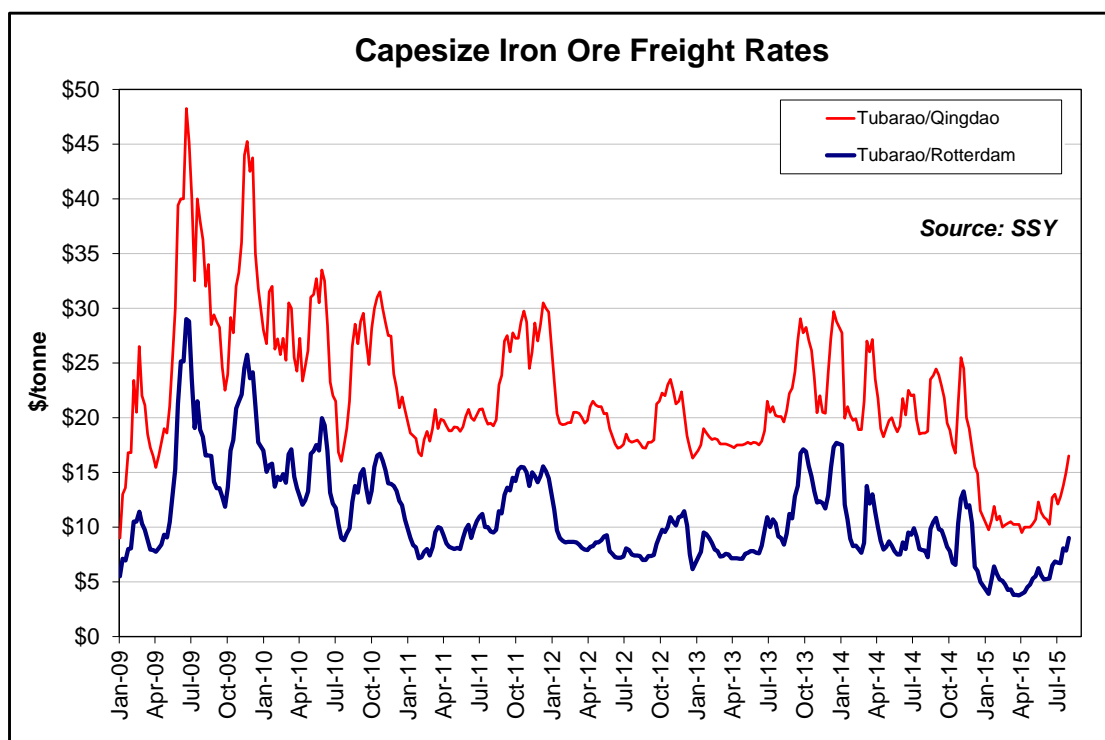


CAPE-SIZE/PANAMAX MARKET UPDATE (3 August 2015)

Further gains in the Atlantic market contributed to a weekly gain of more than \$3,100/day for average vessel earnings of 180,000 dwt vessels to over \$18,000/day for the first time since November 2014, Baltic Exchange assessments show. The indicative voyage rate from SSY from Tubarao to Qingdao iron ore spot rate rose by \$1.50/t to \$16.50/t and there was also a gain of \$1.15/t in the Tubarao-Rotterdam rate to \$9.00/t.

In contrast, the Panamax market declined last week in both the Pacific and Atlantic. Average earnings for Baltic-type vessels declined \$747/day to \$8,146/day. However, Panamax spot freight rates from Bolivar to Rotterdam climbed by \$0.50/t to \$11.15/t. Panamax rates had benefitted from strong grain trade: preliminary data for the 2q15 suggest that combined shipments from the major grain exporting areas were almost 6% higher year-on-year.

Consequently, last week's dynamics have lifted Capesize average earnings to their strongest level relative to Panamax for nine months, which could offer some near term support to Panamax.



SSY Consultancy & Research

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