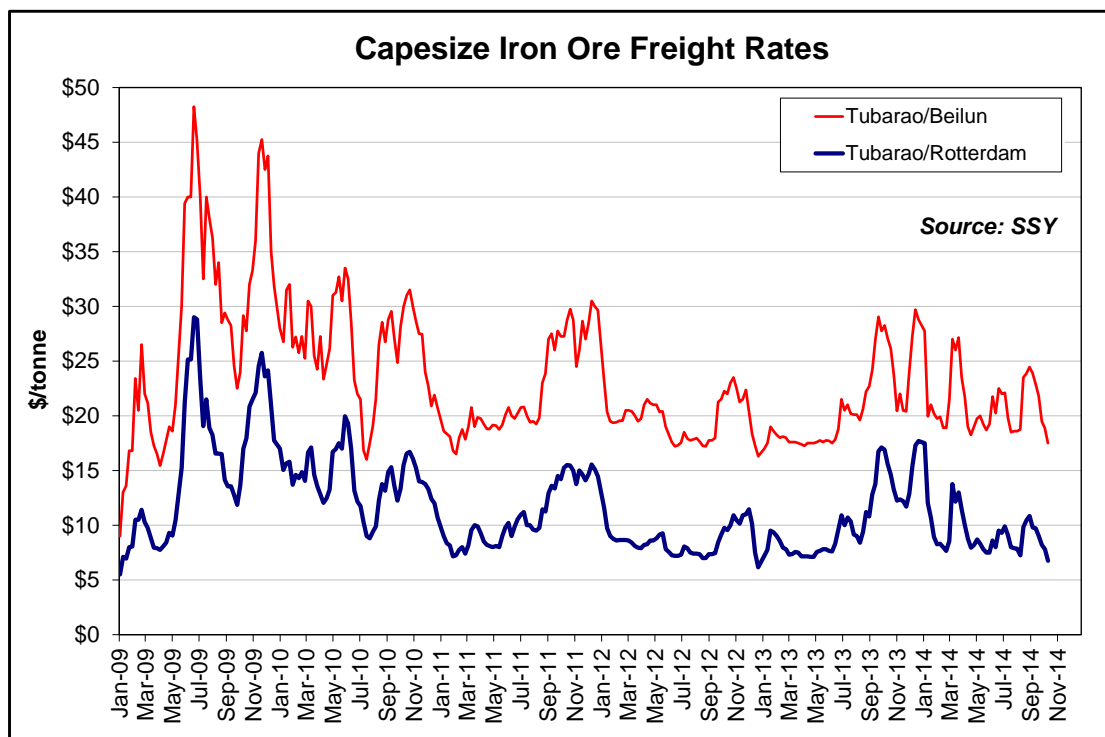


CAPE SIZE/PANAMAX MARKET UPDATE (13 October 2014)

The Baltic Exchange Dry Index fell below 1,000 points for the first time since mid-August, and, at 954 points, is now less than half its year-ago level. Much of the recent decrease can be traced to the Capesize market, which has been in counter-seasonal decline. Average charter rates for Capesizes of 172,000 dwt at present stand at a weak \$8,921/day in stark contrast to the same time in 2013 of \$32,382/day. Panamax rates are also far short of their year-ago level. The average charter rate in this sector is currently \$6,950/day, whereas it was a decidedly more robust \$16,233/day at this time last year.

The spot Capesize voyage rate from Tubarao to Qingdao dropped by \$1.35/t week-on-week to \$17.50/t, while the equivalent rate to Rotterdam was down by \$1.05/t to \$6.75/t, the lowest level since end-2012. Meanwhile, Panamax spot voyage coal freight rates from Bolivar to Rotterdam edged lower by \$0.10/t from last week's four-week high to \$10.50/t.

According to SSY fleet data, the 3q14 saw the smallest net growth for the Panamax fleet (65,000-99,999 dwt) since 2009, with the lowest quarter for Panamax newbuildings since 2009 coinciding with the highest quarter for demolition activity since 2012.



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