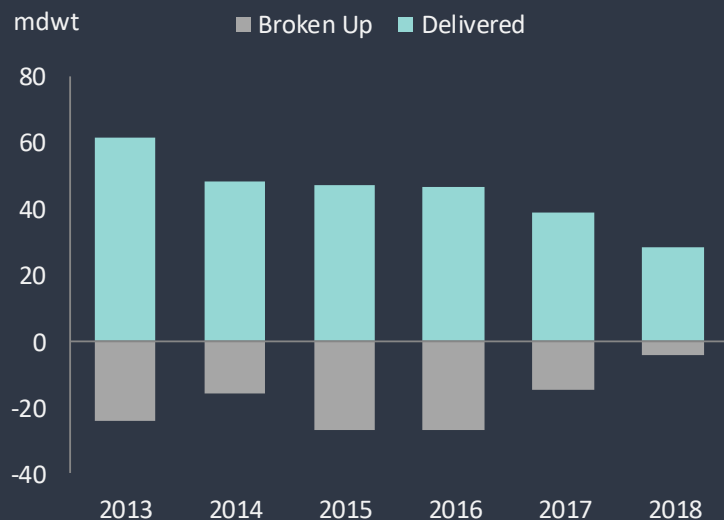
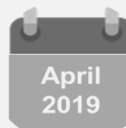


Dry Bulk Market Update

- Focus on Supply -

MARINE
M O N E Y

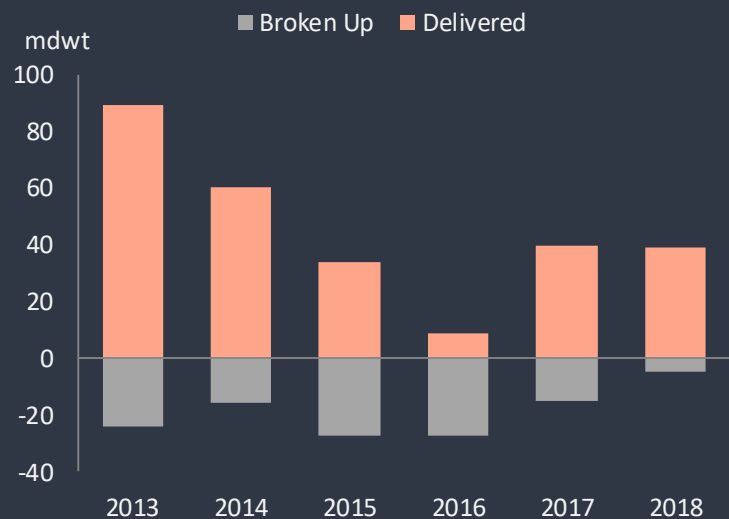
• April 2019 •



scrapped/delivered



for every 1mdwt broken-up
2.3mdwt were delivered



scrapped/ordered

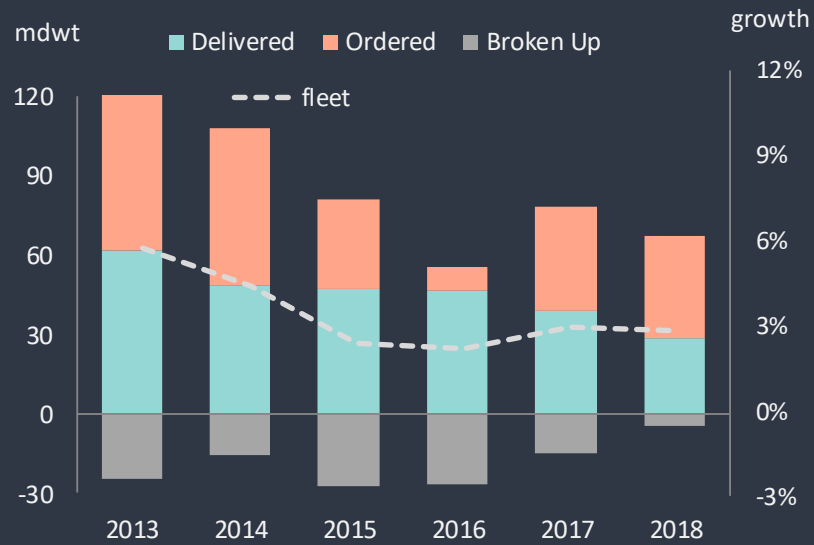


for every 1mdwt broken-up
1.7mdwt were ordered





April
2019



active
tonnage

657 mdwt

813 mdwt

tonnage
on order

130 mdwt

99 mdwt

average
fleet age

9.6 years

9.6 years

fleet

2013 vs 2018

%orderbook

+24%

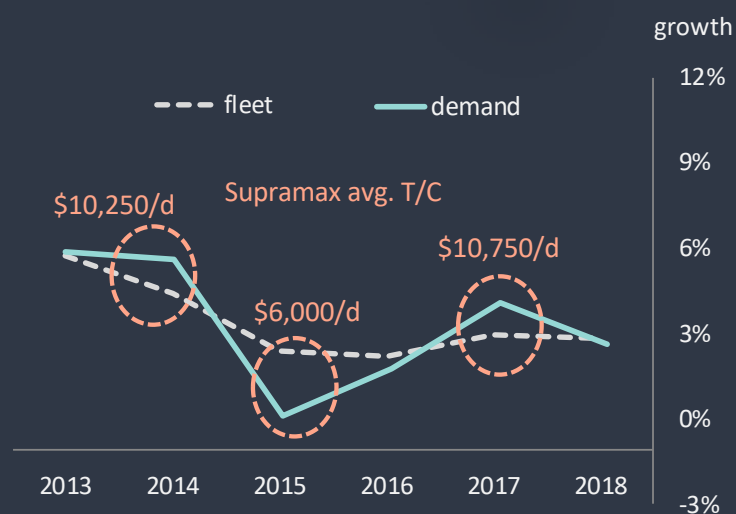
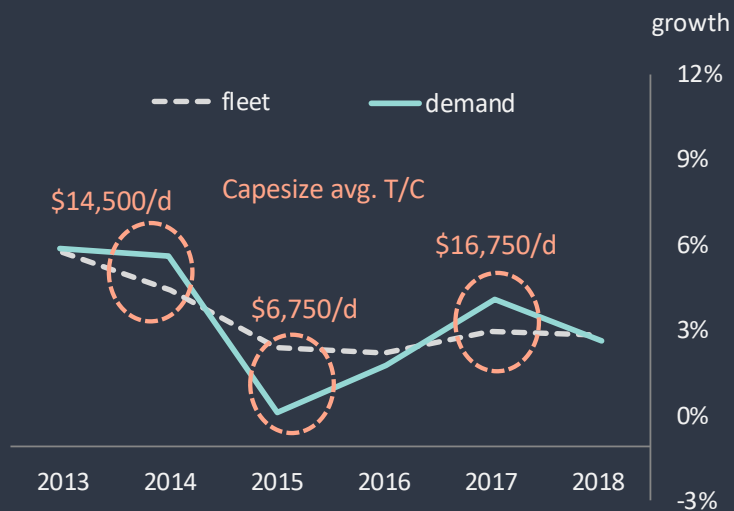
difference
±%

-38%





April
2019



Capesize

2016 vs 2018

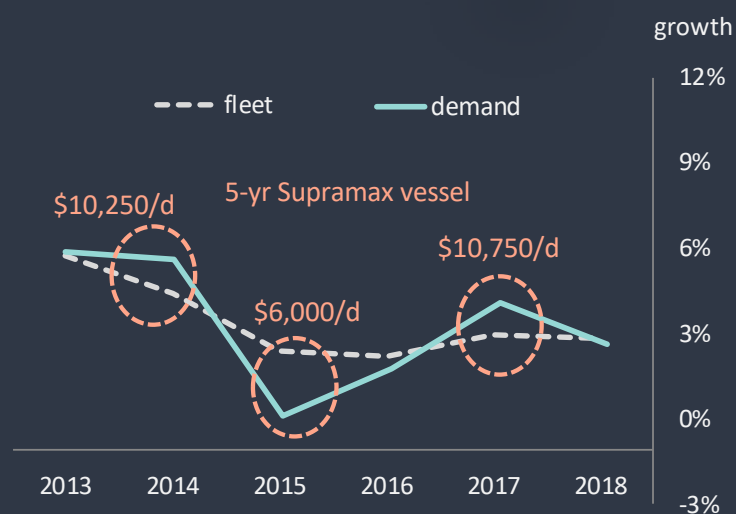
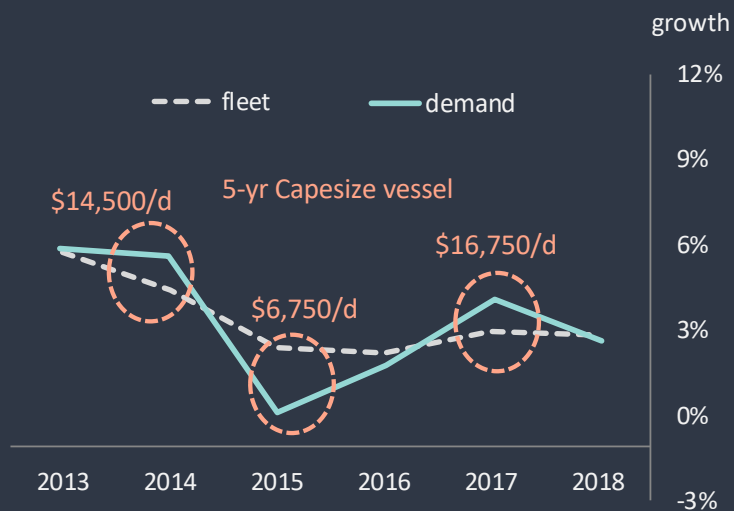
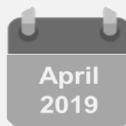
Supramax

+122%

spot rates
±%

+83%





Capesize

+52%

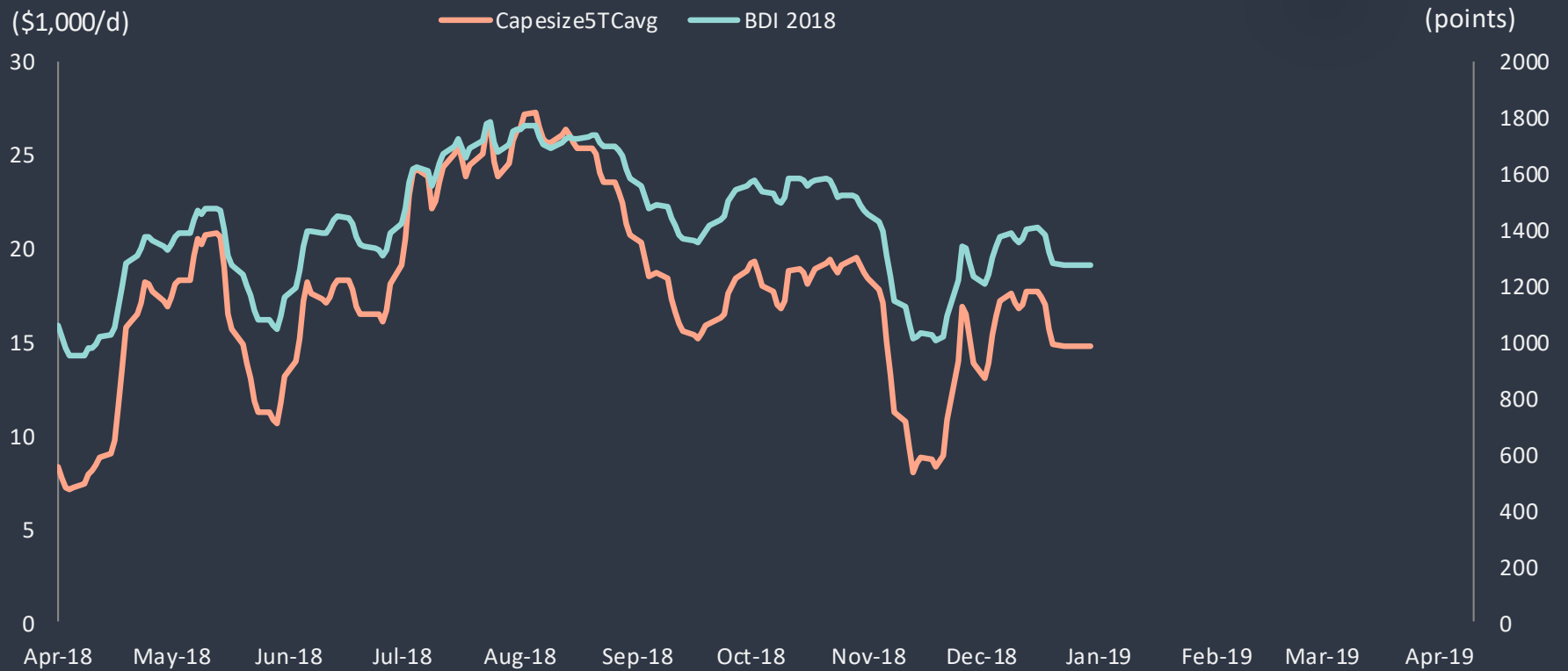
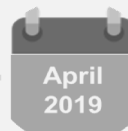
2016 vs 2018

5-yr vessel
±%

Supramax

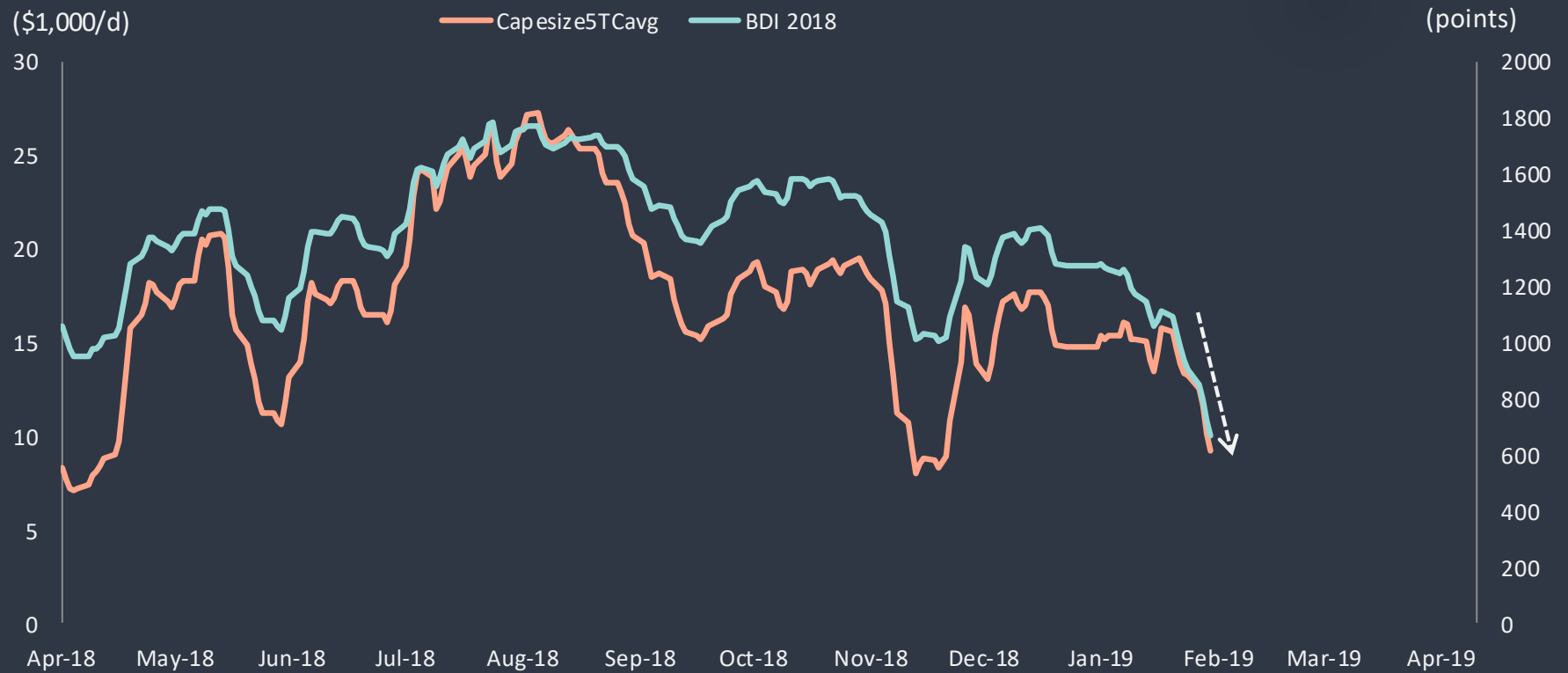
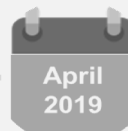
+46%





- the Capesize market witnessed a drop of during January despite the fact that Chinese iron ore imports were up month on month

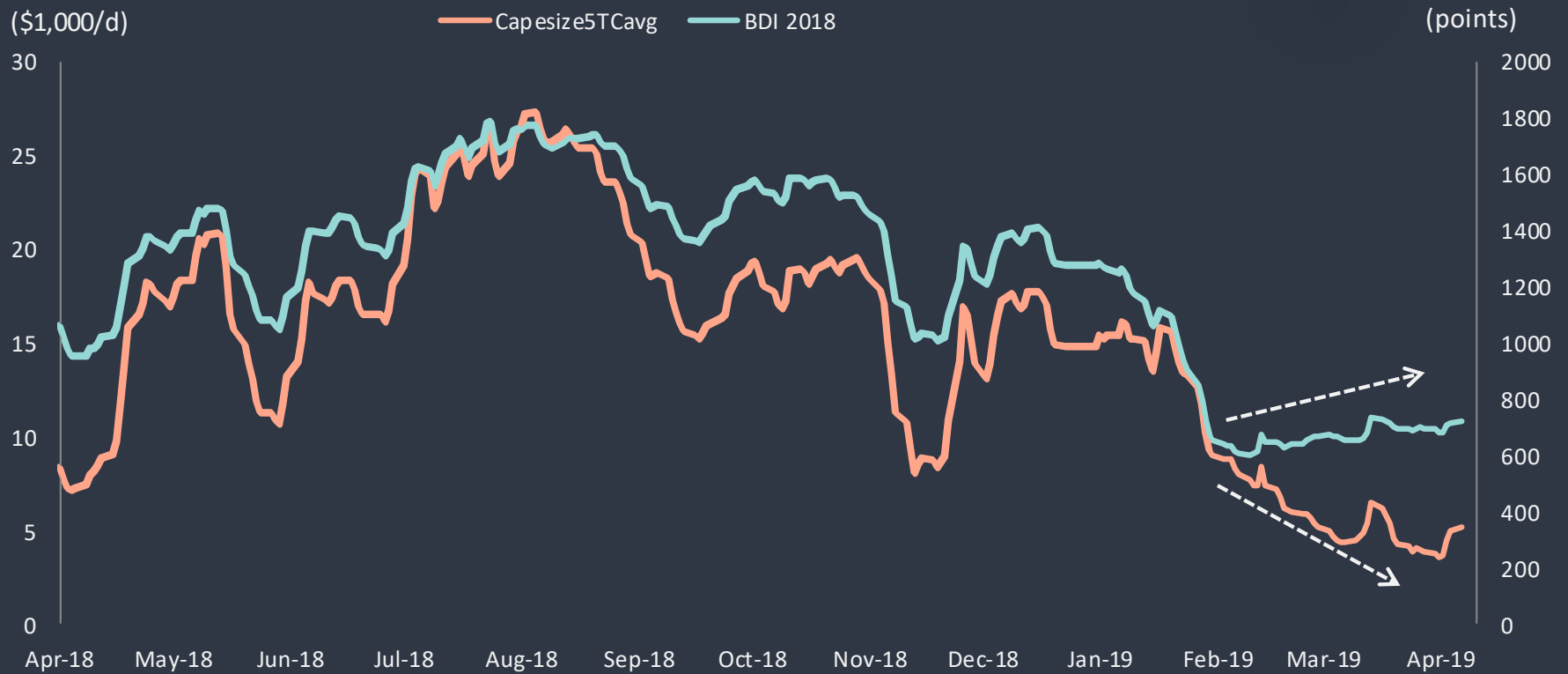




the Capesize market witnessed a drop of during January despite the fact that Chinese iron ore imports were up month on month

BDI and Capesize market performance were perfectly correlated until February end (end of Chinese New Year)

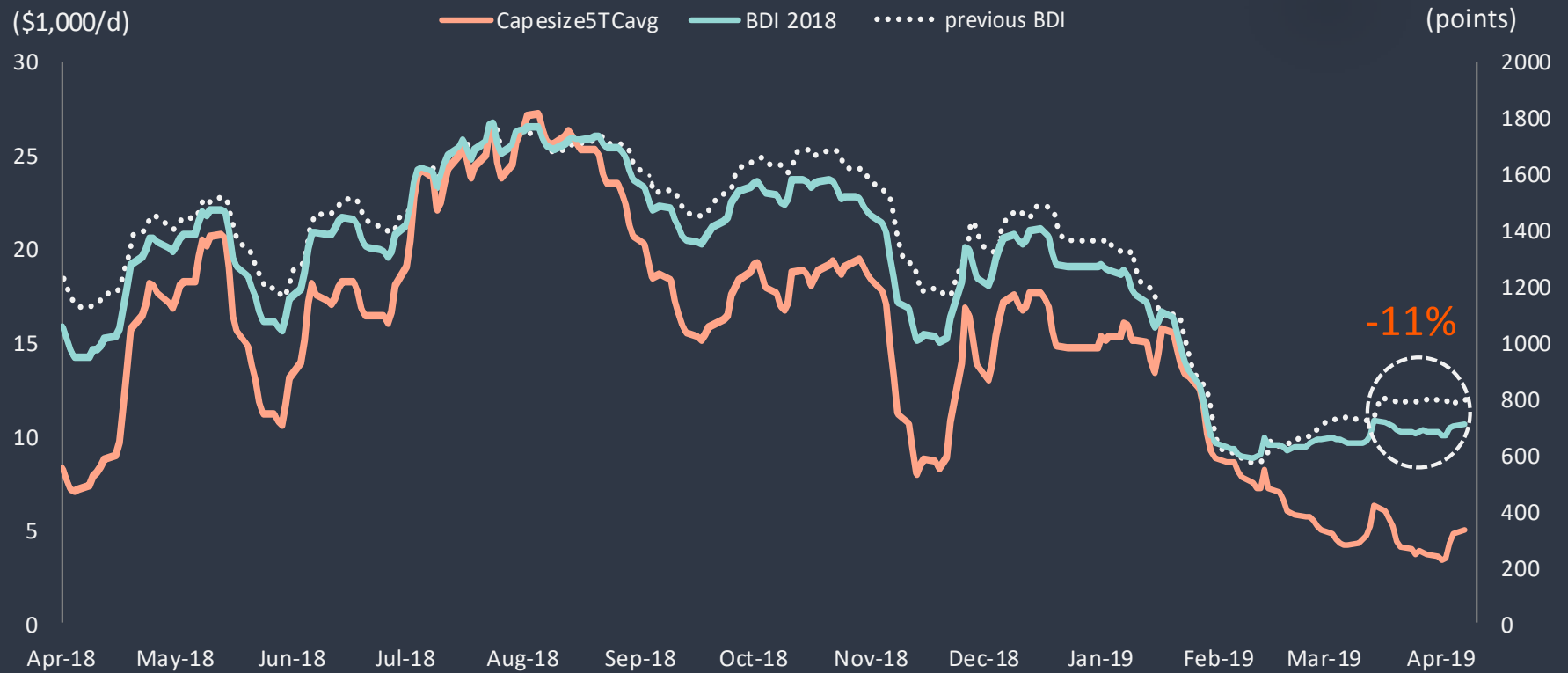




the positive correlation between the BDI and Capesize rates has turned negative in mid-Q1 2019

Seasonality together with the VALE dam disaster in Brazil have pushed Capesize earnings lower during February and March





the rest of the sizes saw improved rates throughout March but the Capesize index kept weakening reaching new historical lows

the reweighting of the BDI in 2018 means that the index is not taking into account Handysize rates and places 40% weight on Capes





Q1 2019 activity in the dry bulk sector

delivered

8.6mdwt

ordered

3.8mdwt

scrapped

3.5mdwt

Demolition

+105%

-63%

Contracting

Slippage

+38%



Invested in the SnP
market Jan - Mar

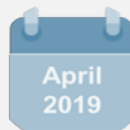
\$1.6bn

2018

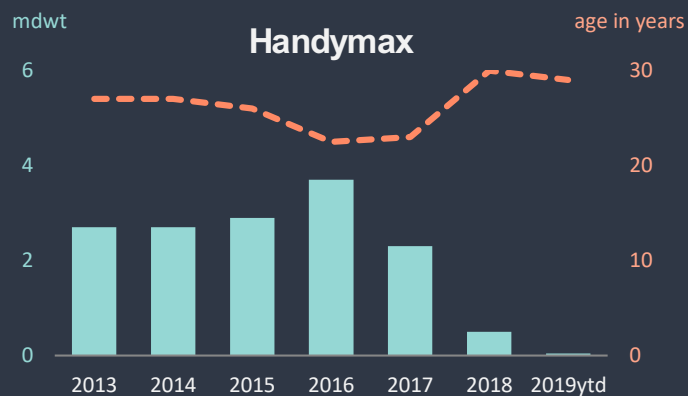
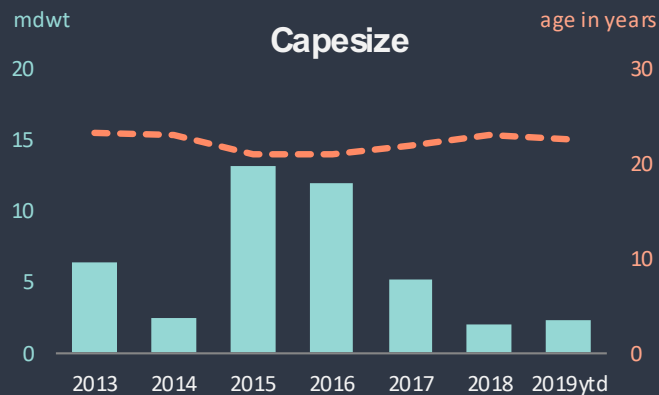
\$1.1bn

2019





ytd demolition



>120,000_{dwt}

<120,000_{dwt}

broken
up dwt

3.1_{mil.}

0.4_{mil.}

difference
±2019 ytd

+181%

-28%

average
scrap age

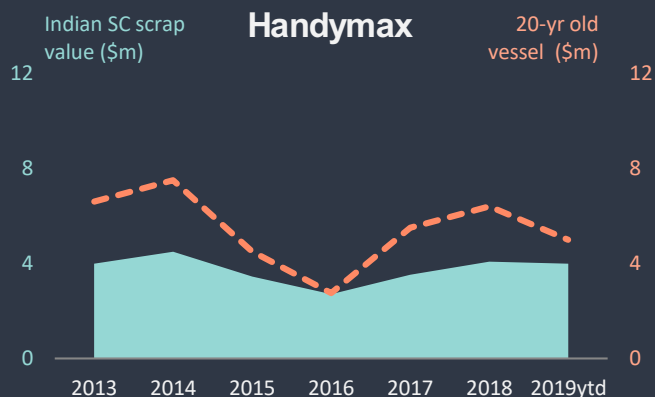
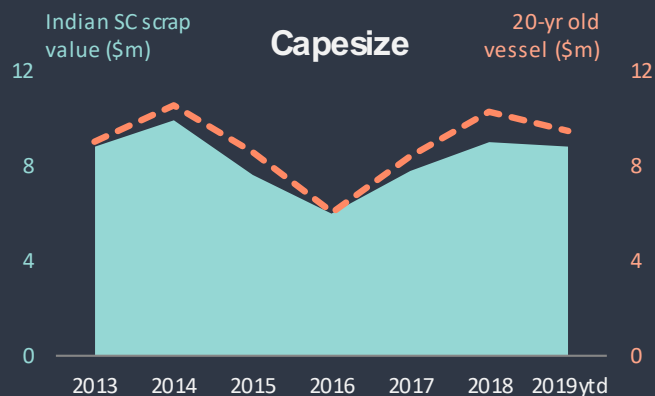
23_{years}

29_{years}



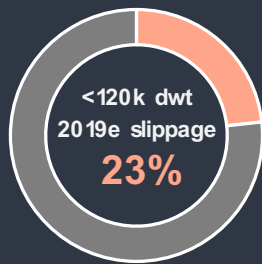
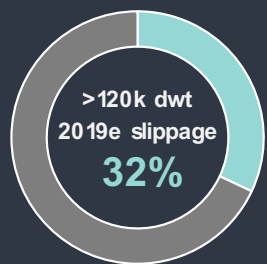


ytd demolition



	>120,000 _{dwt}	<120,000 _{dwt}
broken up dwt	3.1mil.	0.4mil.
difference ±2019ytd	+181%	-28%
average scrap age	23years	29years

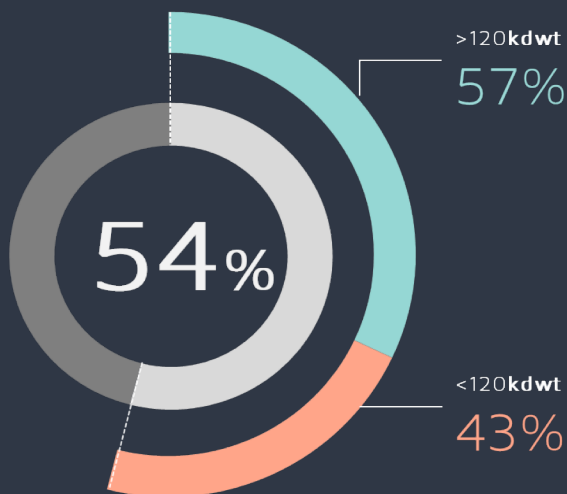




min. full year 2019 slippage

27%

2019ytd
slippage



slippage

>120,000_{dwt}

<120,000_{dwt}

due 2019
delivery on
Jan 1st

21.7 mil.

26.6 mil.

status: not
commenced

7.0 mil.

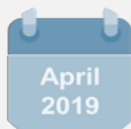
6.2 mil.

keel laid status
/old orders/ Dec
'19 delivery

1.0 mil.

1.9 mil.





50 on order
million dwt



322 in service
million dwt

8 average
years age



youngest fleet across the sector

substantial deliveries post 2020

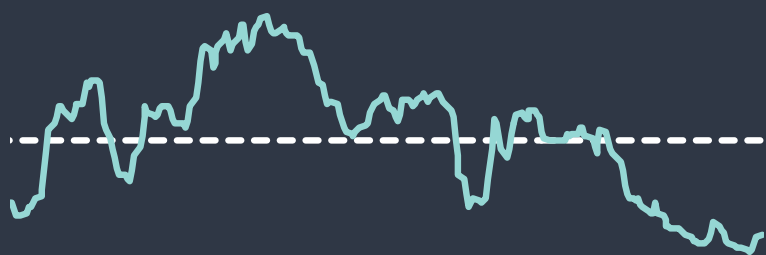
highest orderbook across bulkers

highest rate volatility across the sector

highest P/E ratio across the sector

Capesize

--- 12-mos avg. spot rates (\$15,000/d) — deviation



standard deviation 41%

Apr-18

Apr-19

6.6

Capesize

4.1

Panamax

3.9

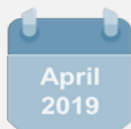
Supramax

4.0

Handysize

P/E ratio (5-year old asset, 1-yr T/C)



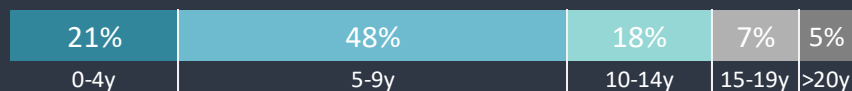


20 on order
million dwt



168 in service
million dwt

10 average
years age



2nd older fleet across the sector

heavy delivery schedule until next year

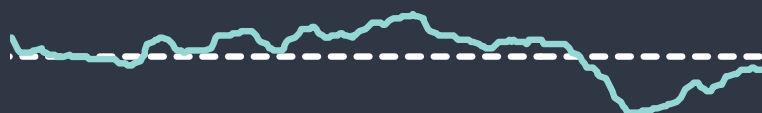
moderate orderbook

lower rate volatility compared to Capes

attractive P/E ratio

Panamax

--- 12-mos avg. spot rates (\$10,600/d) — deviation



standard deviation 22%

Apr-18

Apr-19

6.6

Capesize

4.1

Panamax

3.9

Supramax

4.0

Handysize

P/E ratio (5-year old asset, 1-yr T/C)



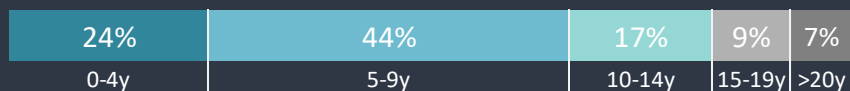


15 on order
million dwt



187 in service
million dwt

9 average
years age



fairly young fleet

heavy delivery schedule until next year

2nd lowest orderbook across the sector

very low rate volatility

lowest P/E ratio

Supramax

--- 12-mos avg. spot rates (\$10,800/d) — deviation



standard deviation 18%

Apr-18

Apr-19

6.6

Capesize

4.1

Panamax

3.9

Supramax

4.0

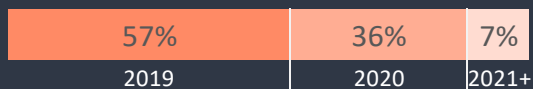
Handysize

P/E ratio (5-year old asset, 1-yr T/C)



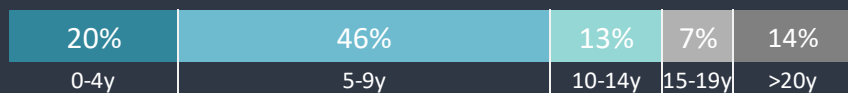


5 on order
million dwt



83 in service
million dwt

11 average
years age



oldest fleet across the sector

heavy delivery schedule until next year

lowest orderbook across the sector

lowest rate volatility in the sector

very attractive P/E ratio

Handysize

--- 12-mos avg. spot rates (\$8,100/d) — deviation



standard deviation 17%

Apr-18

Apr-19

6.6

Capesize

4.1

Panamax

3.9

Supramax

4.0

Handysize

P/E ratio (5-year old asset, 1-yr T/C)





important market drivers

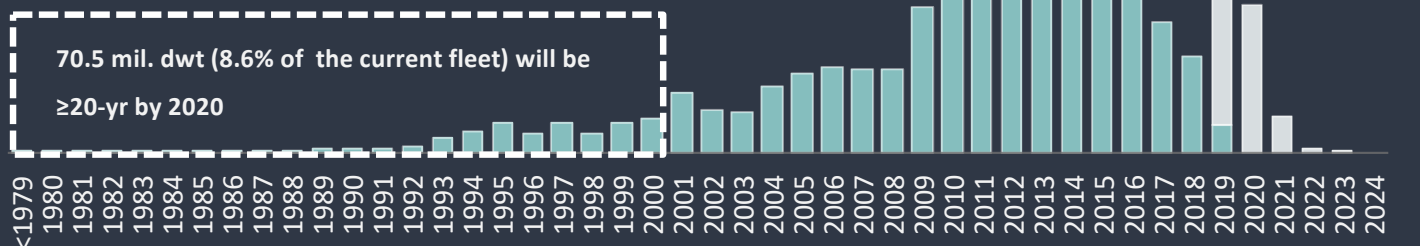
- the slowdown of the Chinese economy growth
- the disruption in Vale's iron ore output
- Chinese restrictions on coal imports
- the trade war between the US and China and its extended impact on the grain trade
- India's appetite for coal imports going forward
- increased demolition if freight rates and regulations bring more pressure
- disruptions that the IMO 2020 is set to bring along from the last quarter of the year





■ in service: 819 mil. dwt

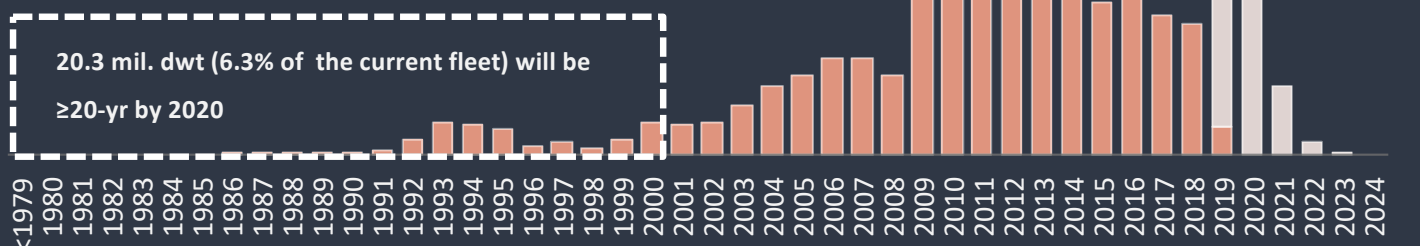
■ on order: 97 mil. dwt (12% orderbook)



all bulkers

■ in service: 322 mil. dwt

■ on order: 50 mil. dwt (16% orderbook)



capecize





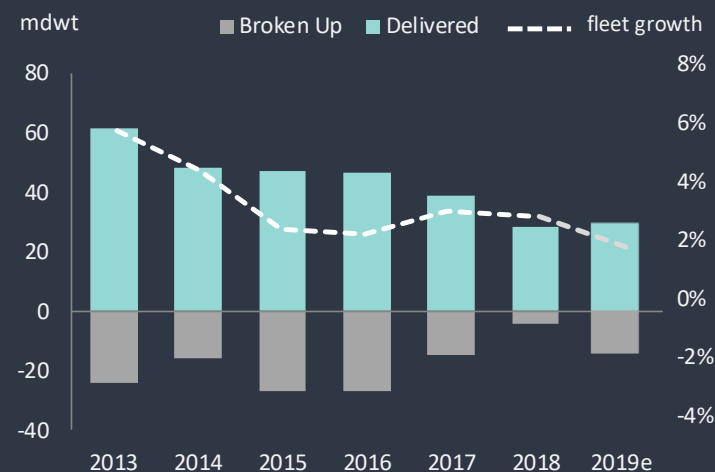
2019 fleet growth scenarios (optimistic)

very optimistic

- slippage rate for the entire 2019 at 33%
- steady demolition rate until the end of Q3
- demolition rate doubles in Q4

1st scenario
fleet growth

1.8%

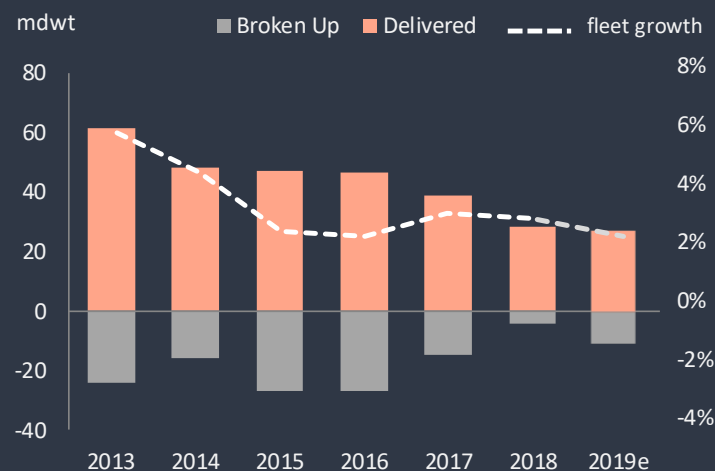


fairly optimistic

- slippage rate for the entire 2019 at 33%
- annualized 2019ytd demolition activity

2nd scenario
fleet growth

2.2%





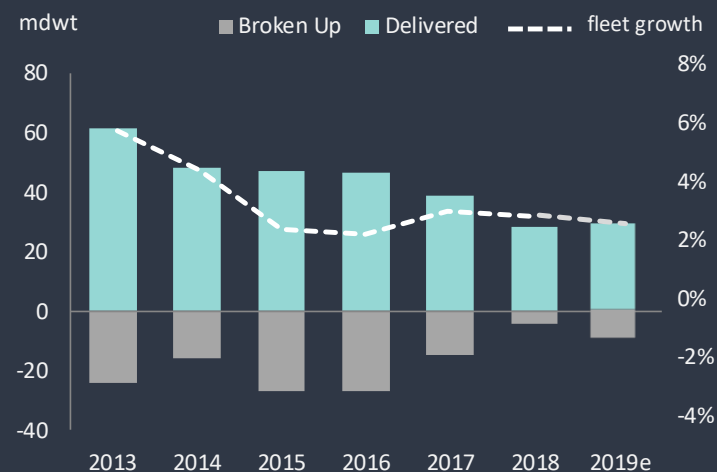
2019 fleet growth scenarios (realistic)

rather realistic

- slippage rate for the entire 2019 at 30%
- demolition rate steady in Q2, drops in half in Q3
- demolition rate doubles in Q4

3rd scenario
fleet growth

2.5%

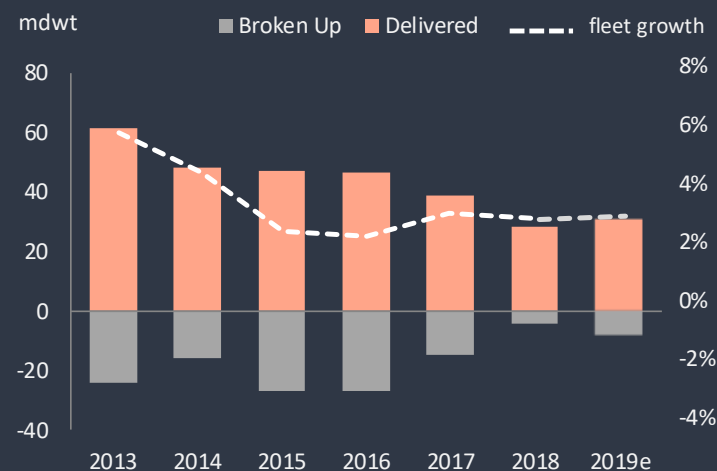


very realistic

- slippage rate for the entire 2019 at 30%
- demolition rate drops to 2018 rate in Q2 & Q3
- demolition rate increases to Q1 levels in Q4

4th scenario
fleet growth

2.8%





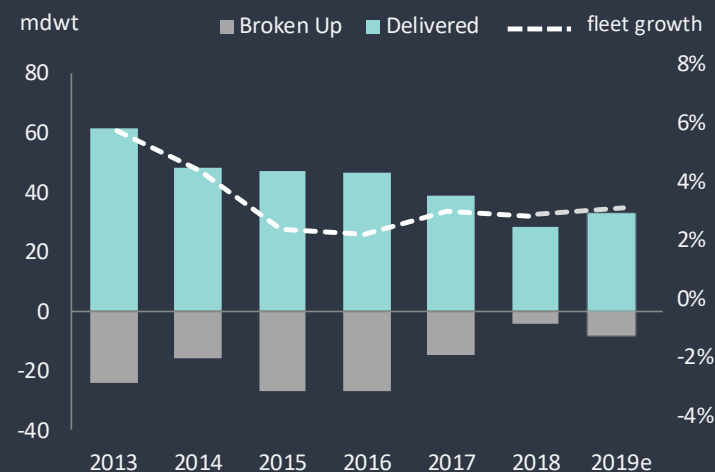
2019 fleet growth scenarios (pessimistic)

rather pessimistic

- slippage rate for the entire 2019 at 25%
- demolition rate remains the same in Q2
- demolition rate drops to 2018 levels in h2

5th scenario
fleet growth

3.0%

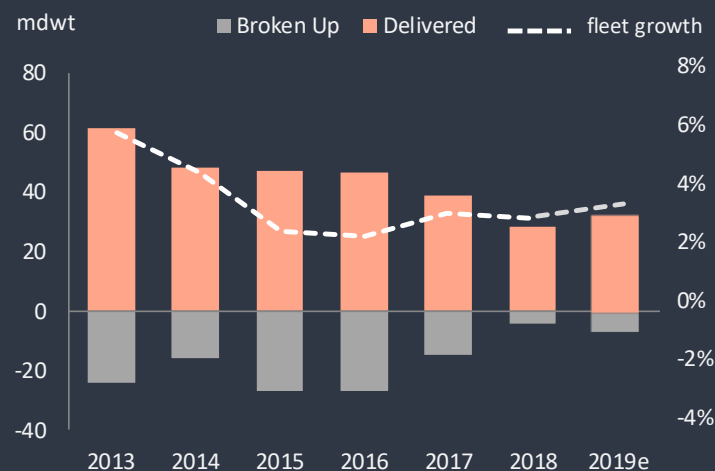


very pessimistic

- slippage rate for the entire 2019 at 25%
- demolition rate drops to 2018 levels after Q1

6th scenario
fleet growth

3.2%





realistic fleet growth scenarios 2% estimated demand growth

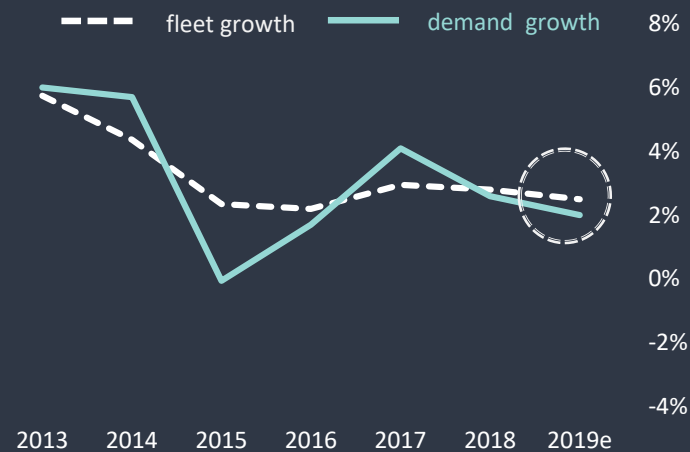
rather realistic

estimated fleet growth

2.5%

estimated demand growth

2.0%



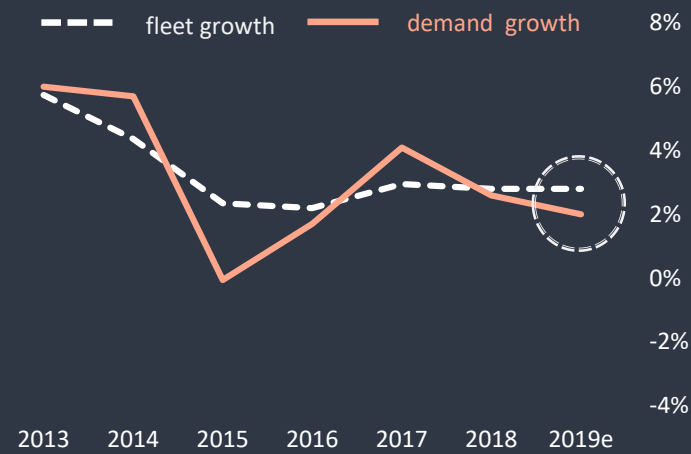
very realistic

estimated fleet growth

2.8%

estimated demand growth

2.0%





closing remarks

- supply growth will surpass demand growth during 2019 extending pressure on rates
- we expect to see increased demolition throughout the year for vessels >120,000dwt
- if rates do not improved significantly until the introduction of the IMO 2020 we expect to witness increased demolition in all dry bulk sizes
- adverse trade developments will keep adding pressure especially on bigger bulkers
- Capesize deliveries will keep setting a ceiling on rates irrespective of demand growth
- the orderbook for the smaller sizes is much less significant compared to the Capesize one
- we expect to see increased slippage this year compared to recent years
- Supramax and Handysize rates are the ones affected the least by volatility, which makes them a much more attractive investment in today's particularly uncertain environment



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