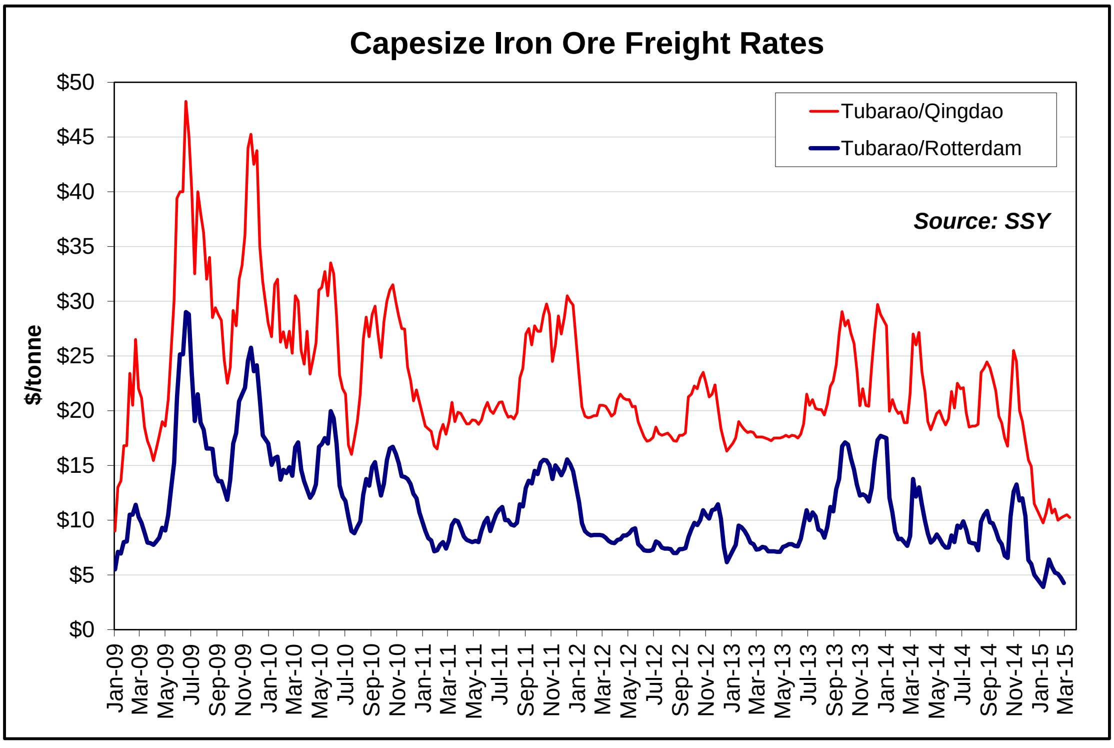
## CAPESIZE/PANAMAX MARKET UPDATE (16 March 2015)

The weak Capesize market continued last week, with the Baltic Exchange recording average earnings for 172,000 dwt vessels falling below $3,000/day for the first time since August 2012. The Capesize iron ore freight rate from Tubarao to Rotterdam of $3.8/t and to Qingdao rate of $10.3/t were well below their year-ago levels of $12.2/t and $26.0/t, respectively. As voyage rates include bunker fuel costs, the year-on-year decline does in part reflect the drop in oil prices, but still provides a fresh reminder of the depressed nature of the 2015 freight market.

Although remaining soft, the Panamax market did show some marginal improvement. However, market sentiment, as indicated by longer-term period rates, remains low. For example, the one-year period rate for Pacific delivery is currently standing at $7,500/day, which compares with $14,500/day at this point in 2014. The Panamax coal freight rate from Puerto Bolivar to Rotterdam slipped by $0.25/t from last week to $7.95/t.

The US Department of Agriculture (USDA) forecast that for the trade year running from October 2014 to September 2015, China's soyabean imports will reach a new all-time high of 74 Mt. The additional cargoes will be largely sourced from the US and Latin America (where the USDA are anticipating a record crop) to the benefit of fronthaul Panamax and Supramax demand. Crop reports continue to indicate prospects for extremely high Brazilian soyabean exports in the 2q15.




**SSY Consultancy & Research**