

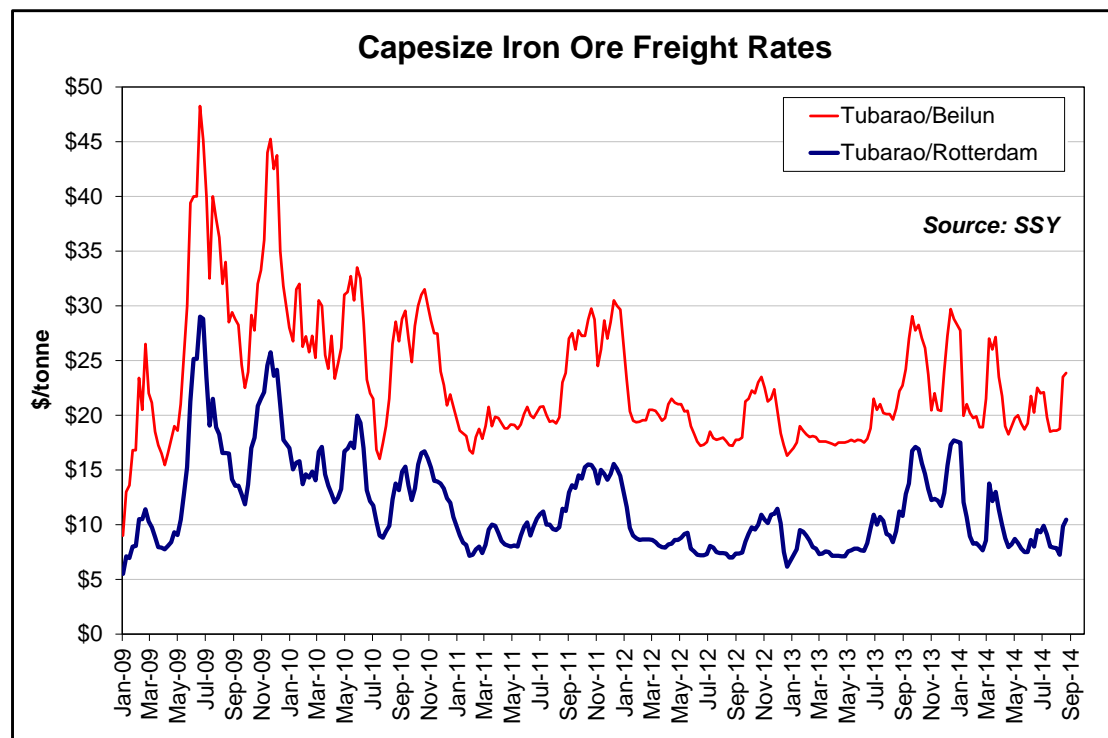
CAPESIZE/PANAMAX MARKET UPDATE (26 August 2014)

The recent revival in the Capesize spot charter market, powered by iron ore chartering activity, came to halt last week. Average Capesize earnings for a 172 kdw vessel began the week positively by rising to a four-month high of \$16,164/day on 21 August, before retreating to the current level of \$15,352/day.

Despite some decline in Capesize rates in the second half of last week, the current spot voyage rate from Tubarao to Rotterdam still stand above \$10-mark, while the rate to Qingdao finished the week at \$23.85/t, up by \$0.35/t week-on-week.

The Panamax spot market was similarly soft last week, with average charter rates easing by almost \$500/day to \$6,438/day following a brief firming from the depressed levels at the end of June. The Panamax spot voyage rate from Bolivar to Rotterdam was unchanged from the previous week, at \$10.80/t.

Ship demand has been adversely affected by a slowdown in coal trade growth this year. Indeed, Bank Indonesia data show the country's exports in the 1h14 totalled 209.6 Mt, down 5.0 Mt on last year. Indonesian coal export growth has been an important generator of ship demand in recent years: in the 1h13 exports of 214.6 Mt were up almost 30 Mt annually.



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