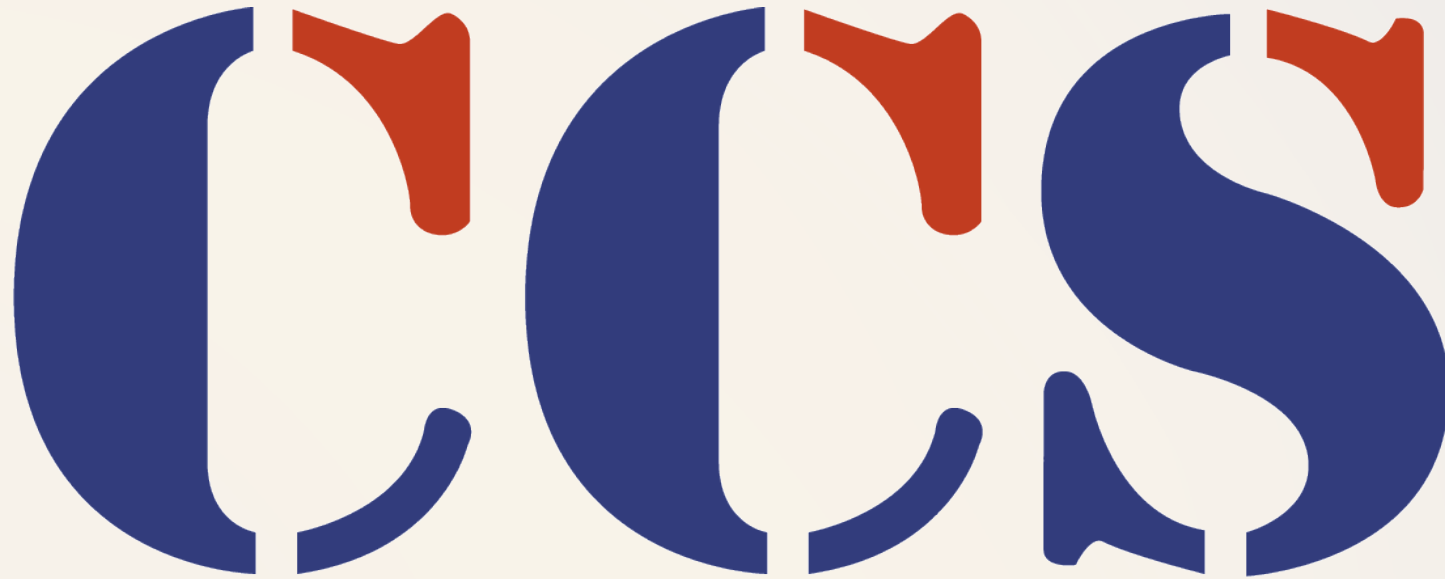


# Shipping Market Overview & Outlook

By BIMCO Chief Shipping Analyst  
Mr. Peter Sand

**Market Overview & Outlook sponsored by:**



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## **a. Macro Economics**

As the recovery continues, new issues attract attention

## **b. Dry Bulk Shipping**

Capesizes stole the headlines; the bulk market is improving across the board

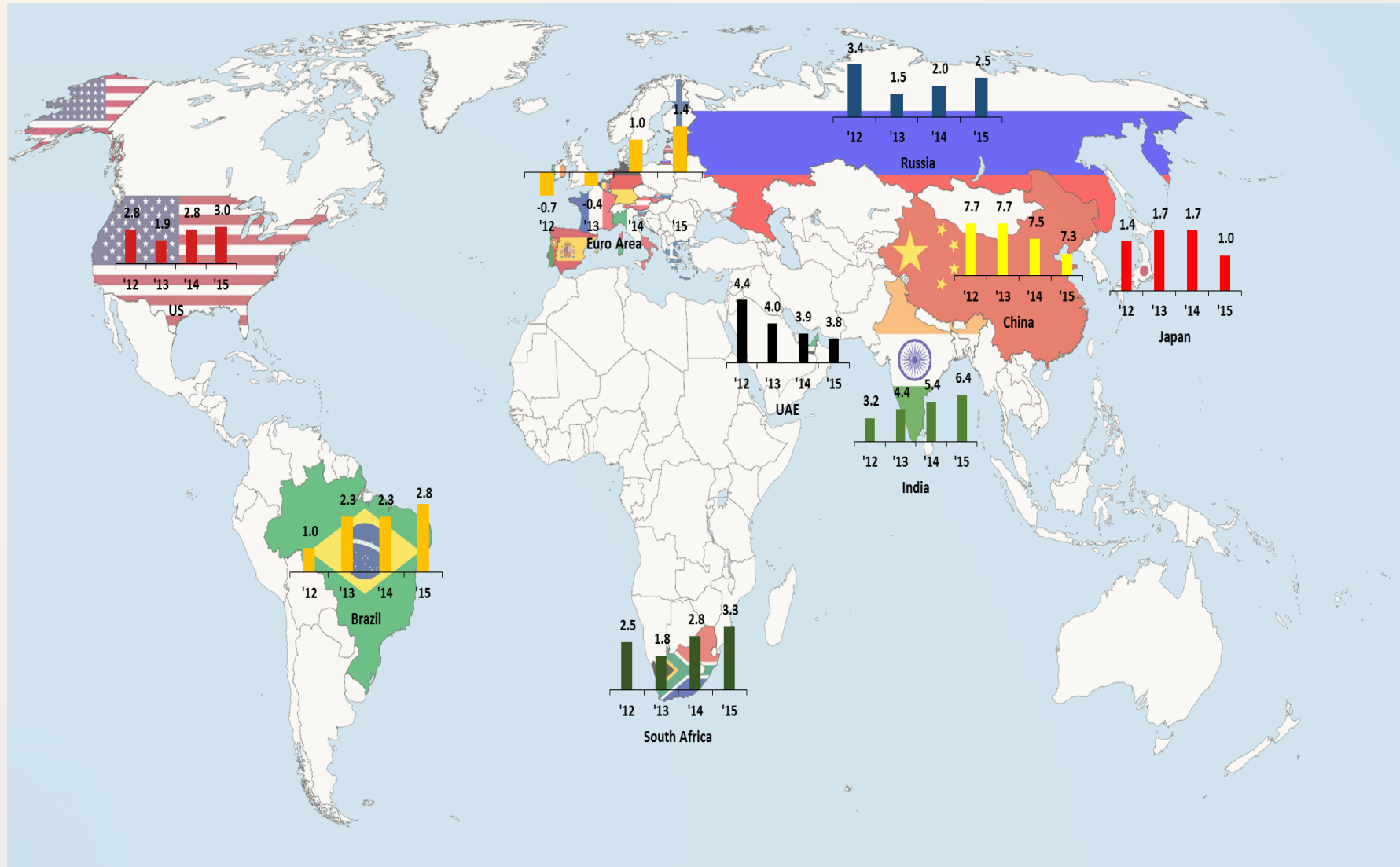
## **c. Tanker Shipping**

The crude oil tankers' joyride has ended for now – second quarter expected to be less eventful

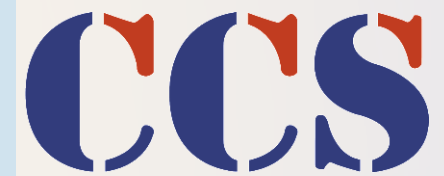
## **d. Container Shipping**

A mixed market that holds a bit of everything is what meets the eye

# All are "back in black"



- Finally all seems to move forward – however still on “stimuli”

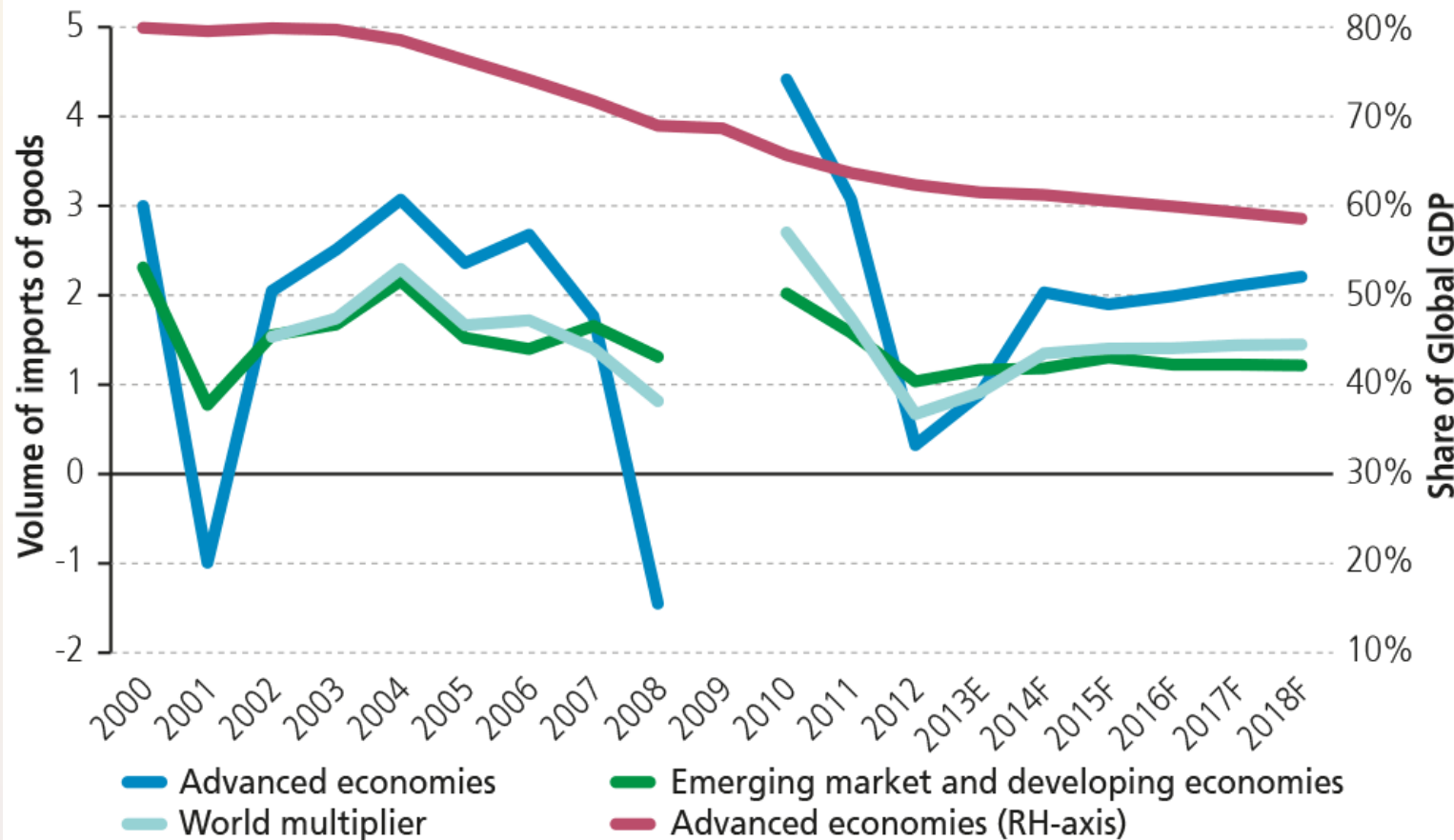


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# Towards a "New Normal"

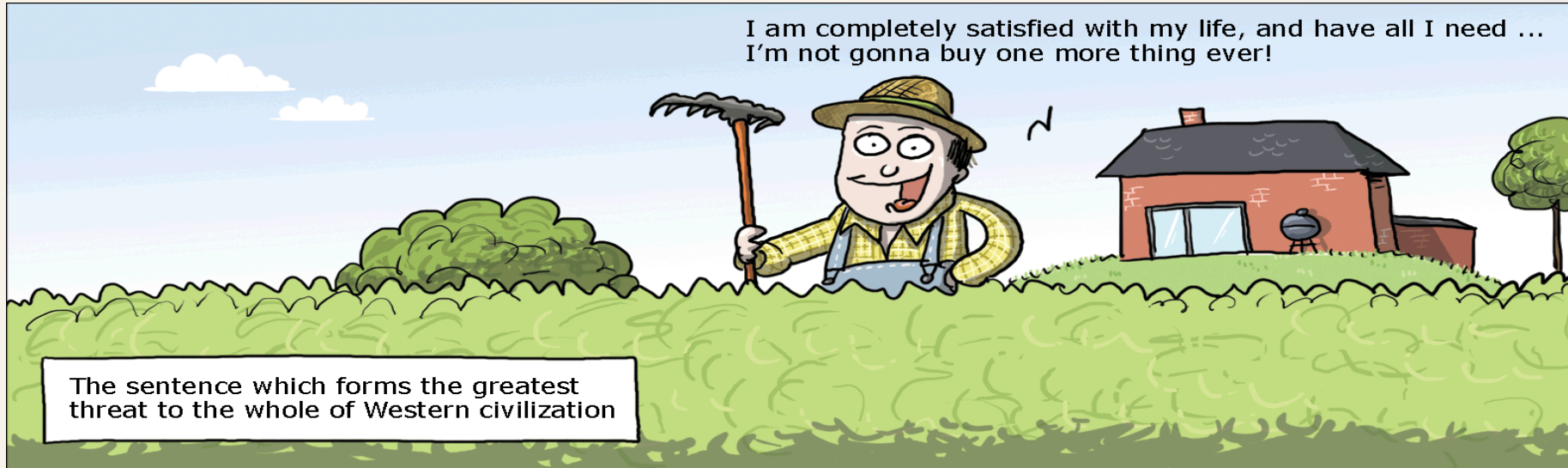
**Trade Multipliers and the Economic Growth Generation**  
2010-2018F



Source: BIMCO, IMF

- Growth in advanced economies generates more trade - as compared to emerging and developing economies

# Happy consumers to drive trade going forward



- This was 5 years' ago



- This is TODAY

Source: Wulffmorgenthaler

**CCS**

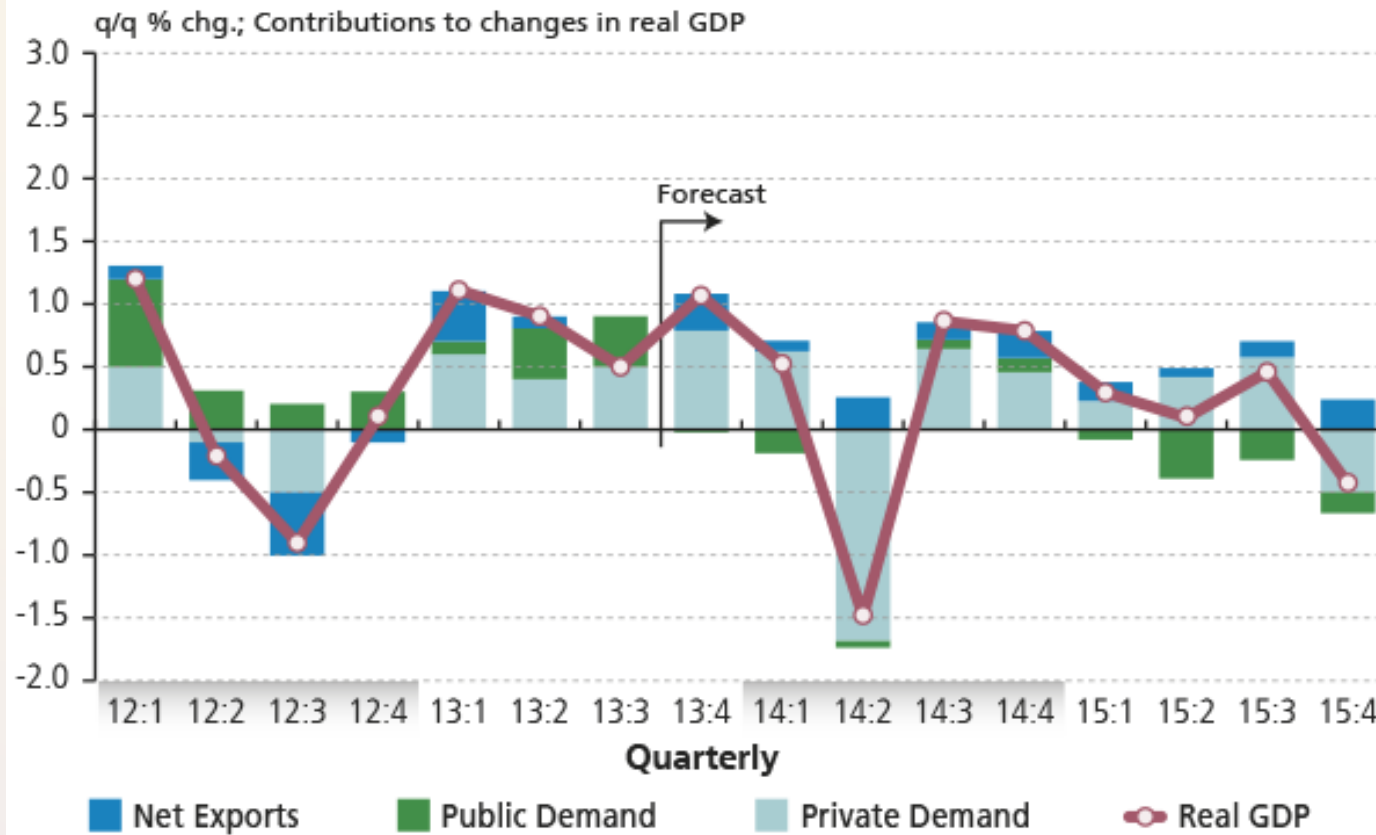
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# Japan has it's challenges

## Forecast of Real GDP Growth and Its Breakdown

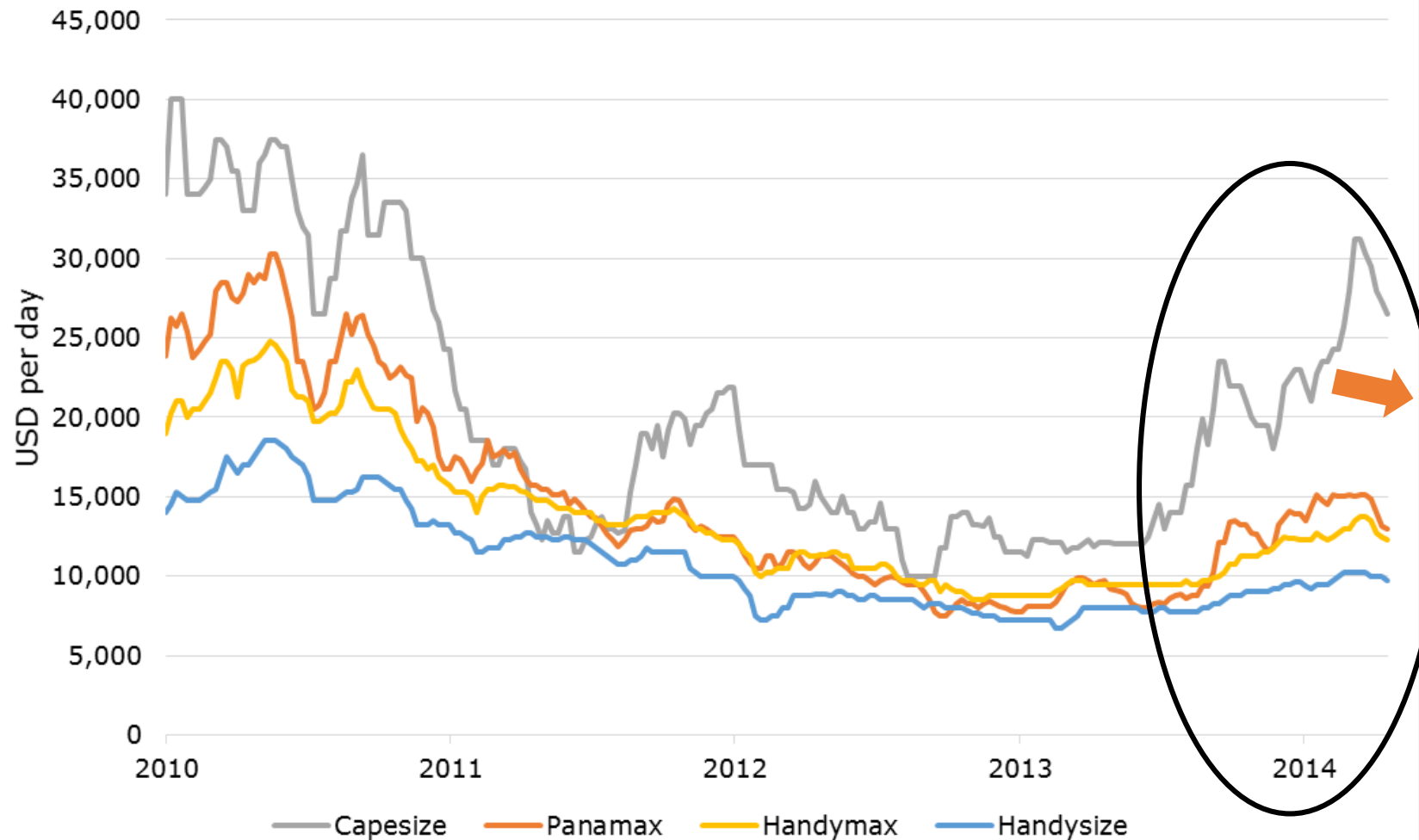


Source: BIMCO, JCER

- 83% of Japanese oil import comes from the Middle East (22% from UAE)
- Oil demand grows in the East and slows in the West

# Capesizes stealing the headlines

1 year time charter rates, 2010-2014

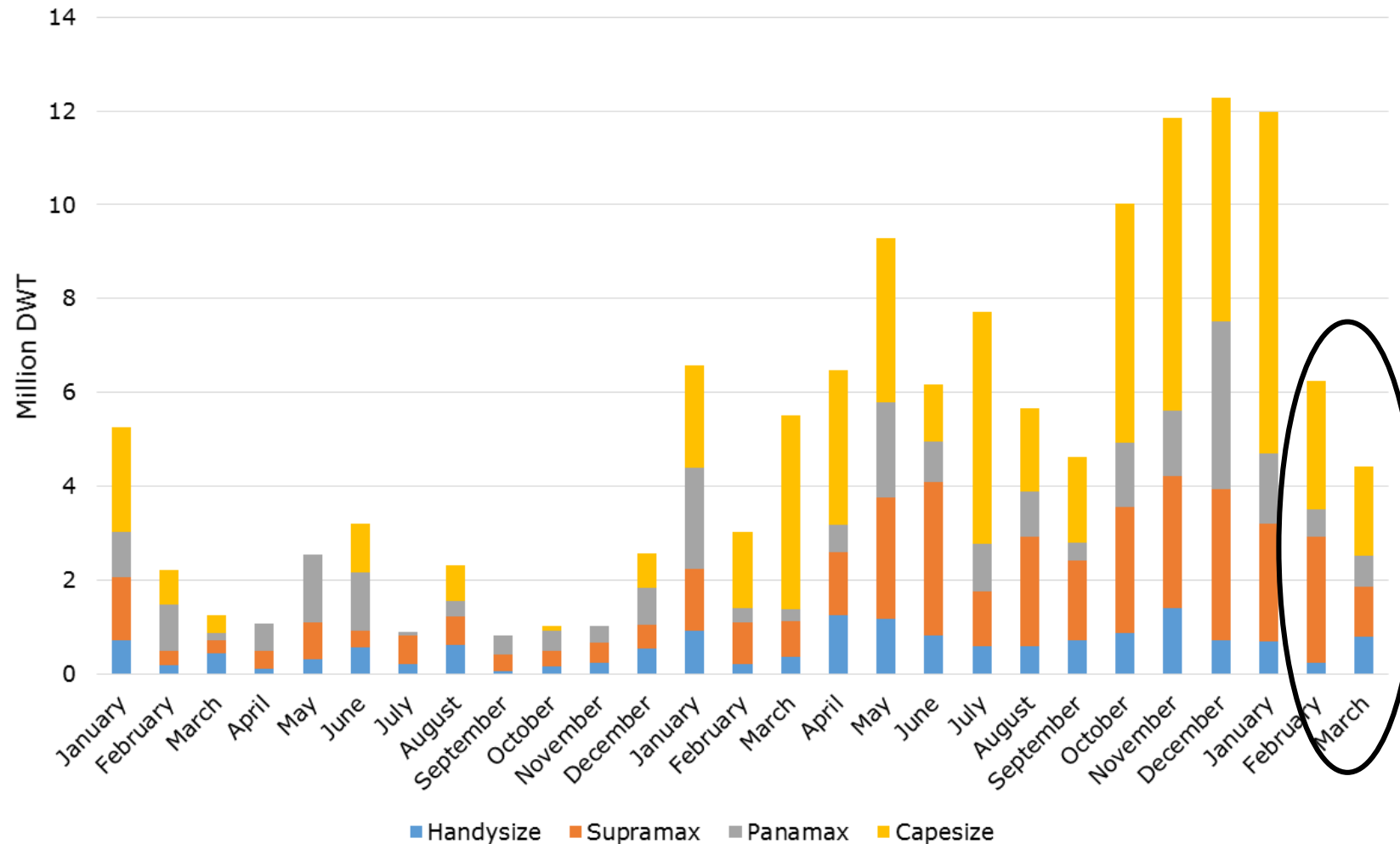


- Spot rates below USD 10,000 day
- Temporary softness – before recovery resumes



# Taking a breather

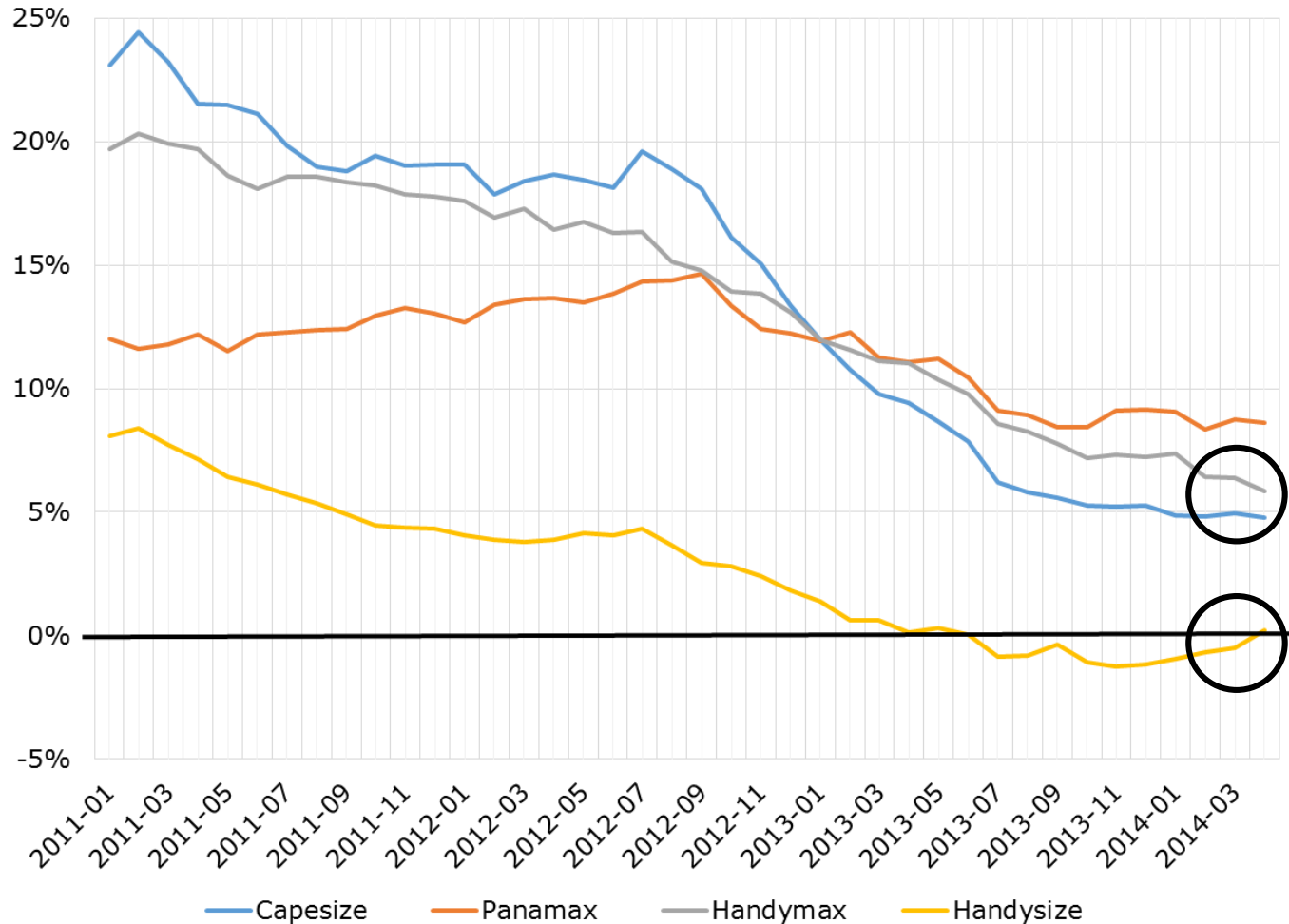
Ordering activity, 2012-2014



- Hectic ordering activity in 2013 as prices hit the bottom

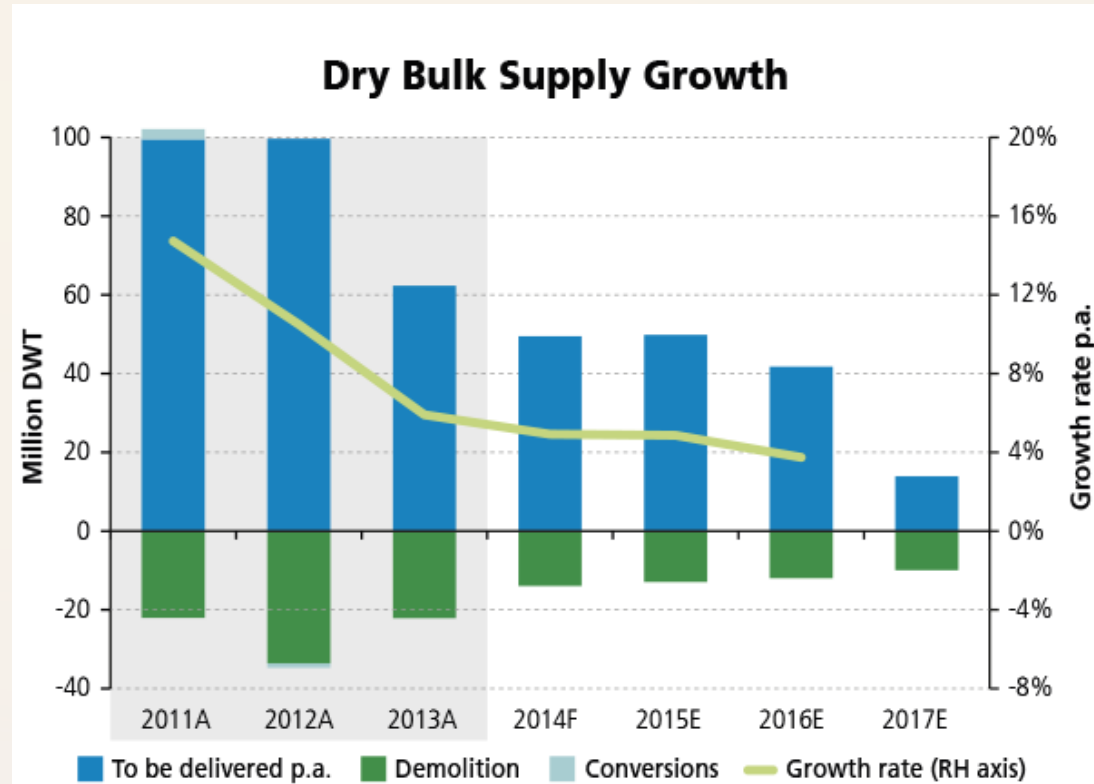
# Beneath the surface

Fleet developments, year-on-year growth  
2011-2014



- Supply pressure eased significantly during H2-2013
- Increased volatility as fundamental balance improves

# Moving forward as expected

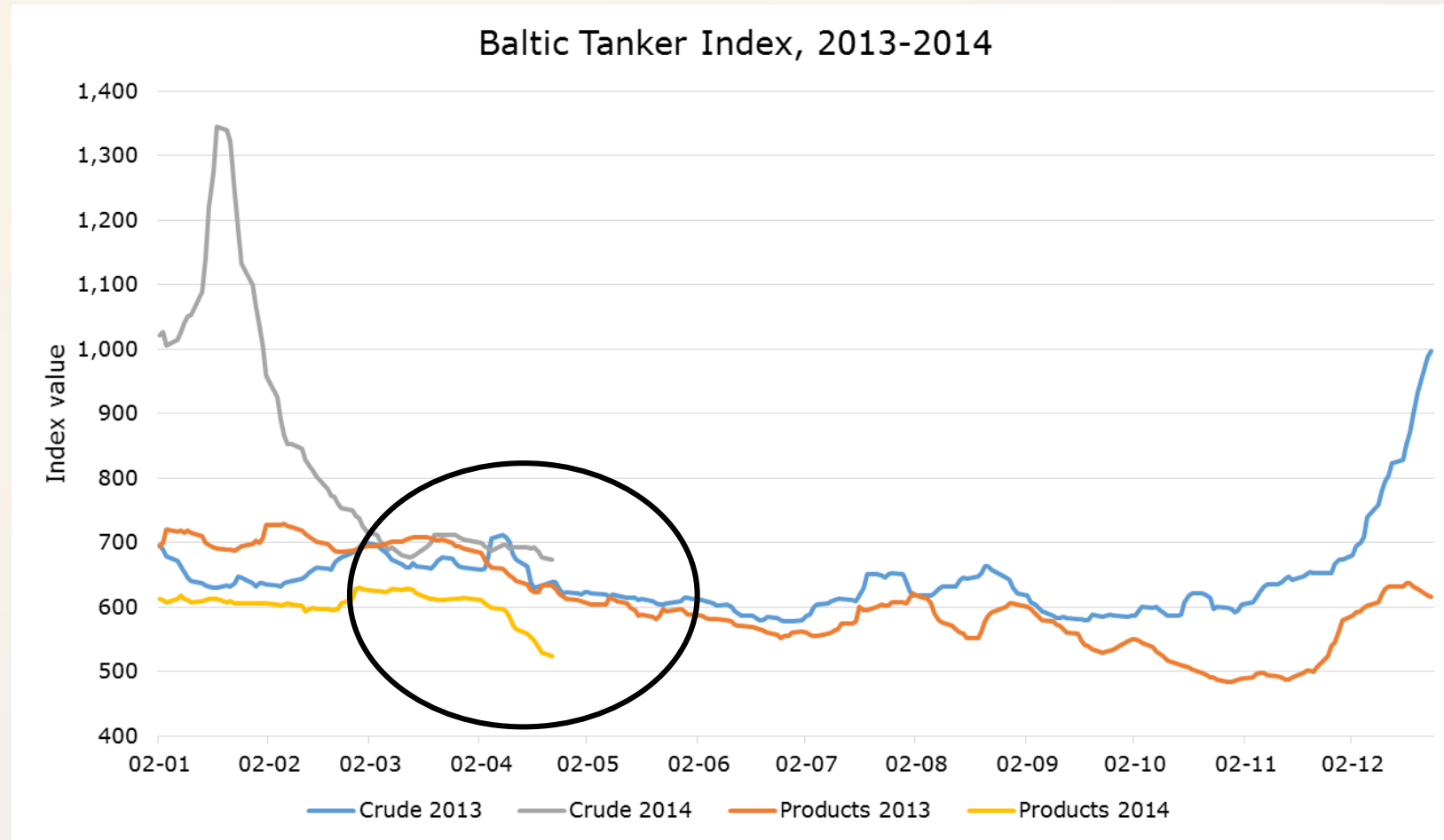


Source: BIMCO, CRSL

*A is actual. F is forecast. E is estimate which will change if new orders are placed. The supply growth for 2014-2017 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 30% of the remaining vessels on order are delayed/postponed.*



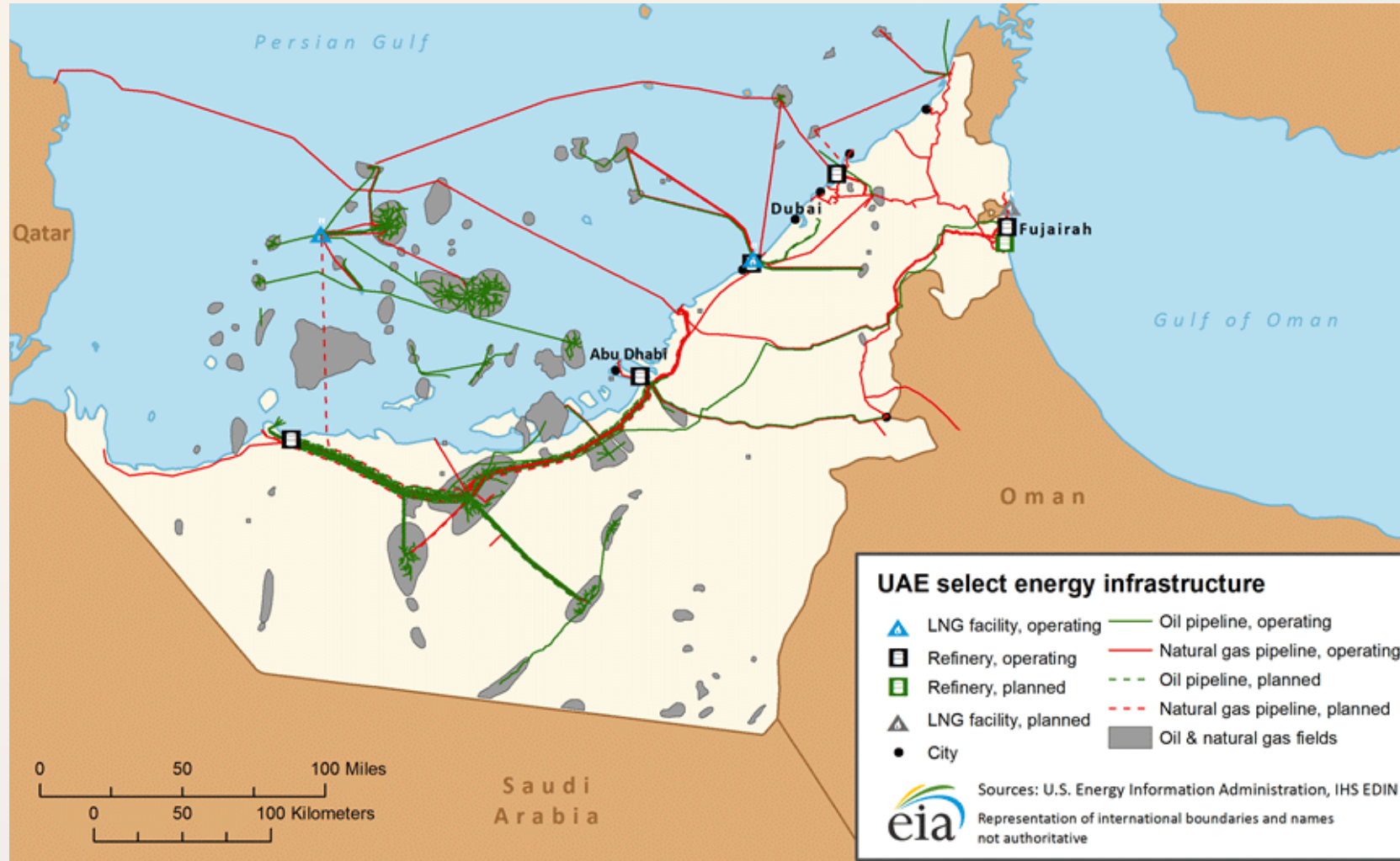
# Crude oil tankers' joyride ended for now



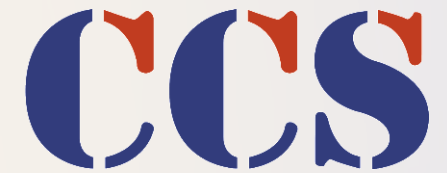
- Shift in US import and export
- Asia and Middle East to decide destiny



# Trade and shipping in focus



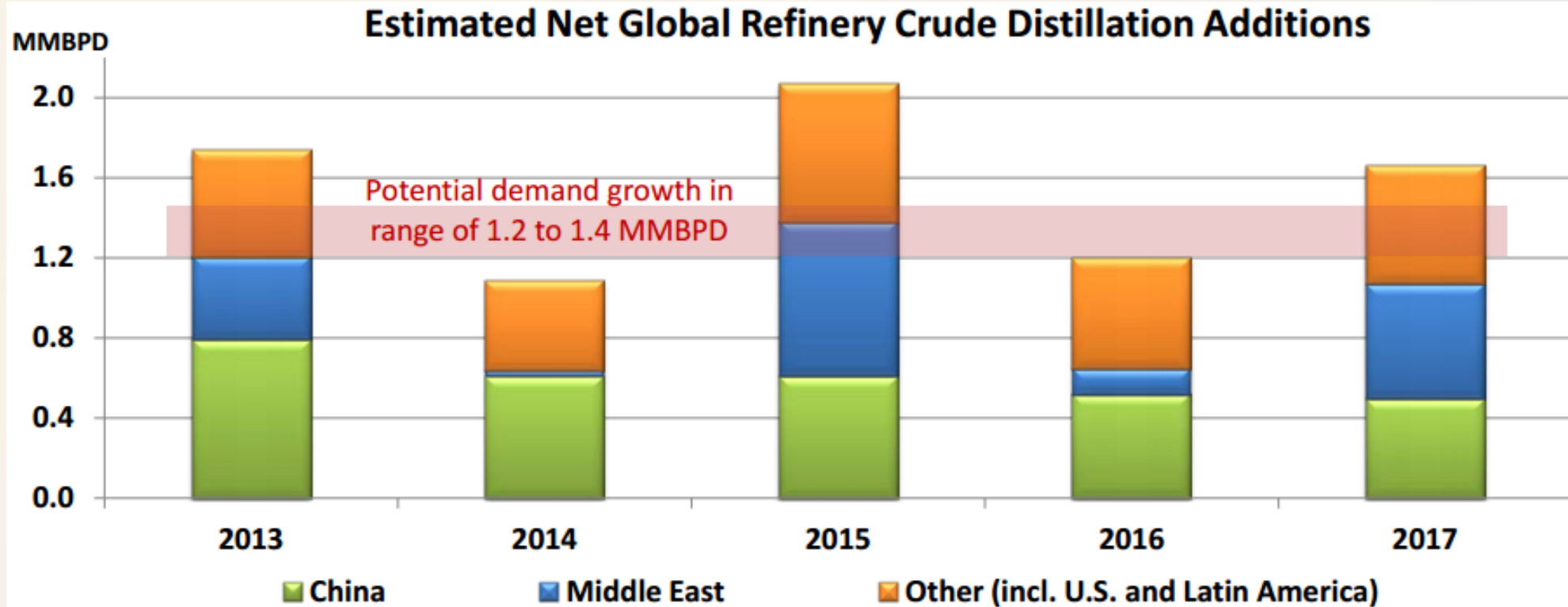
- UAE holds potential, resources and port activity to built further on succes



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# For local demand and export purposes



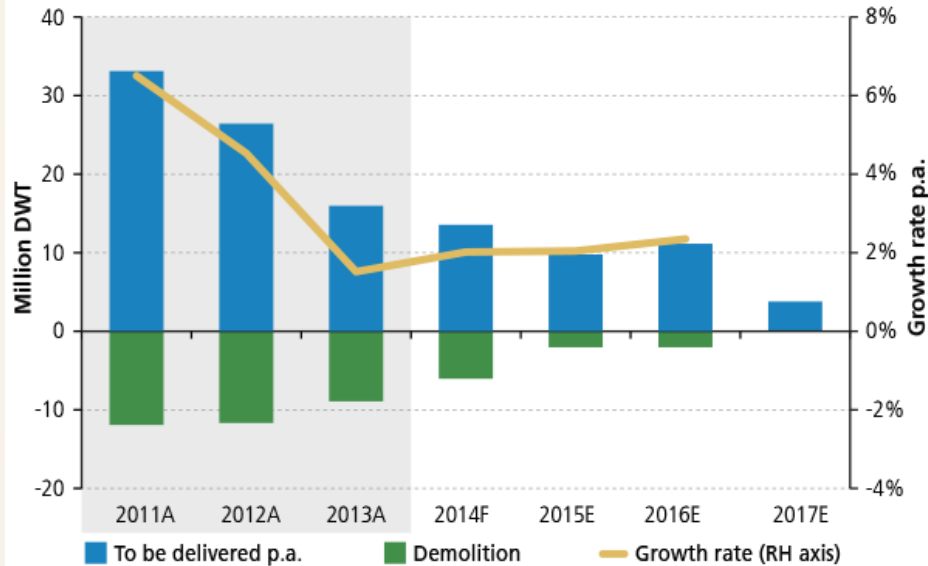
Source: Consultant and Valero estimates; Net Global Refinery Additions = New Capacity + Restarts – Announced Closures





# Still at manageable levels?

## Crude Tanker Supply Growth

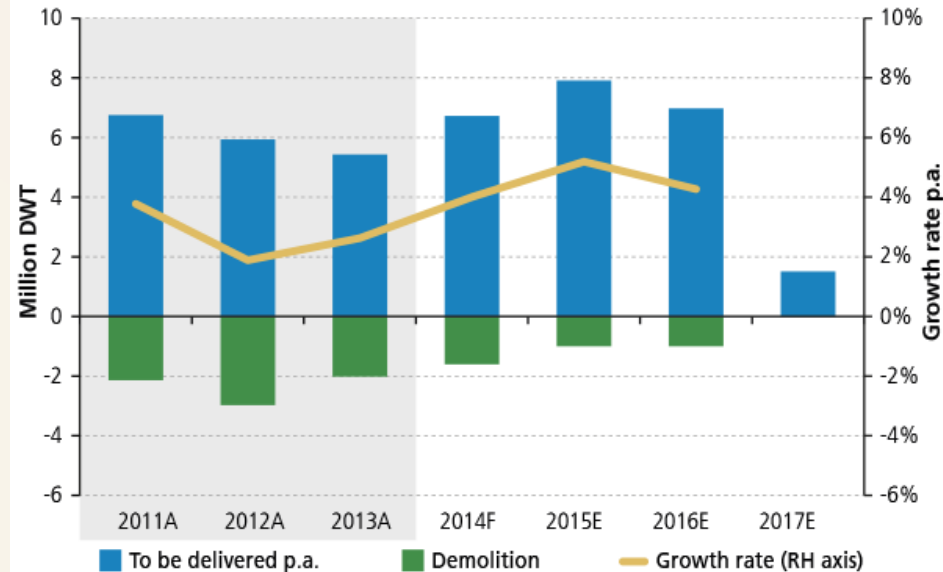


Source: BIMCO, CRSL

A is actual. F is forecast. E is estimate which will change if new orders are placed. The supply growth for 2014-2017 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 20% of the remaining vessels on order are delayed/postponed.

Note: CRSL has revised the structure of the tanker fleets to accommodate the changed trends in supply and demand that the market has undergone over the last decade. This has caused a data break in August 2013. Therefore the future data cannot be directly compared to those of the past.

## Product Tanker Supply Growth



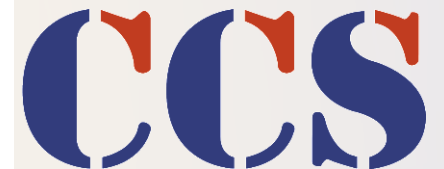
Source: BIMCO, CRSL

A is actual. F is forecast. E is estimate which will change if new orders are placed. The supply growth for 2014-2017 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 25% of the remaining vessels on order are delayed/postponed.

Note: CRSL has revised the structure of the tanker fleets to accommodate the changed trends in supply and demand that the market has undergone over the last decade. This has caused a data break in August 2013. Therefore the future data cannot be directly compared to those of the past.

In focus:

- VLCC
- MR
- LR2

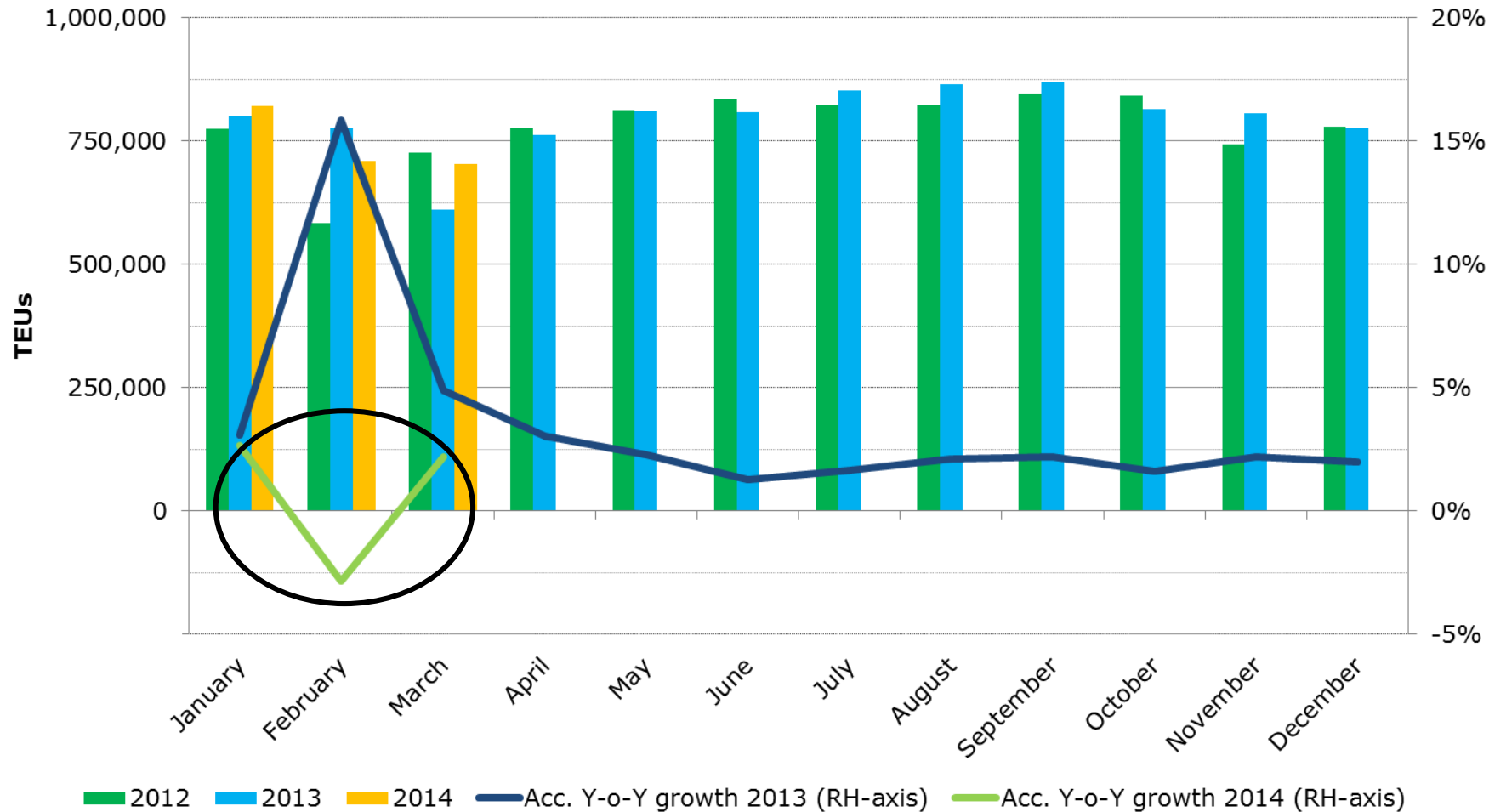


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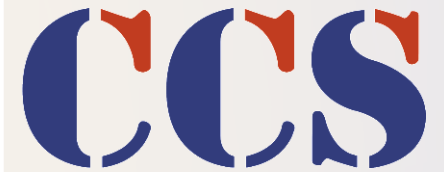
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# Chinese New Year disruption corrected

US West Coast,  
Inbound loaded containers 2012-2014



- Key trade lanes remain the melting pots

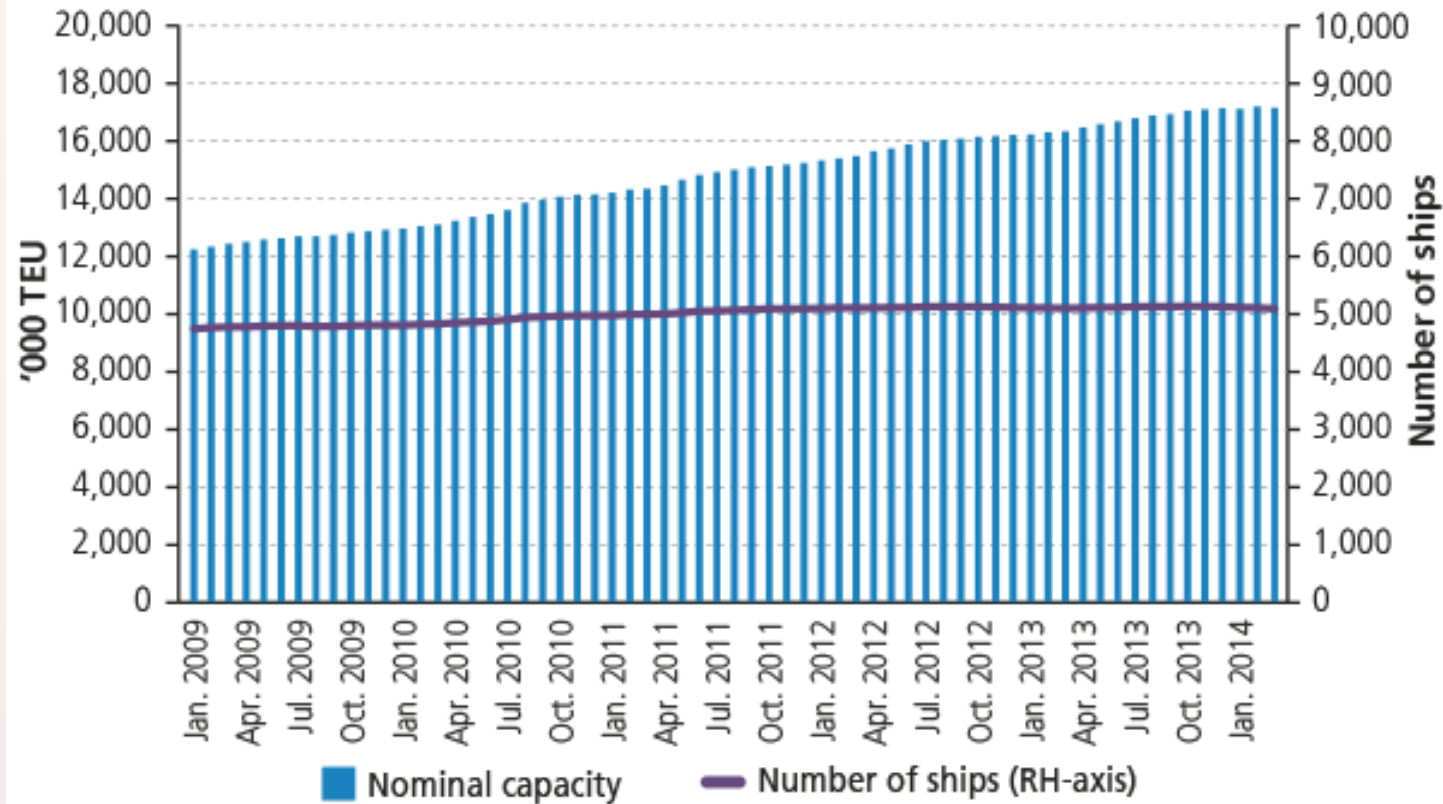


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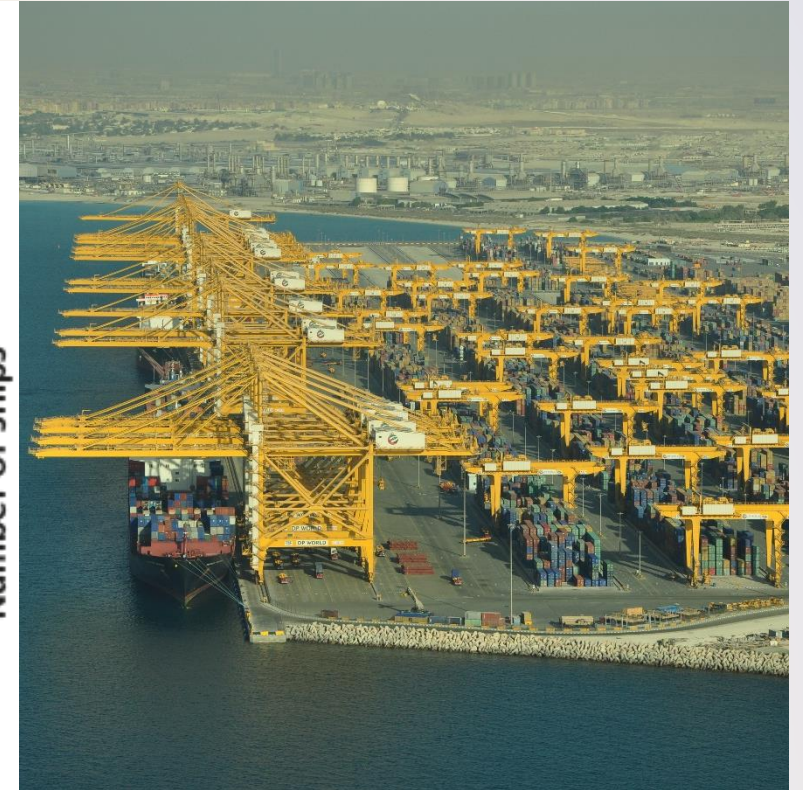
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# Ready to accommodate the future fleet

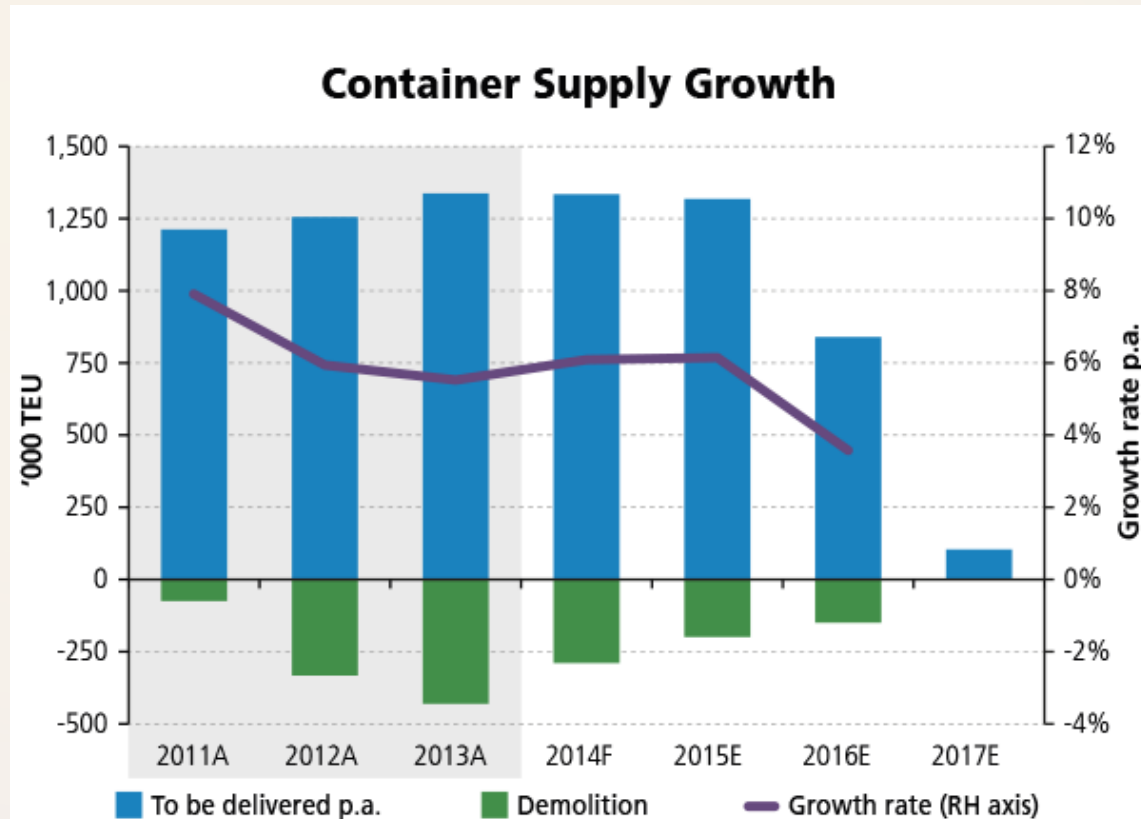
## Container Fleet Development 2009-2014



Source: BIMCO, CRSL



# A lot of demolition activity eases net addition



Source: BIMCO, CRSL

*A is actual. F is forecast. E is estimate which will change if new orders are placed. The supply growth for 2014-2017 contains existing orders only and is estimated under the assumptions that the scheduled deliveries fall short by 10% due to various reasons and 10% of the remaining vessels on order are delayed/postponed.*

- Box industry getting ready for the "New Normal"
- A lot of demolition activity has already taken place

# Key take aways

- The Global Economy

- Recovery strengthen but remains uneven
- New downside risks have emerged



- The Shipping Industry

- Steady supply growth to be handled with care
- Supportive demand gives reason for optimism
- Shipping market recovery also to strengthen as the year moves on