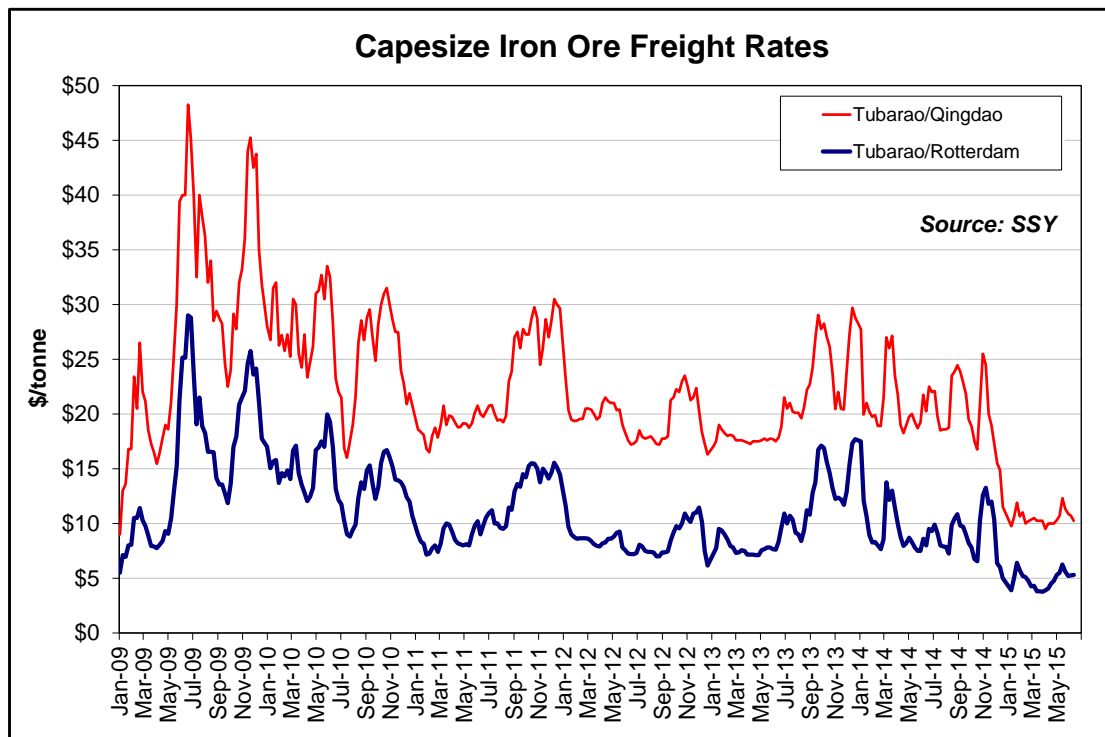


CAPEXSIZE/PANAMAX MARKET UPDATE (15 Jun 2015)

East Coast South America remains the current focus of Panamax chartering activity, helping lift average timecharter earnings across the sector by 22% last week to more than \$6,000/day for the first time since mid-January. The Atlantic round voyage rate has climbed above \$6,700/day and in the process has pulled the Pacific round voyage above \$5,000/day as the Atlantic rate gains offer operators the option of ballasting to the Atlantic. The Panamax coal freight rate from Bolivar to Rotterdam rose by \$1.65/t week-on-week to a year-to-date high of \$9.75/t.

There has also been some improvement in the Capesize Atlantic market, though with average 172,000 dwt vessel earnings of \$4,375/day, this is still below operating costs. The Capesize spot voyage rate from Tubarao to Rotterdam was up marginally by \$0.05/t to \$5.30/t, and the corresponding rate to China slipped by \$0.45/t to \$10.25/t. The freight futures (FFA) market is pricing in a higher 2h15, with the corresponding contract trading at \$10,800/day.

The Capesize (100,000+ dwt) fleet is now smaller than at the beginning of 2015 thanks to some 58 scrapped ships in January-May, with a further nine Capesize sold for demolition, but yet to be delivered to the shipbreakers. This compares with 40 Cape newbuilding deliveries over the same period.



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