

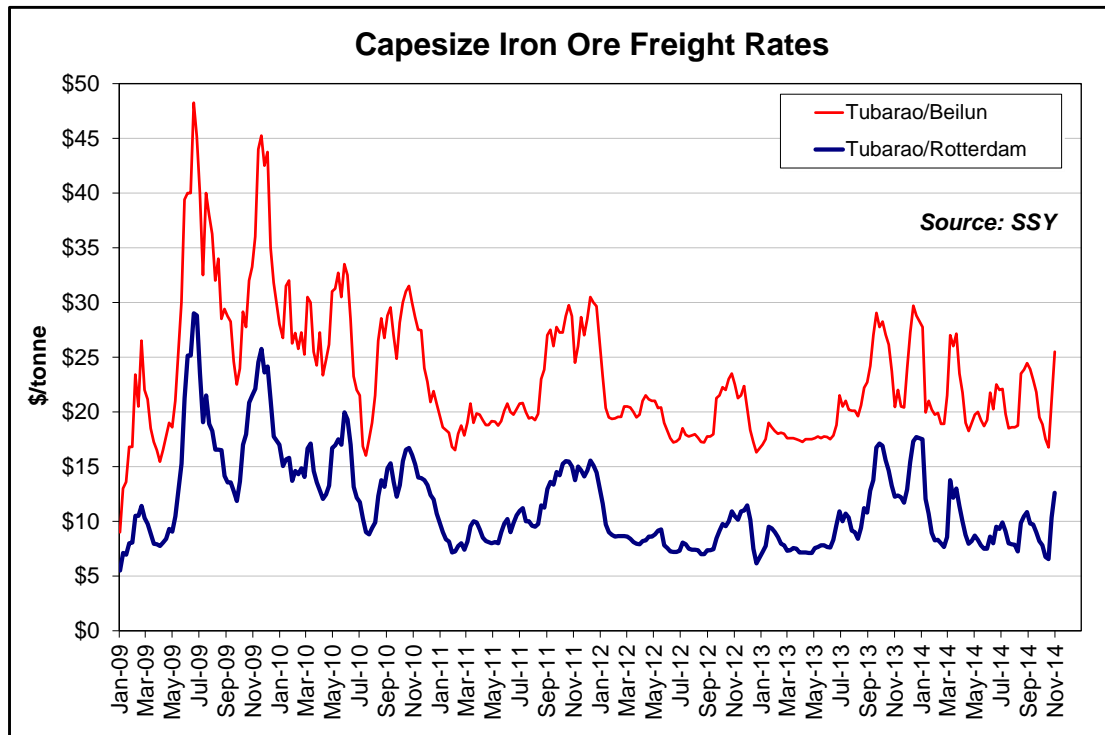
## CAPE SIZE/PANAMAX MARKET UPDATE (3 November 2014)

The upswing in the Capesize spot market has been maintained with average 4TC earnings for a 172kdwt vessel jumping by a further \$6,655/day or 35% to a seven-month high of \$25,497/day, now standing above the corresponding year-ago levels for 2011, 2012 and 2013.

The largest gain in the Capesize sector has been on the fronthaul route (Atlantic-Pacific), where rose sharply by \$11,840/day or 37% week-on-week to the highest level since late March, at \$44,140/t. This has been supported by a sharp increase in iron ore chartering activity from Brazil to Far East Asia. This development, in combination with unsustainable relative weakness against the Panamax sector in the middle of October, provided a substantial boost to Capesize employment, especially as Panamaxes had been eroding market share at the expense of Capes in trades such as coal ex-Richards Bay.

As a result, Capesize spot iron ore rates are on the increase. Last week saw a big weekly gain of \$4.35 /t to a 7-month high of \$25.50/t for freight rates from Tubarao to China, while the corresponding rate to Rotterdam rose \$2.25/t to \$12.60/t.

Last week also saw a continued improvement in the Panamax sector, but more moderate pace, with average earnings climbing by \$844/day to \$9,946/day at the beginning of November, the highest level since late February. The Panamax spot freight rate from Bolivar to Rotterdam was up \$0.15/t from last week to \$11.50/t.



### SSY Consultancy & Research

While care has been taken to ensure that the information contained in this report is accurate, it is supplied without guarantee. SSY can accept no responsibility for any errors or any consequence arising therefrom.