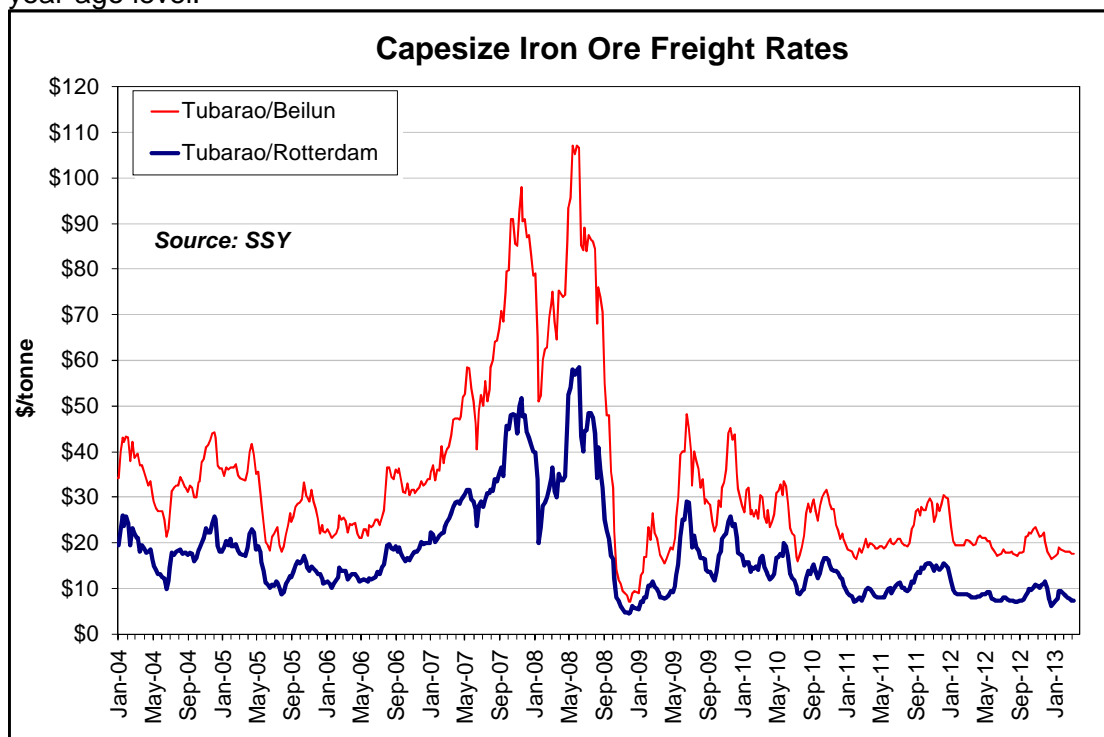


CAPESIZE/PANAMAX MARKET UPDATE (11 March 2013)

Capesize average earnings remained the lowest of the main sizes for a third consecutive week with the current level of \$4,438/day almost 40% below those for Handysize vessels of 28 kdwt (\$7,221/day), underlining the relative weakness in the Cape sector. Nonetheless, the FFA and period markets imply market expectations for a rebound in Capesize spot rates with FFA prices for the remainder of 2013 (March-December) trading at around \$10,000/day, while one-year period rates currently stand at \$11,500/day. The Capesize iron ore voyage rates from Tubarao to Rotterdam edged higher from last week to \$7.35/t, while charter rates from Tubarao to Qingdao were unchanged, at \$17.60/t.

In sharp contrast to Capes, where spot earnings are languishing close to their 6-month lows, Panamax average earnings have climbed to an 8-month high of \$9,026/day supported by gains in both the Pacific and Atlantic basins. Last week saw more fixing activity on the East Australia coal trade, with transpacific round voyage rates rising above \$10,000/day for the first time since May 2012 and were up by more than \$6,000/day on the levels of just five weeks ago. Meanwhile, Panamax fronthaul (Atlantic-Pacific) charter rates have risen to an 8-month high of \$16,781/day, supported by grain-related shipments from South America. Panamax spot rates from Bolivar to Rotterdam edged higher to \$13.60/t, but were still \$0.95/t lower than the year-ago level.



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