OCEAN FREIGHT MARKET UPDATE

June 2018
Contents

1st TOPIC OF THE MONTH
Carrier Earnings in Q1 2018

2nd TOPIC OF THE MONTH
Emergency BAF

3rd TOPIC OF THE MONTH
Nationwide Truck Drivers Strike in Brazil

HIGH LEVEL DEVELOPMENT

MARKET OUTLOOK
Freight Rates and Volume Development

ECONOMIC OUTLOOK & DEMAND DEVELOPMENT

CAPACITY DEVELOPMENT

CARRIERS

REGULATIONS

DID YOU KNOW?
Drewry’s Altman Z-Score as of 1 May 2018 – Now All Carriers in Distress Zone
Average Operating Margins Have Slipped Back Into The Red This Year

Following three positive quarters, increased bunker costs and weakening freight rates have started to pull carriers earnings down.

Average operating (core EBIT) margin for the eleven largest carriers that published results fell to -3.3% in Q1 '18, the worst performance since Q3 '16.

Only three carriers managed to stay in the black during Q1, led by Hapag-Lloyd (2.1% margin), CMA CGM (1.6%) and Wan Hai (1.0%).

The remaining eight carriers posted negative margins, with HMM remaining at the bottom of the list (-15.6% margin).
Various Carriers Announcing Emergency BAF With Immediate Effect

Various carriers have announced the implementation of a so called Emergency BAF with immediate effect, claiming that they have to offset the rise in fuel prices which are not already factored into freight rates.

However there is no consistent approach from the different carriers and the calculation method is unclear. For example some carriers simply announced a flat fee per container, irrespective of the length of the journey, vessel size or trade lane. This leads to the conclusion that the fuel surcharge has no clear link with the actual fuel price impact on the individual container shipped.

It is evident that the increase of fuel prices is impacting the carriers, but the needed actions should be logical and transparent.

The current approach makes it difficult to manage the situation in a constructive manner. Also the timeline for implementation is questionable.

DGF is in constant dialogue with its partner carriers and is doing its utmost to mitigate the impact for the customers and the business.

Source: DHL, Bunker Index, in USD/metric ton, Bunker Index MGO (BIX MGO) = avg. Global Bunker Price for marine gasoil (MGO) port prices; (BIX 380= avg. Global Bunker Price for all 380 centistoke (cSt) port prices; both index published on the Bunker Index website
Despite Government Concessions, The Union Has Not Stopped Striking

The Brazilian Association of Truckers has been on strike due to rising fuel costs since May 20, affecting roads, highways, airports, ports and gas stations.

Brazil has subsidized the price of gas and diesel for many years, reflecting the importance of oil production in the Brazilian economy and its politics. However, the government's budgets have demanded that these subsidies should end and Petrobras, the national oil and gas monopoly, is now officially free to set the price for fuel on an economic basis. The fuel cost issue has been accentuated over the short term by falls in the Brazilian Real against the US Dollar and a rising price of oil on world markets.

Road freight is fundamental to Brazilian economy. It is often the only option in a country short of railways, airports and ports. Also is the economy characterized by heavy reliance on bulk agricultural products which demand cost-effective transport.

President Michel Temer announced that he signed three decrees with immediate effect to address the main demands of truck drivers. One of the decrees cuts the price of diesel at the pump by 12% for 60 days, another ordered toll operators across the country not to charge for rear axles that are not in use and another mandates the minimum fare paid to truckers for freight.

Stocks were also hugely impacted with Petroleo Brasileiro SA dropping by 4.5% due to investor concerns about political interference in the state-led oil company's fuel pricing policy.

The access to ports and airports are limited and delays are already happening since several DGF truck providers are holding their vehicles until the strike is resolved. DGF Brazil has put in place a well-thought out contingency plan to minimize the effects of this strike for its customers.
High Level Market Development – Supply and Demand

**ECONOMIC OUTLOOK GDP GROWTH BY REGION**

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<tr>
<td>EURO</td>
<td>2.4%</td>
<td>2.4%</td>
<td>2.0%</td>
<td>1.9%</td>
<td>1.8%</td>
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<tr>
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<td>5.0%</td>
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<td>DGF World</td>
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<td>3.3%</td>
<td>3.1%</td>
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**DHL TRADE BAROMETER**

**SUPPLY/DEMAND GROWTH (ANNUALIZED), IN %**

1) real GDP, Global Insight, Copyright © IHS, Q2 2018. All rights reserved
3) Shanghai Shipping Exchange, in USD/20ft container & USD/40ft ctnr for US routes, 15 routes from Shanghai.
5) DHL Global Trade Barometer Mar18, index value represents weighted average of current growth and upcoming two months of trade, a value at 50 is considered neutral, expanding above 50, and shrinking below 50.
Carriers are pushing for a further GRI in June and fuel price increases triggered first Emergency BAF announcements.

**Export Region** | **Import Region** | **Capacity** | **Rate**
--- | --- | --- | ---
**EURO** | **AMNO** | | +
| **AMLA** | | ++
| **ASPA** | | +/
| **MENAT** | | +/
| **SSA** | | =

**Export Region** | **Import Region** | **Capacity** | **Rate**
--- | --- | --- | ---
**AMNO** | **AMLA** | | +
| **ASPA** | | =
| **EURO** | | =
| **MENAT** | | +
| **SSA** | | =

**Key**
- Strong Increase ++
- Moderate Increase +
- No Change =
- Moderate Decline -
- Strong Decline --

Source: DGF
## Ocean Freight Rates Outlook

<table>
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<tr>
<th>Route</th>
<th>Details</th>
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<tr>
<td><strong>ASPA – EURO</strong></td>
<td>1st May GRI was successful and rates have stabilized. June will enjoy an increase in capacity with up sizing of vessels, mainly on Ocean alliance. But due to the positive market sentiment and demand pick up, carriers are positive for a rate increase in June.</td>
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<tr>
<td><strong>EURO – ASPA &amp; MEA</strong></td>
<td>(more than) enough vessel capacity in the market to cater all needs, partial problem is empty container supply. Carriers start to be more rigid on pricing again as the Q1 results showed all in red numbers. Rock bottom phase has passed, hunt to keep volumes by all means is over, rates trending slightly upwards and fuel price increases already induced the first “emergency BAF” announcements.</td>
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<tr>
<td><strong>ASPA – AMLA</strong></td>
<td>Carriers have started to take out capacity to Mexico &amp; WCSA, especially Maersk &amp; CMA. Rates expected to rise from 1st June 2018. ECSA remain relatively tight, although there is rumor of PIL upgrading theirs to a weekly service, instead of fortnightly. 11x3500 teus vessel rotation in mid-June 2018.</td>
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<td><strong>ASPA – AMNO</strong></td>
<td>Carriers are experiencing strong utilization on PSW &amp; AW. Spot market in Jun expected to be higher given 2 rounds of GRI application. Emergency bunker application will apply in July as more carriers announced ahead of the traditional peak starting July 2018.</td>
</tr>
<tr>
<td><strong>EURO – AMNO</strong></td>
<td>Space is now an issue and more or less all carriers are reporting 100% utilization. HMM decided to withdraw from the Trade and Ocean Alliance have suspended the Baltimore call until further notice.</td>
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<tr>
<td><strong>ASPA – MENAT</strong></td>
<td>With the blank sailing being introduced in April / May, Carriers have successfully implemented GRI into Middle East / EMED / Africa. Space remains tight and facing roll over situation into MENAT lanes.</td>
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<tr>
<td><strong>ASPA – ASPA</strong></td>
<td>Several blank sailings have been announced on the IPBC trade at the end of May and in June. Space is currently tight and a June GRI has been planned. Vessel schedules across North China ports continue to be affected by the on-and-off bad weather and port congestion. Delays have spilled over to South East Asia ports en route.</td>
</tr>
<tr>
<td><strong>AMNO – EURO</strong></td>
<td>Capacity will remain stable in June. Blank sailings week 24 &amp; 25 with the 2 M Rates will remain stable overall. However COSCO will increase their rates as of June 11 to Euro &amp; MED. MSC is announcing a Fuel Adjustment contributor as of June 22, 2018 of $25/TEU</td>
</tr>
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</table>

Source: DGF
Economic Outlook & Demand Development
The world’s key economies are moving along divergent paths

**EU**
EU's growth slowed sharply during Q1 to the weakest pace since summer 2016. Slowdown was due to one-off factors, such as bad weather, early Easter, strikes in FR, flu outbreak in DE but also due to more fundamental factors, including strong euro, softer global trade, capacity constraints in key economies but ample liquidity and low inflation still support growth.

**US**
Unexpected strong Q1 growth has raised 2018 growth outlook for the US. Higher oil prices, rising inflation & interest rates, and a strong dollar will work to slow growth during 2020. This means that unemployment rate will fall to a cyclical low of 3.5% in 2019 before edging upward in 2020.

**JP**
Economy in JP contracted in Q1 due to stagnant domestic demand and modest growth in external demand, ending a string of 8 consecutive quarters of expansion. Rebound in consumer spending is likely in Q2, given improved weather, lower fresh-food prices, high rates of capacity utilization and labor shortages thus supporting capital spending in the near term. Stable economic growth in CN as a result of strong advances in consumer spending being offset by weakness in net exports. Mild slowdown in 2019 expected as government continues to squeeze some of the excesses from the economy. All under the assumption that CN & US will avoid a trade war.

**IN**
IHS expects most large emerging markets to grow faster this year than last. IN is expected to show the strongest acceleration (+7.3%), BR a soft recovery from recession (2.3%), and RU is not expected to exceed 2.0% any time soon because of renewed sanctions.

**UK & JP**
Business sentiment remained in low gear as the JPMorgan Global Composite Output PMI failed to regain even half of the 1.5-pt drop seen in March. The US showing increasing signs of driving global expansion while optimism across the Eurozone continued to run below the strong rates seen at the turn of the year. UK & JP indexes lagged again and emerging-market purchasing manager’s indexes continued to trail behind that of the developed world, with the gap widening in April.

Source: IHS Markit Global Executive Summary, IHS Purchasing Manager Index Manufacturing, a PMI at 50 is considered neutral, expanding above 50, and business shrinking below 50.
Containership deliveries have already reached 557’000 TEU in the past four calendar months and 2018 remains on track to reach a total of 1.4 Mteu by the end of the year. Predictions that yard delays and ship deferrals could reduce deliveries to as little as 1.0 or 1.2 Mteu for the full year seem incorrect, as confirmed forward delivery schedules currently already exceed that number. Over 900’000 TEU of box-ship capacity is still scheduled for delivery in the remainder of the year, including 750’000 TEU from ships of 10’000 TEU or larger.

The substantial newbuilding backlog is expected to exert pressure on the containership market, with overall vessel supply continuing to keep ahead of the current buoyant demand. So far this year, vessel scrapping only reached 13 ships for 24’700 TEU and there is little incentive to offload further vessels in the coming months. While there will inevitably be some yard delays and vessel deferrals in 2018, these are not expected to exceed 100’000 TEU in total as most cases will only involve smaller ships. Based on these trends, the overall fleet growth is expected remain above 6% for the year 2018.
Idle containership fleet of above 500 TEU has fallen to only 81 units of 227,727 TEU as at 14 May 2018 (as per Alphaliner records). The idle fleet now stands at 1.0% of the total cellular fleet. The idle units include the MAERSK HONAM, stricken since 6 Mar after the vessel caught fire at sea. The 15'252 TEU ship was anchored off Jebel Ali since 23 Apr and has now berthed at the port to discharge. New service launches and upgrades of existing services drive the fall in idle capacity. The strong demand is expected to last at least until the end of June. Despite the heavy new building delivery schedule since the beginning of this year – mainly for large container vessels – the recovery of the charter market is supported by the low idle fleet and limited available charter tonnage.

Nearly two years after the inauguration of the expanded Panama Canal, the Panama Canal Authority (ACP) has announced to increase the allowable beam of neo-panamax vessels in new canal locks. As of 1 Jun, ships with a beam of up to 51.25m, up from today’s 49.0 m, will be permitted to transit. The move is aimed at allowing 20-row wide containerships (based on containers stowed on deck) to use the canal, compared to the current limit of 19-rows. The revised Neo-Panamax size limits will support the ongoing upsize of the Far East – USEC services by the carriers. Until July, the overall capacity on the route is expected to increase by 10%, based on nominal vessel intakes. The capacity increase on the Far East – USEC route, planned for this summer, will be spread almost uniformly across each of the three main carrier alliances OCEAN Alliance, THE Alliance, and the 2M.

The MUMBAI MAERSK (20,568 TEU) is delivered to APM-Maersk on 30 April 2018. It is the tenth of eleven ‘EEE Mark-II’ class containerships from DSME of South Korea. The carrier had ordered the 20,568 TEU vessels in June 2015 for a total price of KRW 1,956.4 Bn, equivalent to USD 160 M per vessel. The MUMBAI MAERSK is scheduled to join the Maersk-MSC Far East – Europe ‘AE-5/Albatross’ loop on 6 May 2018.

Source: Alphaliner, carriers
Carriers (1/2)

**CARRIERS**

The AP Moeller-Maersk Group has reported an underlying **net loss of $239 M in the first quarter of 2018**, a deterioration from the loss of $139 M recorded in the same quarter last year. The bulk of the loss stemmed from its new Ocean segment that includes the ocean activities (excl inland) of Maersk Line, MCC, Seago Line, Sealand, Hamburg Süd and Aliança, as well as nine container strategic trans-shipment terminals that are accounted separately from APMT’s gateway terminals. Although Maersk posted a positive EBITDA of $492 M for a EBITDA margin of 7.2% on its Ocean segment, its operating results (EBIT) was negative after taking into account depreciation and amortization expenses. **Maersk blamed the loss on higher operating costs** coming mainly from **increased bunker prices** and the **weak US dollar**. Total liftings increased 24% to 6.44 Mteu due mainly to the inclusion of Hamburg Süd since December last year. Excluding Hamburg Süd, Maersk still grew by 2.2%. Despite the weak first quarter results, the company re-iterated its earnings guidance for a full year underlying profit for the Group that would exceed the $356 M profit recorded in 2017.

All three Japanese carriers MOL, NYK and K Line posted **negative results** in the **first quarter of 2018**. Ordinary income losses ranged from –JPY 3.7 Bn ($34 M) for K-line, –JPY 6.4 Bn ($59 M) for NYK and –JPY 10.3 Bn ($95 M) for MOL. It is the last quarter for the Japanese carriers to report separate earnings for their container shipping operations after they have been merged as the ONE (Ocean Network Express) from 1 April 2018. All three carriers were **hit by lower liftings** during the first quarter, as **utilization levels fell across the board**. Although **average freight rates** remained **generally stable** for all three carriers, it was **insufficient** to prevent losses at the operating level. **The continued supply-demand imbalance prevented rates from rising to break-even levels**.

**Hapag-Lloyd** has reported a **net loss of EUR 37.6 M in the first quarter of 2018**, a reversal from its last three previous positive quarters. The results were, however, an **improvement** over the net loss of EUR 58.8 M reported in the **same quarter last year**. The company said that **results were negatively impacted** by **weak freight rates** and **higher bunker** as well as **trucking costs**. However, higher container liftings and synergy savings from the merger with UASC helped to boost the results.

**Yang Ming** has reported a **net loss of NTD 1.95 Bn ($67 M) in the first quarter of 2018**, compared to a loss of NTD 0.90 Bn ($29 M) in the same quarter last year. Yang Ming said that it continued to maintain year-on-year growth in volume and revenue, but its results **were affected by the typical first quarter slack season**. Yang Ming also announced on 10 May that it has formed a joint venture with five other Taiwanese firms to invest in container storage facilities in Indonesia, aimed at supporting the Taiwanese government’s ‘Look South’ policy.

Source: Alphaliner, carriers
Hyundai Merchant Marine (HMM) has posted an operating loss (EBIT) of –KRW 152 Bn ($142 M) for its container shipping business segment for the first quarter of 2018. HMM said that the loss was due to the over-supply of vessel capacity and lower demand during the seasonally weaker first quarter. Capacity utilization fell to 75.5% compared to 79.3% in the same quarter last year and 77.7% in the fourth quarter of 2017. HMM’s container shipping business has chalked up 12 consecutive negative quarters. Despite the consistent lack of profits, HMM is increasing its reliance on the container segment with the share of revenue from its container division rising from 88.5% a year ago to 90.5% currently. HMM’s total container liftings have also increased by 2.2% year-on-year to 981’511 TEU with the slot purchases from the 2M on the Asia-Europe and Asia-USEC routes compensating for a reduction on its own capacity. HMM said that it will respond to the challenging market by developing niche services and diversifying into more ports and new markets.

CMA CGM recorded a year-over-year drop in core EBIT of 65.1% in Q1 of 2017 to $88m. This was impacted by rising oil prices. It managed to increase volumes by 15% in the quarter and revenue was up 17.1%. The company said it expected to see strong volume growth throughout 2018. CMA CGM expects an improvement in the market environment in the second half of 2018, excluding bunker costs and the impact of exchange rates. Emergency Bunker Recovery Measures and cost reduction initiatives are expected to bear fruit in the second half of 2018.
China: China Customs issued Decree No. 56 to adjust China Customs Advanced Manifest Regulations (CCAM) effective as of 1 June 2018. The adjustment on the requirements is applicable for all China exports, imports and transshipments via China mainland. For Ocean Freight shipments departing on or after 1st June, destined or departing China, the following data elements must be provided to the carrier and to customs for filing:

**Mandatory**
- Shipper’s enterprise code (TAX ID) incl. identifier. The “enterprise code” refers to the code that the shipper/consignee registered in their country’s authority for doing business
- Shipper’s contact details (name and telephone number)
- Consignee’s enterprise code (TAX ID) incl. identifier
- Consignee’s contact details (name and telephone number)

**Conditional** (if Consignee is TO ORDER, then we must have the below details):
- Notify Party 1 code (TAX ID) incl. identifier
- Notify Party 1 contact details (name and telephone number)

**Failing** to supply the required information may result in a delay in clearing goods through customs.

Singapore: International Chamber of Commerce (SICC) launches world’s first blockchain-based e-Certificate of Origin (eCO)
The eCO platform permits instant verification of eCOs and runs on a private blockchain network that prevents fraud, alterations and third-party interference. An initial group of users will move to the new system, with the remaining users transiting in subsequent phases. The system improves efficiency and minimizes the costs of verifying COs, removing a major impediment in the process and a frequent cause of high insurance or trade finance costs.
## Regulations (2/2)

### REGULATIONS

**Malaysia: Goods & Service Tax (GST) Rate Changes for Standard Rated 6% to Standard Rated 0% Effective 1 June 2018**

In light of the latest announcement from the new government, the GST standard rate will be reduced from 6 Percent to 0 Percentage with effect from 01 June 2018. Thus, a standard rated supply will now be subject to GST at 0 Percent. This is distinct from a zero-rated supply. All ancillary charges as below which are at 6 Percent prior 01 June 2018 will be at standard rated 0 Percent after 31 May 2018.

The ancillary charges include the handling services which are defined in the GST Act to cover the following.

1. Stevedoring and porterage
2. Loading, unloading, reloading, stowing, securing and shifting cargo for the use of cranes and weighing machines together with an operator
3. Sorting, opening for inspection, repairing and making good, weighing and taring, taping and sealing, erasing and re-marking, labeling and re-numbering, tallying, checking, sampling, measuring or gauging of goods
4. Survey of cargo (including damaged cargo)
5. Cargo security services
6. Presenting goods for customs examination
7. Preparing or amending customs entries
8. Preparing or amending bills of lading, airway bills, and certificates of shipment

Source: DHL
Did You Know
Drewry’s Altman Z-Score as of 1 May 2018 – now all carriers in distress zone

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<tr>
<th>Company</th>
<th>Period</th>
<th>Period Ended</th>
<th>Units</th>
<th>Net Sales</th>
<th>EBIT</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Retained Earnings</th>
<th>Z-Score</th>
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<td>Period Ended</td>
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<td>11'755</td>
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<td>MOL group</td>
<td>9 months</td>
<td>31. Dez 17 billion Yen</td>
<td>1'240</td>
<td>24</td>
<td></td>
<td>2'252</td>
<td>465</td>
<td>714</td>
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<td>China Cosco 2)</td>
<td>Annual</td>
<td>31. Dez 17 billion RMB</td>
<td>90'399</td>
<td>5'664</td>
<td></td>
<td>133'190</td>
<td>39'407</td>
<td>43'711</td>
<td>89'479</td>
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<td>Yang Ming</td>
<td>Annual</td>
<td>31. Dez 17 million NT$</td>
<td>131'078</td>
<td>476</td>
<td></td>
<td>132'876</td>
<td>26'887</td>
<td>26'510</td>
<td>106'367</td>
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<td>-1'565</td>
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<td>Pacific International Lines</td>
<td>Annual</td>
<td>31. Dez 17 million US$</td>
<td>4'037</td>
<td>-267</td>
<td></td>
<td>6'107</td>
<td>1'471</td>
<td>1'906</td>
<td>4'201</td>
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<tr>
<td>Zim</td>
<td>Annual</td>
<td>31. Dez 17 million US$</td>
<td>2'978</td>
<td>135</td>
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<td>1'802</td>
<td>580</td>
<td>-93</td>
<td>18'996</td>
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<td>-1'892</td>
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<tr>
<td>Hyundai Merchant Marine</td>
<td>Annual</td>
<td>31. Dez 17 billion Won</td>
<td>5'028</td>
<td>-880</td>
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<td>3'602</td>
<td>1'387</td>
<td>897</td>
<td>2'705</td>
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<td>-2'718</td>
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</table>

The Z-Score is a statistical analysis to predict a company’s probability of failure in the next two years, using data from the company’s financial statement.

- Z-Score ≥ 2.99 = company is “safe”;
- Z-Score between 1.8 and 2.99 = exercise caution (“grey zone”);
- Z-Score ≤ 1.8 = Higher risk of the company going bankrupt (“distress zone”)

Source: Drewry Sea & Air Shipper Insight February 2018, 1) parent of OOCL, 2) parent of Cosco Container Lines; Z-score is calculated as follows:

T1 = (Current Assets - Current Liabilities) / Total Assets, T2 = Retained Earnings / Total Assets, T3 = Annualized EBIT / Total Assets, T4 = Book Value of Equity / Total Liabilities, T5 = Annualized Sales / Total Assets, Z-score bankruptcy rating = 1.2*T1 + 1.4*T2 + 3.3*T3 + 0.8*T4 + 1.0*T5
<table>
<thead>
<tr>
<th><strong>OCEAN FREIGHT RATES OUTLOOK</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EURO – AMLA</strong></td>
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<tr>
<td><strong>EURO – SSA</strong></td>
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<tr>
<td><strong>AMNO – MENAT</strong></td>
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<tr>
<td><strong>AMNO – SSA</strong></td>
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<td><strong>AMNO – AMLA</strong></td>
</tr>
<tr>
<td><strong>AMLA Exports</strong></td>
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<tr>
<td><strong>AMNO – ASPA</strong></td>
</tr>
</tbody>
</table>

Source: DGF
## Ocean Freight Rates Outlook

<table>
<thead>
<tr>
<th>Route</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>EURO MED - AMNO</td>
<td>Increases will occur during April (PSS/rate increases/costs connected to US deliveries)</td>
</tr>
<tr>
<td>EUR MED – AMLA</td>
<td>Stable/some increases depending on service and provider</td>
</tr>
<tr>
<td>EURO MED – ASPA</td>
<td>Stable/some increases depending on service and provider</td>
</tr>
<tr>
<td>EURO MED – MENAT</td>
<td>Stable/some increases depending on service and provider</td>
</tr>
<tr>
<td>EURO MED – SSA</td>
<td>Unchanged/Stable</td>
</tr>
<tr>
<td>ASPA-SPAC</td>
<td>All carrier are seen to extend/reduce rates from April to at least first half of May. Only 1 carrier, Hamburg Sud has announced a planned GRI in mid May.</td>
</tr>
</tbody>
</table>

Source: DGF
After triggering regulatory approval processes in 23 jurisdictions, Maersk finally acquired Hamburg Süd.

Over the next five months, Maerk will terminate some of Hamburg Süd’s overlapping services on certain trades.

Mid-term growth is mainly driven by Asian tradelanes.

Source: Seabury Nov17 update
Carrier Mergers, Acquisitions and Alliances

**Mergers and Acquisitions**

- China Shipping
- Cosco
- OOCL
- TBC
- Evergreen
- APL
- CMA
- CGM
- Hapag Lloyd
- United Arab Shipping
- Hyundai Merchant Marine
- Hamburg Süd
- Maersk Line
- MSC
- K Line
- MOL
- NYK
- Yang Ming
- Hanjin Shipping

**Alliances**

**Former Alliances**

- 2M
  - MAERSK LINE
  - MSC
- OCEAN 3
  - CMA CGM
  - CHINA SHIPPING
  - UNITED ARAB SHIPPING COMPANY
- G6
  - HAPAG-LLOYD
  - MOL
  - NYK
  - APL
  - HYUNDAI MERCHANT MARINE
  - OOCL
- CKYHE
  - COSCO
  - EVERGREEN
  - HANJIN SHPPING
  - K-LINE
  - YANG MING

**Present Alliances**

- 2M
  - MAERSK LINE
  - MSC
  - HMM (strategic cooperation)
- OCEAN ALLIANCE
  - OCEAN NETWORK EXPRESS (ONE)
  - YANG MING
- THE ALLIANCE
  - HAPAG-LLOYD/UASC
  - ONE
  - YANG MING

Source: Carriers
Acronyms and Explanations

2M - Carrier Alliance: Maersk / MSC
AMLA - Latin America
AMNO - North America
AR - Argentina
ASPA - AsiaPacific
BR - Brazil
CAGR - Compound Annual Growth Rate
CENAC - Central America and Caribbean
CKYHE - Carrier Alliance: Cosco, K-Line, YangMing, Hanjin and Evergreen
CNC - CNC Line (Cheng Lie Navigation Co. Ltd.)
DG - Dangerous Goods
DWT - Dead Weight Tonnage
EB - Eastbound
ECSA - East Coast South America
EURO - Europe
FMC - US Federal Marine Commission
G6 - Carrier Alliance: APL, Hapag Lloyd, Hyundai, MOL, NYK and OOCL
GRI - General Rate Increase
HJS - Hanjin Shipping
HMM - Hyundai
HSUD - Hamburg Süd
HWS - Heavy Weight Surcharge
IA - Intra Asia
IPBC - India Pakistan Bangladesh Colombo
IPIL - Inland Point Intermodal
ISC - Indian Sub Continent
MENAT - Middle East and North Africa
mn - Millions
MoM - Month-on-Month
NOO - Non-operating (vessel) owners
Ocean 3 - Carrier Alliance: CMA, UASC, China Shipping
OCRS - Operational Cost Recovery surcharge
OWS - Overweight Surcharge
PH - Philippines
PNW - Pacific North West
Ppt. - Percentage points
PSW - Pacific South West
RR(I) - Rate Restoration
SAEC - South America East Coast
SAWC - South America West Coast
SOLAS - Safety of Life at Sea
SPRC - South People’s Republic of China – South China
SSA - Sub-Saharan Africa
SSL - Steam Ship Line
T - Thousands
TEU - Twenty foot equivalent unit (20’ container)
TP - Trans Pacific
TSA - Trans Pacific Stabilization Agreement
ULCS - Ultra Large Container Ship
USGC - US Gulf Coast
US FMC - US Federal Maritime Commission
USEC - US East Coast
USWC - US West Coast
VGM - Verified Gross Mass
VLCS - Very Large Container Ship
VSA - Vessel Sharing Agreement
WB - Westbound
WCSA - West Coast South America
YML - Yang Ming Line
YoY - Year-on-Year
YTD - Year-to-Date