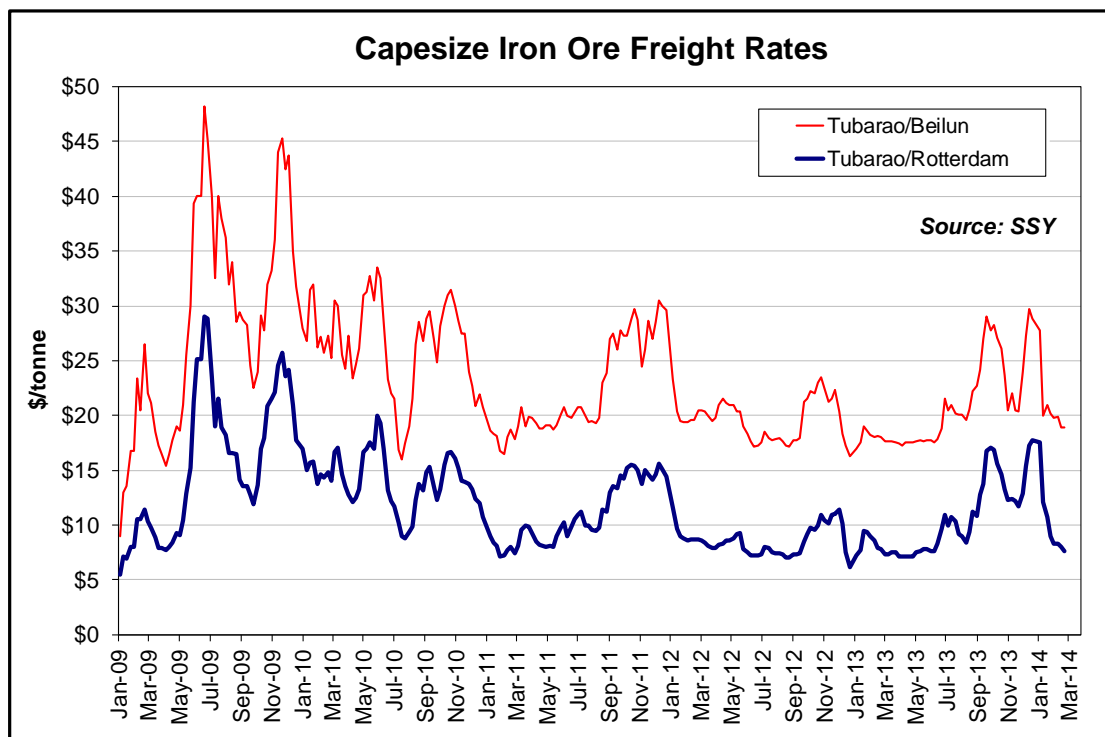


## CAPEXSIZE/PANAMAX MARKET UPDATE (24 February 2014)

Continued improvement in the Pacific market lifted the Capesize average earnings stand \$10,000/day, involving a weekly gain of more than \$1,400/day. An increase in chartering activity for iron ore cargoes from NW Australia has been the key driver for the Capesize market, with Pacific round voyage rates rising from a subdued \$7,000/day in early February to more than \$13,000/day at time of writing. This represents an unusually strong premium of \$6,200/day to Atlantic round voyage rates. Iron ore spot voyage rates from Tubarao to China were unchanged from the previous week, at \$18.90/t and the corresponding rate to Rotterdam edged lower by \$0.35/t to \$7.65/t, the lowest level since June 2013.

In the Panamax sector some firming is in evidence in the Pacific after the declines of January. With shipbrokers reporting increased activity from East Coast Australia and Indonesia, the Panamax spot freight rate from Indonesia to Qingdao rose to an 8-week high of \$8.70/t. That said, sharp declines in the Atlantic basin over the past two months (where round voyage rates falling from \$17,843/day at the beginning of the year to a 5-month low of \$7,518/day, marking the largest discount to Pacific round voyage since early March 2012) dragged Panamax average TC (timecharter) rates below \$10,000/day for the first time since September 2013. The voyage rates from Hampton Roads to Rotterdam declined to \$11.10/t, the lowest for almost 6 months, compared with \$15.15/t at the beginning of this year.



### SSY Consultancy & Research

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