

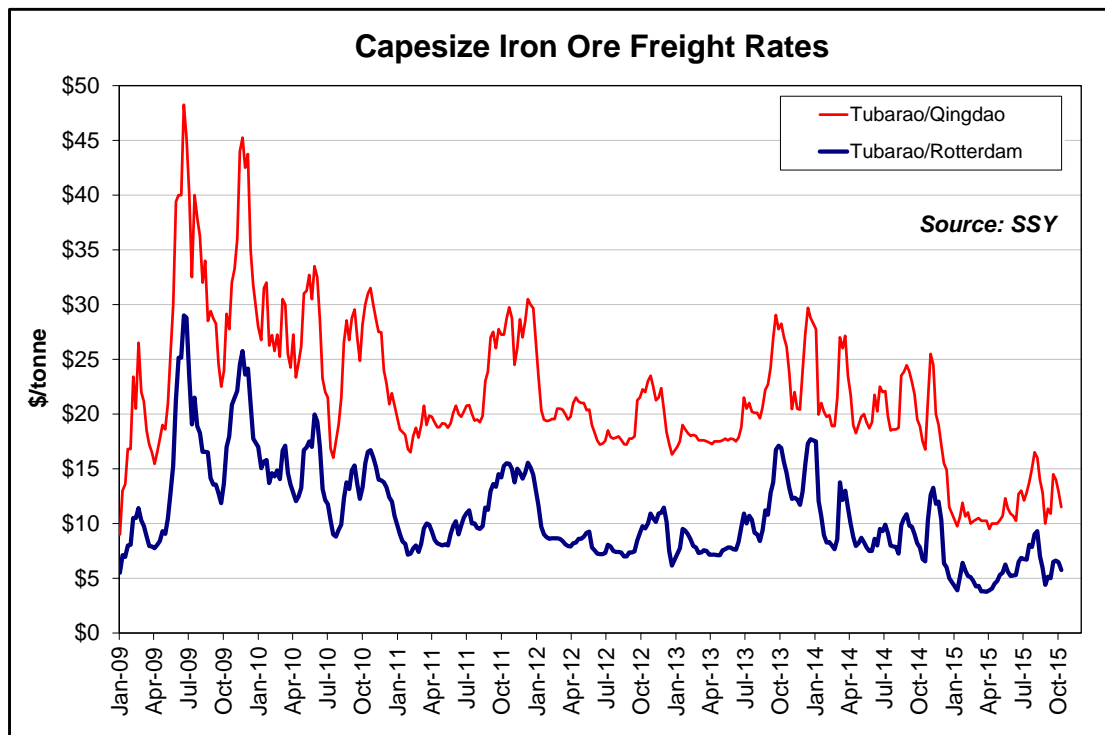
CAPE SIZE/PANAMAX MARKET UPDATE (12 October 2015)

Last week average charter rates for 180,000 dwt Capesizes fell by \$2,805/day to \$10,706/day, according to Baltic Exchange assessments. Despite more chartering activity following the end of the Chinese holidays, Pacific round voyage rates ended week down \$1,948/day at \$10,970/day, although some upward movement returned on 12 October. In terms of iron ore freight rates, the Capesize voyage rate from Tubarao to Qingdao dropped \$1.40/t week-on-week to \$11.50/t, while the corresponding rate to Rotterdam edged lower by \$0.70/t to \$5.75/t.

In contrast, the Panamax market retained upward movement in the both Atlantic and Pacific basins, though average vessel earnings were a modest \$6,100/day. The Panamax coal freight rate from Bolivar to Rotterdam was unchanged from the previous week at \$8.30/t.

SSY fleet data show September was the highest month for dry bulk carrier newbuilding deliveries since January (traditionally a strong month for newbuildings). With demolition activity in the 3q15 at its lowest since 2010, net fleet expansion in the 3q jumped to 9.9 Mdw as a result. This represents the fastest quarter of growth since the 1q14 and adds pressure to supply:demand balances.

Although the drop in scrapping interest means that 2015 is likely to fall short of the record volume seen in 2012, Capesize demolition in the first nine months of the year is running three times ahead of last year's pace.



SSY Consultancy & Research

While care has been taken to ensure that the information contained in this report is accurate, it is supplied without guarantee. SSY Consultancy & Research Ltd can accept no responsibility for any errors or any consequence arising therefrom.