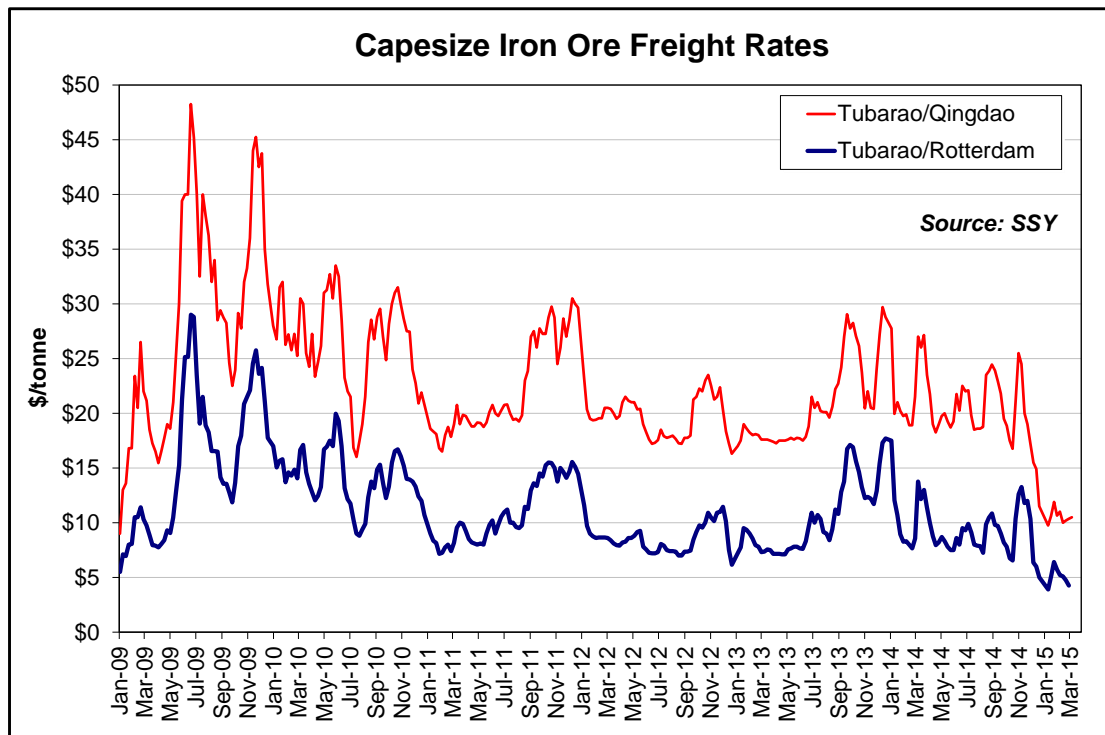


CAPE SIZE/PANAMAX MARKET UPDATE (9 March 2015)

In the Capesize sector, spot freight rates were little changed from last week. At \$4.30/t the Tubarao to Rotterdam voyage rate is almost \$10/t below the level recorded by Simpson Spence Young at this time last year as a result of the depressed state of the freight market and the downward correction in bunker fuel prices. Similarly, the Tubarao to Qingdao freight rate of \$10.50/t compares with \$27.00/t at this point in 2014. The Puerto Bolivar to Rotterdam Panamax rate meanwhile was unchanged from last week at \$8.20/t.

Preliminary customs data for February underline the recent weakness in China's import demand for dry bulk cargoes. Imports of coal (including lignite cargoes) totalled 32.0 Mt in January-February a massive 45% reduction on the same two months of 2014, while inbound shipments of iron ore reached 146.5 Mt, still 1% short of last year's corresponding volume.

For the first time since 2012 monthly additions to the Capesize fleet (six vessels) were outnumbered by removals (nine vessels) in February as the prolonged spell of depressed rates have left owners struggling to cover operating costs and eroded shipowner confidence. This pattern was repeated in the Panamax sector, where nine vessels were also scrapped at the same time as six newbuildings were delivered.



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.