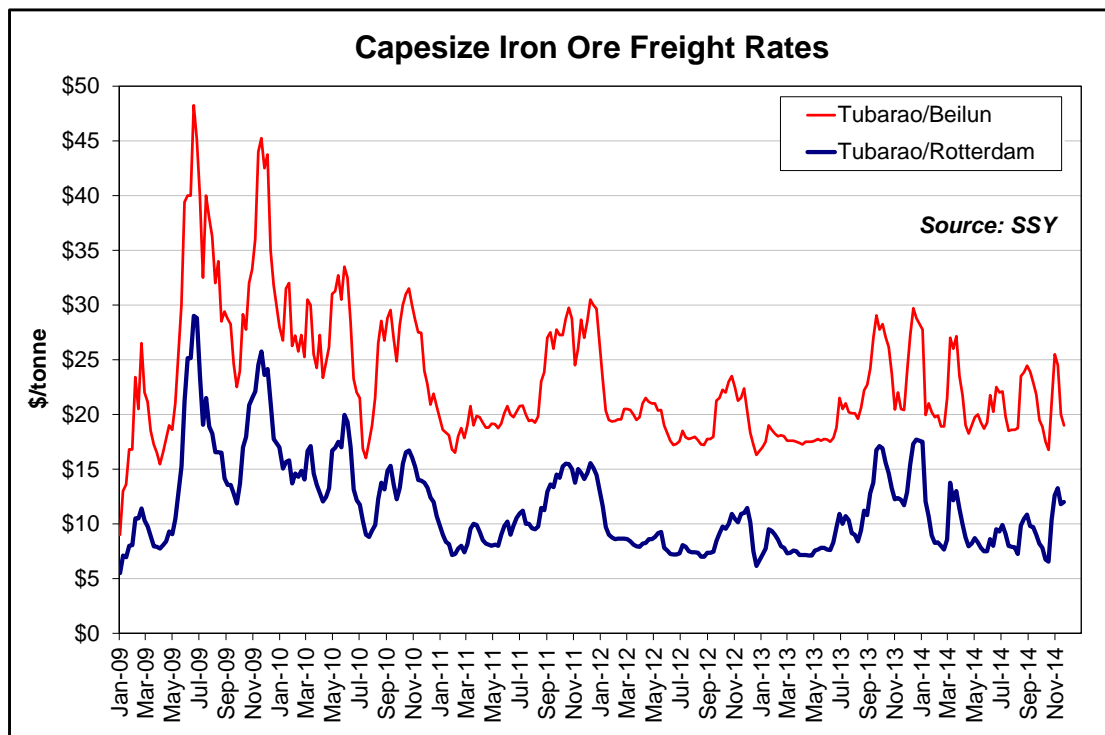


CAPEXSIZE/PANAMAX MARKET UPDATE (24 November 2014)

After the sudden rally in Capesize rates in late October and early November, chartering activity has quietened over the past week. Voyage rates on the influential iron ore trade from Brazil to China have continued to slide, sinking to \$19.00/t from \$25.50/t at the end of October, while Brazil-Europe slipped by \$0.6/t during the same period to \$12.0/t. In the Pacific coal freight market, this has resulted in comparatively modest declines. The Newcastle to Korea Capesize voyage rate has lost \$1.15/t over the same period to stand at \$11.40/t. Some support for the freight market may come from higher levels of port congestion. Judging by the SSY Australian Coal Port Congestion Index, average berthing delays have climbed above 10 days for the first time since January.

There was little movement in the Panamax market last week. The Bolivar-Rotterdam rate edged \$0.2/t higher than last week to \$12.2/t. As noted in previous reports, relatively low volumes of seaborne coal trade have been a negative factor for the Panamax market this year. This has offset to some degree the positive effects of a strong US grain export season. Combined exports of soyabean, corn and wheat from the US in the week to 13 November climbed to 3.6 Mt. This was more than in any single week of last year's large US grain export season.

The lack of further upward movement in the physical spot market has translated into declines both for physical period rates as well as the freight futures (FFA) markets. For example, respective Capesize and Panamax one-year period rates have eased lower to \$17,000/day and \$10,000/day. The Capesize TC average contract for the 1q15 fell to \$11,775/day on 21 November, compared with \$13,100/day one month ago.



SSY Consultancy & Research

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