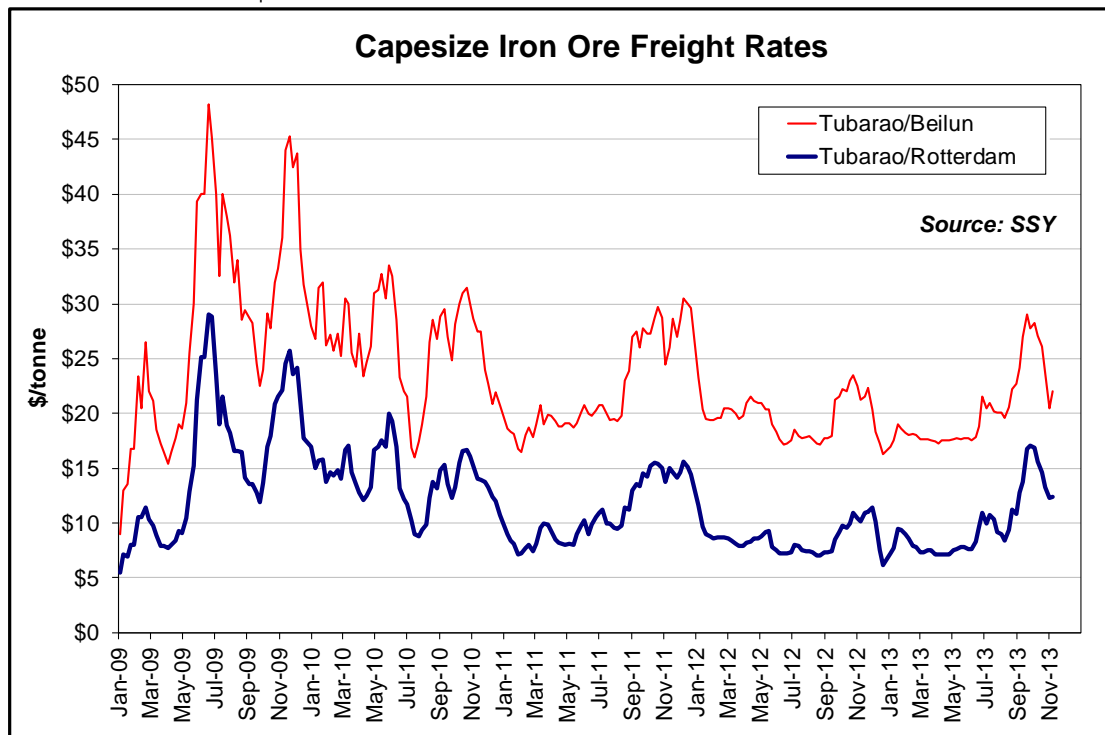


## CAPE SIZE/PANAMAX MARKET UPDATE (11 November 2013)

Capesize spot markets rallied strongly at the beginning of last week, but have since lost ground with the current 4 TC average of \$19,275/day only marginally above the level of a week ago. Spot Capesize coal freight rates from Tubarao to China rebounded by \$1.55/t week-on-week to \$22.00/t, compared with \$27.05/t four weeks ago while the rate from Tubarao to Rotterdam edged \$0.10/t higher from the previous week to \$12.35/t.

In contrast to continued volatility in the Capesize spot market, Panamax average earnings have been trending lower since the second half of October with declines in 15 of the last 16 trading days, according to assessments by the Baltic Exchange. The last week has seen a net fall of \$554/day in average TC rates to a 7-week low of \$12,323/day.

Seasonal support for Panamax demand from US Gulf and Black Sea grain exports did not prevent Atlantic round voyage freight rates from falling by approximately \$1,000/day during the past week, to less than \$14,000/day, following a build-up of prompt tonnage. As a result, Bolivar-Rotterdam coal voyage rates have slipped to \$15.70/t from their most recent peak of \$19.20/t in mid-October. Nevertheless, the Atlantic Panamax market remains at a premium to the Pacific, where round voyage rates are just below \$11,300/day and Newcastle to Qingdao voyage rates have fallen to a 9-week low of \$14.30/t.



### SSY Consultancy & Research

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