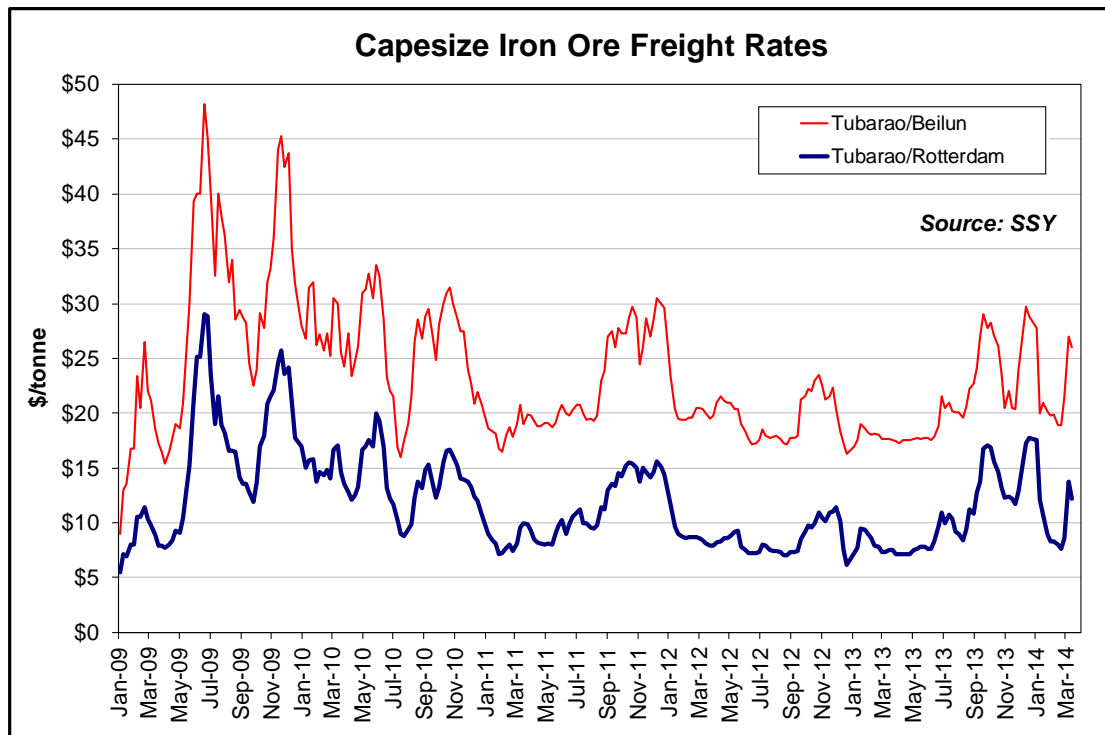


CAPE SIZE/PANAMAX MARKET UPDATE (17 March 2014)

Another volatile week for the Capesize market saw average earnings rise to a 2-month high of \$25,075/day on 11 March, before dropping to \$20,472/day the following day and then stabilising to open this week at \$20,975/day. Fronthaul earnings have shown the most dramatic movements, jumping by more than 40% from early-March to \$44,975/day, before slipping to the current level of just above \$40,000/day. The Capesize iron ore spot voyage rates from Tubarao to Qingdao & Rotterdam both declined from their second highest levels of the year, at \$26.0/t (-\$1.0/t week-on-week) and \$12.15/t (-\$1.6/t week-on-week), respectively.

Fluctuations have been less severe in the Panamax sector, which remains the weakest of four dry bulk freight markets. At close to \$9,000/day average 4TC rates for Panamaxers compare with a month-ago level of \$10,485/day, but have firmed by over \$500/day in the last nine trading days. These modest improvements have mainly been driven by fronthaul rates, while Atlantic round voyage rates continue to trade at a \$5,500/day discount to the Pacific. Consequently, whereas the USG-Rotterdam Panamax coal spot rate has slipped to a new year-to-date low of \$13.35/t, rates from Newcastle to Qingdao of \$15.1/t are some of the highest levels so far this year and up by \$1.4/t from their February lows.

SSY fleet data confirmed a decline in newbuilding deliveries during February to 3.6 Mdwts from 7.3 Mdwts in January 2014 and 3.8 Mdwts in February 2013.



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