

An aerial photograph of an industrial port facility. In the foreground, a large oil tanker is docked at a pier. In the background, numerous white storage tanks are visible, along with other industrial buildings and infrastructure. The water is dark, and several smaller boats are visible in the distance.

Shipping perspectives in an uncertain macroeconomic and geopolitical environment

October 2023

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Energy market

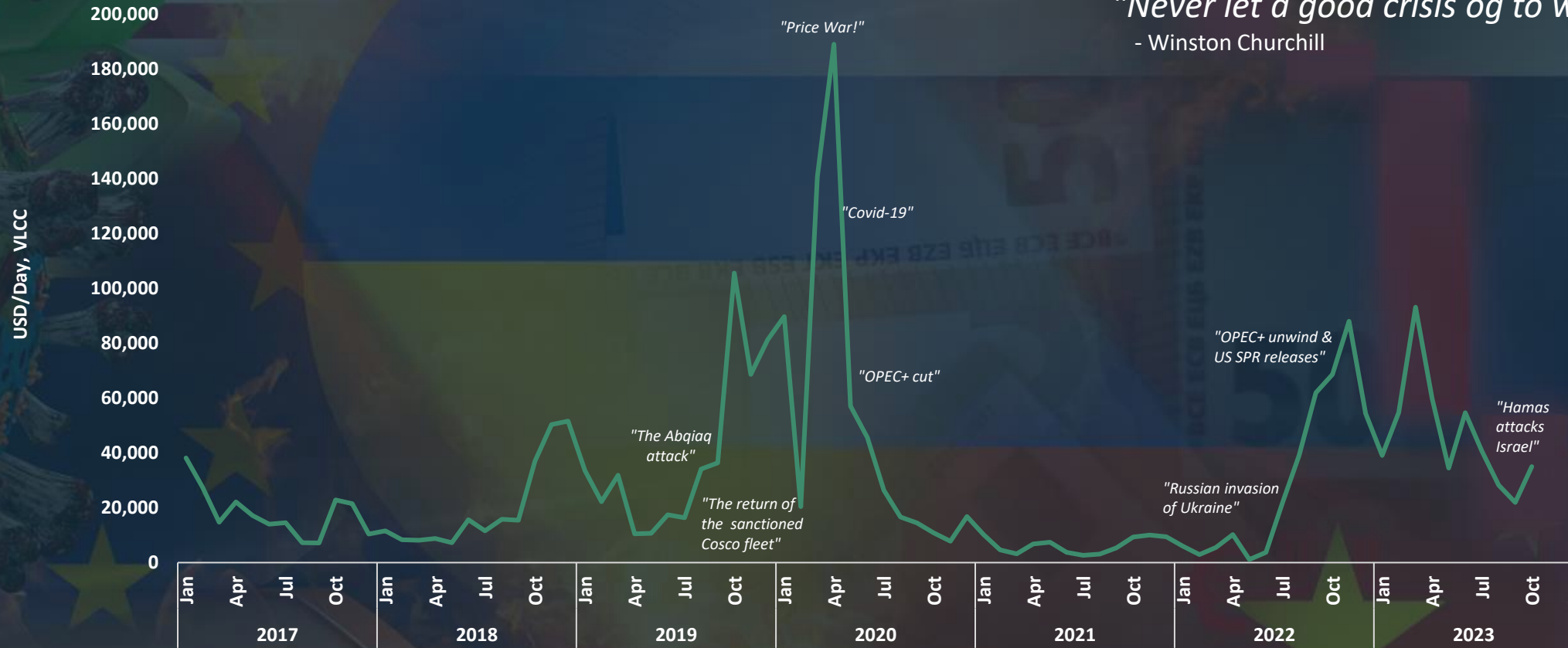
Energy is the economy – and vice versa

GDP powered by energy



Ever present risks and opportunities for shipping markets

Tanker rates amid events and crises

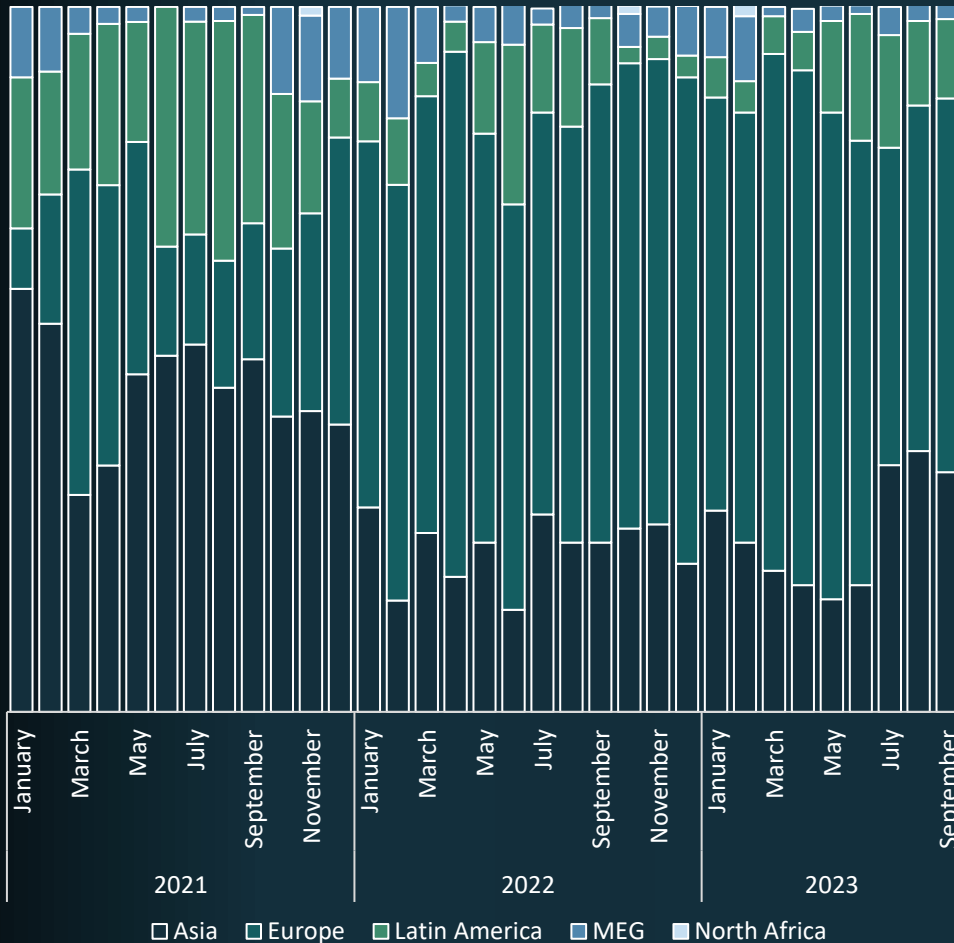


"Never let a good crisis go to waste"
- Winston Churchill

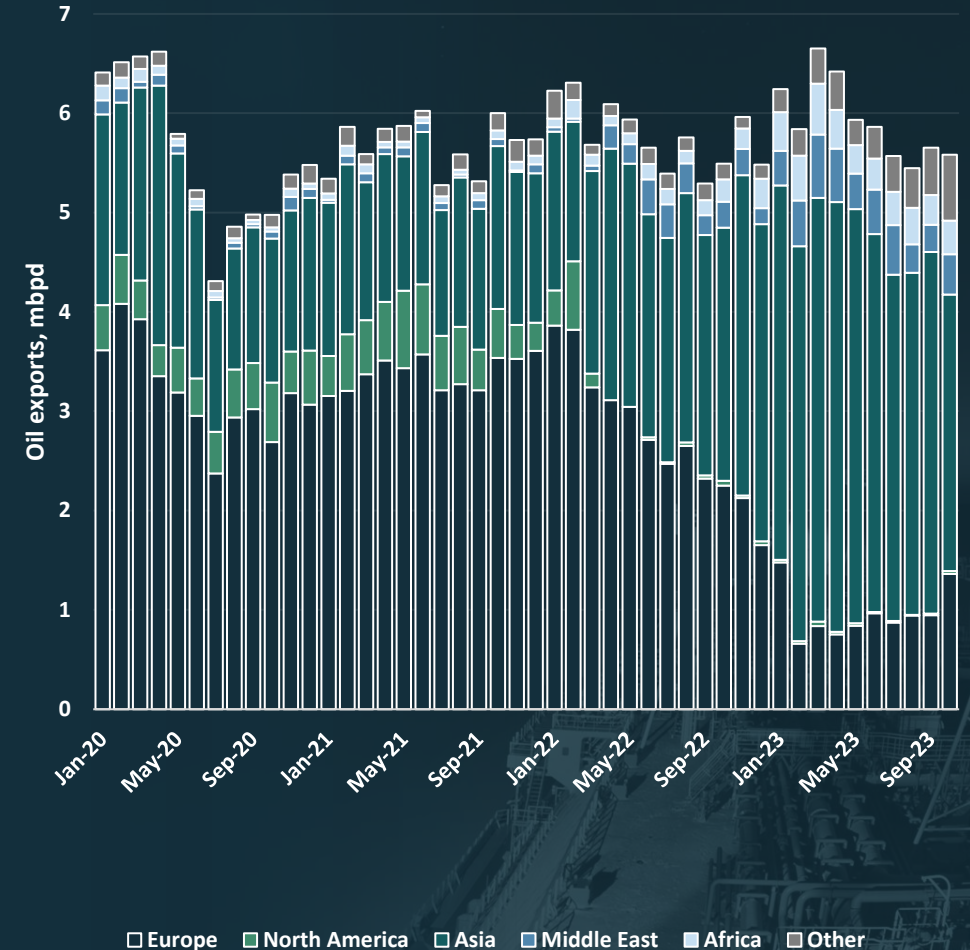
Russia - Ukraine

Significant LNG and oil trade flow shifts – reversal is a risk...

Destination of US LNG



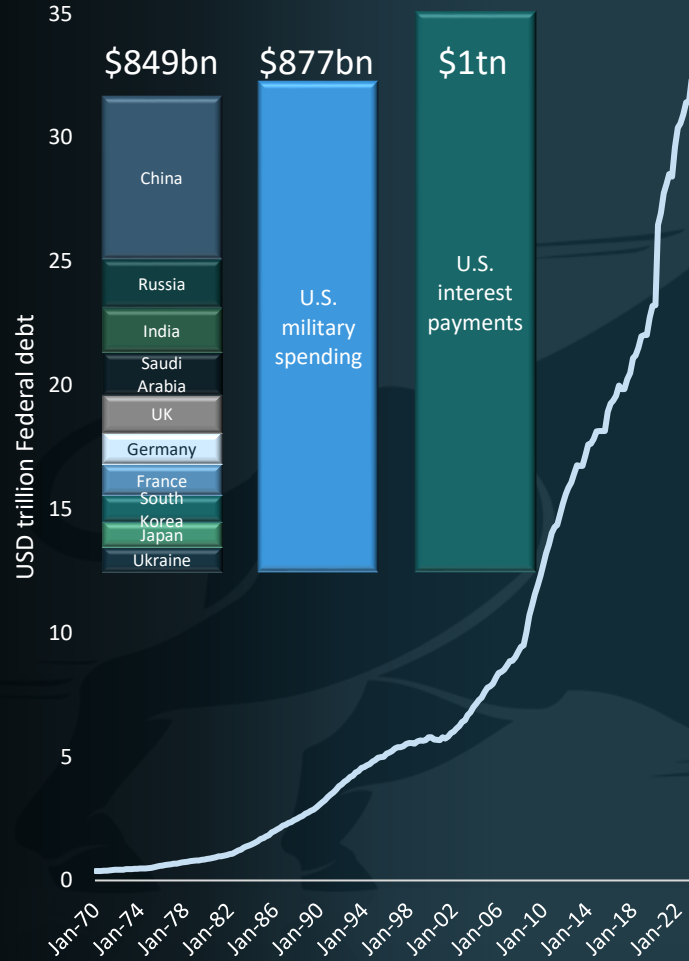
Destination of Russian oil



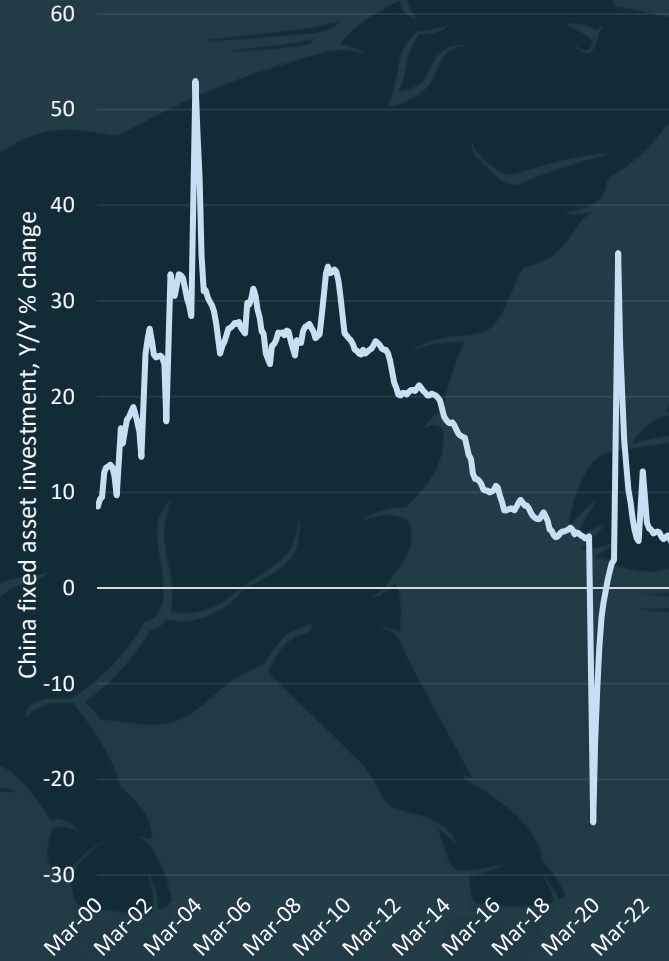
Macroeconomics, geopolitics, energy and shipping

It all ties together – risks are clearly there...

Soaring U.S. debt and interest cost



Underwhelming Chinese growth



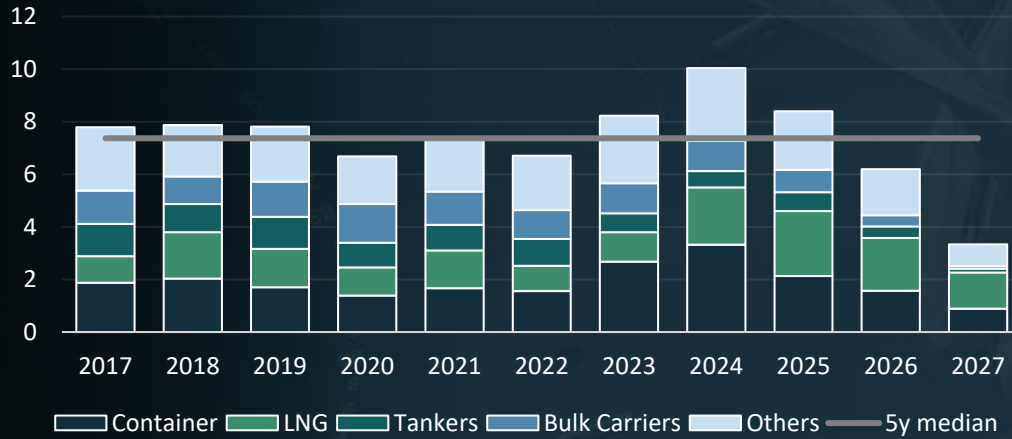
Elevated energy prices – a final push?



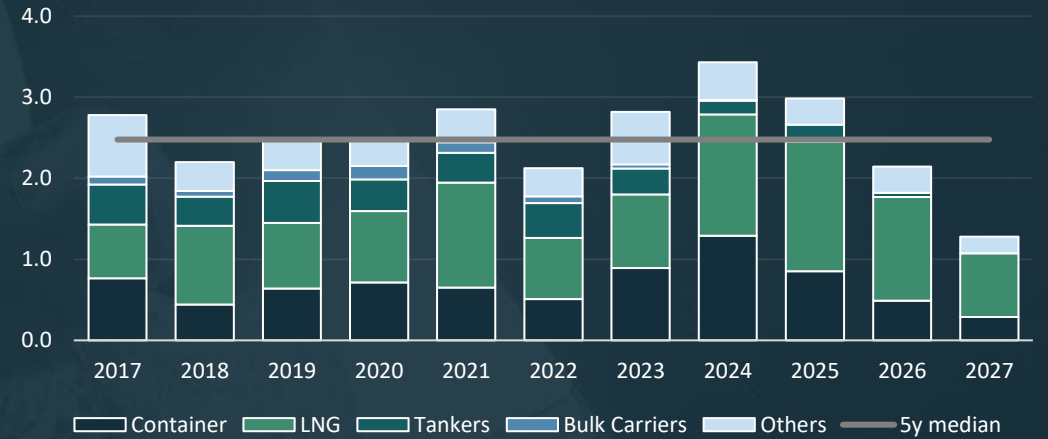
Shipping supply

Elevated deliveries next year – a concern? Limited yard capacity until 2027

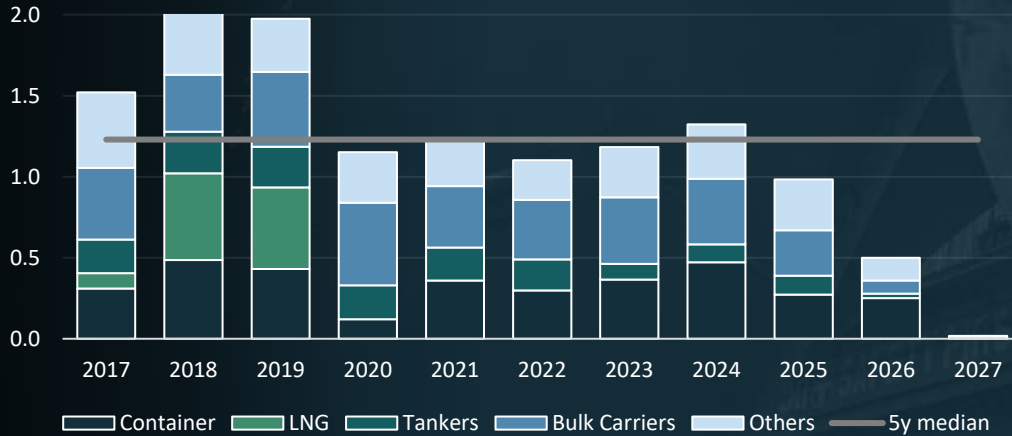
World Deliveries & Orderbook, CGT by segment



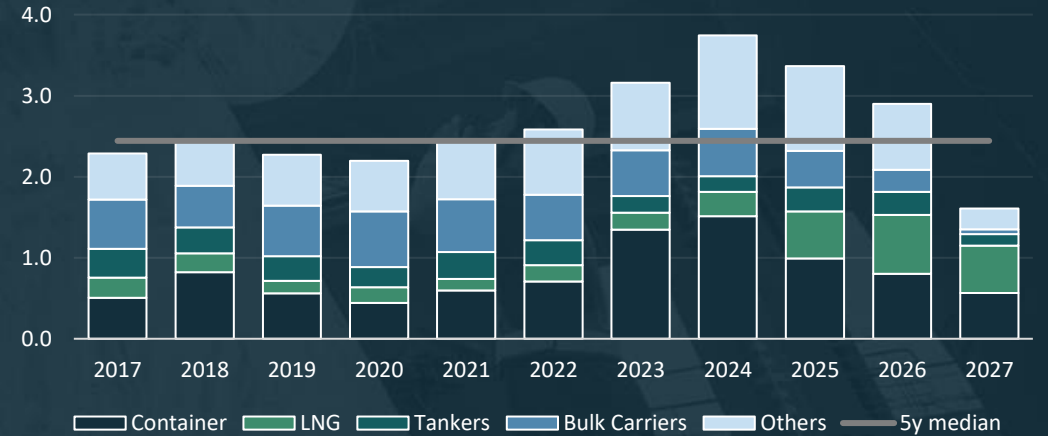
Korea Deliveries & Orderbook, CGT by segment



Japan Deliveries & Orderbook, CGT by segment



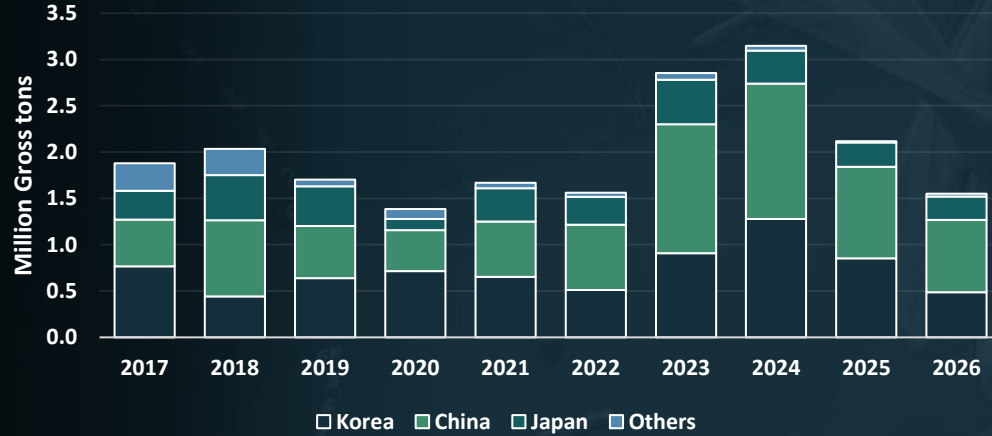
China Deliveries & Orderbook, CGT by segment



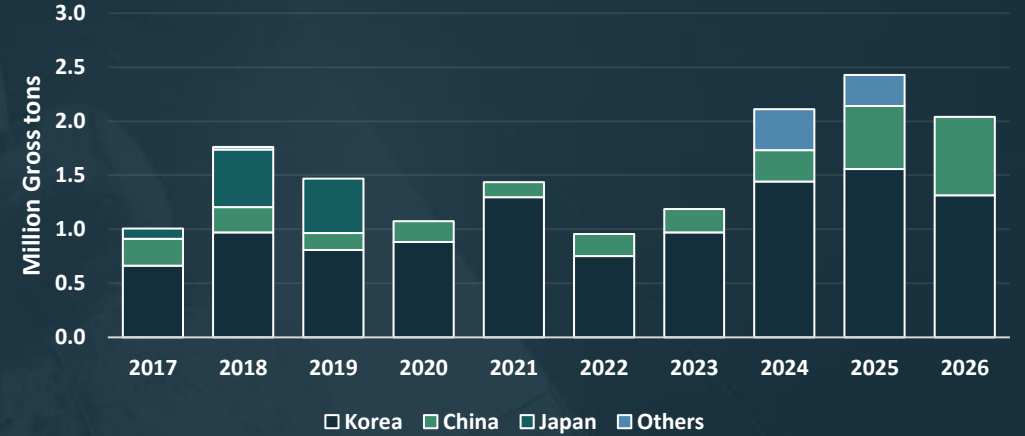
Shipping supply

High deliveries concentrated to key sectors

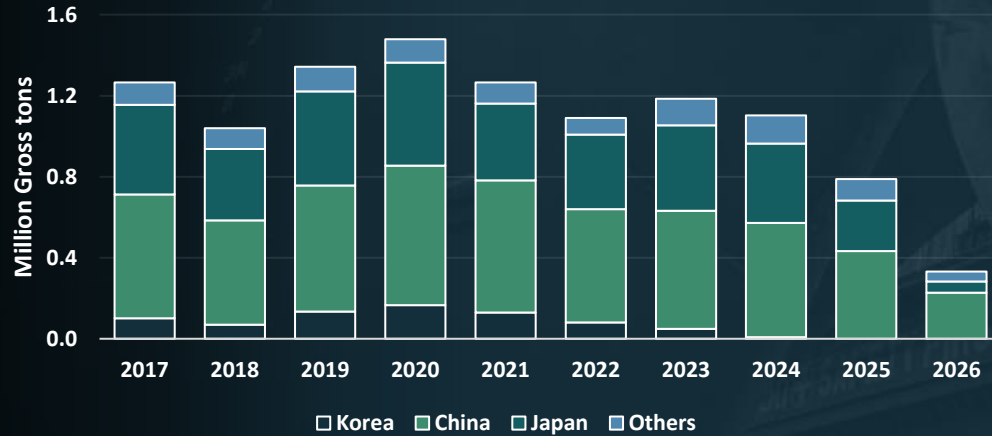
Container deliveries & orderbook, CGT



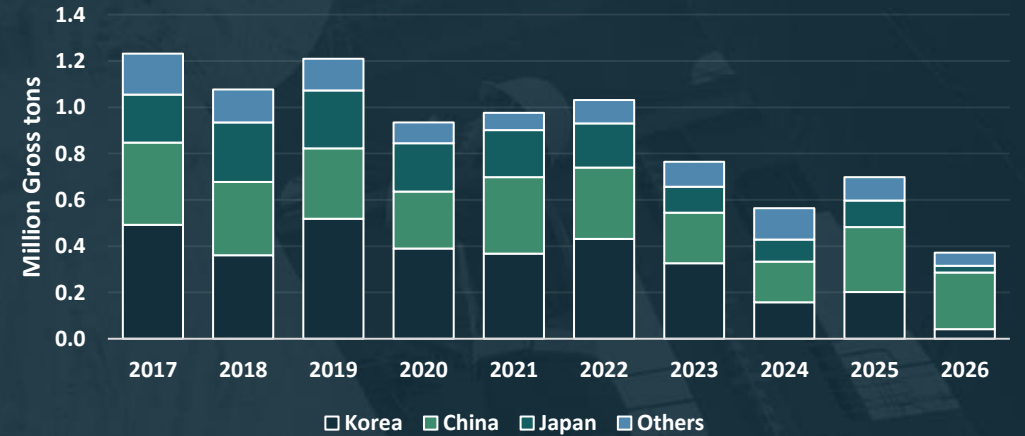
LNGc deliveries & orderbook, CGT



Dry bulk deliveries & orderbook, CGT



Tanker deliveries & orderbook, CGT



Macroeconomic risks and shipping

Some downside risks into 2024

Conclusion – Shipping – What if recession?



- LNG shipping market already expected to be underutilized in 2024 due to high fleet supply combined with lack of meaningful new volumes before 2025/26
- Expect industry focus on further projects well beyond any potential 2024 recession



- Surprisingly strong 2023 LPG market on newbuilding delays, which could mean further downside risk if recession is timed with pick-up in deliveries into 2024
- A U.S. recession could be positive for arbitrage East and tonne-miles, should China recover



- The tanker market will not need demand growth even close to trend to do well, as fleet supply is negligible. Do not underestimate negative psychology
- A U.S. recession but growth in Asia could secure the arbitrage East and tonne-miles

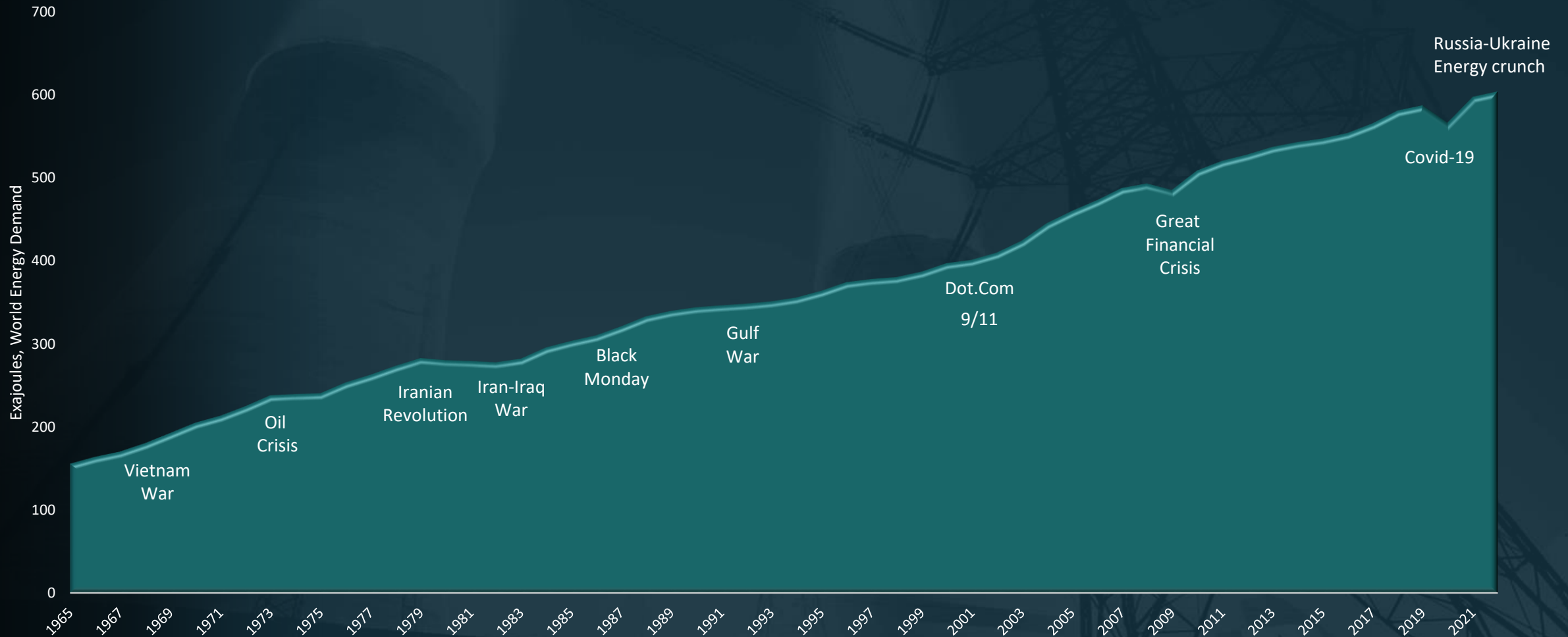


- Dry bulk needs the Chinese recovery to speed up as low fleet supply/ high phase-out potential like tankers may be insufficient for a good market

Energy market

Short-term macroeconomic risks are trivial vs. the long-term trend

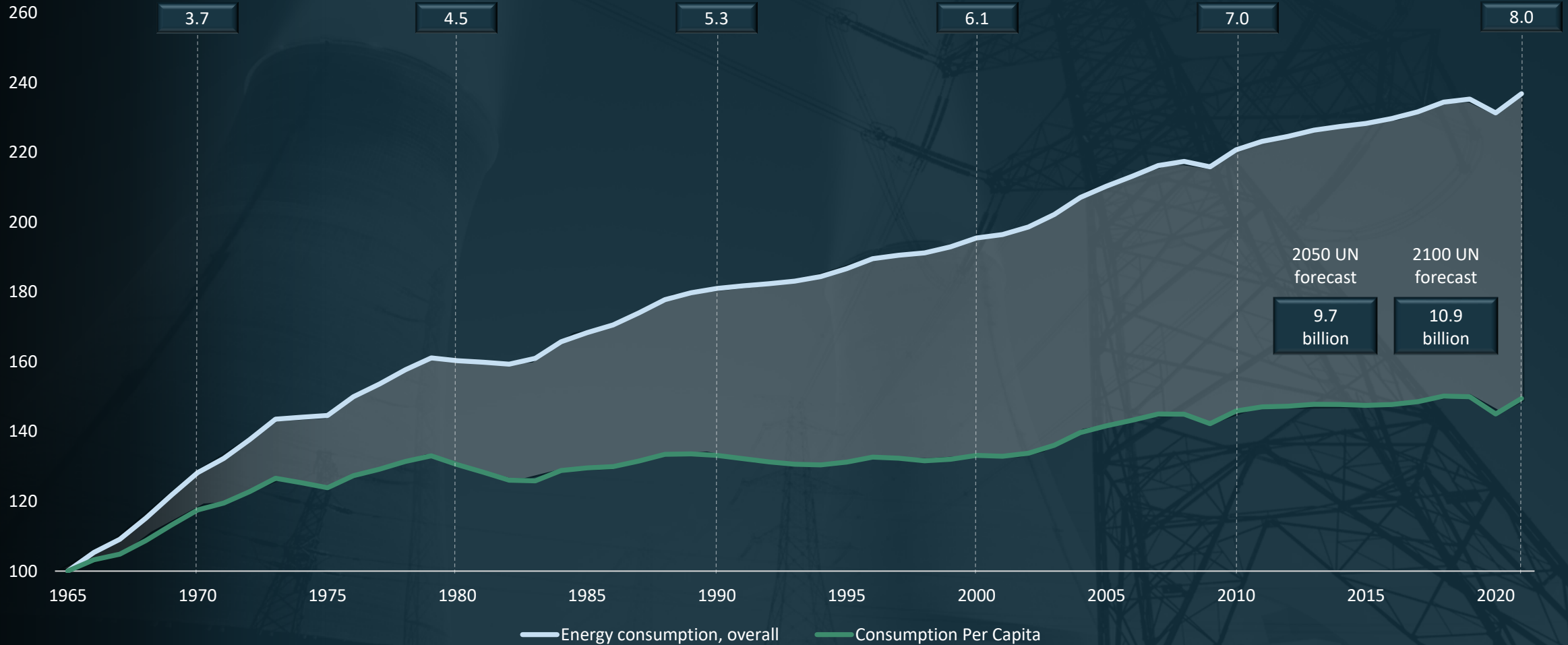
In the case of a recession in 2024, remember that these tend to look like a small glitches for energy demand in the long run....



Energy market

Longer-term energy demand supported by continued population growth

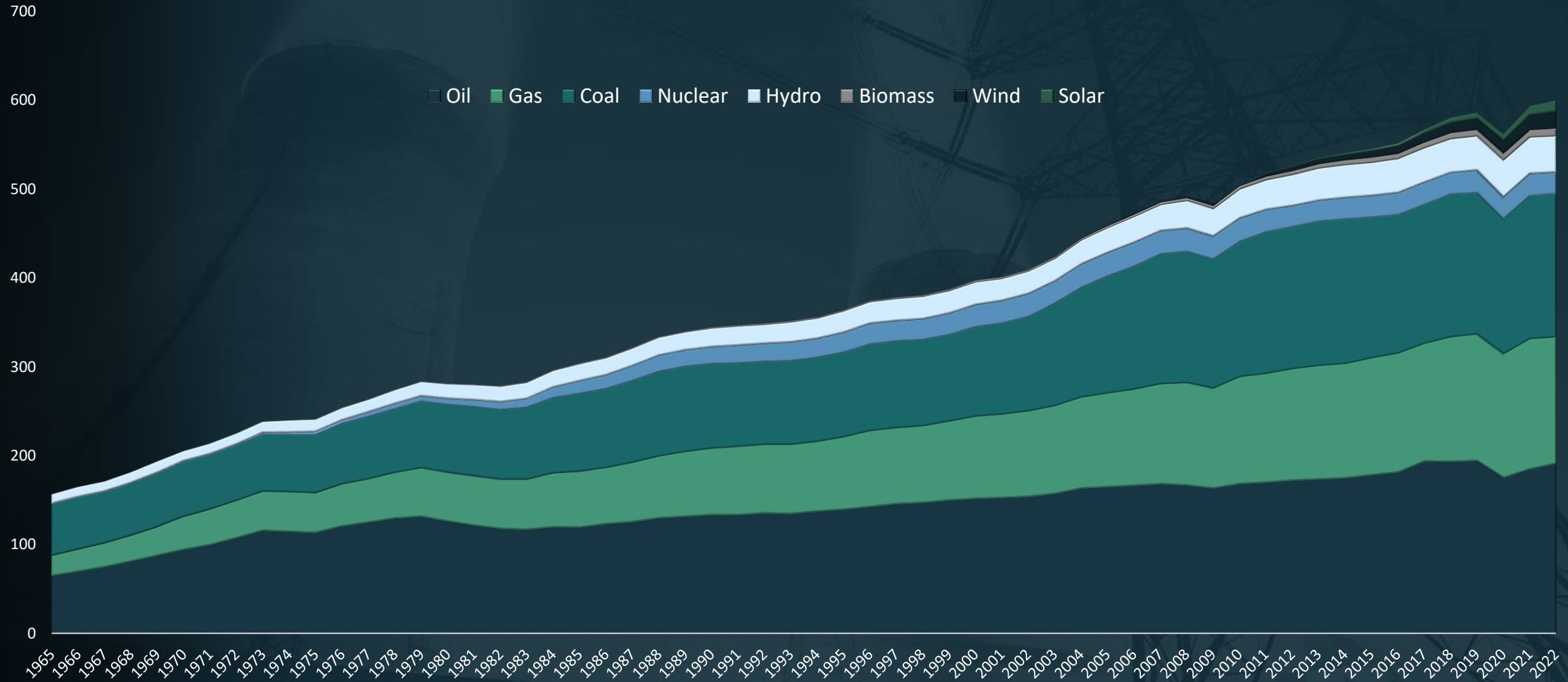
Wealth vs Population growth effect...index 100 = 1965



Energy market

Alternative energy sources have had little impact on hydrocarbon demand

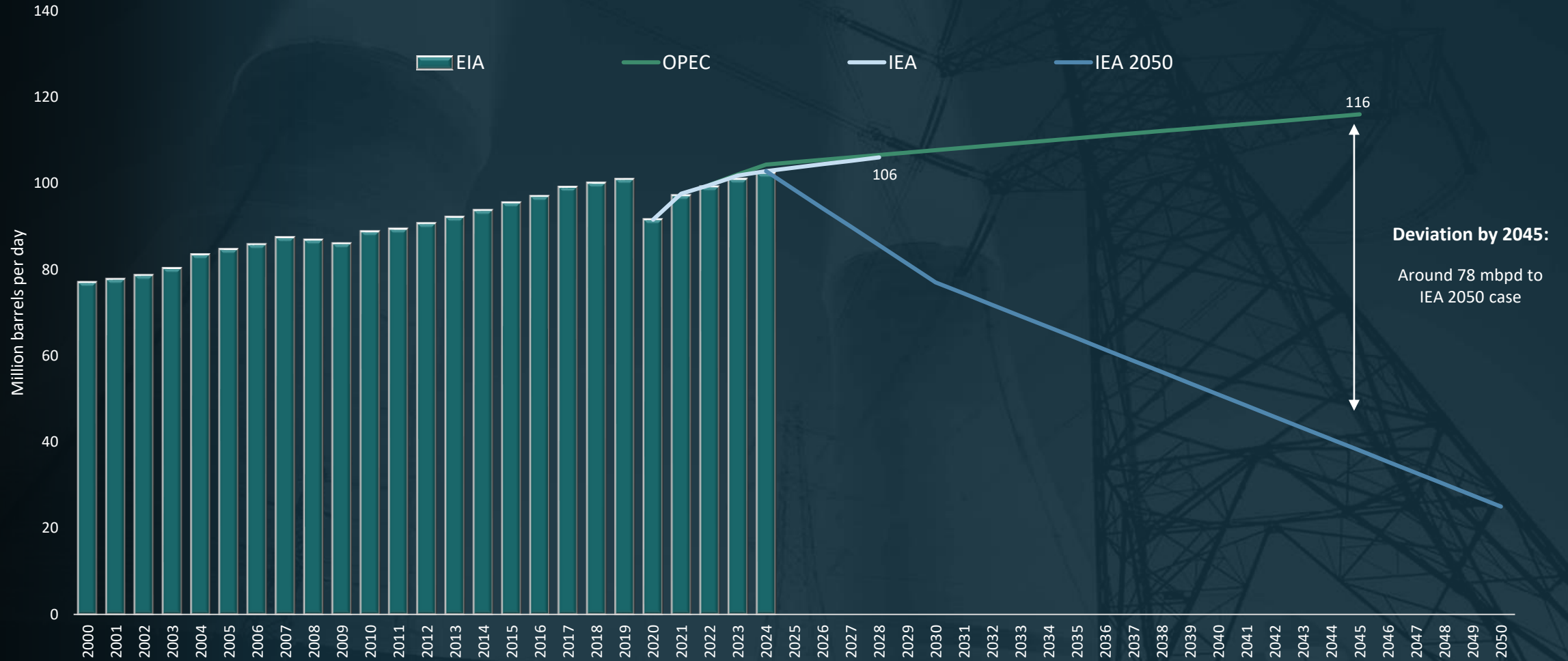
So, what energy transition? Alternative energy sources so far hardly cover energy demand growth...



Energy market

Realistic oil demand forecasts show growth for the foreseeable future

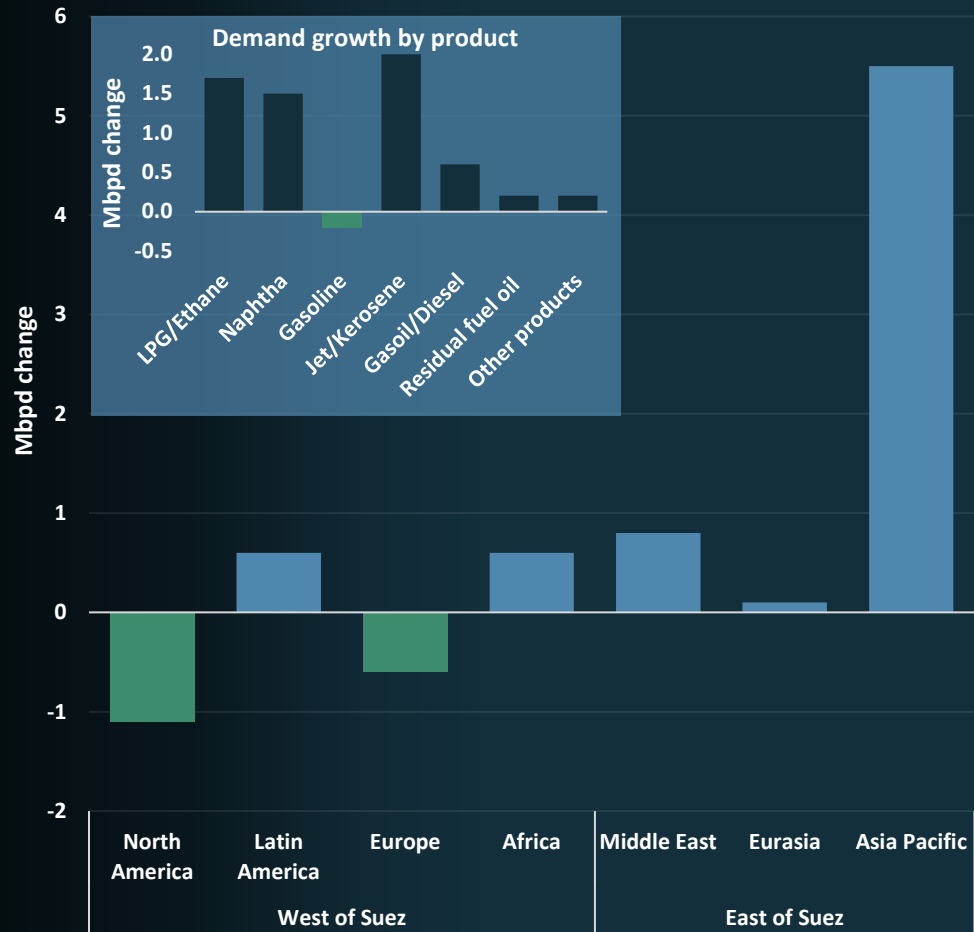
IEA 2050 versus forecast – two different world's.....



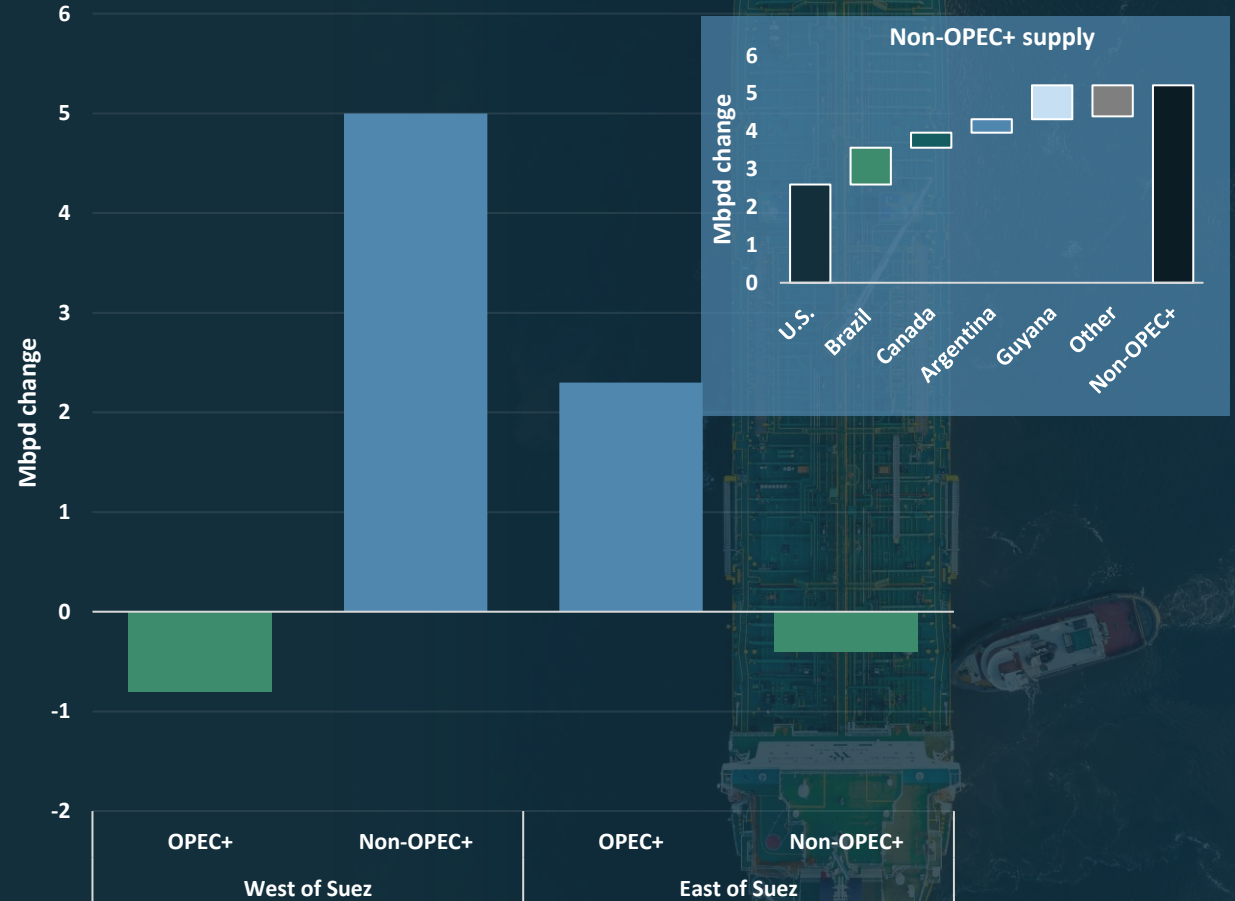
Oil market balance vs. tanker demand

Geographical oil demand/supply imbalance implies continued long-haul trade growth

Oil demand growth 2022-28 by region



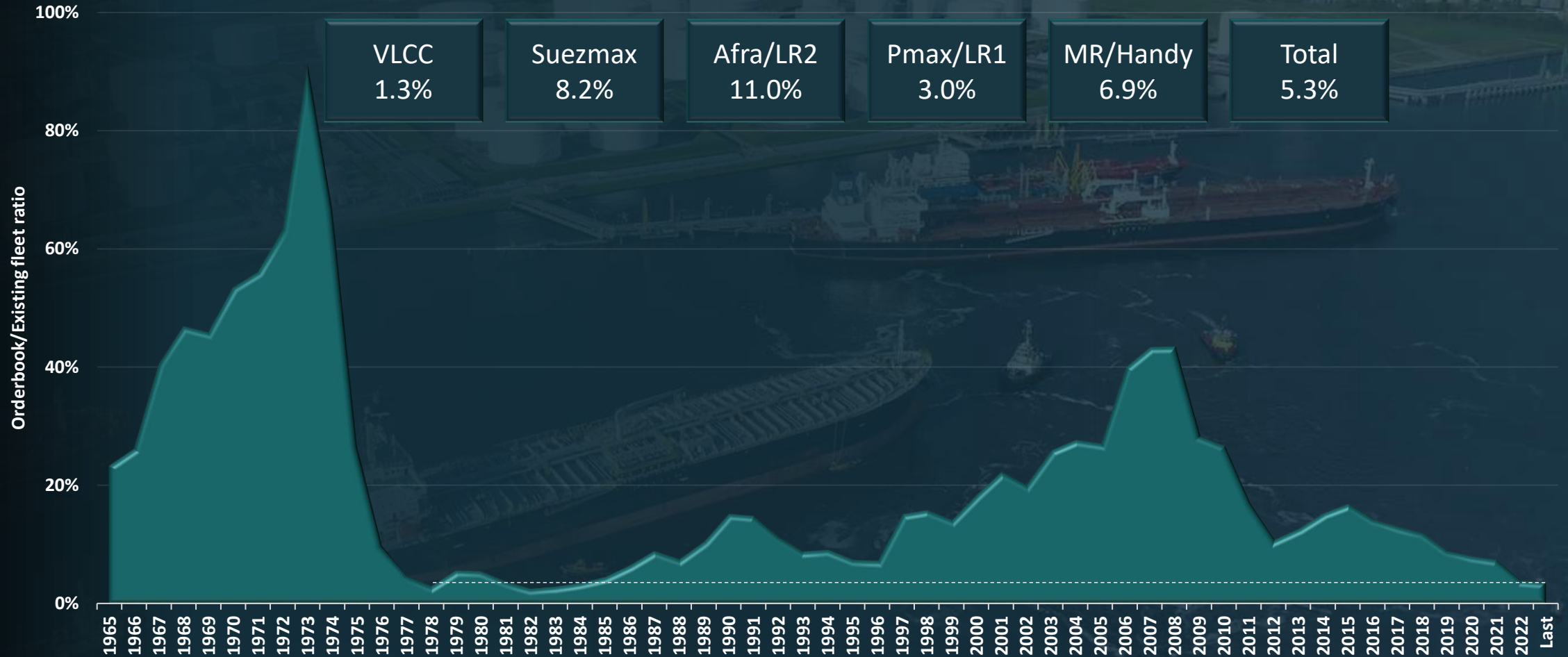
Oil supply growth 2022-28 by region



Tanker supply

Orderbook to fleet at historically low levels

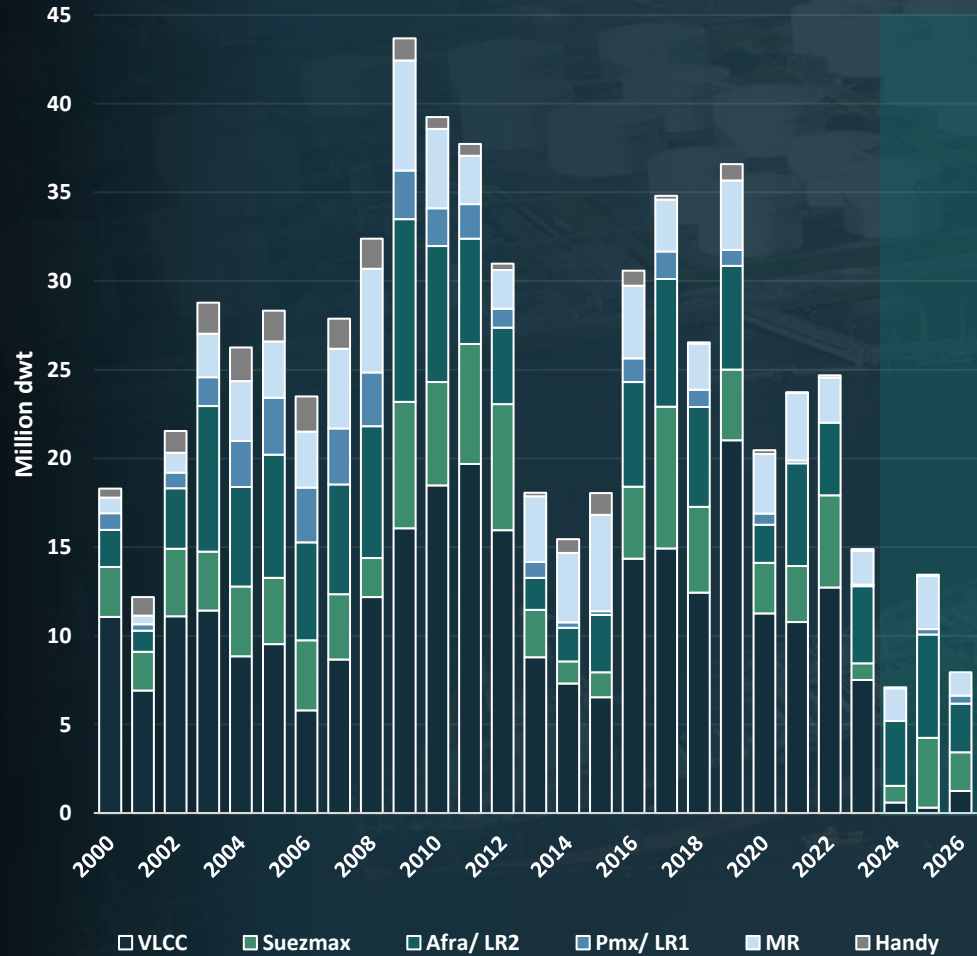
Historic tanker orderbook to fleet ratio %



Tanker supply

Very little fleet growth until at least 2026 – Massive phase-out potential

+25,000 dwt tanker deliveries & orderbook



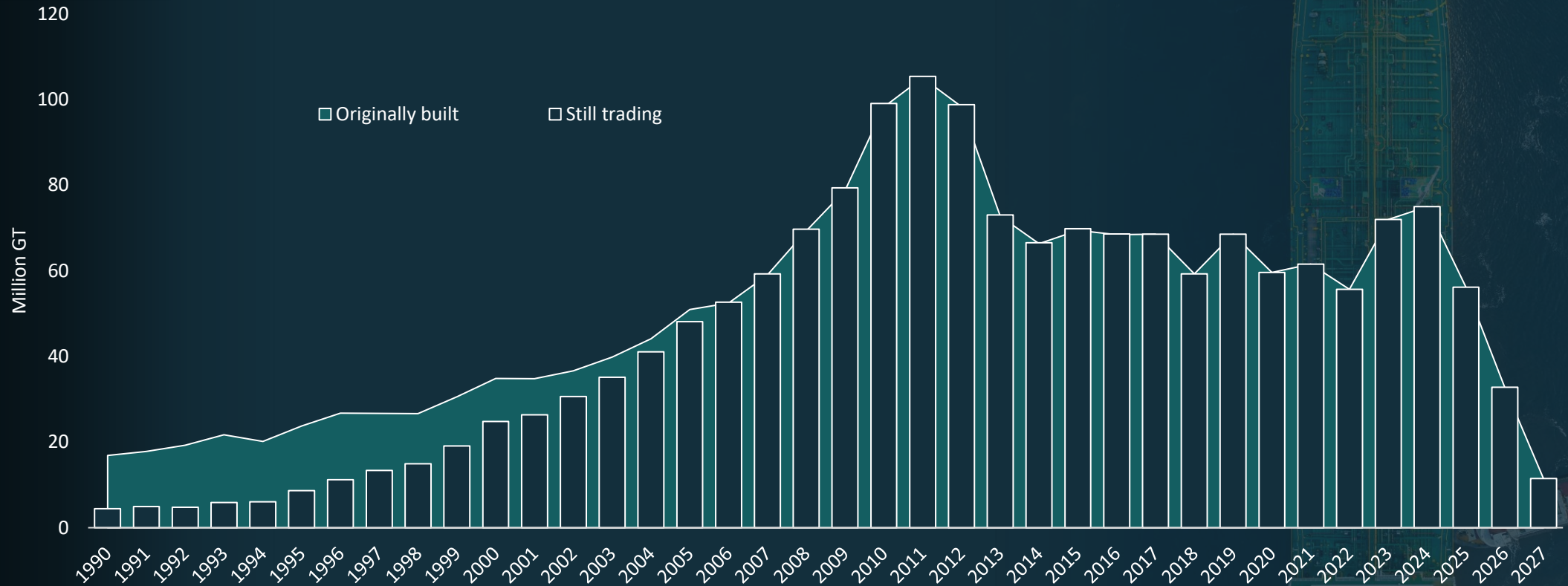
+25,000 dwt orderbook vs. phase-out candidates



Shipping supply

Like for energy, there needs to be more investment for fleet growth and replacement

Total merchant fleet: Tsunami of phase-outs in remainder of the decade



- 65m GT has been built on average per year over the last 10 years
- 116m GT is already older than 25 years
- An additional 192m GT tons will get older than 25 years by 2030
- Replacing the +25 year old tonnage alone will take up nearly 5 of the next 7 years' yard capacity

Macroeconomics, geopolitics and shipping

Some near-term risks – longer term trends may not be affected

Conclusion



- First and foremost: keep track of the fundamentals. Orderbook to fleet at historically low levels for some segments – others more elevated



- Near-term macroeconomic risks could build on or be triggered by geopolitical events – energy security has been taken for granted



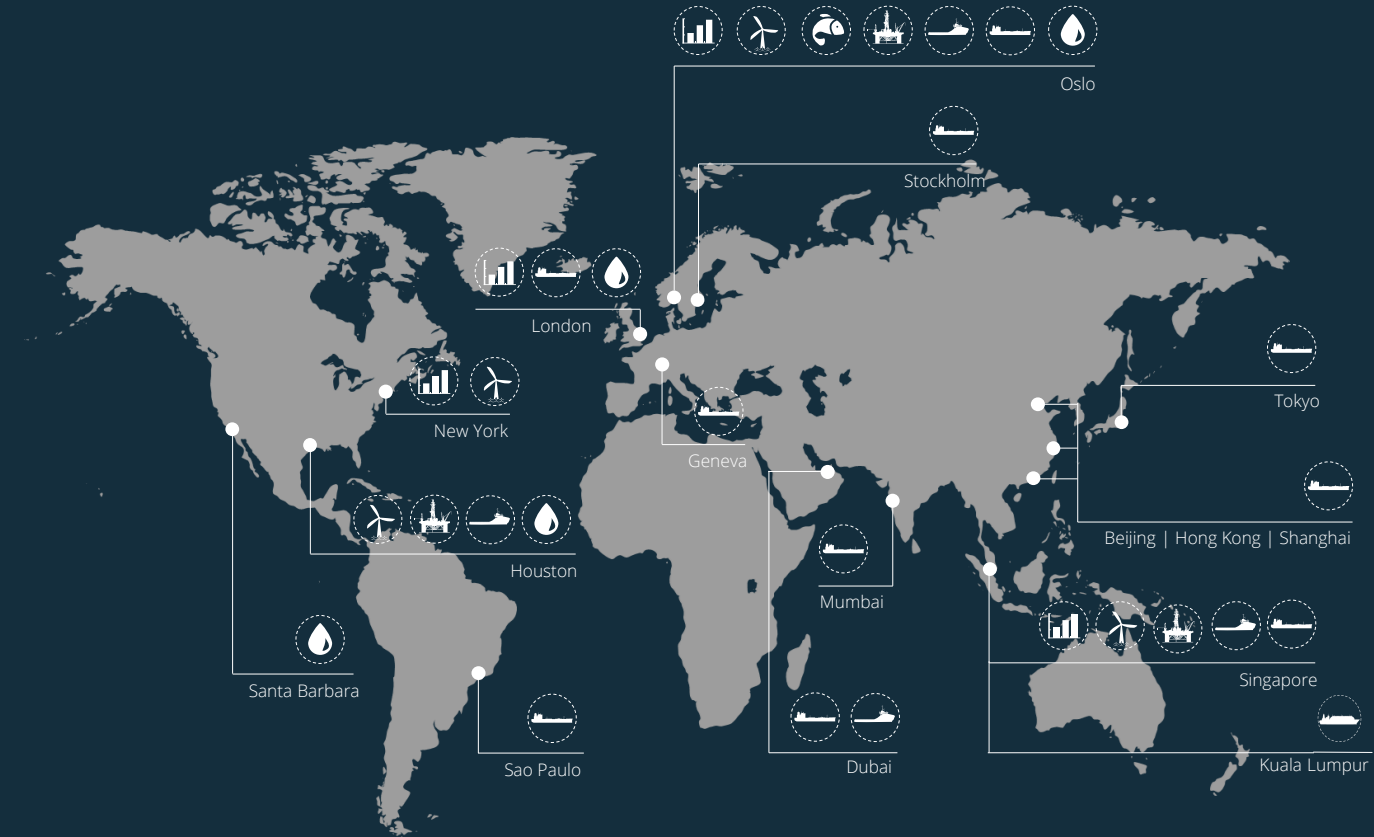
- Unless a severe economic event takes place, downside may be relatively limited as near-term risks are likely to give way to fundamentals



- Long-term energy demand likely to keep track with population growth – This is a transition, not a switch! Solid medium-to-long-term shipping demand outlook

Local presence – Global reach

- Investment Banking | Direct Investments
- Renewable Energy & Cleantech
- Aquaculture
- Shipping
- Offshore Rig
- Offshore Supply
- Energy Broking



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Tokyo	London	Houston	Kuala Lumpur	Sao Paulo	

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