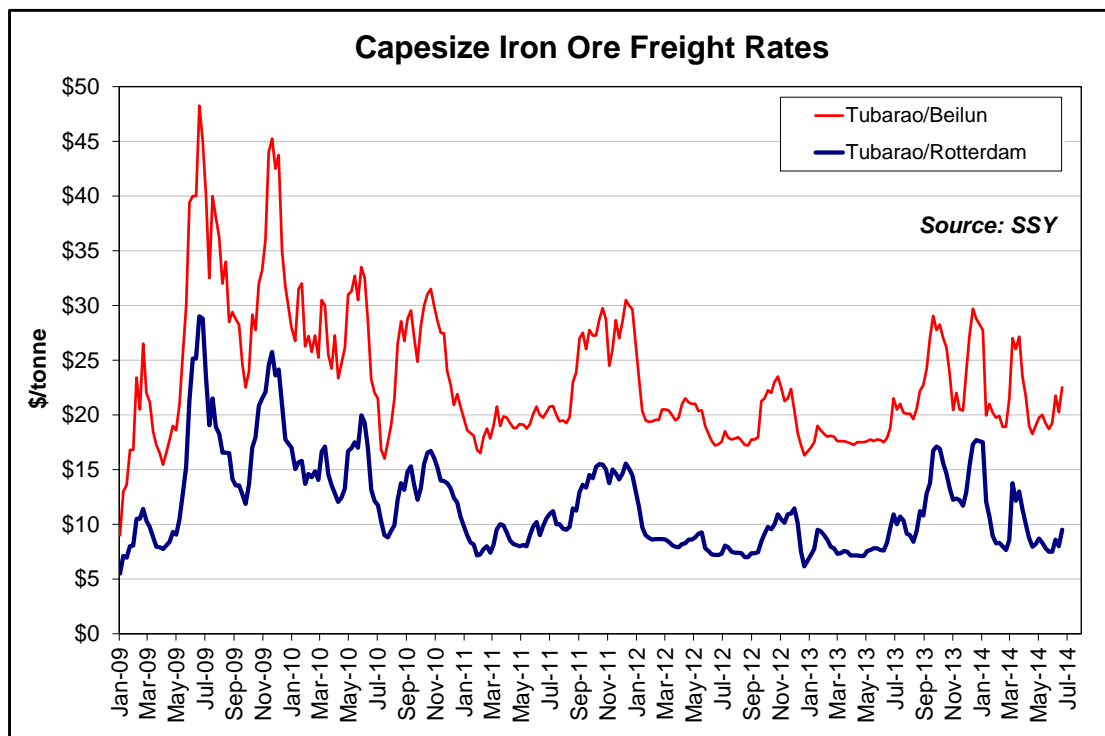


## CAPE SIZE/PANAMAX MARKET UPDATE (30 June 2014)

From over \$8,000/day in mid-May, Panamax Atlantic round voyage rates had lost more than 90% of their value by 27 June, when they reached the lowest level since the Baltic Exchange began assessing this route in 1993, at just \$690/day. This marked a sharp contrast to the mid-point of last year when Panamax earnings in the Atlantic stood above \$10,000/day. Round voyage rate in the Pacific also declined by more than 50% over the course of June to a 5.5-year low of \$3,236/day. For the Panamax market as a whole average 4TC earnings of \$3,362/day at the end of last week were the lowest since September 2012, before edging up to the current level of \$3,397/day.

Rising bunker fuel costs in voyage rates have concealed some of the actual weakness in the freight market. For example, the monthly average bunker price in Rotterdam (380 cst) for June was at its highest level since October 2013. Panamax spot coal voyage rates from Bolivar to Rotterdam were unchanged from the previous week, at \$9.5/t.

Last week saw a retreat in the Capesize market, with 4TC average earnings for 172 kdwts vessels falling by \$1,570/day in four trading days to \$12,274/day, before rebounding to \$13,525/day by the time of writing. As a result, after rising to a 12-week high, the Capesize iron ore freight rate from Brazil to China rate slipped by \$0.5/t last week to \$22.0/t, while the rate to Rotterdam also eased by \$0.2/t week-on-week to \$9.20/t.



### SSY Consultancy & Research

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