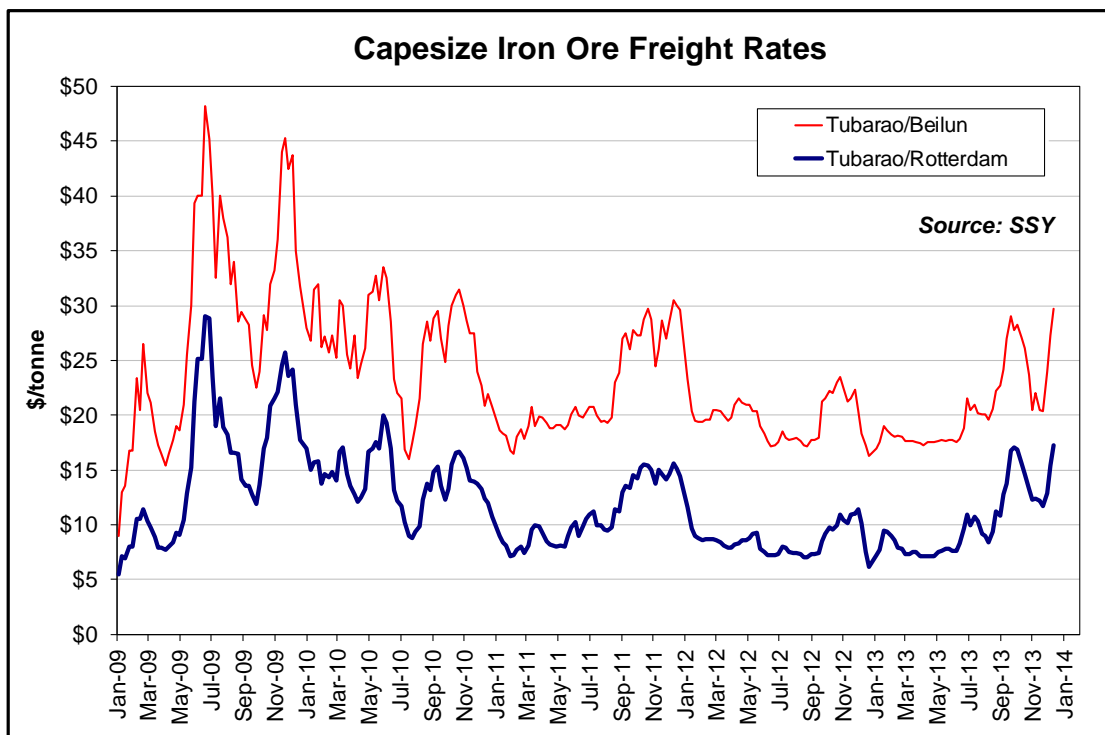


## CAPESIZE/PANAMAX MARKET UPDATE (16 December 2013)

The Capesize market maintained its upward trend in the first half of last week to a 2-month high of \$37,830/day, mainly driven by substantial high levels of iron ore chartering activity from both West Australia and Brazil to China, before easing down to the current level of \$36,339/day. Some massive jumps have been recorded in the Capesize Pacific market, with the round voyage rate hitting \$41,000/day for the first time since June 2010. As a result, the Capesize iron ore freight rate from Tubarao to China climbed by \$2.5/t week-on-week to \$29.7/t while the spot voyage rate from Tubarao to Rotterdam rose by \$1.9/t to \$17.3/t.

The Panamax sector also experienced a return of upward momentum, albeit at a slower pace than their Capesize counterparts, as average earnings rebounded close to \$17,000/day. Australia's role as a major generator of dry bulk cargo growth was emphasised by October export data, which showed monthly records for both coal (33.1 Mt) and iron ore (56.1 Mt). When combined, annual export growth for these two cargoes in the first ten months of 2013 is a massive 115.5 Mt or 17%.

In the Atlantic, round voyage rates climbed more than \$2,500/day last week to a 3-year high of \$21,075/day, supported by demand for US coal cargoes together with the ongoing main US grain export season. For the week ending December 5 combined exports of soyabean, corn and wheat stood at 3.2 Mt, well above the year-ago level of less than 2 Mt. As a result, the Panamax coal spot rate from Hampton Roads to Rotterdam rose by \$1.2/t to \$17.2/t, the highest level since mid-September 2010.



### SSY Consultancy & Research

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