

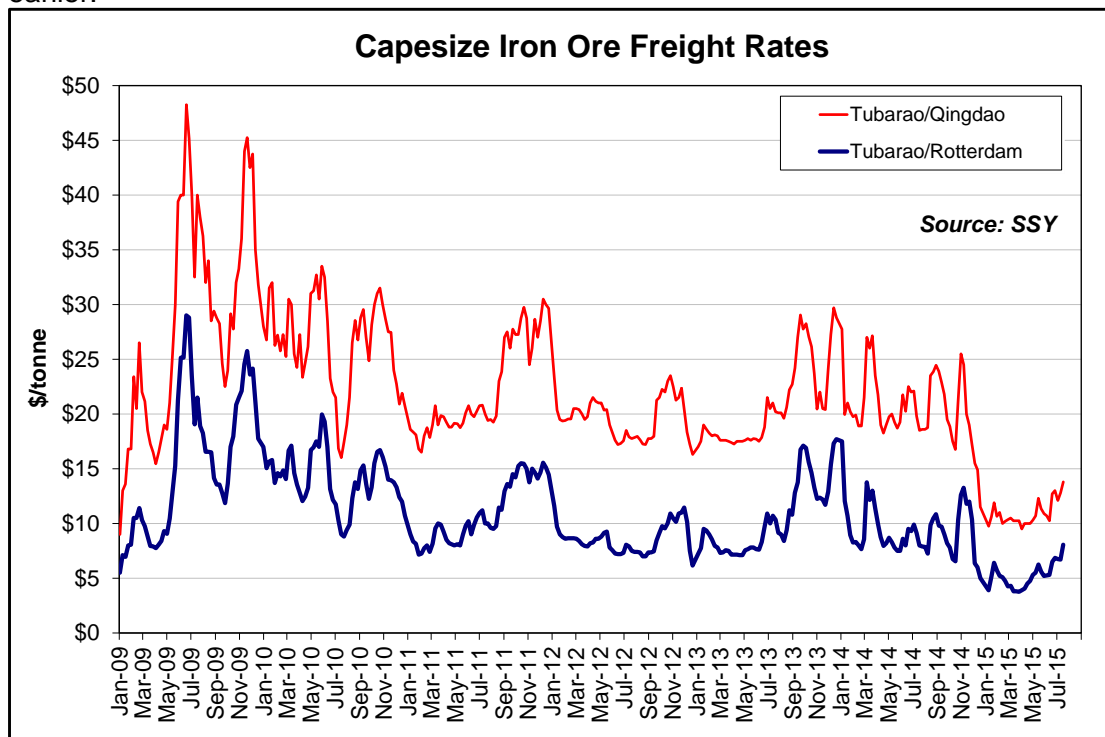
CAPE SIZE/PANAMAX MARKET UPDATE (20 July 2015)

An Atlantic-led rise in the Capesize spot rates helped drive the benchmark Baltic Exchange Dry Index above 1,000 points for the first time this year.

Capesize average earnings for 172 kdw vessels jumped almost 50% last week to an eight-month high of \$13,449/day. Fronthaul rates (Atlantic to Pacific) were up 50% to \$26,500/day, as Brazilian iron ore chartering activity helped lift vessel demand in the Atlantic, which was accompanied by smaller gains in the Pacific basin. The Tubarao-Qingdao iron ore spot rate rose by \$1.00/t to \$13.80/t and there was a weekly gain of \$1.35/t in the Tubarao-Rotterdam rate to a year-to-date high of \$8.05/t.

Some more modest gains were seen in the Panamax sector last week, where average timecharter earnings rose 9% to \$9,327/day. This is not only above the corresponding level in 2014, but is also very close to the averages of mid-July 2013 and 2012. Gains have been most conspicuous in the Atlantic, and round voyage rates reached \$12,000/day following two consecutive record months for Brazilian soya exports. The Bolivar-Rotterdam coal spot rate for Panamaxes is currently \$10.65/t.

In response, the freight futures (FFA) contract price for Panamax average earnings in the 2h15 stood at \$8,200-8,250/day on 17 July compared with \$8,000/day a week earlier.



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