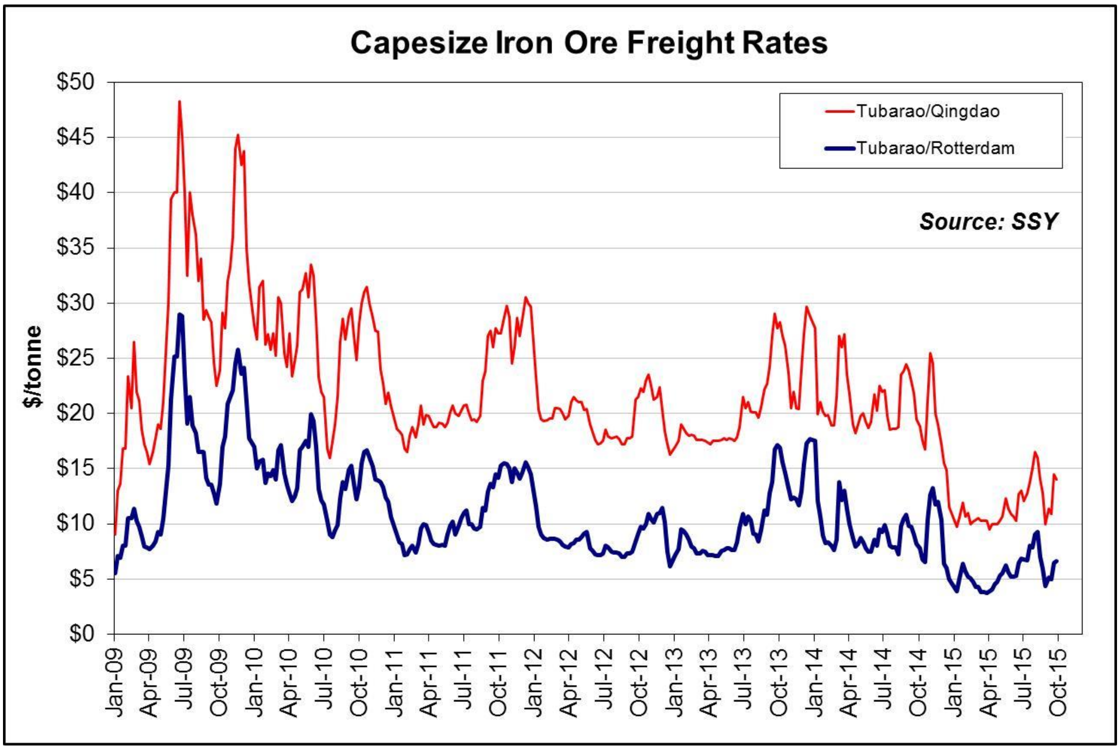
# CAPESIZE/PANAMAX MARKET UPDATE (28 September 2015)

A volatile week in the Capesize market saw average earnings for 180,000 dwt vessels fall by almost $2,000/day in the two days to $13,401/day on 23 September, before recovering to $14,916/day by 28 September, according to Baltic Exchange assessments. This resulted in the Tubarao-Qingdao iron ore spot voyage rate falling $0.50/t to $14.00/t in the week to 25 September, while the corresponding Tubarao-Rotterdam rate rose by $0.10/t to $6.60/t.

Panamax vessel earnings declined last week, with the average for 74,000 dwt bulkers down $244/day to $5,913/day, however, the declines were focused in the Atlantic. The Bolivar-Rotterdam Panamax coal spot rote was unchanged week-on-week at $8.40/t.

The strengthening in the Capesize freight market has taken place against a background of ongoing weak demand signals from China, both in terms of coal and steel. Crude steel production in China dropped 3.5% annually in August to 66.9 Mt, which formed part of a 3.1% fall in global output to 132.2 Mt. After allowing for strong steel export volumes from China, a year-on-year decline of 7.2% in apparent steel consumption was recorded. Moreover, steel prices in China have softened over the course of September and are close to their year-to-date lows.

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