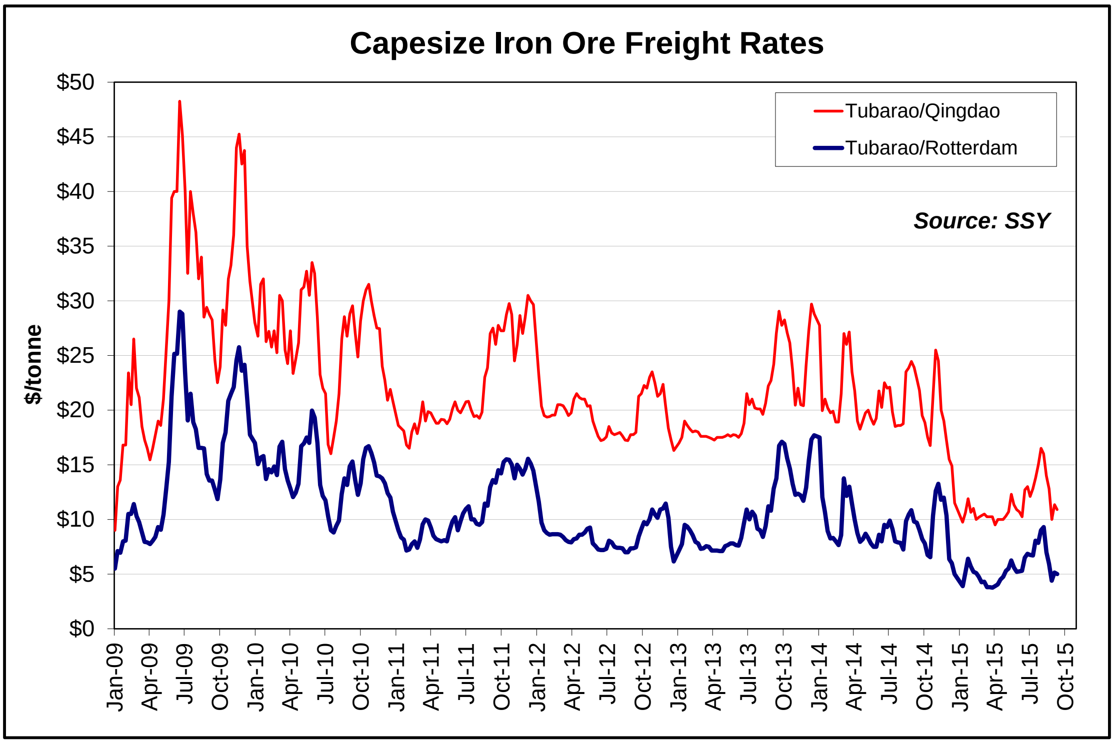
CAPESIZE/PANAMAX MARKET UPDATE (14 September 2015)

Freight rates in both the Capesize and Panamax sectors came under renewed downward pressure last week. Average earnings for 180 kdwt vessels slipped to $8,509/day, and this was accompanied by a weekly decline of $1.35/t in the Tubarao-Qingdao spot voyage rate to $10.90/t, while the Tubarao-Rotterdam spot iron ore rate also slipped by $0.15/t to $5.00/t.

Average Panamax vessel earnings fell to $5,786/day, their lowest level since mid-June. A seasonal decline in Latin America grain exports, persistently weak US coal exports, the arrival of ballasting vessels and slowdown in US soyabean sales to China have all contributed to the latest weakening in Panamax rates in the Atlantic. In contrast, the Pacific market remained relatively steady, with the Bolivar-Rotterdam Panamax coal spot rate down by $0.70/t week-on-week to $8.10/t.

August customs statistics from China reveal monthly declines in iron ore, coal and soyabean imports. Combined imports were down by 15% from July and by 0.4% on August 2014, which means there still a very real prospect of the first annual fall in China's dry bulk imports since the 1990s.



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