

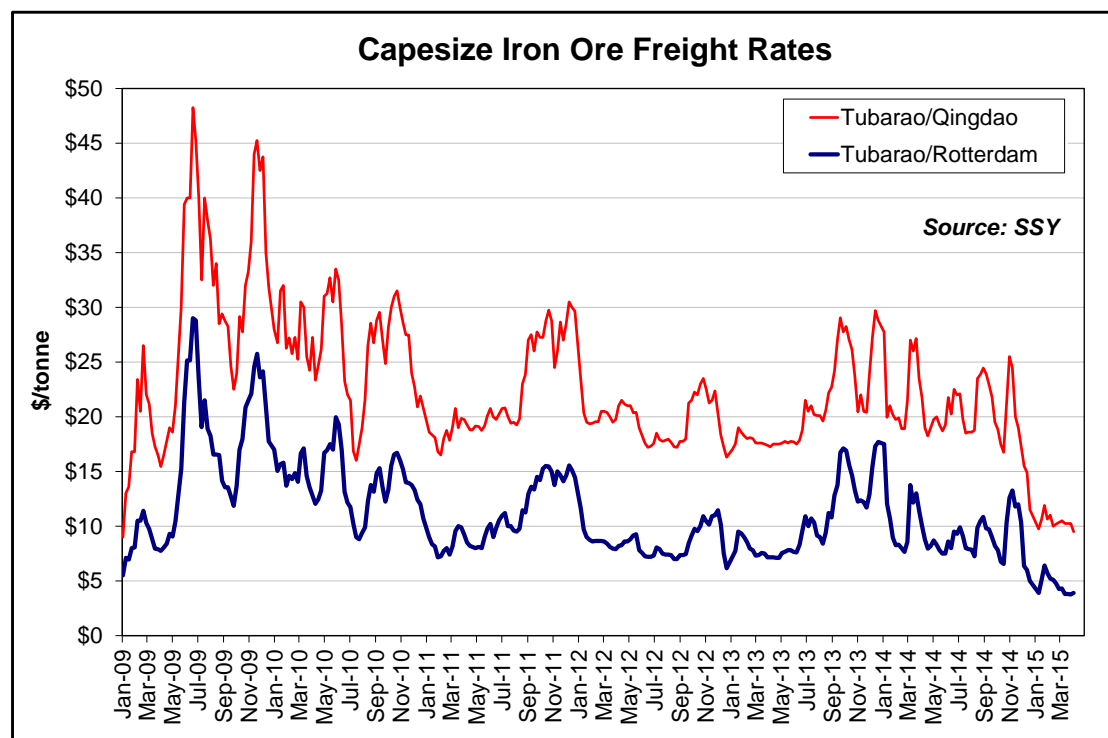
CAPE SIZE/PANAMAX MARKET UPDATE (7 April 2015)

The Capesize market continued to soften after the holiday period, with average vessel earnings falling below a meagre \$3,000/day once again. The Capesize spot voyage rate from Tubarao to Rotterdam edged higher by \$0.15/t week-on-week to \$3.90/t, while the corresponding rate to Qingdao declined by \$0.75/t to \$9.50/t.

Panamax average earnings declined in early April after recording the lowest quarter in the 1q15 (of \$4,815/day) since the Baltic Exchange began assessing the four main timecharter routes in 1993. The Panamax spot freight rate from Puerto Bolivar to Rotterdam was unchanged from last week, at \$8.10/t.

Latest data from Simpson Spence Young confirm an increase in demolition activity as a consequence of depressed spot market. March was the second-highest month for dry bulk carrier scrapping, with 3.72 Mdwat of capacity removed from the fleet. For comparison, the monthly average for 2014 was 1.29 Mdwat.

Likewise, in the freight futures (FFA) market, the contract for a 172 kdwat Capesize for April-December 2015 was priced at \$7,575/day on 2 April, which compares with \$10,242/day for the same contract in early March. Meanwhile, the Panamax FFA contract for the April-December 2015 was trading below \$6,000/day, 18% below the month-ago level.



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 Consultancy & Research Ltd can accept no responsibility for any errors or any consequence arising therefrom.