

DRYBULK SHIPPING OVERVIEW

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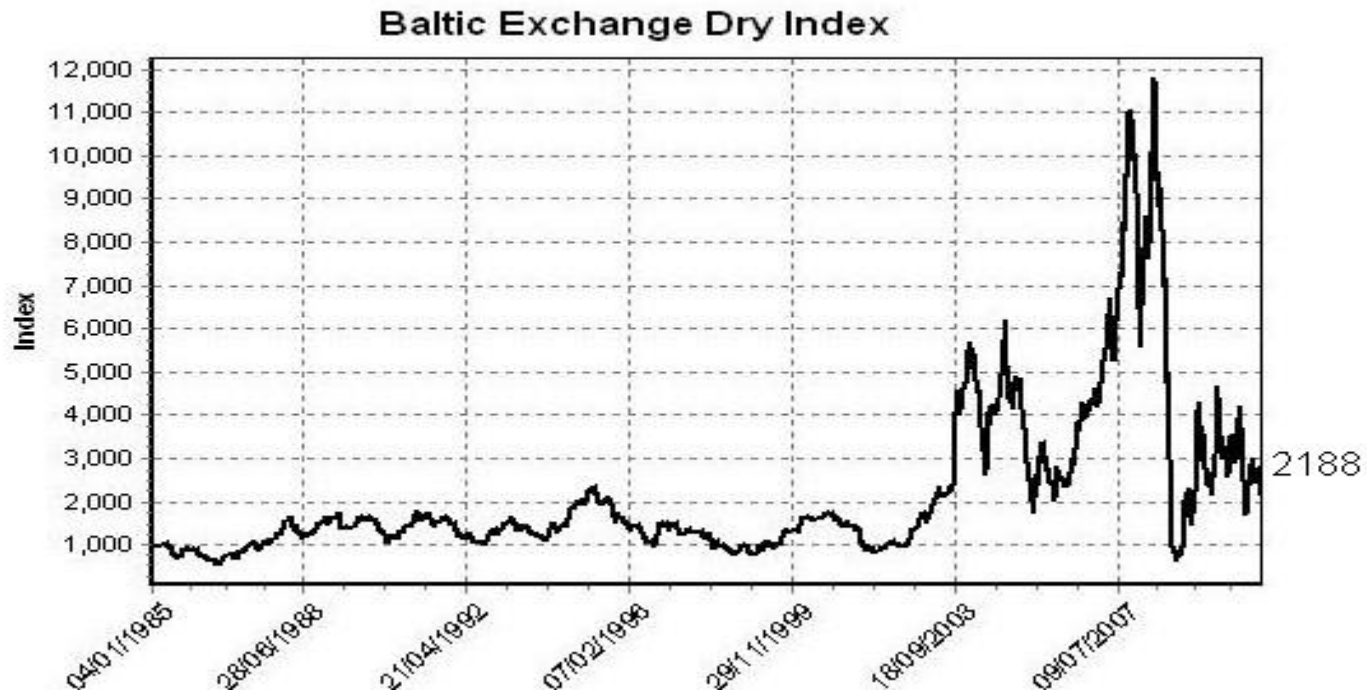
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Graphics of Capesize Vessels



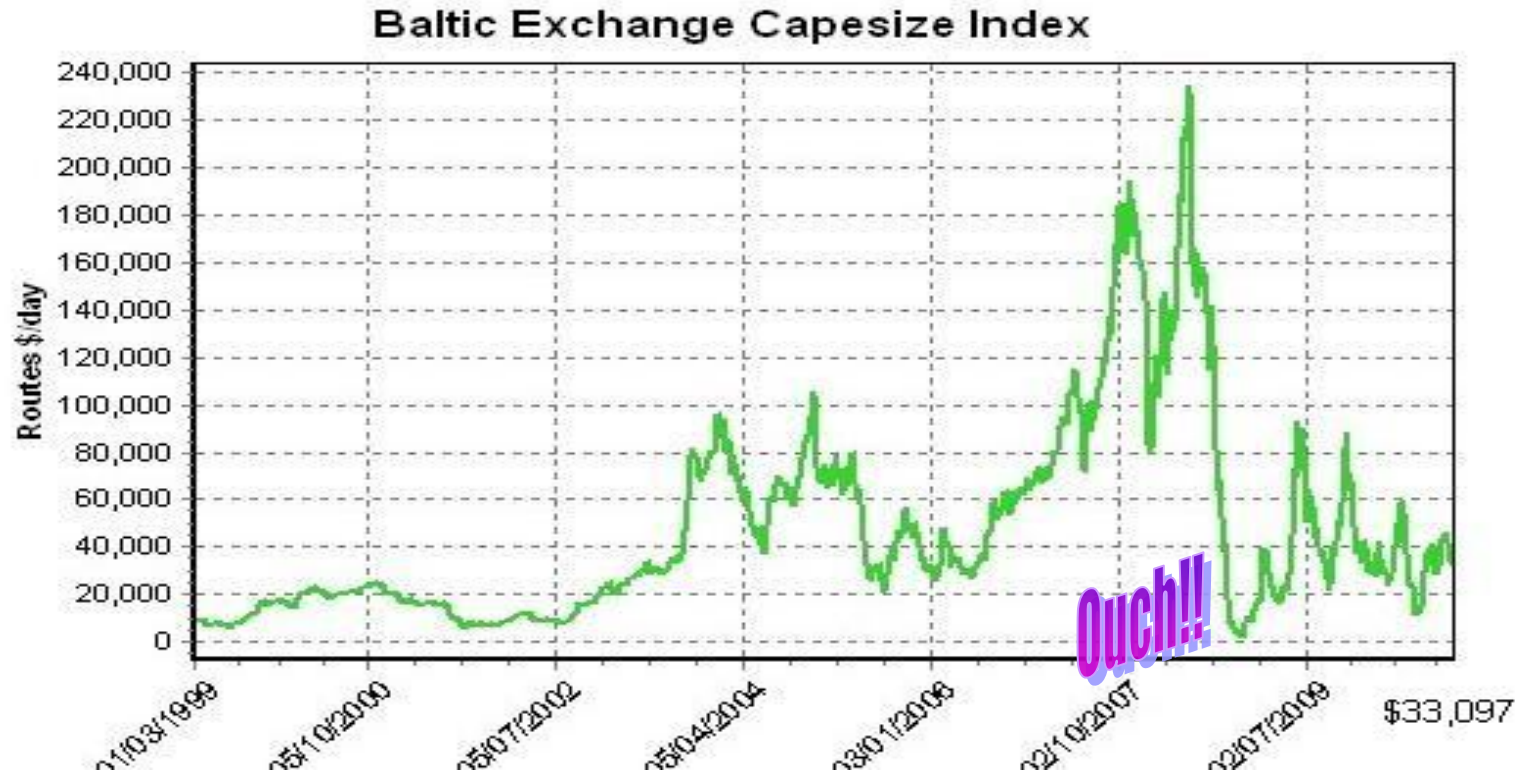
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Baltic Dry Index- back to 1985



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Capesize Bulk Carriers

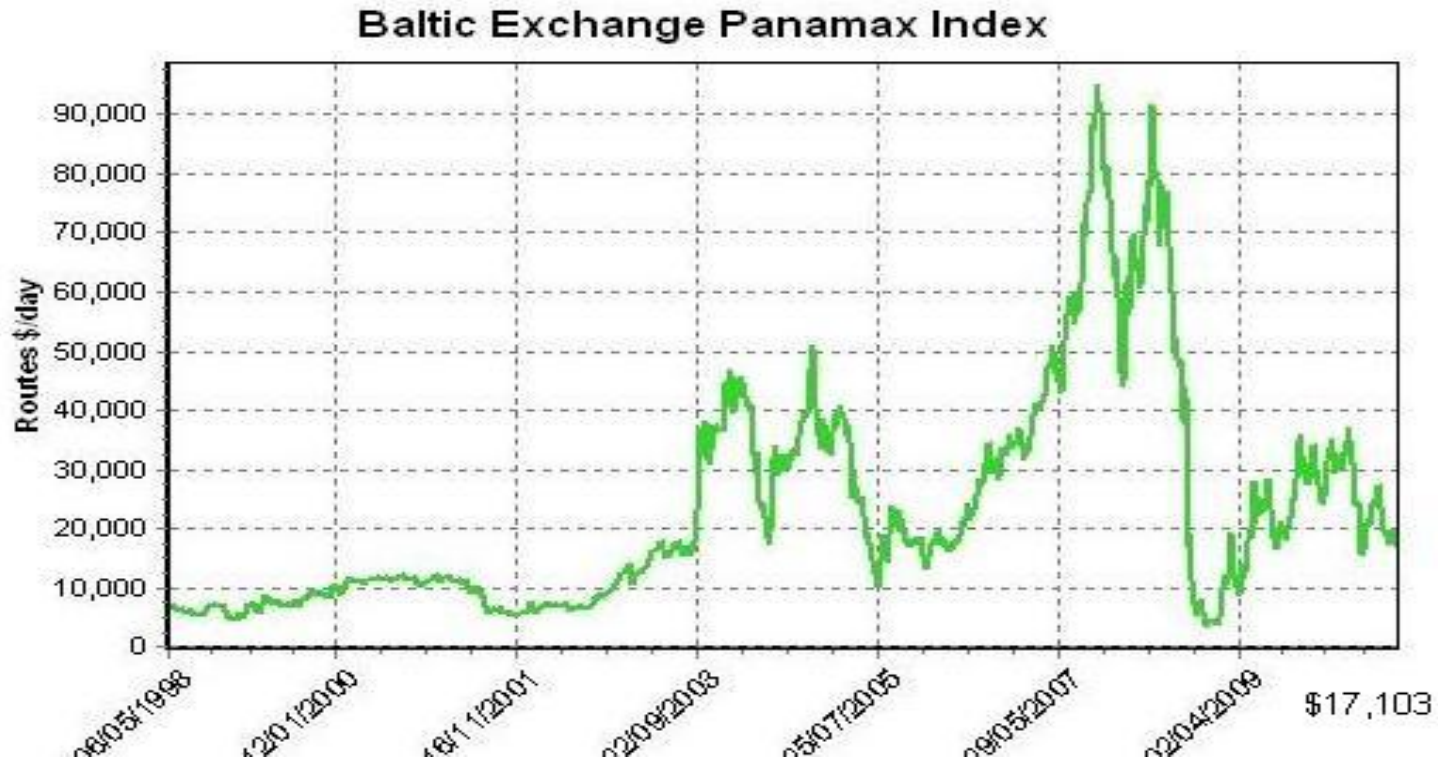


This is the type of vessel discussed in your “OCEAN CARRIERS” case



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Panamax Bulk Carriers



These are smaller than Capesize vessels, but still an important sector



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General Comments

- Shipping **RATES** in the context of drybulk are completely unregulated, determination by supply and demand
- Other aspects, eg safety, security, are regulated by international laws
- Very volatile, more so than most commodities



General Comments

- Supply- takes several years from the time of placing an order until vessel actually delivered
- Supply- once the vessel is built, economic useful life is 20 – 25 years
- Demand- can adjust very rapidly, subject to extreme fits and starts, example- ore buying behaviors, grain export behaviors



Drybulk and Capesize Overview

Source is Drewry Shipping Consultants

<http://www.drewry.co.uk>

	2006	2007	2008	2008	2010	2011	2012	2013	2014	2016
Overview										
Dry Bulk Trade (m tonnes)	2,788	2,958	3,037	2,981	3,185	3,408	3,681	3,933	4,224	4,541
% Change	7.0%	6.2%	2.7%	-1.8%	6.8%	7.0%	7.4%	7.4%	7.4%	7.5%
Dry Bulk Trade (Tonne Mile)	14,213	15,091	15,518	15,253	16,305	17,468	18,788	20,207	21,724	23,383
% Change	5.3%	6.2%	2.8%	-1.7%	6.9%	7.1%	7.6%	7.6%	7.5%	7.6%
Dry Bulk Demand (mdwt)	312.5	365.2	368.1	347.8	373.4	399.9	435.2	468.7	504.5	543.6
% Change	9.4%	16.9%	0.2%	-5.0%	7.4%	7.1%	8.1%	7.7%	7.8%	7.8%
Dry Bulk Fleet (mdwt)	354.1	485.1	421.2	453.1	518.2	612.9	684.2	717.3	733.2	738.4
% Change	6.8%	13.0%	5.3%	7.6%	14.4%	18.3%	11.6%	4.6%	2.2%	0.7%
Orderbook (mdwt)	80.1	216.5	218.5	278.0	278.4	n/a	n/a	n/a	n/a	n/a
% Fleet	22.6%	54.1%	51.4%	61.3%	53.9%	n/a	n/a	n/a	n/a	n/a
Deliveries (mdwt)	35.7	24.8	14.4	40.8	65.7	102.7	79.6	38.9	21.2	9.7
New Orders (mdwt)	30.9	134.6	79.0	26.1	13.8	n/a	n/a	n/a	n/a	n/a
Delations (mdwt)	1.8	0.4	4.0	9.5	4.3	1.3	2.7	1.6	1.8	1.6

Ouch!!!

Capesize/VLOC										
Demand (mdwt)	107.2	129.9	126.1	120.5	129.5	149.3	160.9	178.4	197.3	218.3
Supply										
Fleet (mdwt)	119.3	138.8	145.6	165.8	199.9	251.3	293.0	311.8	318.9	321.1
Orderbook (mdwt)	36.5	109.9	149.9	145.8	146.8	n/a	n/a	n/a	n/a	n/a
% Fleet	30.6%	79.1%	102.9%	89.0%	n/a	n/a	n/a	n/a	n/a	n/a
Deliveries (mdwt)	19.3	18.3	8.6	19.2	32.4	52.3	43.2	19.7	8.9	3.8
New Orders (mdwt)	16.1	72.3	46.4	12.3	n/a	n/a	n/a	n/a	n/a	n/a
Delations (mdwt)	0.9	0.0	1.7	1.7	1.0	0.8	1.5	0.9	1.2	1.6



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Demand Side Overview

Source is Drewry Shipping Consultants <http://www.drewry.co.uk>

Table 2.1 Dry bulk seaborne trade (million tonnes)

	Iron Ore	Coking Coal	Steam Coal	Grain	Minor Bulks	Total Trade	% Change*
2006	758.8	239.3	529.2	221.1	1,035.0	2,783.4	7.0%
2007	822.7	248.5	588.8	227.8	1,074.5	2,958.3	8.3%
2008	885.6	250.4	579.8	234.5	1,087.0	3,037.4	2.7%
2009	909.4	191.1	580.0	209.7	1,091.2	2,981.4	-1.8%
2010 (p)	976.8	230.5	614.0	243.3	1,120.4	3,185.0	6.8%
2011	1,008.9	233.9	658.2	248.7	1,168.5	3,433.4	7.8%
2012	1,239.8	237.4	709.6	254.2	1,220.4	3,661.4	6.6%
2013	1,394.0	241.2	762.2	259.9	1,276.1	3,933.4	7.4%
2014	1,562.6	245.1	816.6	265.4	1,334.1	4,223.9	7.4%
2015	1,750.5	249.3	875.7	271.2	1,394.7	4,541.3	7.5%

Table 2.3 Iron ore – imports (million tonnes)

	EU-15	Japan	S.Korea	China	Taiwan	USA	Total Major	Others	Total Seaborne
2006	160.2	134.2	43.9	327.2	15.5	11.7	682.8	66.0	758.8
2007	160.7	138.9	46.2	383.7	16.1	9.4	754.9	67.8	822.7
2008	158.9	130.7	49.5	444.1	15.5	9.2	818.9	68.7	885.6
2009	49.7	104.9	42.1	628.1	10.0	3.9	838.6	72.7	909.4
2010 (p)	63.0	123.8	45.2	643.8	15.9	8.2	900.0	78.8	976.8
2011	63.4	124.6	47.0	747.8	17.4	10.9	1011.0	87.9	1098.9
2012	63.8	125.1	49.0	872.4	19.3	10.9	1140.8	99.2	1239.8
2013	64.4	125.9	51.0	1009.6	20.7	11.0	1282.5	111.5	1394.0
2014	64.9	126.9	53.0	1169.8	21.9	11.0	1437.8	125.0	1562.6
2015	65.5	127.9	55.2	1327.4	23.3	11.1	1610.4	140.0	1750.5



Supply Side Overview

Source is Drewry Shipping Consultants <http://www.drewry.co.uk>

Delivery typically 24 – 36 months after ordering

Table 3.8 Dry bulk deliveries ('000 dwt)

	Handysize		Handymax		Panamax		Post-Panamax		Capesize		VLOC		Total	
	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt	No.	Dwt
2006	49	1,341	91	4,873	62	4,705	48	4,050	50	8,796	9	1,868	309	25,663
2007	81	2,162	98	5,283	45	3,401	40	3,490	35	6,192	20	4,272	319	24,800
2008	100	2,761	118	6,451	49	3,663	34	2,910	28	4,956	15	2,633	344	24,375
2009	179	5,360	166	9,222	35	2,626	47	4,163	83	14,657	17	2,507	527	40,558
2010	223	6,845	252	14,132	47	3,489	101	8,847	162	27,959	12	2,464	802	65,736
2011	288	9,234	347	19,602	83	6,048	178	15,504	233	39,333	17	2,965	1,175	102,687
2012	193	6,374	212	11,982	92	6,573	134	11,517	157	26,090	57	17,088	846	79,625
2013	97	3,105	113	6,212	52	3,730	70	6,148	69	10,898	32	8,758	433	38,852
2014	44	1,300	72	3,596	37	2,484	55	4,909	33	5,425	14	3,520	256	21,235
2015	20	600	35	1,784	17	1,165	26	2,374	16	2,390	6	1,406	119	9,710

Ouch!!!

Table 3.1 Total bulk carrier fleet (end period)

	Handysize		Handymax		Panamax		Post-Panamax		Capesize		VLOC		Total	
	No.	mdwt	No.	mdwt	No.	mdwt	No.	mdwt	No.	mdwt	No.	mdwt	No.	mdwt
2006	2,583	70	1,403	67	1,252	89	100	9	598	97	94	22	6,030	354
2007	2,669	73	1,586	76	1,344	96	182	16	677	111	121	28	6,579	400
2008	2,755	75	1,697	83	1,383	99	217	19	693	114	136	32	6,856	426
2009	2,726	74	1,824	90	1,386	100	264	23	768	127	161	38	7,288	469
2010	2,874	80	2,069	104	1,419	102	373	33	928	155	184	44	8,052	537
2011	3,112	87	2,381	122	1,438	104	549	48	1,156	194	184	57	8,865	613
2012	3,197	91	2,574	133	1,482	107	682	60	1,302	219	174	74	9,523	684
2013	3,228	93	2,670	139	1,502	109	747	65	1,366	229	183	83	9,831	717
2014	3,199	92	2,735	142	1,522	110	796	70	1,391	233	328	86	9,974	733
2015	3,156	91	2,766	143	1,524	111	823	72	1,403	235	328	86	10,000	738

Ouch!!!



Any questions?

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