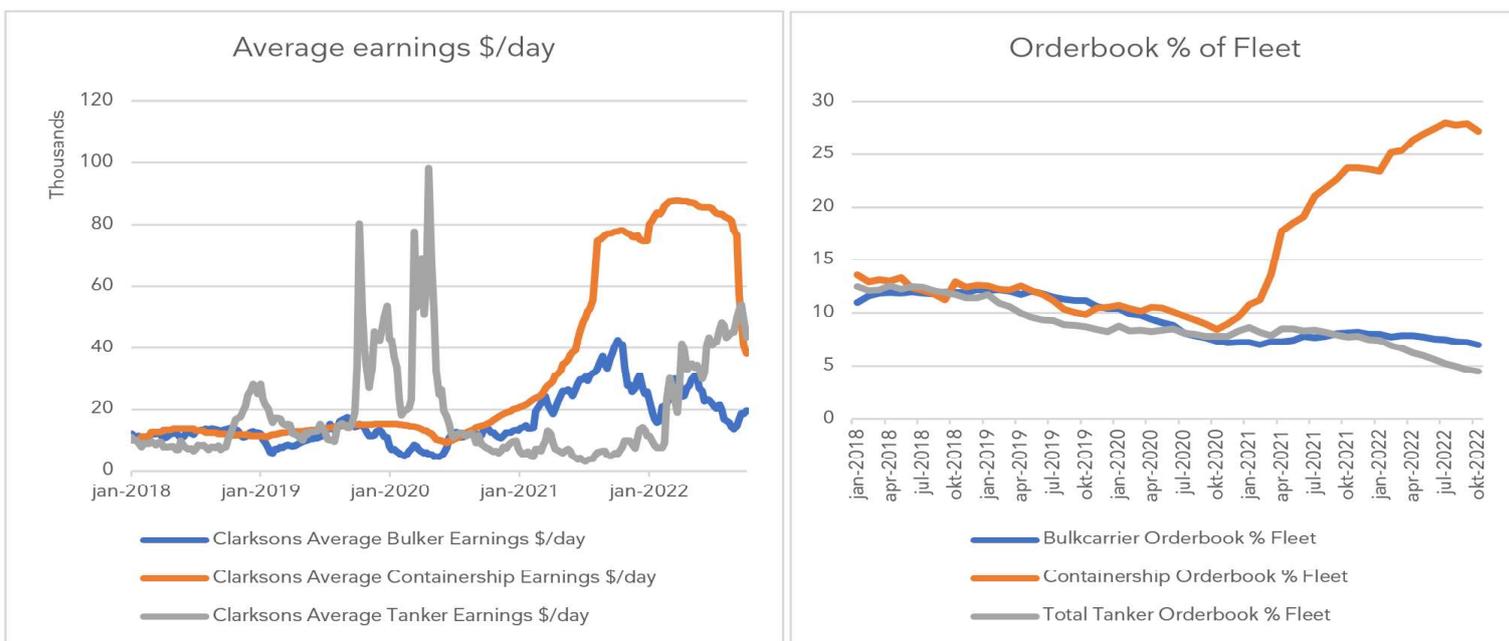


Ultraflash – Record earnings have come to an end for container and bulker vessels

Container freight rates have dropped rapidly since the beginning of the year. From March 2022 to the beginning of September 2022, the average earnings for container vessels have decreased by more than 50%. Compared to one year ago, the average earnings for the bulker segment have dropped more than 50%, while the tanker segment, on the other hand is up more than 8 times.

- **Container vessels:** Following the corona pandemic, increased consumption and government support packages increased demand for transported goods, while port closures, restrictions, etc. decreased the supply. This caused a temporary extraordinary increase in container freight rates - and the average earnings for container vessel increased from around 15,000 \$/day to around 87,000 \$/day in spring 2022. Since then, the average earnings for container ships have dropped more than 50%. Furthermore, more container vessels are being ordered, leading to higher supply and consequently lower prices in the upcoming years.
- **Tanker vessels:** Tankers rates have significantly increased since 2021, where freight rates were the lowest in 30 years. A rebounding demand following the easing of travel restrictions and shifts to longer-haul amid the Ukraine conflict have increased the demand for transport of oil. In addition, a record small orderbook of less than 5% of the total fleet will reduce how low tanker freight rates will decline in the next years.
- **Bulker vessels:** The bulker segment experienced a 13-year high in mid-2021. Since then, congestion for bulkers has returned close to pre-Covid levels. A major reason for the decline in the bulker segment is China's ongoing recession in the real estate sector. In addition, there has been a significant reduction in the Chinese steel production – which supports iron ore and coal imports. Moreover, limited growth in supply driven by new IMO regulations and lack of new building orders (7% of existing fleet) will reduce supply in the market.



¹Clarksons shipping intelligence.