

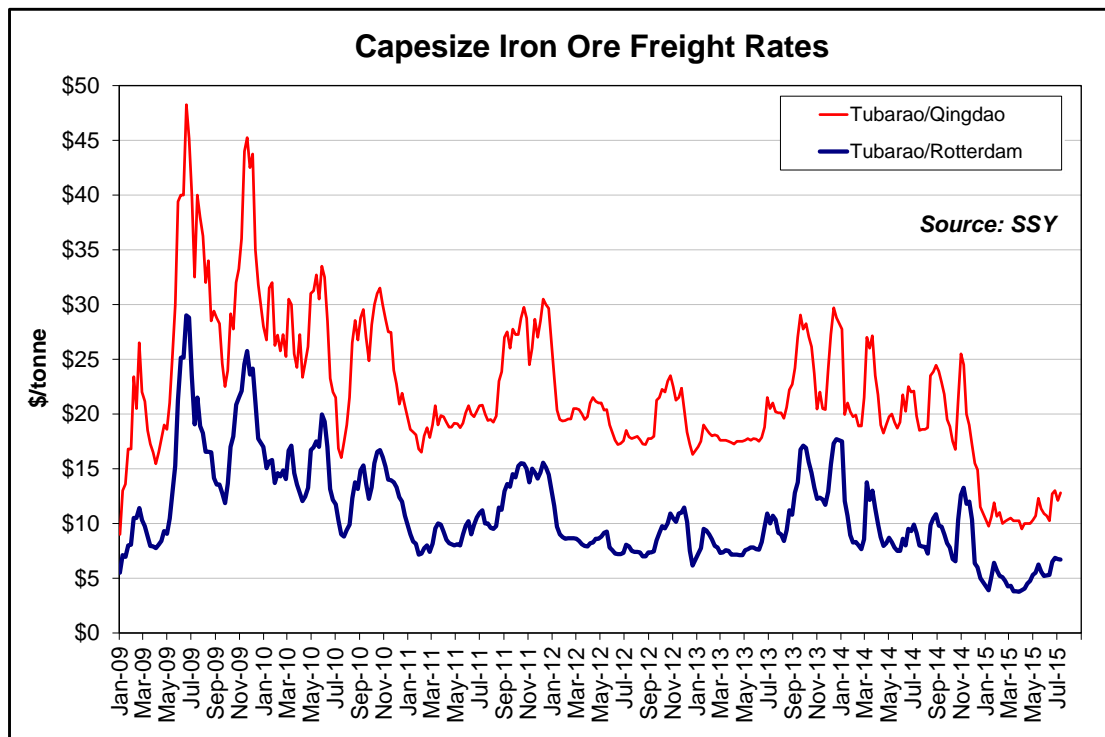
## CAPEXSIZE/PANAMAX MARKET UPDATE (13 July 2015)

Paradoxically, as concerns over the severity of China's slowdown intensify, the benchmark Baltic Exchange Dry Index has reached its highest level since December 2014 of 900 points (more than 70% above February's low), driven by gains in average earnings across all vessel sizes.

The biggest weekly gain (+16%) was in the Panamax sector, with average vessel earnings hitting a 7-month high of \$8,565/day and surpassing the equivalent for Supramaxes (of \$8,089/day) for the first time since November 2014. Strong grain-related chartering activity from South America boosted Panamax demand in the Atlantic, where round voyage rates rose to a 7-month high of \$11,628/day. The Bolivar-Rotterdam coal spot rate rose to a year-to-date high of \$11.55/t.

Last week saw more modest gains in the Capesize market, with average earnings for a 172 kdwT Capesize climbing to \$9,126/day by time of writing, up 10%, while the Tubarao-Qingdao iron ore spot rate climbed by \$0.70/t to \$12.80/t and there was a marginal decline of \$0.05/t in the Tubarao-Rotterdam rate to \$6.70/t.

Preliminary customs trade data from China for June indicated that the country's iron ore imports for the 1h15 down 1% on the same period in 2014 to 453.1 Mt.



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