

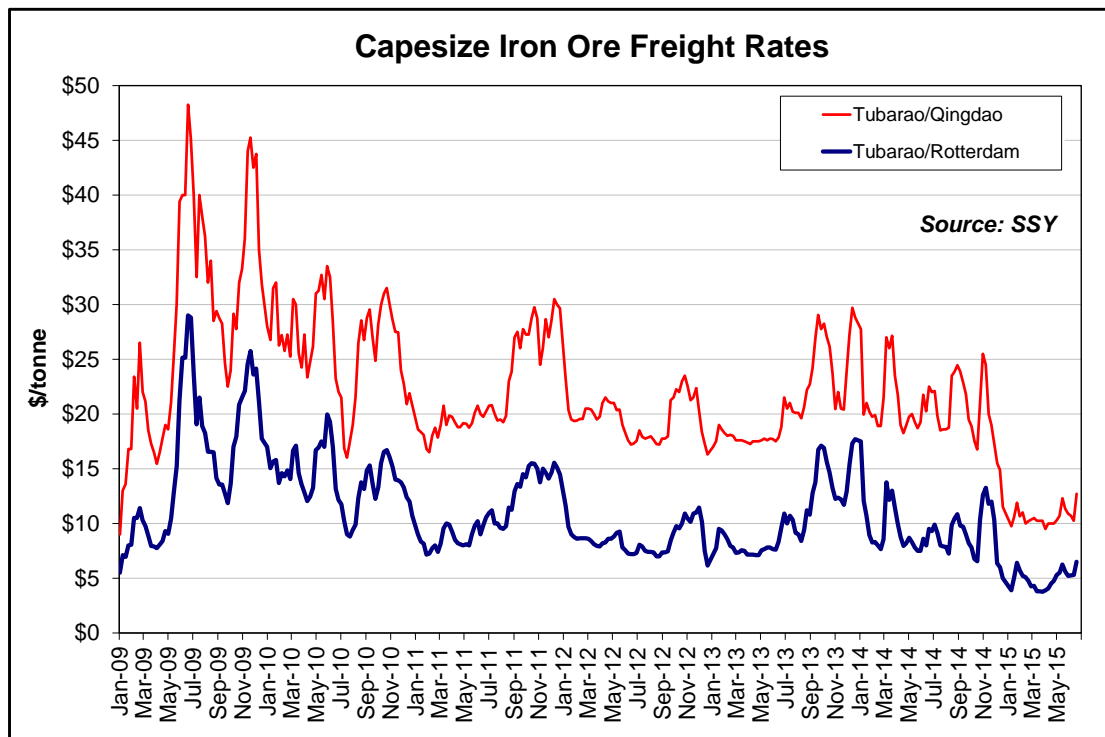
CAPE SIZE/PANAMAX MARKET UPDATE (22 Jun 2015)

The benchmark Baltic Exchange Index rose to a year-to-date high of 779 points, driven by gains across all dry bulk carrier markets.

Last week saw some significant improvement in the Capesize sector, with average 172,000 dwt vessel earnings climbing to a five-month high of (a still modest) \$7,322/day, supported in part by increased iron ore cargoes from Brazil. This helped push both the Tubarao to Rotterdam and Tubarao to China rates to their year-to-date highs of \$6.50/t to \$12.70/t, respectively. Improved spot market conditions has also prompted increases in period rates, with the one-year Cape rate climbing to \$11,250/day, compared with \$9,500/day at the beginning of June.

Average Panamax vessel earnings also climbed to their highest levels of the year of more than \$6,700/day thanks to grain-related chartering activity from East Coast South America. The Panamax coal freight rate from Bolivar to Rotterdam rose by \$1.35/t week-on-week to \$11.10/t, the highest level since mid-December.

Latest production data from the World Steel Association continue to show an annual decline in global crude steel output (of 2.1% to 139.3 Mt in May). Year-on-year declines are in evidence for many of the world's steelmaking centres.



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