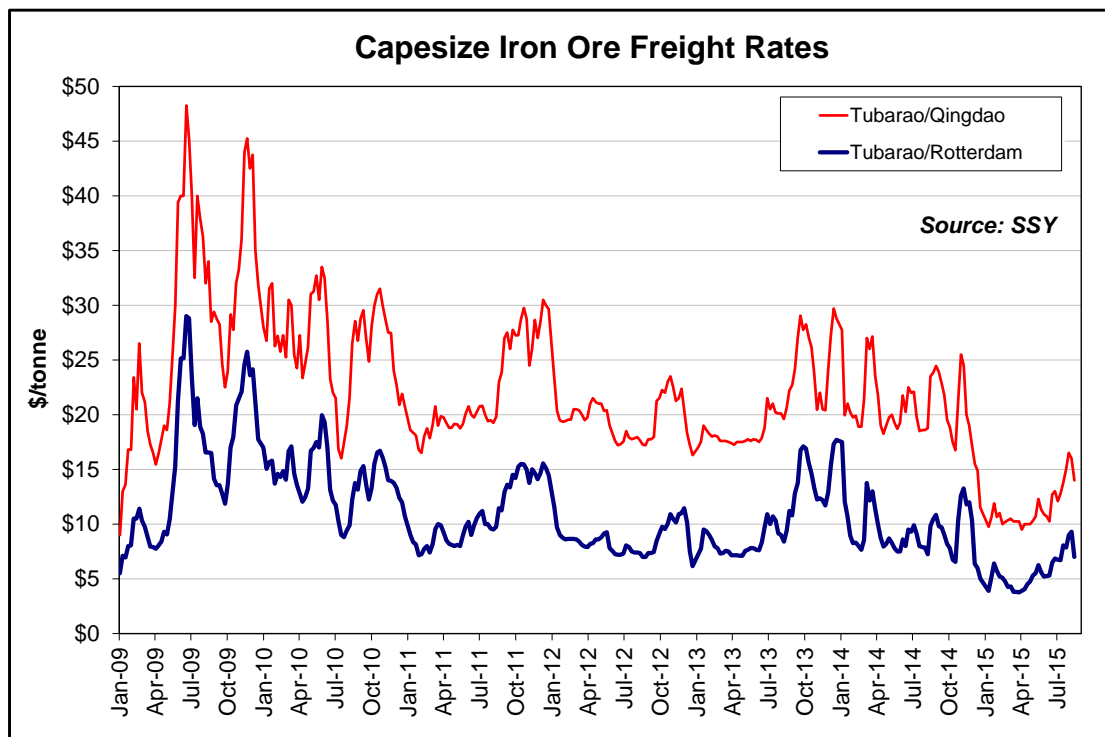


CAPE SIZE/PANAMAX MARKET UPDATE (17 August 2015)

After hitting a nine-month high of \$20,600/day on 5 August, average earnings for 180,000 dwt Capesize vessels retreated to \$14,000/day, according to Baltic Exchange assessments. Freight rates dropped in both the Atlantic and Pacific due to a reduction in iron ore chartering activity on the main iron ore trades from West Australia and Brazil to Far East Asia. This dragged the Cape spot rate from Tubarao to Qingdao down by \$2.00/t last week to \$14.00/t, while the Tubarao-Rotterdam rate fell to \$7.00/t, down by \$2.30/t.

In contrast, there were modest rises in the Panamax sector, with average earnings for 74,000 dwt vessels climbing gradually to \$8,411/day. This was accompanied by a gain of \$1.10/t in the Bolivar to Rotterdam spot rate to \$11.65/t.

Grain shipments remain the key positive influence on Panamax demand. In early August the US Department of Agriculture (USDA) lifted its 2015/16 coarse grain export forecast for Brazil to a record volume of 28.0 Mt, which follows exceptional Brazilian grain exports in May-July, when the combined three-month total for soya and corn of 34.3 Mt was up 34% year-on-year.



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