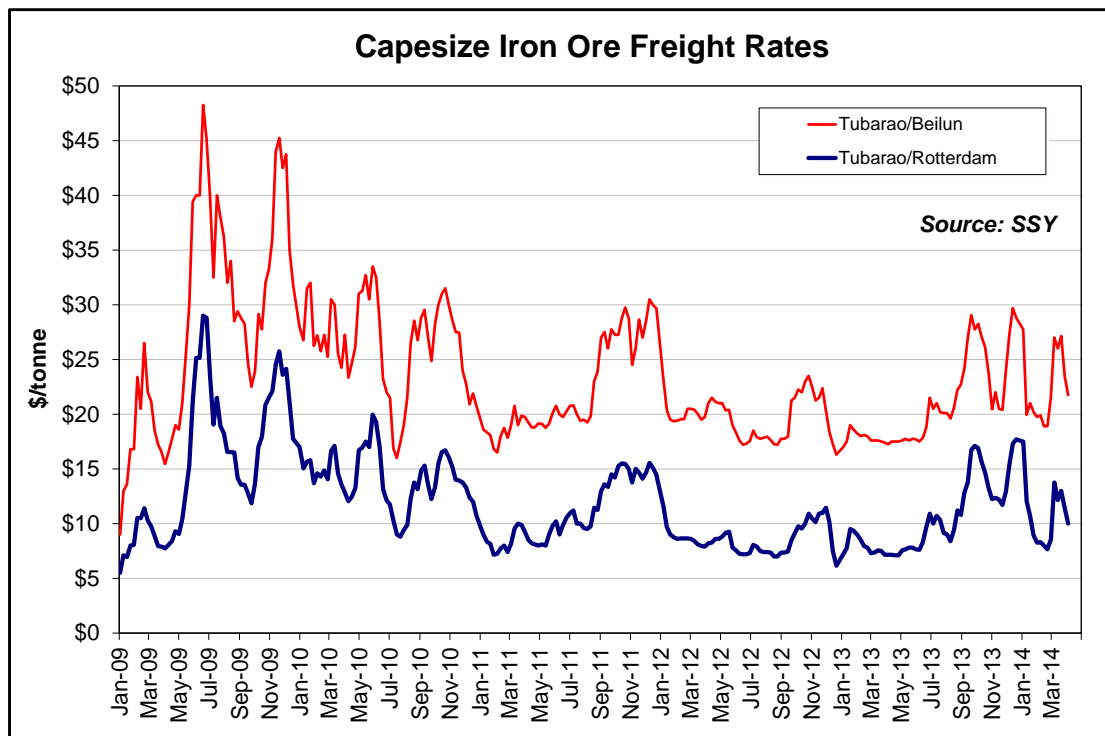


## CAPEXSIZE/PANAMAX MARKET UPDATE (7 April 2014)

The dry bulk freight market continued to soften across all vessel sizes. Average earnings for Capesize vessels dropped by more than \$3,200/day from end-March to \$16,210/day. High volumes of iron ore shipments from West Australia did not prevent round voyage rates in the Pacific from declining by \$2,278/day week-on-week to \$17,936/day. A key component of last month's Capesize rally was the strength of iron ore exports from Australia, and Port Hedland throughput data show a monthly all-time high of 34.4 Mt, up 6.6 Mt on February and a massive 9.5 Mt higher than the March 2013 total. Capesize Atlantic market balances have worsened. Rates dropped by a further \$4,200/day to \$11,475/day. The Hampton Roads to Rotterdam spot voyage rate slipped to \$10.15/t, the lowest level since end-February. Last week saw a few reports of Capesize coal stems splitting into Panamaxes, which helped drag fronthaul (Atlantic-Pacific) earnings down by \$4,725/day last week to \$32,600/day.

The Capesize iron ore spot voyage rates from Tubarao to China and Rotterdam both declined to their 5-week lows of \$21.75/t and \$10.00/t, respectively.

Freight rates in the Panamax sector have endured the lowest average earnings of all bulker sizes for a prolonged period in 2014. Panamax average charter rates have fallen below \$7,000/day for the first time since June 2013, slipping from \$14,189/day at the beginning of this year to the current level of \$6,548/day. The Hampton Roads to Rotterdam Panamax spot rate tumbled to an 18-month low of \$9.50/t.



### SSY Consultancy & Research

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