

Shipping - Global

Shipping & supply chain high frequency tracker #46

Industry Overview

Tracking the high frequency shipping data

This report contains our favorite charts to track the shipping cycle. Container shipping spot rate hikes look likely to fade in the coming weeks with soft demand and limited disruption from ILWU labor for now. Tanker faces more near term pressure from the Saudi production cut in July but we stay optimistic around the medium term outlook given the low orderbook and ongoing inefficiencies. Dry bulk has disappointed in 2Q23 on softer Chinese imports and easing congestion, but we see scope for a better 2H23 assuming no hard landing in China or developed market macro.

US west coast ports: Disruptions look mild for now

US west coast ports have seen intermittent labor disruptions since last Friday with the ILWU seeking large wage hikes from the Pacific Maritime Association. We think the likelihood of strikes is unlikely given the specter of US government intervention (similar to US rail). And our checks suggest that labor issues are causing only sporadic disruptions to west coast terminal operations for now, with the data showing only mild levels of congestion across vessels and ports far below COVID peaks.

Container: Rate hikes unlikely to sustain, watch ILWU risk

US import volumes have continued to trend YoY lower through May 2023 although demand is not getting worse and is back to above 2019 levels. Panama Canal drought restrictions are building but we're not sure the disruptions would be profit accretive for liners given vessel utilization limits. And while the liners surprised with 1 June transpacific spot rate hikes, our checks suggest spot rates are likely to face renewed pressure ahead with vessel utilization and idling relatively low.

Tanker: More rate pressure from Saudi cut ahead

VLCC tanker rates have moved below P&L breakeven with softer tanker demand caused by normal seasonality and April OPEC production cuts. VLCC forward curves point to 3Q23 rates staying soft at around US\$15-20k/day into 3Q23 as we absorb the incremental 1mn b/d Saudi production cut. But we are more optimistic around the medium term for tanker with tonne-mile benefits still intact and a low orderbook (<3%), and we await a demand inflection on seasonality and stabilizing China/global macro.

Bulk: Softer 2Q23 on China + easing congestion

Dry bulk fundamentals have un-seasonally softened in 2Q23 on weaker China macro and easing port congestion – with small bulker spot rates back to around P&L breakeven. We continue to see a 2H23 freight rate recovery in-line with forward curves and twelve month time charter rates, but the sequential improvement in rates from here will depend on the macro outlook for China and developed markets.

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Equity
Global
Shipping

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Abbreviations

CCFI: China Containerized Freight Index

ILWU: International Longshore and
Warehouse Union

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Refer to important disclosures on page 21 to 23.

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Timestamp: 09 June 2023 12:06AM EDT

Container shipping

Blended freight rates

Exhibit 1: China Containerized Freight Index, 2000-23

CCFI holding at 931



Source: Shanghai Shipping Exchange

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Exhibit 2: CCFI quarterly average, 2022-23

CCFI still trending -12% QoQ lower so far in 2Q23

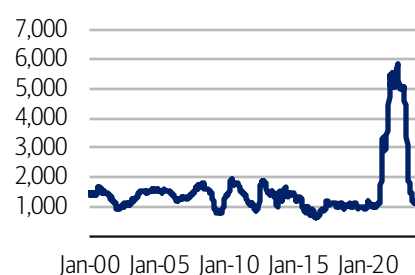
CCFI	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
CCFI	3,444	3,157	2,950	1,615	1,087	952
CCFI Europe	5,526	5,060	4,738	2,497	1,411	1,176
CCFI USWC	2,596	2,502	2,331	1,079	789	717
CCFI USEC	2,682	2,796	2,844	1,746	1,161	912
% YoY						
CCFI	75%	46%	-1%	-51%	-68%	-70%
CCFI Europe	77%	45%	-7%	-53%	-74%	-77%
CCFI USWC	95%	69%	13%	-53%	-70%	-71%
CCFI USEC	79%	59%	22%	-31%	-57%	-67%
% QoQ						
CCFI	5%	-8%	-7%	-45%	-33%	-12%
CCFI Europe	5%	-8%	-6%	-47%	-44%	-17%
CCFI USWC	12%	-4%	-7%	-54%	-27%	-9%
CCFI USEC	6%	4%	2%	-39%	-34%	-21%

Source: Shanghai Shipping Exchange

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Exhibit 3: CCFI Europe, 2000-23

CCFI Europe at 1,150

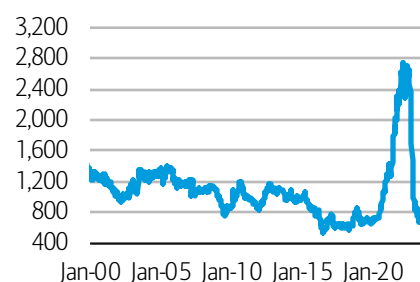


Source: Shanghai Shipping Exchange

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Exhibit 4: CCFI, US west coast, 2000-23

CCFI US west coast at 699

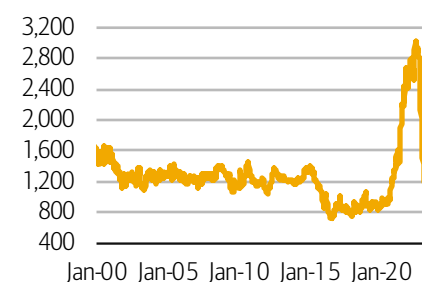


Source: Shanghai Shipping Exchange

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Exhibit 5: CCFI US east coast, 2000-23

CCFI east coast tracking at 860

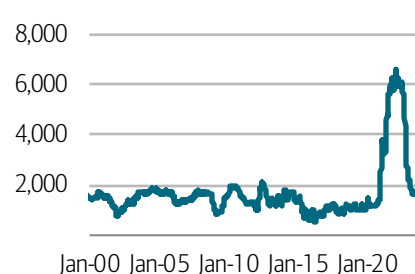


Source: Shanghai Shipping Exchange

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Exhibit 6: CCFI Mediterranean, 2000-23

CCFI Med tracking at 1,684

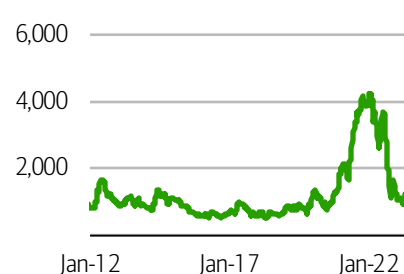


Source: Shanghai Shipping Exchange

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Exhibit 7: CCFI Middle East, 2000-23

CCFI Middle East at 1,118

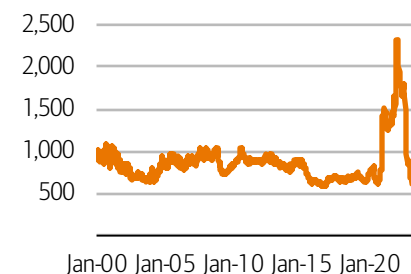


Source: Shanghai Shipping Exchange

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Exhibit 8: CCFI Singapore, 2000-23

CCFI Singapore at 609



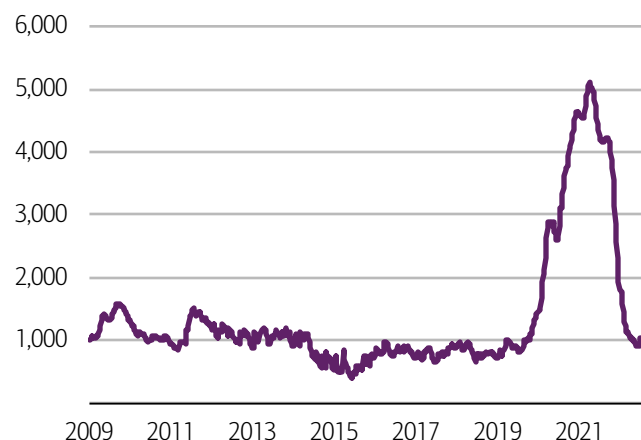
Source: Shanghai Shipping Exchange

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Spot freight rates

Exhibit 9: Shanghai Containerized Freight Index, 2009-23

SCFI back up to 1029



Source: Shanghai Shipping Exchange

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Exhibit 10: SCFI quarterly average, 2022-23

SCFI trending QoQ higher in 2Q23 on April transpacific hikes

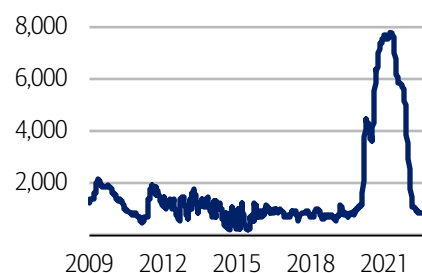
SCFI	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23
SCFI	4,851	4,211	3,279	1,375	969	997
SCFI Europe	7,435	5,959	4,656	1,490	926	875
SCFI USWC	8,032	7,773	5,278	1,627	1,265	1,459
SCFI USEC	11,008	10,409	8,557	4,126	2,438	2,397
% YoY						
SCFI	74%	29%	-24%	-71%	-80%	-76%
SCFI Europe	81%	15%	-36%	-80%	-88%	-85%
SCFI USWC	100%	68%	-9%	-76%	-84%	-81%
SCFI USEC	130%	47%	-20%	-62%	-78%	-77%
% QoQ						
SCFI	3%	-13%	-22%	-58%	-30%	3%
SCFI Europe	-3%	-20%	-22%	-68%	-38%	-6%
SCFI USWC	18%	-3%	-32%	-69%	-22%	15%
SCFI USEC	2%	-5%	-18%	-52%	-41%	-2%

Source: Shanghai Shipping Exchange

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Exhibit 11: SCFI: Asia-Europe, 2009-23 (USD/TEU)

SCFI Europe at US\$846/TEU

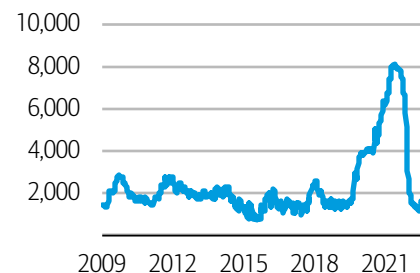


Source: Shanghai Shipping Exchange

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Exhibit 12: SCFI: Asia to US west coast, 2009-22 (USD/FEU)

SCFI USWC at US\$1,666 /FEU

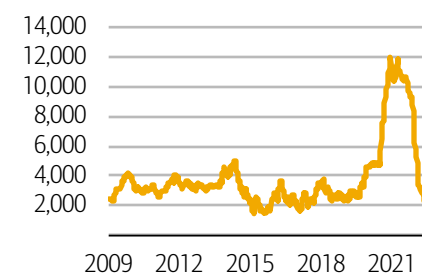


Source: Shanghai Shipping Exchange

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Exhibit 13: SCFI: Asia to US east coast, 2009-22 (USD/FEU)

SCFI USEC at US\$2,634 /FEU

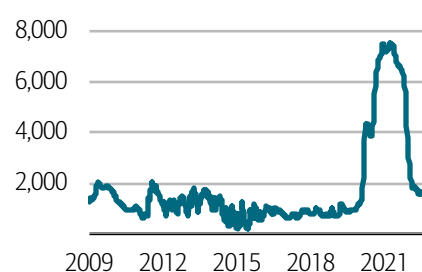


Source: Shanghai Shipping Exchange

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Exhibit 14: Asia-Mediterranean, 2009-22 (USD/TEU)

SCFI Med at US\$1,638 /TEU

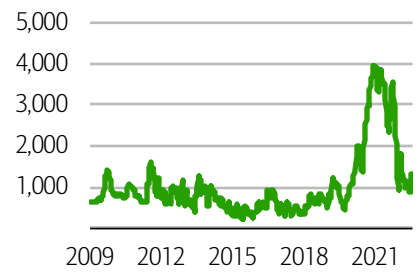


Source: Shanghai Shipping Exchange

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Exhibit 15: SCFI: Asia-Middle East, 2009-22 (USD/TEU)

SCFI Middle East US\$1,297 /TEU

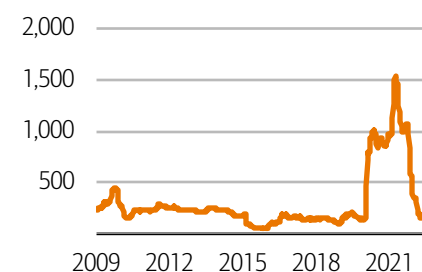


Source: Shanghai Shipping Exchange

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Exhibit 16 SCFI: Asia-Singapore, 2009-22 (USD/TEU)

SCFI Singapore at US\$167 /TEU



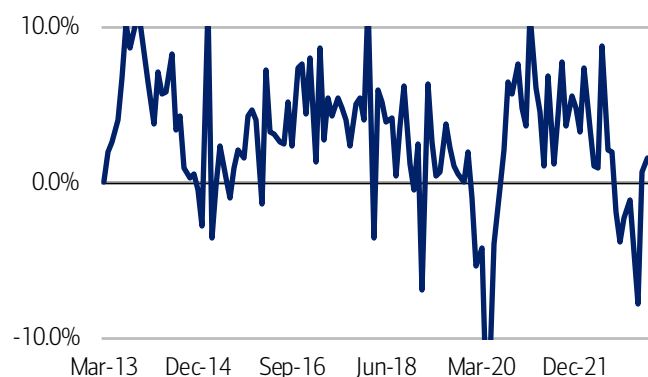
Source: Shanghai Shipping Exchange

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World trade trends

Exhibit 17: Global container volume growth (YoY %) #

World trade back to slightly above 2019 levels in April 2023

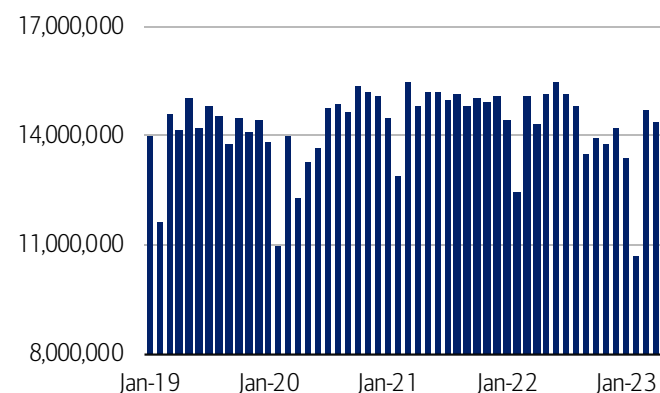


Source: CTS, BofA Global Research estimates, # 2021 data compared to 2019

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Exhibit 18: Global monthly container volumes (TEU), 2019-23

World trade seasonally rebounded in March-April 2023

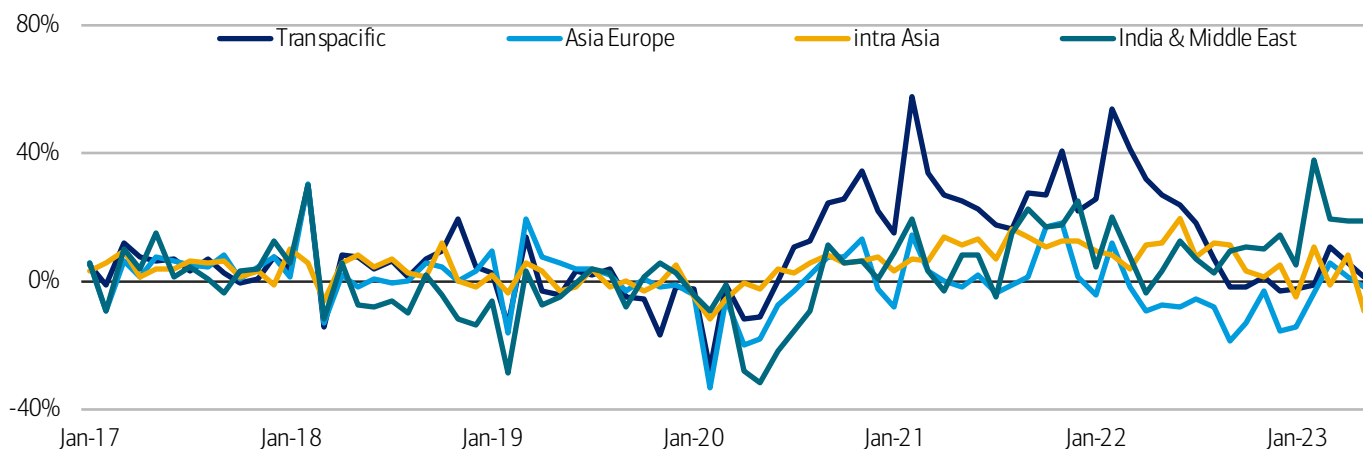


Source: CTS, BofA Global Research estimates

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Exhibit 19: Container volumes by route (% YoY), 2017-23 #

Transpacific volumes slightly above 2019 levels



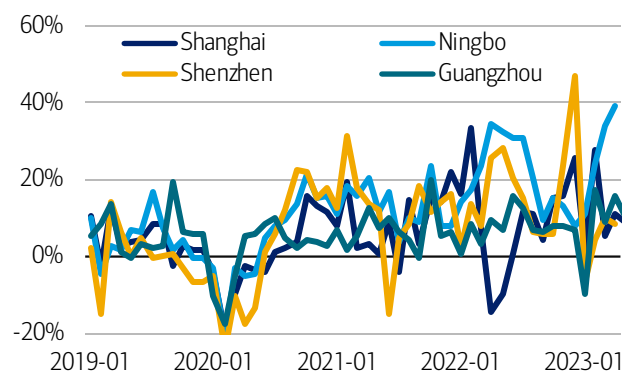
Source: CTS # 2021-23 relative to 2019 levels

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Chinese trade trends

Exhibit 20: Chinese monthly port data (% YoY), 2019-23

Strong Ningbo April monthly port numbers

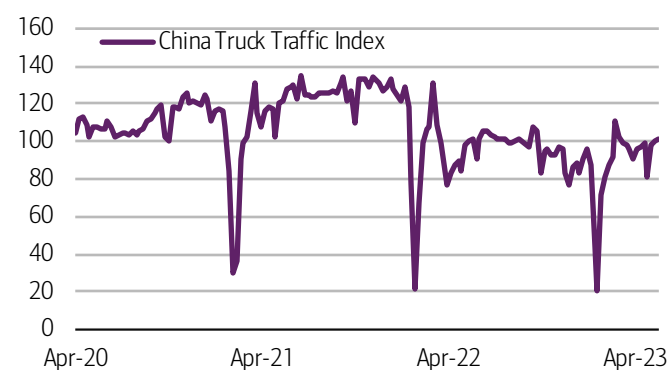


Source: Company reports

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Exhibit 21: China truck traffic index, 2020-23

China trucking demand rebounding after May holidays



Source: G7

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US high frequency container volumes

Exhibit 22: US weekly container imports vs 2019 levels

US weekly imports trending above 2019 levels in April-May 2023

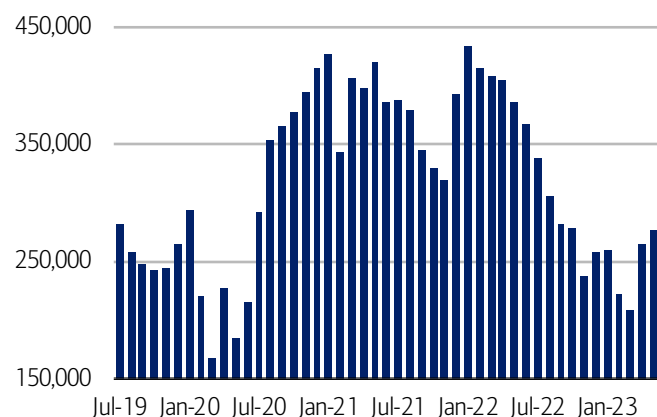


Source: PIERs

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Exhibit 24: US furniture monthly imports (TEU), 2019-23

US furniture imports around 280k TEU /month in May

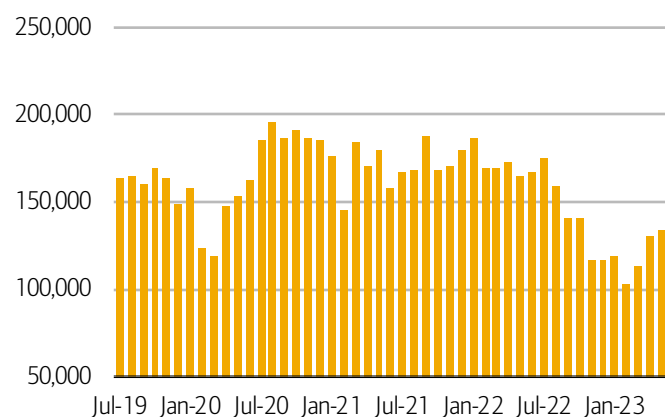


Source: PIERs

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Exhibit 26: US electronic monthly imports (TEU), 2019-23

US electronics imports trending at 135k TEU /month in May

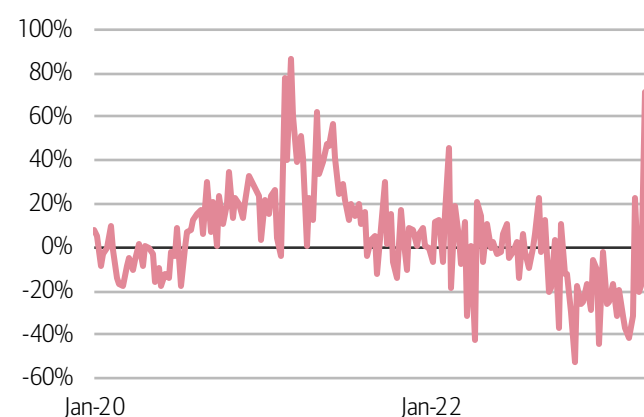


Source: PIERs

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Exhibit 23: US weekly container imports (% YoY growth), 2020-23

US weekly imports around -18% YoY lower in April & May 2023

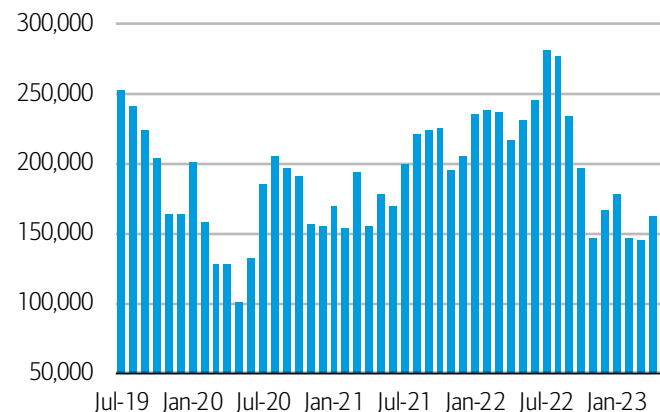


Source: PIERs

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Exhibit 25: US apparel & footwear imports (TEU), 2019-23

US apparel & footwear imports above 190k TEU in May

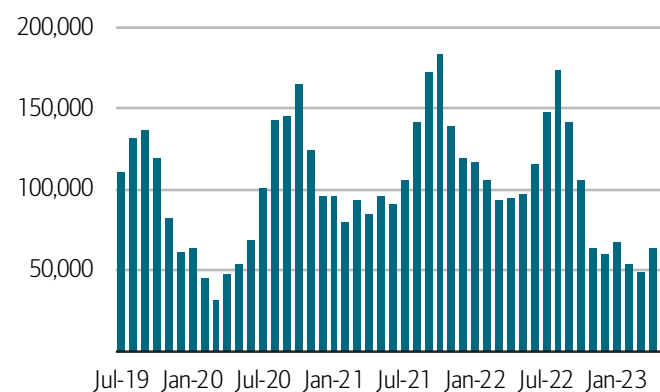


Source: PIERs

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Exhibit 27: US toy & leisure monthly imports (TEU), 2019-23

US toy & leisure imports at 70k TEU in April



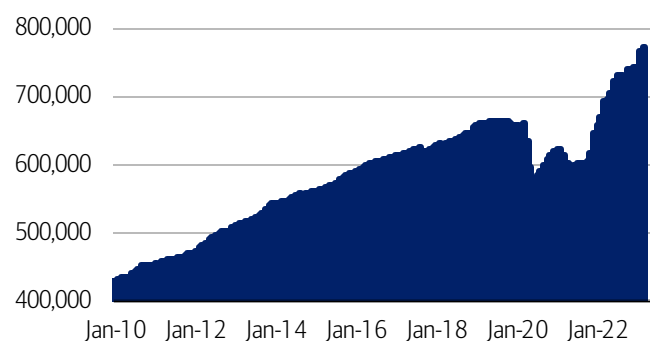
Source: PIERs

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US retail inventory levels

Exhibit 28: US retail inventories (US\$mn), 2010-23

Retail inventories are above pre-COVID levels



Source: US Census Bureau

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Exhibit 29: US retail inventory to sales ratio, 2010-23

Retail adjusted inventories to sales at 1.23x below averages of 1.4x

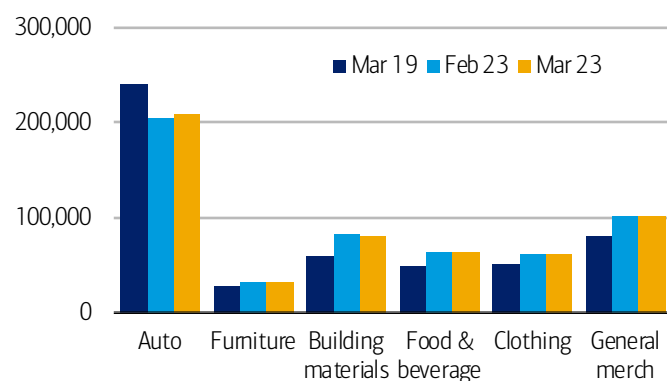


Source: US Census Bureau

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Exhibit 30: US retail inventories (US\$mn), 2019-23

Clothing and furniture inventories above 2019 levels

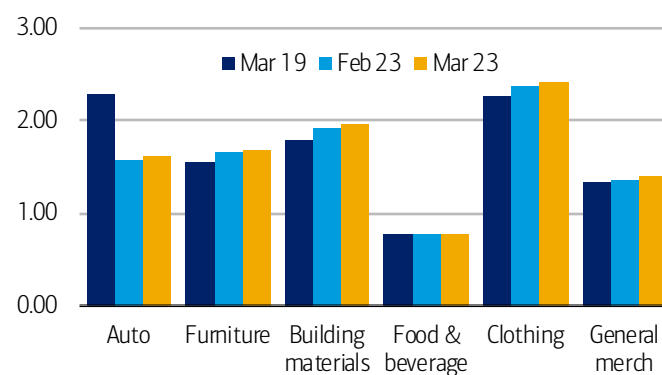


Source: US Census Bureau

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Exhibit 31: US retail inventory to sales (x), 2019-23

Clothing and furniture inventory to sales are above 2019 levels

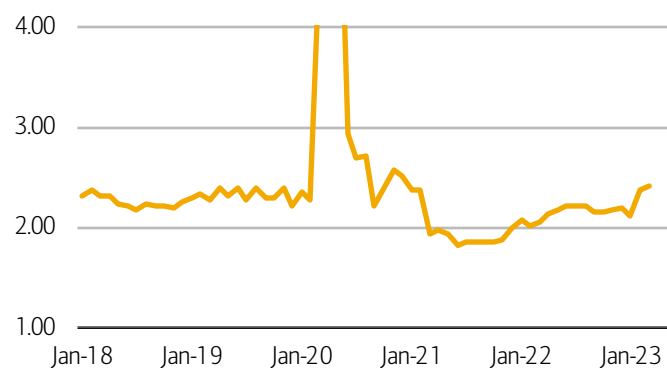


Source: US Census Bureau

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Exhibit 32: Clothing – adjusted inventory to sales, 2018-23

Clothing inventory to sales now above pre-COVID levels

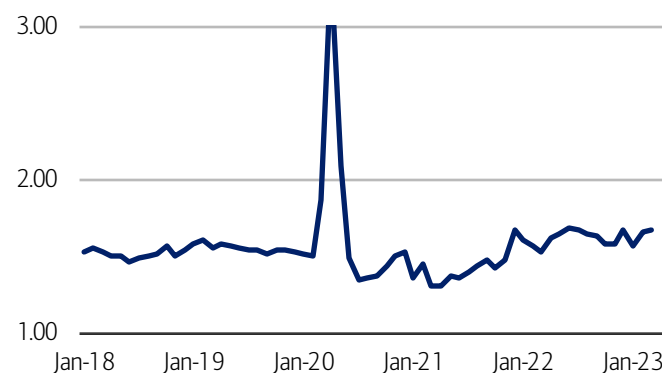


Source: US Census Bureau

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Exhibit 33: Furniture – adjusted inventory to sales, 2018-23

Furniture inventory to sales also above pre-COVID levels



Source: US Census Bureau

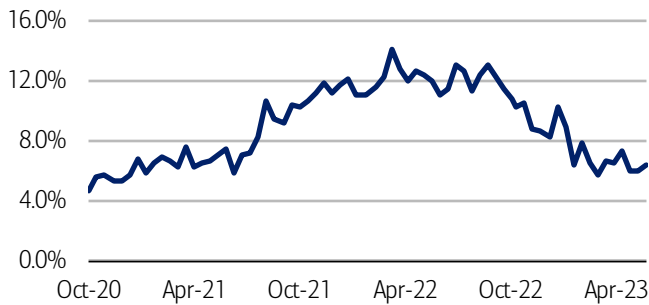
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Port congestion & idling

Below charts show port congestion measures globally:

Exhibit 34: Port congestion - % of fleet, 2020-23

Port congestion at 6.4% of fleet

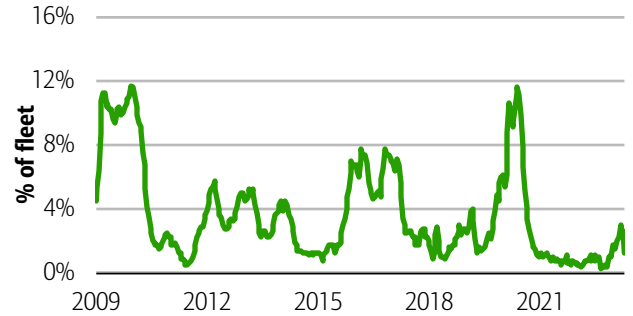


Source: Linerlytica

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Exhibit 35: Container vessel idling rate (%), 2009-23

Idling rate down to 0.7% of the fleet



Source: Linerlytica, Alphaliner

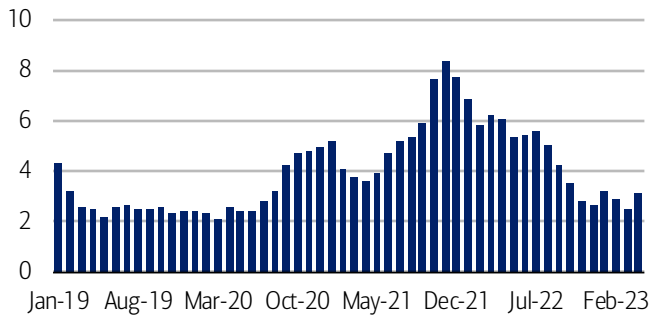
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US inland congestion trackers

Below shows how quickly container boxes move from the terminal yard to inland transport at Port of LA/Long Beach.

Exhibit 36: US West Coast ports – average box dwell time (days)

Boxes are waiting at terminal yards for 3.1 days before pickup

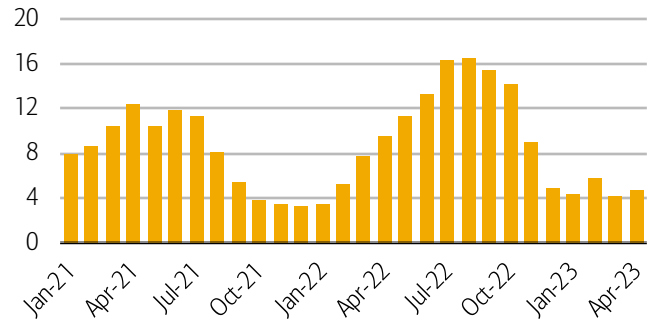


Source: PMSA

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Exhibit 37: US West Coast ports – average rail box dwell time (days)

Boxes are waiting at terminal yards for 4.7 days before rail pickup up



Source: PMSA

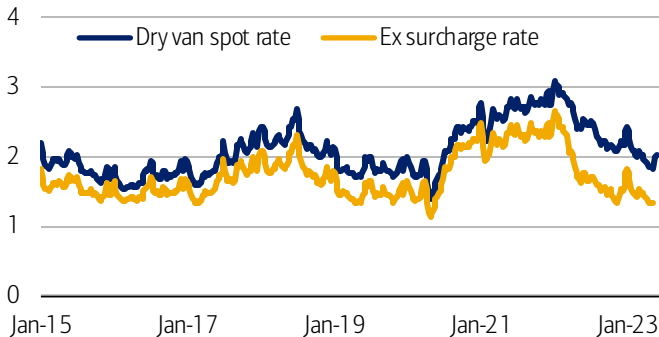
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US trucking spot rates

Below shows US spot trucking rates and truck supply proxied by truck driver employees:

Exhibit 38: Spot trucking rates (US\$/mile), 2015-23

Spot trucking rates dipping again into May 2023

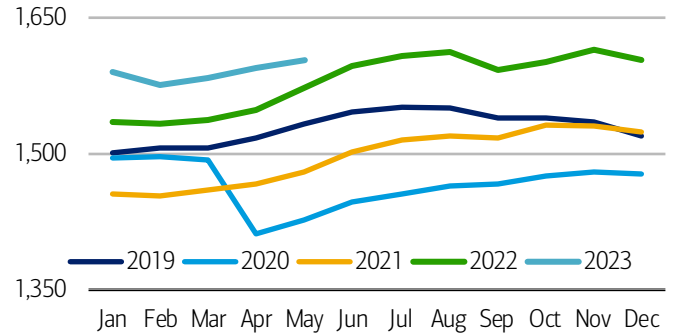


Source: Truckstop.com

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Exhibit 39: US truck driver employees (thousands), 2019-23

US employees in truck transport are above pre-COVID levels



Source: St Louis Fed

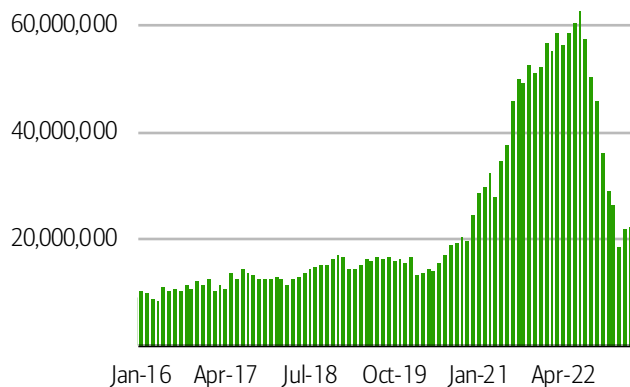
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Container liner monthly revenue

Mixed reads for Taiwanese April monthly revenues:

Exhibit 40: Evergreen – monthly revenue (NT\$K)

Evergreen April monthly revenues: -60% YoY, +2% MoM

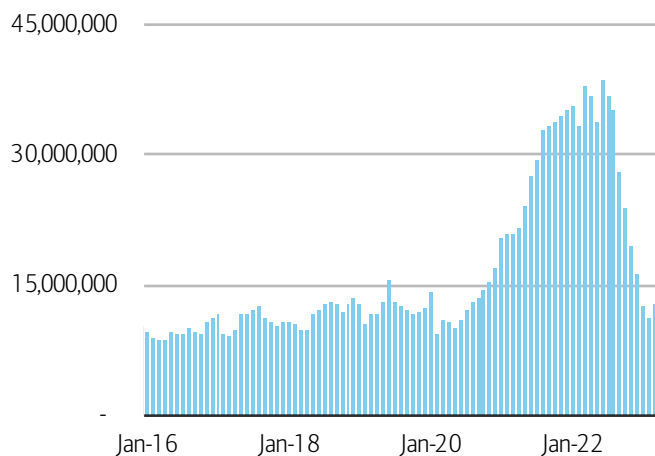


Source: Company reports

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Exhibit 41: Yang Ming – monthly revenue (NT\$K)

Yang Ming April monthly revenues: -70% YoY, -15% MoM



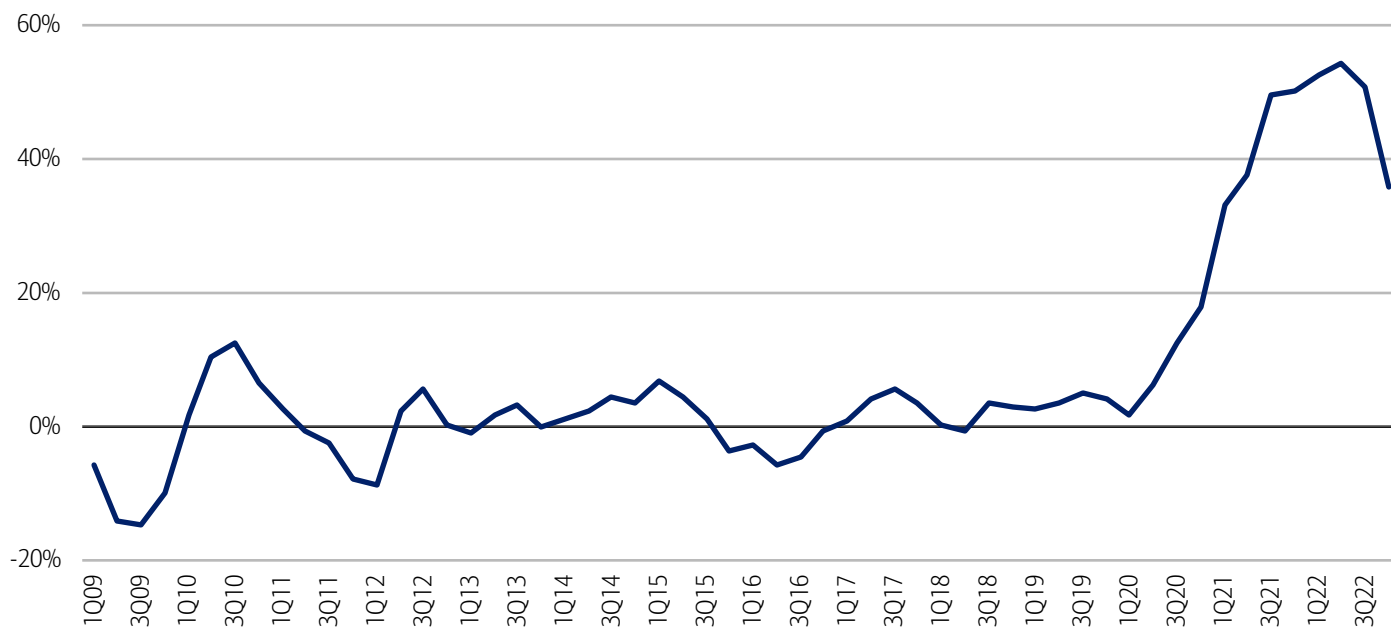
Source: Company reports

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Container liner average EBIT margins

Exhibit 42: Container liner average quarterly EBIT margin, 2009-22

4Q22 average EBIT margins at ~36%



Source: Linerlytica

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Vessel supply-side trends

Exhibit 43: Container shipping orderbook to fleet, 1996-2023

Container shipping orderbook stands at around 28% of fleet right now

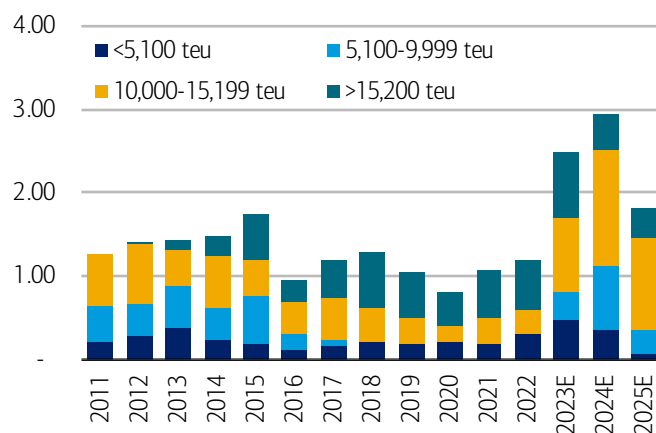


Source: Clarksons

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Exhibit 44: Delivery by vessel size (mn TEU), 2011-2023E

Deliveries to ramp again in 2023 with ~ 2.5mn TEU for delivery

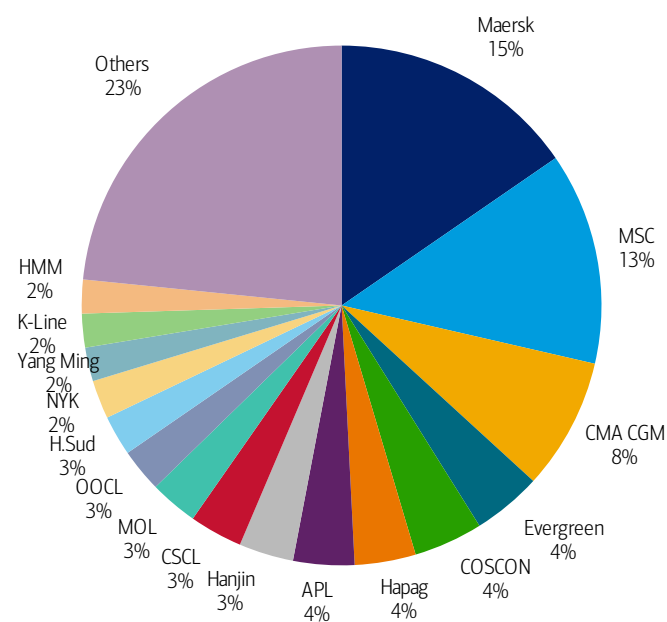


Source: Alphaliner

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Exhibit 45: Container liner capacity share in 2013

Top 16 carriers in 2013 = 77% market share

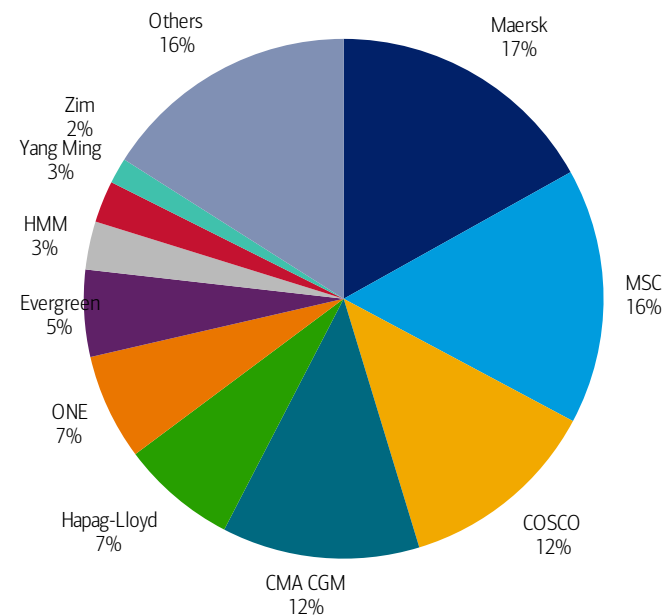


Source: Alphaliner

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Exhibit 46: Container liner capacity share in 2021

Top 10 carriers in 2021 = 85% market share

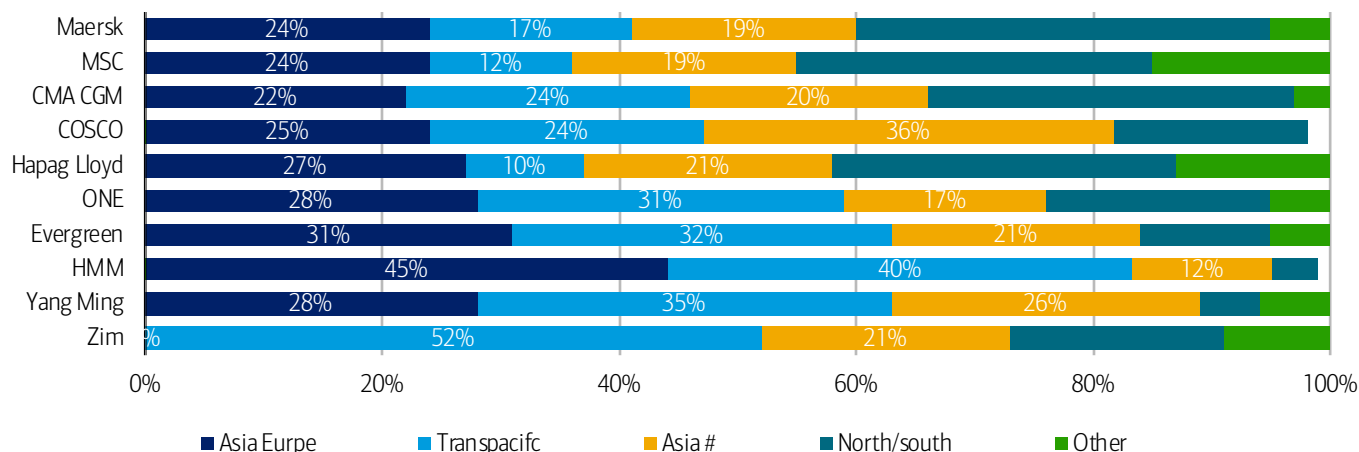


Source: Alphaliner

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Exhibit 47: Container liner capacity by route

Container liner capacity deployment by route

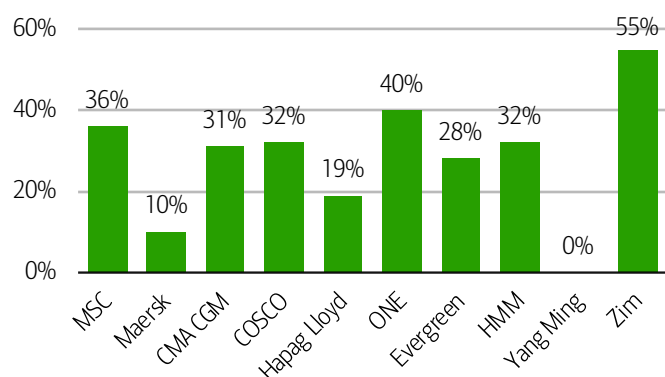


Source: Alphaliner # Asia includes Middle East, India, Australia

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Exhibit 48: Container liners – orderbook to fleet

Larger orderbooks for Zim, Evergreen and MSC

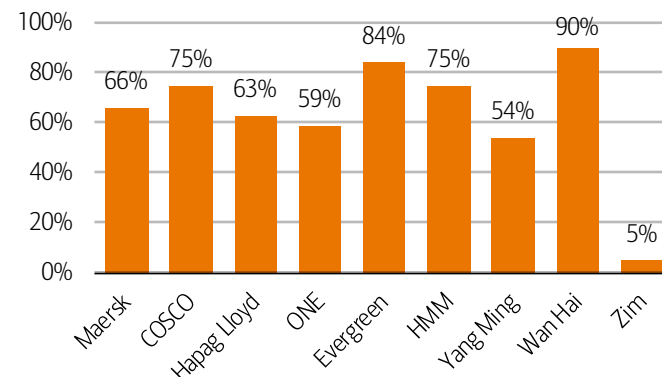


Source: Linerlytica

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Exhibit 49: Container liners - % of fleet which is owned/finance lease

Liners own or finance lease more than half their fleet on average

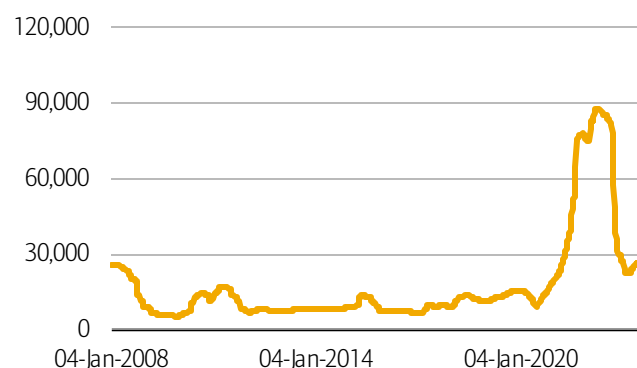


Source: Linerlytica

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Container shipping costs**Exhibit 50: Average containership charter rate (US\$/day), 2008-23**

Average charter rates are bouncing off the bottom

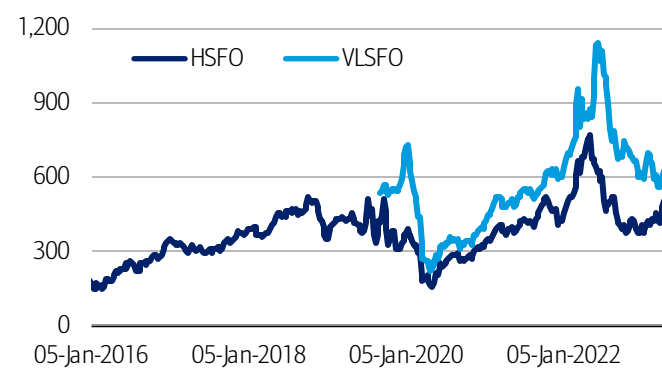


Source: Clarksons

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Exhibit 51: Singapore bunker price (US\$/tonne), 2016-23

VLSFO is at ~US\$554/tonne



Source: Clarksons

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Container vessel sailing speeds

Exhibit 52: Container vessel average sailing speed (knots), 2012-23

Container vessels now sailing below 14 knots

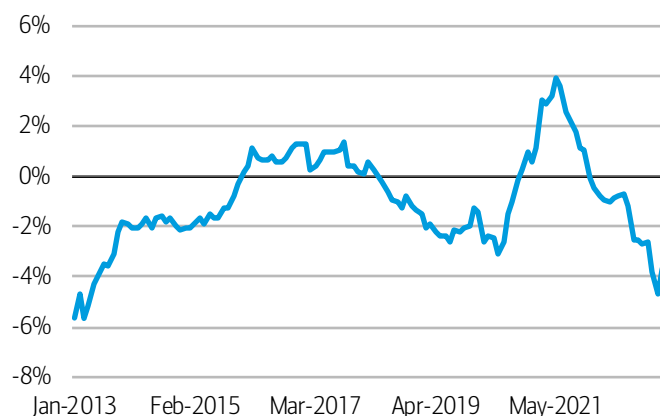


Source: Clarksons

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Exhibit 53: Container vessel speeds (% YoY growth), 2013-23

Vessel speed still slower YoY



Source: Clarksons

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Container shipping - demand & supply outlook

Exhibit 54: Container shipping demand & supply outlook, 2014-25E

Container shipping faces heavy oversupply into 2023-24

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Demand growth (TEU)	5.3%	1.3%	3.0%	6.6%	5.2%	2.5%	-0.7%	6.7%	0.8%	-0.5%	2.7%	2.7%
New vessel deliveries	8.6%	9.4%	4.7%	5.9%	6.1%	4.7%	3.7%	4.5%	4.4%	8.7%	9.5%	6.1%
Demolition	-2.1%	-0.1%	-2.9%	-2.0%	-0.2%	-0.9%	-0.7%	-0.1%	-0.1%	-1.0%	-2.6%	-2.6%
Net Slot Capacity Growth	6.5%	9.4%	1.7%	3.9%	5.9%	3.9%	3.0%	4.4%	4.3%	7.7%	6.9%	3.5%
Impact of change in idle rate	1.4%	-0.7%	-3.5%	2.9%	1.6%	-1.3%	-2.9%	5.2%	0.0%	-2.2%	-2.0%	0.0%
Impact of change in congestion	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.9%	-5.2%	-4.8%	6.5%	4.3%	0.0%
"In service" capacity growth (TEU)	7.9%	8.7%	-1.7%	6.7%	7.5%	2.6%	-1.8%	4.4%	-0.5%	12.0%	9.2%	3.5%
Effective Demand / Supply balance	-2.6%	-7.4%	+4.7%	-0.1%	-2.3%	-0.1%	+1.1%	+2.3%	+1.3%	-12.5%	-6.5%	-0.8%

Source: BofA Global Research estimates, Linerlytica

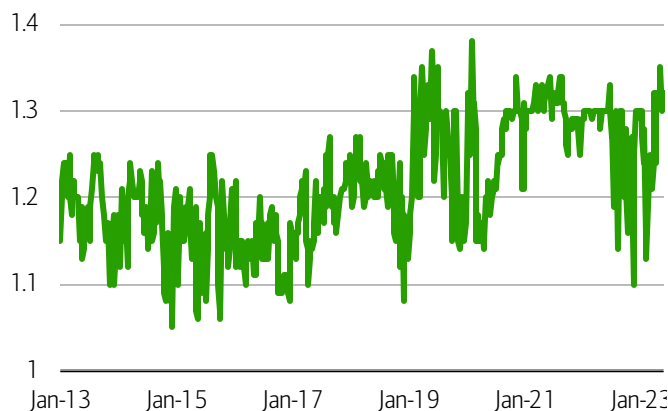
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Tanker shipping

Freight rates

Exhibit 55: VLCC supply vs demand in Middle East #

VLCC supply vs demand in Middle East #



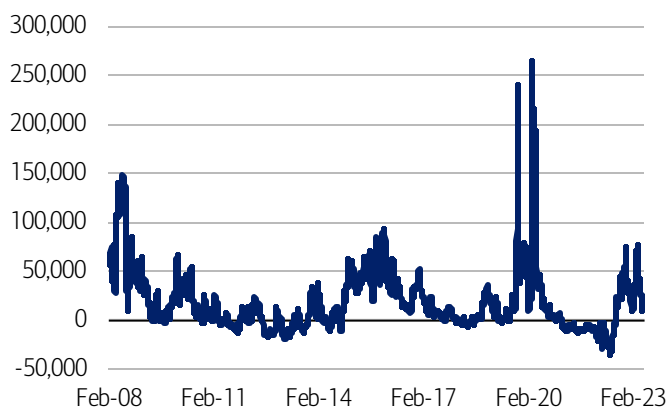
Source: Bloomberg

1 indicates equal number of VLCC supply vs demand for next 30 days, 1.1 indicates 10% surplus of VLCC relative to demand in coming 30 days.

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Exhibit 57: VLCC freight rates (US\$/day), 2008-23

Baltic VLCC rates back to loss making levels at US\$15k/day



Source: Clarksons

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Exhibit 56: Average quarterly tanker rates (US\$/day), 2022-23

Average quarterly tanker rates

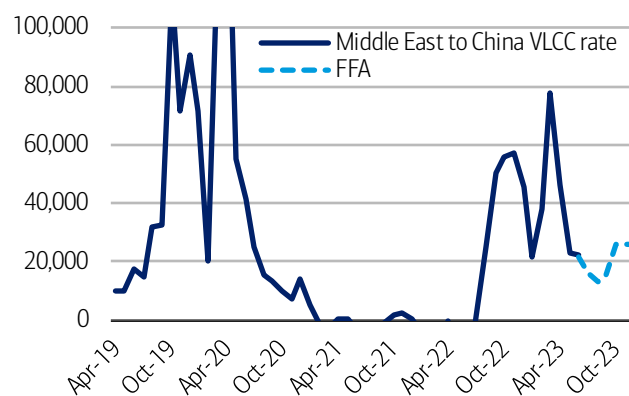
Date	3Q22	4Q22	1Q23	2Q23
VLCC	9,747	42,823	34,498	28,978
Suezmax	50,411	88,602	74,764	54,367
Aframax	46,440	78,728	64,833	49,649
MR	39,878	41,411	29,143	27,680
LR2	33,821	46,192	50,462	52,167
% YoY				
VLCC	-199%	nm	-295%	-234%
Suezmax	-1959%	nm	244%	52%
Aframax	7427%	nm	197%	39%
MR	586%	nm	199%	-18%
LR2	67%	nm	149%	93%
% QoQ				
VLCC	-145%	339%	-19%	-16%
Suezmax	41%	76%	-16%	-27%
Aframax	30%	70%	-18%	-23%
MR	18%	4%	-30%	-5%
LR2	25%	37%	9%	3%

Source: Clarksons

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Exhibit 58: VLCC freight forward agreement rates (US\$/day)

Forward curve dipping to US\$20/day into 3Q

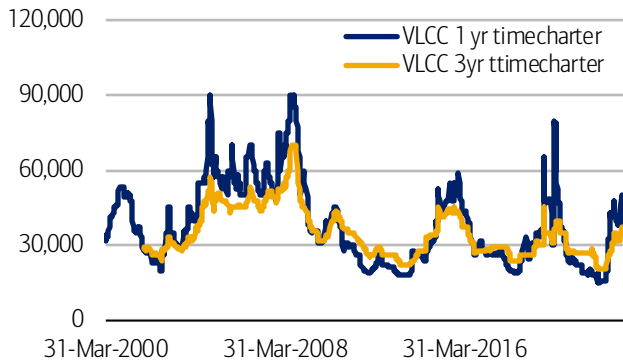


Source: Clarksons, Baltic Exchange

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Exhibit 59: VLCC time charter rates (US\$/day), 2000-23

One year VLCC time charter rates holding around US\$37k per day

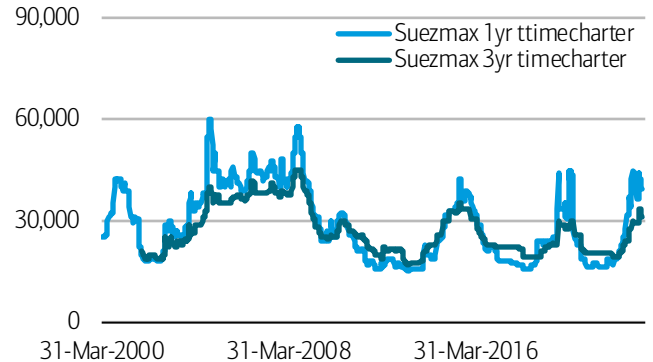


Source: Clarksons

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Exhibit 60: Suezmax time charter rates (US\$/day), 2000-23

One year Suezmax time charter rates around US\$40k per day

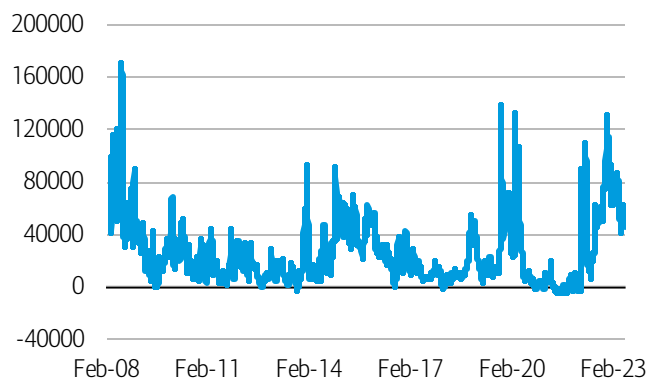


Source: Clarksons

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Exhibit 61: Suezmax freight rates (US\$/day), 2008-23

Baltic Suezmax spot down to below US\$45k per day

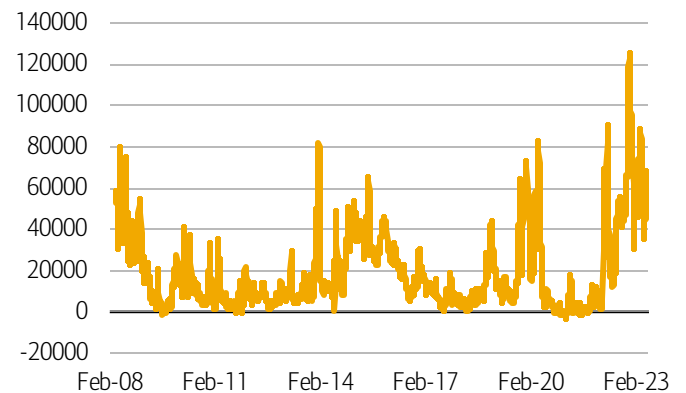


Source: Clarksons

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Exhibit 62: Aframax freight rates (US\$/day), 2008-23

Aframax rates down to US\$50k per day

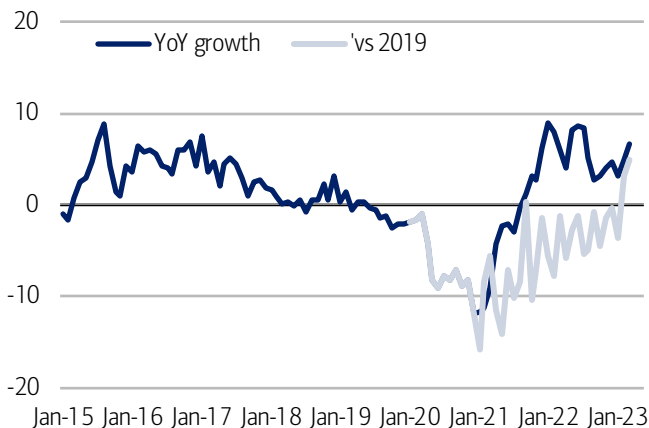


Source: Clarksons

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Crude tanker demand**Exhibit 63: Seaborne crude oil volumes (% YoY), 2015-23**

Seaborne crude tanker volumes recovering to pre COVID levels

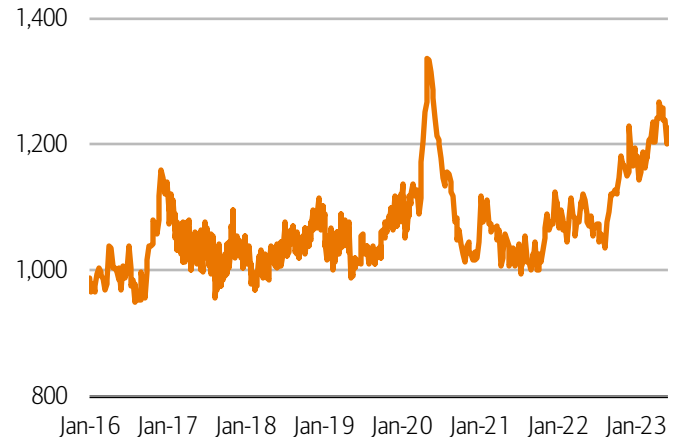


Source: Clarksons

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Exhibit 64: Crude tanker barrels on the water (mn bbl), 2016-23

Crude tanker demand has come off the peaks

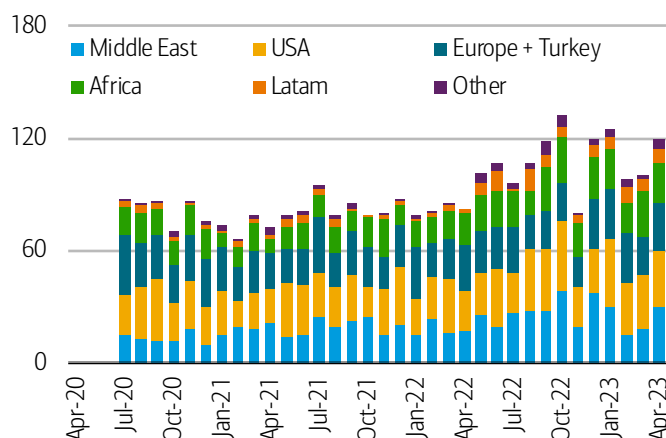


Source: Bloomberg

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Exhibit 65: Western Europe seaborne monthly crude imports from non-Russian producers (mn bbl per month)

European imports from non-Russia back to normal

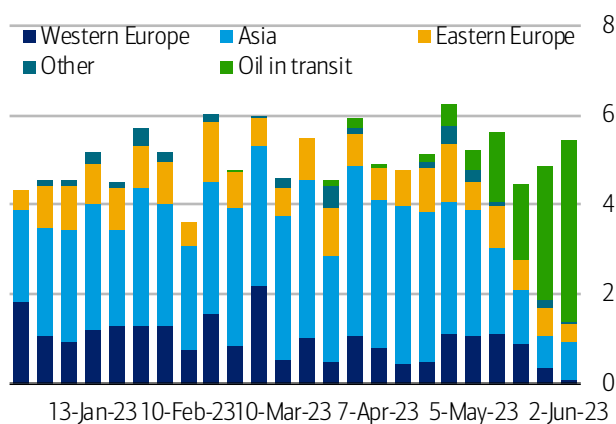


Source: Vortexa

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Exhibit 67: Russian seaborne crude exports (k b/d), 2023

Total Russian crude exports still very robust

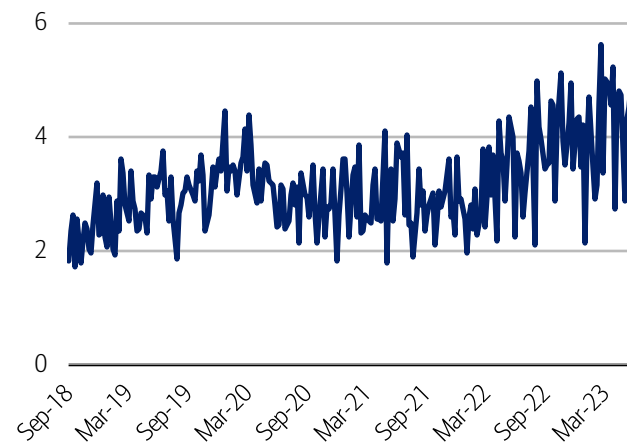


Source: Vortexa

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Exhibit 69: US crude exports (mn b/d)

US crude exports starting to trend higher again

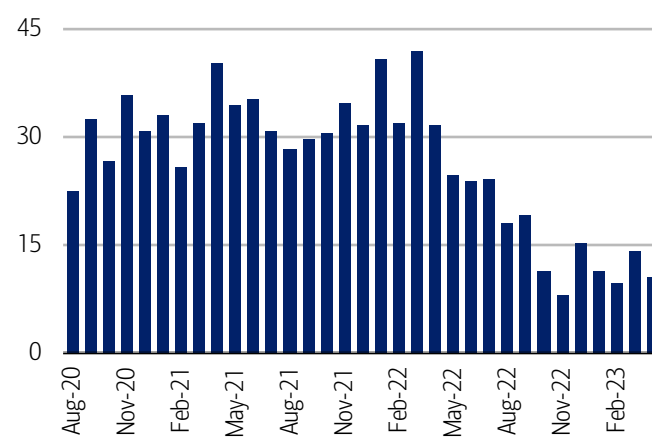


Source: Bloomberg

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Exhibit 66: Western Europe seaborne crude imports from Russia (mn bbl per month)

European imports from Russia trending lower

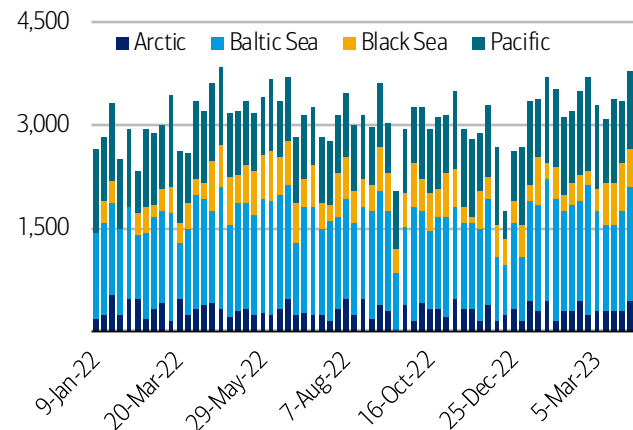


Source: Vortexa

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Exhibit 68: Russian crude by port (k b/d), 2023

Russian exports moving even higher into April-May 2023

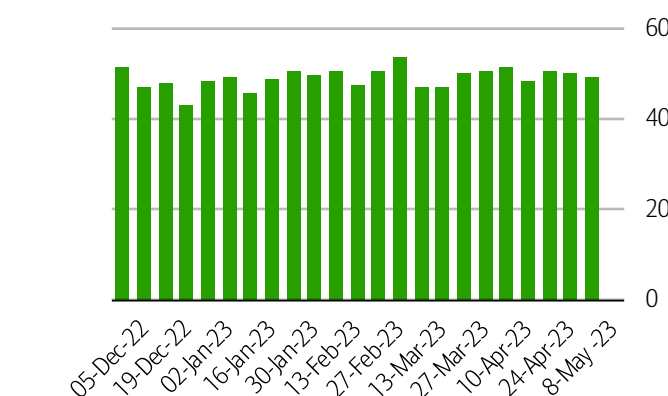


Source: Vortexa

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Exhibit 70: Weekly crude oil exports (mn b/d), 2022-23

Global crude oil exports staying robust

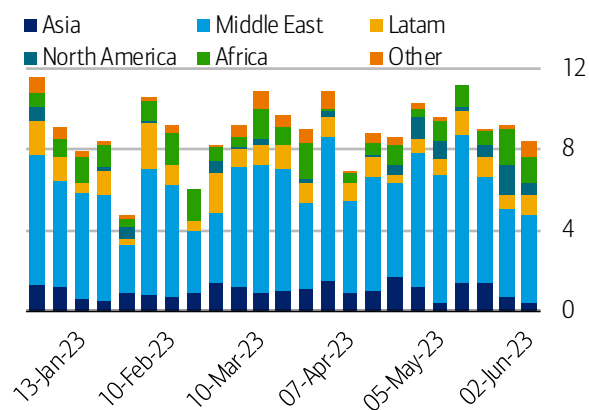


Source: Vortexa

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Exhibit 71: Chinese weekly imports (mn b/d), 2022-23

Chinese imports firming into April/May 2023 #

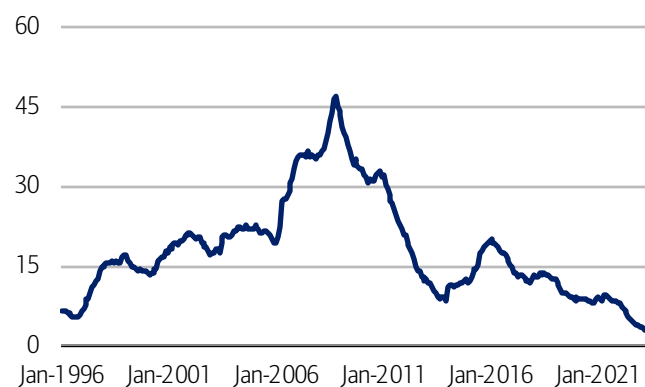


Source: Vortexa

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Tanker supply**Exhibit 73: Crude tanker orderbook as % of fleet, 1996-23**

Crude tanker orderbook to fleet down below 3.0%

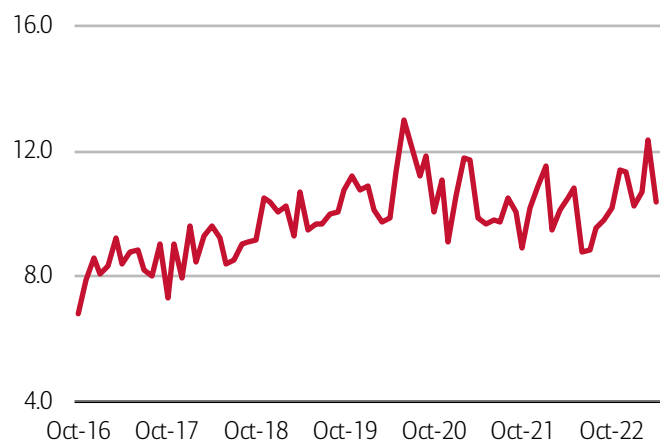


Source: Clarksons

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Exhibit 72: Chinese crude imports (mn b/d)

China crude imports rebounding since March

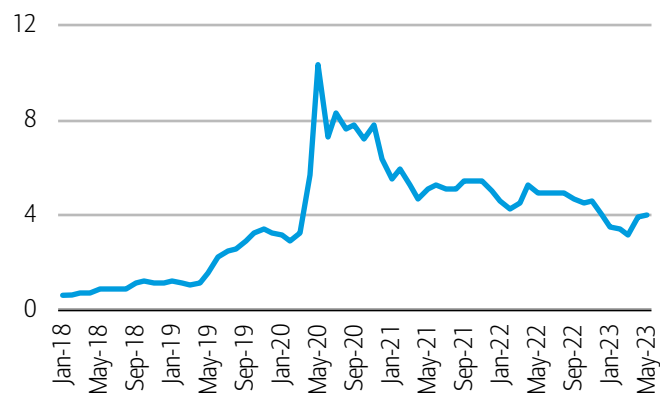


Source: Bloomberg

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Exhibit 74: Crude tanker storage as % of fleet, 2018-23

Tanker storage up to 4.0% of fleet

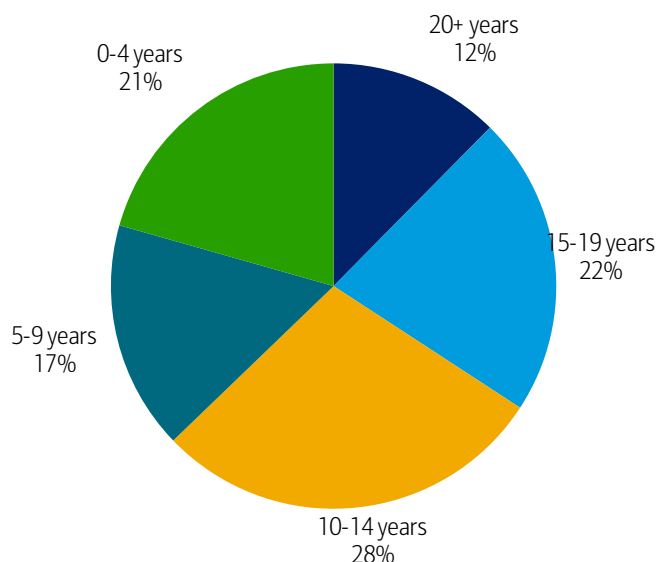


Source: Clarksons

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Exhibit 75: Crude tanker – age distribution, 2023

34% of fleet is older than 15 years



Source: Clarksons

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Crude tanker demand & supply**Exhibit 76: Crude tanker demand & supply growth forecasts (% YoY), 2014-25E**

Crude tanker market fundamentals look positive in the years ahead

Crude tanker	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Demand Growth	-0.2%	2.9%	4.0%	5.0%	3.4%	1.1%	-6.7%	-3.7%	7.0%	5.6%	3.0%	1.5%
Effective Fleet Growth	0.4%	1.0%	5.9%	5.9%	1.1%	6.0%	0.9%	-0.1%	3.2%	2.6%	0.7%	0.8%
Demand / supply balance	-0.6%	+1.9%	-1.9%	-0.9%	+2.3%	-4.8%	-7.6%	-3.6%	+3.8%	+3.0%	+2.3%	+0.7%
Crude tanker fleet (mn dwt)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Fleet, beginning	340	341	347	368	386	388	417	431	442	446	453	451
New delivery	9	8	21	28	21	28	17	17	9	11	3	5
Scrapping rate	(6)	(1.3)	(1.4)	(9)	(17)	(3)	(3)	(9)	(5)	(4)	(5)	(5)
Others	(2)	(0)	1	(0)	(2)	3	0	4	0	0	0	0
Fleet, Ending, Dwt mn **	341	347	368	386	388	417	431	442	446	453	451	451
Growth	0.4%	2.0%	5.8%	5.1%	0.6%	7.4%	3.3%	2.7%	0.9%	1.4%	-0.4%	0.1%
Floating storage adjustment	0.0%	-1.0%	0.1%	0.8%	0.6%	-1.4%	-2.4%	-2.8%	2.3%	1.2%	1.1%	0.7%
Effective supply growth	0.4%	1.0%	5.9%	5.9%	1.1%	6.0%	0.9%	-0.1%	3.2%	2.6%	0.7%	0.8%
Delivery ratio	58%	72%	59%	91%	68%	91%	100%	87%	90%	100%	100%	100%
Scrapping rate	1.8%	0.4%	0.4%	2.4%	4.4%	0.7%	0.8%	2.1%	1.2%	1.0%	1.0%	1.0%
Gross delivery rate	2.7%	2.5%	6.0%	7.6%	5.4%	7.2%	4.1%	3.9%	2.1%	2.4%	0.6%	1.1%

Source: Clarksons, BofA Global Research estimates

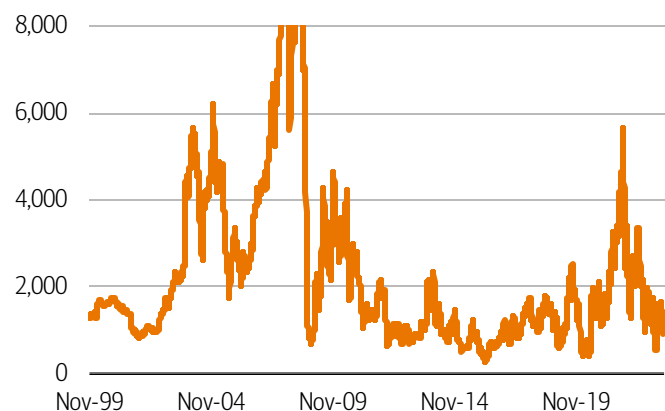
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Dry bulk shipping

Freight rates

Exhibit 77: Baltic Dry Index, 1999-2023

BDI at around 1,000

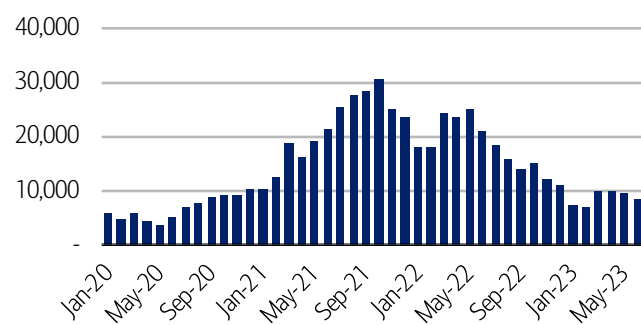


Source: Clarksons

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Exhibit 79: Handysize spot monthly average (US\$/day), 2020-23 #

Spot handysize averaged US\$8.4k/day so far in Jun 2023



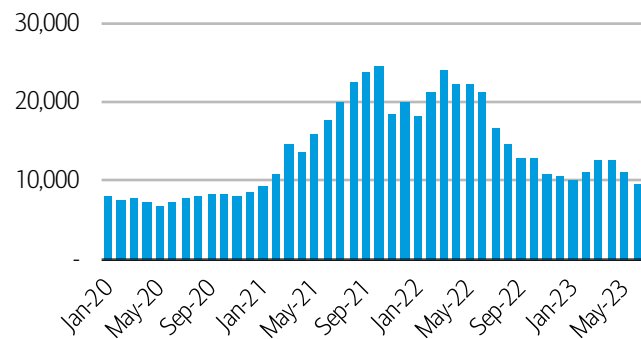
Source: Clarksons, BofA Global Research estimates

Size and commission adjusted to be comparable to PacBasin average handy rates

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Exhibit 81: Handysize 1yr TC monthly average (US\$/day), 2020-23 #

1yr time charter handysize averaged US\$9.5k/day in Jun 2023



Source: Clarksons, BofA Global Research estimates

Size and commission adjusted to be comparable to PacBasin average handy rates

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Exhibit 78: Baltic average rates (US\$/day), 2022-23

Dry bulk quarterly average rates

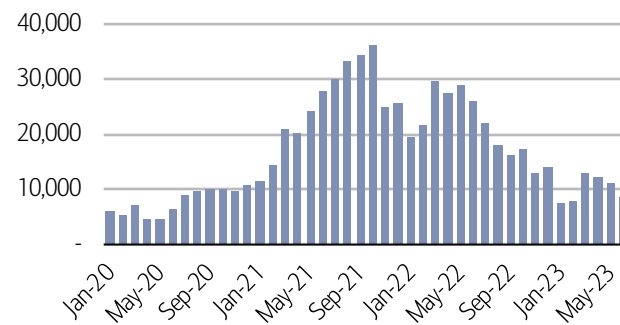
Date	2Q22	3Q22	4Q22	1Q23	2Q23
BDI	2,530	1,870	1,523	1,011	1,506
Capesize	21,599	16,906	14,906	9,144	17,417
Panamax 82	28,901	18,402	16,050	10,169	14,457
Supramax 58	27,566	21,396	14,837	9,702	12,533
Handysize 38	26,618	21,514	15,028	11,326	11,626
% YoY					
BDI	-9%	-50%	-56%	-49%	-40%
Capesize	-31%	-60%	-65%	-38%	-19%
Panamax 82	12%	-45%	-45%	-56%	-50%
Supramax 58	8%	-38%	-51%	-61%	0%
Handysize 38	18%	-33%	-52%	-53%	-56%
% QoQ					
BDI	28%	-26%	-19%	-34%	49%
Capesize	46%	-22%	-12%	-39%	90%
Panamax 82	24%	-36%	-13%	-37%	42%
Supramax 58	10%	-22%	-31%	-35%	29%
Handysize 38	11%	-19%	-30%	-25%	3%

Source: Clarksons

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Exhibit 80: Supramax spot monthly average (US\$/day), 2020-23 *

Spot supramax averaged US\$8.7k/day so far in Jun 2023



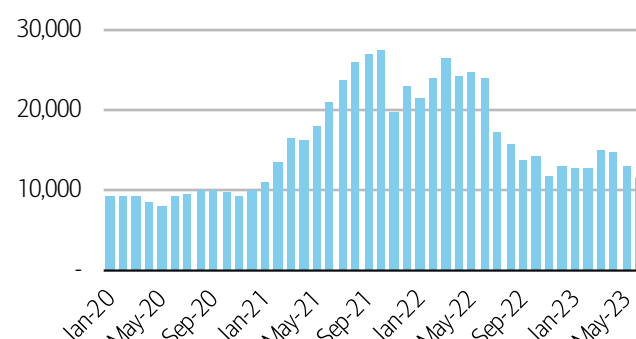
Source: Clarksons, BofA Global Research estimates

* Commission adjusted to be comparable to PacBasin achieved rates

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Exhibit 82: Supramax 1yr TC monthly average (US\$/day), 2020-23 *

1yr time charter supramax averaging US\$11.6k/day in Jun 2023



Source: Clarksons, BofA Global Research estimates

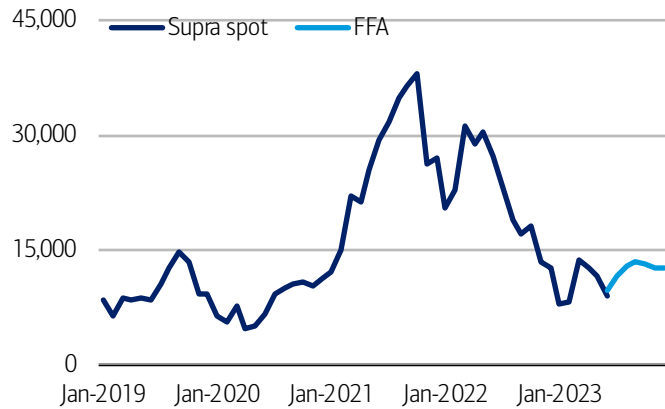
* Commission adjusted to be comparable to PacBasin achieved rates

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Handysize & Supramax FFA outlook

Exhibit 83: Supramax - Freight Forward Agreement, 2019-23

Supra forward curves pointing to healthier rates ahead

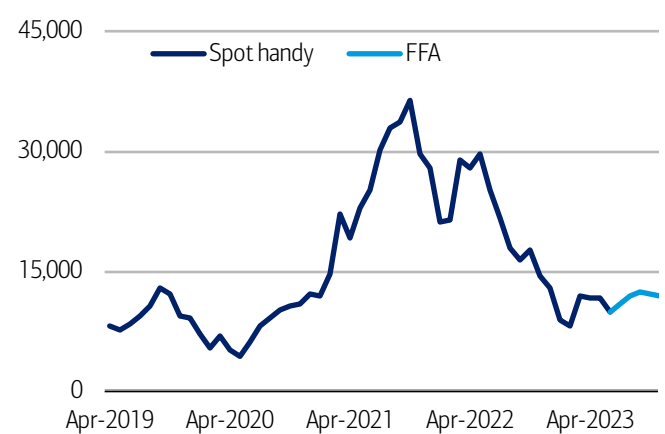


Source: Bloomberg

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Exhibit 84: Handysize - Freight Forward Agreement, 2019-23

Handy forward curves point to a recovery into 2H23



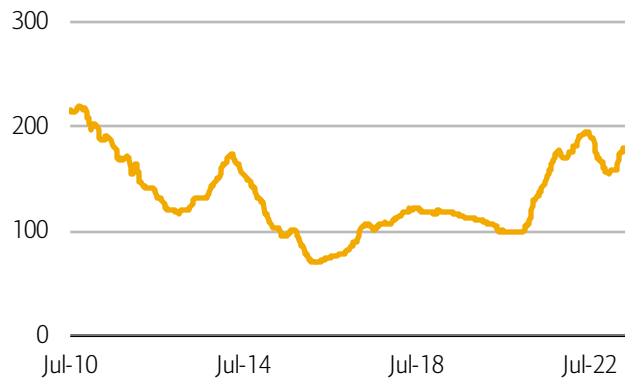
Source: Bloomberg

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Vessel values & port congestion

Exhibit 85: Bulk carrier secondhand vessel price index, 2010-23

Secondhand vessel prices moved off the bottom since March 2023

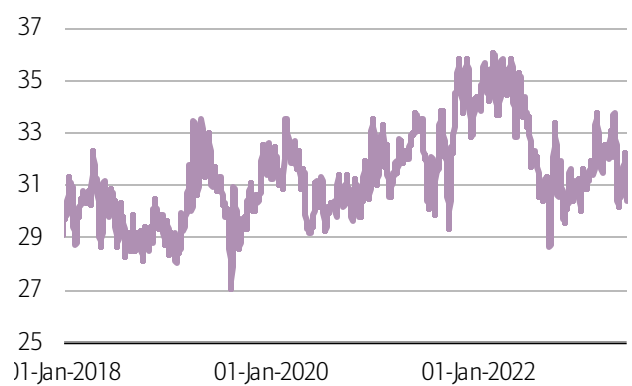


Source: Clarksons

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Exhibit 86: Daily dry bulk fleet at port (anchor or berth) (%)

~30.4% of dry bulk fleet at port



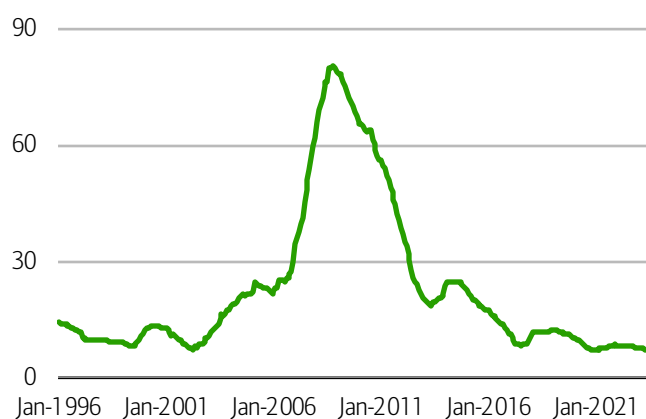
Source: Clarksons

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Vessel supply

Exhibit 87: Dry bulk orderbook to fleet (%), 1996-2023

Orderbook to fleet down to around 7%

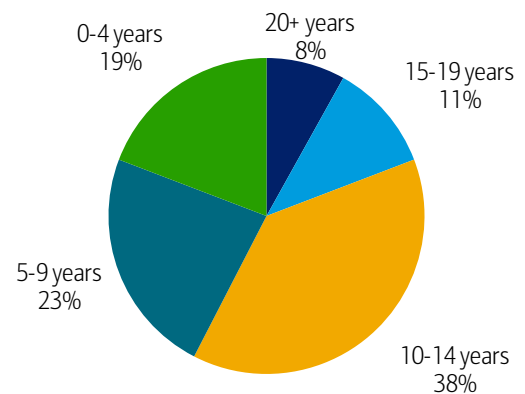


Source: Clarksons

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Exhibit 88: Dry bulk vessel age distribution, 2023

19% of fleet is older than 15 years



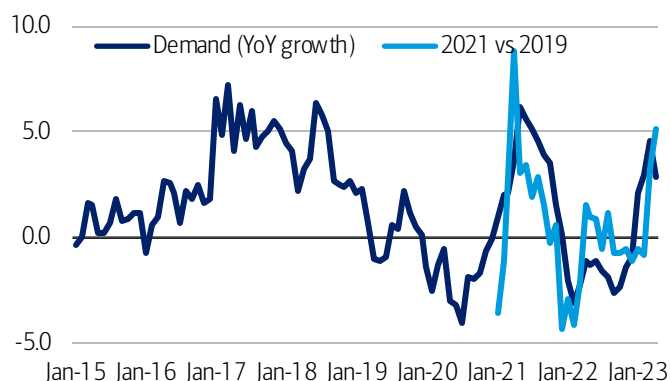
Source: Clarksons

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Dry bulk demand reads

Exhibit 89: Dry bulk demand growth (% YoY), 2015-23

Dry bulk demand above 2019 levels in April 2023

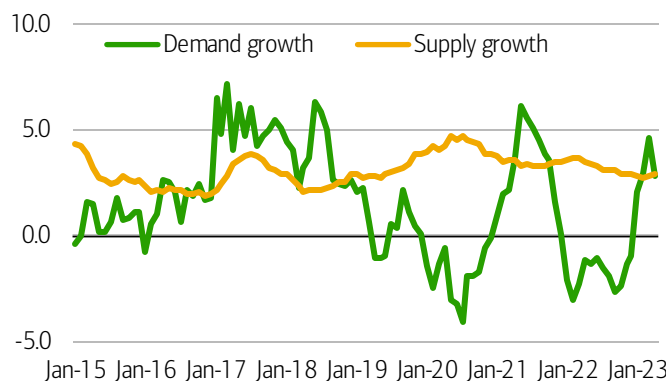


Source: Clarksons

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Exhibit 90: Bulk monthly demand & supply growth (% YoY), 2015-23

Bulk demand growth rebound vs supply growth of +3.0% YoY

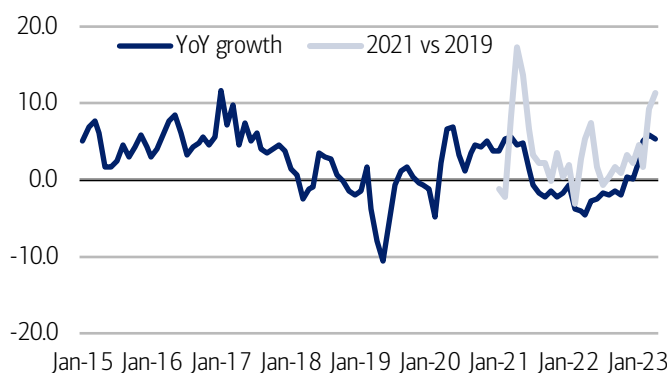


Source: Clarksons

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Exhibit 91: Iron ore demand growth (% YoY), 2015-23

Iron ore demand trending at above 2019 levels in April 2023

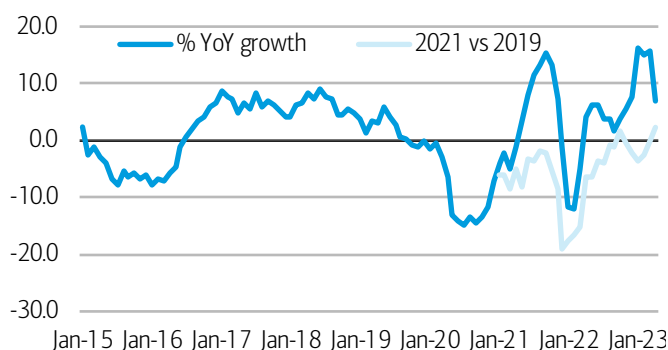


Source: Clarksons

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Exhibit 92: Coal demand growth (% YoY), 2015-23

Coal demand growth trending at above 2019 levels

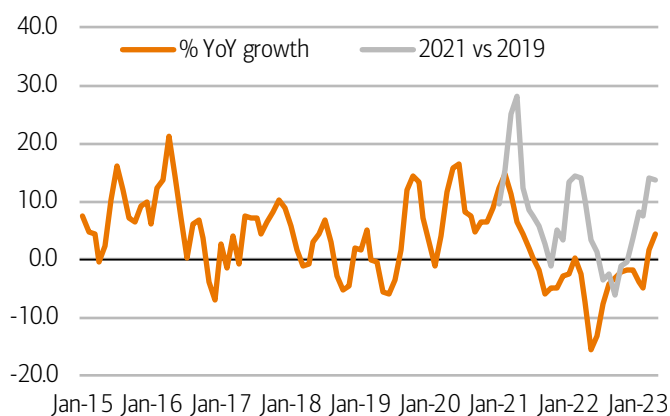


Source: Clarksons

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Exhibit 93: Grain demand growth (% YoY), 2015-23

Grain demand at above 2019 levels in April 2023

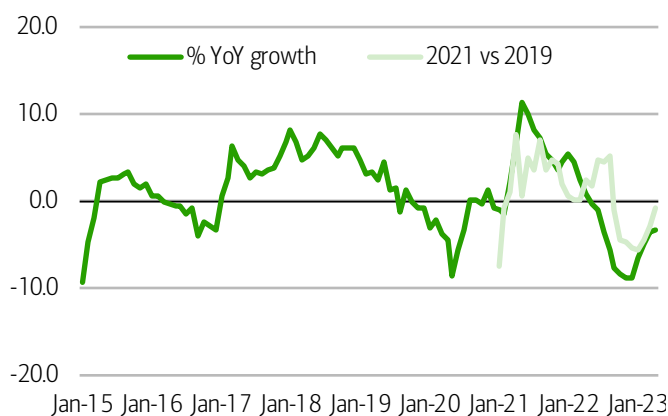


Source: Clarksons

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Exhibit 94: Minor bulk demand growth (% YoY), 2015-23

Minor bulk demand growth trending at 2019 levels in April 2023

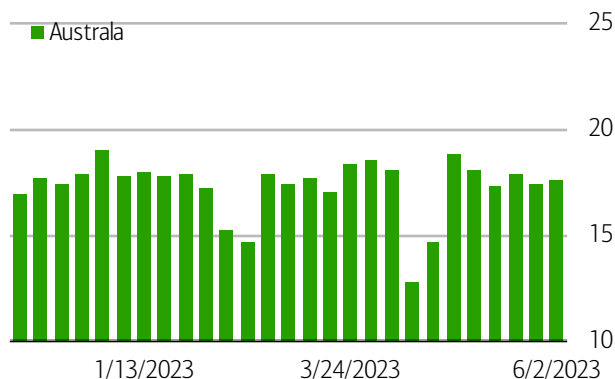


Source: Clarksons

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Exhibit 95: Australia iron ore shipments (mn tn), 2022-23

Australian iron ore exports recovering off cyclone disruptions

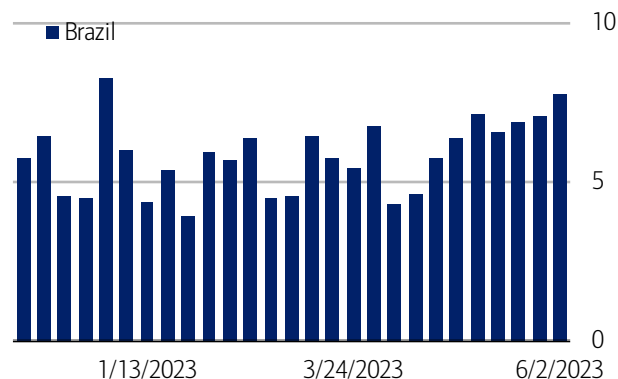


Source: Marcura

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Exhibit 96: Brazil iron ore shipments (mn tn), 2022-23

Brazil iron ore exports trending higher

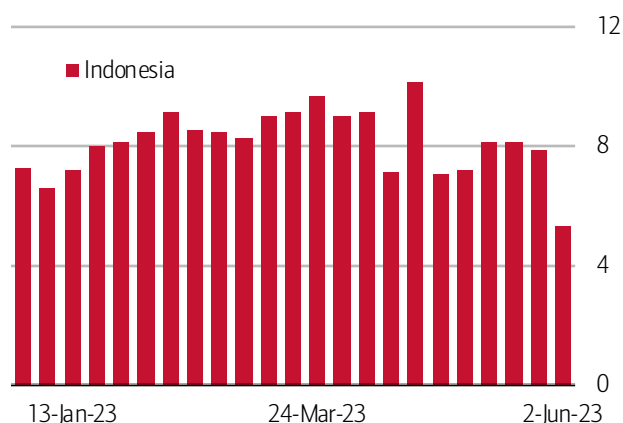


Source: Marcura

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Exhibit 97: Indonesian coal shipments (mn tn), 2022-23

Indonesian exports under some pressure

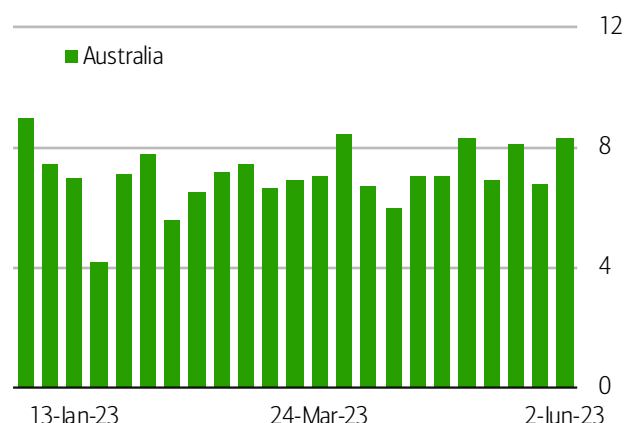


Source: Marcura

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Exhibit 98: Australian coal shipments (mn tn), 2022-23

Aussie coal shipments relatively stable



Source: Marcura

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Dry bulk demand & supply**Exhibit 99: Dry bulk shipping demand & supply growth (% YoY), 2014-25E**

Dry bulk demand/supply outlook

Dry Bulk	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Demand	2.3%	3.9%	3.4%	0.7%	0.0%	3.5%	-1.8%	2.5%	2.3%	2.0%
Fleet Growth	2.3%	3.1%	2.7%	3.0%	4.1%	3.9%	2.9%	2.3%	0.9%	1.0%
Demand / Supply Balance	0.0%	0.8%	0.7%	-2.2%	-4.1%	-0.4%	-4.7%	0.2%	1.4%	1.0%
Dry Bulk Fleet, Dwt mn	2016	2017	2018	2019	2020	2021	2022	2023E	2024E	2025E
Fleet, beginning	780	798	823	845	879	916	949	976	999	1,009
New delivery	47	38	28	41	49	38	32	34	26	23
Demolition	(29)	(15)	(4)	(8)	(15)	(5)	(4)	(11)	(17)	(13)
Others	(0)	1	(1)	0	3	-	-	-	-	-
Fleet, Ending, Dwt mn	798	823	845	879	916	949	976	999	1,009	1,019
Growth	2.3%	3.1%	2.7%	4.0%	4.2%	3.6%	2.9%	2.3%	0.9%	1.0%
Adjustment factor				-1.0%	-0.1%	0.3%	0.0%	0.0%	0.0%	0.0%
Adjusted fleet growth				3.0%	4.1%	3.9%	2.9%	2.3%	0.9%	1.0%
Gross delivery rate	6.1%	4.8%	3.4%	4.9%	5.6%	4.2%	3.3%	3.4%	2.6%	2.3%
Scrapping Rate	3.7%	1.8%	0.5%	0.9%	1.8%	0.6%	0.4%	1.1%	1.7%	1.3%

Source: BofA Global Research, Clarksons

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R1}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R1} Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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