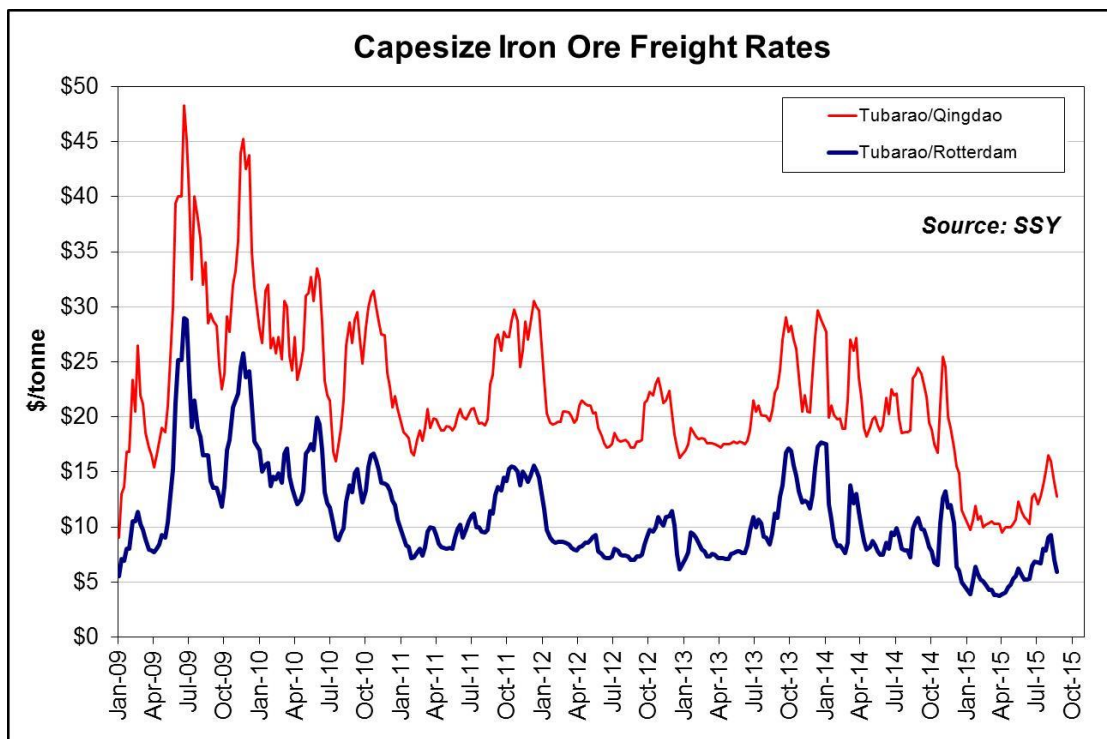


CAPE SIZE/PANAMAX MARKET UPDATE (24 August 2015)

Sharp declines in Capesize daily timecharter earnings and bunker prices have combined to pull down coal spot voyage rates. Average Capesize (180 kdw) earnings have fallen by \$3,939/day week-on-week to \$10,085/day and are now at their lowest level since mid-July. This decline has been most prominent in the Atlantic where round voyage rates are down by over \$5,200/day, compared to a drop of about \$3,800/day in the Pacific. Bunker prices fell steadily over the course of the week, in line with broader negative trends in world oil markets, with Singapore 380 CST, of close to \$230.0/t, at its lowest level since the beginning of January 2009. This is down by more than \$100/t since the beginning of July and by a massive \$362/t year-on-year.

The effect of these factors has been to reduce the Tubarao-Rotterdam iron ore spot rate by \$1.05/t to \$5.95/t and the Tubarao-Qingdao rate by \$1.20/t to \$12.80/t.

Compared to Capes, there was a modest net decline in Panamax average earnings last week, to \$8,372/day, as a degree of rebalancing between the Pacific and Atlantic took place. A quieter week in the North Atlantic saw rates decline but East Coast South American and US Gulf grain chartering activity served to tighten supply and lift rates in the Pacific by attracting ballasters. The Bolivar-Rotterdam Panamax coal spot rate fell by \$0.15/t to \$11.50/t.



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