

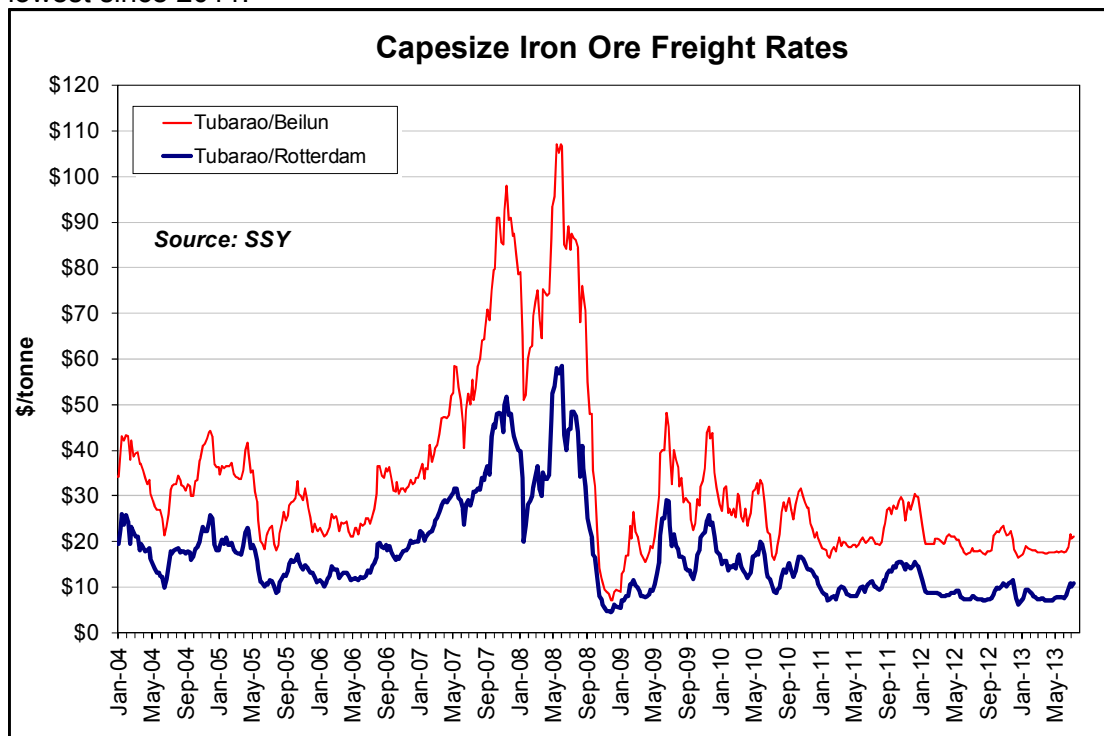
## CAPE SIZE/PANAMAX MARKET UPDATE (15 July 2013)

After the Capesize rally was checked temporarily in the first week of July some upward movement returned to the market last week. Spot iron ore voyage rates from Tubarao to Rotterdam rose by \$0.70/t week-on-week to \$10.70/t and Tubarao to Qingdao finished the week \$0.50/t higher at \$21.00/t. In time charter terms, the spot average earnings for the Capesize market returned above \$14,000/day, having dipped close to \$12,700/day a week earlier.

The Panamax market also edged higher. The charter rate average for the sector rose \$900/day to almost \$8,900/day, while the spot coal rates from Bolivar to Rotterdam finished the week \$0.40/t higher at \$14.80/t, the highest level since June 2012.

Newly released bulker fleet data from SSY show the lowest quarter for newbuilding deliveries since 2009 in the 2q13 at 14.4 Mdw, which was less than half of the corresponding record in the 2q12 of 32.7 Mdw. The slowdown in deliveries is nowhere more apparent than in the Capesize sector. Just 28 of these vessels entered operation in the 2q compared with 79 in the same quarter last year. The corresponding numbers for Panamaxes are 54 deliveries in the 2q13 versus 94 in the same quarter last year.

However, prospects of a sustained freight market recovery also rest on the continued demolition of older ships and the 2q13 saw quarterly deletions of 5.0 Mdw at their lowest since 2011.



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