



Shipping Markets in the 2020s: Lessons from the Life and Music of Bob Dylan

David K. Jordan – Maritime Strategies International (MSI)
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Shipping in the 2020s

1. Demanding Complexities
2. Supply Side Easing
3. Market Cycles
4. Looking to the HORIZON

You should always take the best from the past, leave the worst back there and go forward into the future.

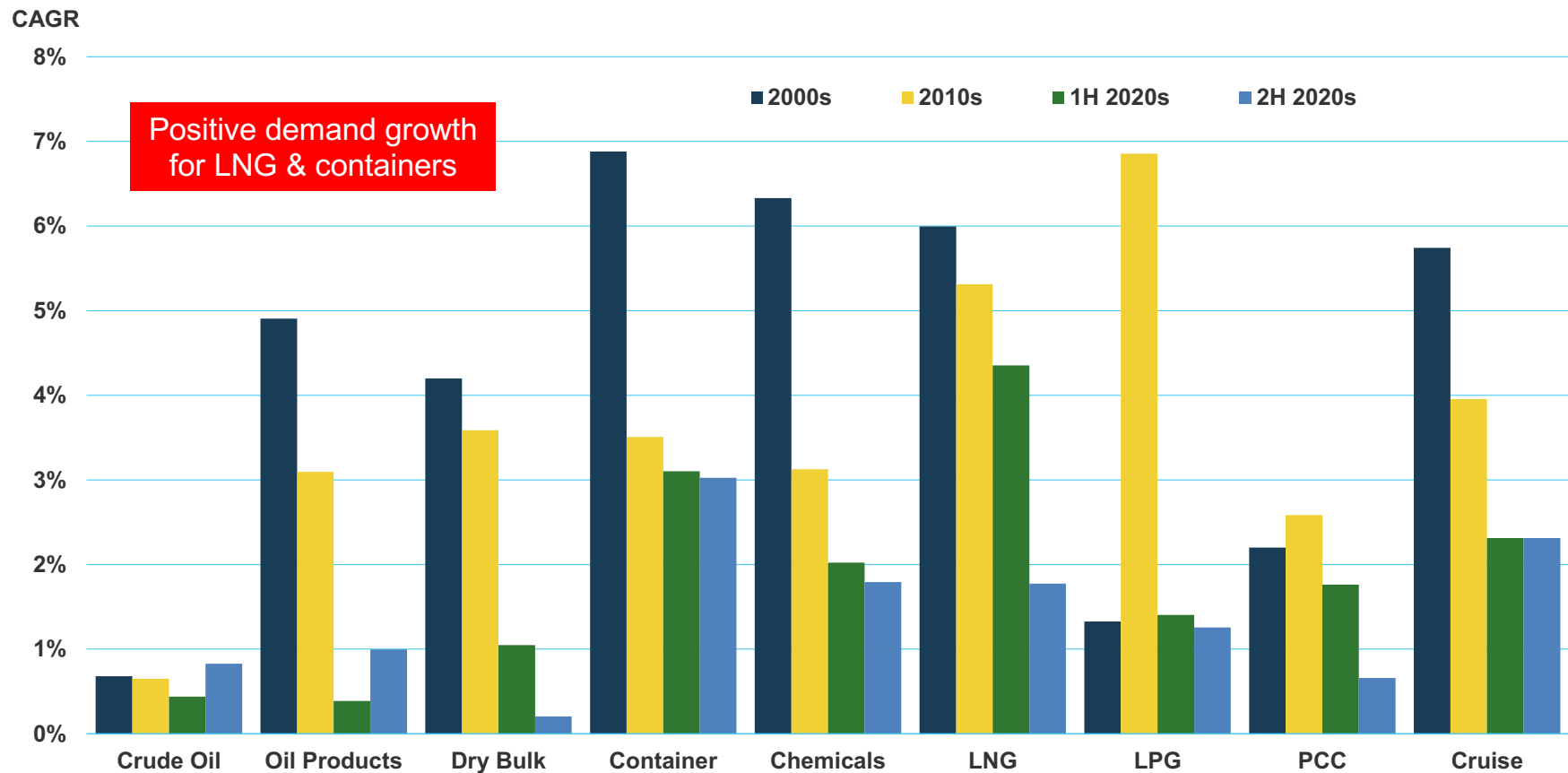
- Bob Dylan



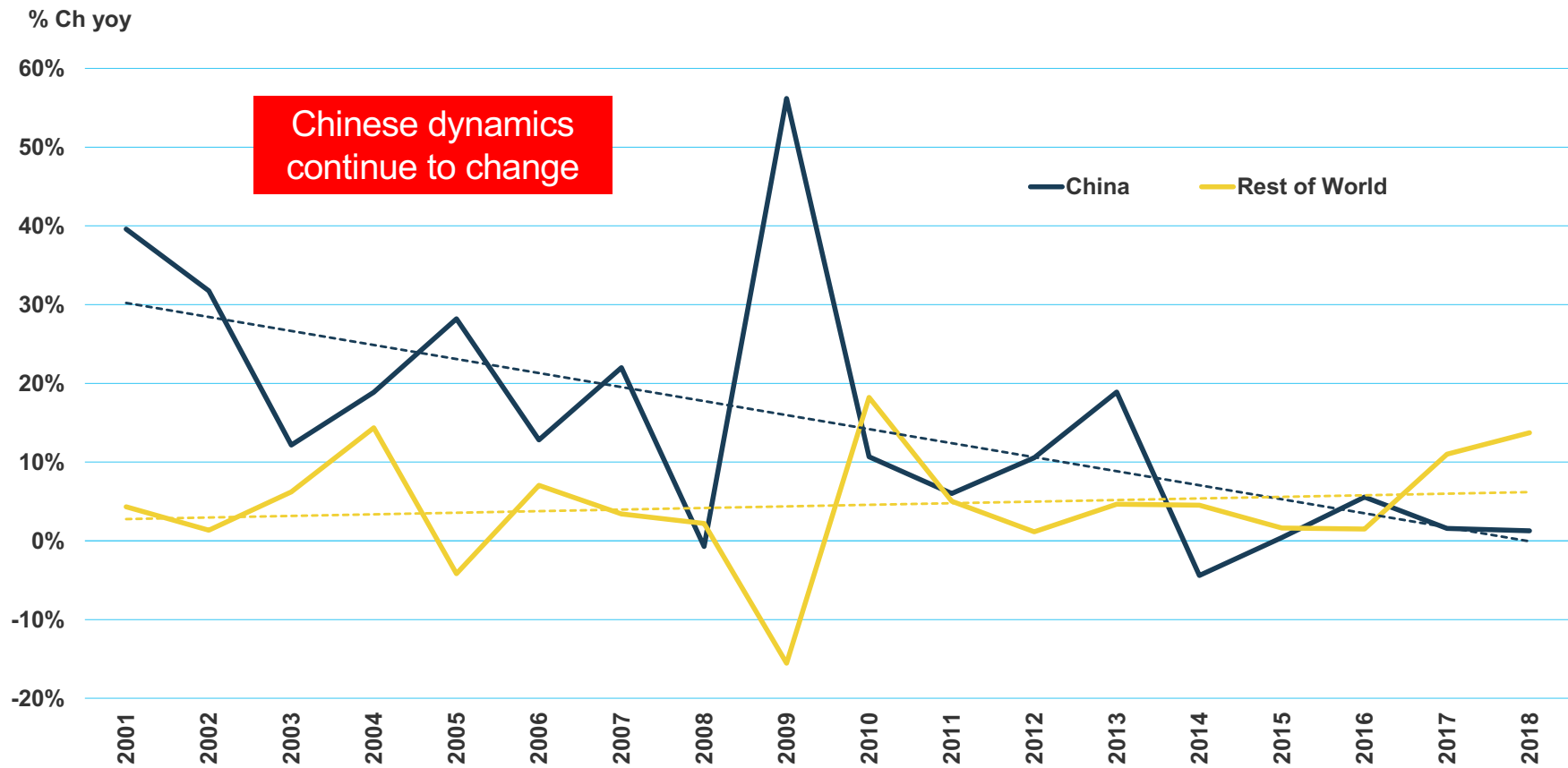
Demanding Complexities

For the times they are a-changin'

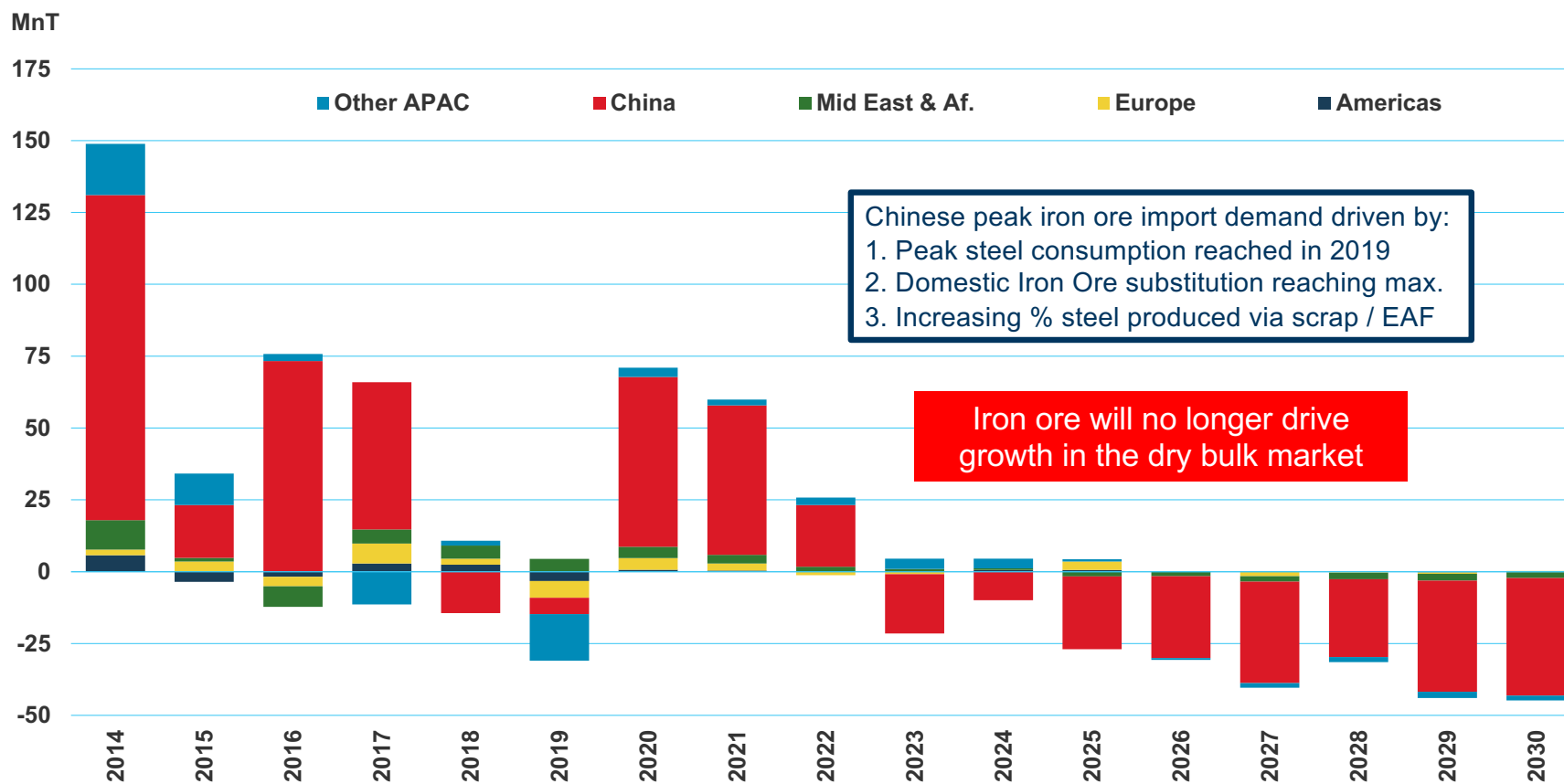




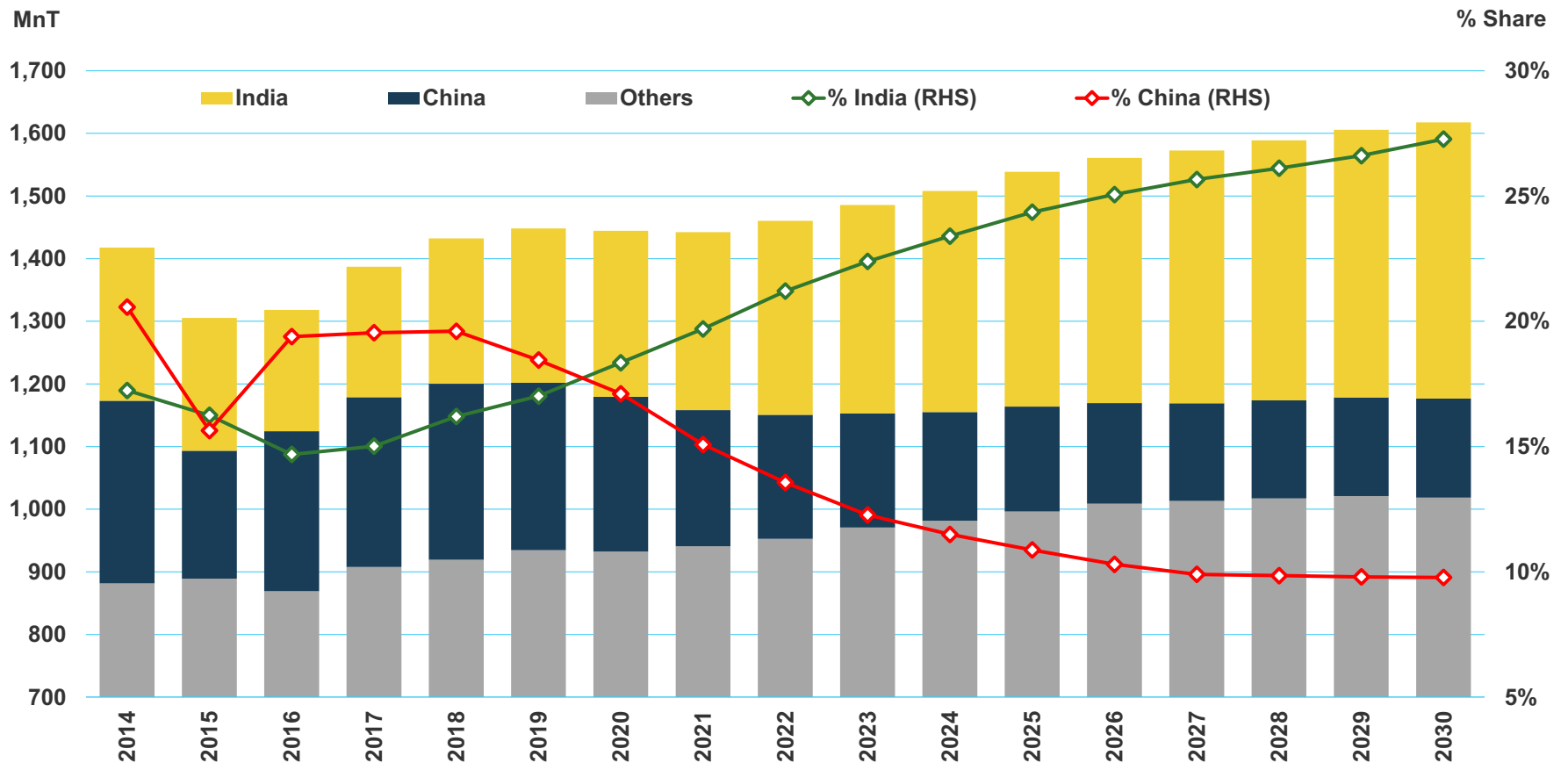
Dry Bulk: The Chinese Lynchpin No More



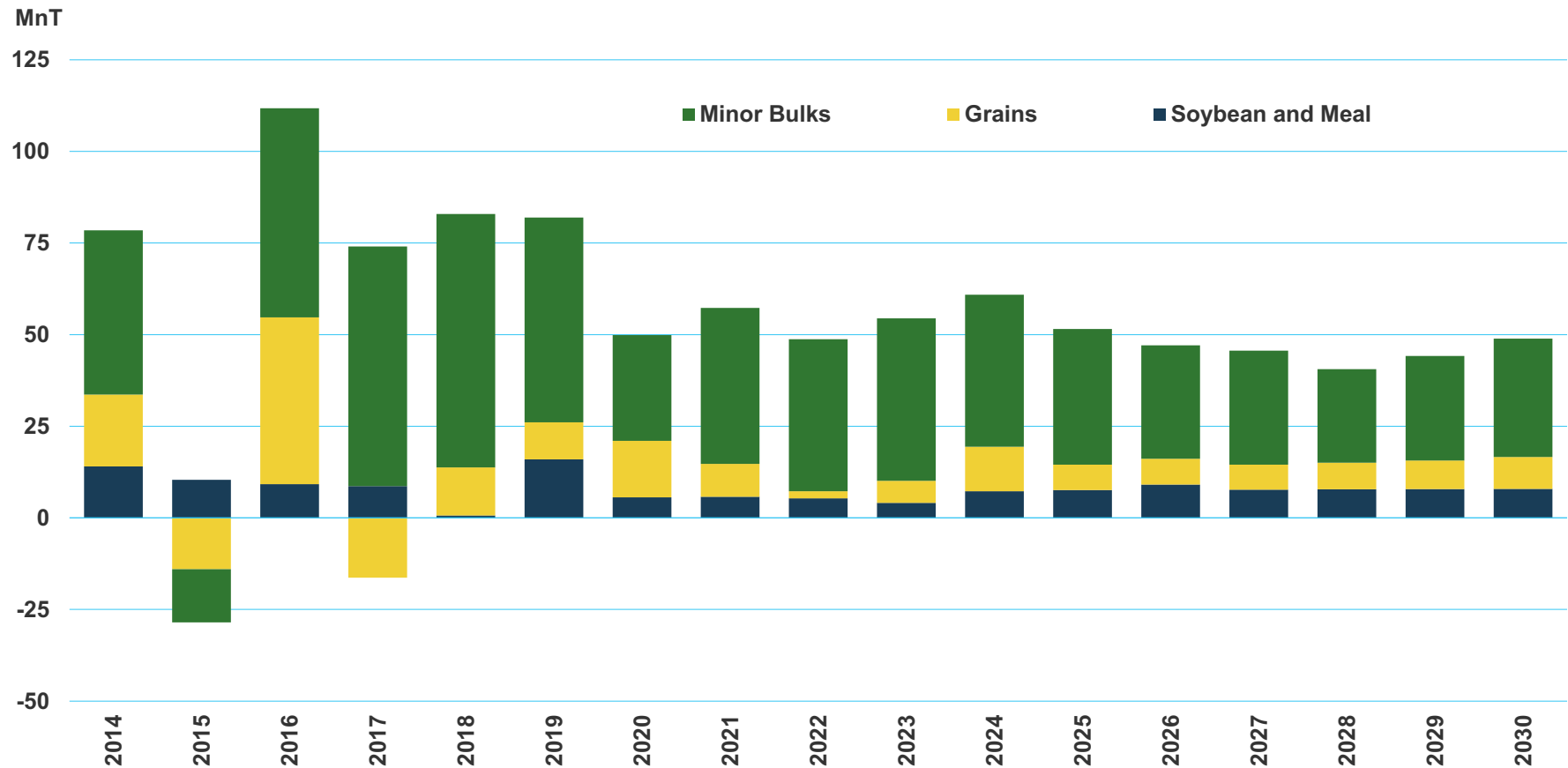
Iron Ore: Peak Levels on the Immediate Horizon



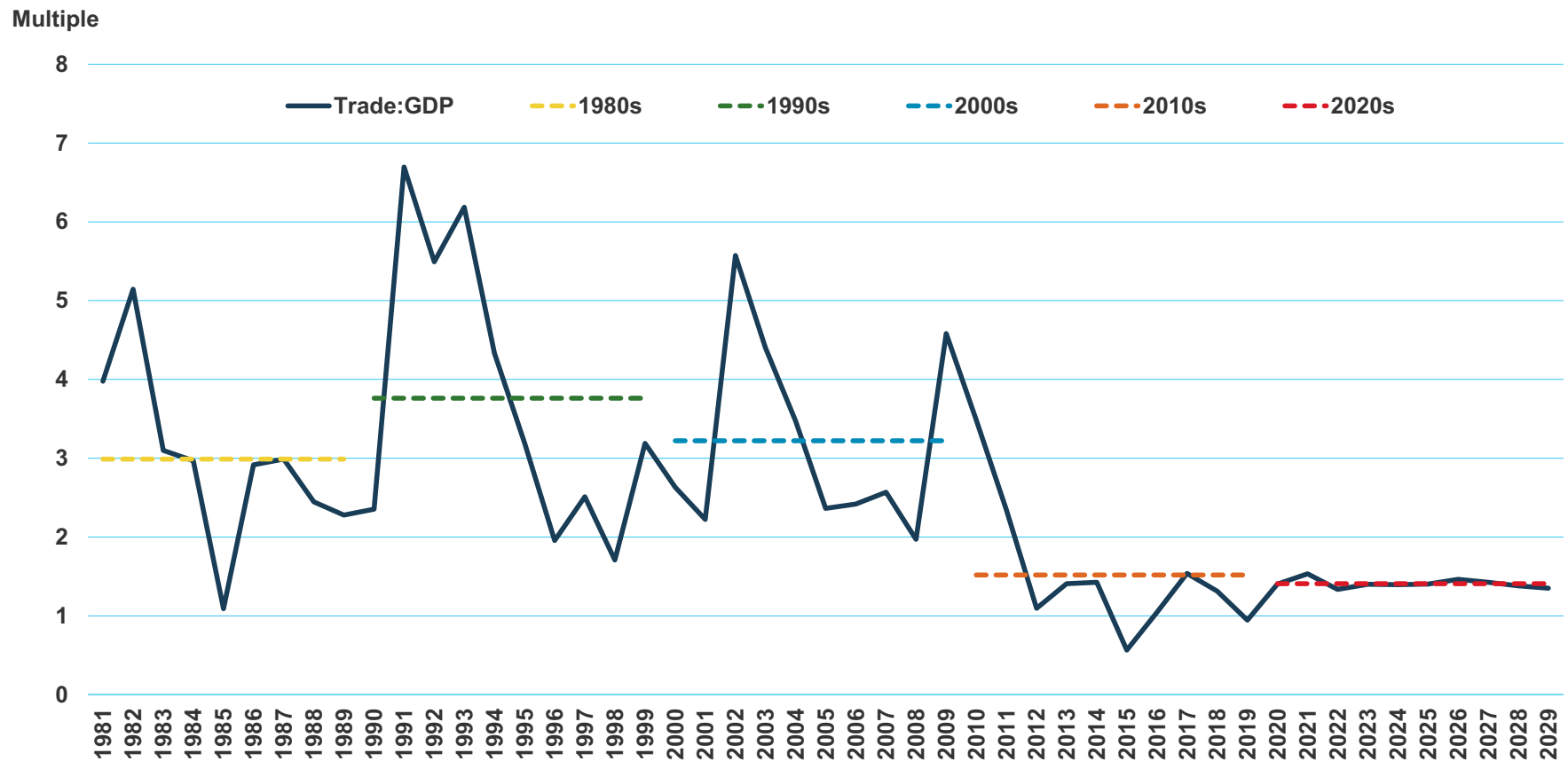
Coal: Potential Replacement Demand



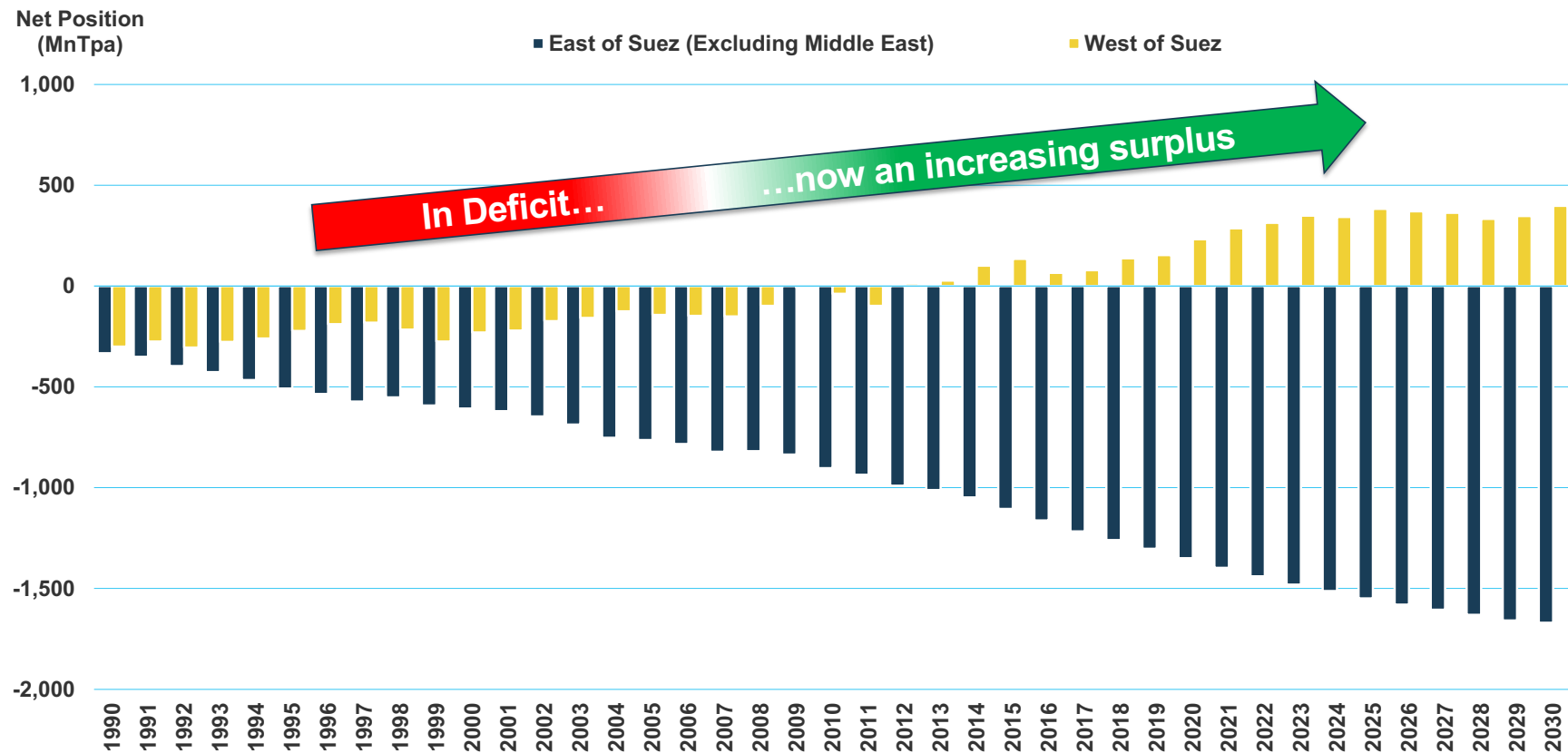
Grains & Minor Bulks: Not so Minor After All



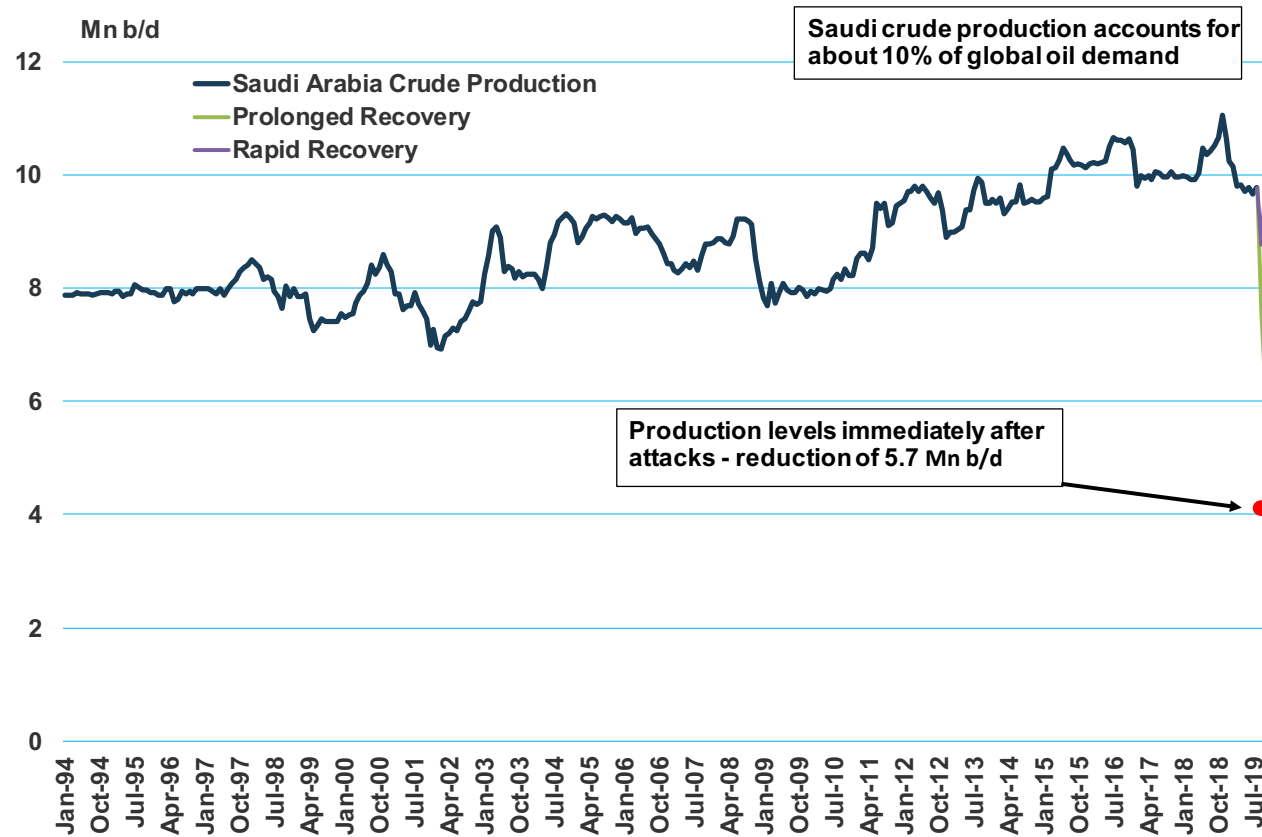
Container Trade: A New Chapter has Already Started



Oil Production – Oil Consumption = Net Position

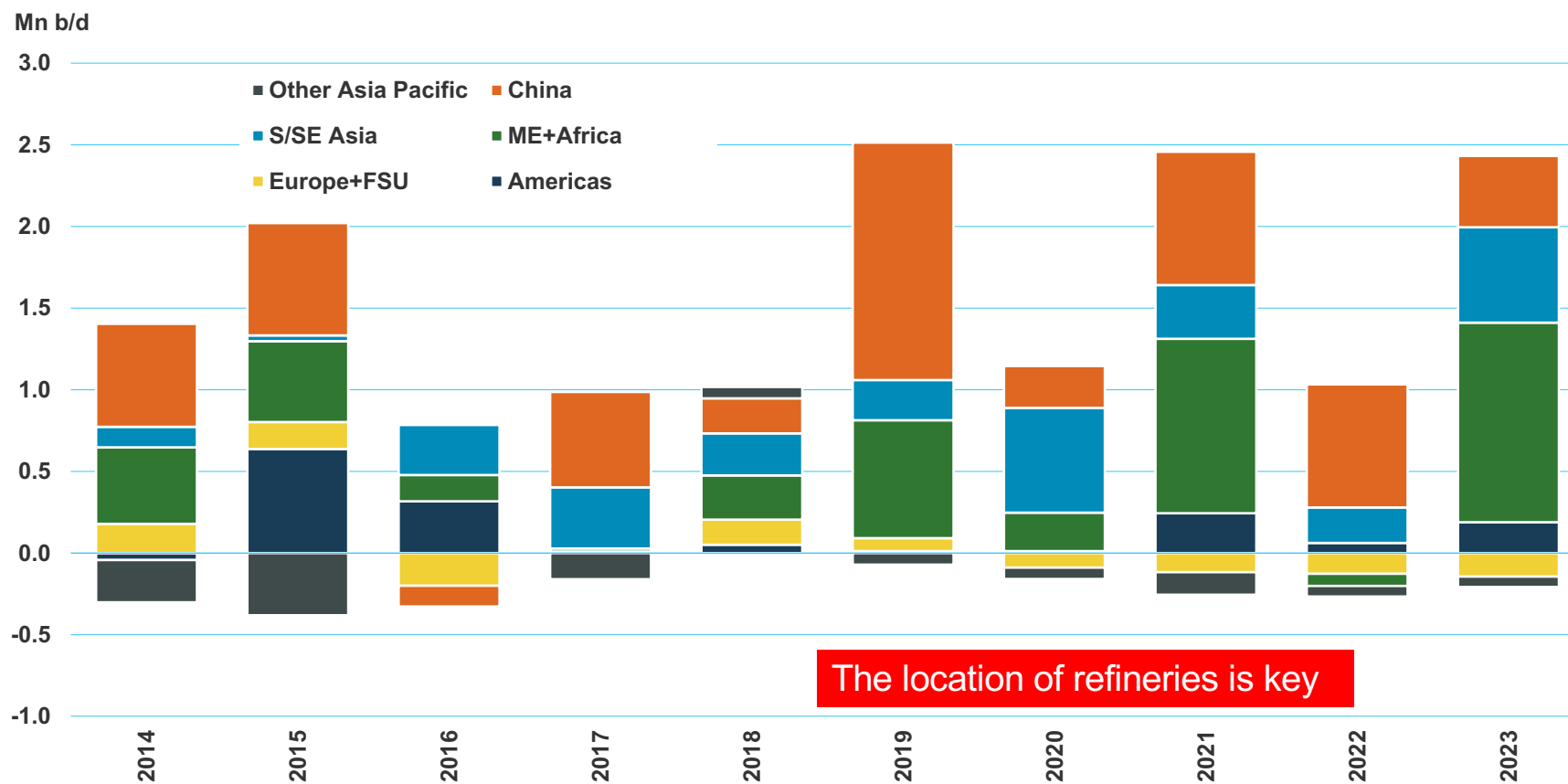


Oil: Saudi Oil Production

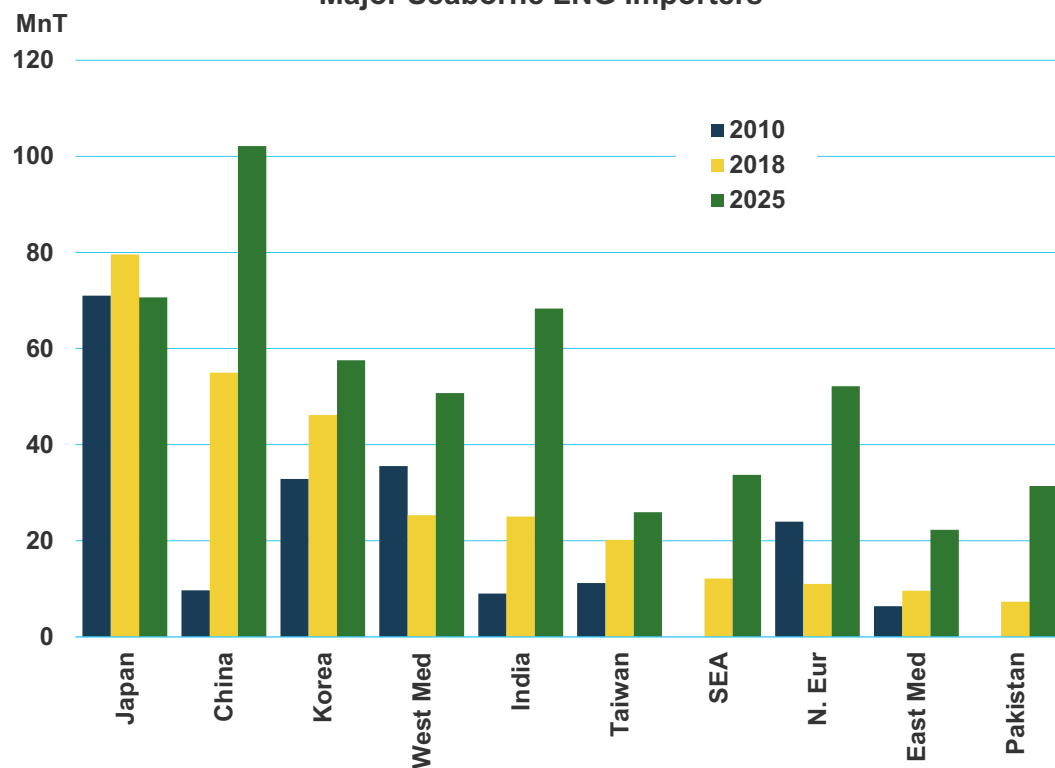


Source: MSI, IEA

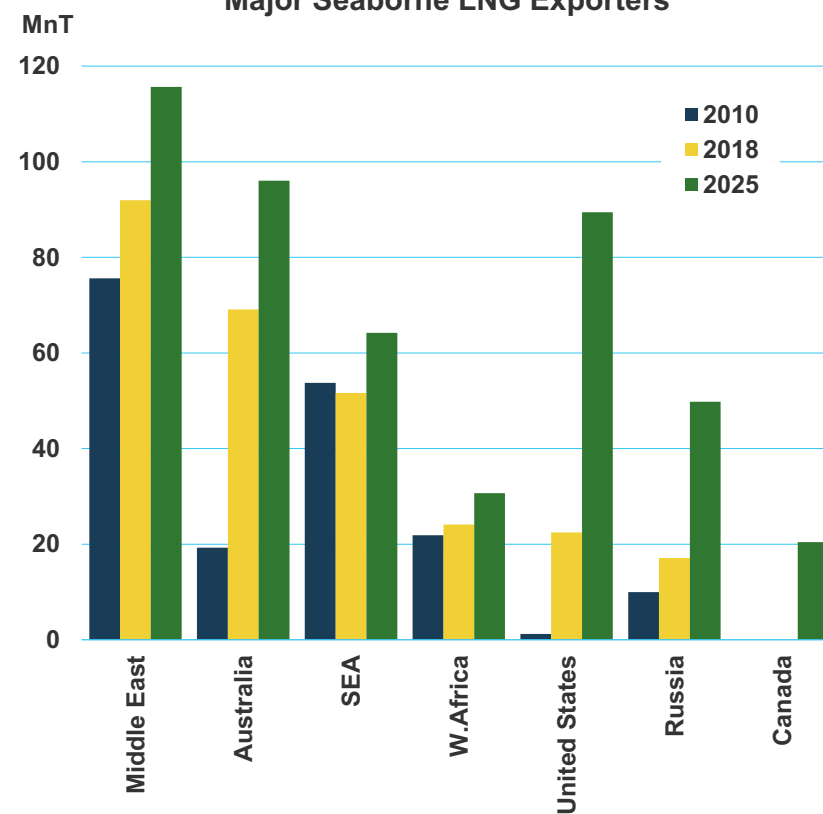
Oil Products: Refinery Capacity Development



Major Seaborne LNG Importers



Major Seaborne LNG Exporters



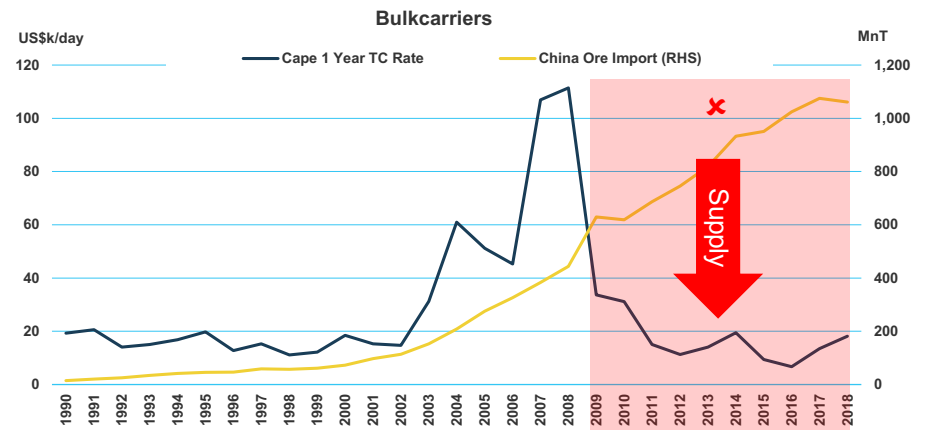
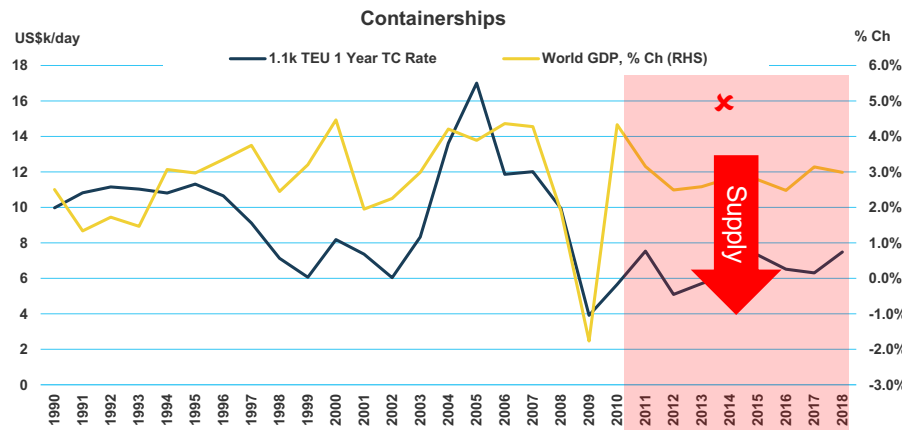
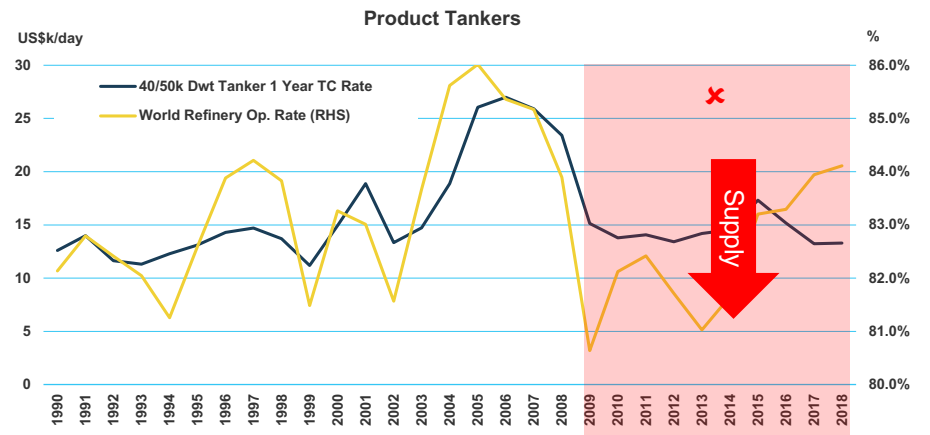
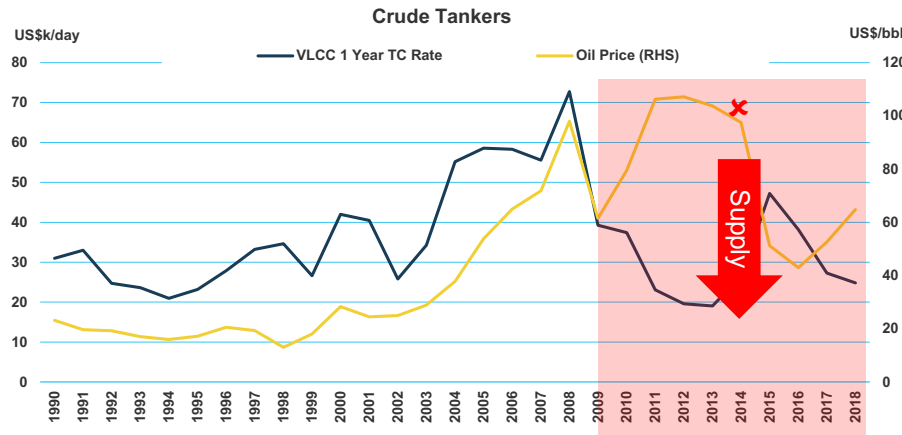


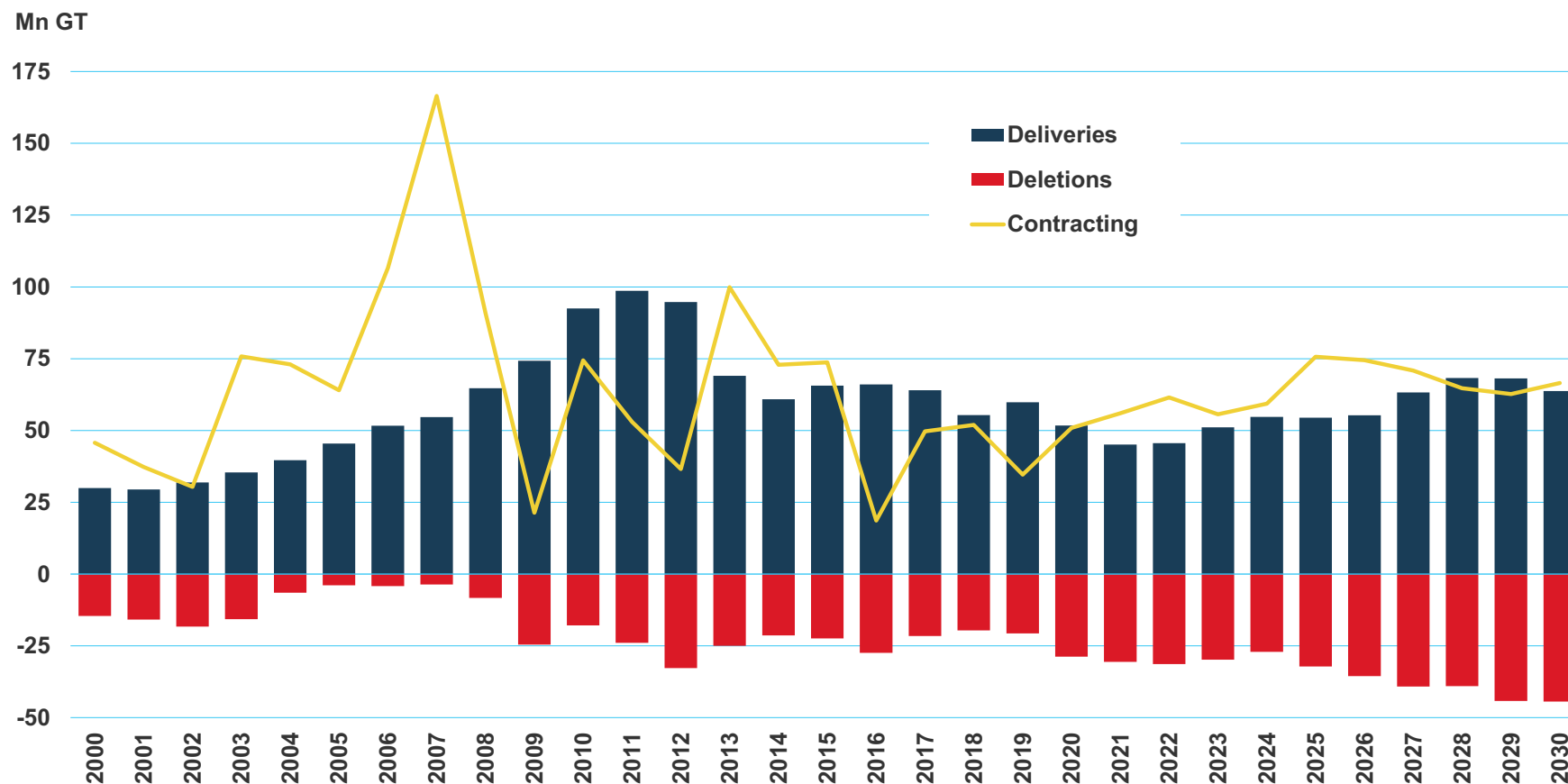
Supply Side Easing

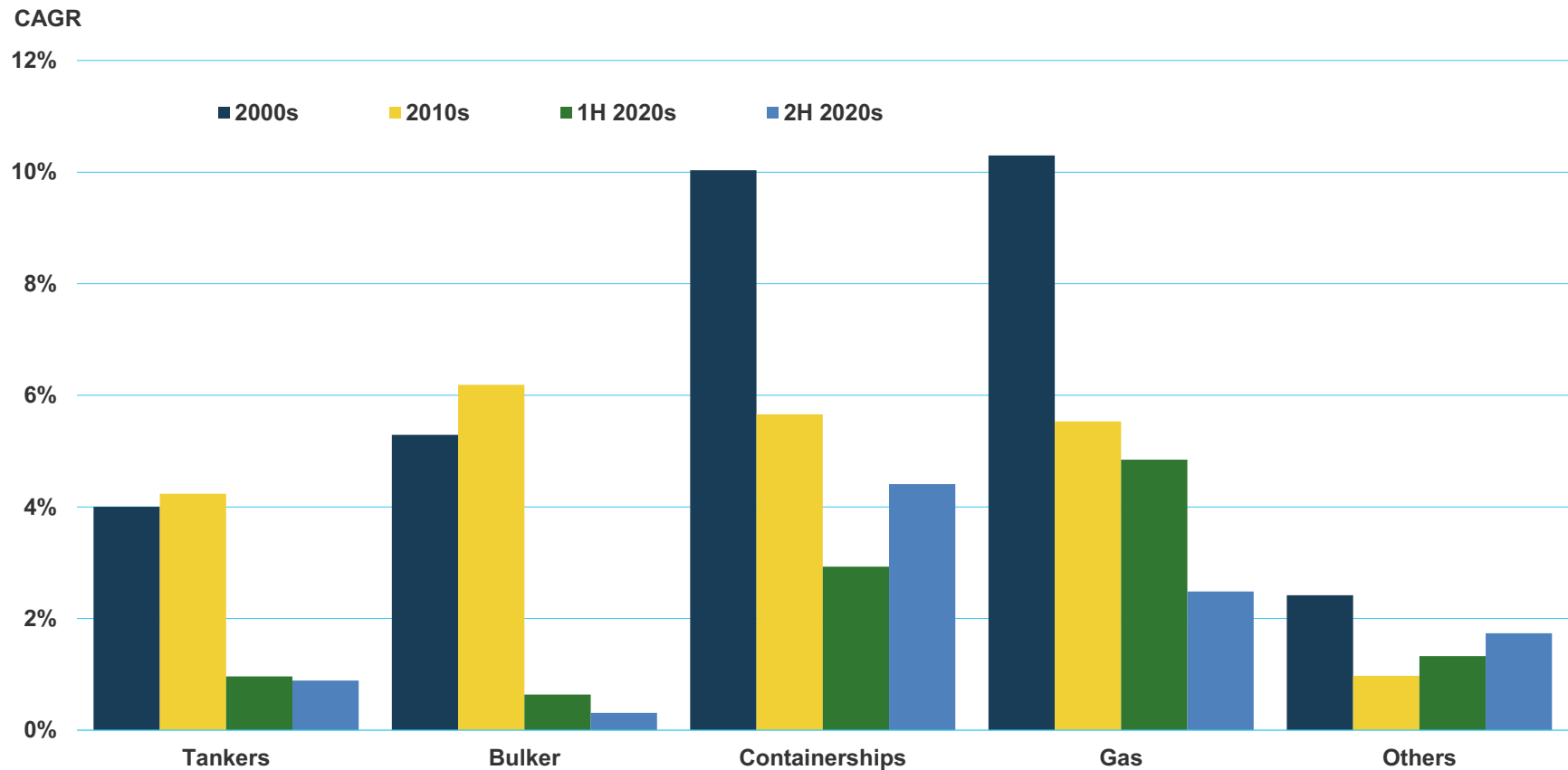
Beyond here lies nothing' but the mountains of the past



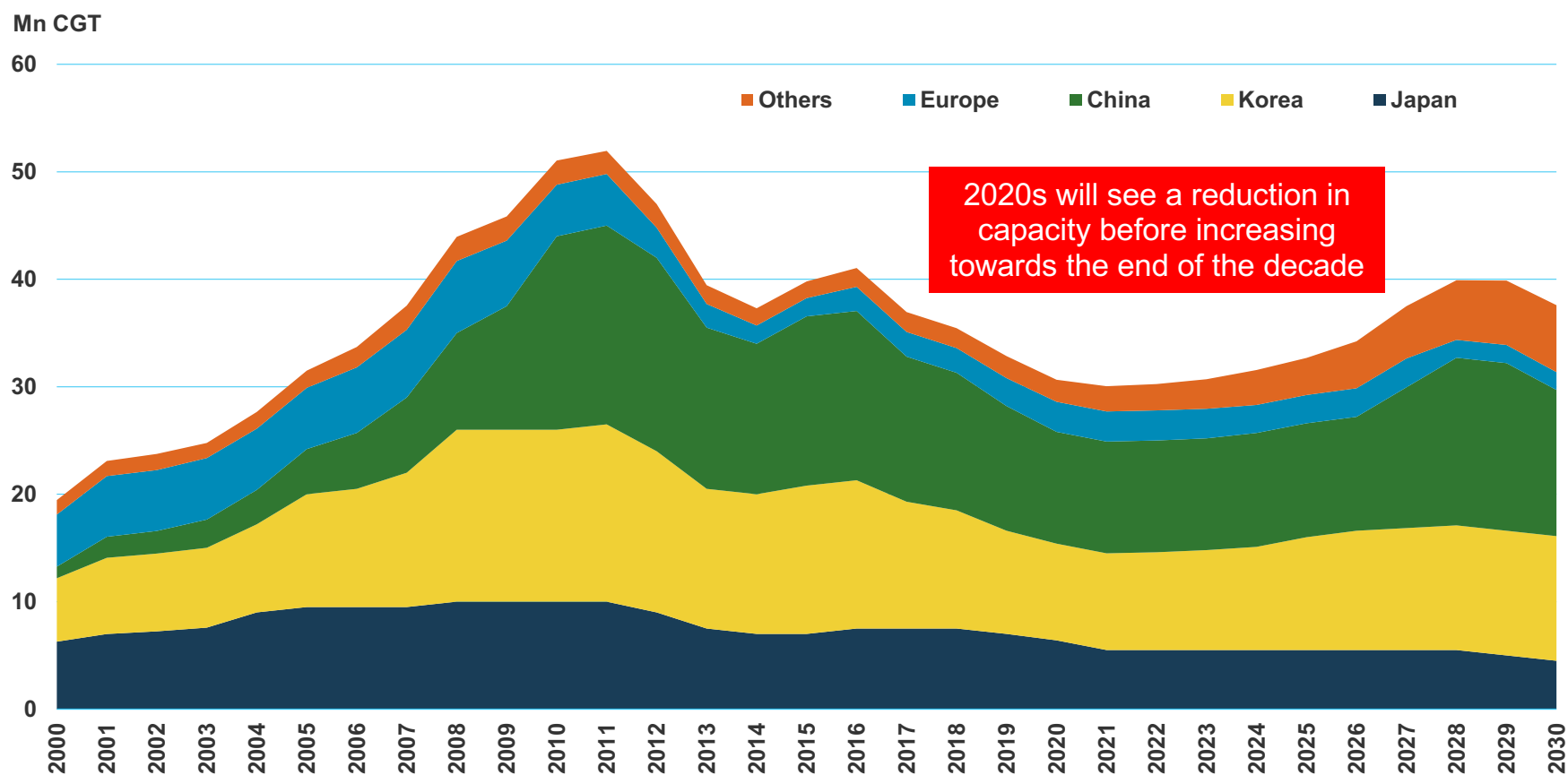
2010s: The Impact of Oversupply







2019 onwards includes MSI's explicit assumptions on contracting, deliveries, scrapping, cancellations and slippage



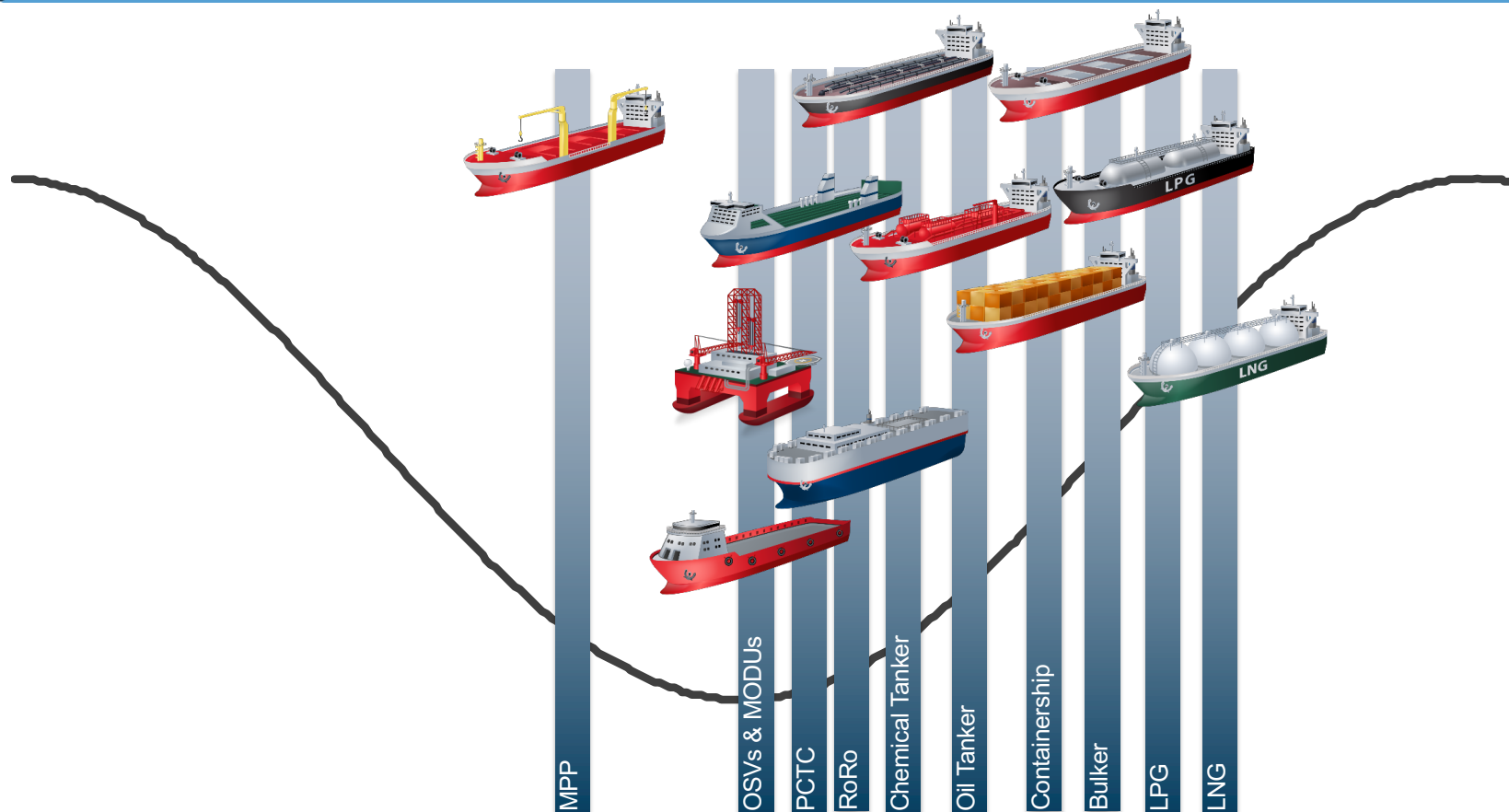


Market Cycles

The only thing I knew how to do was to keep on keepin' on

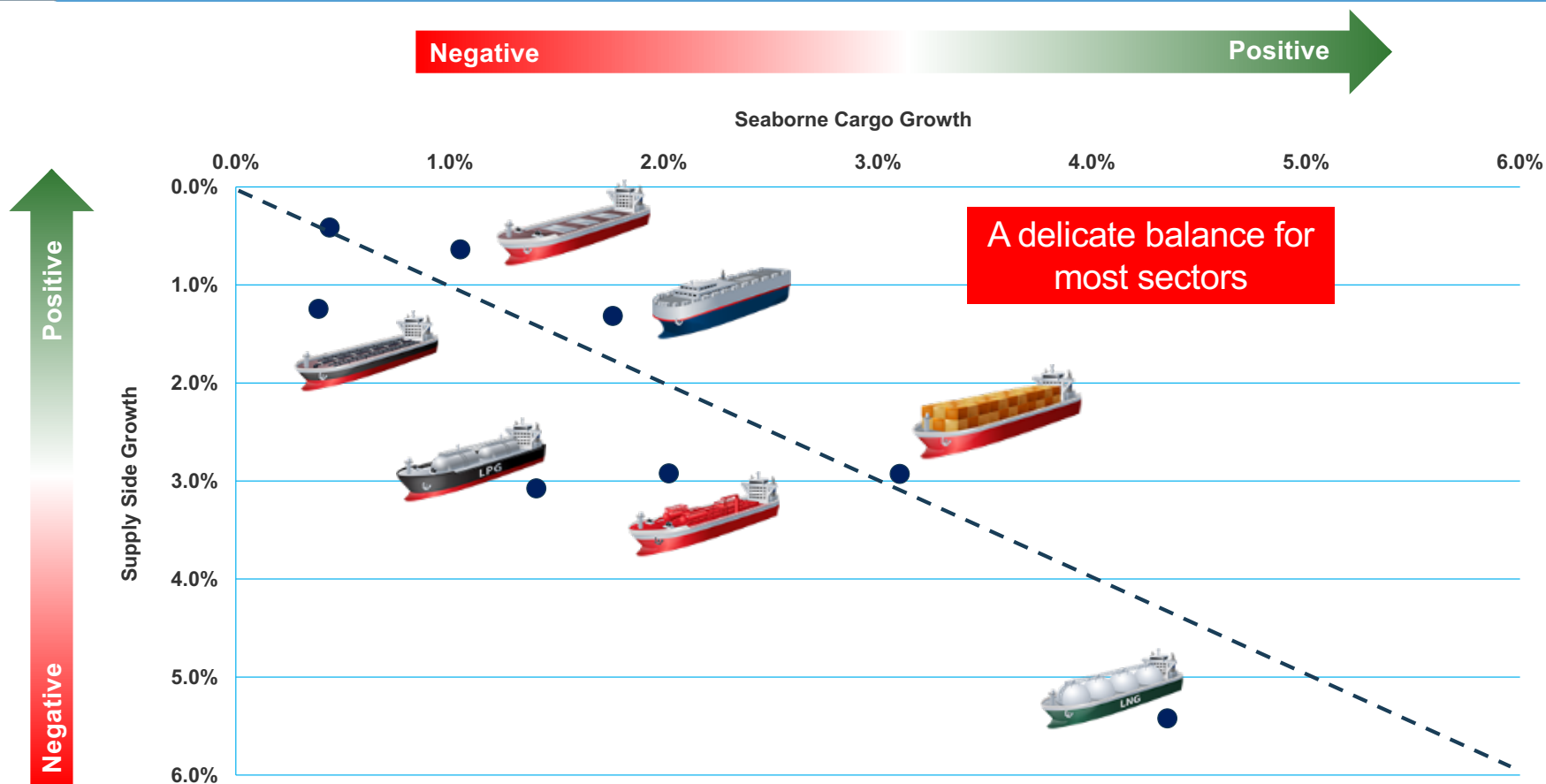


Where on the Earnings Cycle Are We?

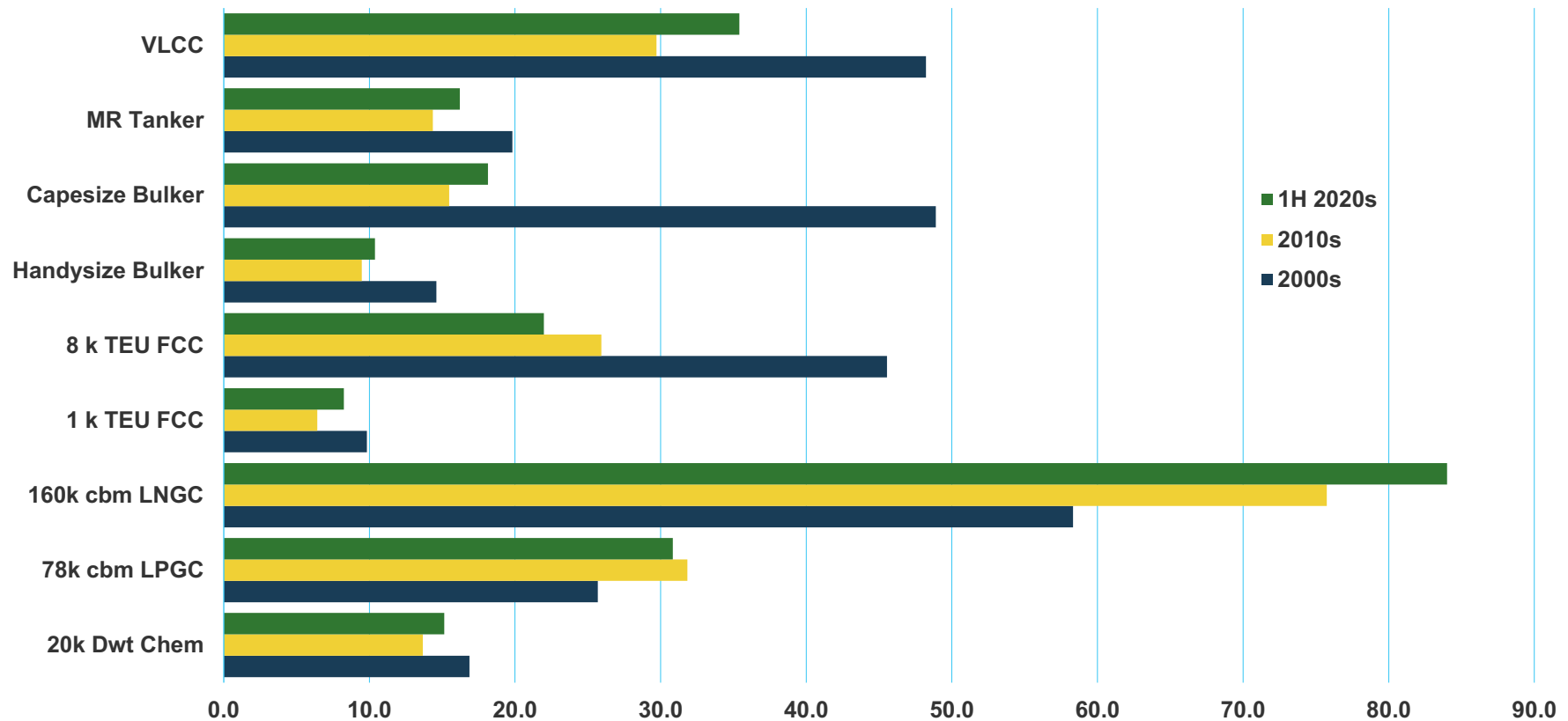


Schematic for illustrative purposes only

1H 2020s: Supply-Demand Balance



Average 1 Yr TC Rate (\$k/day)



Graphite



Diamond

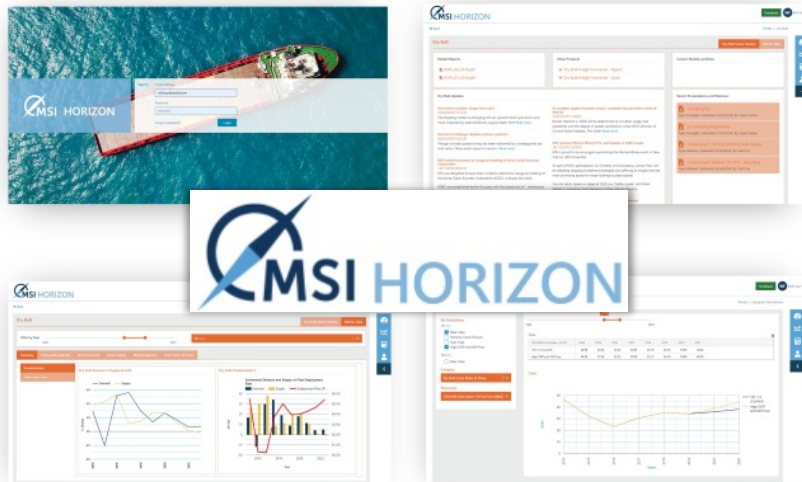


Both Carbon but with different structural modifications

Looking to the HORIZON

May you have a strong foundation, when the winds of changes shift





MSI HORIZON is our new online platform.

Bringing together all of MSI's services onto **one centralised portal**, it offers unparalleled insights into the shipping & offshore markets.

Enhanced functionality includes:

- (1) Enhanced data reporting
- (2) Simultaneous, cross-sector model forecast simulations
- (3) Integration of MSI's forecasting models with FMV



- MSI Forecast Marine eValuator (FMV) is the first [web-based](#) tool to provide [forecast and historical price data](#) covering virtually all of the deepsea shipping fleet along with offshore vessels and units.
- Data includes [forecasts of newbuilding, second-hand prices, 1 year timecharter rates and operating costs](#) for specific assets.
- MSI FMV draws on MSI's [proven, proprietary models](#) and a consistent cross-sectional view across all principal shipping and offshore sectors. It puts asset values in the context of both historical averages and the near term market to enable reliable, consistent benchmarking.



Crude Oil Tanker



Product Oil Tanker



Dry Bulk Carrier



PSV & AHTS



Chemical Tanker



LPG Carrier



LNG Carrier



Drill Ships &
Semi Subs



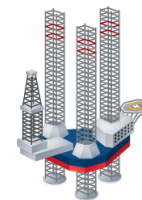
Multi Purpose



Containership



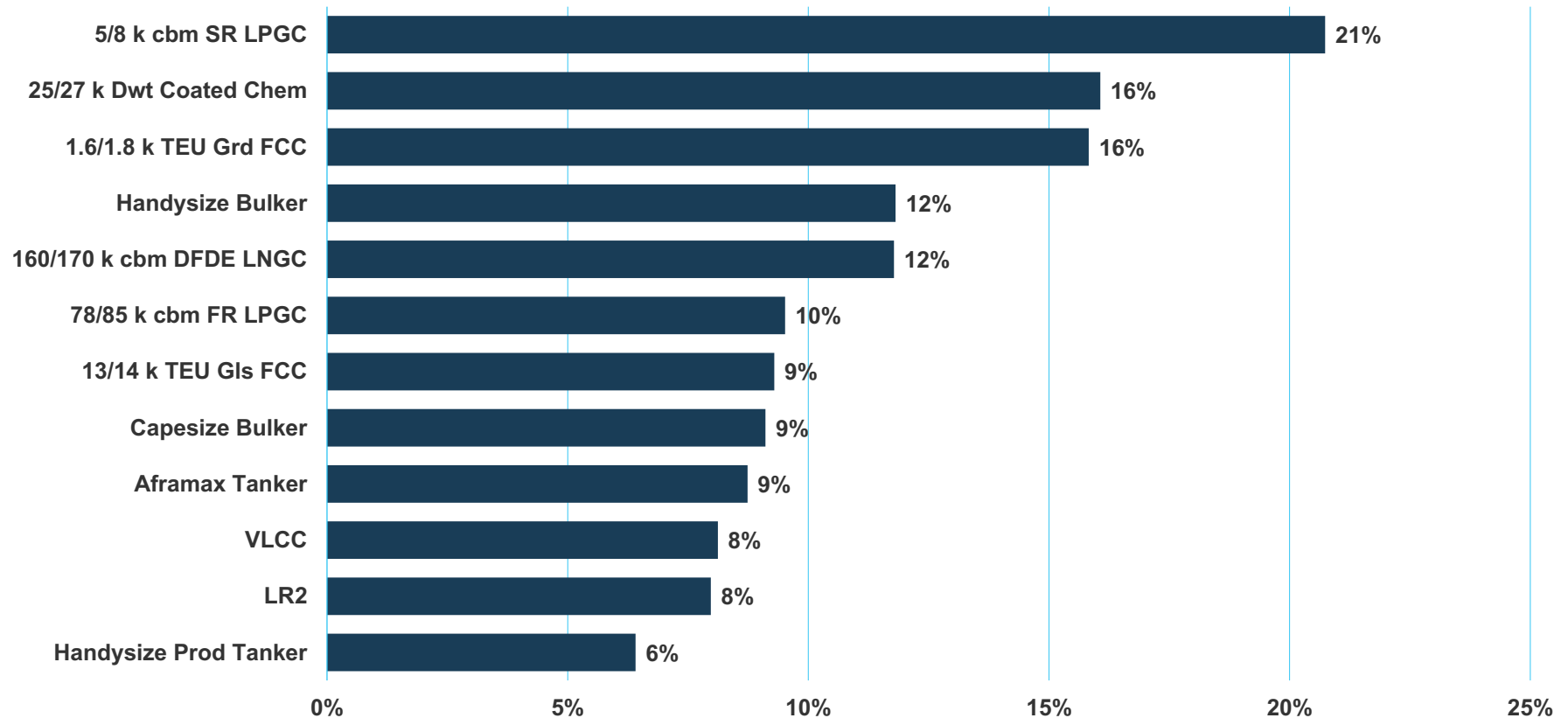
PCC/PCTC



Jack-Ups

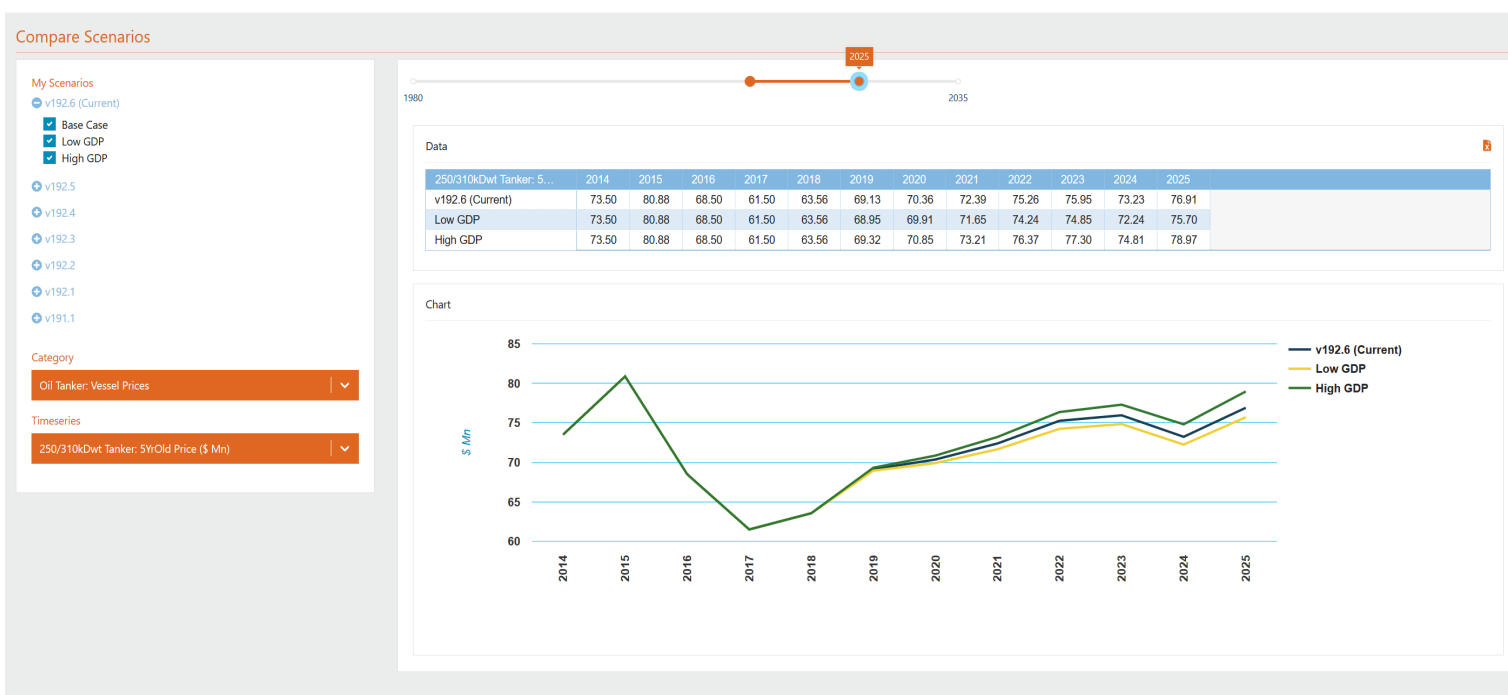
2020s: Placing Bets on 5 Year Old Ships

IRR (%)



Scenarios and “What if Questions?” can be answered.

What is the impact on 5 year old VLCC price if Chinese GDP is $\pm$ 100 basis points on base case?





MSI Background & Disclaimer

For over 30 years, MSI has developed integrated relationships with a diverse client base of financial institutions, ship owners, shipyards, brokers, investors, insurers and equipment and service providers.

MSI's expertise covers a broad range of shipping sectors, providing clients with a combination of sector reports, forecasting models, vessel valuations and bespoke consultancy services.

MSI's team is comprised of professionals with extensive academic credentials, deep industry knowledge and many years experience of delivering successful client projects.

MSI balances analytical power with service flexibility, offering a comprehensive support structure and a sound foundation on which to build investment strategies and monitor/assess exposure to market risks.

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