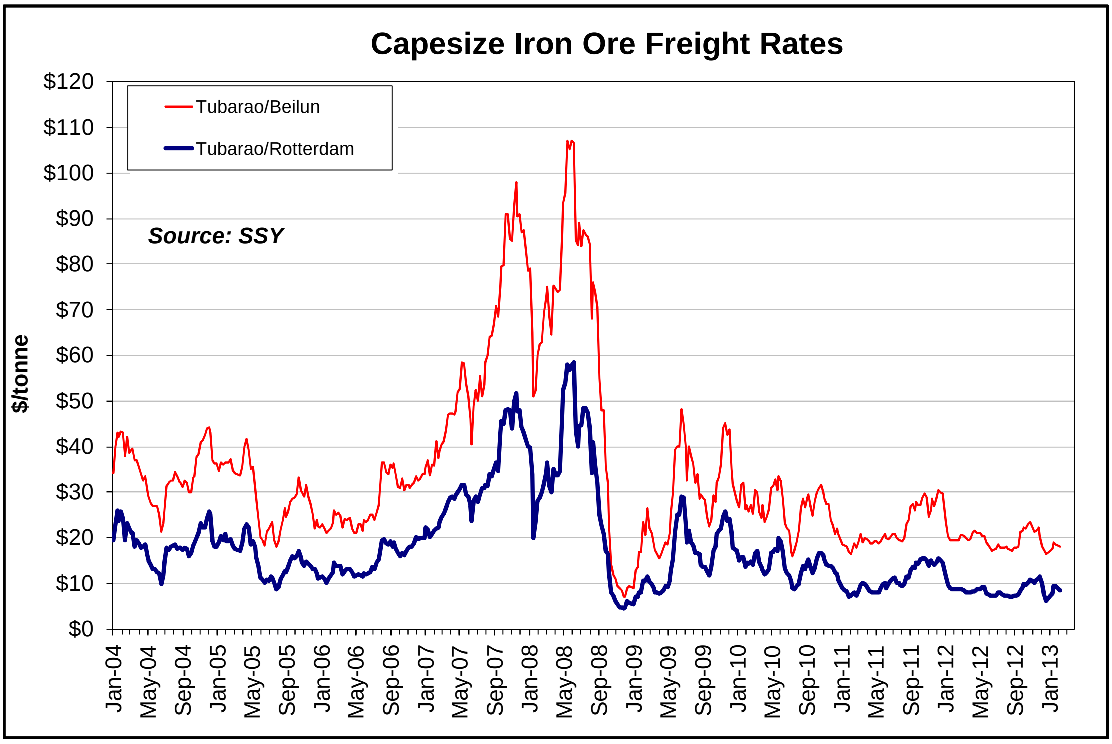
CAPESIZE/PANAMAX MARKET UPDATE (11 February 2013)

Last week saw a limited revival in the Panamax market, with average earnings gaining almost $700/day to $5,864/day after falling for three consecutive weeks. Pacific round voyage rates showed the largest increase, rising by $2,128/day during the week to a two-month high of $5,969/day. Spot voyage rates have risen: freight rate from Bolivar to Rotterdam rose by $0.75/t from the previous week to an 8-week high of $12.90/t.

The Capesize market remained low last week, with average earnings standing at $7,243/day on 11 February. The Capesize iron ore voyage rates from Tubarao to Qingdao fell $0.25/t week-on-week to a 4-week low of $18.00/t, while Tubarao to Rotterdam also declined, falling for a third consecutive week to $8.55/t.

Supply-side disruption to mineral cargo supply has emerged as a theme of the new year, as a combination of adverse weather conditions, industrial action and regulatory rulings (in the case of Drummond's Colombian coal terminal) has impaired coal and iron ore loading in a number of locations. Moreover, several of these supply-side interruptions have been focused on Capesize trades, such as iron ore from West Australia, coal from Colombia and – alongside Panamaxes – in East Australia.



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