

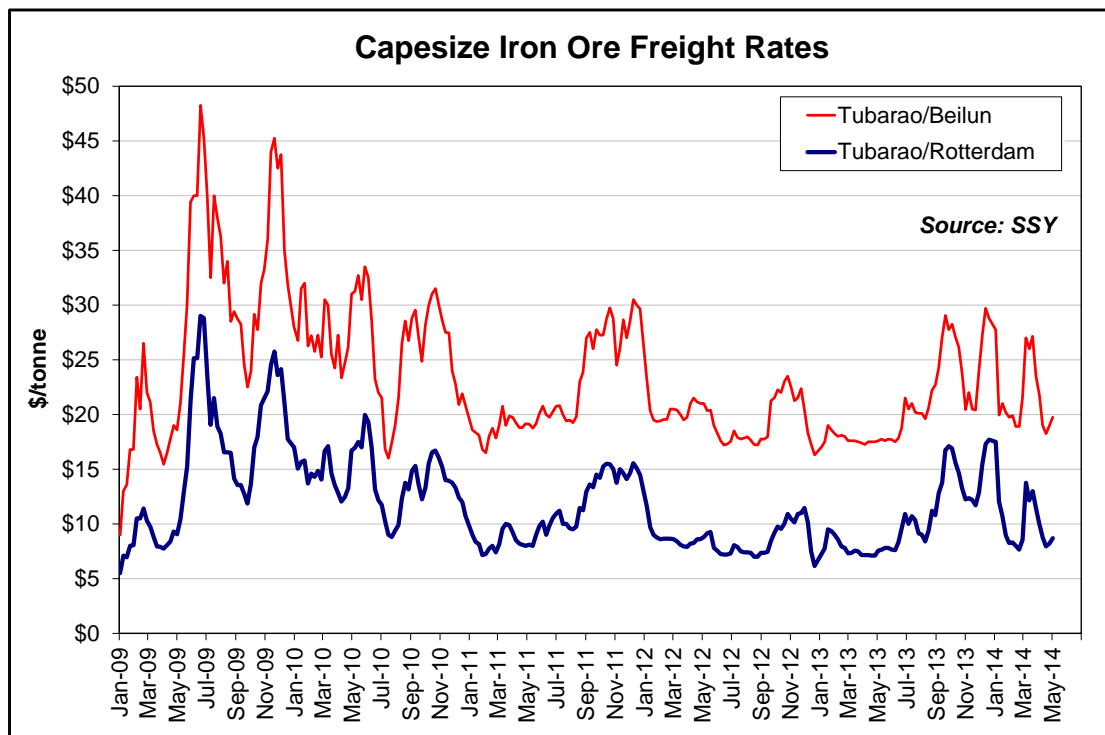
## CAPE SIZE/PANAMAX MARKET UPDATE (6 May 2014)

Shipbrokers reported a leap in chartering activity in the Capesize Atlantic spot market last week, which helped to push round voyage rates above \$5,400/day to over \$11,000/day for the first time in three weeks. Meanwhile, fronthaul rates (from the Atlantic to the Pacific) also climbed \$5,000/day since the end of April to \$26,000/day. This took the spot iron ore rate from Tubarao to Qingdao up \$0.75/t to a 4-week high of \$19.75/t while the corresponding rate to Rotterdam rose to \$8.70/t, up by \$0.50/t week-on-week. After a brief delay Pacific round voyage rates also gained traction in early May reaching \$11,225/day.

Such upward movement was not in evidence in the Panamax sector, where average charter rates remained relatively stable at close to \$7,000/day. Pacific round voyage rates slipped marginally to \$7,379/day last week, the lowest level since August 2013. The spot coal freight rate from Bolivar to Rotterdam was unchanged from last week, at \$10.95/t.

With Capesize demand heavily influenced by the major iron ore trade flows, April exports of 24.7 Mt from Brazil indicate a minor increase of 0.2 Mt from the March total. Significantly, after years of slight or negative growth Brazil's iron ore exports are running more than 5 Mt ahead of last year's pace at 96.5 Mt.

Exports of iron ore from Australia have shown robust growth this year and in March monthly volumes jumped to 62.4 Mt from 53.4 Mt in February. The country's largest iron ore terminal, Port Hedland, recorded monthly all-time highs in both March and April, suggesting another large Australian export total in prospect for last month.



### SSY Consultancy & Research

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