

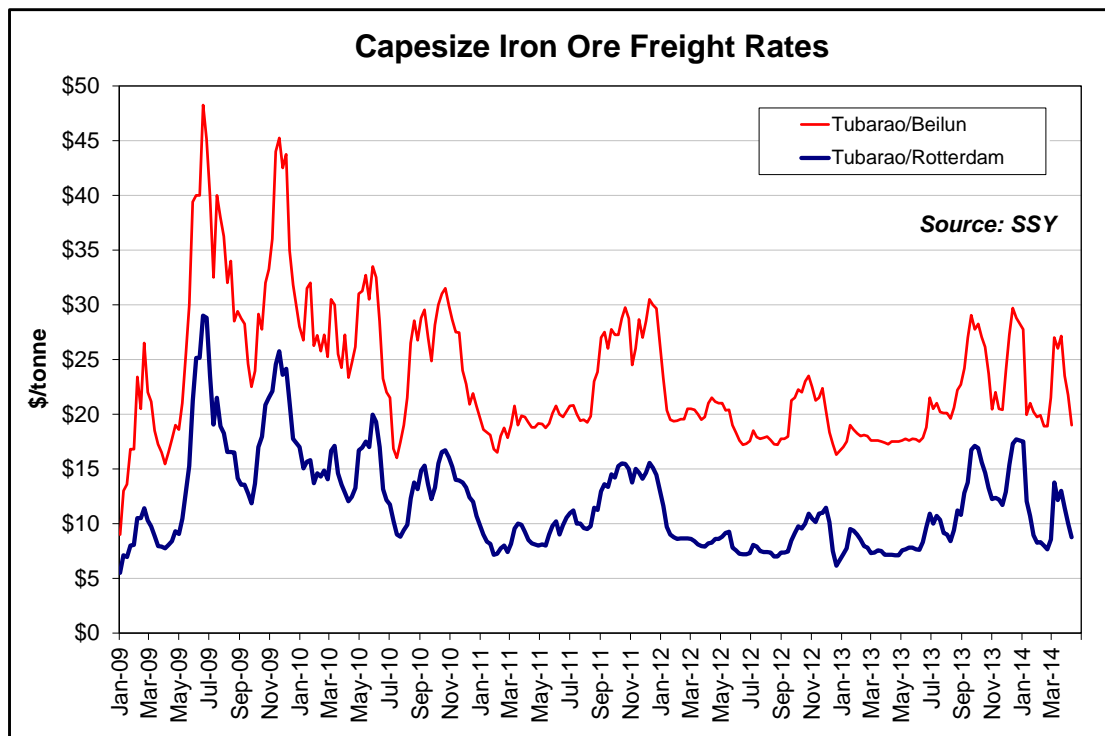
## CAPE SIZE/PANAMAX MARKET UPDATE (14 April 2014)

The Baltic Exchange Dry Index, a measure of the overall dry bulk freight market, has dropped below 1,000 points for the first time since mid-August 2013 after experiencing 15 consecutive daily falls. This compares with an end-2013 level of 2,277 points.

The steepest decline of the last week has been in the Capesize sector, where reduced chartering activity in the Atlantic in particular contributed to the recent slump. This week saw a decline of \$5,440/day in average charter rates to \$10,770/day. Nevertheless, average earnings for Capes remain stronger than their year-ago level of \$4,610/day. The Capesize iron ore spot voyage rate from Tubarao to Rotterdam fell to a 6-week low of \$8.75/t, while the equivalent rate to China declined by \$7/t month-on-month to \$19.0/t.

The more robust Capesize period market, however, still indicates some positive sentiment from shipowners going forward. The one-year period rate of \$25,000/day is now \$14,000/day above the corresponding spot rate.

The Atlantic has also been the focus of weakness in the Panamax sector, where round voyage earnings slumped below \$2,500/day, the lowest level since October 2012. Meanwhile, round voyage rates in the Pacific slipped to a seven-month low of \$8,024/day.



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