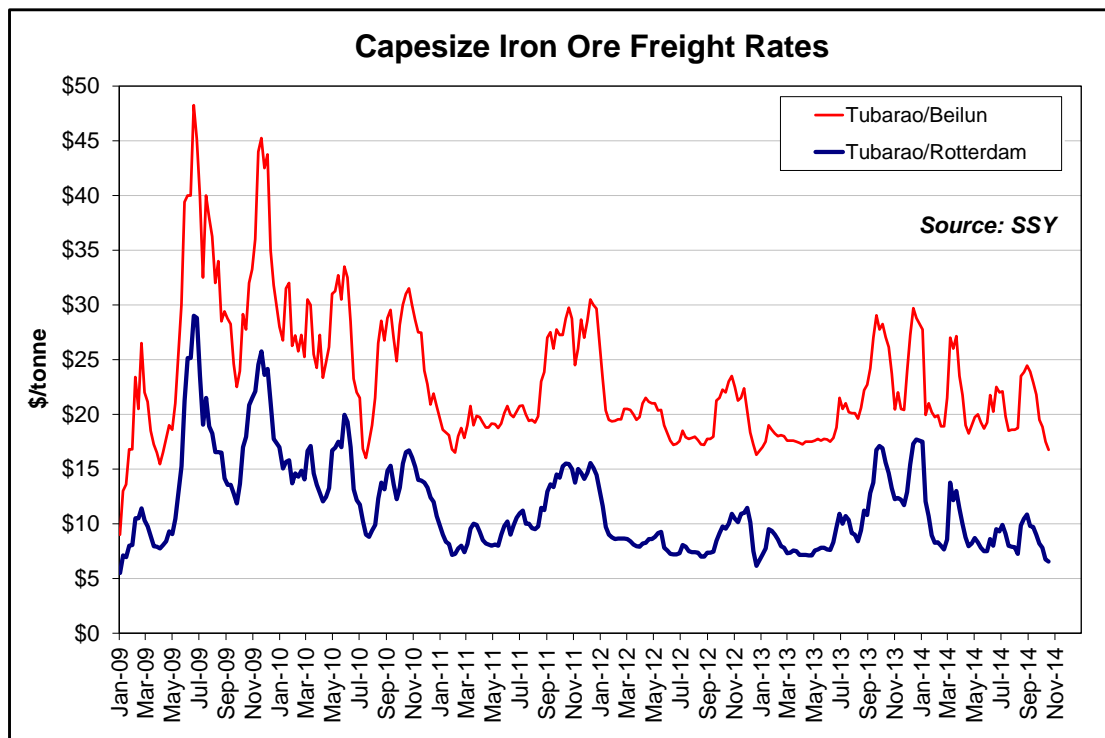


## CAPE SIZE/PANAMAX MARKET UPDATE (20 October 2014)

Panamax average charter rates rose by around \$1,000/day last week to \$7,970/day, the highest level since May. The increase was particularly evident in the Atlantic, where round voyage rates rose by more than \$1,600/day during the week to \$7,117/day. The improvement was assisted by the main US export season reaching its peak. US Department of Agriculture export data show a strong seasonal upturn in shipments in the first half of October.

However, a steep decline in bunker prices over the last two weeks has contributed to a lower spot Panamax freight rate from Bolivar to Rotterdam, which slipped \$0.10/t from last week to \$10.40/t. Shipbrokers have reported strong chartering activity involving dry bulk carriers with coal cargoes into India of late, which has helped drive Pacific round voyage rates for Panamaxes above \$9,000/day for the first time since early April, in the face of weakening demand from China.

Although the Capesize market experienced further downward movement early last week, at time of writing the market appears to be turning, with average charter rates for a 172,000 dwt vessel gaining 1,216/day in two trading days to reach \$9,148/day. This has been supported by an increase in iron ore chartering activity from both Brazil and Australia. The spot Capesize voyage rate from Tubarao to Qingdao slipped by \$0.75/t week-on-week to \$16.50/t, while the equivalent rate to Rotterdam edged down by \$0.20/t to \$6.55/t.



### SSY Consultancy & Research

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