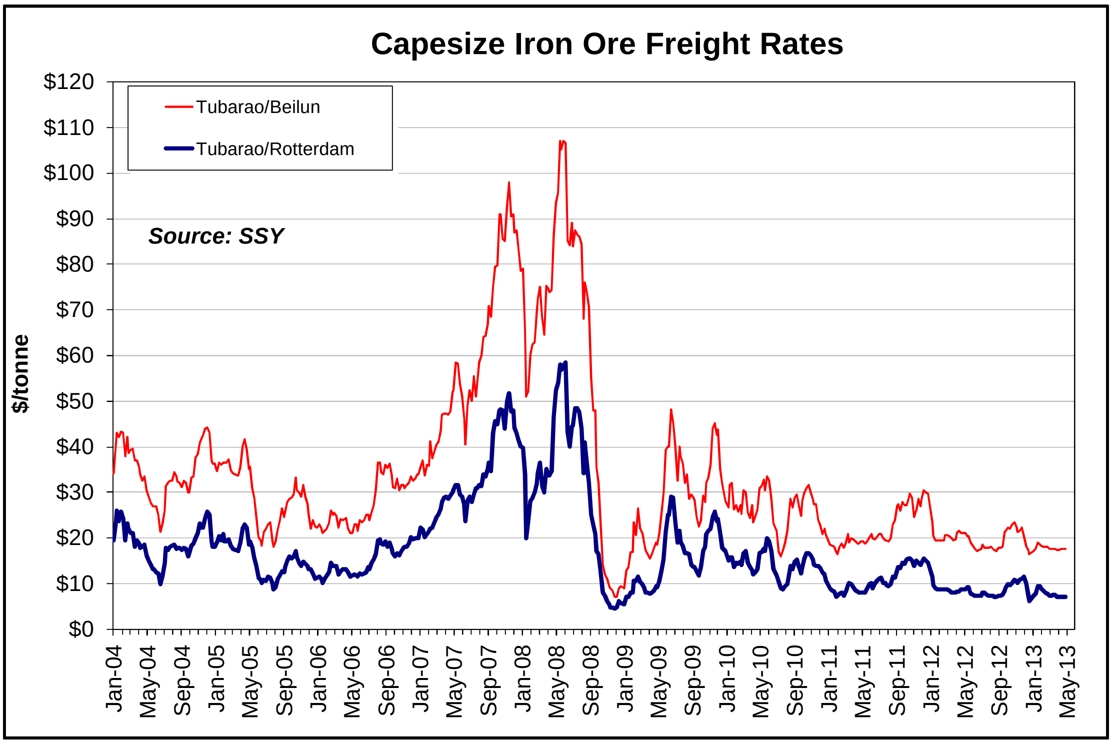
CAPESIZE/PANAMAX MARKET UPDATE (29 April 2013)

Once again, the Capesize and Panamax markets moved in opposite directions last week. After sinking to a new low for 2013 on 24 April ($4,205/day), average earnings for Capesize vessels rose $442/day to (a still depressed level of) $4,744/day. The Capesize iron ore voyage rate from Tubarao to Rotterdam stood at the year-to-date low of $7.10/t for a second successive week, while the rates from Tubarao to Qingdao were unchanged for three consecutive weeks, at $17.50/t. In complete contrast, the Panamax equivalent pushed higher to $9,603/day on 22 April (close to 10-month high recorded in late March), before dropping to a month-low of $8,455/day.

Having been supported by a record Latin American grain export and ensuing severe port congestion in Brazil, the Panamax market in the Atlantic has started to weaken with round voyage rates declining from a 9-month high of $10,000/day to $9,086/day. The recent higher earnings in this basin had prompted more ballast ships into the Atlantic. Lengthening the list of available tonnage together with the lack of grain and coal fixing activity caused rates became softer during the week. The Panamax voyage rates from Puerto Bolivar to Rotterdam route dropped $0.50/t to $14.10/t, ending two consecutive weeks of gain that saw it rise to $14.60/t (which was the highest level since May 2012). Although shipbrokers report some increase in coal chartering activity from East Coast Australia, the number of available vessels prevented any upward movement in rates, with Pacific round voyage rates falling $1,211/day to a two-month low of $8,494/day.



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