Crosscurrents and Choppy Waters: Navigating Towards A Safe Haven

Dr Adam Kent - Marine Money Week Asia, Sept 23rd – 24th 2025

MSI

Headline Market View

Crosscurrents and Choppy Waters – MM Asia, September 2025

Shipping's Not Short of Headlines

... and they keep coming

- **Headlines**
- Cargo
- Demand
- Supply
- Earnings and Values

How Have Sectors Performed in the Last Year

Almost all markets have softened

- **Headlines**
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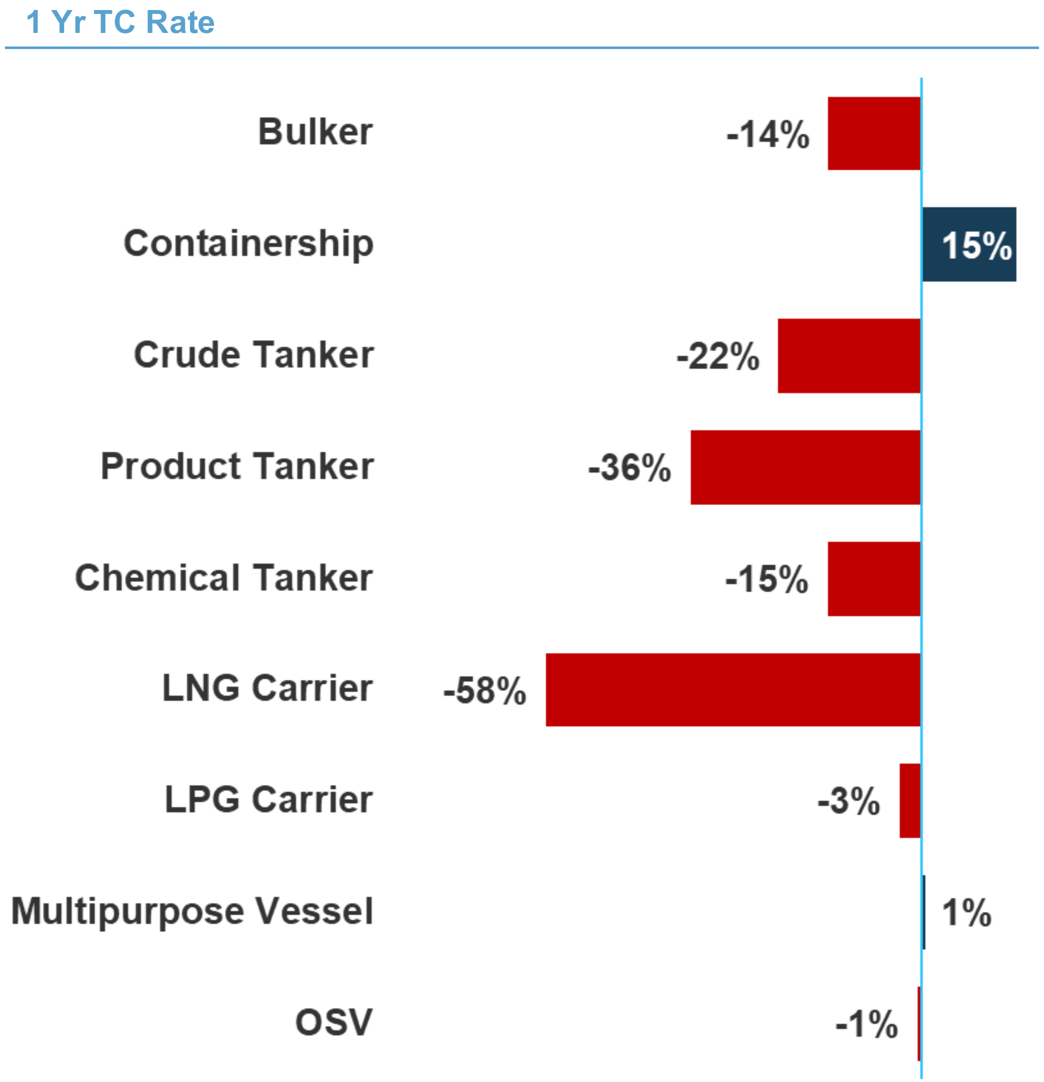

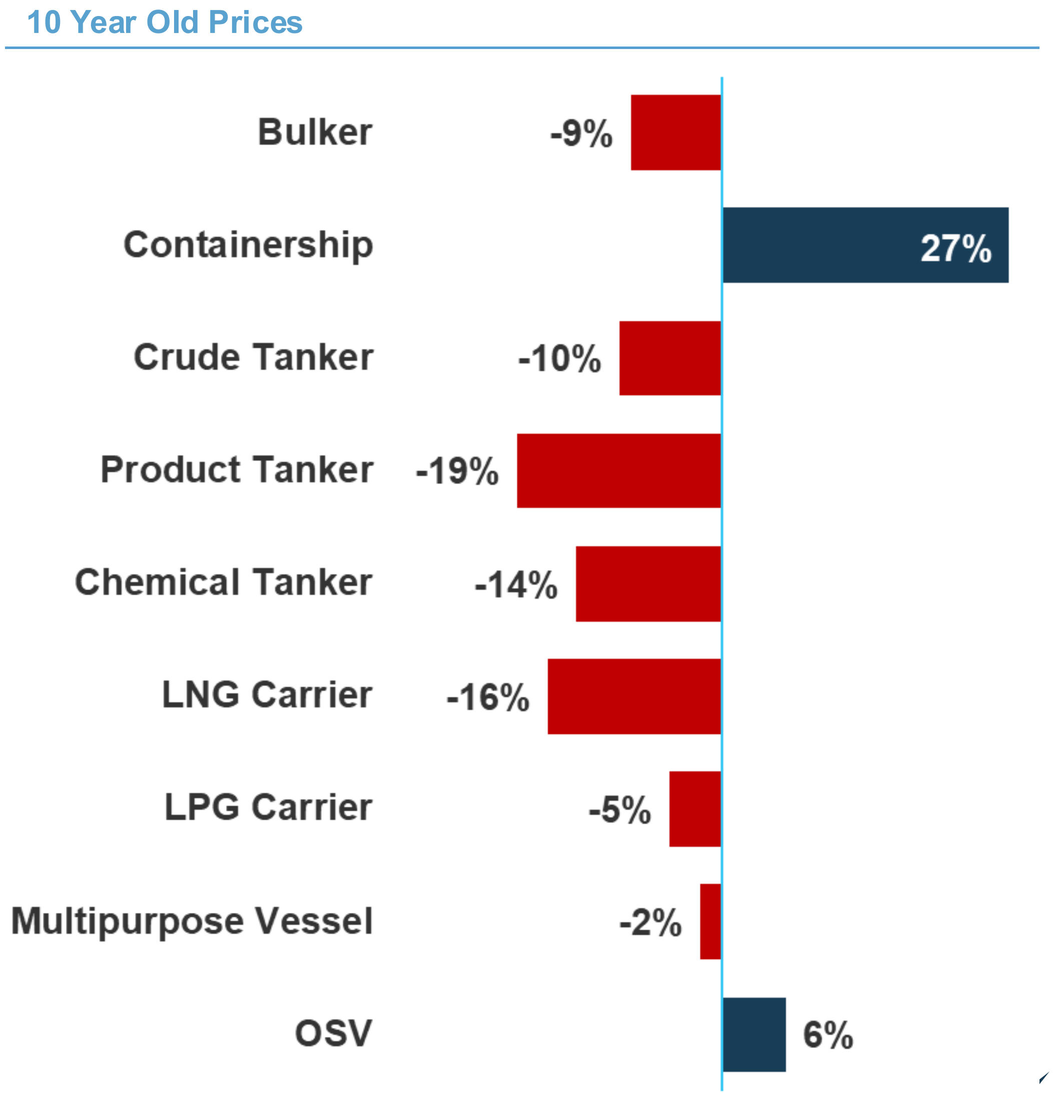

Current Earnings

Where are we on the cycle?

- **Headlines**
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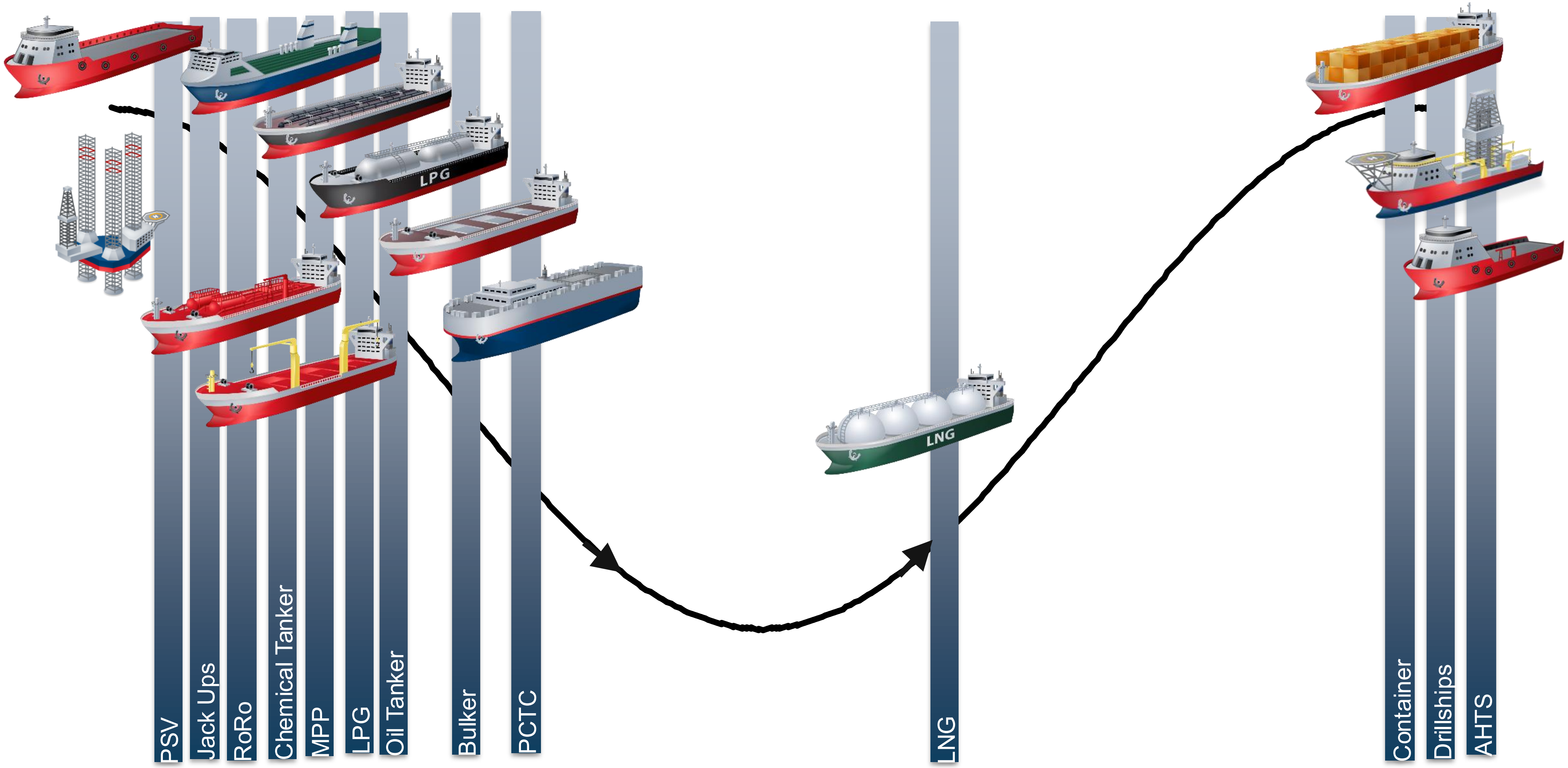

Note: Infographic for illustrative purposes only!

Current Breakeven Versus Earnings

Many sectors still making money even at lower rates

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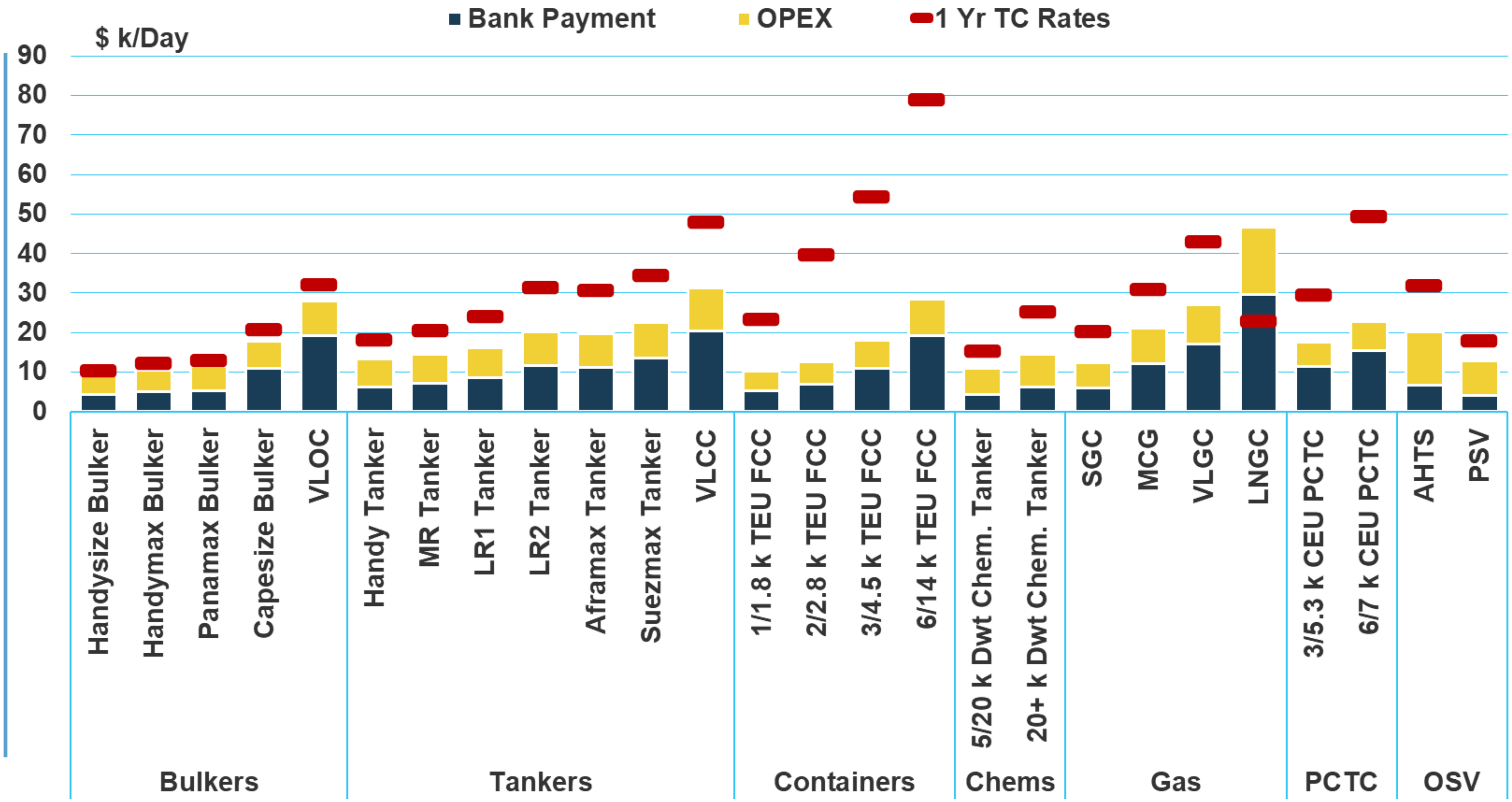
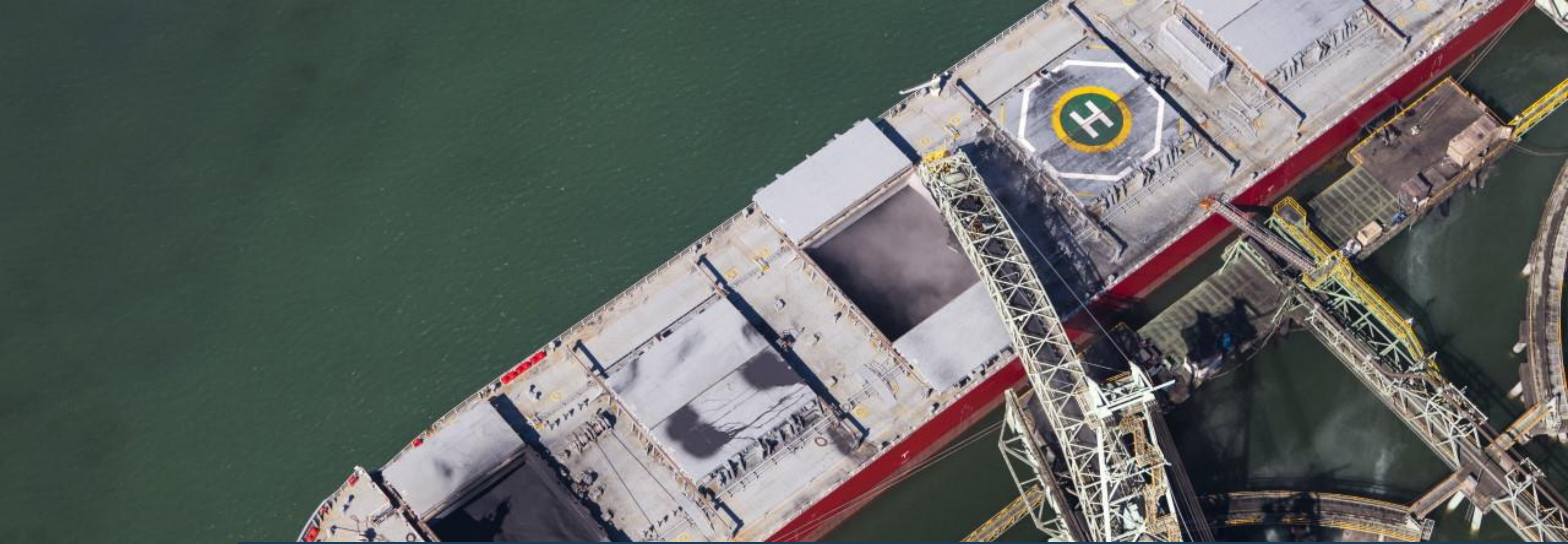


Assumptions: 5 Yr Old Prices, 60% LTV, 7% interest, 15-year loan profile



Cargo Developments

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Cargo Growth

Improved position versus the last 5 years, but not what it once was

- Headlines
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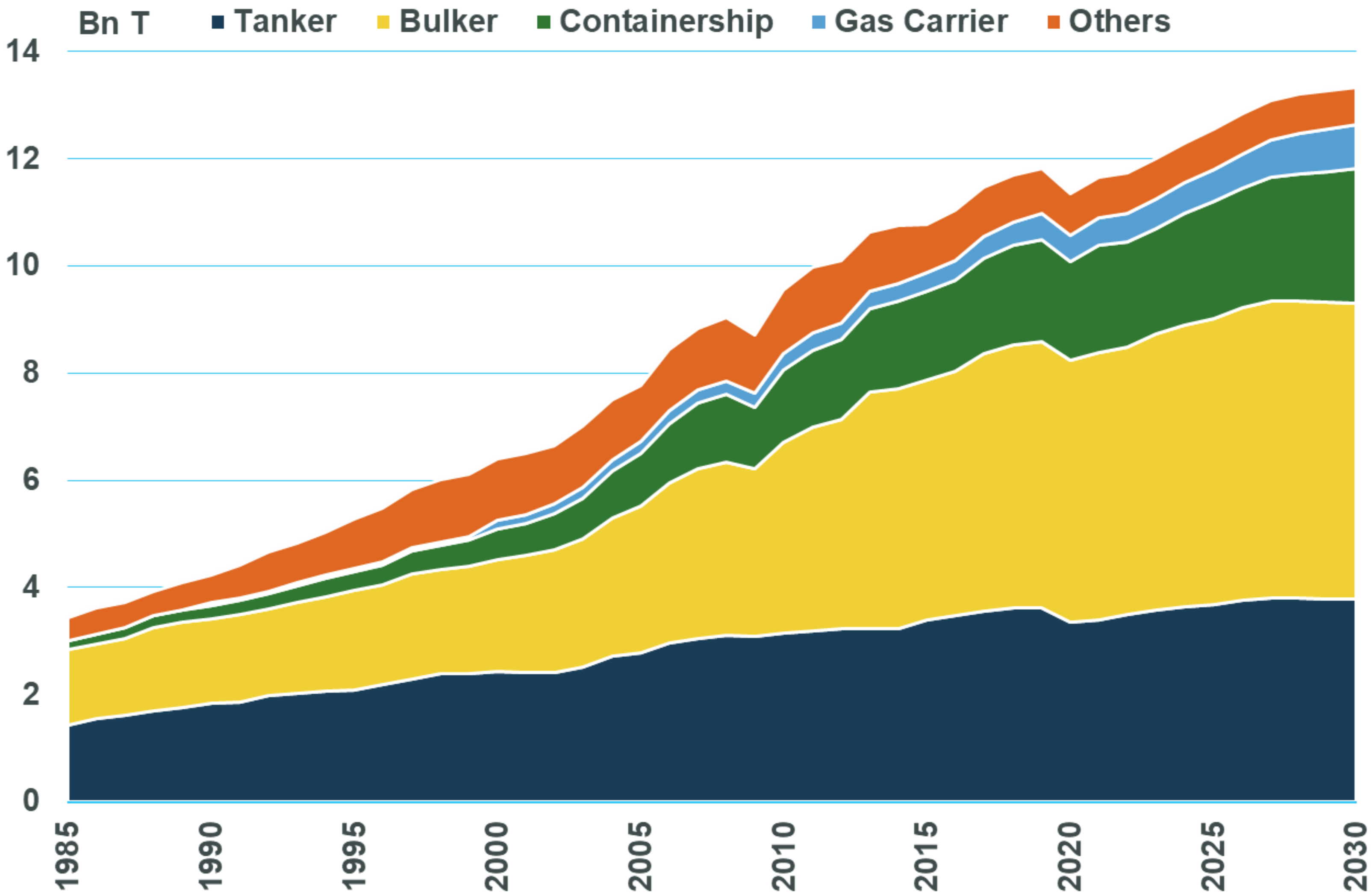

5 Year Period	Average Growth
1985-1989	3.9%
1990-1994	4.7%
1995-1999	4.3%
2000-2004	4.5%
2005-2009	3.2%
2010-2014	4.7%
2015-2019	2.0%
2020-2024	0.8%
2025-2029	1.6%

Cargo Growth

Growth in almost all instances

- Headlines
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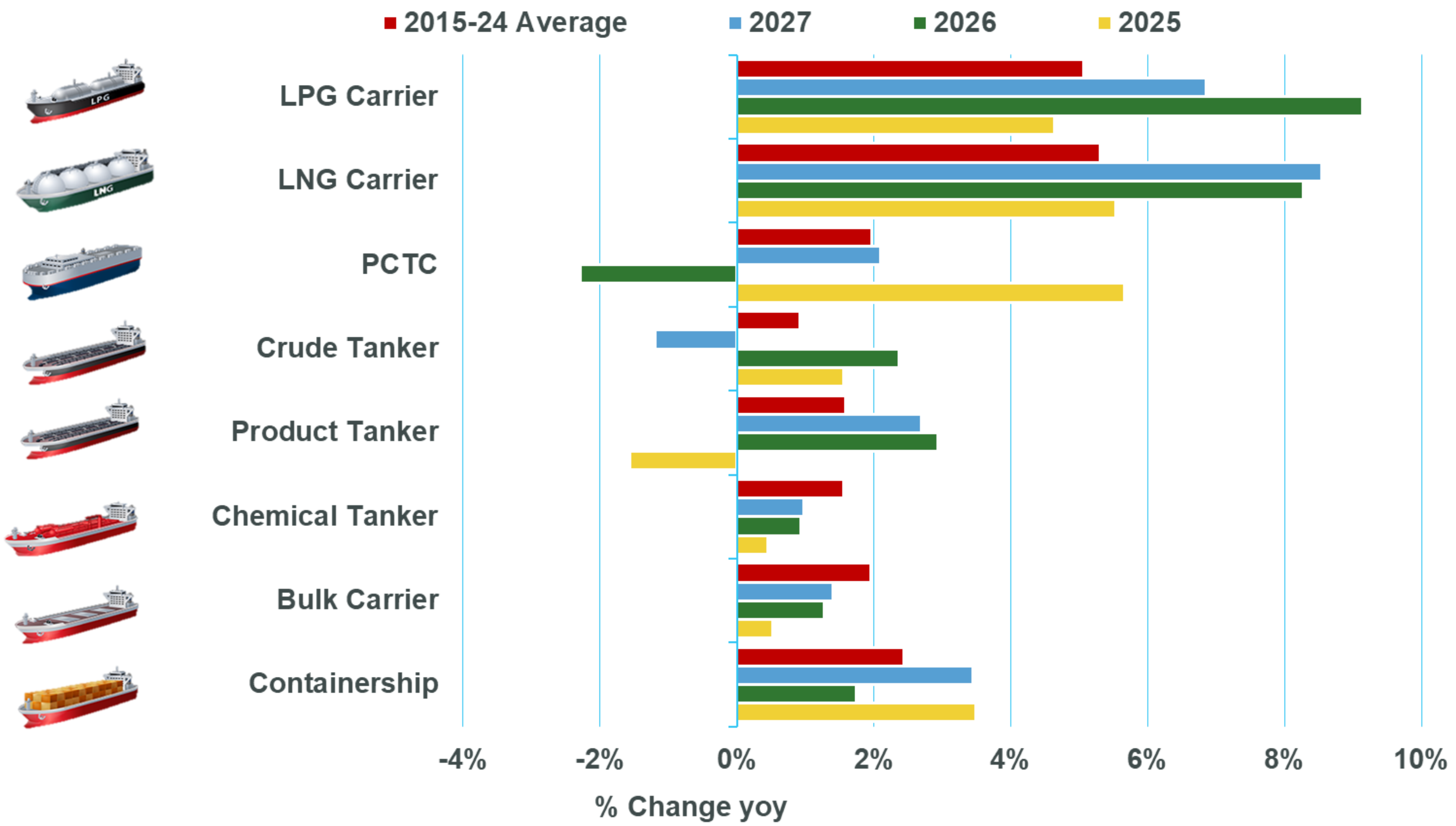

Container Trade

Mainlanes cooling, non-mainlanes going great guns

- Headlines
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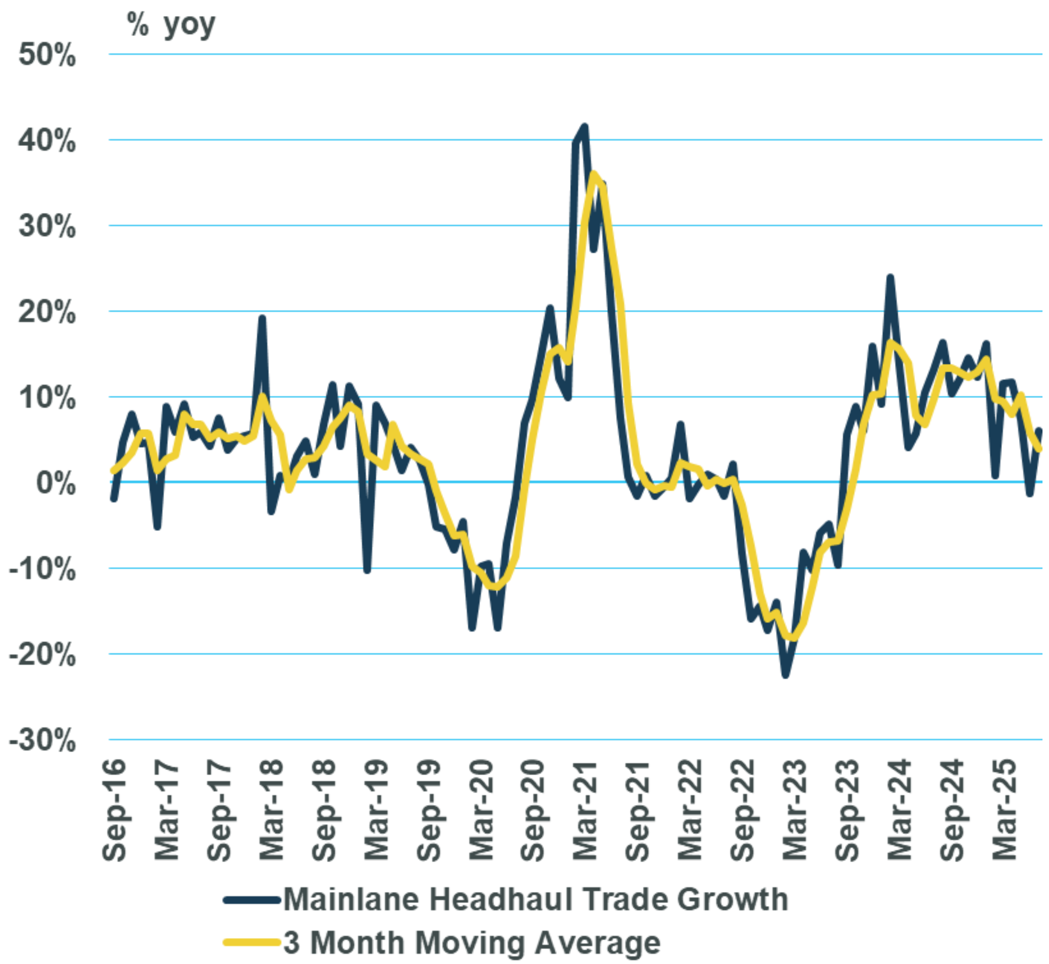
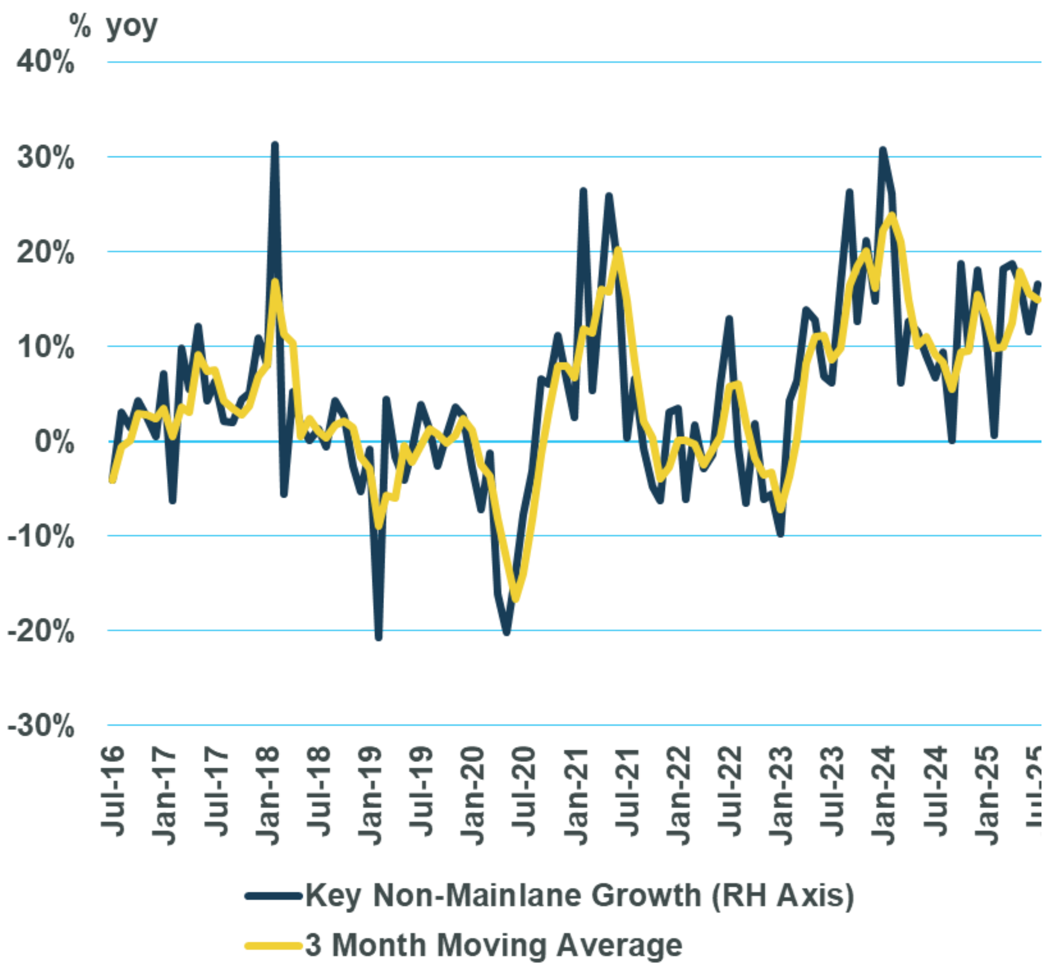
Mainlane Trade Growth Trends



Key Non-Mainlane Trade Trends



Container Trade

Tariffs appearing to have an impact, but aggregate trade will continue to grow

- Headlines
- [Cargo]
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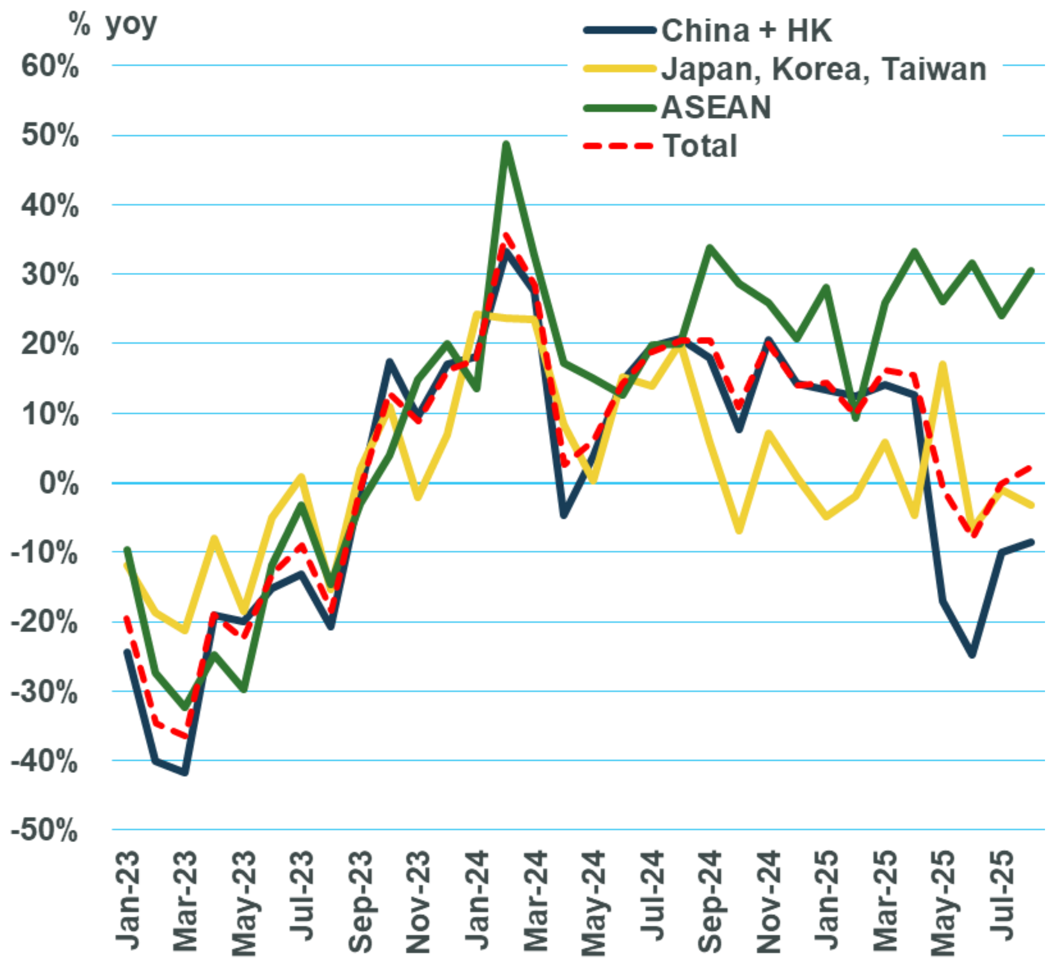
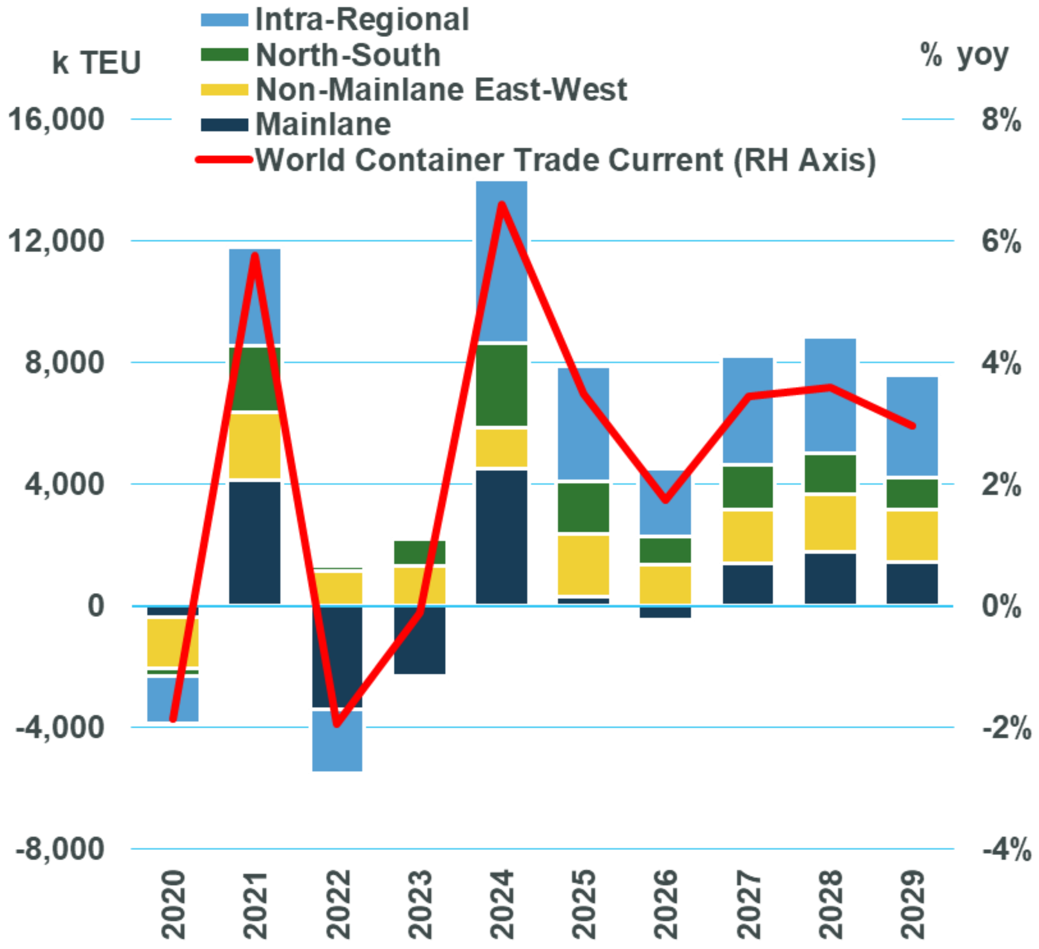
Transpacific Trade to US by Trade Partner



Incremental Container Trade



Bulker Trade

Chinese stocks and coal consumption aren't supportive this year

- Headlines
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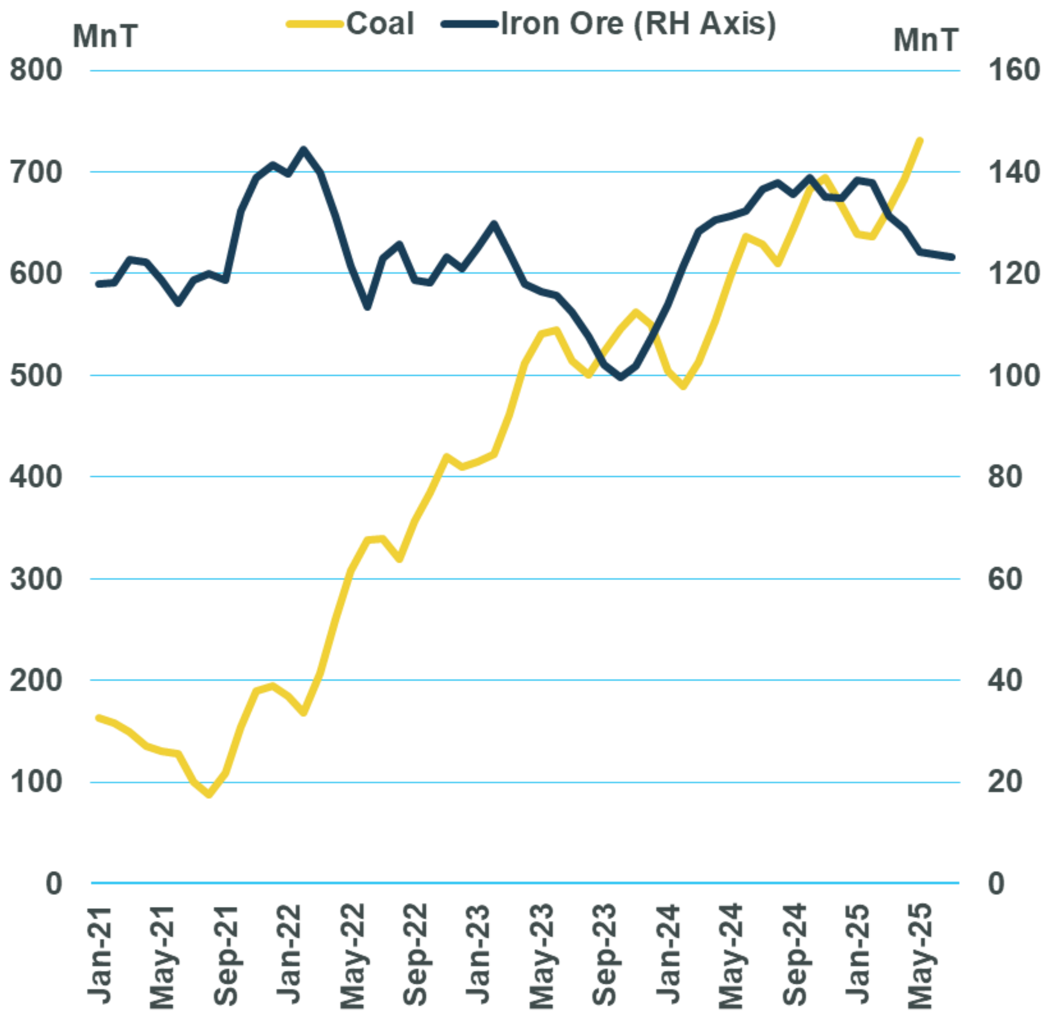
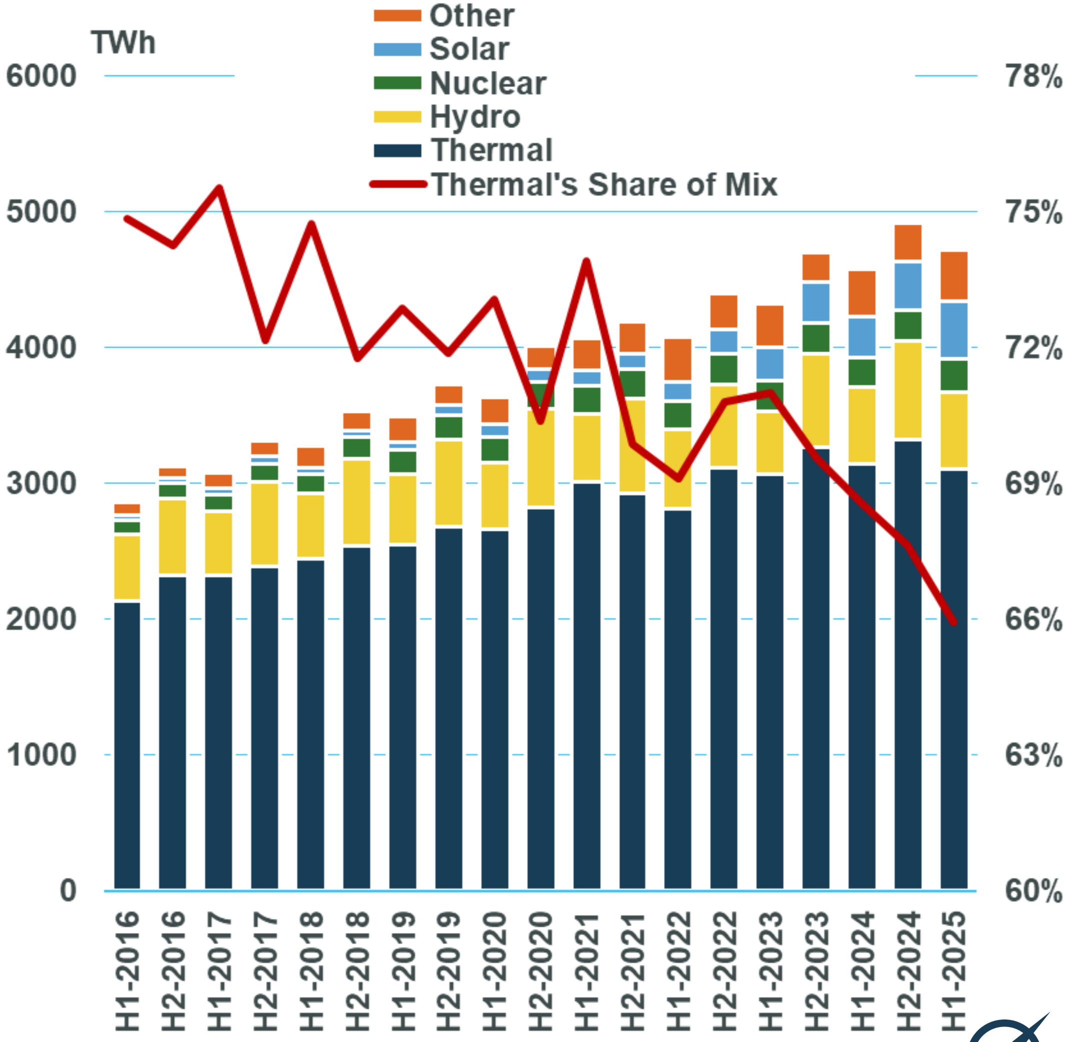
Chinese Stockpiles are High by Historical Standards



Chinese Energy Mix – Not Looking Good for Thermal Coal



Bulker Trade

Some recent bright spots

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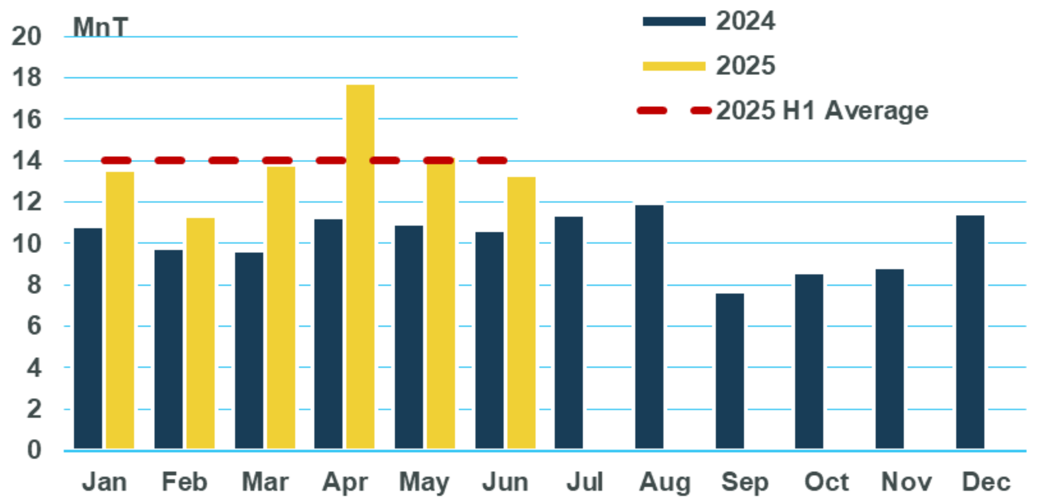
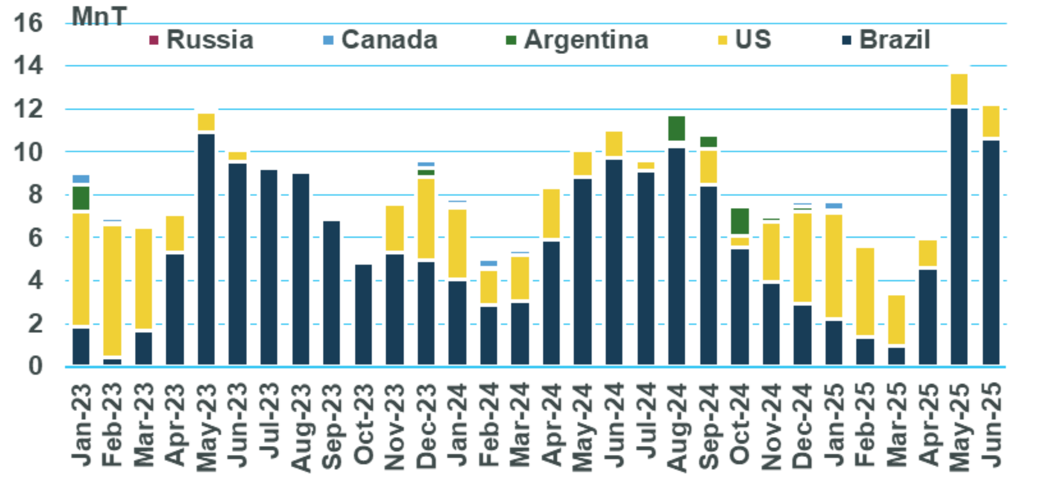
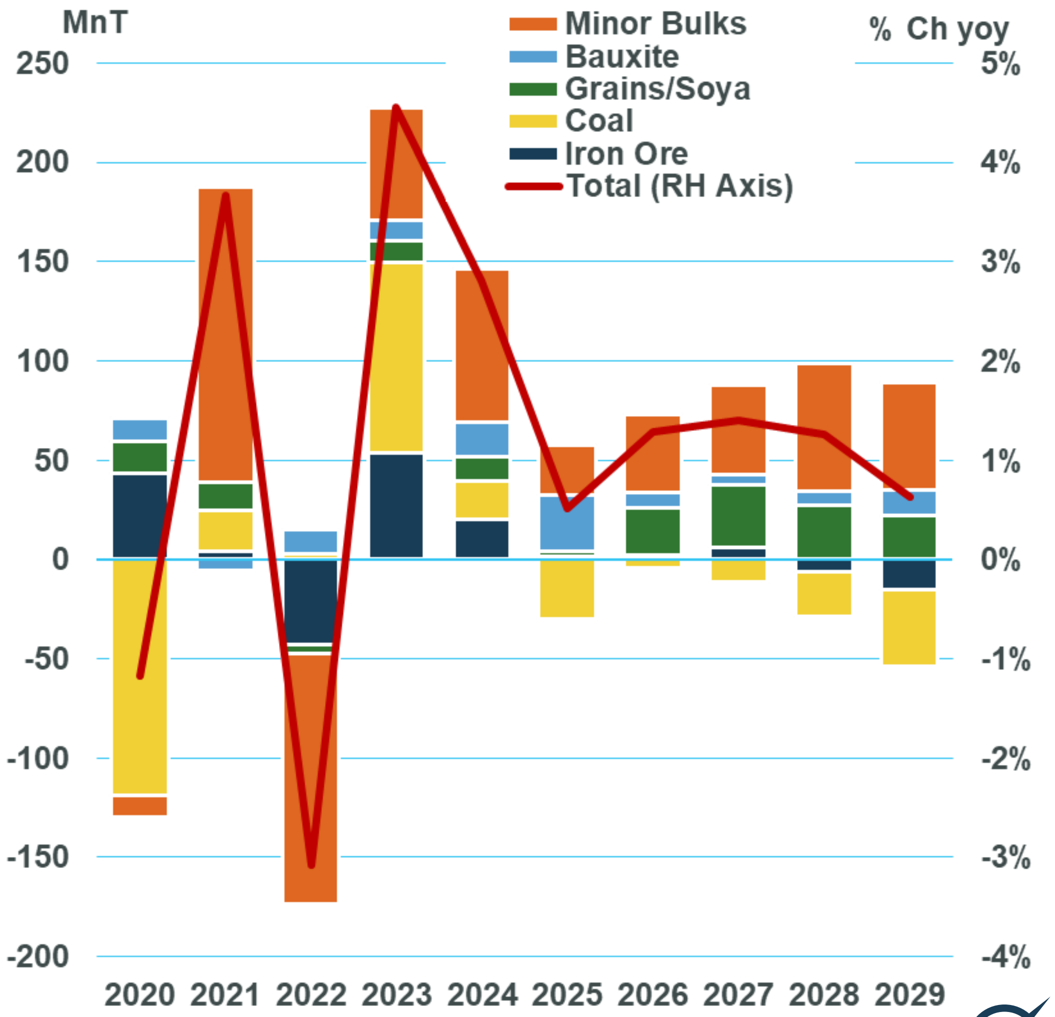
Guinean Bauxite Exports



Chinese Soy Imports



Incremental Dry Bulk Trade



Oil Demand Slowing

Though production is seesawing

- Headlines
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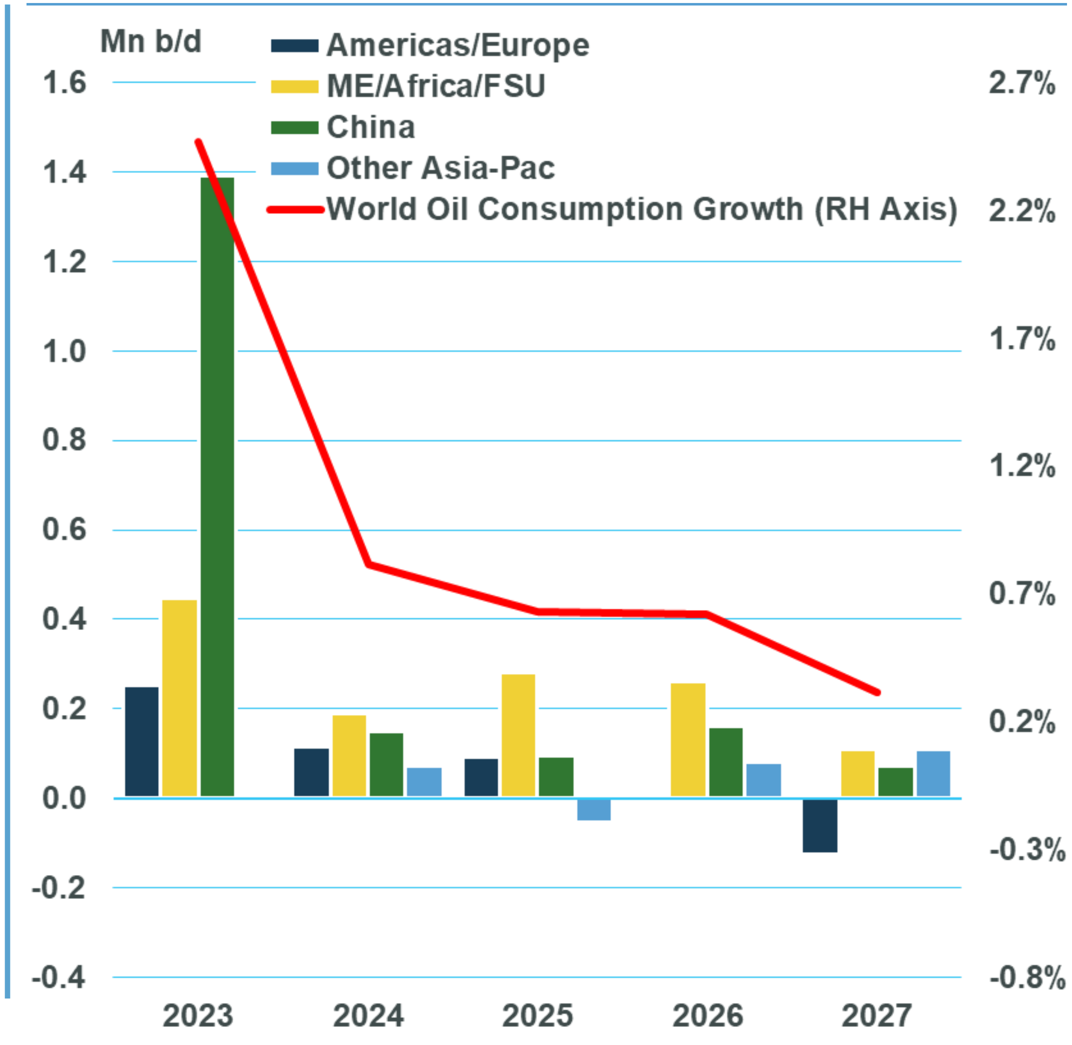
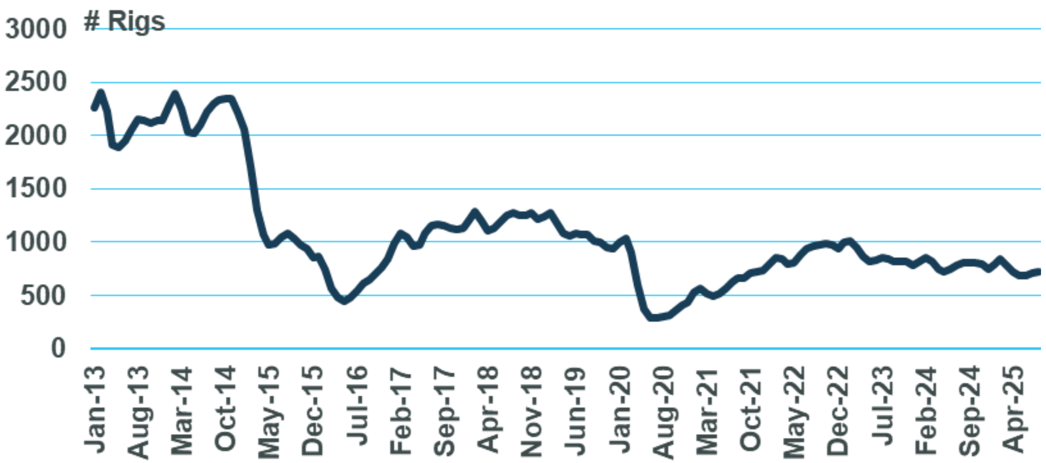
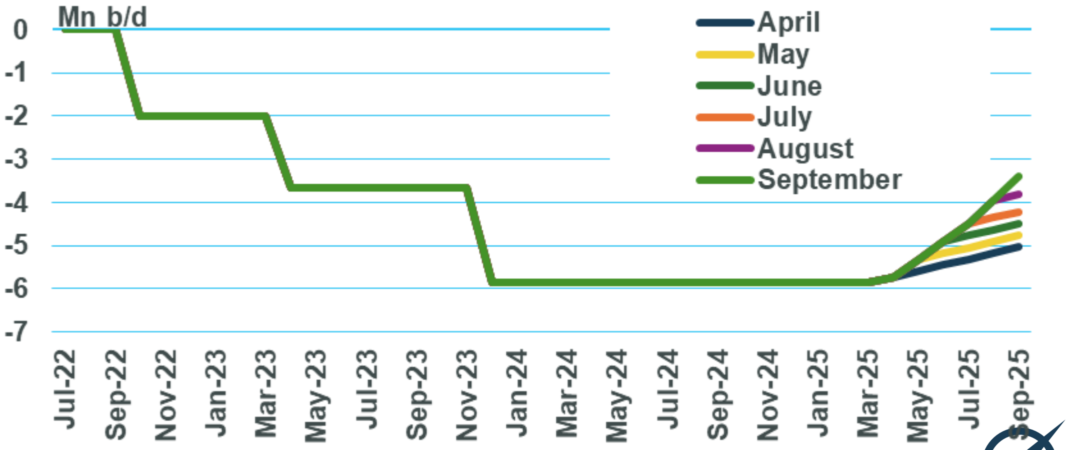
Oil Demand Growth



US Rig Count



Revisions to OPEC Production Schedule



Oil Trade to Eventually Suffer

Market dynamics will continue to change driven in large by refinery location

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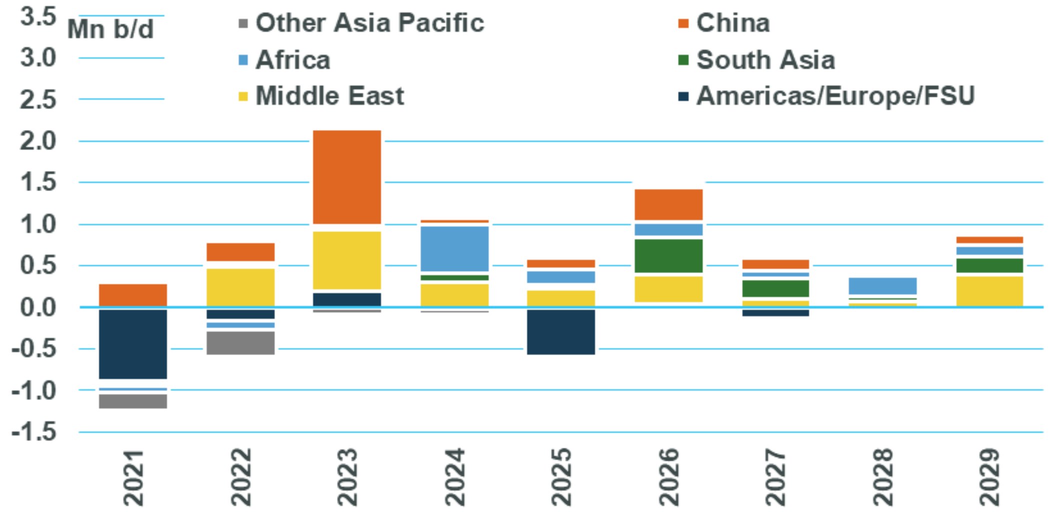
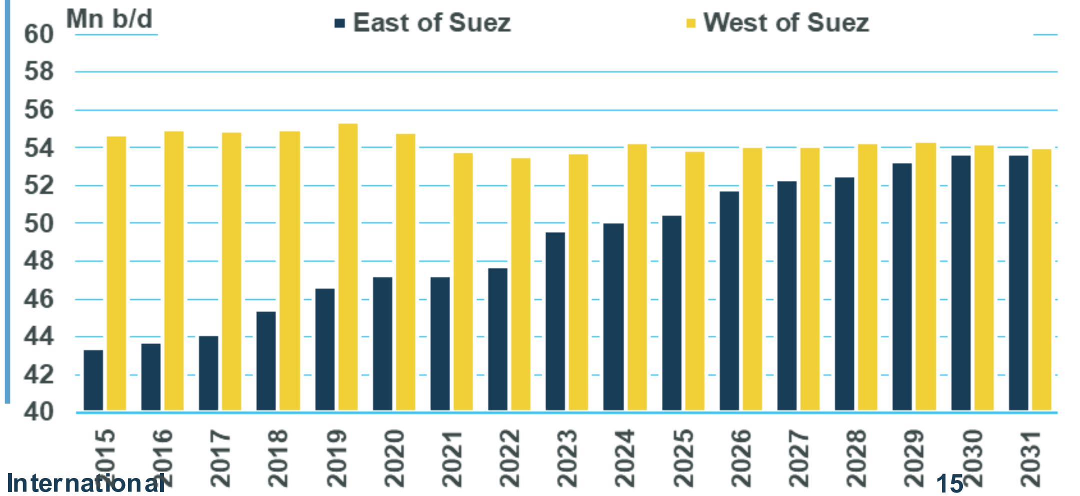
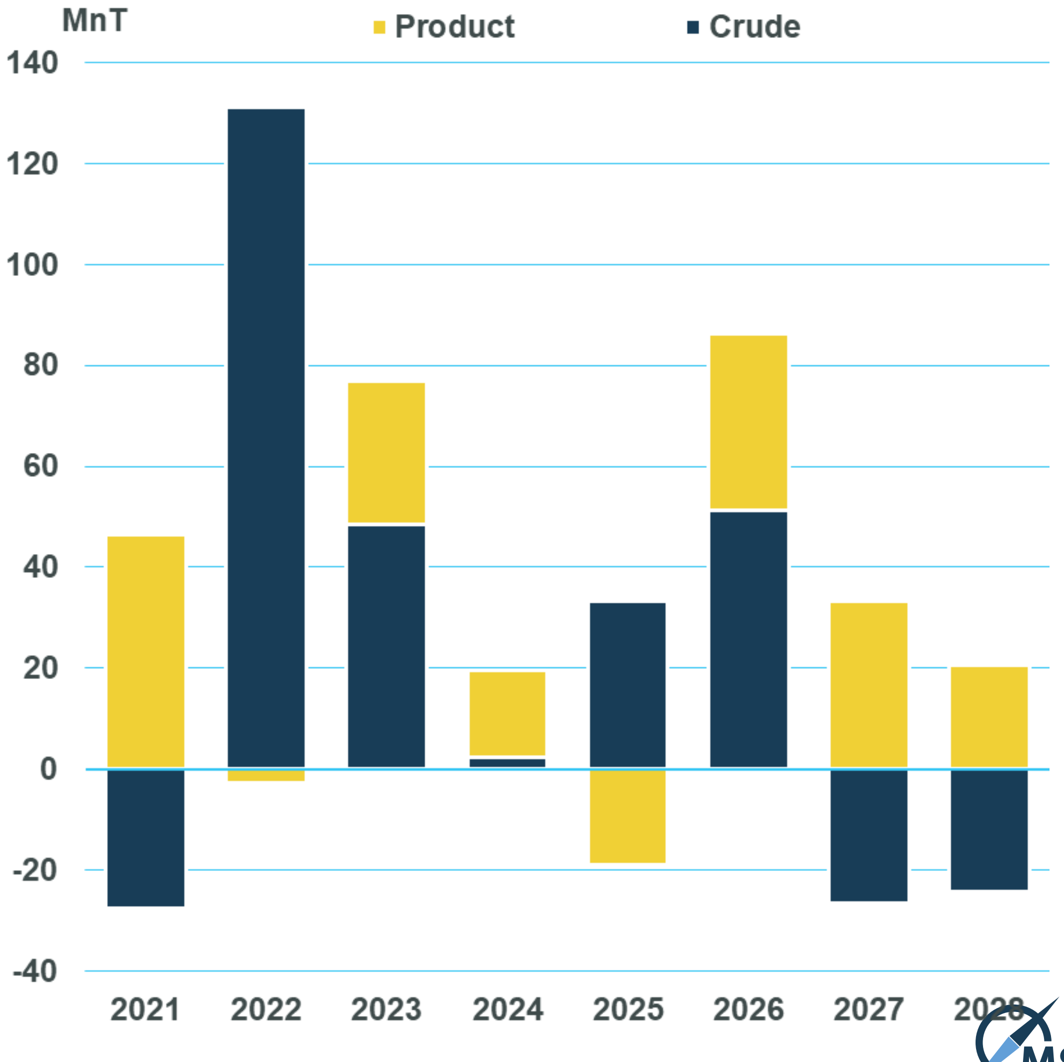
Incremental Refinery Capacity



Development in Refinery Capacity



Incremental Oil Trade



Stella Demand Outlooks

The demand side of the equation looks very promising for some sectors

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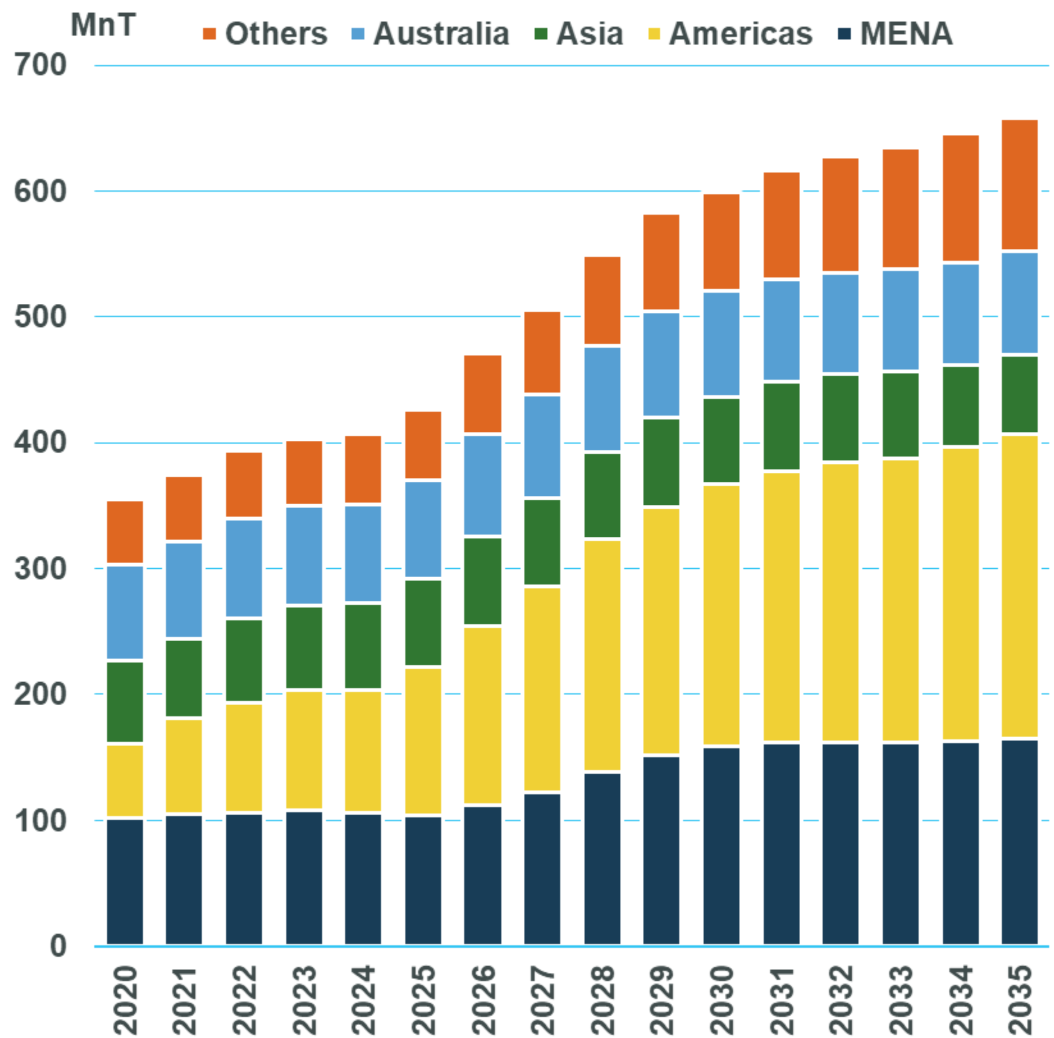
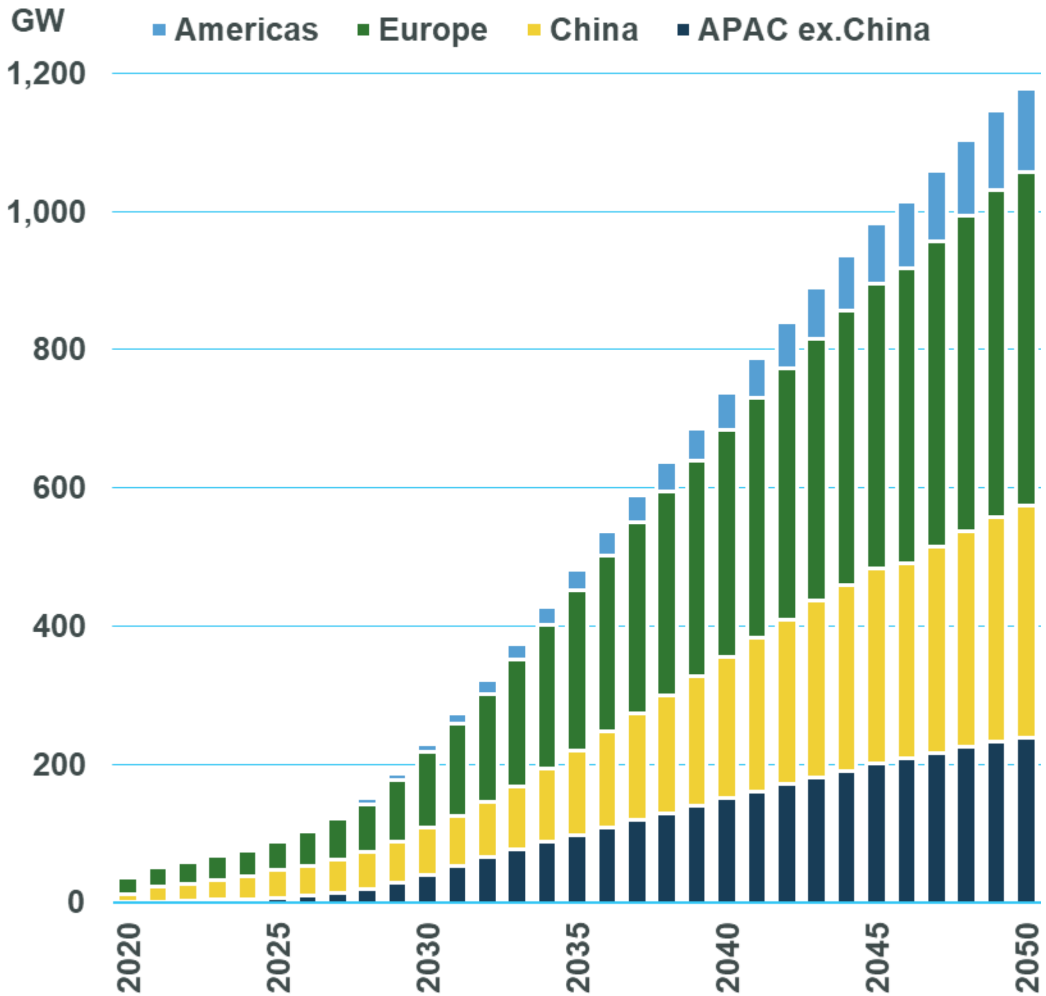
LNG Exports by Region



Offshore Wind Energy Generation Capacity



Vessel Demand

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Inefficiencies, Deviations & Tonne Mile

Continue to support earnings but for how long?

- Headlines
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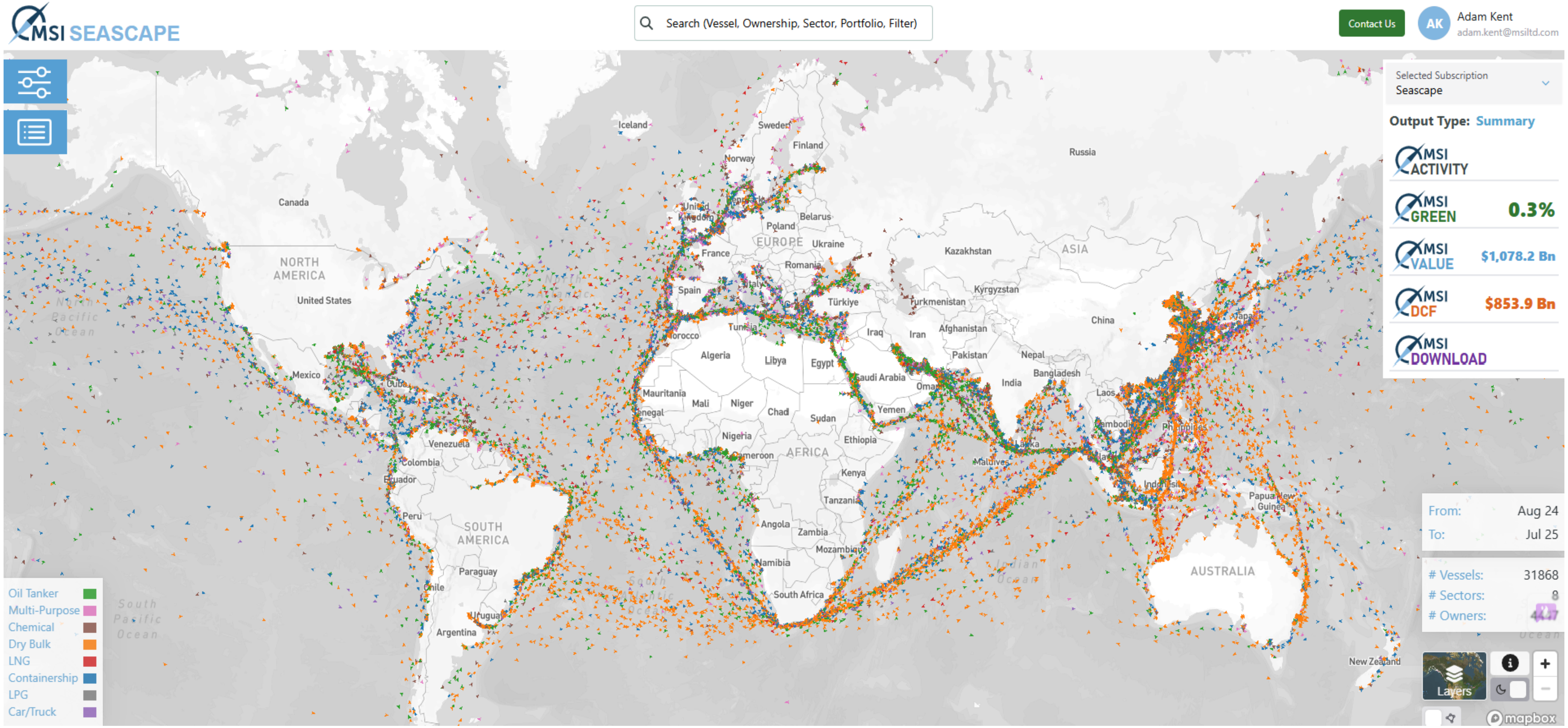

Canal Throughput

Not what it once was

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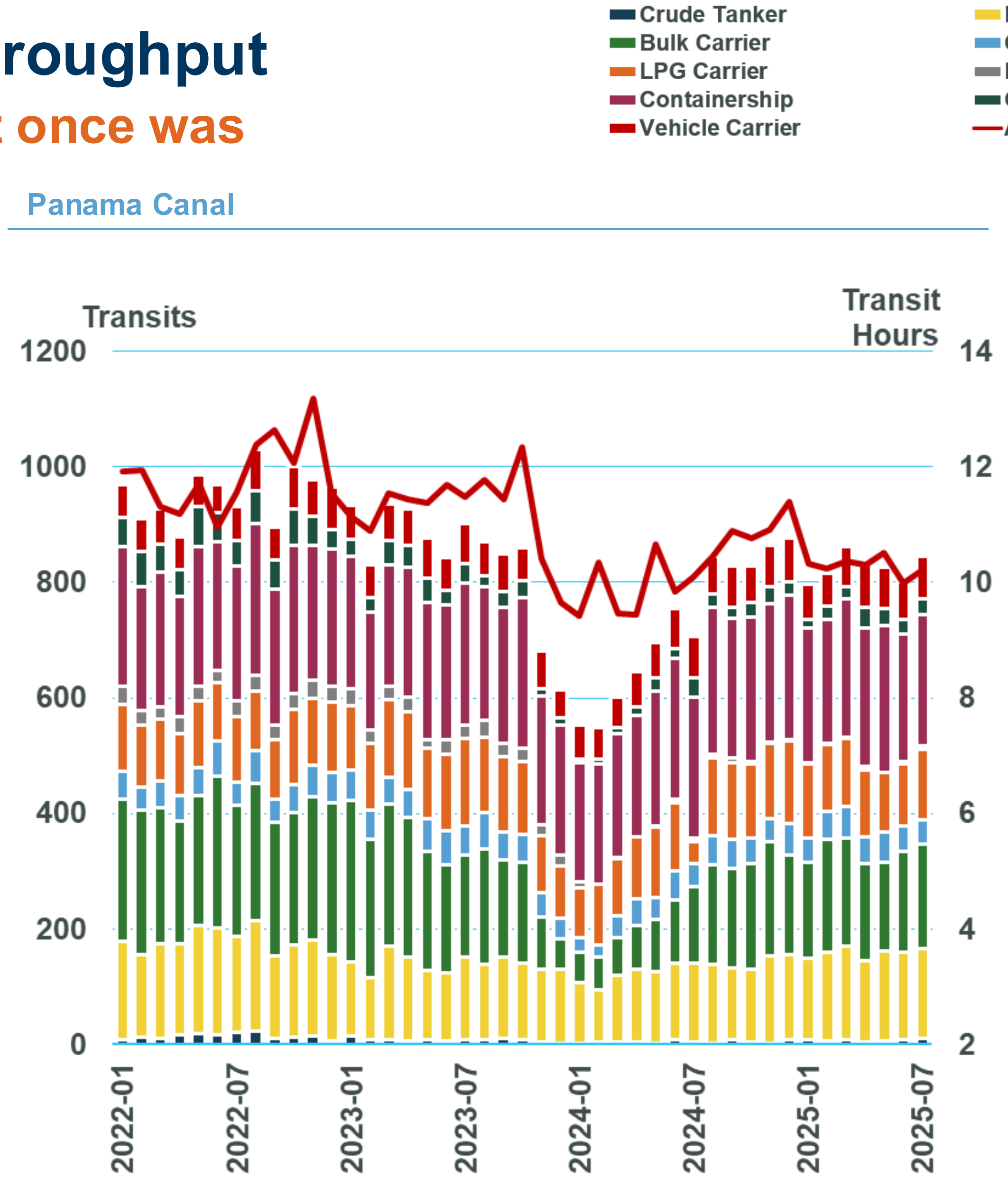

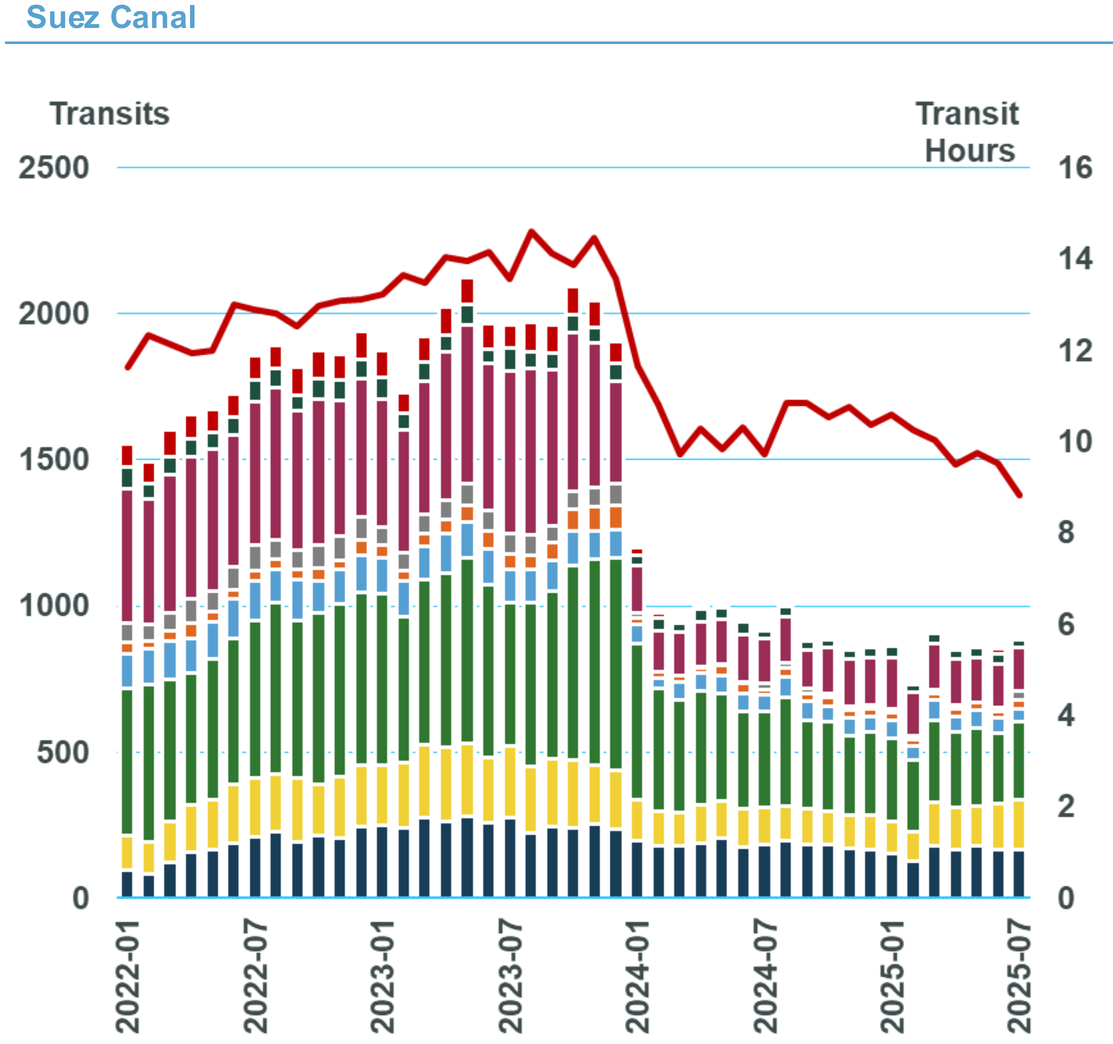

A Slightly Different Story

Things could have been a lot worse

- Headlines
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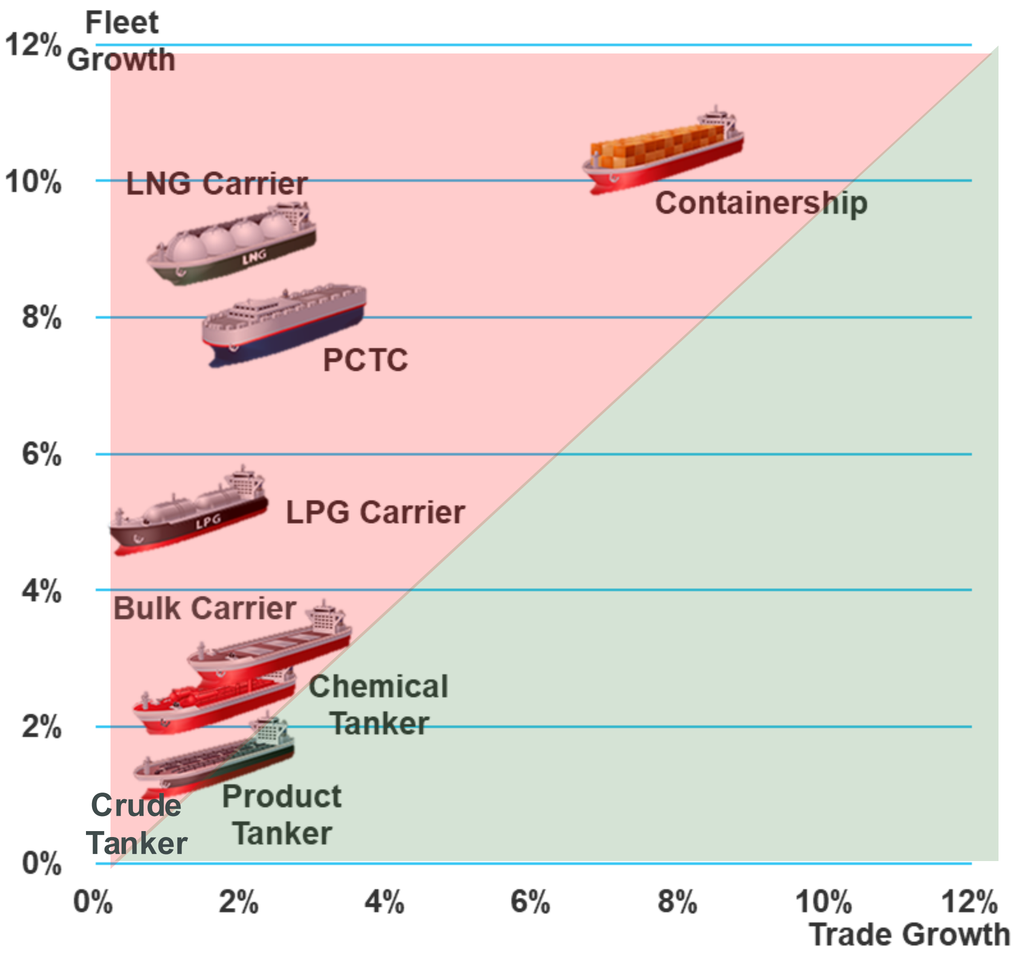
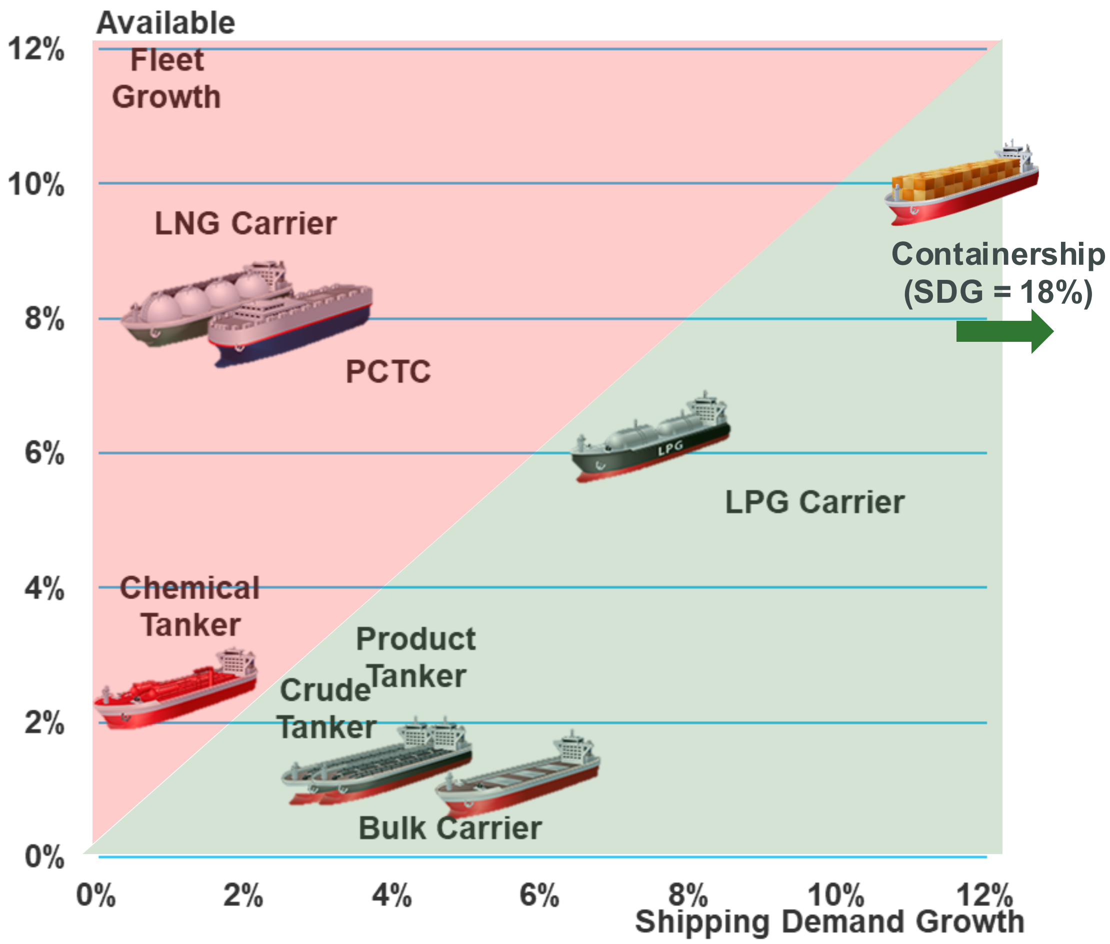
Trade versus Fleet Growth - 2024



Shipping Demand versus Available Fleet Growth - 2024



Vessel Demand More Important Than Ever

Period of fleet inefficiencies

- Headlines
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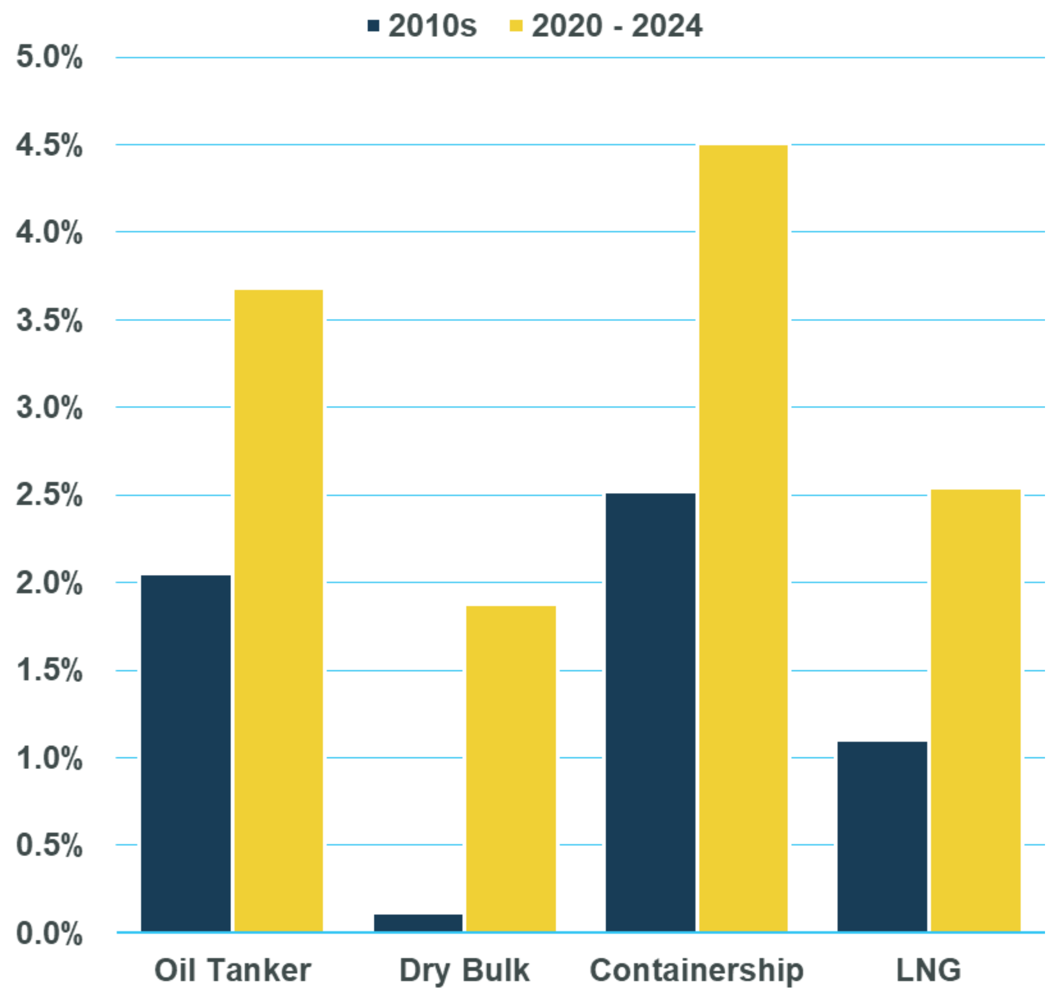
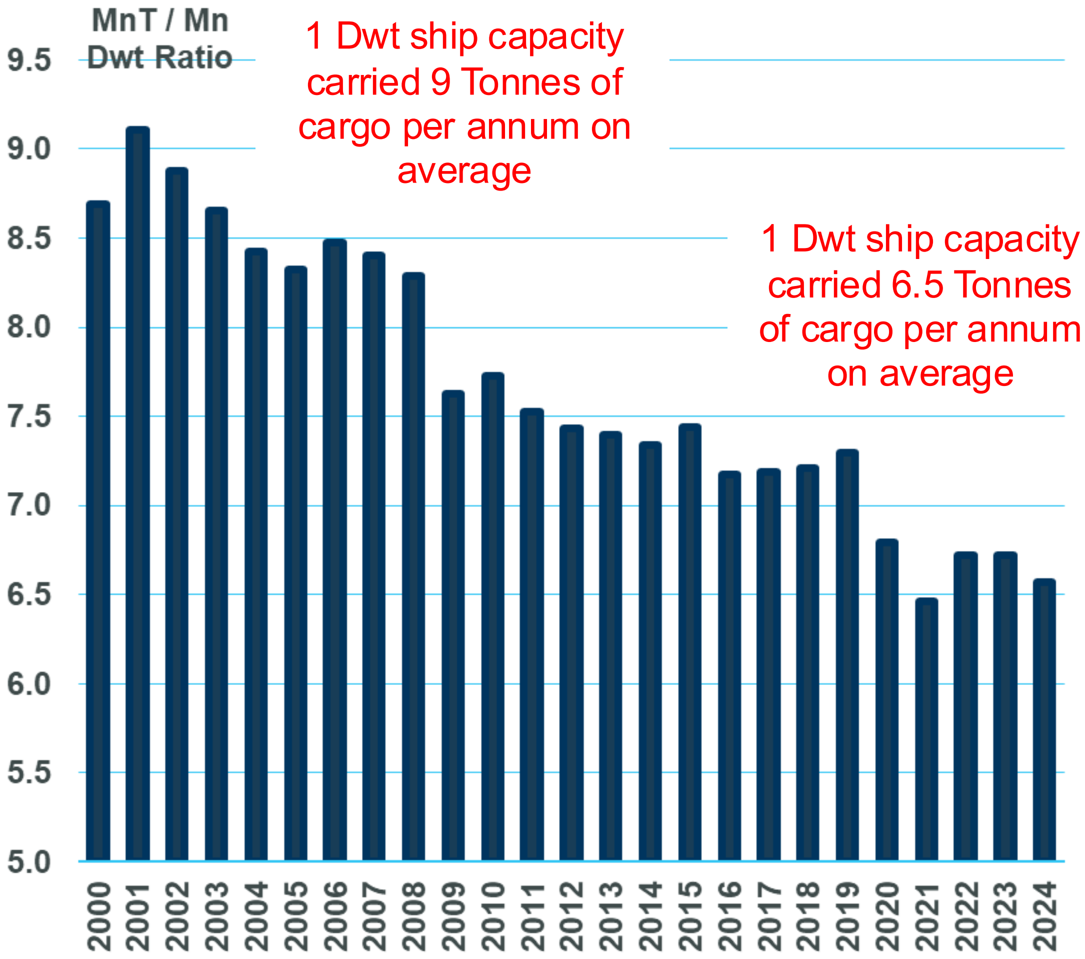
Ship Demand Growth Premium vs. Cargo Growth



Dry Bulk – Cargo versus Vessel Demand Ratio



Supply & Shipbuilding

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Contracting

New contracts keep coming

- Headlines
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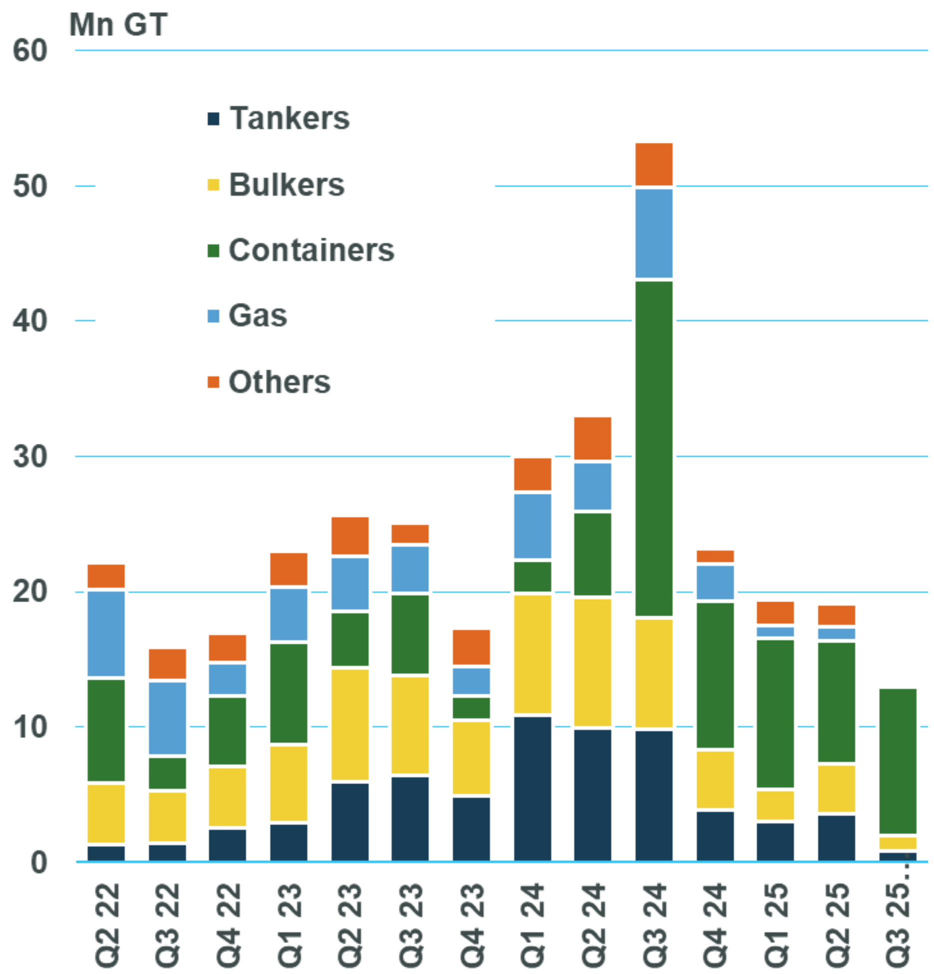
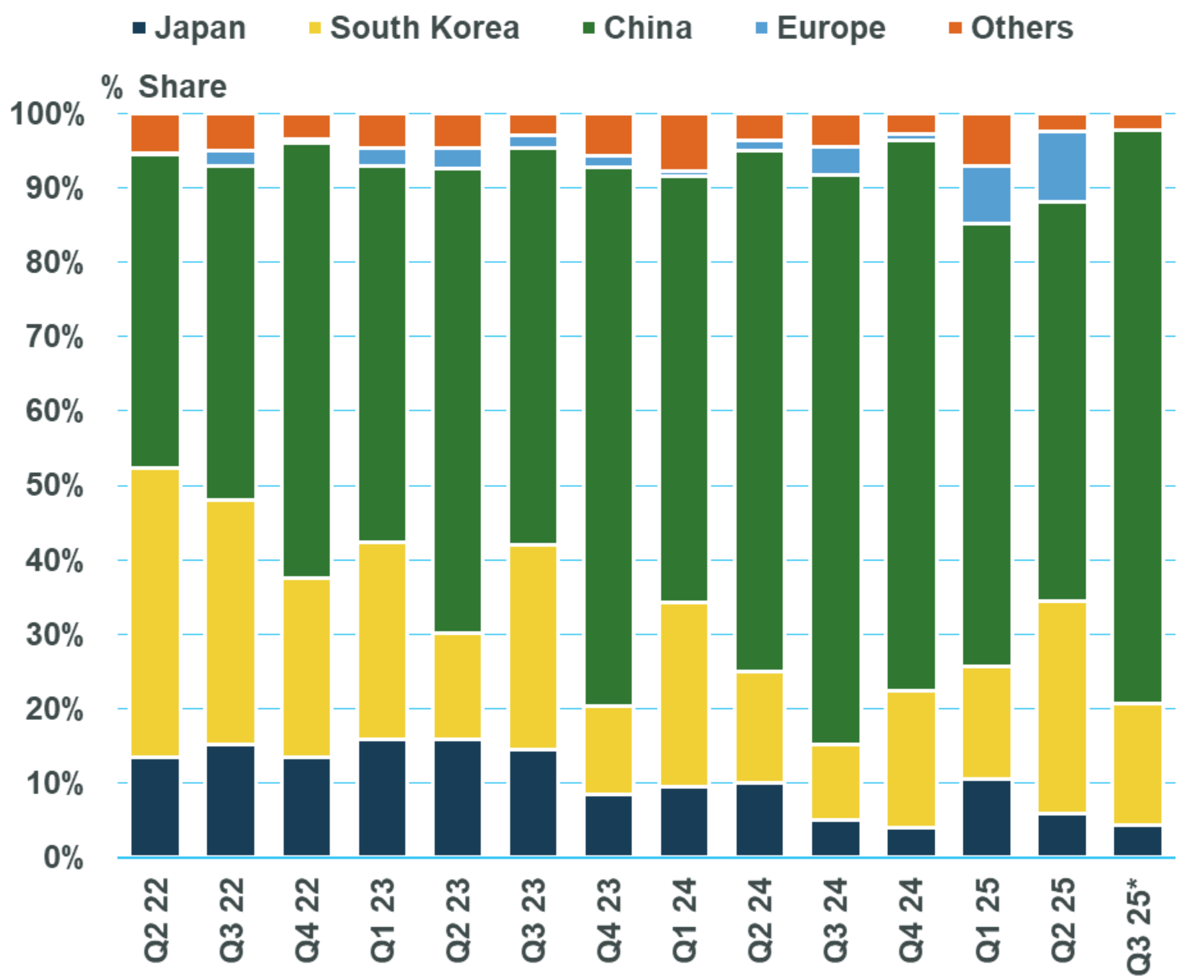
Quarterly Contracting



Contracting Share by Shipbuilding Nation



* Q3 2025 = July to Aug Only

Yard Delivery Profile

Yards are full, but not with alternatively fuelled bulkers and tankers

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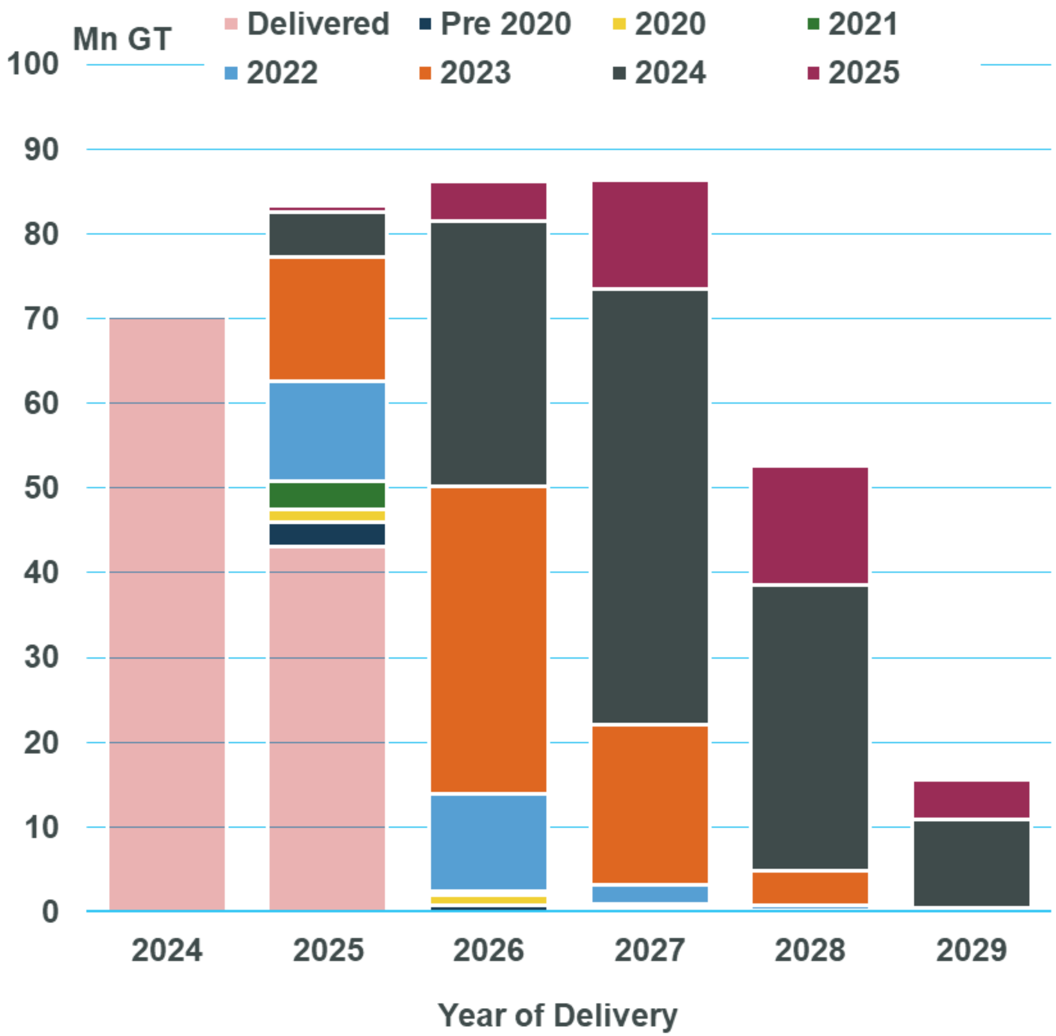
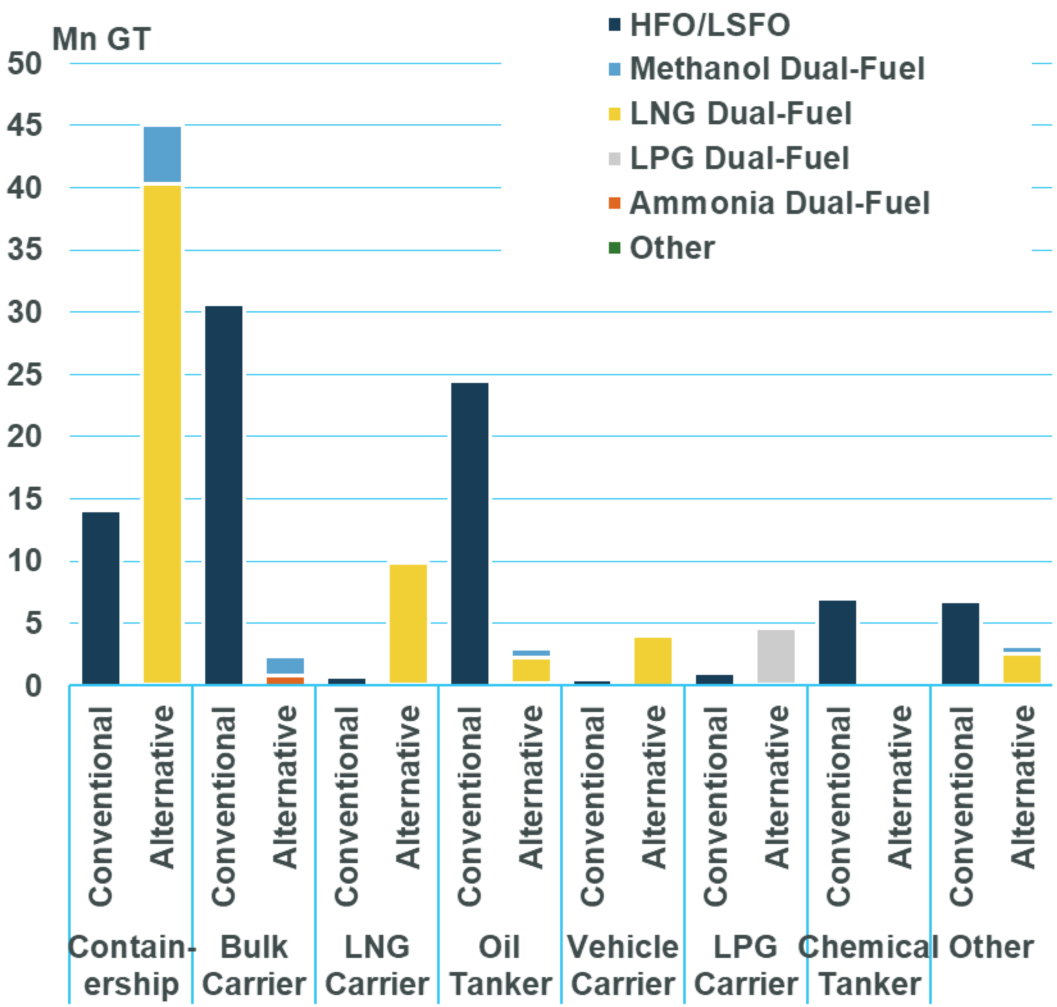
Orderbook Schedule by Year of Contract



Last 18 Months Contracting by Fuel Type



Orderbook

The orderbook has ballooned

- Headlines
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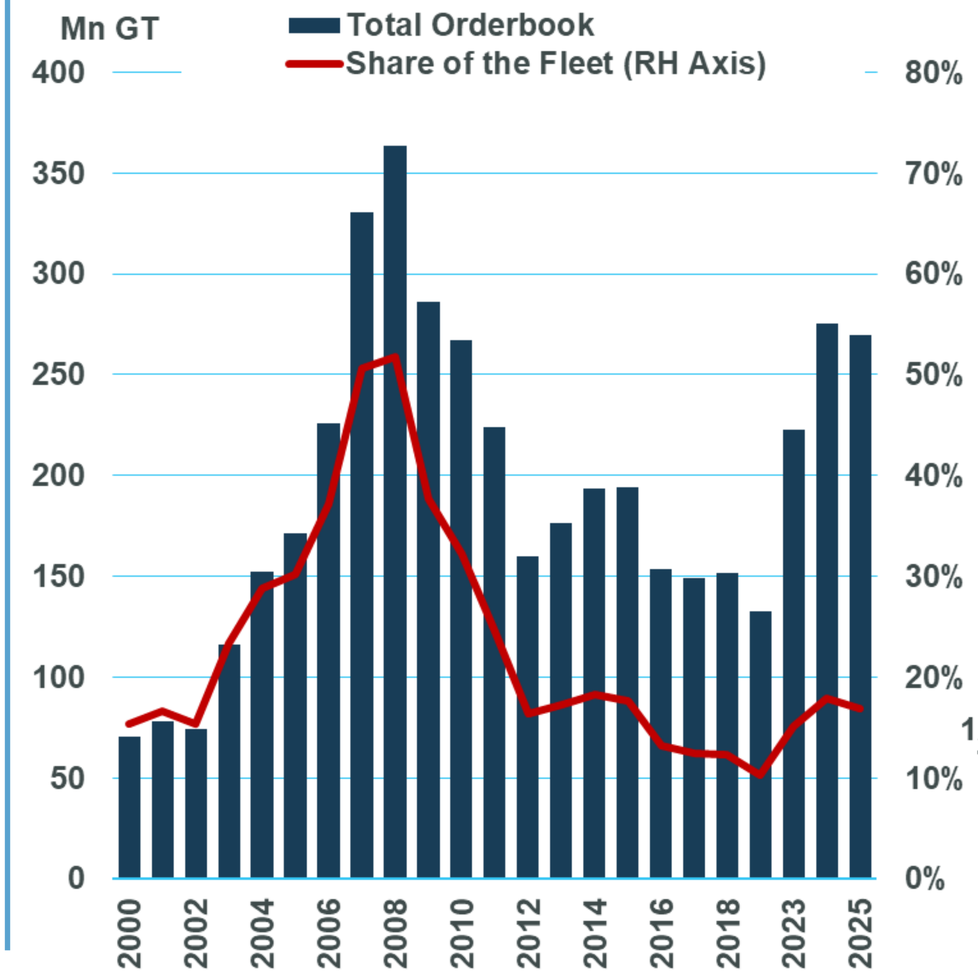
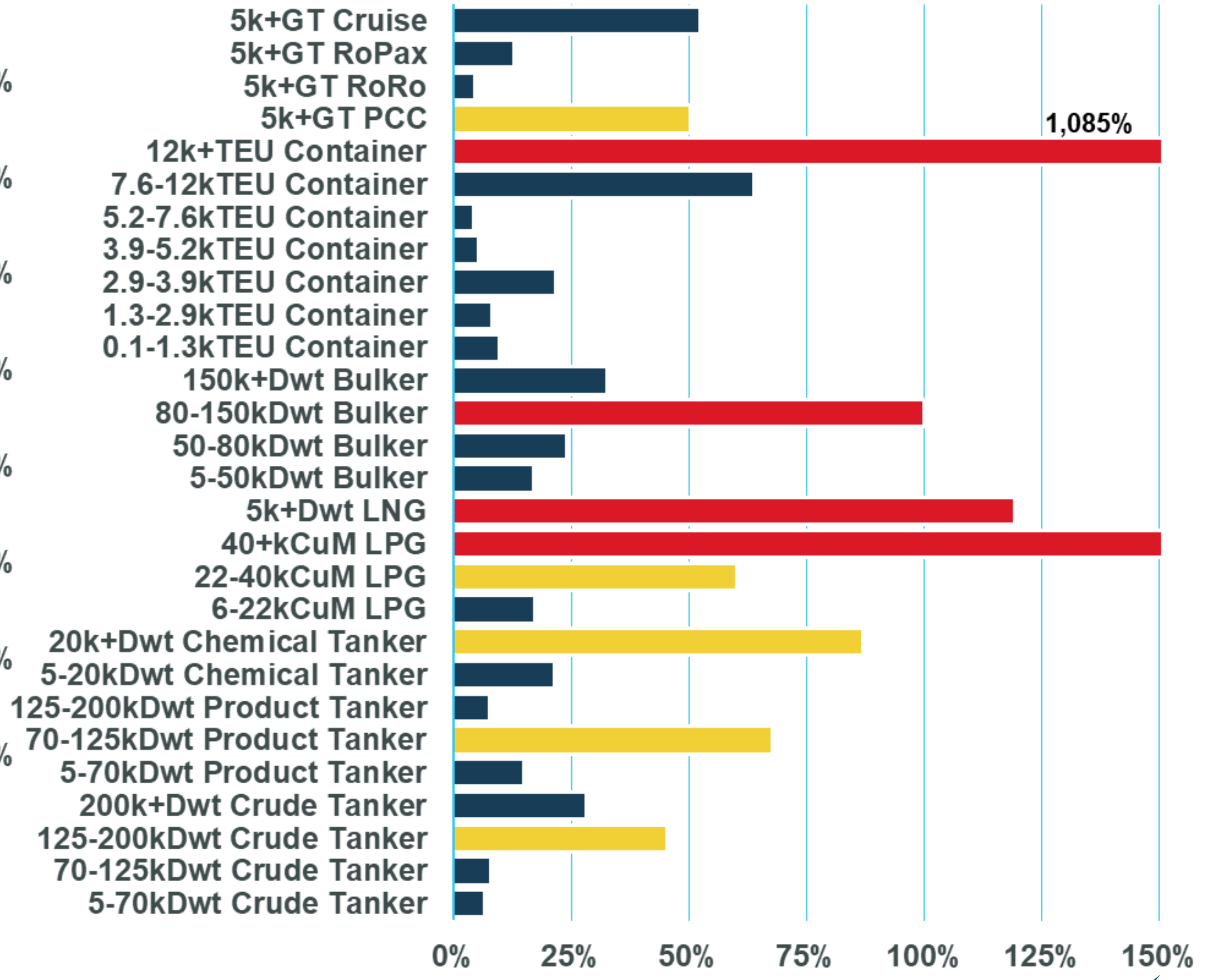
Orderbook and Share of Fleet



Orderbook as a % of the 15+ Yr Old Fleet



New Shipyards and Changing Capacity

"Others" to take a larger share

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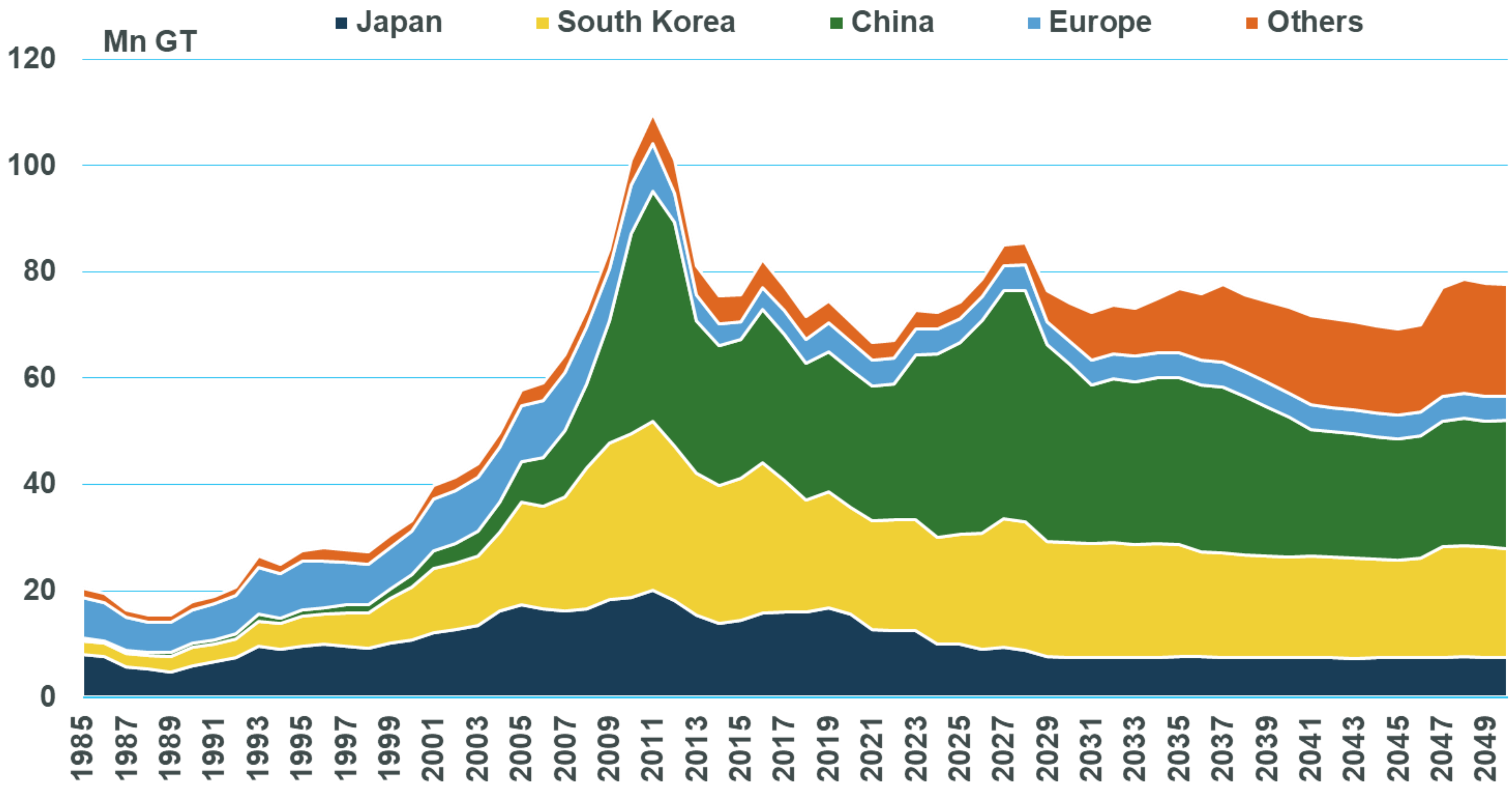

Earnings and Values

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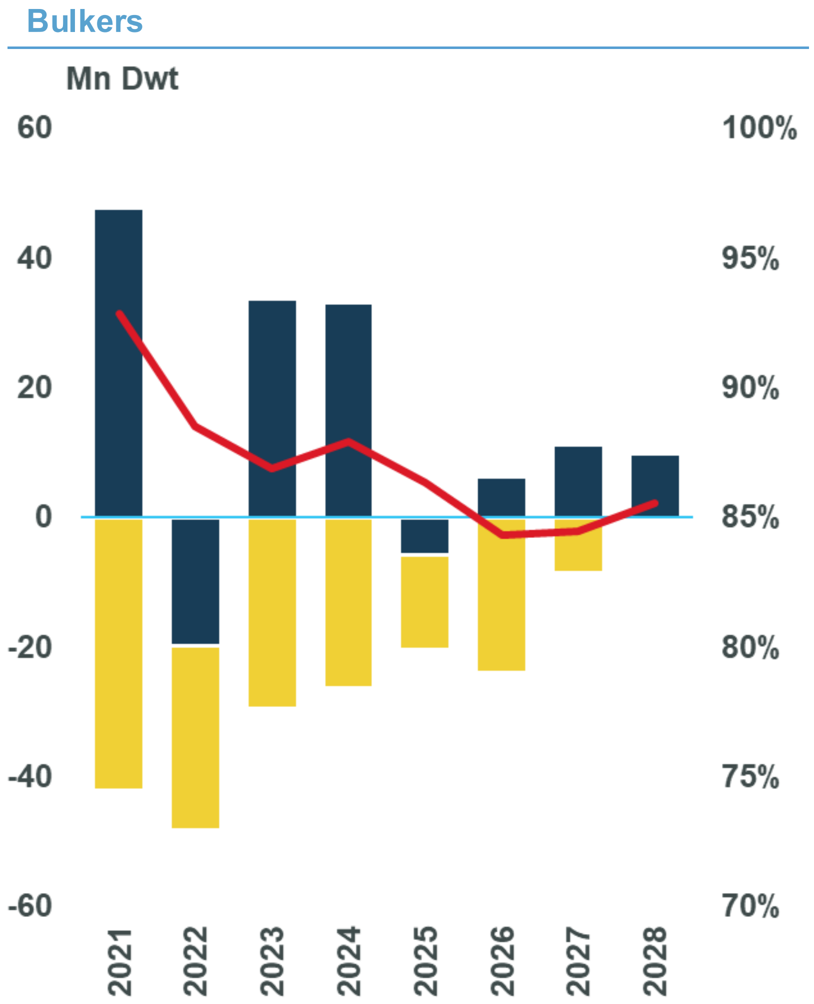
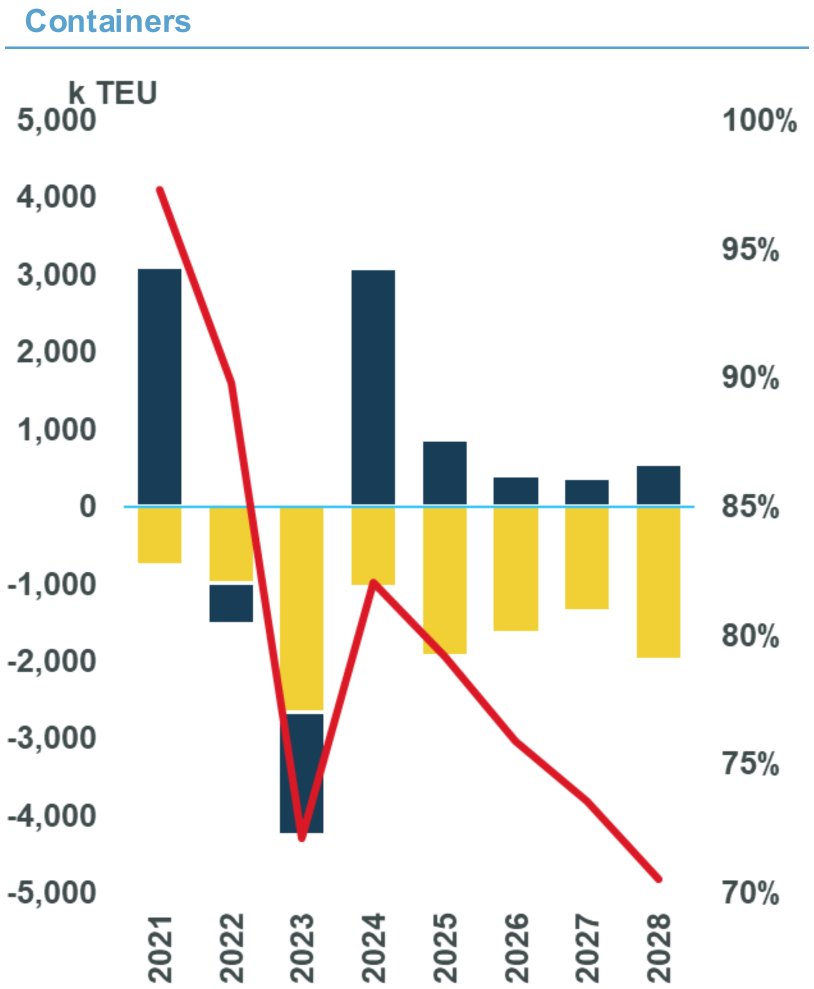
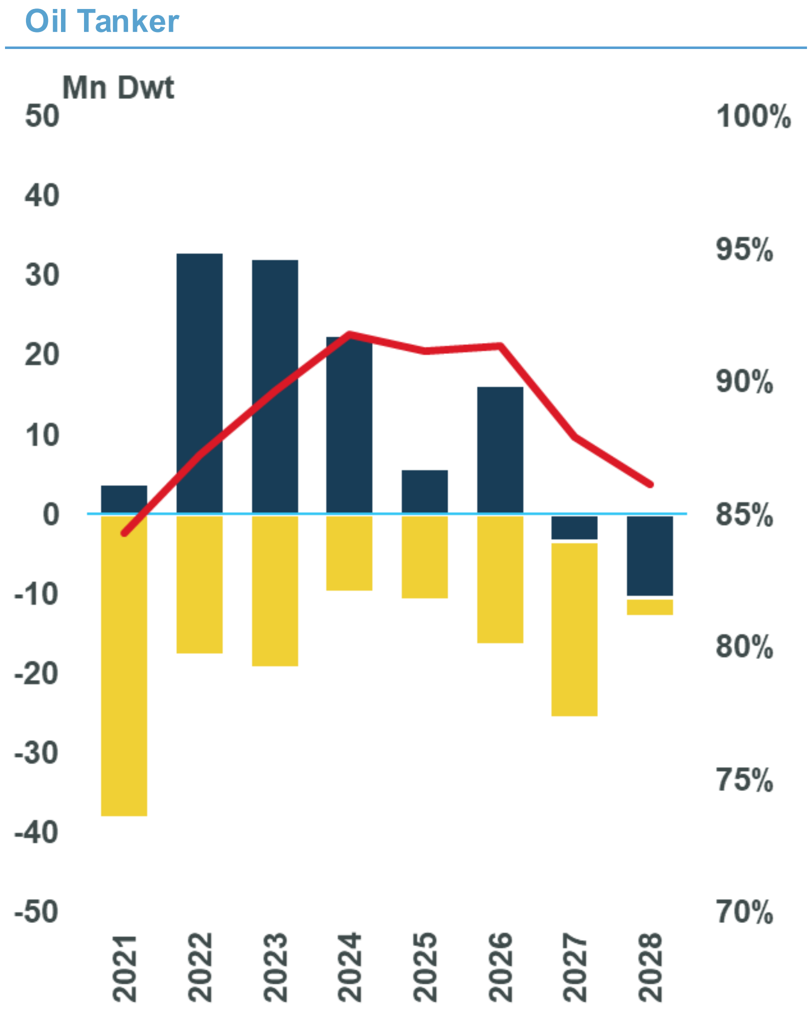
Market Balances

A period of softening *(* supply growth inverted)*







Incremental Supply (*) | Incremental Demand | Employment Rate (RH Axis)

Earnings

A period of softening, though has to be viewed in context

- Headlines
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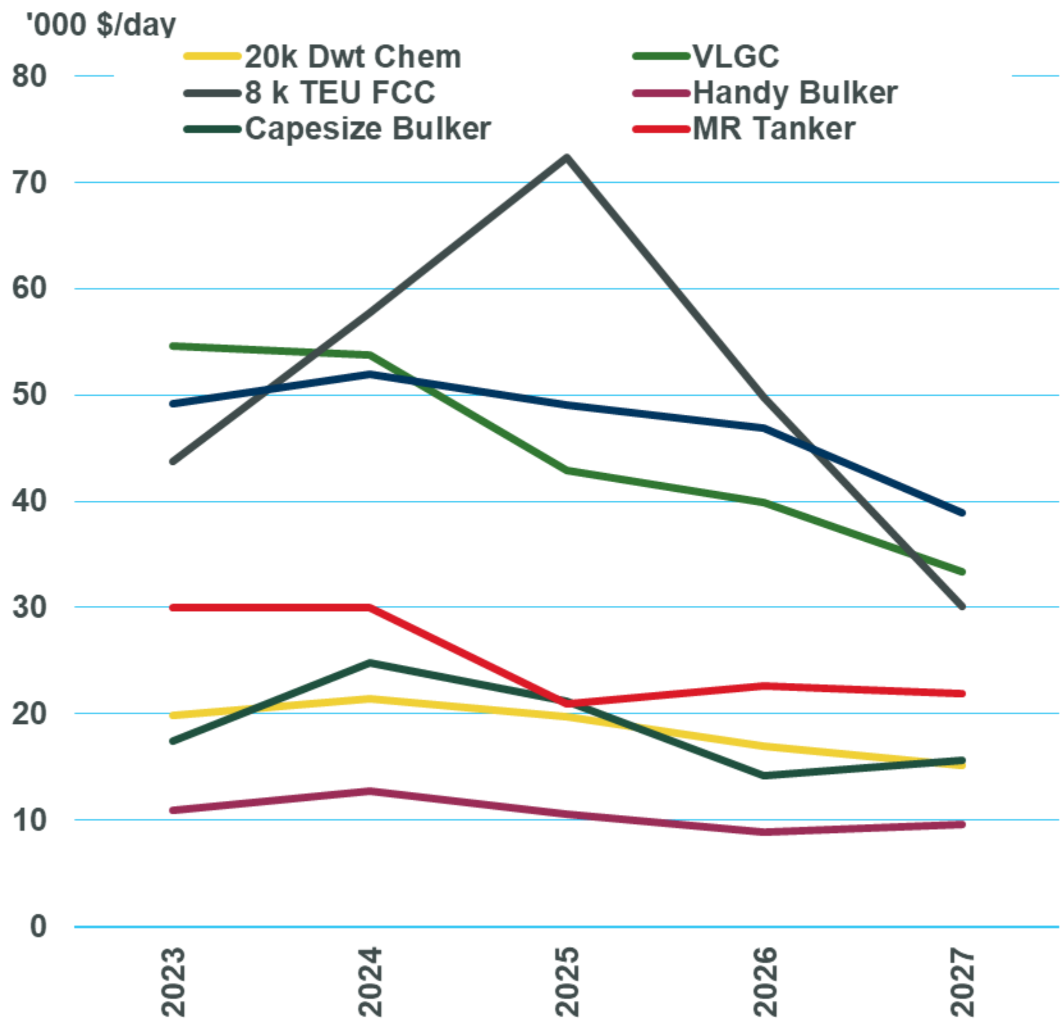
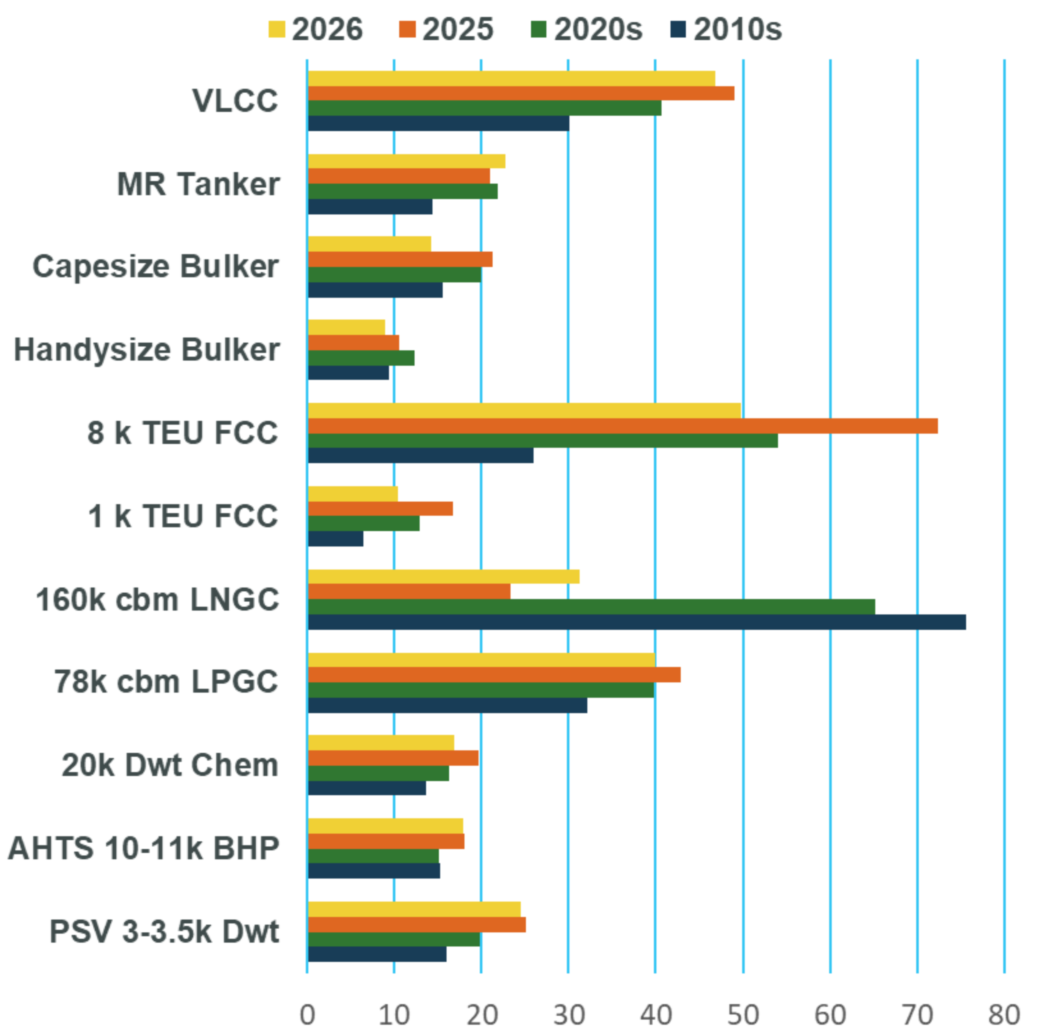
- **Earnings and Values**

Earnings to Generally Soften Over the Next Couple of Years



1 Yr TC Rates in Context



Multiple Earnings Benchmarks

Bulker earnings based on fuel options – IMO MTM impact

- Headlines
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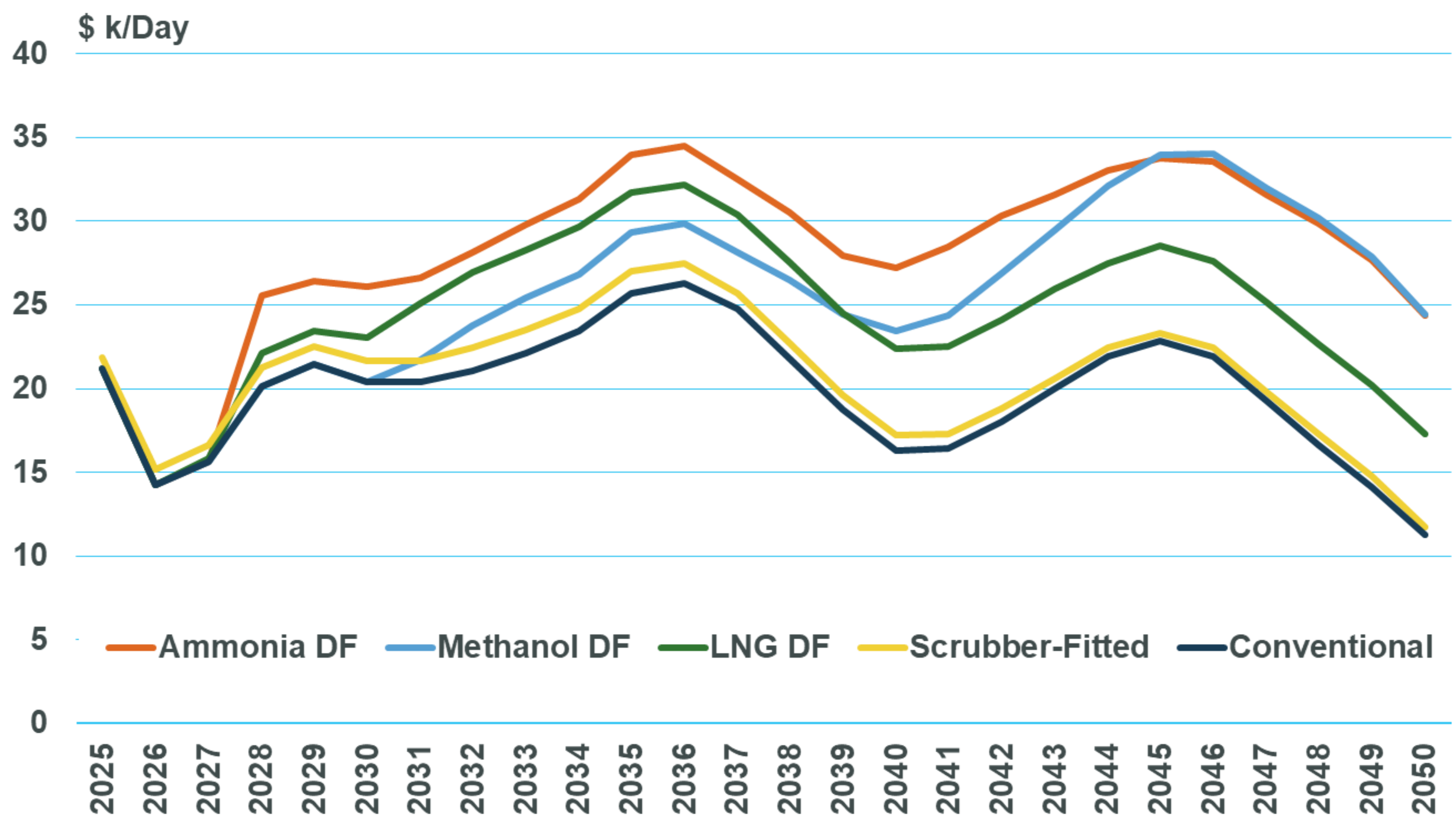
- Demand
- Supply
- **Earnings and Values**



Newbuilding Prices

Are and will continue to decline

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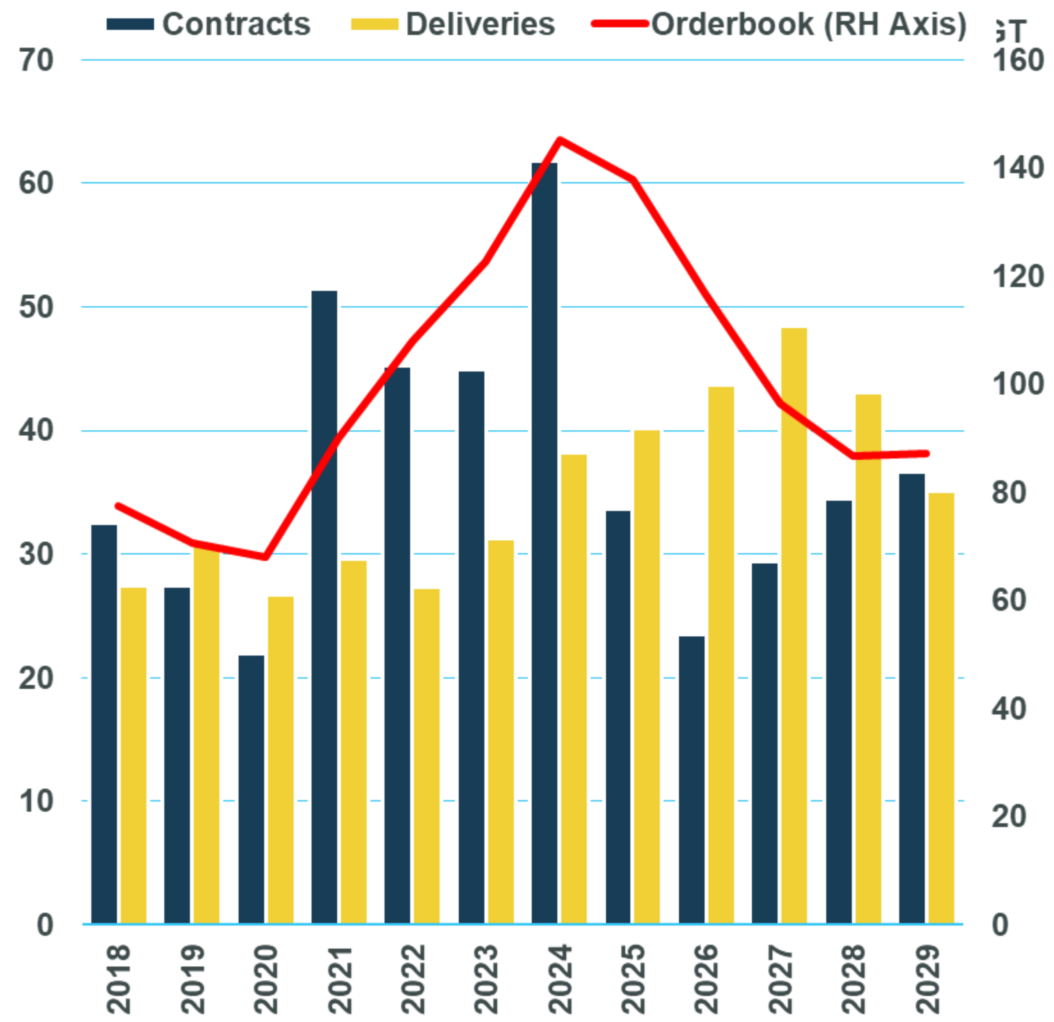
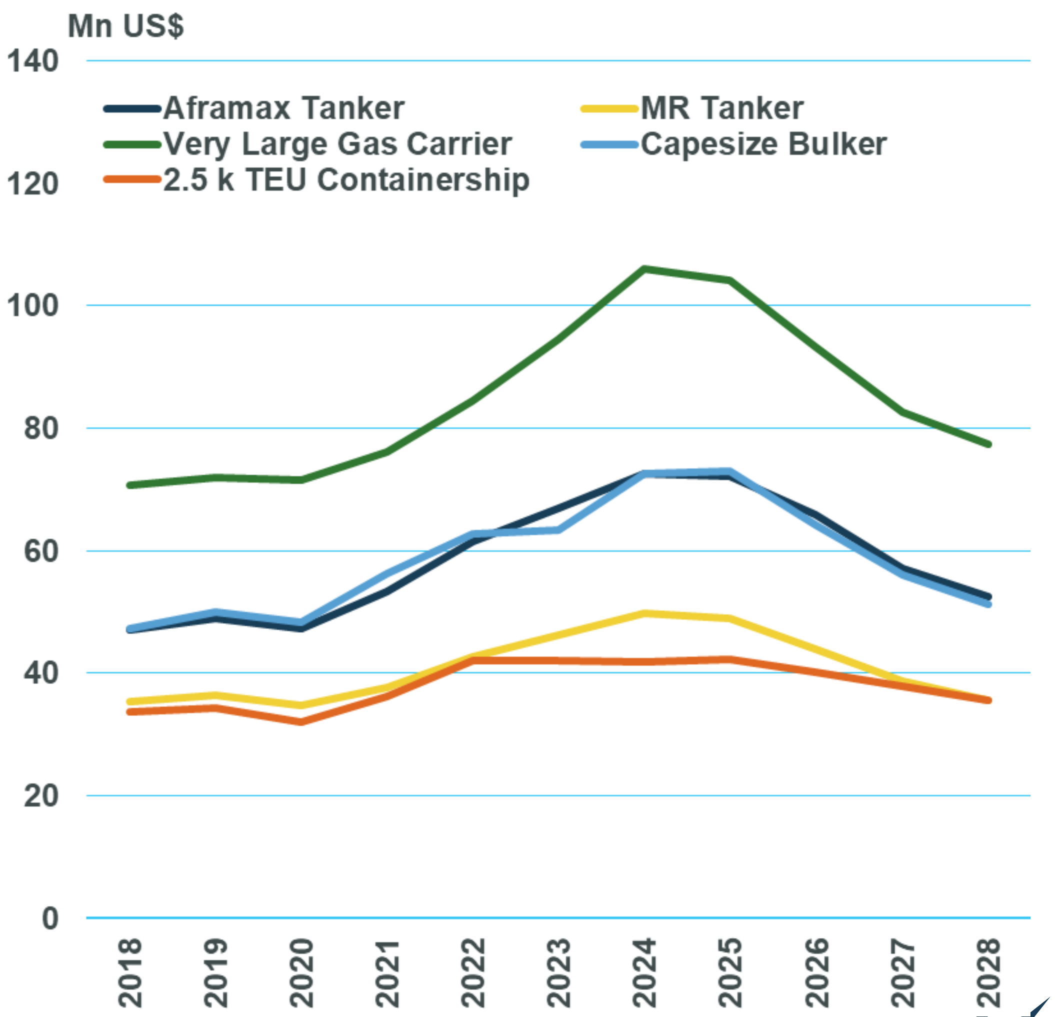
Deliveries Will Begin to Outpace Contracts



Newbuilding Contract Prices to Slide



Secondhand Prices

Asset values are beginning to slide

- Headlines
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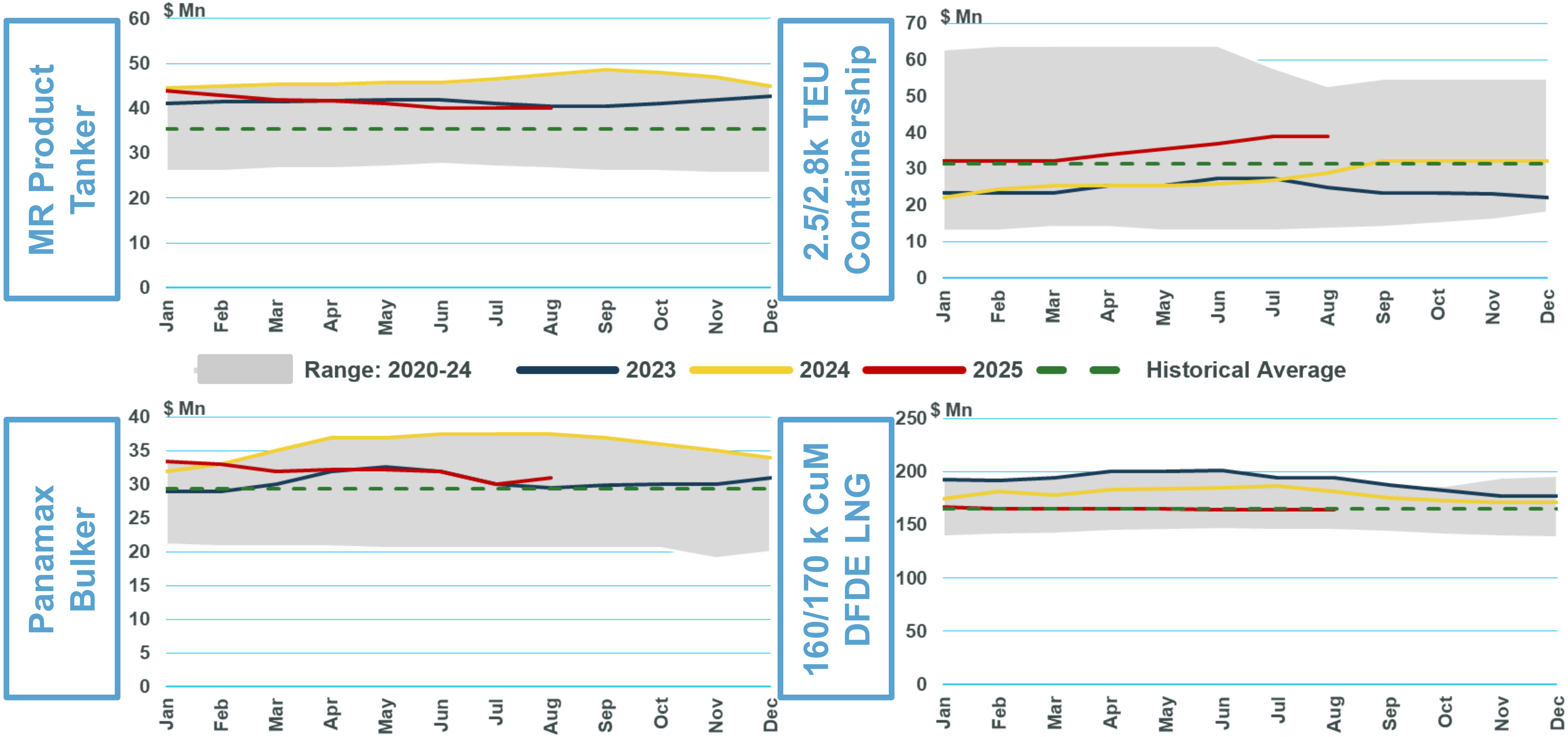

Fleet Value Disconnect

Market values higher than DCF for most sectors

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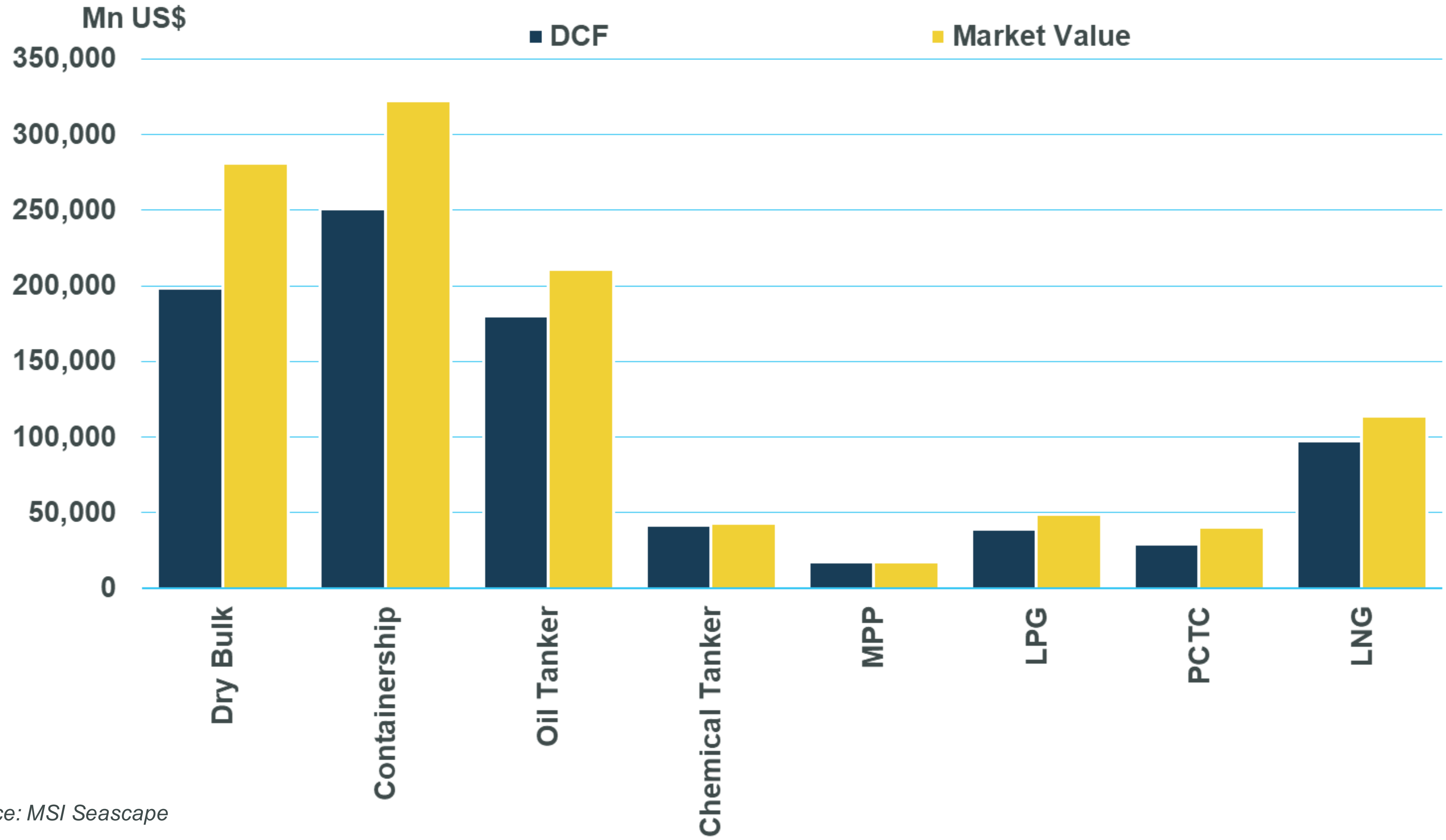

Source: MSI Seascape

Secondhand Values

To soften (but to remain firm for many sectors)

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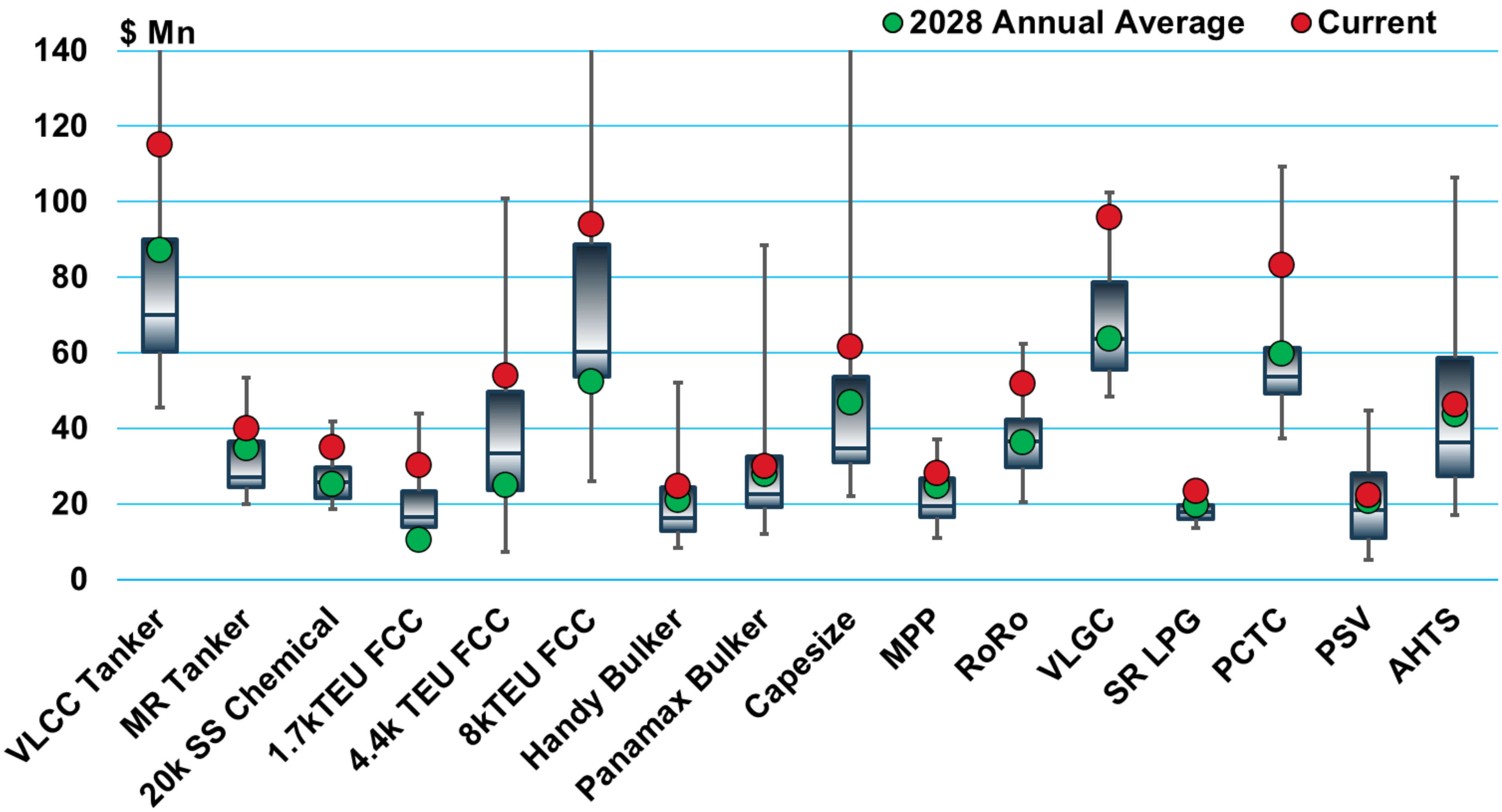
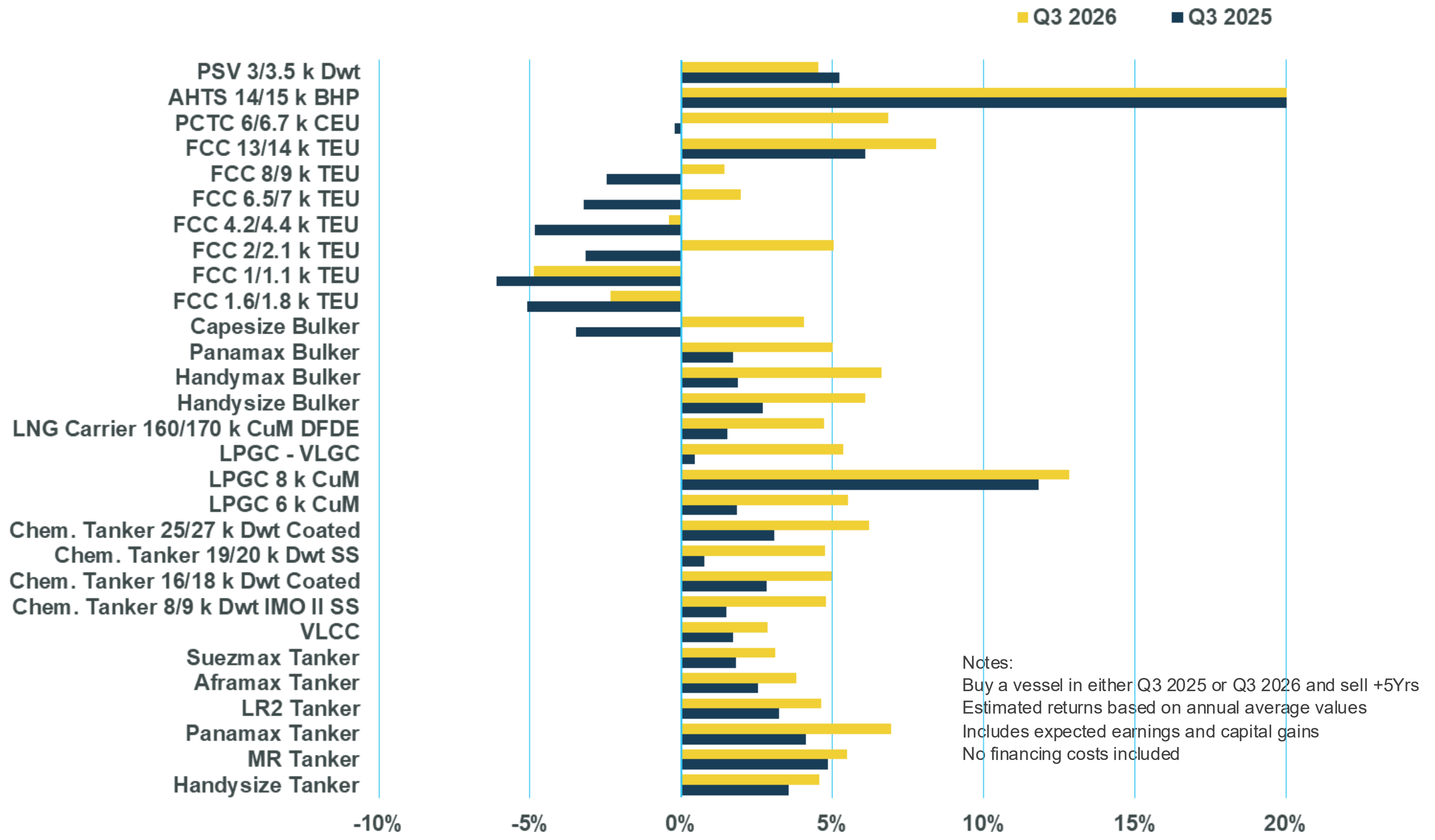


10 Yr Old IRR – 5 Year Investment

Timing, as ever, remains key

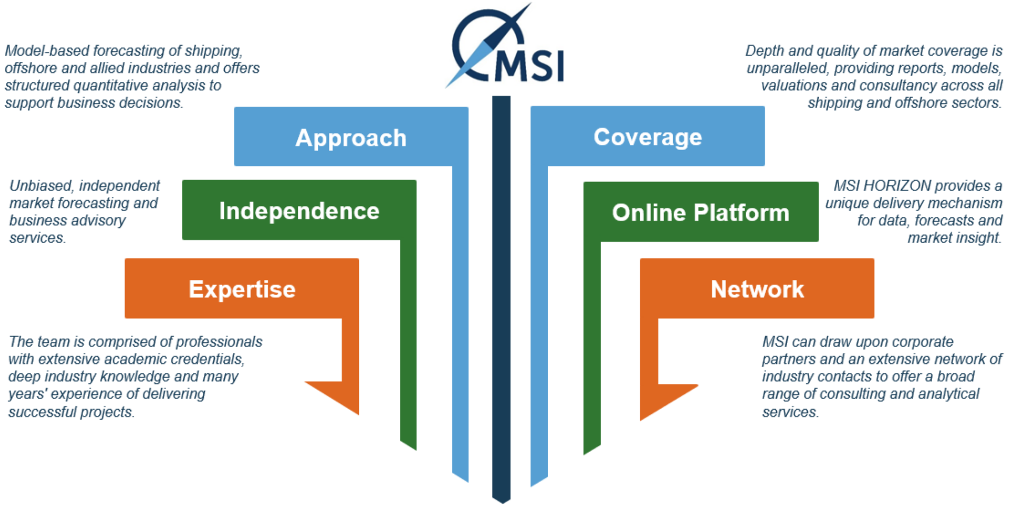


Notes:
Buy a vessel in either Q3 2025 or Q3 2026 and sell +5Yrs
Estimated returns based on annual average values
Includes expected earnings and capital gains
No financing costs included

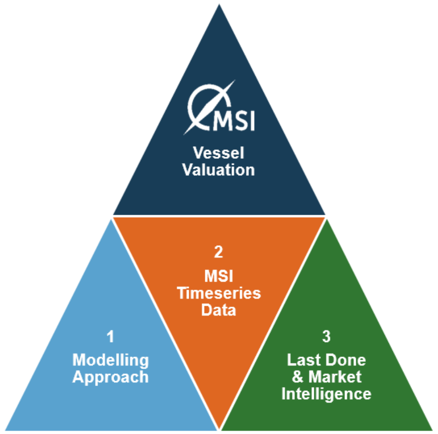
Introduction to MSI

Maritime consultancy firm offering forecasts, sector models, data, asset valuations and strategic advisory services

MSI's Strategic Advantage



Current and Forecast Asset Valuations



MSI independent valuations are derived by applying a meta-analysis approach using:

1. MSI's proprietary econometric modelling processes and algorithms developed over the last 25+ years
2. Vessel benchmarked and analysed in relation to MSI published timeseries data
3. Vessel directly compared to last done sales and current market intelligence on likely sale candidates and prices.

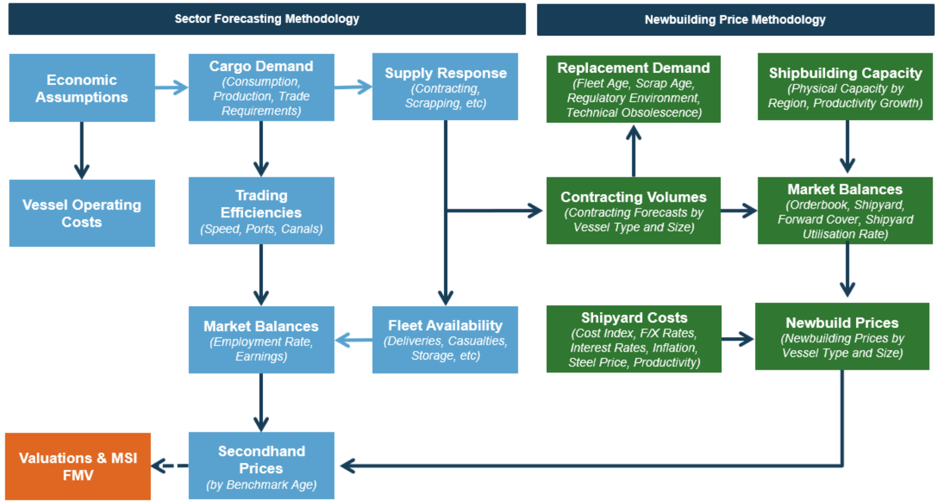
MSI's valuation services include:

- Certificated spot valuations
- Vessel forecasts (value, earnings, nb price and opex)
- Charter attached valuations
- Option price valuations
- Forecast value sensitivity and stress testing
- RVI support including soft value, forced value, recessionary value, cautious plausible value, 1 in 100 value etc.
- Historical value development and static age data
- Valuation briefing notes
- Valuation reports
- Expert witness/Expert testimony

MSI is a member of:

Baltic   Baltic Expert Witness

Forecasting Models (All Marine Markets) & Market Reports



Advisory Services

1. How do the Company's assets and market position benchmark against MSI's forecasts?
2. Is there a clear strategic vision for the development of the business?
3. Does the market, customer and competitor analysis in the Business Plan align with MSI's assessment?
4. Does the market, customer and competitor analysis in the Business Plan align with MSI's assessment?
5. What external stakeholders will influence the business plan's success or failure?
6. Are the financial projections realistic considering MSI's forecasts?
7. What are the key enablers for success and where do the key risks and considerations lie?

- Based on the results of the analysis, MSI will review the Company's existing business plan to assess:
  - Viability relative to external market conditions
  - Feasibility based on the Company's likely ability to deliver upon it
- The review will focus on the following factors:
  - Market- related
  - Financial
  - Organisational structure
  - Office locations
  - Operating cost benchmarking
  - Overhead costs
  - Management team experience
  - Business development process
  - Opportunity red flag report

MSI Credentials

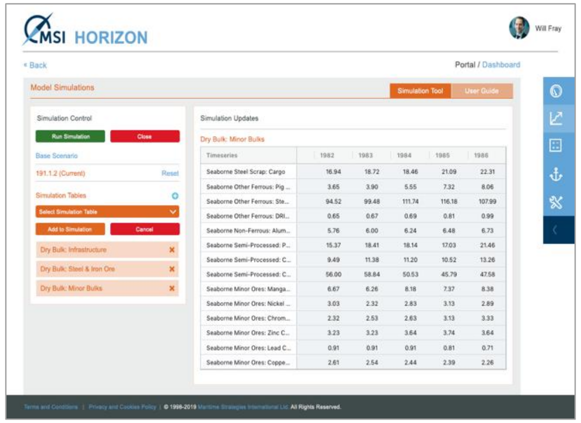
MSI HORIZON

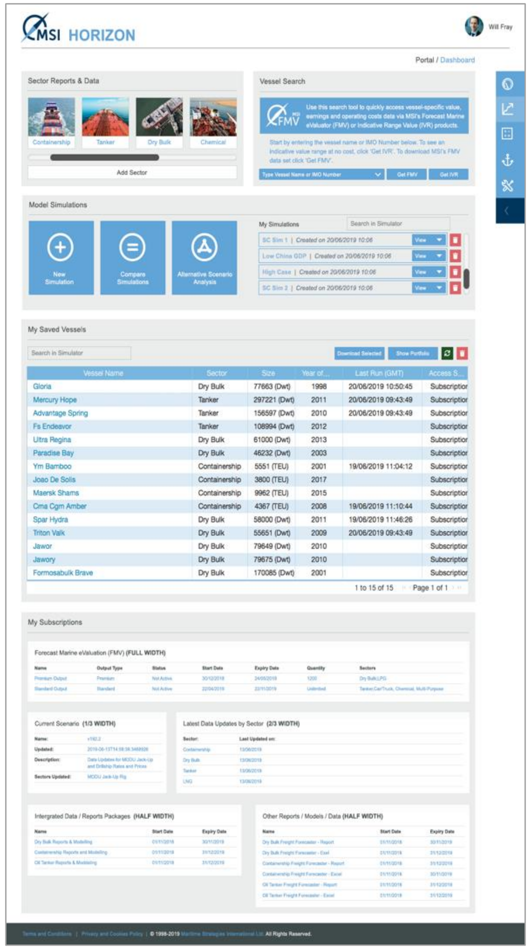
Market Reports

Forecasting Models

Asset Valuations

Strategic Advisory Services





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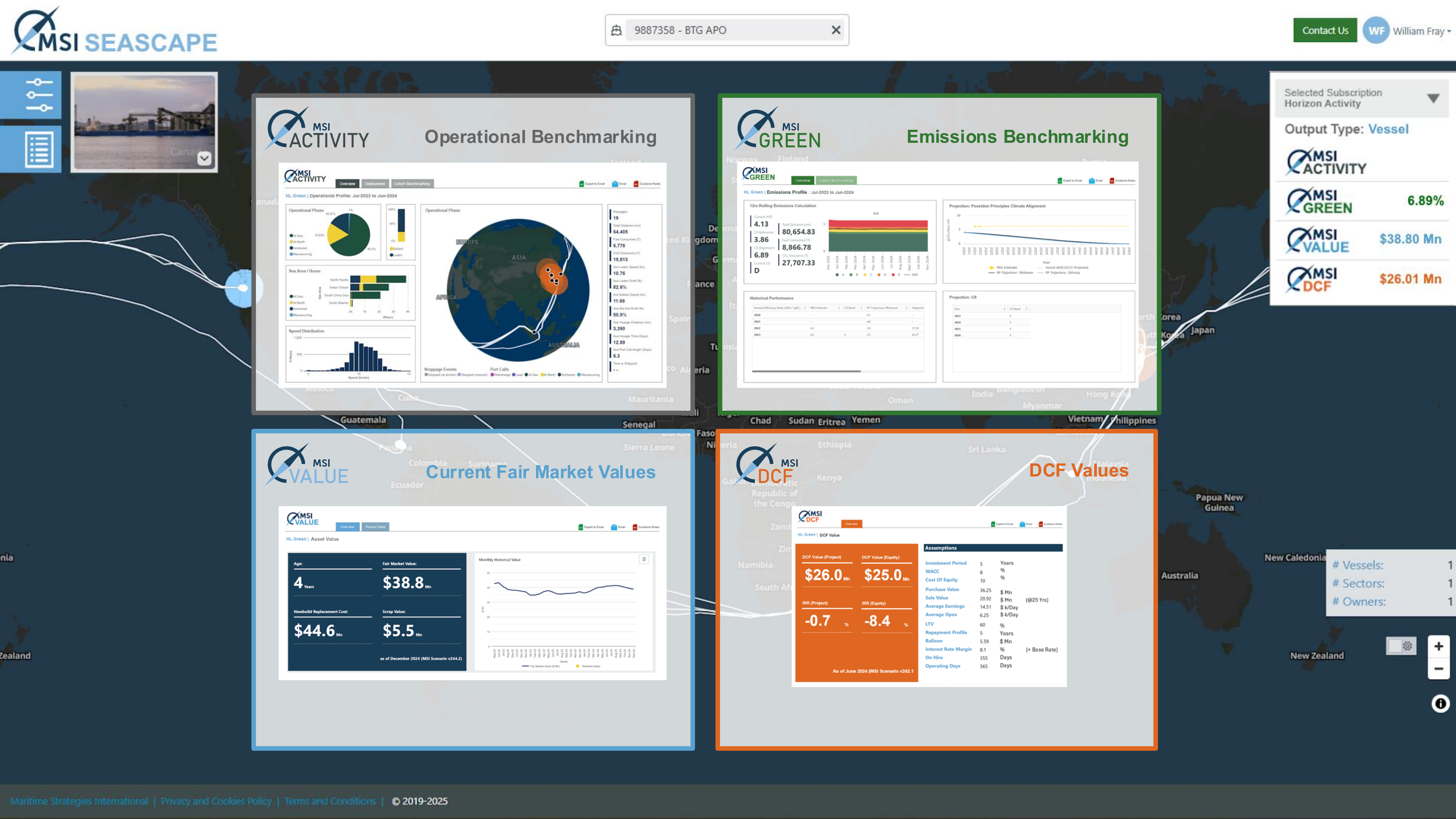
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9887358 - BTG APO
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WF William Fray
MSI ACTIVITY
Operational Benchmarking
MSI GREEN
Emissions Benchmarking
MSI VALUE
Current Fair Market Values
MSI DCF
DCF Values
Selected Subscription
Horizon Activity
Output Type: Vessel
MSI ACTIVITY
MSI GREEN 6.89%
MSI VALUE $38.80 Mn
MSI DCF $26.01 Mn
Vessels: 1
Sectors: 1
Owners: 1
Age: 4 Years
Fair Market Value: $38.8 Mn
Newbuild Replacement Cost: $44.6 Mn
Scrap Value: $5.5 Mn
DCF Value (Project) $26.0 Mn
DCF Value (Equity) $25.0 Mn
IRR (Project) -0.7 %
IRR (Equity) -8.4 %
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For 40 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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Contact Us

Maritime Strategies International Ltd

Bronze, The Forge
105 Sumner St, SE1 9HZ
London, UK

Tel: +44 (0)207 940 0070

77 Robinson Road
#31-01 Robinson 77
Singapore 068896

Tel: +65 3129 0432

Email: info@msiltd.com