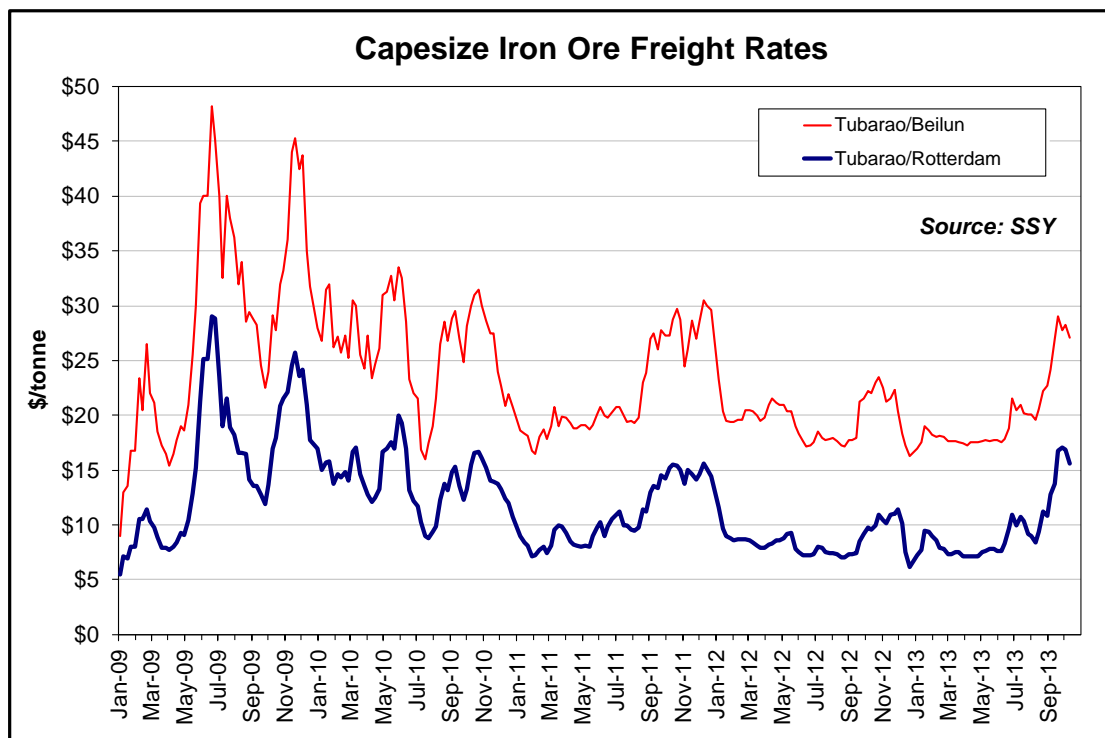


CAPEXSIZE/PANAMAX MARKET UPDATE (14 October 2013)

As Capesize supply:demand balances have tightened, volatility has re-emerged in the sector. After hitting a 34-month high on 25 September of \$42,212/day, average Capesize earnings have retreated to a month-low of \$31,546/day, incorporating a week-on-week drop of more than \$6,800/day. As a result, the spot voyage rates from Tubarao to China and to Rotterdam both slipped to 4-week lows of \$27.1/t and \$15.6/t respectively.

In contrast, the Panamax market retained its upward momentum for much of last week, with average earnings standing above \$16,000/day for the first time since October 2011. The Hampton Roads-Qingdao spot rate rose to its highest level since April 2012 of \$41.0/t, however the Indonesia to Qingdao voyage rate slipped by \$0.6/t week-on-week to \$10.0/t. Some downward movement returned on 11 October.

The improving spot market has lifted short period rates (typically of 3/5 or 4/6 months) to \$20,000/day (Atlantic delivery) for the first time since November 2011. This represents a substantial shift in the market since the beginning of September 2013 when the equivalent rate was \$11,750/day. Such deals can be sought by owner or operators for the main US grain export season.



SSY Consultancy & Research

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