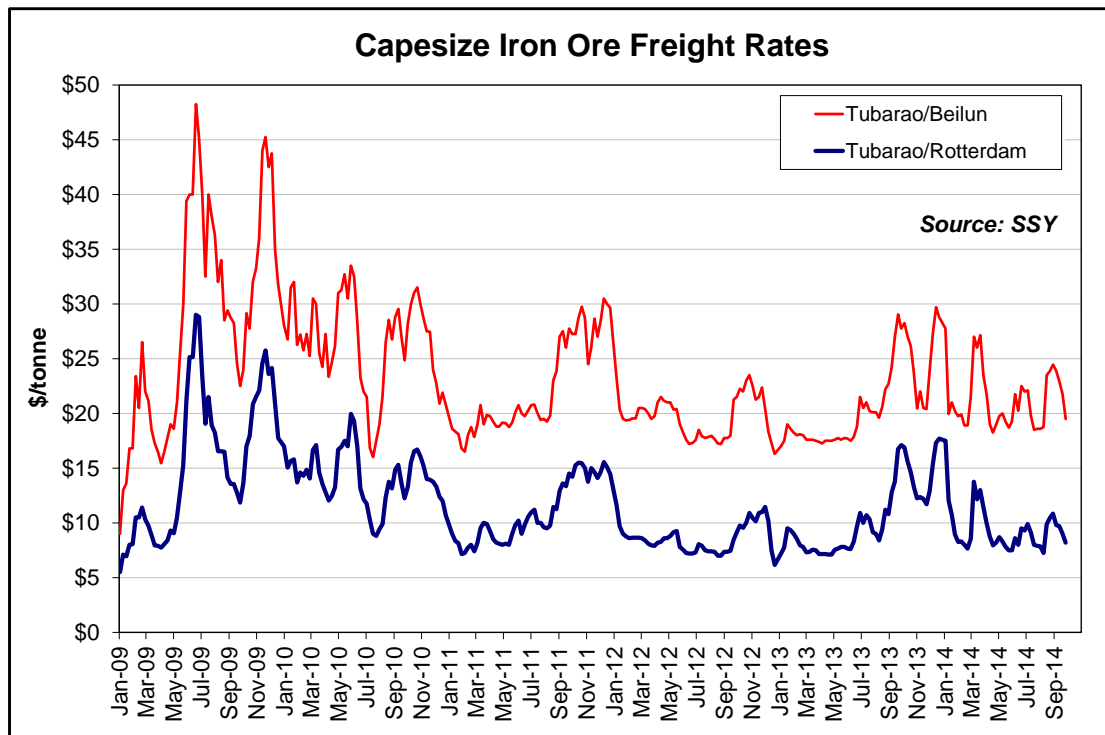


## CAPE SIZE/PANAMAX MARKET UPDATE (29 September 2014)

The Capesize market has begun to turn after average charter rates for a 172kdwt vessel slid from mid-September to a six-week low of \$12,086/day on 25 September, now edging higher to \$12,663/day. The spot Capesize voyage rate from Tubarao to Qingdao dropped by \$2.30/t week-on-week to a 7-week low of \$19.50/t, while the equivalent rate to Rotterdam was down by \$0.80/t to \$8.20/t.

Average Panamax charter rates, as assessed by the Baltic Exchange meanwhile stood at \$6,505/day on 29 September, with upward momentum returning towards the end of last week. The Panamax spot freight rate from Bolivar to Rotterdam was unchanged from the previous week, at \$10.00/t.

Falling iron ore and steel prices, the prospect of the first year-on-year decline in China's apparent steel consumption for many years, limited coal import opportunities into China and, crucially, a weak Panamax market have combined to dampen sentiment for the Capesize market in the 4q14. Although at a premium to the current spot average, the Capesize one-year period rate of \$18,500/day is down \$5,000/day from the level seen at the beginning of September.



### SSY Consultancy & Research

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