



Containers: Stick or twist?

Intermodal Europe 2019

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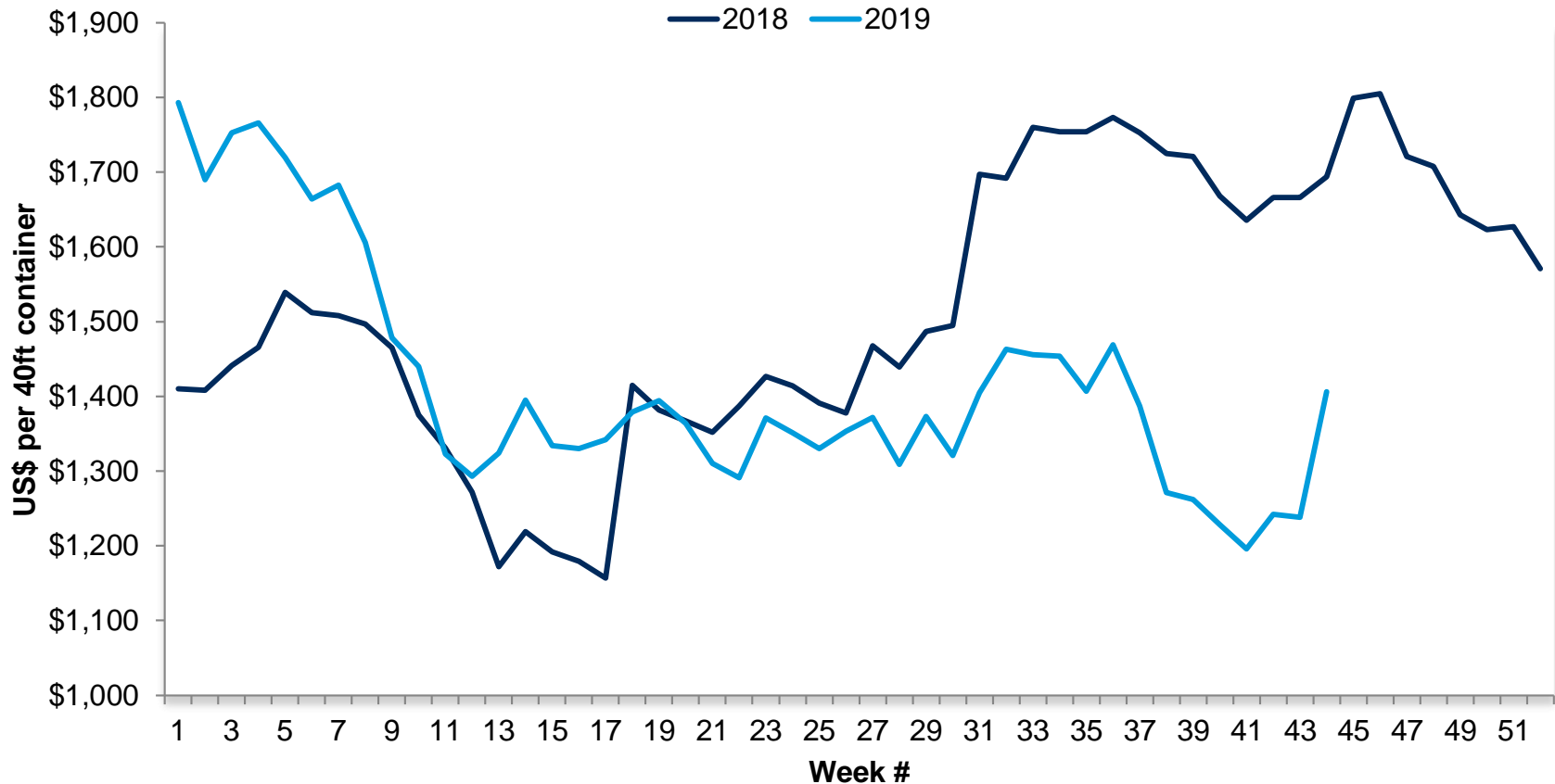
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Container freight rates

High degree of volatility; 2H19 unable to match up with tariff driven period last year

Drewry World Container Index (US\$/40ft container)

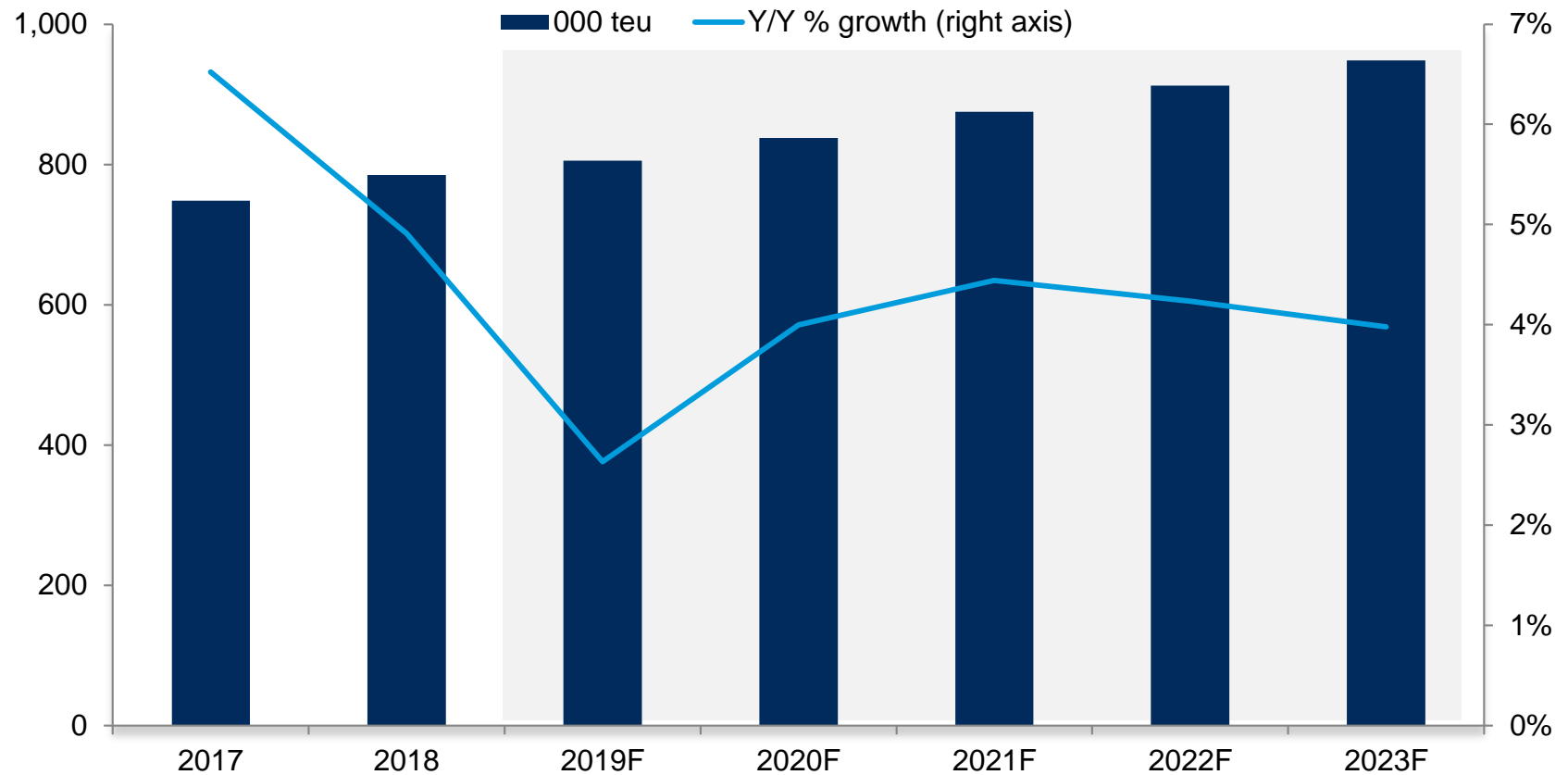


Source: Drewry's World Container Index (www.drewry.co.uk)

Container Shipping Demand Outlook

Deceleration in 2019, better for 2020 onwards

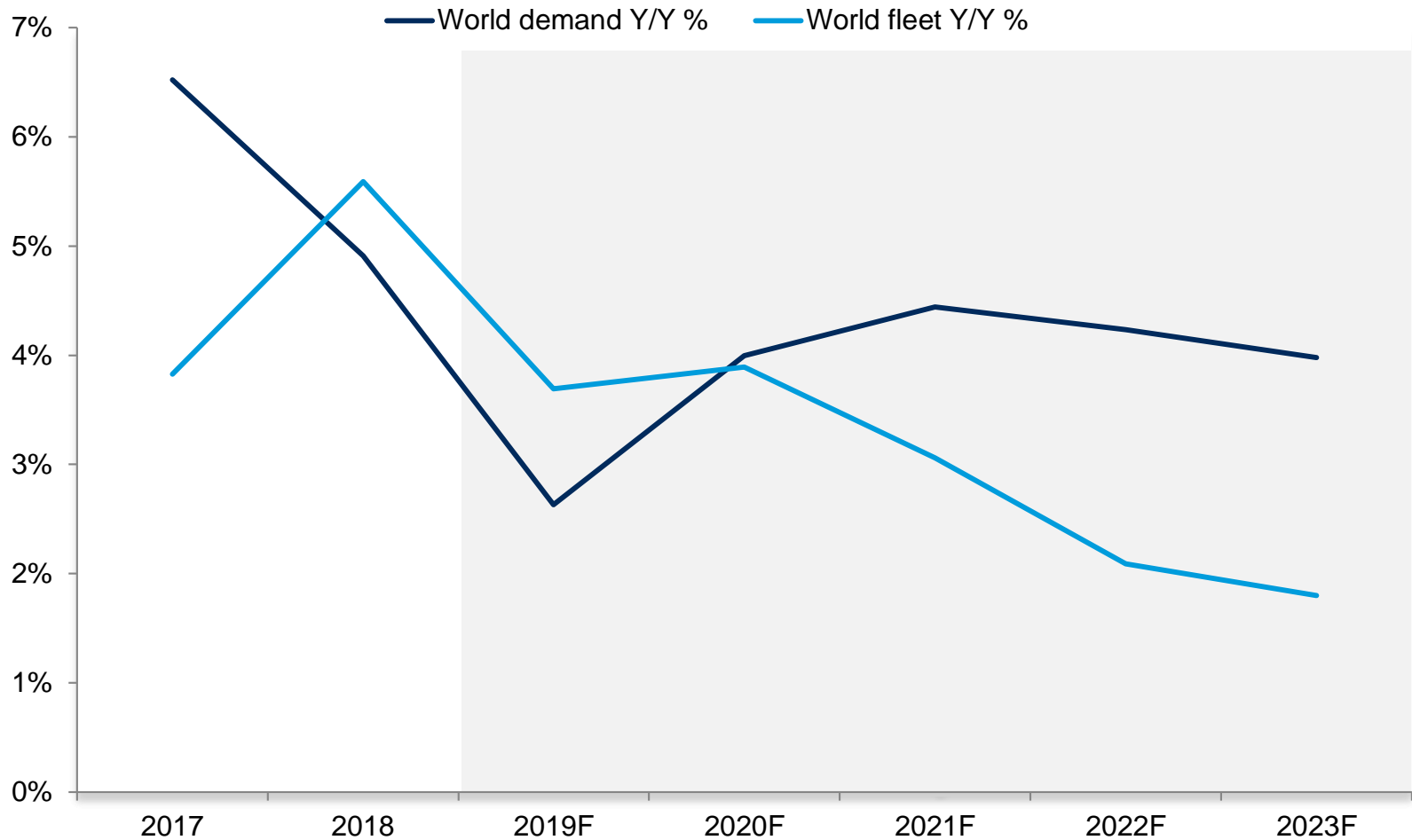
Global container port throughput



Source: Drewry's Container Forecaster (www.drewry.co.uk)

Container Shipping Supply & Demand Outlook

Taming of overcapacity takes a backwards step in 2018-19

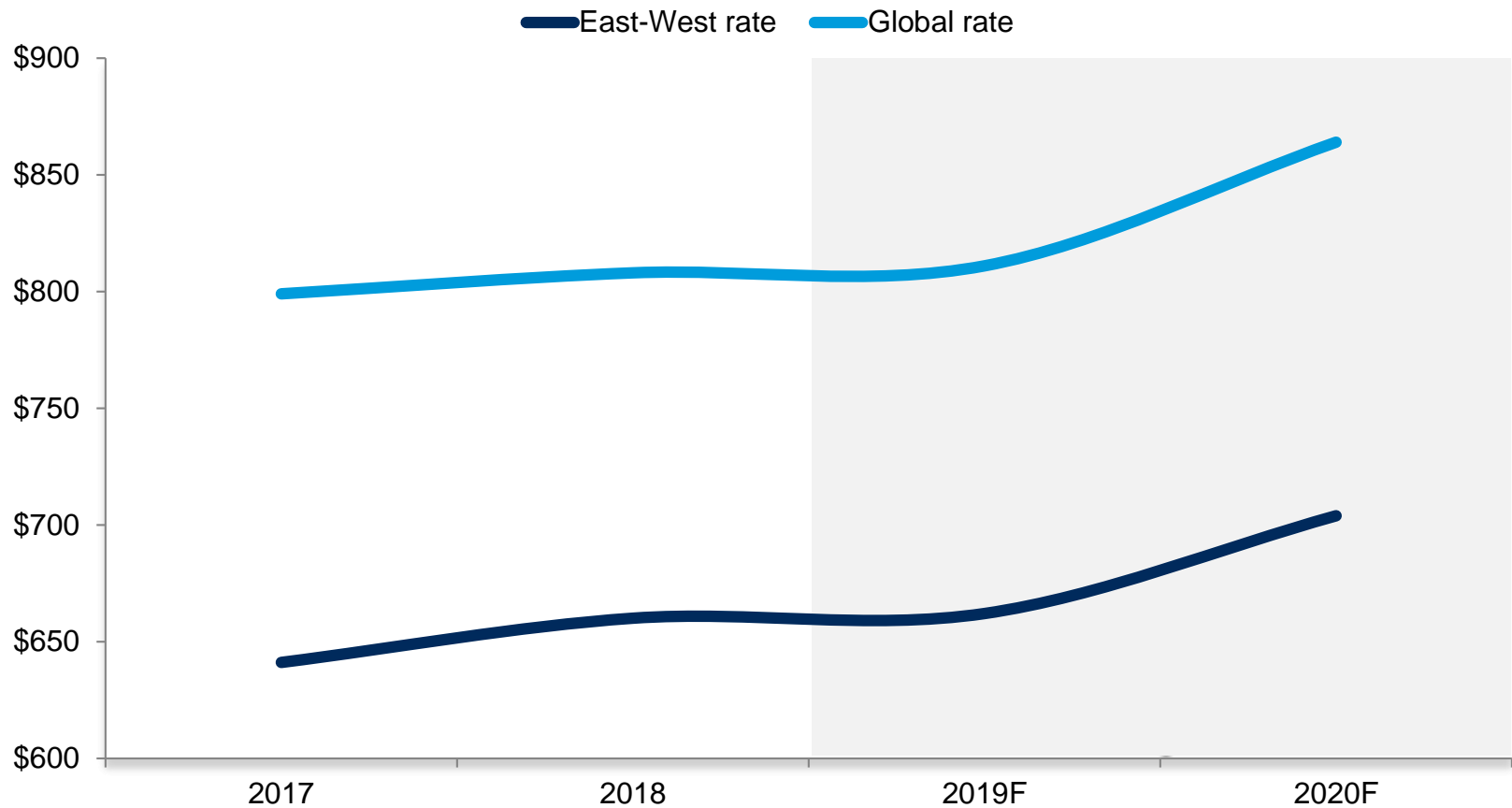


Source: Drewry's Container Forecaster (www.drewry.co.uk)

Freight Rate Forecast

Small uplift driven by higher BAF

Forecasts for East-West and Global all-in rates (US\$/teu)



Source: Drewry's Container Forecaster (www.drewry.co.uk)

Conclusions

- Drewry has downgraded its global container port throughput forecast for 2019 to 2.6% amid numerous headwinds, improving from 2020 onwards.
- Supply growth will marginally exceed demand in 2019, adding to existing overcapacity pressures.
- Future ship contacting expected to be restrained, assisting the rebalancing of the market.
- The degree of compensation that carriers receive for the additional fuel bill related to IMO 2020 will dictate the level of supply disruption next year.



Thank you!

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