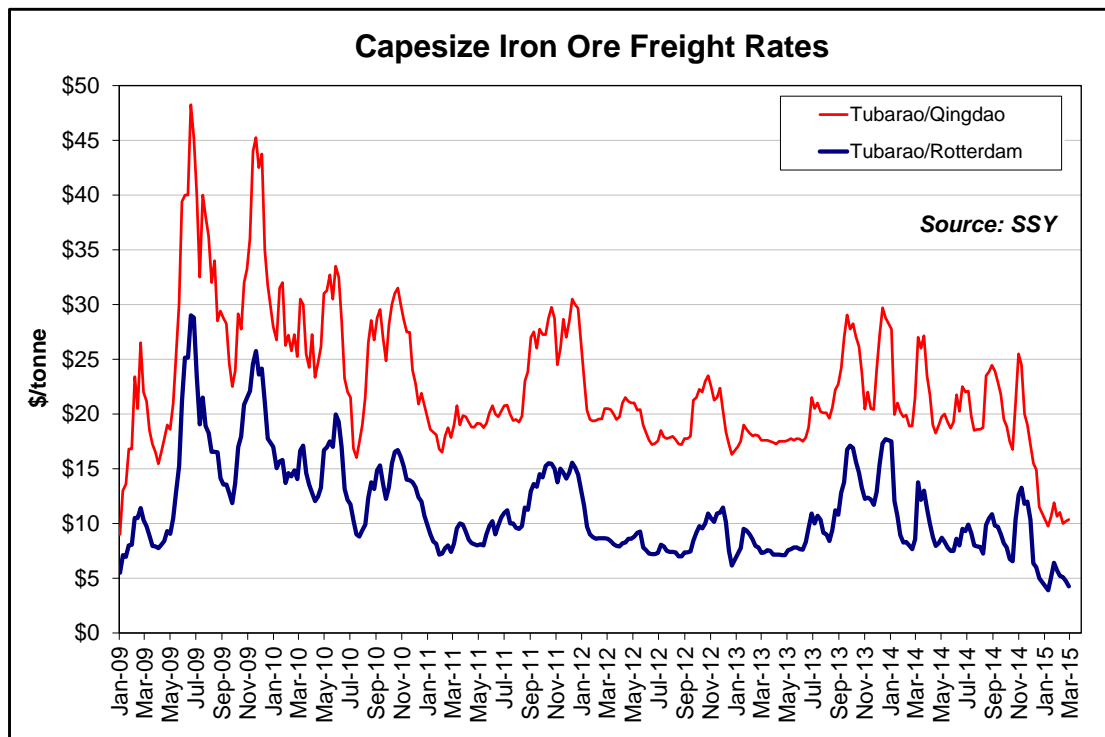


## CAPE SIZE/PANAMAX MARKET UPDATE (2 March 2015)

Last week was characterised by firming Panamax and declining Capesize markets. Capesize average earnings for 172 kdwT vessels (of \$4,303/day) on 2 March were the lowest of all the bulker sizes for the first time since mid-January. The Capesize iron ore voyage rate from Tubarao to Rotterdam slipped by \$0.50/t week-on-week to \$4.25/t, which is \$4.30/t below the year-ago level, while the corresponding rate to Qingdao edged up to \$10.35/t, which compares with \$21.50/t at the end February 2014.

Panamax average earnings have edged up to a month-high of \$4,409/day. Most of the improvement has been in the Pacific market, with round voyage rates rising to a still-meagre \$4,567/day. This, in turn, has pushed the Panamax coal spot voyage rate from Puerto Bolivar to Rotterdam to a 5-week high of \$8.20/t, up by \$0.20/t week-on-week.

The current depressed state of the freight market is forcing supply side adjustments in the Capesize sector through, 1) increasing number of ships sold for demolition (10 Capes have already removed from the fleet in the year to date with another 11 sold for scrap); 2) minimal new orders and 3) conversion of some Capesize newbuilding contracts into tankers, amounting to around 20 so far.



### SSY Consultancy & Research

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