

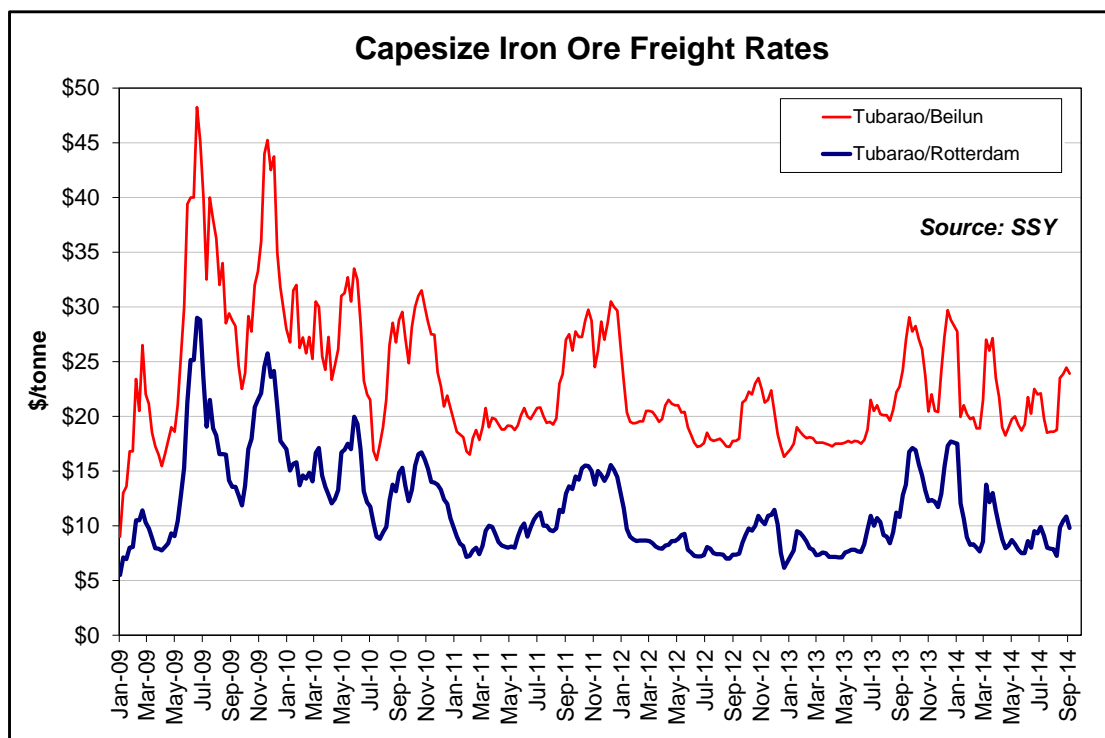
CAPE SIZE/PANAMAX MARKET UPDATE (8 September 2014)

The Panamax market saw further increases last week, with average charter rates climbing to \$7,506/day. The spot coal freight rate from Bolivar to Rotterdam rose by \$1.05/t week-on-week to \$12.00/t.

In contrast, upward movement less in evidence in the Capesize sector, where average charter rates were \$206/day below the week-ago level at \$16,399/day. The Capesize spot coal freight rate for Tubarao to Qingdao finished week at \$23.90/t, down by \$0.55/t from last week's 5-month high, while the rate from Tubarao to Rotterdam dropped by \$1.05/t week-on-week to a 4-week low of \$9.80/t.

Latest fleet data from SSY indicate the slowest net fleet growth for dry bulk carriers for 11 years in August. The net addition of bulker capacity of 0.4 Mdwat compares with a net gain of 3.5 Mdwat in July. Five Panamax newbuilding arrivals were accompanied by five Panamax vessels going for scrap. This represented the lowest monthly newbuilding tally since December 2009.

At the same time, preliminary customs data from China indicate that the country's iron ore imports were 74.9 Mt during the same month, 7.6 Mt lower than the July total, but up 5.9 Mt on August last year. In contrast to coal, January-August iron ore imports of 615 Mt are a massive 88 Mt higher than the year-ago figure, which has positive implications for Capesize demand.



SSY Consultancy & Research

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