

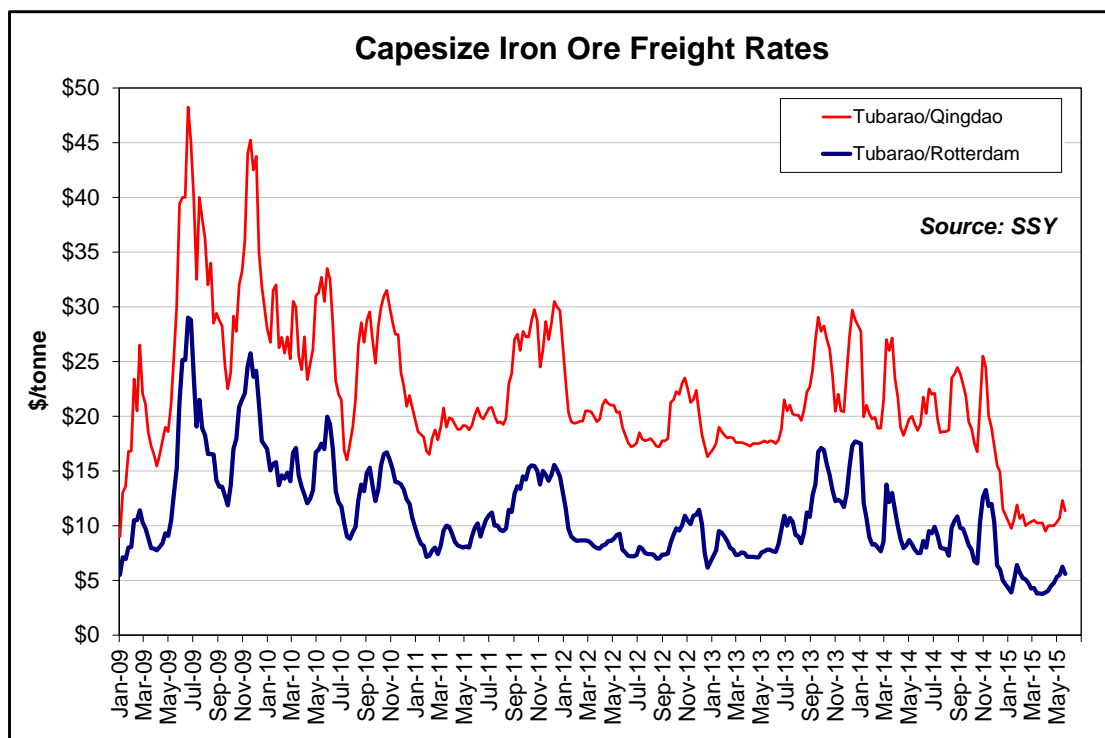
## CAPE SIZE/PANAMAX MARKET UPDATE (26 May 2015)

Last week saw the return of downward movement to the Capesize market, with average vessel earnings falling by \$1,419/day to \$4,283/day. After hitting a year-to-date last week, the Capesize spot voyage rate from Tubarao to Qingdao fell by \$0.95/t to \$11.35/t, while the corresponding rate to Rotterdam was down \$0.65/t to \$5.60/t.

On the Panamax market, the main South American grain export season has not been enough to support rates at their previous levels, with average vessel earnings falling to their lowest level since end-February, at \$4,323/day. The Panamax spot voyage rate from Bolivar to Rotterdam dropped by \$0.85/t last week to \$7.25/t.

Weaker global steel production has had a negative tone this year, with a number of major producers saw output decline in the first four months of 2015, for example, China (-1.3%), Japan (-3.7%), the EU (-0.3%) and the US (-8.5%).

According to end-April fleet data from Simpson Spence Young, the delivery pace of Capesize has slackened considerably since January, with only four new ships entering service in April as opposed to January's 17. Panamax newbuilding delivery is also running behind of last year's pace, with 48 new ships were recorded in the year to date, marking a significant slowdown from the 85 arrivals in January-April 2014.



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