

# Presented by Bansi Jaising

SOPA INTERNATIONAL SOYA CONCLAVE  
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BRILLIANT CONVENTION CENTRE, INDORE.

## Bansi Jaising

One year ago this time, HK's stock market was plummeting with escalating liquidity crisis of Evergrande, Chinese Real Estate developer. 12 months later we have seen major collapse of asset values. Nearly a third of all property loans are now classed as bad debts at 29.1pct up from 24.3 % at end of 2021 according to Citigroup.

Leading Handysize Owners are positioning themselves by replacing Older tonnage and smaller ships in their fleet with younger, larger ships. Continuation to grow the proportion of their Fleet mix with Supramax fleet and not order New Buildings for time being.

The BSI 58 Asia Index stood on 6/10 at \$16,871 (minus 89 points) but up 13 points since 30/9.

# Bansi Jaising

Can we concentrate on the 'positives' of the Handysize ?

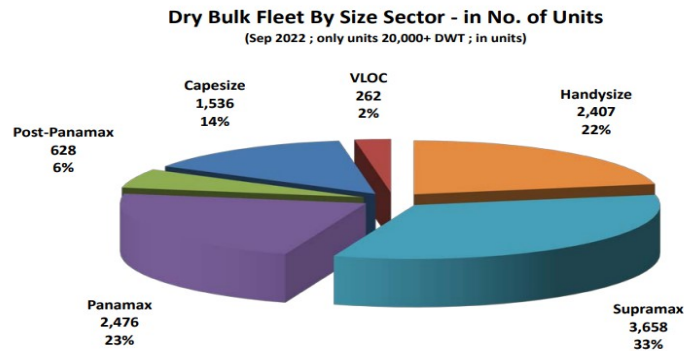
The Baltic Handy (38) index on 5/10 was 1996 (plus 131 from previous day). The Timecharter average earnings of this size stood at \$18,426 daily, a rise to shake away the Aug & Sept. earnings, as we enter the Q4 on a nice trotting pace.

In the Reverse Gear, Global Trade witnesses empty Containers.....Question to use Containers..

We have a super strong dollar ready to devour anything that comes its way. Inflation remains ready to burst, Staple industrial and food commodity prices are off the Charts, Central Banks are scratching their heads, as we head for the Coldest winter this year, we have ever faced. May be these are reasons the market is trotting instead of galloping. Let's look at the Glass 'Half Full'.

## DRY BULK – FLEET STRUCTURE

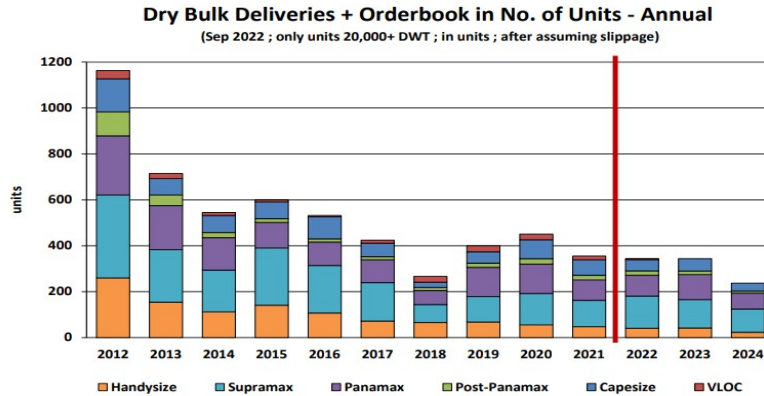
- The trading dry bulk fleet (over 20,000 DWT) currently numbers about 10,967 units, as of Sep 2022
- Some 16% of trading units - 1,798 - are Capesize/VLOC
- Another 28% of the fleet – 3,104 units - are Panamax/Post-Panamax
- 33% of the fleet, or 3,658 units, are Supramaxes
- 22%, or 2,407 units, are Handysize



Dry Bulk Market Outlook – Sep 2022

## DRY BULK – DELIVERIES (IN UNITS)

- In 2020, deliveries of bulkcarriers of 20,000+ DWT reached a recent peak of 451 units / 47.56 mln DWT
- In 2021, deliveries slowed down to just 355 units / 35.91 mln DWT
- We now expect about 344 units / 29.40 mln DWT to be delivered in 2022, after accounting for slippage and cancellations
- The orderbook remains moderate for 2022-2024, especially after slippage

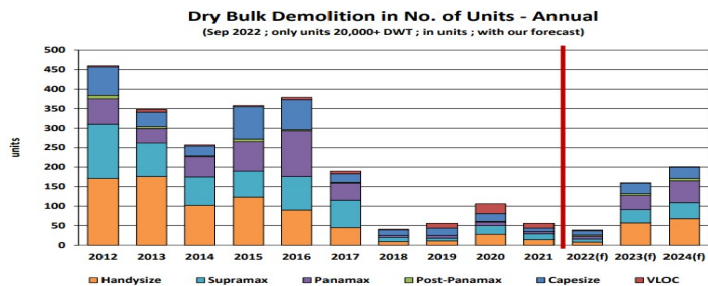


Dry Bulk Market Outlook – Sep 2022

# Bansi Jaising – September 2022

## DRY BULK – DEMOLITION (IN UNITS)

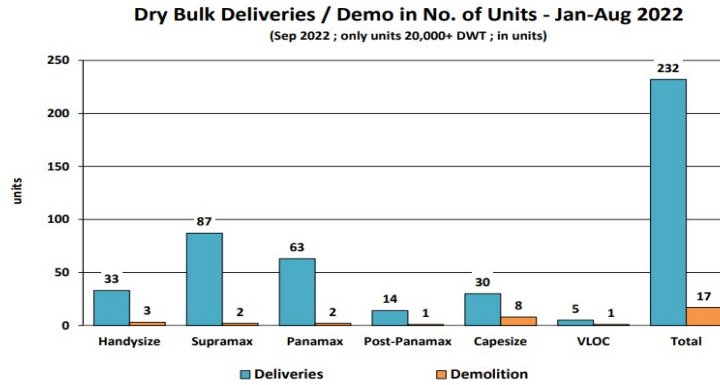
- Demolition activity was strong until 2016, especially for Handies / Supras, but slowed down sharply since
- Activity in 2021 was still disappointing, with just 56 units (6.54 mln DWT) reported scrapped
- We have revised downwards our forecast, and now expect about 39 units / 3.71 mln DWT to be demolished in 2022, based on the age profile and recent demolition trends



Dry Bulk Market Outlook – Sep 2022

## DRY BULK – NET CHANGE

- In Jan-Aug 2022, there was a net addition of 215 units / 17.84 mln DWT in the trading dry bulk fleet
- The net increase was driven by the deliveries of 30 Capesizes, 63 Panamaxs and 87 Supramaxes, with just 8, 2 and 2 units respectively scrapped



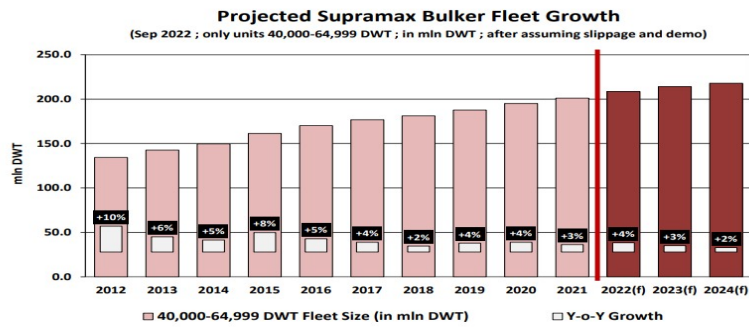
Dry Bulk Market Outlook – Sep 2022

A	B	C	D
<b>Baltic Exchange Indices</b>			
	<b>Date</b>		<b>Change from 1st Jan 2022</b>
<b>Supramax Index</b>	<b>4th October, 22</b>	<b>1663</b>	<b>Minus 627 (-27.4%)</b>
<b>Supramax 58 Asia TC Avg.</b>		<b>17163</b>	<b>Minus 3994 (-18.9%)</b>
<b>Historical Data</b>	<b>2nd Jan'22</b>	<b>25188</b>	
	<b>1st Oct'22</b>	<b>18292</b>	
<b>Handysize Index</b>	<b>4th October, 22</b>	<b>1009</b>	<b>Minus 457 (-31.2%)</b>
<b>Baltic Handysize 38 TC Avg.</b>		<b>18,159</b>	<b>Minus 8225 (-31.2%)</b>
<b>Historical Data</b>	<b>2nd Jan'22</b>	<b>2217</b>	
	<b>1st Oct'22</b>	<b>1760</b>	

# Bansi Jaising – Supramax Fleet Growth

## SUPRAMAX BULKER – FLEET GROWTH

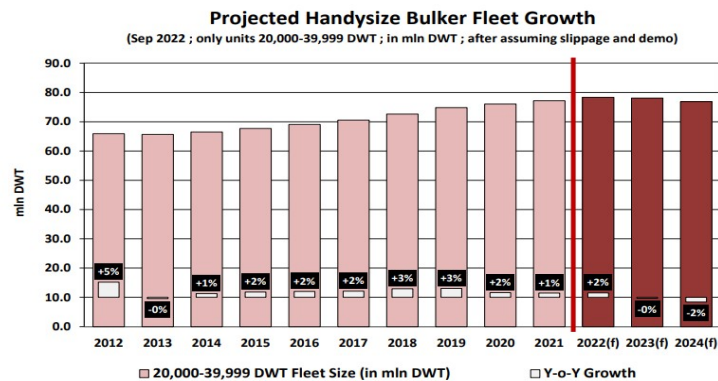
- In 2021, net fleet growth for Supramax bulkers of 40-65k DWT was +3% y-o-y
- Net fleet growth is expected to accelerate to around +4% in 2022 and then slow to around +3% in 2023
- Our fleet growth forecast for 2022-2024 is based on the current orderbook after assuming slippage and expected demolition



Dry Bulk Market Outlook – Sep 2022

## HANDYSIZE BULKER – FLEET GROWTH

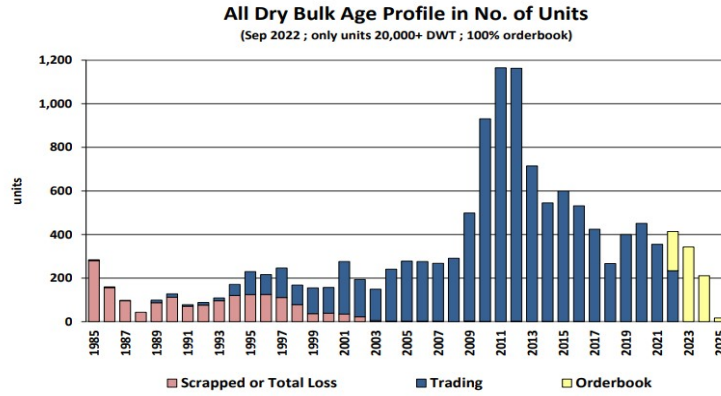
- In 2021, net fleet growth for Handysize bulkers of 20-40k DWT was +1% y-o-y
- Net fleet growth is expected to accelerate to around +2% in 2022 and then slow to around -0% in 2023
- Our fleet growth forecast for 2022-2024 is based on the current orderbook after assuming slippage and expected demolition



Dry Bulk Market Outlook – Sep 2022

## DRY BULK – AGE PROFILE

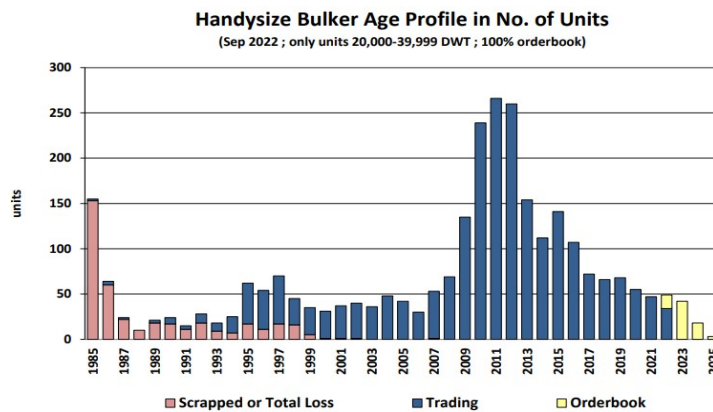
- There is still a fair amount of trading tonnage built in the 1990s due for scrap
- Also, more units were built in the early 2000s than in the 1990s
- In this size range, 11% of the trading fleet is over 20 y.o., 11% is 15-19 y.o., 37% is 10-14 y.o., 26% is 5-9 y.o., whilst 16% has less than 5 years
  - The orderbook-to-trading ratio is 6.9% in DWT terms



Dry Bulk Market Outlook – Sep 2022

## HANDYSIZE BULKER – AGE PROFILE

- The Handysize bulker fleet includes many old vessels, with plenty of demolition potential
- New environmental regulations likely to accelerate demolition
- In this size range, 16% of the trading fleet is over 20 y.o., 9% is 15-19 y.o., 40% is 10-14 y.o., 24% is 5-9 y.o., whilst 11% has less than 5 years
  - The orderbook-to-trading ratio is 3.7% in DWT terms

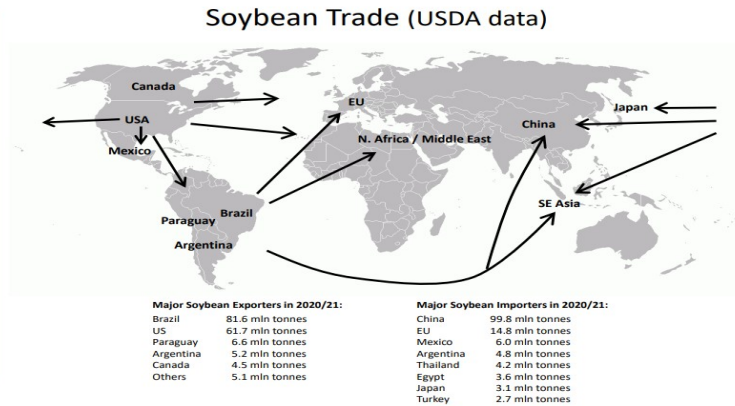


Dry Bulk Market Outlook – Sep 2022

# Demand :

## DRY BULK TRADE – SOYBEAN

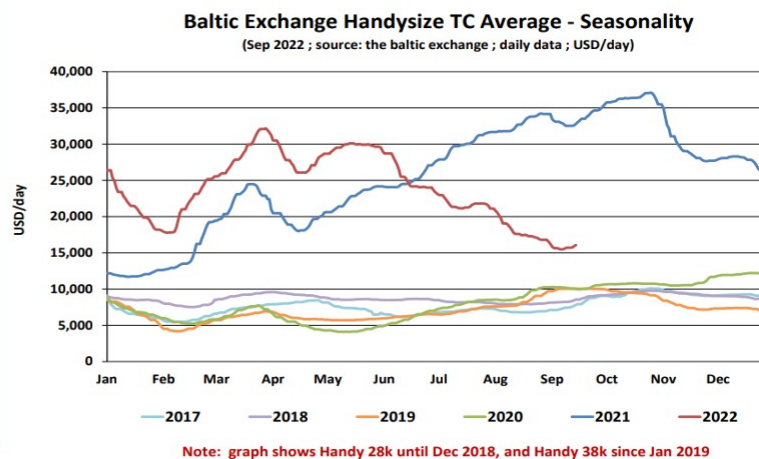
- Soybeans trade reached 153.3 mln tonnes in the 2021/22 season, -6.9% y-o-y
- The USDA forecasts a +10.3% y-o-y increase in the 2022/23 season to 169.1 mln tonnes, as of their August 2022 outlook
- Trade dominated by Chinese imports, which account for two-thirds of volumes
- Main exporters are USA and Brazil



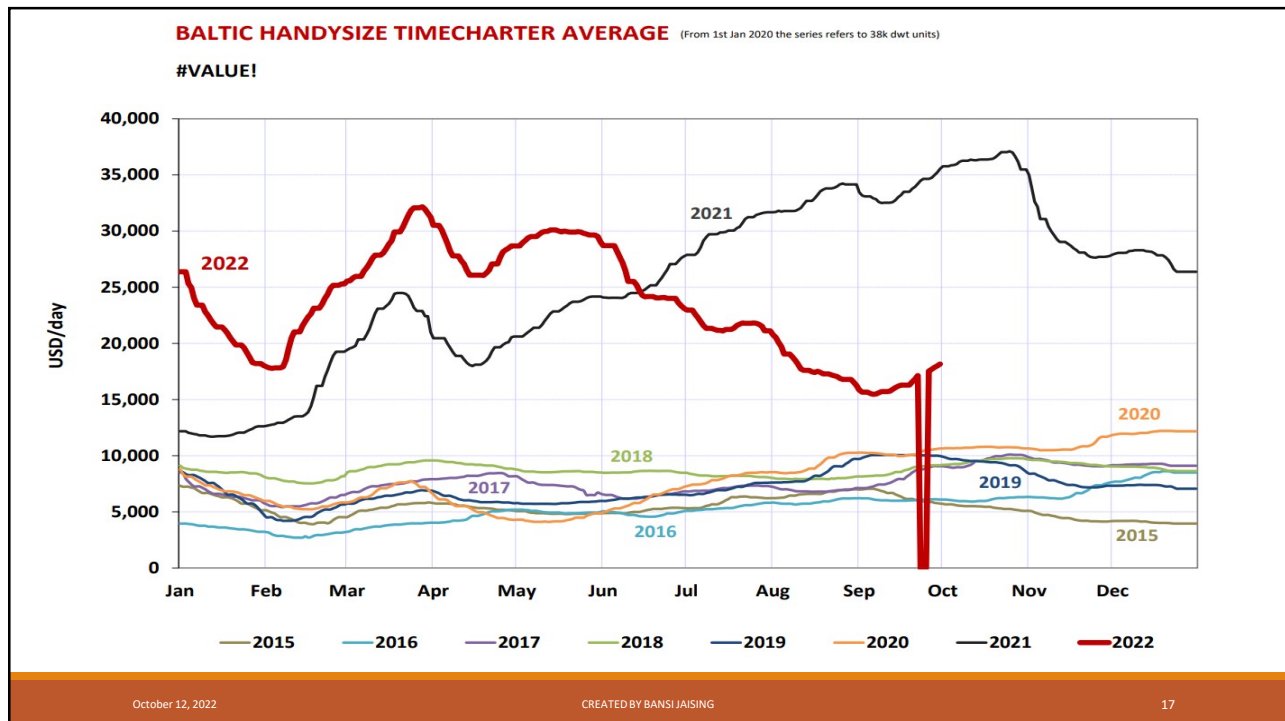
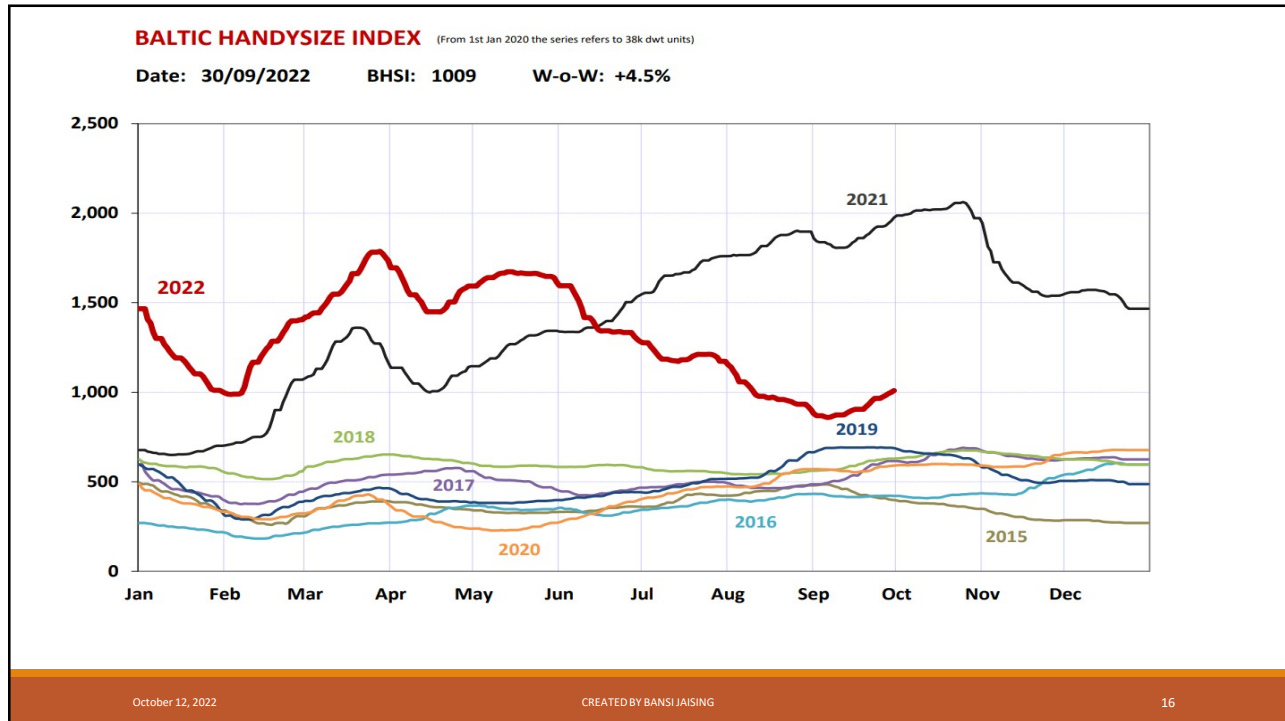
Dry Bulk Market Outlook – Sep 2022

## HANDYSIZE – SPOT RATES

- The Dry Bulk Market had an excellent 2021, followed by a great first half of 2022, but begun softening in 3Q 2022
- In Aug 2022, the Baltic Handysize TC equivalent averaged 17,873 USD/day, -17.5% m-o-m, and -45.8% y-o-y
- In Jan-Aug 2022, the Baltic Handysize TC equivalent averaged 24,320 USD/day, +7.9% y-o-y



Dry Bulk Market Outlook – Sep 2022

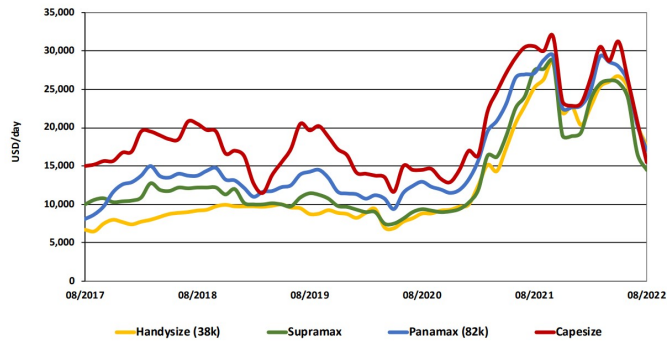




# Dry Bulk One Year Timecharter Values

**DRY BULK 1-YEAR TIMECHARTER RATES - LAST 5 YEARS**

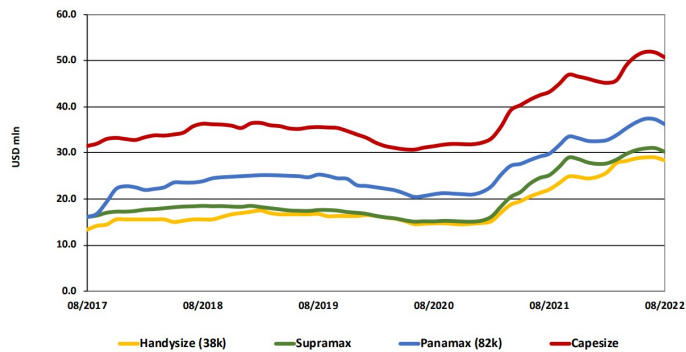
(Sep 2022 ; basis modern standard unit ; monthly data ; in USD/day)



# 5 Year Old Second Hand Prices

**DRY BULK 5-YO SECONDHAND PRICES - LAST 5 YEARS**

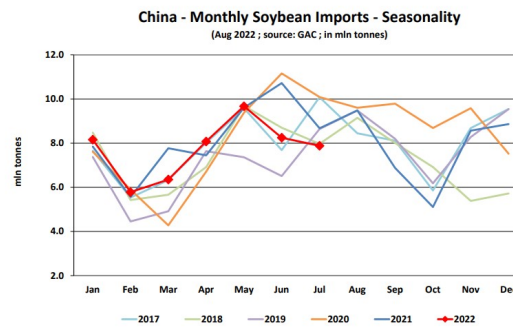
(Sep 2022 ; indicative averages ; monthly data ; in USD mln)



## Soya Bean Imports by China in July / Aug, '22

### SOYBEANS – IMPORTS

- In Jul 2022, Mainland China imported 7.9 mln tonnes of soybeans, -4.4% m-o-m, and -9.1% y-o-y
- Total soybean imports to China in the Jan-Jul period of 2022 were 54.2 mln tonnes, -6.0% from last year
- Total soybean imports to China in 2021 were 96.5 mln tonnes, -3.8% y-o-y compared to 2020



## Agriculture Commodity Prices – Sept'22

AGRICULTURAL	unit	23-Sep	16-Sep	w-o-w	y-o-y
Corn CBoT	usc/bu	676.75	677.25	-0.1%	+28.4%
Wheat CBoT	usc/bu	880.50	859.75	+2.4%	+24.2%
Soybeans CBoT	usc/bu	1,426	1,449	-1.6%	+11.0%
Sugar ICE N.11	usc/lb	18.28	17.88	+2.2%	-4.7%
Palm Oil Malaysia	usd/t	803.00	807.00	-0.5%	-25.9%

To end.....

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\* A Greek Shipowner was asked "How did you go Bankrupt? To which he replied : Two ways – First Gradually then Suddenly.\*

\*Ernst Hemingway said \*\*The Sun also Rises\*\*

Thank you for your patience !!

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