



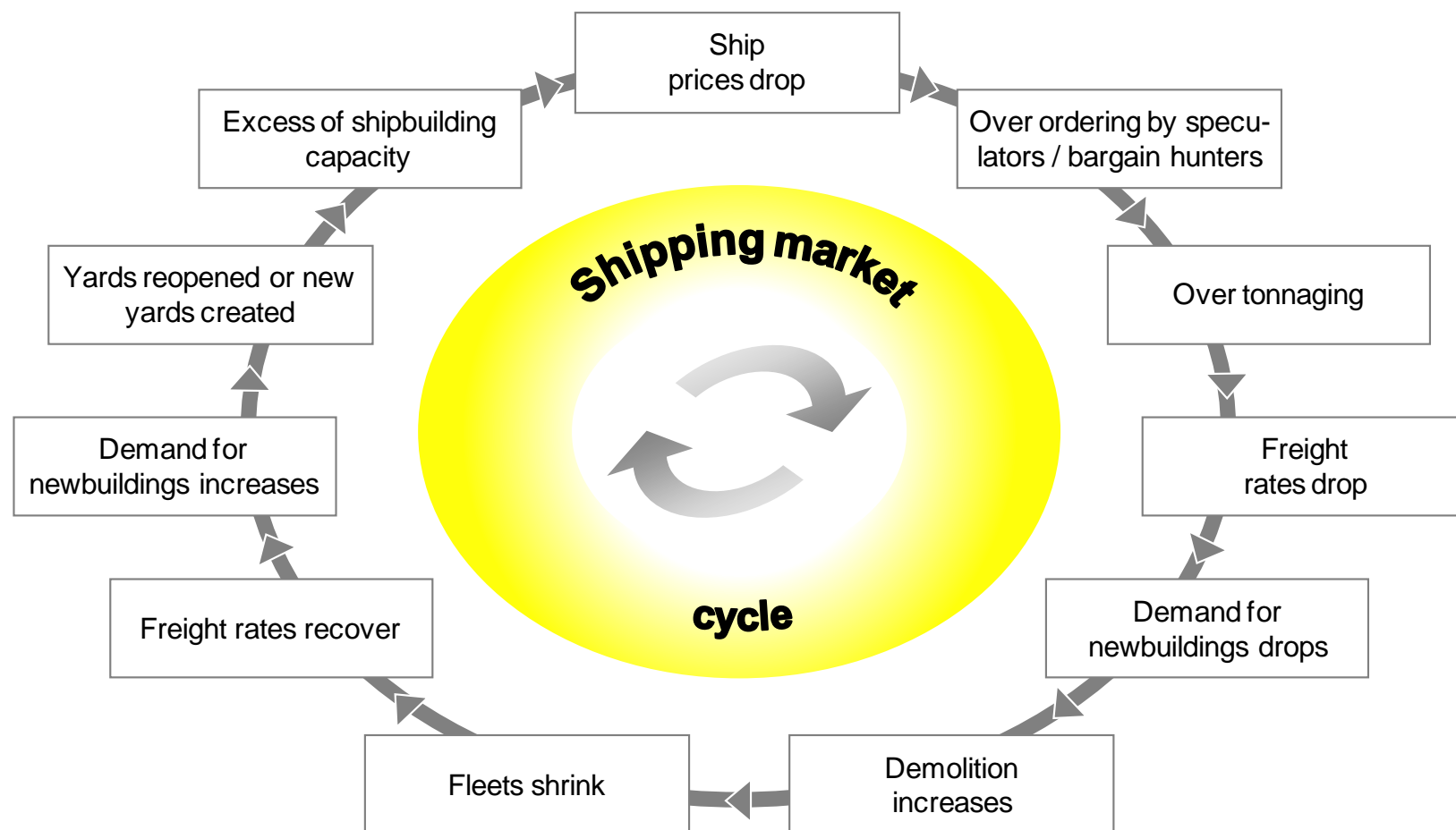
Shipping & Offshore Research

Global Economy, World Trade & Shipping
Capital Link Shanghai
May 2017

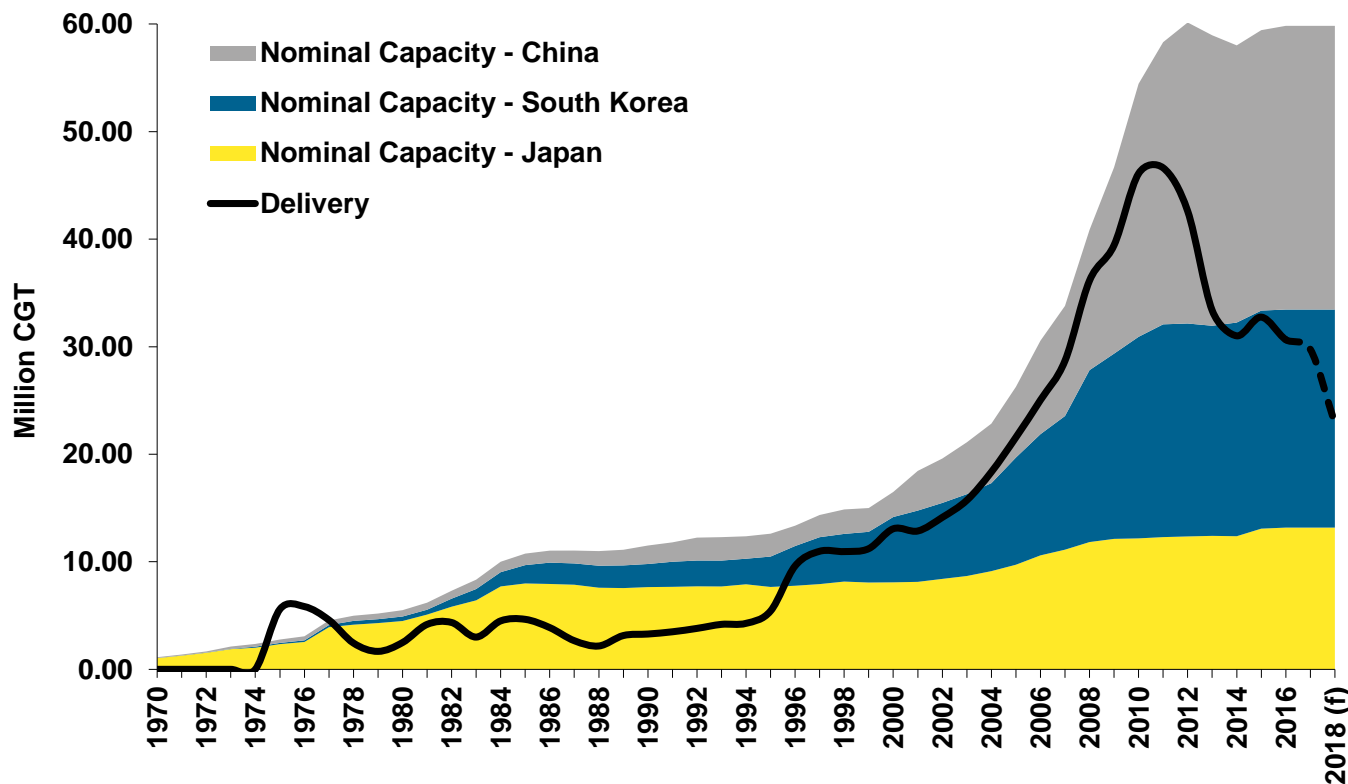


The shipping market cycle

All shipping sectors are highly cyclical... **but different sectors have different cycles...**



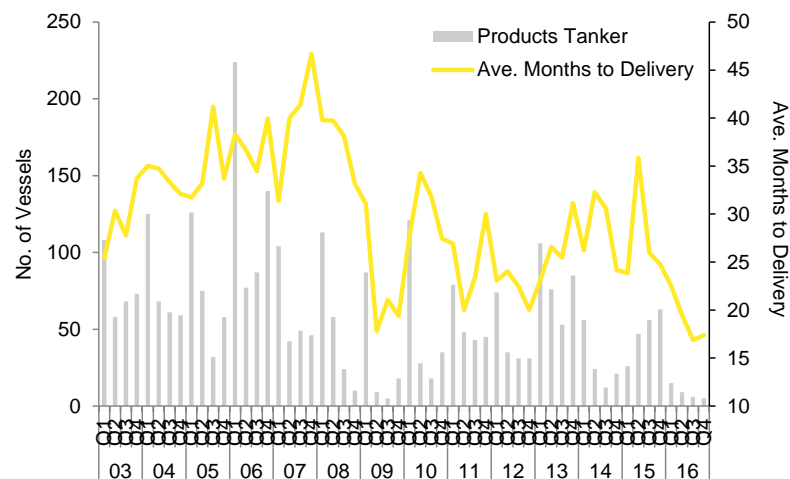
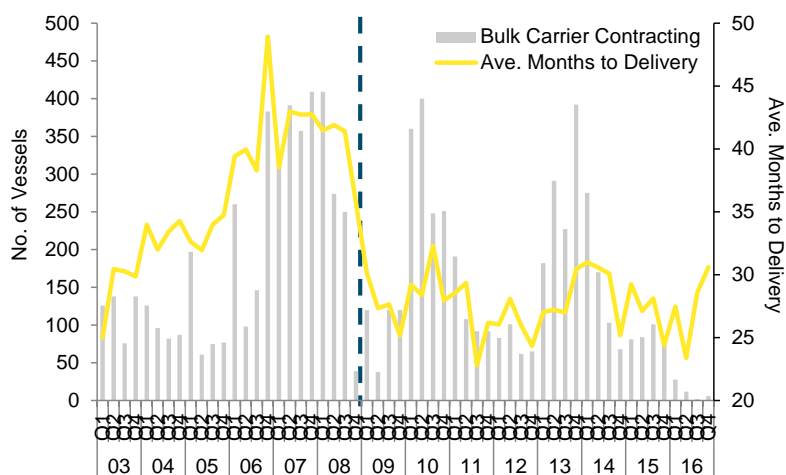
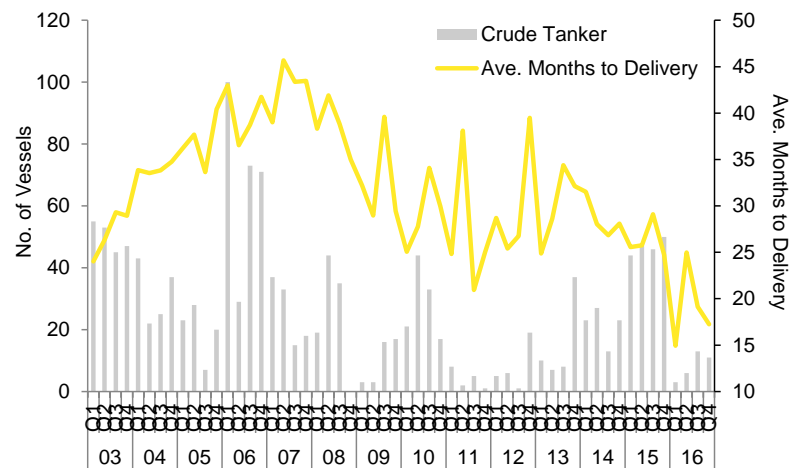
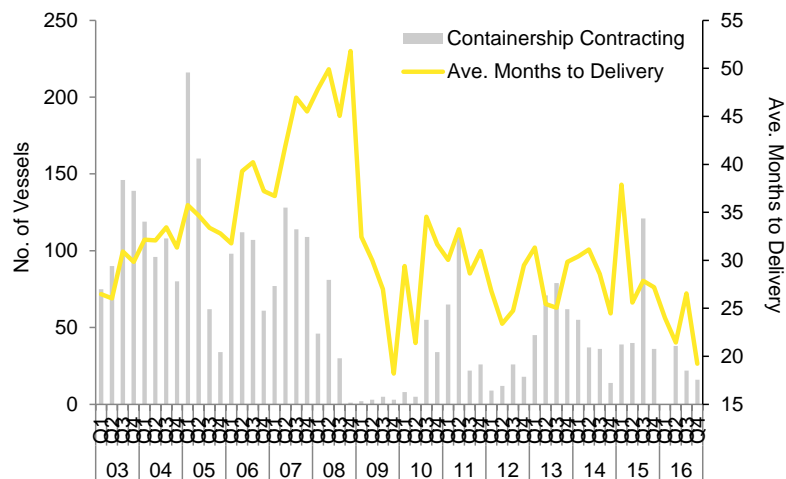
Shipbuilding Capacity Development



- “Deleveraging” process in Chinese shipbuilding industry
- Korea’s “Big Three” are better off
- Japanese yards are protected by conservative yard capacity management

Source: Clarksons, DVB Shipping and Offshore Research

Shipping – average time to delivery at contracting



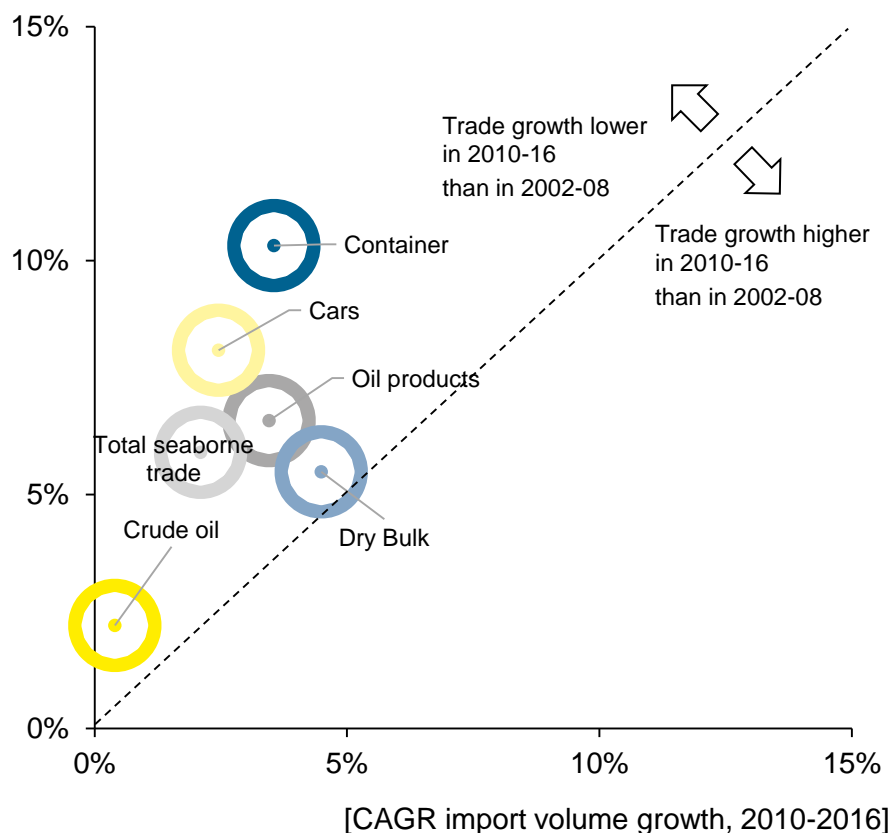
*Excluding vessels < 10,000 DWT

Source: Clarksons, DVB Shipping and Offshore Research

Seaborne trade

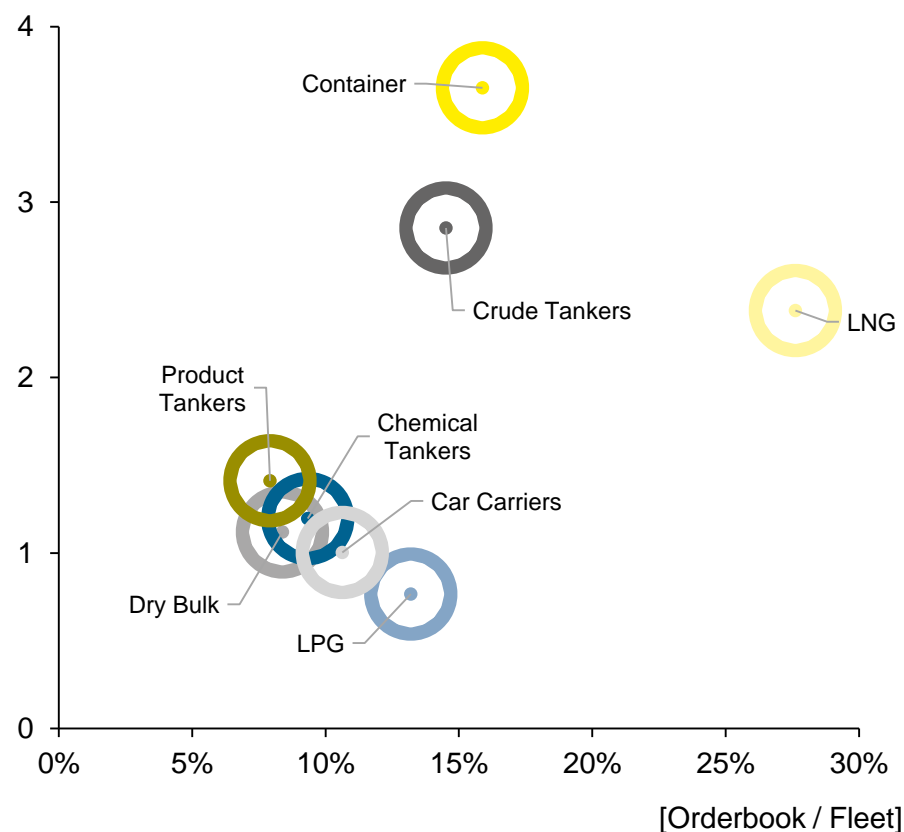
Seaborne trade 2002-2016

[CAGR import volume growth, 2002-2008]



Sectors not equally exposed to future over-capacity

[Fleet renewal, Orderbook / Fleet (20+)]

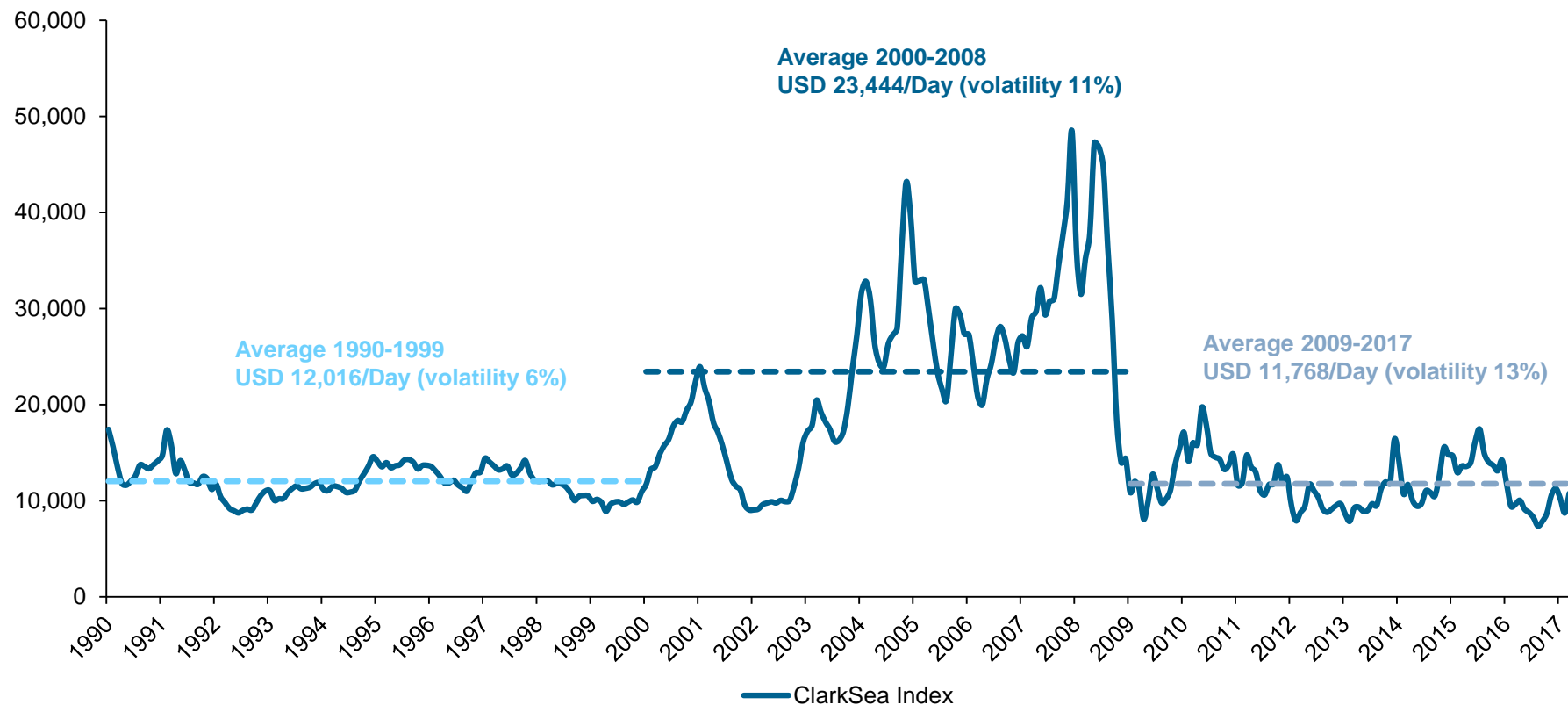


Sources: IHS Global, MSI and DVB Shipping & Offshore Research

Sources: IHS Global and DVB Shipping & Offshore Research

Freight rates are low in most shipping sectors

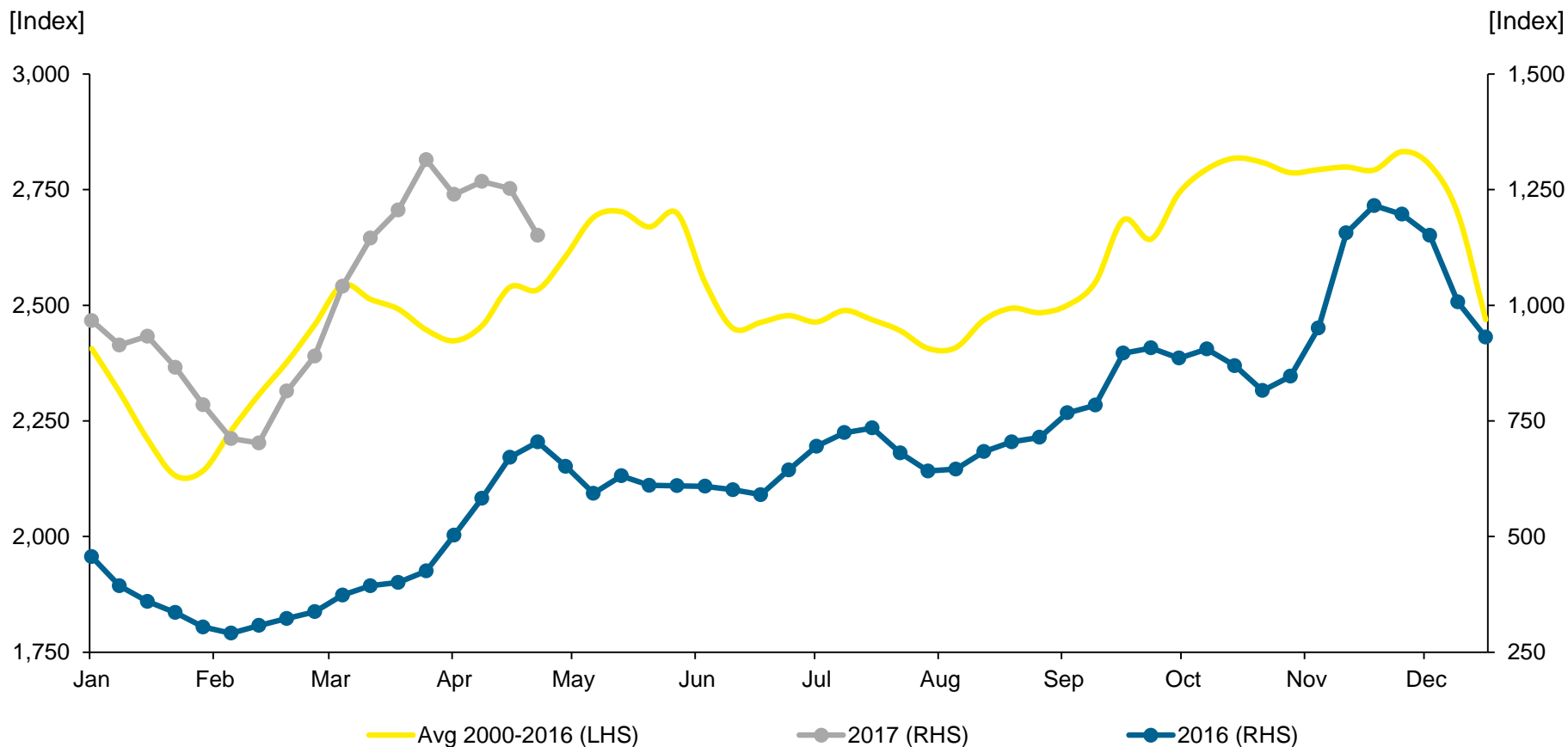
ClarkSea Index
[USD/Day]



Sources: Clarksons SIN and DVB Shipping & Offshore Research

Dry Bulk – Freight rates

Baltic Dry Index

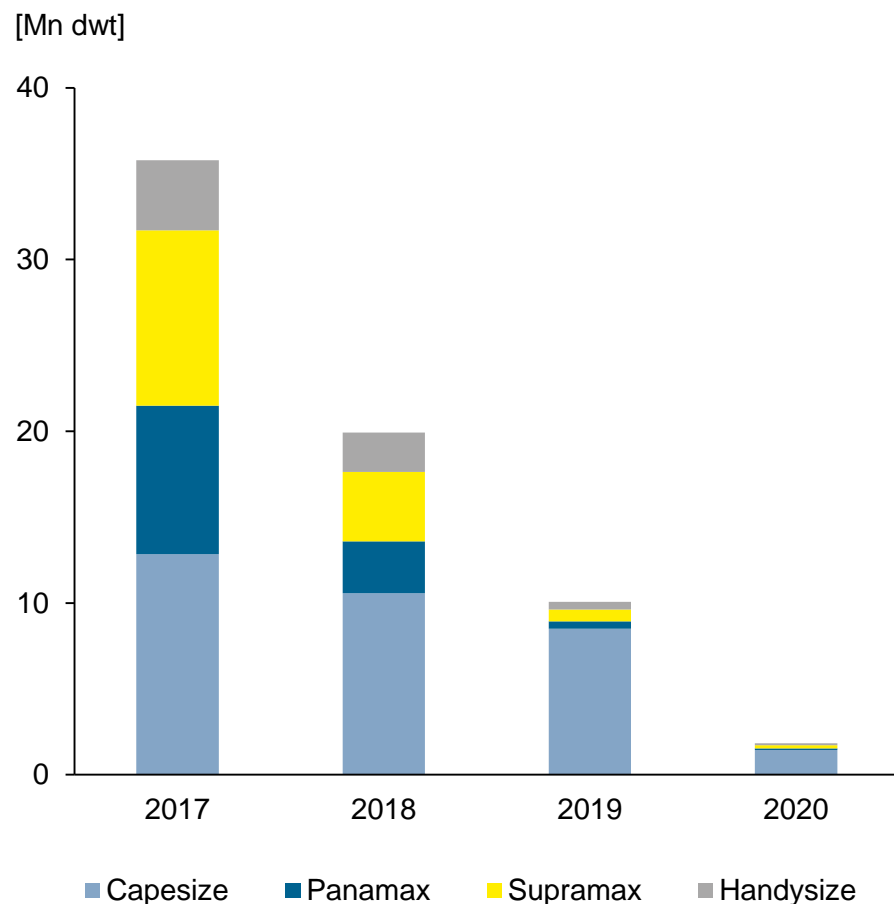


Sources: Clarksons SIN and DVB Shipping & Offshore Research



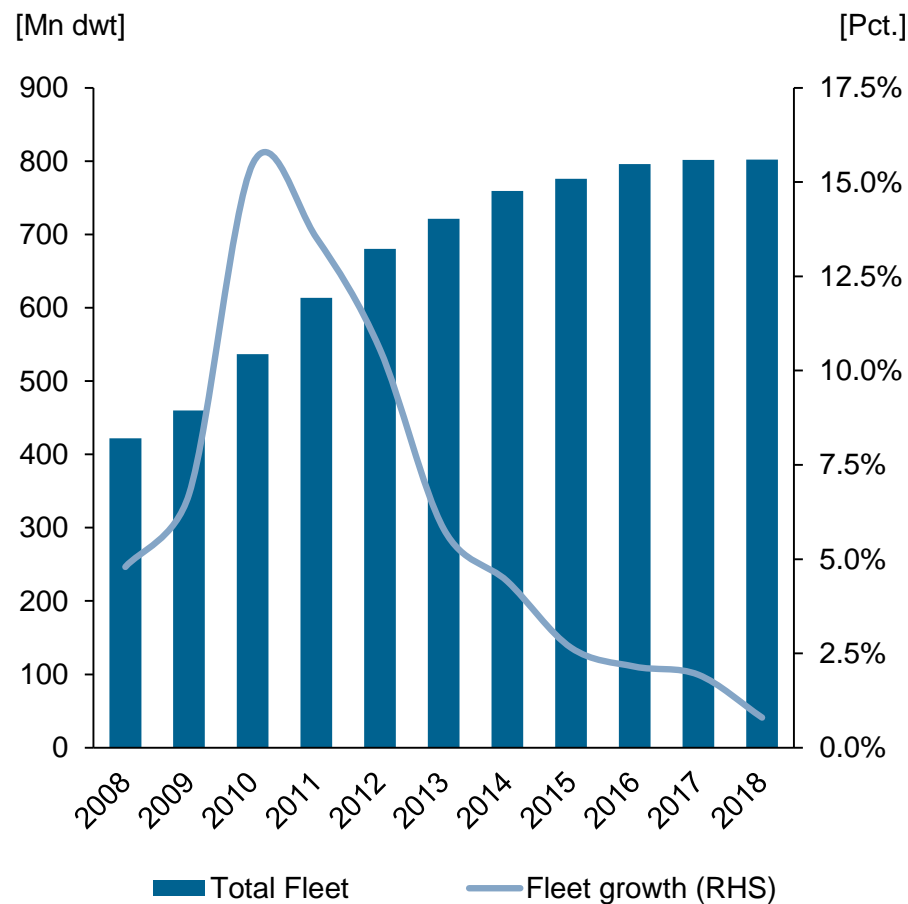
Dry Bulk – Supply

Orderbook delivery schedule



Sources: IHS Global and DVB Shipping & Offshore Research

Supply growth expected to slowdown

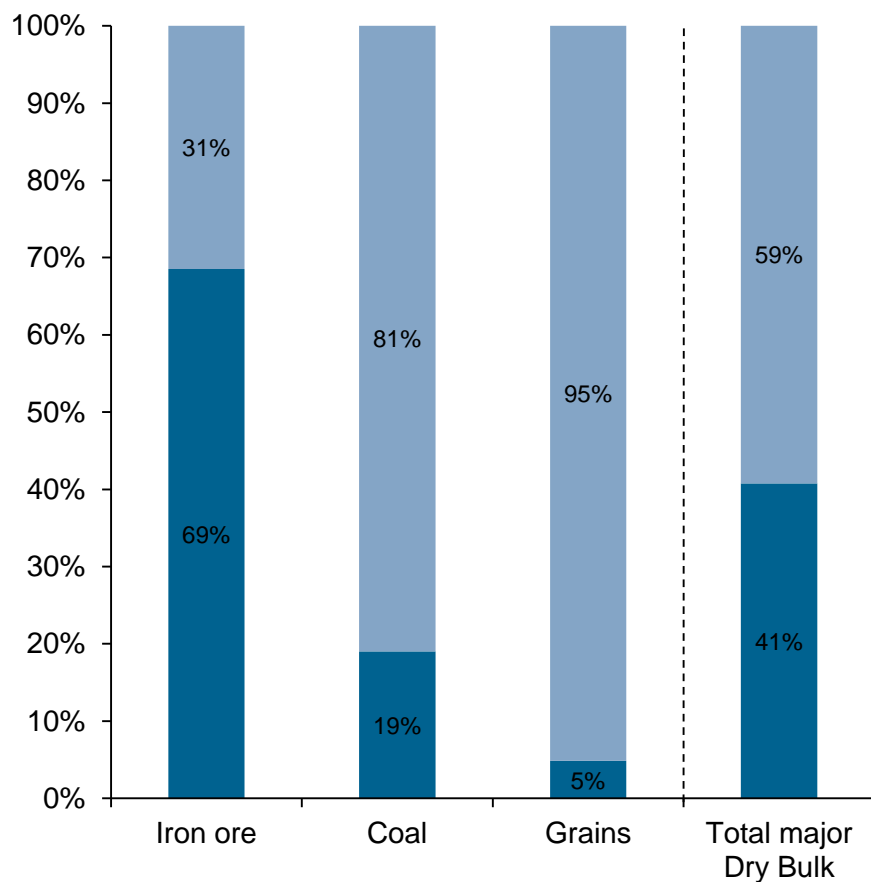


Sources: IHS Global and DVB Shipping & Offshore Research

Dry Bulk – Demand

Chinese import demand for major bulk commodities, 2016

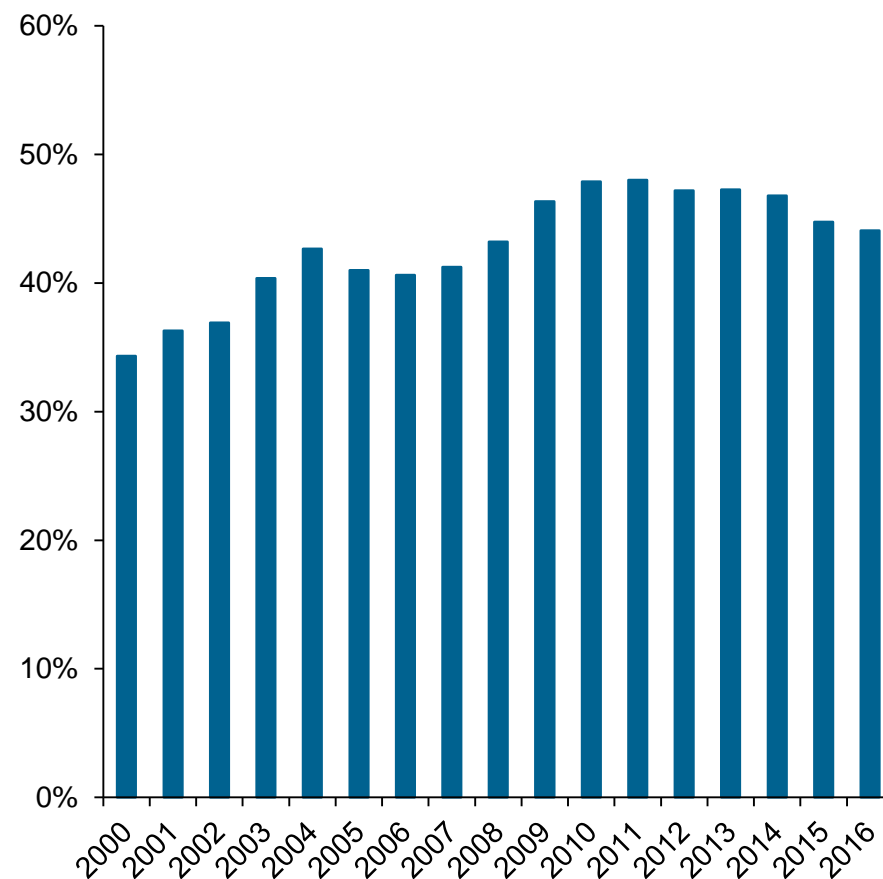
[Pct. of seaborne imports]



Sources: MSI and DVB Shipping & Offshore Research

Breakdown of Chinese GDP

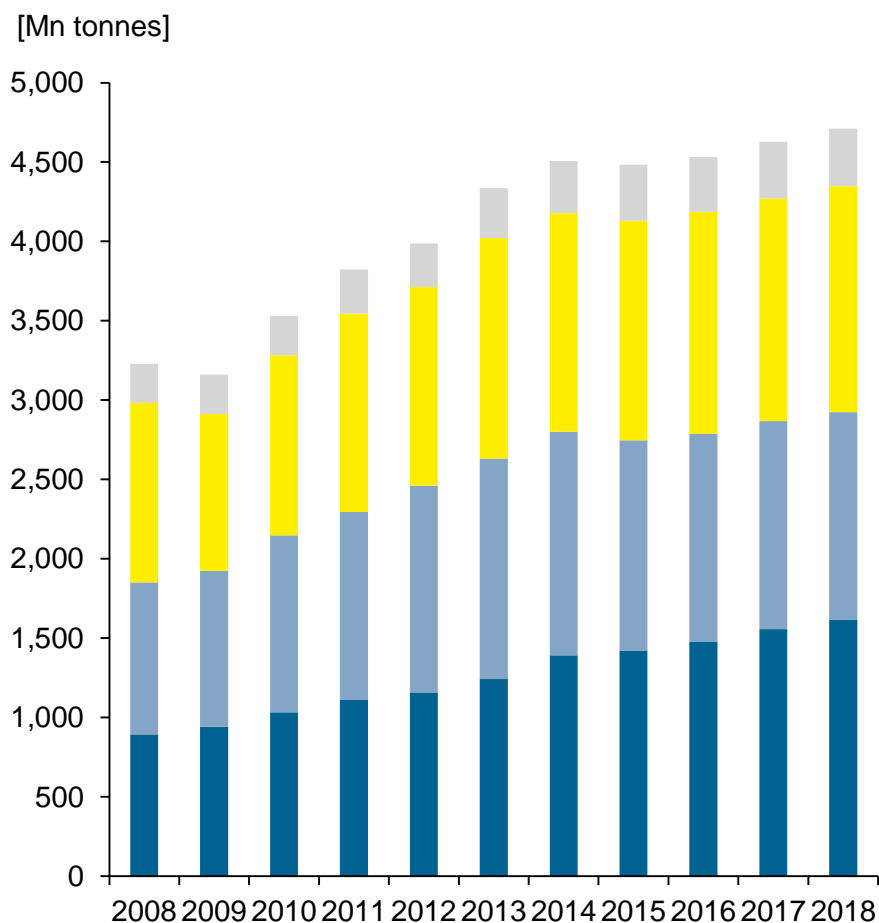
[pct. of GDP]



Sources: IMF and DVB Shipping & Offshore Research

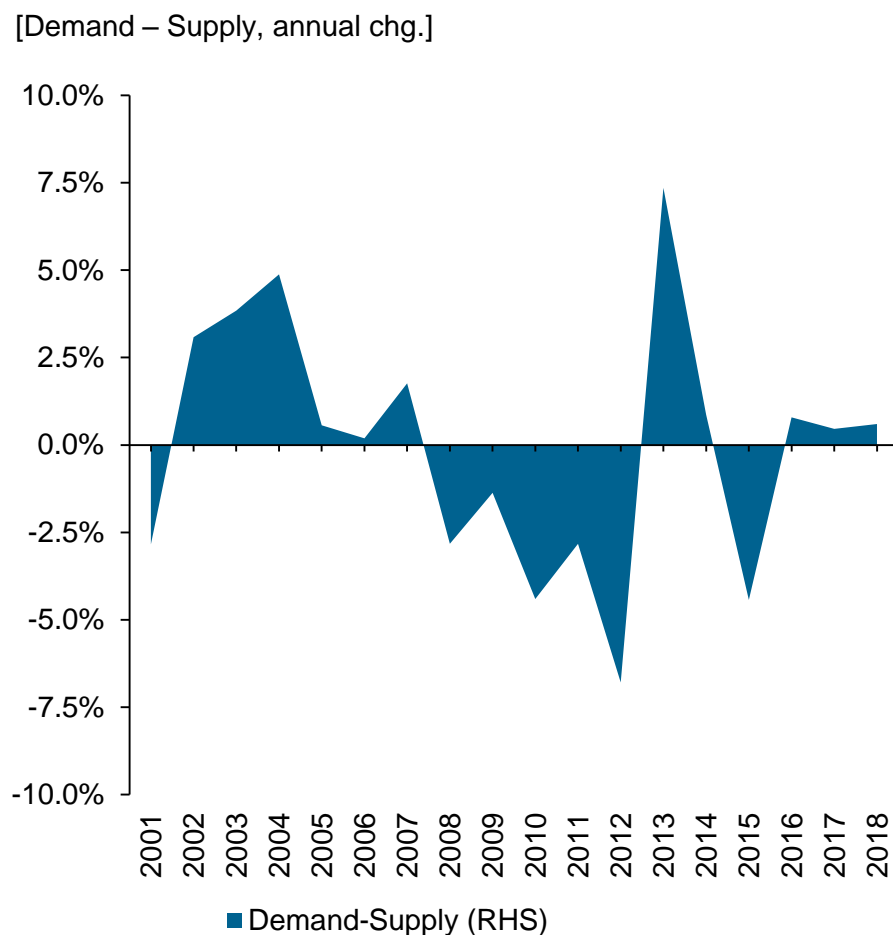
Dry Bulk – Outlook

Seaborne trade



Sources: MSI and DVB Shipping & Offshore Research

The demand-supply gap is expected to narrow over the next years

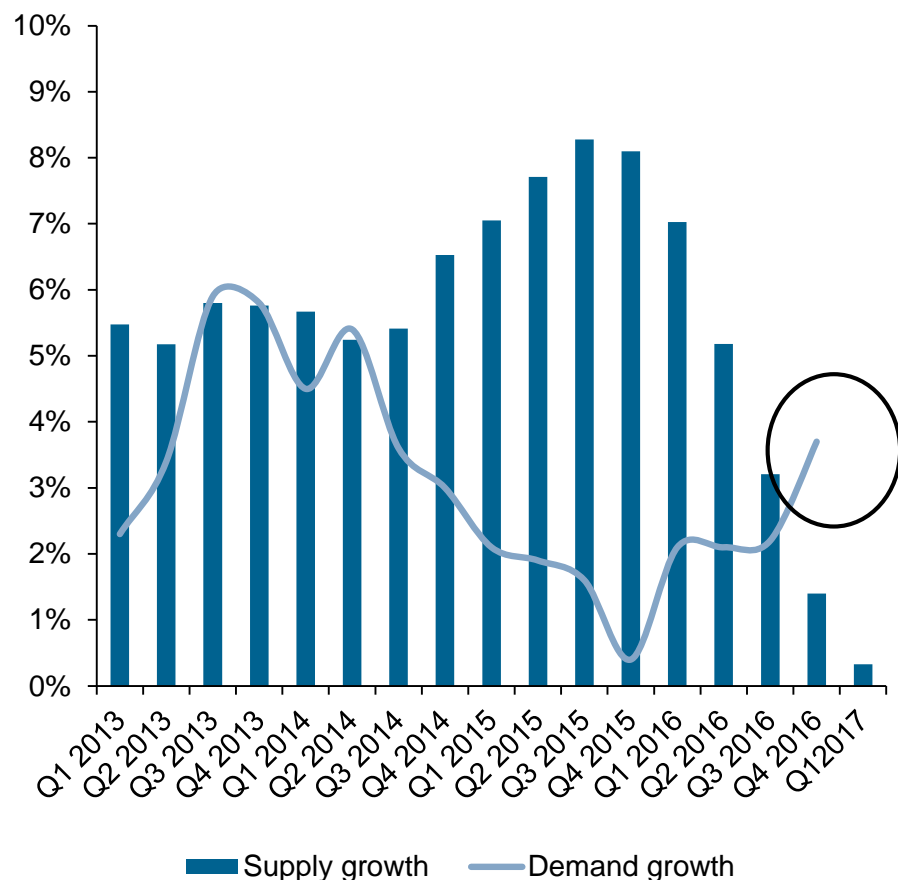


Sources: IHS Global, MSI and DVB Shipping & Offshore Research

Container – Freight rates

Quarterly supply and demand growth

[y-o-y, pct.]

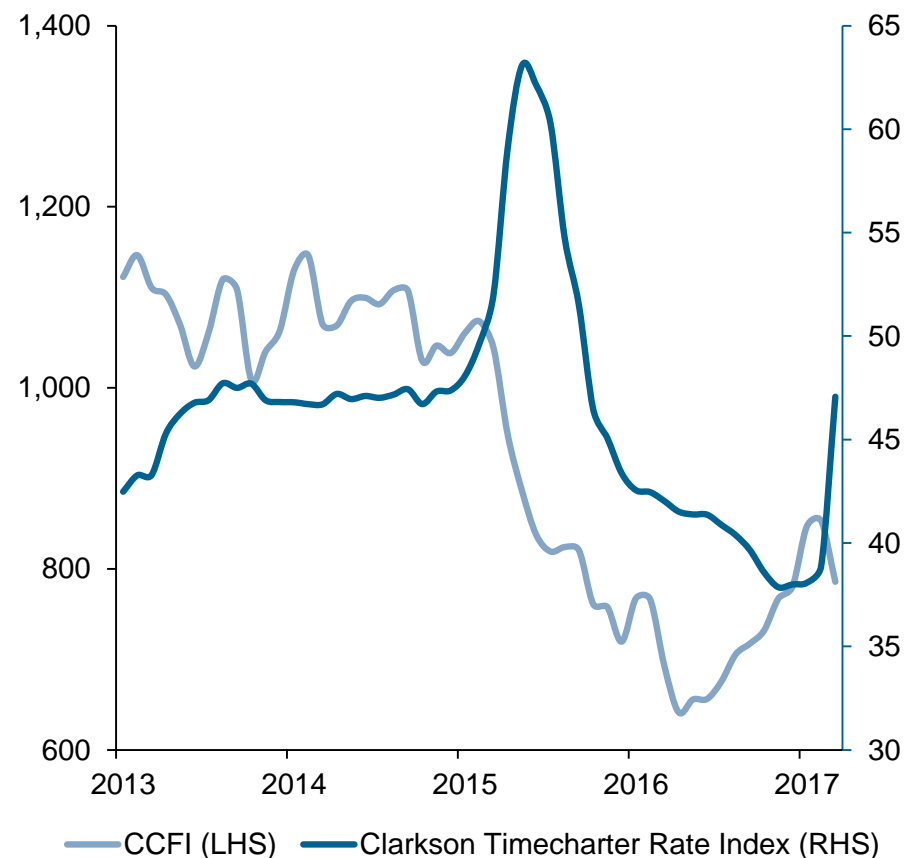


Sources: IHS Global, Maersk, Alphaliner and DVB Shipping & Offshore Research

Freight rates and time charter rates

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[Index]

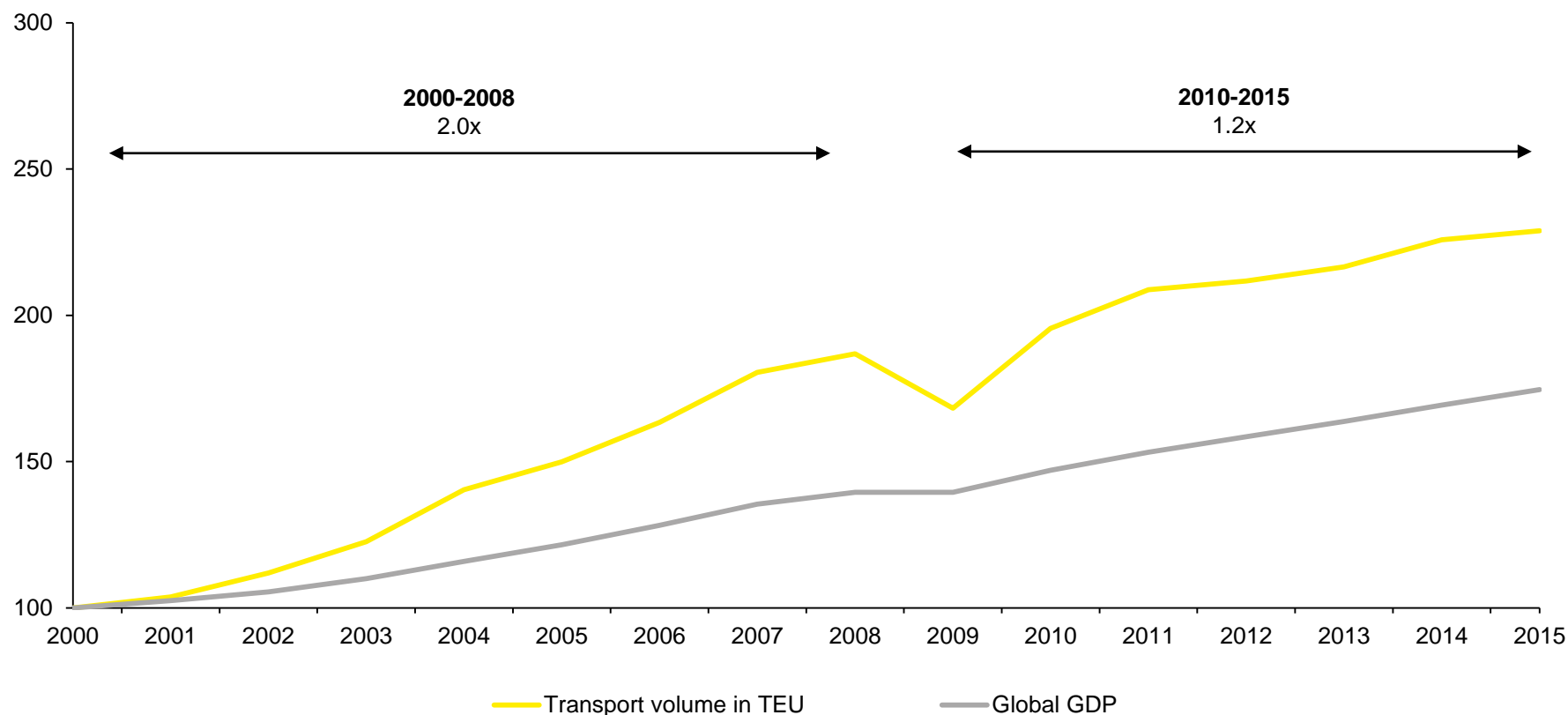


Sources: Clarksons SIN and DVB Shipping & Offshore Research

Container – Demand

The relationship between GDP growth and container trade growth is changing

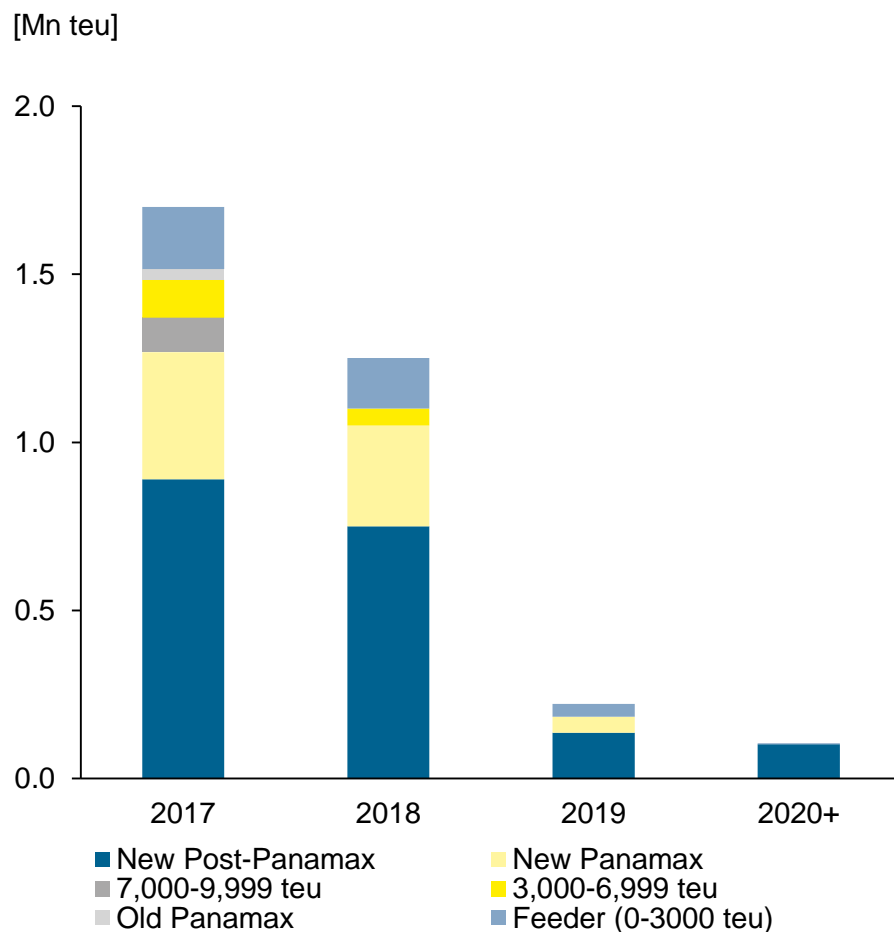
[2000 = indexed to 100]



Sources: IHS Global, IMF and DVB Shipping & Offshore Research

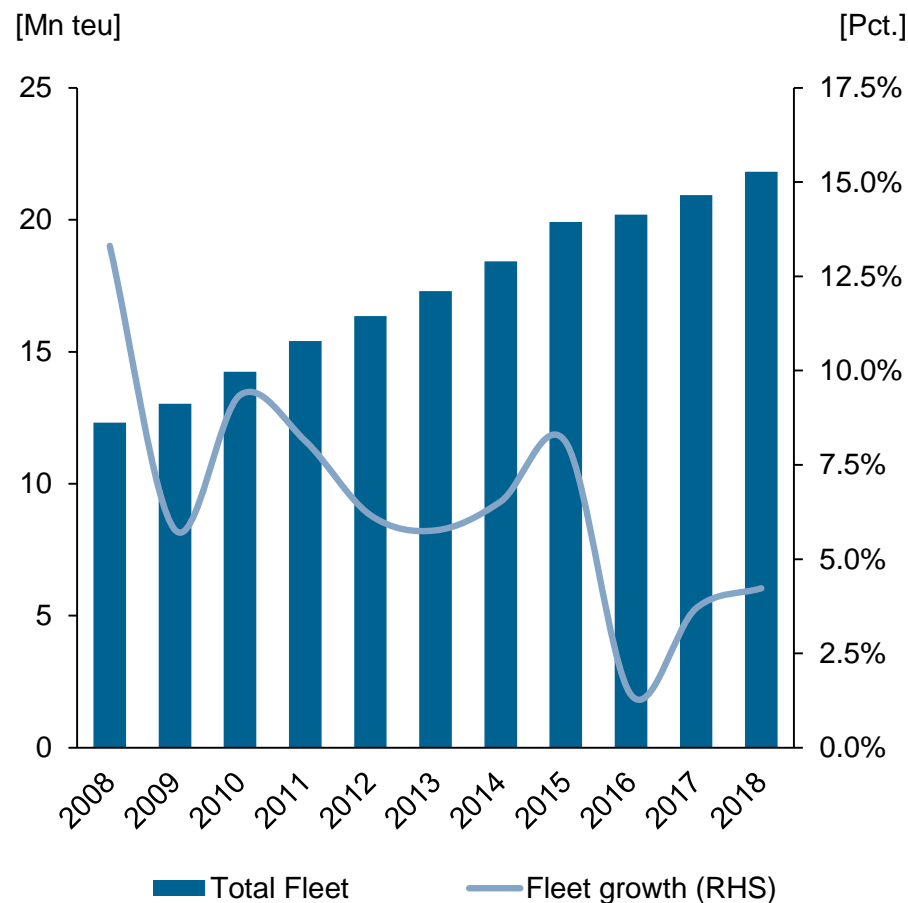
Container – Supply

Orderbook delivery schedule



Sources: IHS Global and DVB Shipping & Offshore Research

Supply growth

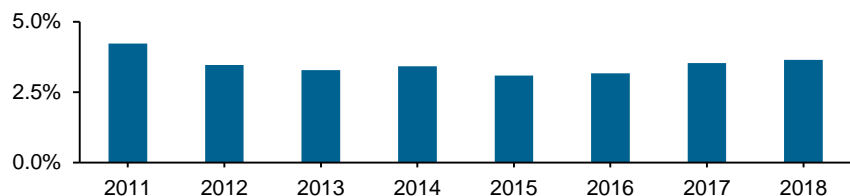


Sources: IHS Global and DVB Shipping & Offshore Research

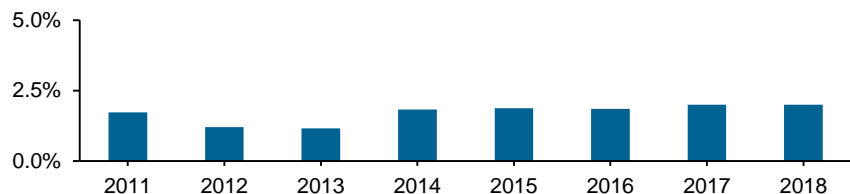
Container – Outlook

Global economic growth

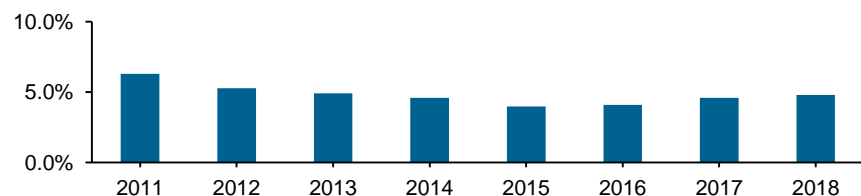
World GDP growth, 2011-2018



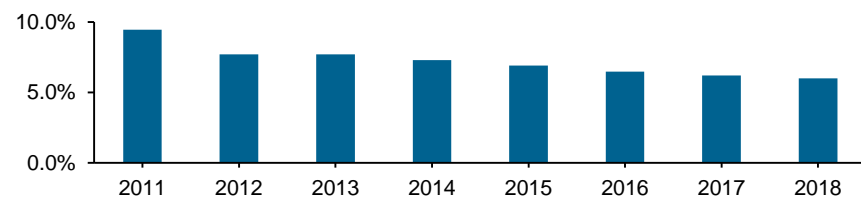
Advanced Economies growth, 2011-2018



Emerging Markets GDP growth, 2011-2018

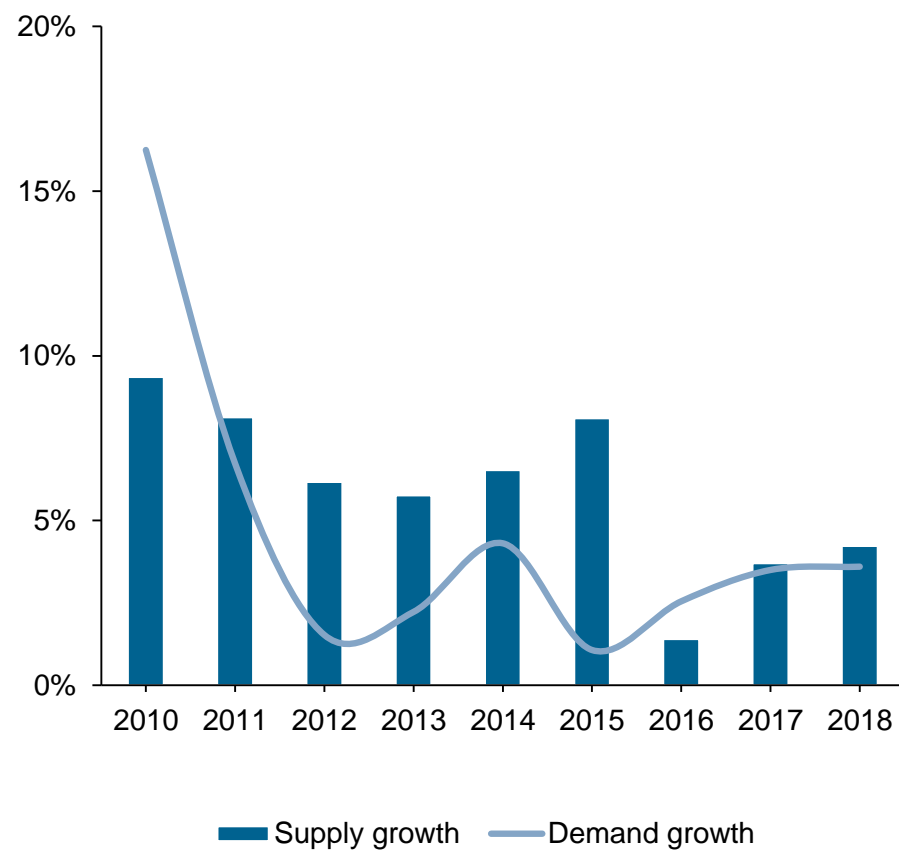


China GDP growth, 2011-2018



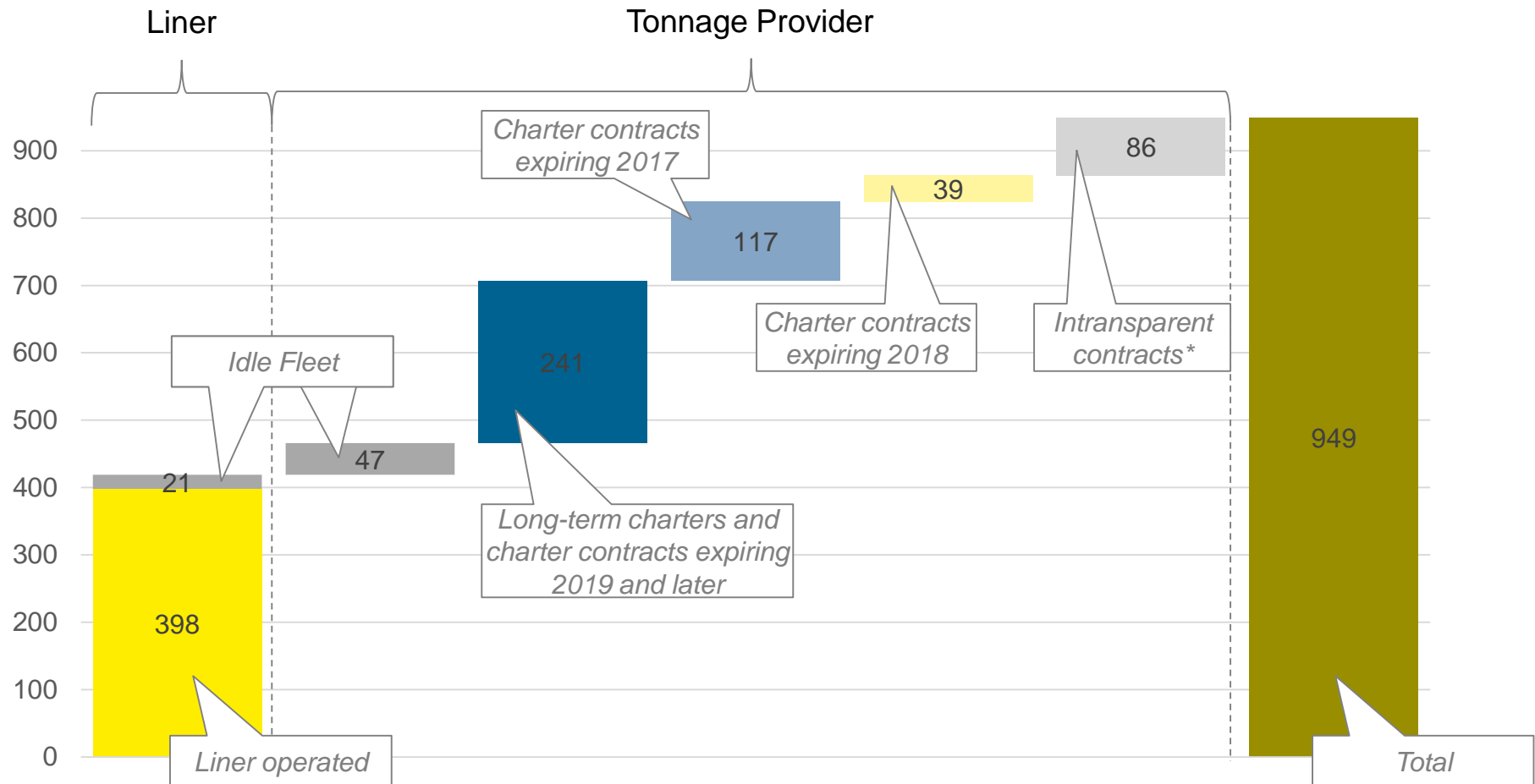
Sources: IMF and DVB Shipping & Offshore Research

In aggregate, no major improvement in the supply-demand balance is expected in 2017 and 2018



Sources: IHS Global and DVB Shipping & Offshore Research

5,100 – 9,999 TEU – employment breakdown

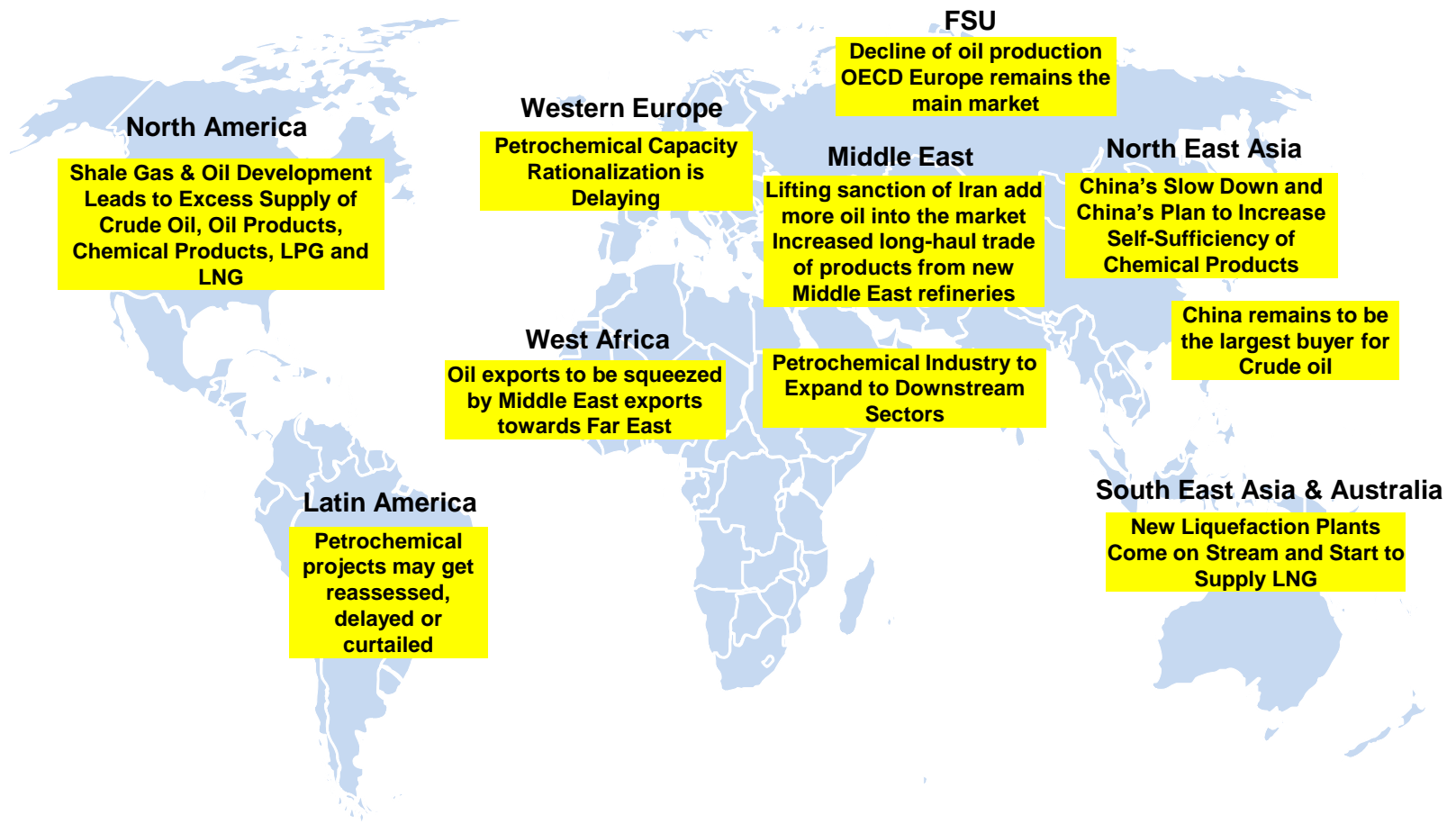


* Charter contracts reported valid but not disclosing durations, or disclosing expiration dates lying in the past

Sources: Alphaliner and DVB Shipping & Offshore Research

Market Environment

Structural Trends of Global Energy Market



Source: DVB Shipping and Offshore Research,

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