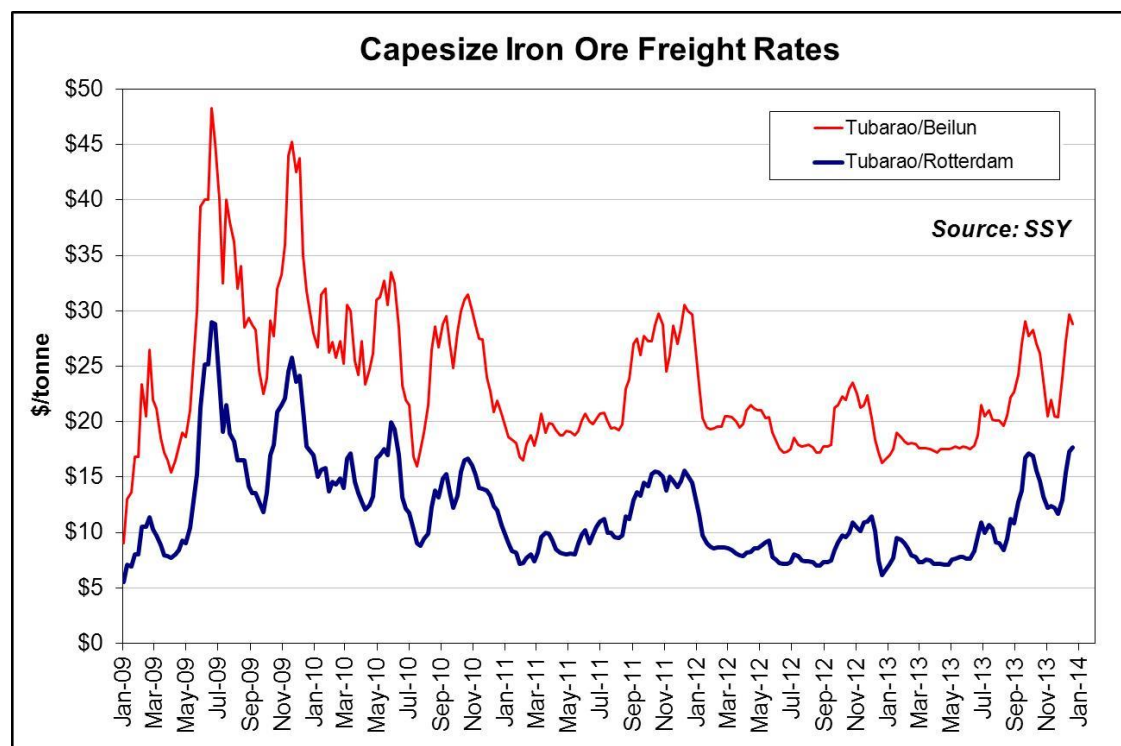


CAPE SIZE/PANAMAX MARKET UPDATE (23 December 2013)

Reflecting continued volatility in Capesize spot markets, the past week has seen Pacific round voyage rates plunge by more than a third (to \$24,455/day) before rebounding by 23% (to over \$30,000/day), while Atlantic round voyage rates rose to a fresh 3-month high (of \$47,400/day). As a result of the latter, Brazil-Rotterdam Capesize iron ore voyage rates have climbed above \$18/t for the first time since mid-2010. This compares with rates of less than \$7/t on the same route at the end of 2012. For Brazil-China current Capesize spot rates of over \$29/t compare with \$16.2/t a year ago.

The last week has seen a softening in Panamax average earnings to a current level of \$14,600t/day with a slower pace of weekly US grain exports likely to have contributed to reductions in the Atlantic. This lowered Hampton Roads-Rotterdam coal voyage rates by approximately \$3/t to \$40.40/t, which remains more than \$10/t higher than the corresponding level in December 2012.



SSY Consultancy & Research

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