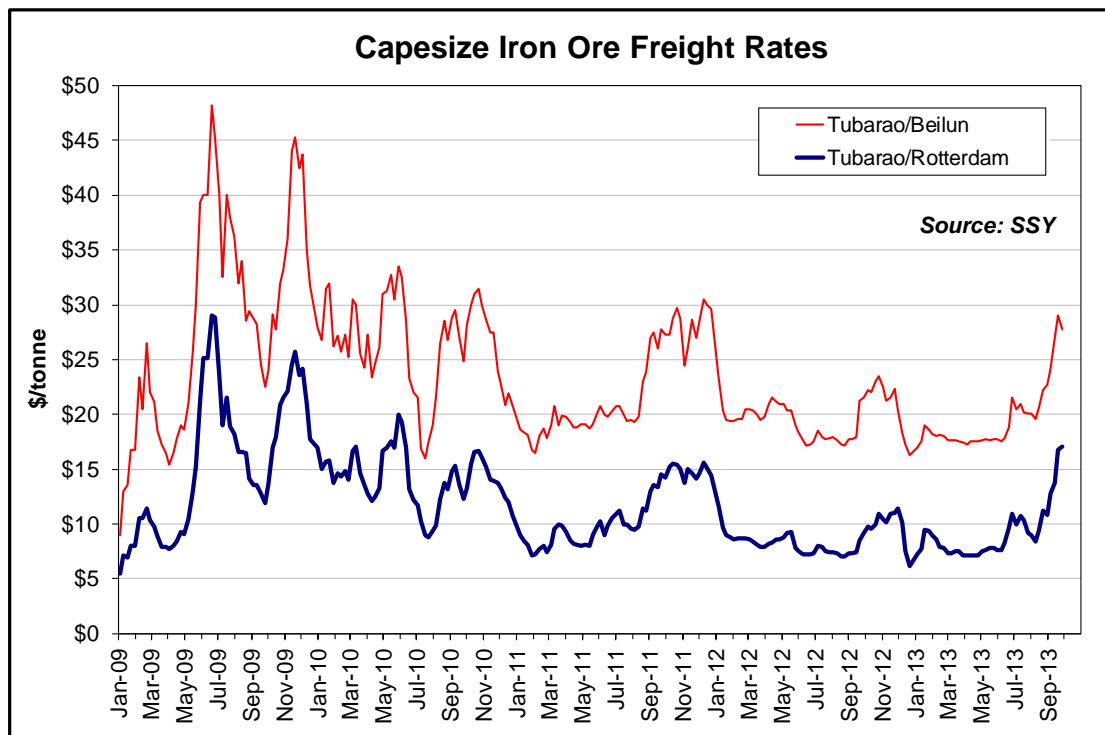


## CAPE SIZE/PANAMAX MARKET UPDATE (30 September 2013)

The Capesize market has experienced an exceptionally volatile week with the recent rally in average earnings for 172 kdwt vessels rising to \$42,212/day on 25 September (the highest level since November 2010) before falling back to \$36,425/day, with a loss of almost \$6,000/day in only three trading days. Despite the recent drop, average rates are still more than double the levels seen at the beginning of September (\$15,373/day).

The recent retreat in the Capesize market was experienced in both the Atlantic and the Pacific basins with round voyage rates falling by \$7,000-\$8,000/day in the last three days to \$40,050/day and \$30,795/day respectively. Reflecting this fall, spot Capesize voyage rates from Tubarao to China were down \$1.3/t to \$27.8/t while the rate to Rotterdam rose by \$0.4/t to \$17.1/t.

The Panamax market maintained some upward momentum last week, with average earnings climbing above \$2,200/day to the highest level since November 2011, of \$14,437/day. The imminent seven-day national holidays in China have helped limit fresh chartering in the Pacific, and as a result rates for Panamaxes edged lower to \$14,388/day at the end of September. Panamax demand has been supported by a recent upturn in the pace of US grain exports, which jumped to almost 2.0 Mt in the week ending September 19 from around 1.2 Mt one month ago. Spot Panamax voyage rates from Puerto Bolivar to Rotterdam spot rate were up \$0.75/t week-on-week to \$15.70/t.



### SSY Consultancy & Research

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