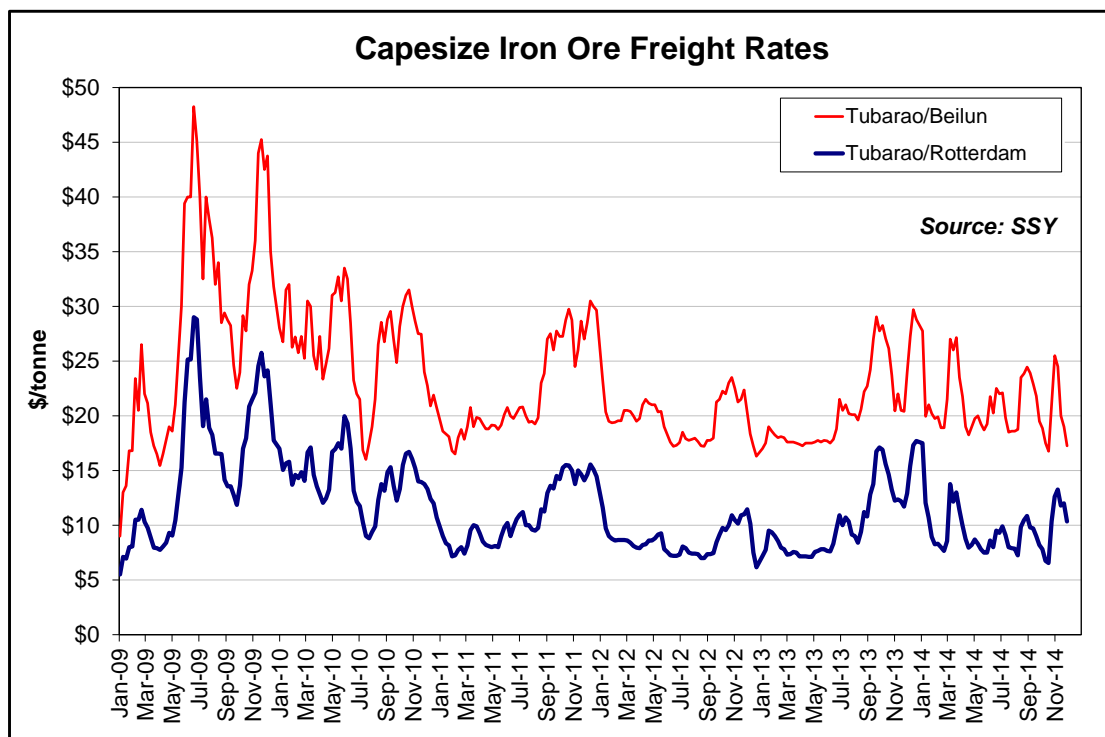


CAPE SIZE/PANAMAX MARKET UPDATE (1 December 2014)

Last week saw a dramatic decline in the Capesize sector, with average charter rates for a 172kdwt vessel opening December at below \$14,000/day, compared with the 10-month high of \$26,800/day in early November. The current level marks a weekly decline of more than \$8,300/day (or -38%). Due to a lull in chartering activity and a significant number of ballasting vessels entering in the Atlantic, round voyage rates have suffered an especially sharp correction, losing more than \$13,100/day (or -47%) during the week to \$14,925/day. Voyage rates on iron ore trade from Brazil to China dropped by \$1.75/t week-on-week to a 6-week low of \$17.25/t, while Brazil-Europe fell by \$1.65/t during the same period to \$10.35/t. Pacific RV rates also declined, sinking to \$13,114/day as opposed to \$17,132/day one week ago. The falls in freight rates will be accentuated by the drops in crude oil/bunker fuel.

Strong grain shipments have helped to tighten Panamax availability in the Atlantic, where round voyage rates now stood above \$10,000/day for the first time since February. Despite steep declines in bunker fuel costs, Panamax coal spot voyage rates from Bolivar to Rotterdam hit \$13.00/t for the first time since May, up \$0.80/t week-on-week. By contrast, Panamax rates in the Pacific continued to slide since early November, with round voyage rates falling to \$8,794/day from \$11,927/day at the beginning of November.



SSY Consultancy & Research

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