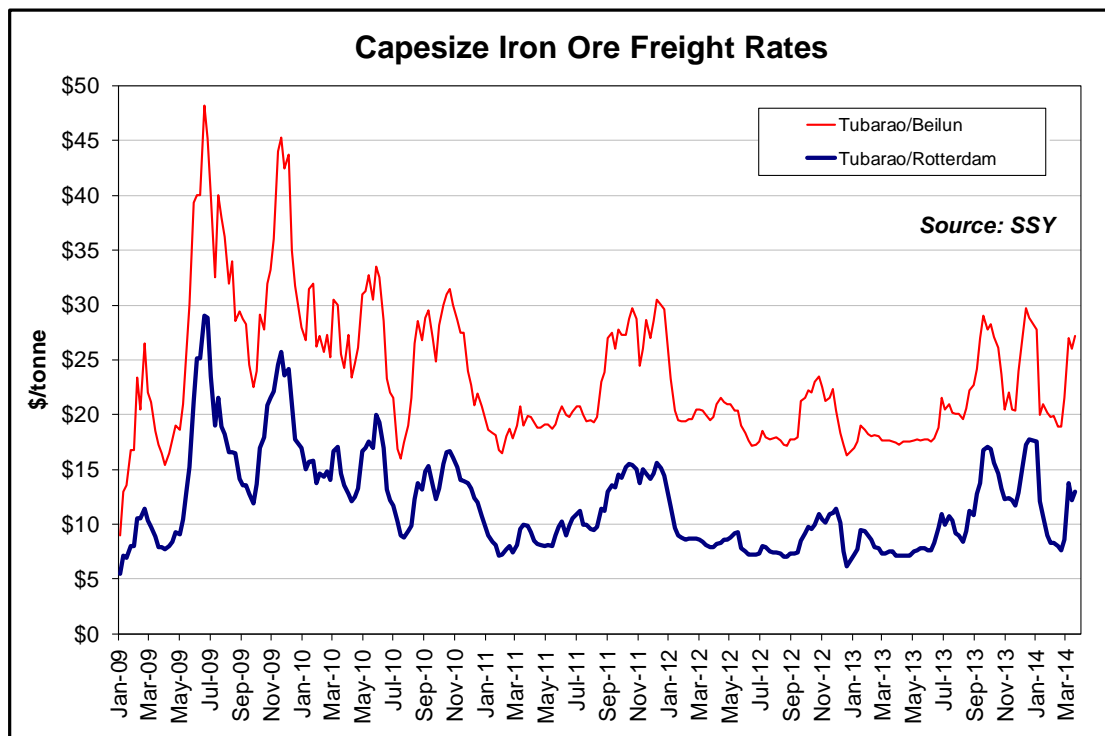


CAPEXSIZE/PANAMAX MARKET UPDATE (24 March 2014)

The Baltic Exchange Dry Index returned above 1,600 points for the first time since early January, led by the Capesize market, where average earnings rose by more than 70% from the beginning of March to \$25,659/day on 20 March. This was achieved against the backdrop of rising numbers of iron ore spot fixtures from both Australia and Brazil. As a result, the Capesize iron ore spot voyage rates from Tubarao to China climbed by \$1.15/t week-on-week to \$27.15/t, just \$0.6/t lower than the year-to-date high at early January, while iron ore spot rates from Tubarao to Rotterdam gained by \$0.85/t from last week to \$13.00/t. In the Pacific, round voyage rates advanced more than \$5,600/day during the week to \$25,341/day.

By contrast, average earnings for Panamax vessels have remained below \$10,000/day since 24 February and are the weakest of the four main dry bulk market sectors. Judging by Baltic Exchange assessments, the Panamax sector is at one of its weakest points relative to Capes since 2009. Panamax weakness has been most apparent in the Atlantic, where round voyage rates have sunk to their lowest level since November 2012, at \$5,200/day. Consequently, the Hampton Roads to Rotterdam Panamax spot coal rate dropped to a 16-month low of \$10.50/t. However, earnings for Panamax vessels in the Pacific have remained in a very narrow range, trading between \$11,140-11,568/day. The Panamax coal spot freight rates from Newcastle to Qingdao gained \$1.7/t from their February lows to \$15.4/t, reaching the highest level so far this year.



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