

OUTLOOK

7 July 2020

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TABLE OF CONTENTS

Outlook for the global shipping industry remains negative	2
Negative outlook for the dry bulk segment despite recent uptick in the BDI	4
Negative outlook for the container segment despite recent capacity adjustments	6
Outlook for the tanker segment is still stable	8
What could change the outlook	10
Appendix A: 2020 low sulphur fuel rules	11
Appendix B: overview of rated shipping companies	11
Moody's related publications	12

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Shipping — Global Cutting EBITDA forecast as demand contraction worsens industry's prospects

Our outlook for the global shipping industry is negative. This outlook reflects our expectations for the fundamental business conditions in the industry over the next 12 to 18 months.

- » **EBITDA forecast worsens, keeping outlook negative.** We now expect the aggregate EBITDA of rated shipping companies to fall by around 16%-18% in 2020, widening from our previous projection of a drop of around 6%-10%. We expect the global economy to shrink in 2020 and its recovery to be long and bumpy. We think that supply is likely to exceed demand significantly in the dry bulk and container segments with tankers helped by a temporary dislocation in the oil market. Our outlook for the global shipping industry has been negative since March 2020.¹
- » **The outlook for the dry bulk segment is negative.** Although the sharp decline in the Baltic Dry Index (BDI), a measure of dry-bulk rates, has recently reversed, market conditions will continue to be highly volatile. The reduction in iron ore cargoes from Brazil in the aftermath of last year's [Vale S.A.](#) (Ba1 stable) dam accident and significant new supply of vessels slated for delivery in 2020 also pose risks. These risks are only partially offset by the resumption of industrial activity in China.
- » **The outlook for the container shipping segment remains negative.** Still, positive signs are emerging following unprecedented capacity adjustments by the carriers, keeping freight rates above last year's levels despite a significant decrease in the bunker price. Nevertheless, this positive development could be challenged by a resurgence in infections, endangering fragile demand for finished and semifinished goods in advanced economies in North America and Europe. We expect the supply of new vessels in 2020 to be slightly lower than last year with further postponements and cancellations likely, but still exceeding the lacklustre demand.
- » **The outlook for the tanker segment is stable.** Tanker rates have benefitted tremendously from high demand for floating storage, but charter rates will return closer to long-run averages in the second half of the year as broad economic weakness finds its way into the tanker market. Positively, new vessel deliveries are reducing in 2020 after several years of overbuilding in the industry.

- » **What would change the outlook.** We would consider revising the outlook to stable if both the oversupply of vessels declines materially such that shipping supply growth does not exceed demand growth by more than 2% and year-over-year aggregate EBITDA growth appears likely to be between -5% and +10%. We would consider revising the outlook to positive if the oversupply of vessels declines materially and aggregate year-over-year EBITDA growth appears likely to exceed 10%.

Since outlooks represent our forward-looking view on business conditions that factor into our ratings, a negative (positive) outlook suggests that negative (positive) rating actions are more likely on average. However, the industry outlook does not represent a sum of upgrades, downgrades or ratings under review, or an average of the rating outlooks of issuers in the industry, but rather our assessment of the main direction of business fundamentals within the overall industry.

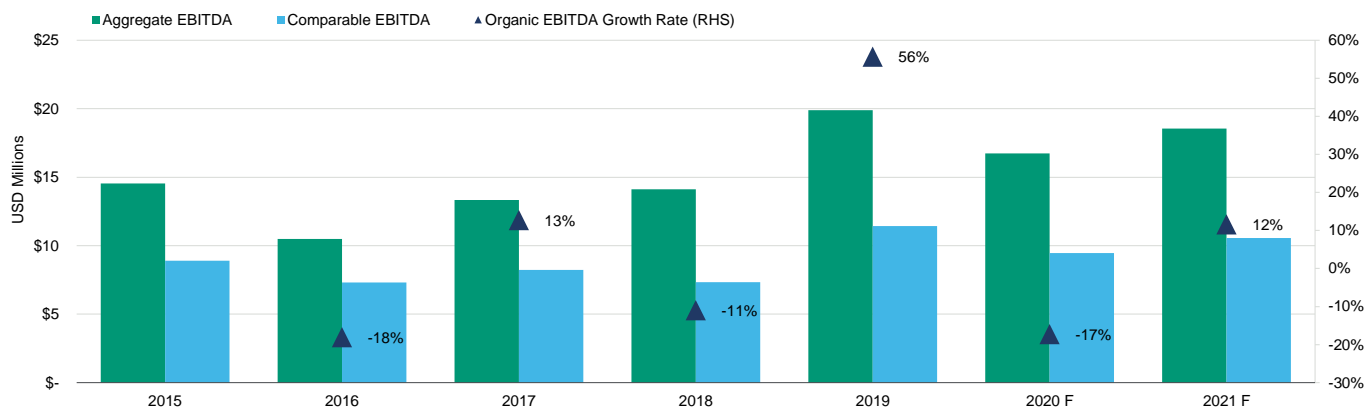
Outlook for the global shipping industry remains negative

We are maintaining our negative outlook for the global shipping industry. This reflects our view that supply will significantly exceed demand in key shipping segments for the balance of 2020 and likely into 2021, and that the aggregate EBITDA of the shipping companies we rate globally will decline significantly over the next 12 to 18 months. These expectations reflect quarantines and lockdown measures introduced in the wake of the coronavirus pandemic as well as the related global economic downturn.

As Exhibit 1 shows, we expect both the comparable and the aggregate EBITDA of rated shipping companies to decline by around 16%-18% in 2020 compared with last year. Comparable EBITDA incorporates organic growth excluding M&A. Previously we had forecast an EBITDA decline of around 6%-10% in 2020. Our more pessimistic view is largely based on the gloomier outlook for the global economy in 2020 and the likelihood that its recovery will be long and bumpy. We expect G-20 advanced economies collectively to contract 6.4% in 2020 before growing at 4.8% in 2021, while G-20 emerging markets will collectively contract 1.6% in 2020, followed by 5.9% growth in 2021.² Continued restrictions on the movement of people, as well as some goods, also bode ill for the global shipping industry's prospects.

Exhibit 1

Rated shipping companies' EBITDA will decrease by 16%-18% in 2020



Source: Moody's Investors Service

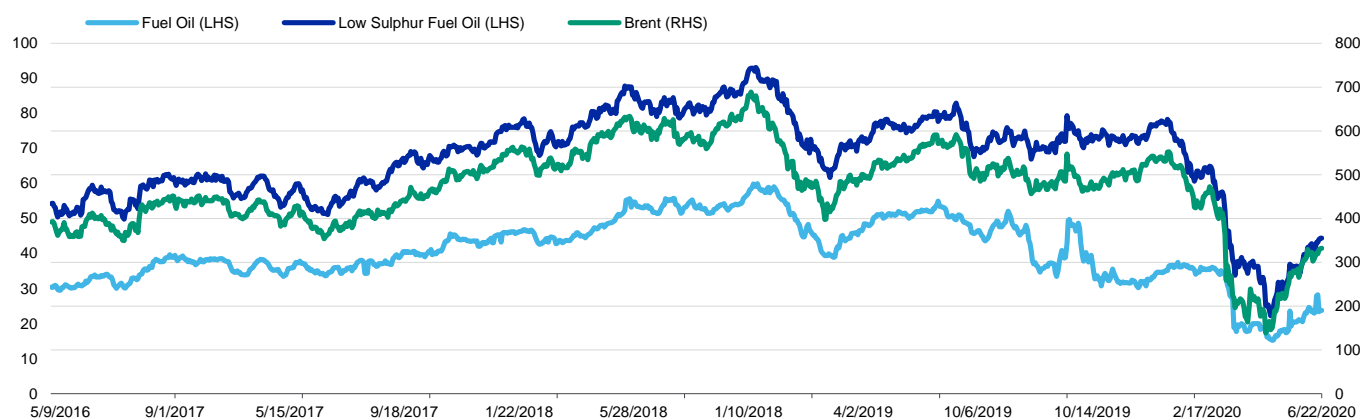
The global shipping industry is facing a number of challenges over the next 12-18 months, including geopolitical uncertainties, such as the US-China trade negotiations and the US-EU discussions. Although the introduction of the International Maritime Organization's lower global sulphur cap on marine fuels (IMO 2020) from 1 January caused less disruption than we expected in the first quarter of 2020 in part because of the recent sharp decline in crude oil prices, the effects of this legislation are still filtering through.

Two of the main options for companies to comply with IMO 2020 are to use low sulphur fuel, which is more expensive, or to outfit vessels with scrubbers, which are costly, to clean exhausts of excess sulphur while continuing to burn cheaper fuel oil (see Appendix A).³ While tonnage providers (companies that charter out their fleets) are less sensitive to changes in fuel expenses because these

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costs are passed through to their customers in most cases, they can form a significant share of container liners' cost bases. As Exhibit 2 shows, falling crude oil prices have led to substantial declines in both regular and low sulphur fuel oil prices. In the first quarter of 2020, container liners, such as [A.P. Møller-Mærsk A/S](#) (Maersk, Baa3 negative), [CMA CGM S.A.](#) (B2 negative), and [Hapag-Lloyd AG](#) (B1 negative), have been quite successful in passing on these costs to their customers. We also recently reduced our medium-term crude oil price assumptions to \$45-\$65/barrel (bbl), down from \$50-\$70/bbl. The price range reflects our view that oil prices will remain highly volatile, with periods outside the top or bottom ends of the range.⁴

Exhibit 2

Maritime fuel prices are closely correlated with the price of crude oil

Fuel Oil = 380cst 3.5% Singapore Spot Price; Low Sulphur Fuel Oil = European ULSD 10ppm FOB ARA Barge Spot Price.

Sources: Bloomberg and FactSet

We expect global trade to contract by around 11.9% this year. Key reasons are the coronavirus-induced drop in consumer demand and investment in the second quarter, and disruptions along supply chains and shipping routes resulting from coronavirus lockdowns. Consumer demand will recover only gradually in the second half of the year. In addition, the pandemic will complicate and possibly delay US-China "phase two" trade negotiations, and UK-EU and US-EU negotiations.

In the longer term, a move to more regional supply chains, which was already occurring in the auto and electronics sectors, could also accelerate, as well as further shifts toward domestic production of critical goods, such as pharmaceuticals and food. This is likely to lead to the reconfiguration of a number of shipping routes, although the ultimate effect on tonne-miles, a key revenue driver, is uncertain at this point. The crisis has also laid bare the vulnerabilities of just-in-time supply chain management and could prompt companies to consider moving supply chains closer to their final markets and building redundancies.⁵

Supply is likely to outstrip demand significantly in the dry bulk and container segments

As Exhibit 3 shows, we expect supply to exceed demand significantly over the next 12-18 months in two of the three shipping segments that we cover, a key reason for our negative outlook for the global shipping industry.

Exhibit 3

Supply will outstrip demand in the dry bulk and container segments

	Dry Bulk (DWT)	Containers (TEU)	Tankers (DWT)
Fleet as of 31 December 2019 (million DWT, thousand TEU)	890	23,154	509
Fleet as of 31 December 2020 (million DWT, thousand TEU)	912	23,372	512
Expected supply growth	3%	1%	1%
Expected demand growth	-4%	-12%	0%
Excess of supply growth over demand growth	7%	13%	1%
Segment views	Negative	Negative	Stable

Sources: Drewry Maritime Research and Moody's Investors Service estimates

Our supply and demand forecasts reflect historical industry trends as well as our expectations for the next 12 to 18 months. The slowdown in manufacturing in China in the first quarter hurt the dry bulk segment. Although Chinese industrial production is recovering and generating increased demand for coal and iron ore, a number of other large importers of key dry-bulk cargoes (coal, iron ore and grains) are still struggling with the pandemic, such as India. On a positive note, postponements and cancellations of new additions to the fleet are on the rise in 2020 compared to the prior year.

Container shipping has experienced negative pressures from reduced demand for finished and semifinished goods in advanced economies in North America and Europe as coronavirus brought these economies to a halt. The recovery is likely to be slow and uneven with a threat of a second wave of the pandemic endangering fragile demand. Still, many industry participants have proved themselves disciplined in the first quarter, by canceling sailings aggressively to sustain profitable freight rates. Although supply is set to outgrow demand significantly, we understand continued subdued demand is likely to be met by additional capacity adjustment by the carriers, such as cancelling sailings and returning chartered tonnage.

The tanker segment has benefited from a temporary dislocation in the oil markets. The sharp reduction in demand for oil products in the face of the worldwide coronavirus crisis and delayed but now robust supply responses led to a surge in demand for floating storage, pushing both spot and charter rates to multiyear highs. However, as the oil market comes into balance, demand for floating storage is abating and tanker companies are expected to face weak demand for oil transportation in the second half of 2020, reflecting the broad economic deterioration.

Negative outlook for the dry bulk segment despite recent uptick in the BDI

We expect conditions in the dry bulk segment to remain challenging for the rest of 2020 after a difficult first half that saw the BDI – which tracks worldwide international shipping prices of various dry bulk cargoes – approach an all-time low with the Capesize segment sliding into negative territory. These declines were driven by the quarantines and shut downs of industrial production in China in the first quarter of 2020 and later lockdowns in parts of Europe and North America, which reduced consumer demand in these markets. The sporadic supply of iron ore cargoes from Brazil, following Vale's accident in January 2019 and subsequent mine closures, also added to the pressure, especially for Capesize rates.

Although Chinese industrial output grew in April 2020 as the country began to revive its economy in the wake of coronavirus pandemic and the BDI has jumped in recent weeks, market conditions continue to be highly volatile. Significant downside risks remain, such as the pace of the recovery and the possibility of multiple waves of infection. As Exhibit 4 shows, the BDI tumbled to 393 on 14 May 2020 (its second lowest point since after the all-time low of 290 reached on 10 February 2016) from over 1,000 at the end of 2019. Although the BDI has staged an unexpected recovery in the last two weeks (reaching 1,794 on 29 June 2020), its future development is uncertain and the broad economic downturn affecting most of the world's major economies does not bode well for a sustained rise in the index.

Exhibit 4

The Baltic Dry Index has recovered from a multiyear trough, but remains volatile



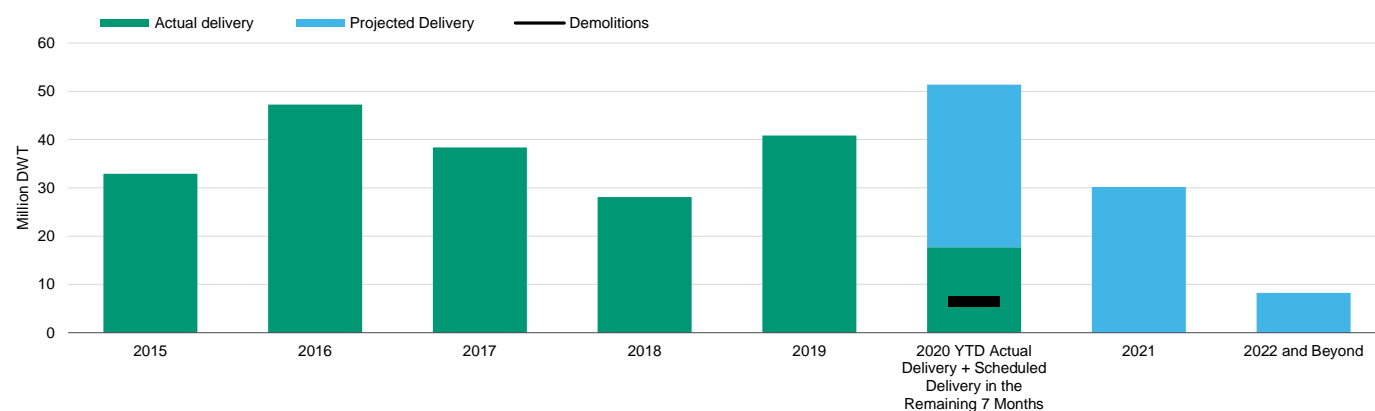
Source: FactSet

During the 12 months to May 2020, the size of the dry bulk fleet rose by 4.5% to 889.5 million dead weight tons (DWT)⁵ from 851.5 million DWT the year before, according to Drewry Maritime Research, an industry consultancy. The recent pickup in fleet growth follows a 4% increase in 2019, which reflected a volatile year when the BDI reached both multiyear highs and lows.

The order book stood at 8.1% of the fleet in May 2020, a decrease from 11.1% the year before. This decline reflects in part a more than 50% increase in scrapping activity with 6.771 million DWT demolished through May 2020 compared with 4.052 million DWT the same period a year ago. Idling also increased fourfold to 17.9 million DWT in May 2020 versus 4.3 million DWT in May 2019, indicating that industry participants are removing vessels from trading aggressively to stem the deterioration of spot and charter rates, a trend we expect to continue. Still, as Exhibit 5 shows, actual and projected deliveries for 2020 are highest in the last five years. This reflects reduced ordering following the market trough in 2016 and long lead times (12-24 months) for new vessel construction. We expect that some of these orders will be canceled or postponed, but scheduled supply will put further pressure on the supply demand balance, and consequently, charter rates, if this does not happen.

Exhibit 5

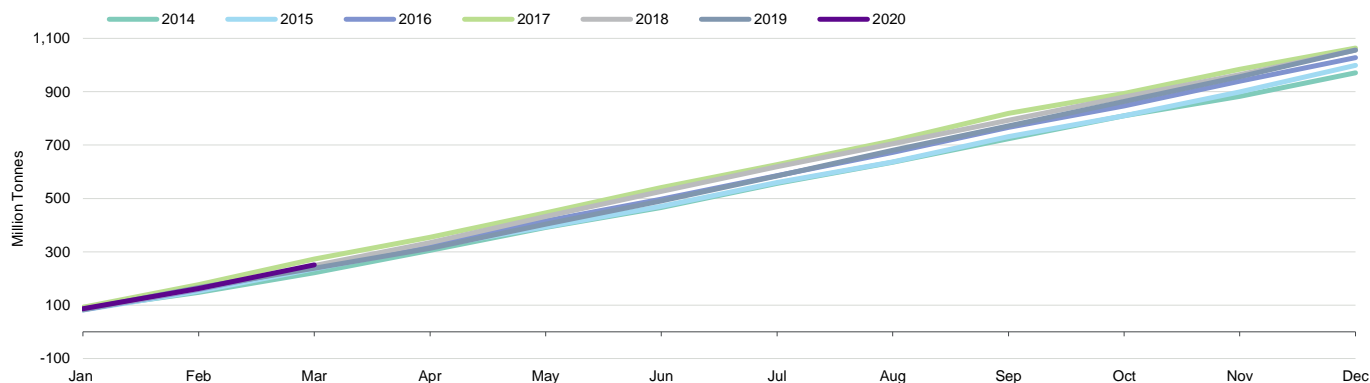
The supply of new vessels in the dry bulk segment is increasing



Source: Drewry Maritime Research

The dry bulk market is largely driven by trade in coal, iron ore and grains, the majority of which are imported by China and other Asian economies. Last year Chinese imports of coal increased by 6.6% and in April 2020 they showed robust growth of 23% sequentially and 35% year-over-year, indicating that industrial demand is growing after the pandemic-related lockdowns. Meanwhile, iron ore imports have remained mostly flat on a year-over-year basis in March 2020 after two years of flat imports in 2018 and 2019 (see Exhibit 6) with rapid growth in iron ore imports for the rest of the year appearing unlikely in the wake of coronavirus. At the same time, other large dry-bulk importers, such as India, are still struggling with the effects of coronavirus as the number of new cases in the country continues to increase.

Exhibit 6

Chinese iron ore imports have remained largely flat in recent years

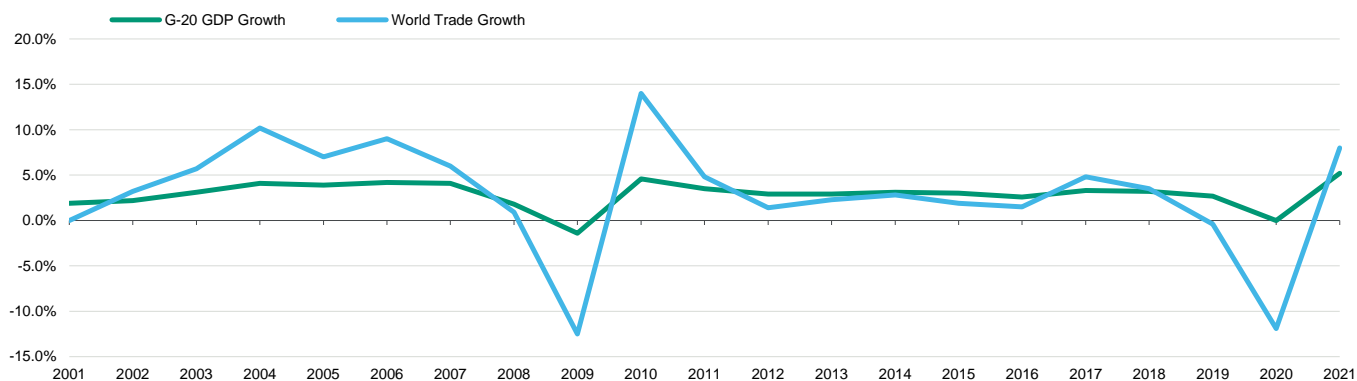
Source: Drewry Maritime Research

Negative outlook for the container segment despite recent capacity adjustments

Container shipping has experienced negative pressures from reduced demand for finished and semifinished goods in the advanced economies in North America and Europe, as coronavirus brought these economies to a halt. Although the industry has taken steps to reduce capacity by canceling — or blanking — sailings and the supply of new vessels this year is likely to be slightly lower than last year, the recovery is likely to be slow and uneven with a threat of a second wave of the pandemic endangering fragile demand.

We expect demand for container ships to remain weak because it is primarily driven by the patterns of international trade of semifinished and finished goods. As Exhibit 7 shows, we expect a dramatic decline in both macroeconomic growth (-4.6%) and trade growth (-11.9%) in 2020 before a measure of recovery in 2021.

Exhibit 7

We expect both trade growth and GDP growth to decline significantly in 2020 before recovering in 2021

Source: Moody's Global Macroeconomic Update, June 2020

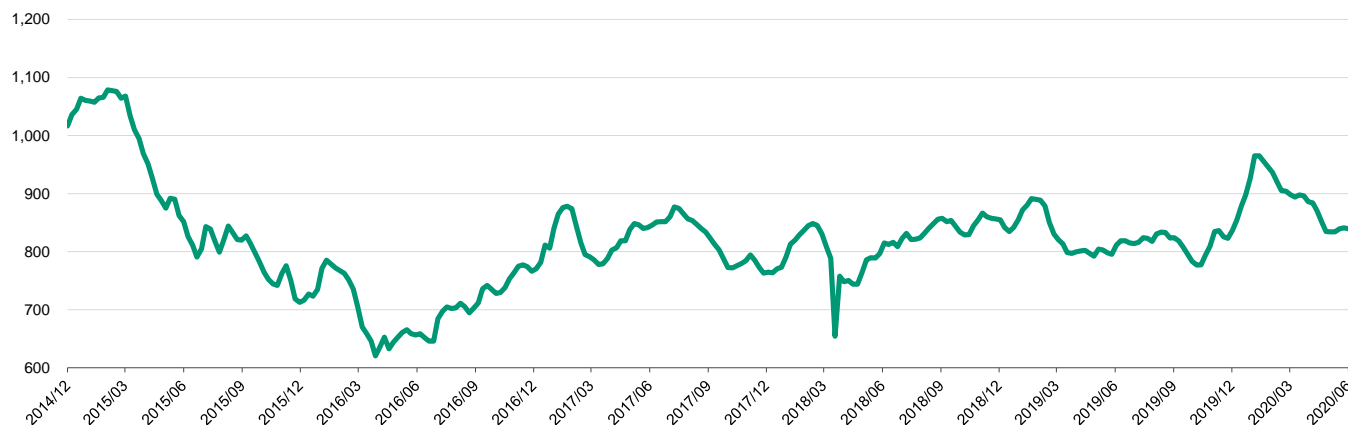
In addition to the global economic downturn in the wake of coronavirus crisis, quarantines have created additional regulatory challenges with more than 90 countries having imposed restrictions or bans on exports of medical and food supplies, as shortages pose unprecedented challenges for governments and health systems.²

Against this challenging backdrop, the container liner industry has exhibited market discipline by blanking sailings proactively. Maersk reported 93 blank sailings leading to a 3.5% decline in deployed capacity in the first quarter of 2020. Similarly, CMA CGM indicated that it reduced deployed capacity by 11.6% from February to April. These capacity reductions have enabled the European liners we rate to report strong EBIT margins in the first quarter of 2020 with CMA CGM reporting a 5.4% core shipping margin, Maersk posting a 5.8% margin, and Hapag-Lloyd reporting a 4.8% margin. A number of liners have also indicated blanked sailings in the third quarter

of 2020, a positive for the supply-demand balance in the second half of this year. As a result, freight rates, as measured by the China Containerised Freight Index (CCFI) and shown in Exhibit 8, remained above prior-year levels, despite a year-to-date decline of 4.5%.

Exhibit 8

The China Containerised Freight Index (CCFI) remains volatile



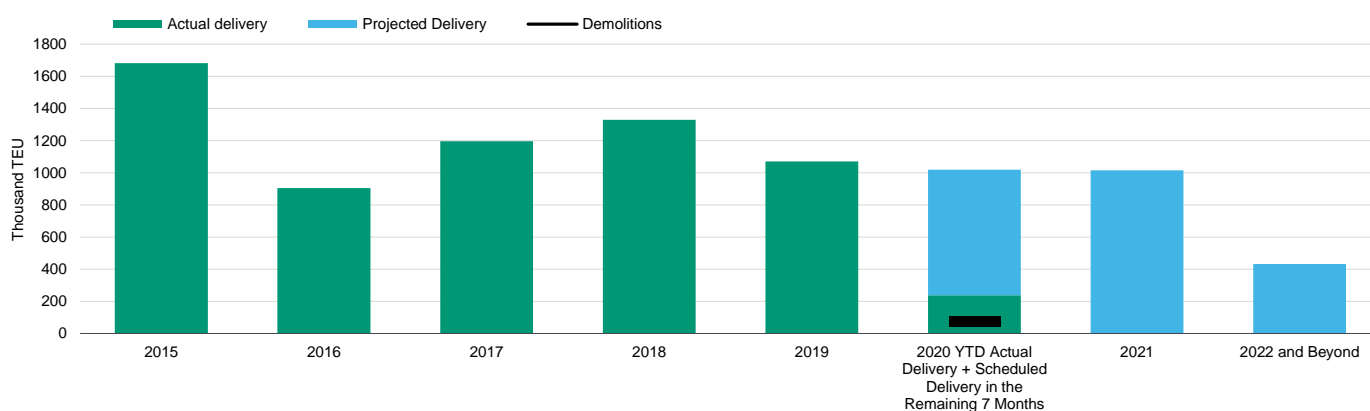
Source: FactSet

Freight rates in this shipping segment are determined by the supply and demand for individual trade lanes and container liners are price takers in most cases, irrespective of their market share, because this is a commoditised business. Historically, the container liner industry has suffered from periods of oversupply, but so far during this crisis carriers have been quite disciplined in blanking sailings in part because the industry has become more consolidated in the last few years. The top five carriers account for 63% of total industry capacity and the top ten liners account for 81%.

As Exhibit 9 shows, in 2020 the combination of expected deliveries and vessels already delivered are anticipated to be roughly equal to those in 2019 at close to 1.1 million twenty-foot equivalent unit (TEU). Further, the order book in 2021 is currently scheduled to be at around the same levels. Still, we envisage significant postponements and cancellations as a result of the current market weakness. In addition, a number of vessels are being taken out of service to install scrubbers to comply with the IMO 2020 regulation, although this factor is diminishing. Also positively for current supply levels, idling has increased dramatically over the past 12 months to 9.5% of the total fleet now from 1.6% in May 2019.

Exhibit 9

Planned deliveries of new container ships are set to decline in 2020



Source: Drewry Maritime Research

Large container ships are continuing to drive supply growth. While the order book stood at 9.6% for the fleet as a whole, 58.5% of it consisted of very large container vessels (VLCV) and 34.1% of ultra large container vessels (ULCV). We continue to expect a cascading

effect with the larger new vessels displacing smaller ships to other routes. However, in the medium-term, there may be a realignment in the types of vessels deployed by carriers if supply lines shift.

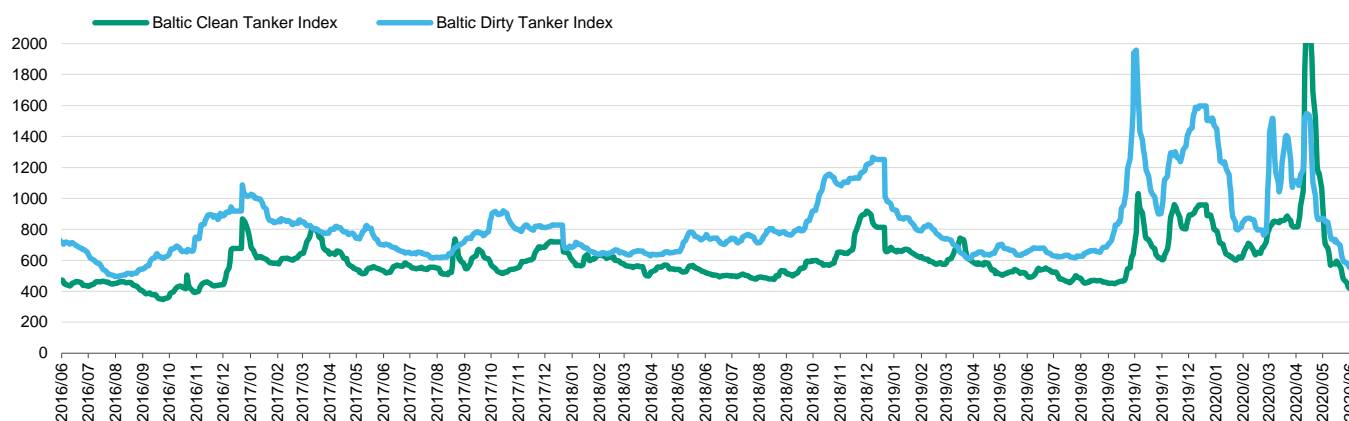
In the wake of the coronavirus crisis, a number of large shippers have also benefited from government aid. Notably, among the companies we rate in the sector, CMA CGM obtained a French government guarantee for 70% of its €1.05 billion loan, a credit positive. This is indicative of the industry's importance to the broader economy, although some industry participants believe that such aid may distort competitive conditions in the longer term.

Outlook for the tanker segment is still stable

Although tanker rates benefitted tremendously from high demand for floating storage in April 2020 (see Exhibit 10), we expect charter rates to return closer to long-run averages in the second half of the year as broad economic weakness finds its way into the tanker market. Deliveries of new vessels are reducing in 2020 after several years of overbuilding in the industry. The introduction of IMO 2020 has also had a positive effect on the tanker segment as older vessels were scrapped and more modern ones were removed temporarily for scrubber installation, although this factor is diminishing.

Exhibit 10

The Baltic indices for tankers point to an overall softening in rates after a temporary spike

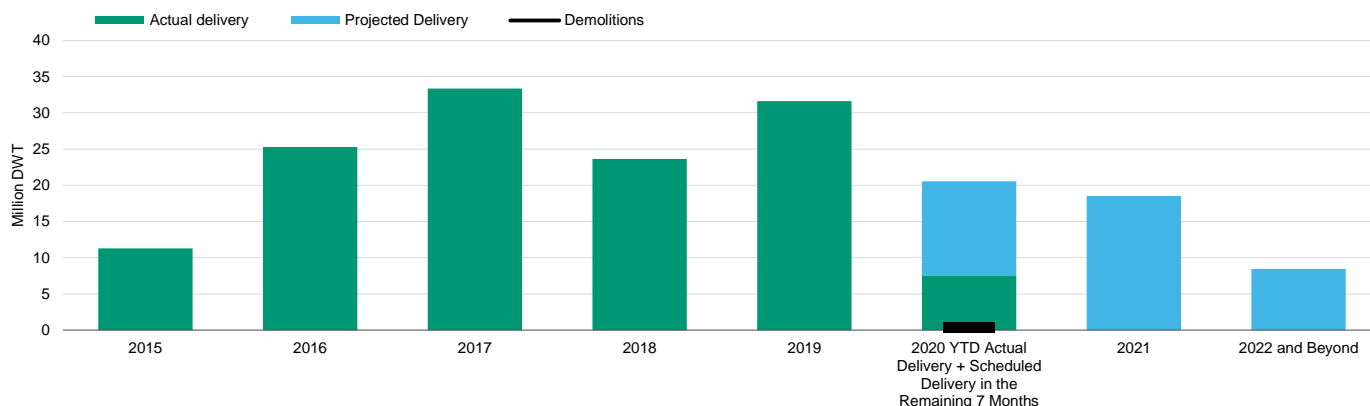


Source: FactSet

The fleet size globally stood at 417.2 million DWT for crude tankers and 91.5 million DWT for product tankers at the end of May 2020, according to Drewry. The order book stood at 7.8% of the fleet for crude tankers in May 2020, a decrease from 9.2% the year before, and at 8.0% for product tankers in May 2020, a decrease from 9.7% the year before. These declines in the order book reflect the efforts by industry participants to postpone or cancel new deliveries in the face of oversupply that had plagued the tanker space since 2017. As Exhibit 11 shows, planned and actual deliveries in 2020 are expected to reduce by around a third from 2019 with 11.5% of crude and 10.7% of product fleet idle as of May 2020.

Exhibit 11

The supply of new tankers is falling



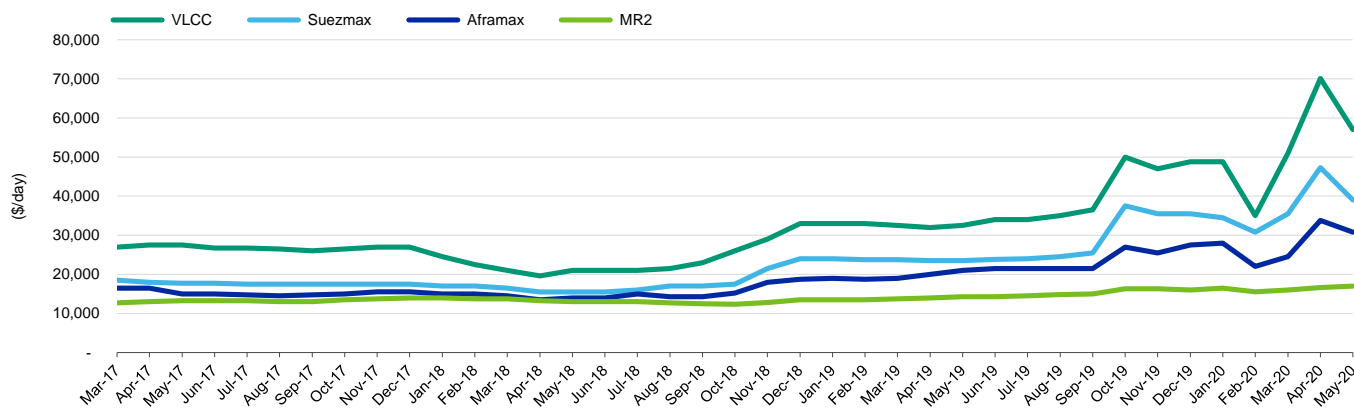
Source: Drewry Maritime Research

Among the companies we rate, we expect [Navios Maritime Acquisition Corporation](#) (Navios Acquisition, B3 on review for downgrade), [Sovcomflot PAO](#) (Sovcomflot, Ba1 stable) and [International Seaways, Inc.](#) (INSW, B3 stable) to benefit from the high charter rates linked to the temporary disruption in the oil market. Navios Acquisition had 51.6% of its available days for the last nine months of 2020 exposed to the market through a combination of profit-sharing, floating rates and open days. Sovcomflot's revenues in the first quarter of 2020 exceeded those in the first quarter of 2019 by around 20% in large part owing to the increase in its conventional business where the company was able to sign attractive charter contracts (comprising 20% of revenues) as well as benefit from increased spot rates (35%). INSW, although having a fleet that trades primarily in the spot market, took advantage of the stronger rate environment and booked time charters on four of its very large crude carriers (VLCCs), including an average rate of \$100,000 per day for two of the VLCCs, and for periods ranging from seven months to three years.

We expect charter rates to return closer to their long-run average and possibly below over the next 12-18 months and we have seen some of that momentum in May 2020. For example, one-year time charter rates for VLCCs which peaked at over \$70,000/day in April 2020 declined to \$57,000/day in May 2020 and are likely to fall further (see Exhibit 12). For product tankers, some of the effects of the reduction in floating storage were offset by increased demand for gasoline as consumers in Europe avoid public transportation. For example, large range 1 (LR1) rates increased to \$24,300/day in May from \$22,200/day in April while medium range 2 (MR2) rates rose to \$17,000 in May from \$16,600 in April. Still, once the effects of temporary demand for floating storage wear off completely, the tanker market will be faced with lacklustre demand reflecting global macroeconomic retrenchment and the charter rates are likely to soften to reflect this dynamic.

Exhibit 12

Rates for most tanker vessel classes jumped in April 2020 but have moderated since



Source: Drewry Maritime Research

The International Energy Agency (IEA) forecasts that global oil demand will decline by 8.6%, or 8.6 million barrels per day (mb/d), to 91.5 mb/d in 2020 after recording consistent growth in the last five years.⁸ This stark forecast was nonetheless an improvement from the prior month's expectation of 9.3% reduction in oil demand in 2020. The positive revision reflected stronger than expected mobility data from OECD countries as they reduce lockdown measures and economies begin a fragile recovery. Also positively, a number of non-OPEC countries have been reducing their production, in addition to the measures taken by OPEC. Still, significant downside risks remain, particularly the threat of repeat infection waves and ensuing quarantines.

What could change the outlook

We would consider revising the outlook to stable if both the oversupply of vessels declines materially such that shipping supply growth does not exceed demand growth by more than 2% and year-over-year aggregate EBITDA growth appears likely to be between -5% and +10%.

We would further consider revising the outlook to positive if year-over-year aggregate EBITDA growth appears likely to exceed 10%, in addition to a material reduction in the oversupply of vessels.

Appendix A: 2020 low sulphur fuel rules

We believe that IMO rules that came into effect on 1 January 2020 to lower the sulphur cap on fuel used by ships worldwide could pose short-term challenges for some companies. In the longer term, the regulations could be credit positive for the industry if they lead to a reduction in the supply of vessels. The new rules require all shippers to use fuel that has less than 0.50% sulphur content mass by mass (m/m) as compared to 3.5% m/m previously.

To be compliant, shipping operators have three main options. They can use low sulphur oil, which is more expensive than bunker fuel, outfit their vessels with scrubbers (devices that clean ships' exhaust and allow for using current bunker fuel) or switch to liquefied natural gas (LNG). The latter two options require capital expenditures as well as for vessels to have certain design features allowing for modifications. Those owners unwilling or unable to invest in their fleets may choose to scrap their older vessels reducing industry supply, which would be a credit positive. In the first quarter of 2020 we have seen a fairly smooth transition to the new operating regime aided, no doubt, by the low fuel prices on the back of declining prices of oil.

Appendix B: overview of rated shipping companies

Exhibit 13

Rated shipping companies (As at 30 June 2020)

Company	Public Rating	Outlook	Domicile
MISC Berhad	Baa2	Stable	Malaysia
Kirby Corporation	Baa3	Stable	United States
A.P. Moller-Maersk A/S	Baa3	Negative	Denmark
Sovcomflot PAO	Ba1	Stable	Russia
Nippon Yusen Kabushiki Kaisha	Ba1	Negative	Japan
Wan Hai Lines Ltd.	Ba2	Stable	Taiwan
Mitsui O.S.K. Lines, Ltd.	Ba2	Negative	Japan
Hidrovias do Brasil	Ba3	Stable	Brazil
Buana Lintas Lautan Tbk (P.T.)	B1	Stable	Indonesia
Hapag-Lloyd AG	B1	Negative	Germany
Soechi Lines Tbk (P.T.)	B1	Negative	Indonesia
CMA CGM S.A.	B2	Ratings Under Review for Downgrade	France
Navios Maritime Partners L.P.	B2	Negative	Marshall Islands
Stena AB	B2	Stable	Sweden
Global Ship Lease, Inc.	B3	Stable	Marshall Islands
International Seaways Inc	B3	Stable	Marshall Islands
Navios Maritime Acquisition Corporation	B3	Ratings Under Review for Downgrade	Marshall Islands
Navios South American Logistics Inc.	B3	Negative	Marshall Islands
Teekay Corporation	B3	Stable	Bermuda
U.S. Shipping Corp	B3	Negative	United States
Navios Maritime Holdings, Inc.	Caa1	Negative	Marshall Islands
Bahia De Las Isletas, S.L.	Caa2	Negative	Spain

Source: Moody's Investors Service

Moody's related publications

Outlooks:

- » [Global Macro Outlook 2020-21 \(June 2020 Update\): Global economy is limping back to life, but the recovery will be long and bumpy, 22 June 2020](#)
- » [Trade – Global: Global Trade Monitor – May 2020, 18 May 2020](#)
- » [Shipping – Global Outlook update: Outlook turns negative as coronavirus hits demand, 17 March 2020](#)
- » [Transportation – Global: 2020 Outlook, 11 December 2019](#)
- » [Shipping — Global: EBITDA growth to pick up, but geopolitical risks and new fuel rules keep outlook stable, 25 June 2019](#)

Sector Comment:

- » [Container Shipping – Europe: Coronavirus related sailing cuts will reduce first-quarter volumes, a credit negative, 24 February 2020](#)

Sector In-Depth:

- » [Maritime Shipping — Global: Complying with IMO 2020's new emissions standards will weigh on credit quality, 27 June 2019](#)

Rating Methodology:

- » [Shipping Industry, 19 December 2017](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Endnotes

- 1 [Shipping – Global: Outlook update: Outlook turns negative as coronavirus hits demand, 17 March 2020](#)
- 2 [Global Macro Outlook 2020-21 \(June 2020 Update\): Global economy is limping back to life, but the recovery will be long and bumpy, 22 June 2020](#)
- 3 [Maritime Shipping — Global: Complying with IMO 2020's new emissions standards will weigh on credit quality, 27 June 2019.](#)
- 4 [Oil & Gas – Cross Region: Medium term oil prices trend lower as industry focuses on lowest-cost reserves, 27 May 2020.](#)
- 5 [Trade – Global: Global Trade Monitor – May 2020, 18 May 2020](#)
- 6 DWT is a measure of a ship's carrying capacity, including bunker oil, fresh water, ballast water, crew and provisions.
- 7 [Trade – Global: Global Trade Monitor – May 2020, 18 May 2020](#)
- 8 Based on forecasts from the IEA's [Oil Market Report — May 2020](#).

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