

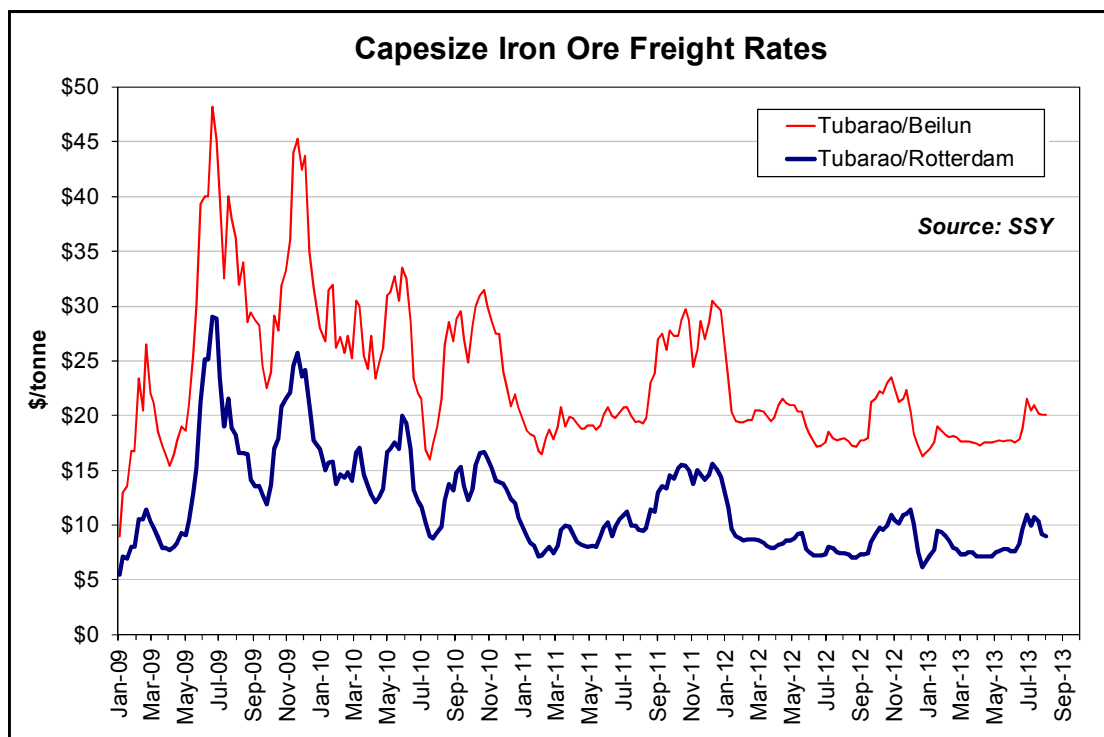
CAPE SIZE/PANAMAX MARKET UPDATE (5 August 2013)

Last week saw a slight gain in the Capesize market, with average earnings currently standing at \$12,056/day compared with \$11,691/day on 30 July. This was mainly driven by a pick-up in the Pacific market. Pacific round voyage rates rose by over \$3,000/day during the week to a new year-to-date high of \$14,141/day last Friday.

In contrast, rates in the Atlantic have weakened, partly due to the ongoing industrial actions by Drummond's mineworkers in Colombia. Atlantic round voyage rates have fallen by more than \$2,100/day in five trading days to \$8,900/day, a level last seen in mid-June.

Atlantic round voyage rates had averaged over \$14,000/day in July, the highest level since November 2012. The key reason behind the rally had been the jump in iron ore cargo availability from Brazil, where iron ore exports in July recorded a year-to-date high of 29.7 Mt after rising 3.6 Mt month-on-month. SSY reports that the voyage rate from Tubarao to Qingdao was unchanged from last week at \$20.10/t and the rate from Tubarao to Rotterdam slipped by \$0.15/t week-on-week to a 7-week low of \$9.00/t.

In the Panamax sector a gradual decline has been in evidence for two consecutive weeks. Average earnings for Panamaxes weakened to an almost 4-week low of \$8,021/day. The spot rate from Bolivar to Rotterdam slipped from \$13.10/t last week to an 8-week low of \$12.90/t.



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