

# Opening Remarks

29<sup>th</sup> Annual Marine Money Week

June 22, 2016

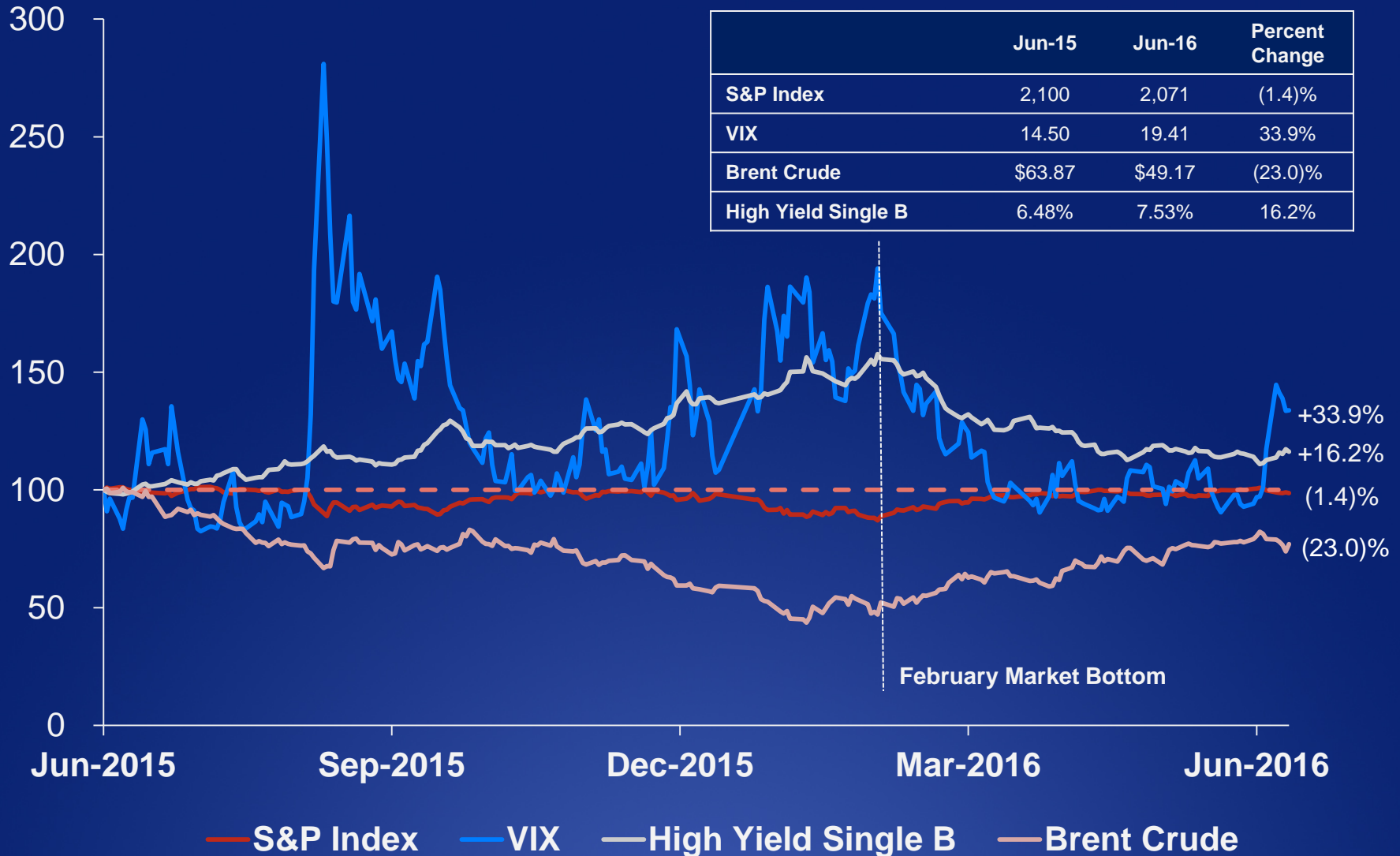
# Buying a Bargain or Catching a Falling Knife?



# Market Snapshot

	<u>June 2015</u>	<u>June 2016</u>
Global GDP Growth (1 Yr Fwd)	2.9%	<b>2.4%</b>
Brent Crude Oil (\$/barrel)	\$63.87	<b>\$49.17</b>
10-Year U.S. Treasury Rate	2.32%	<b>1.62%</b>
Single B High Yield Index	6.48%	<b>7.53%</b>
Baltic Dry Index	725	<b>587</b>

# Overall Market Performance



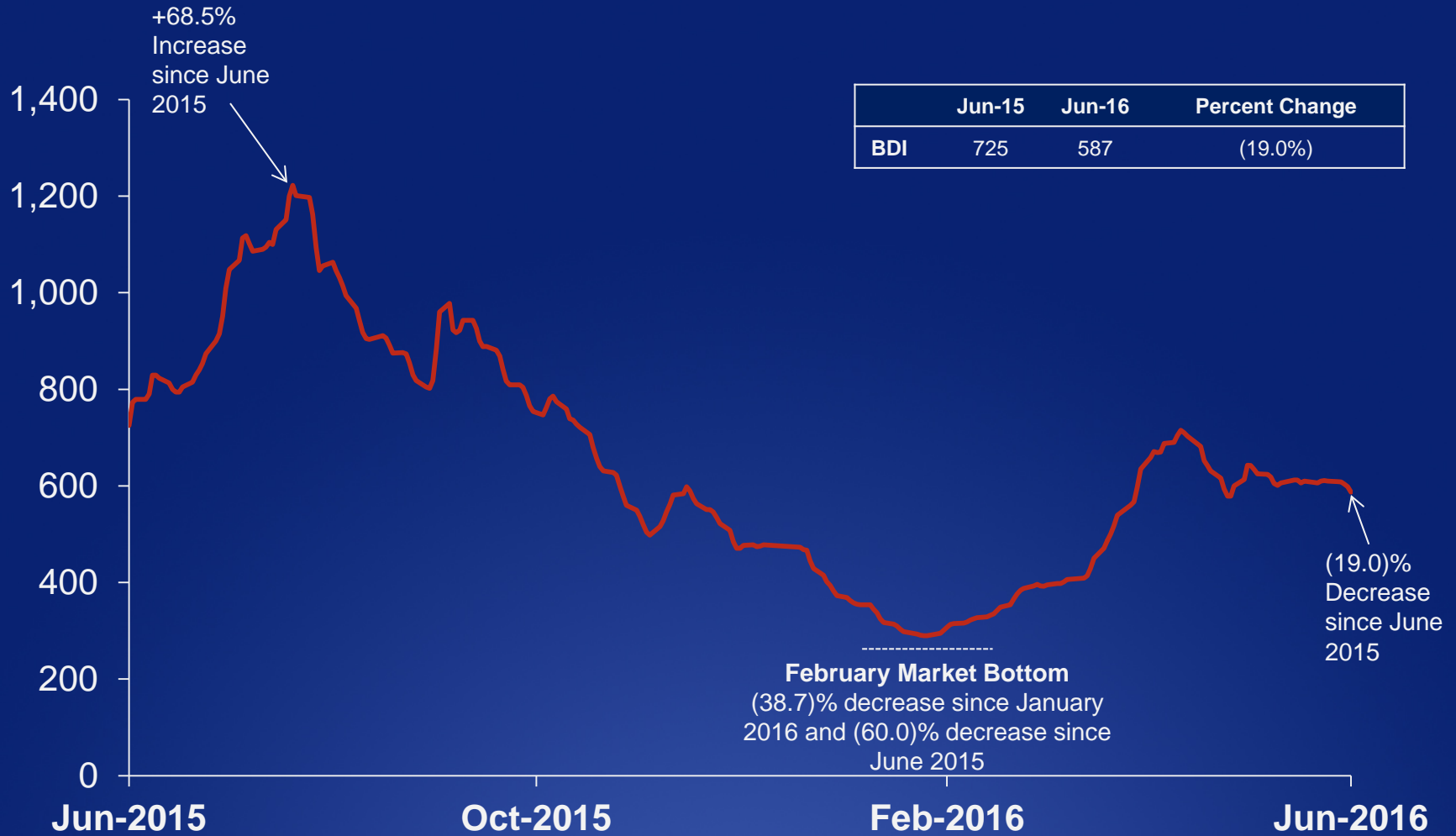
Source: Bloomberg, CapitalIQ.  
 Note: Statistics as of June 17, 2015 and June 17, 2016.

# S&P: Recovering from February's Market Bottom



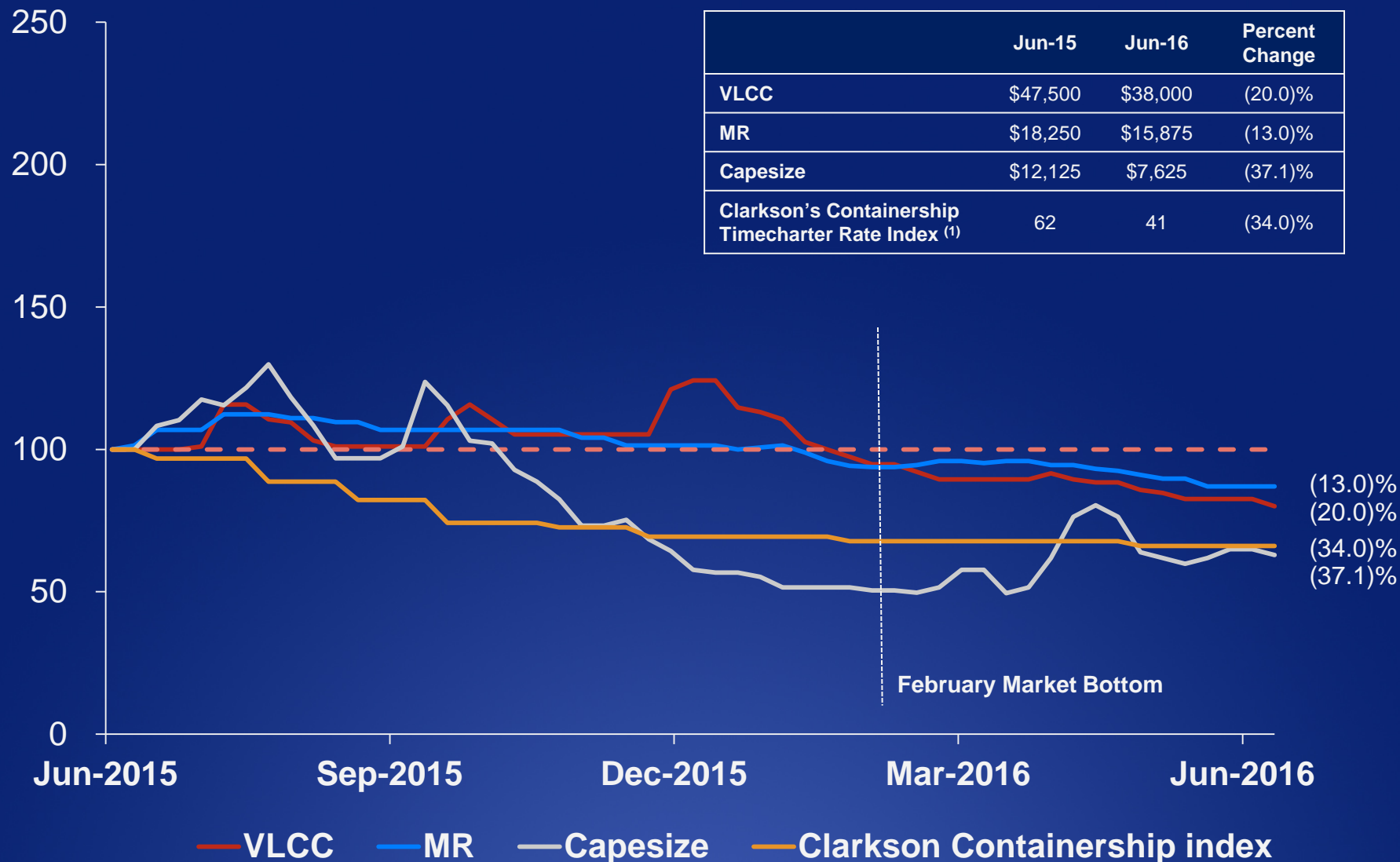
Source: Bloomberg.  
 Note: Statistics as of June 17, 2015 and June 17, 2016.

# Baltic Dry Index: The Rise and Fall



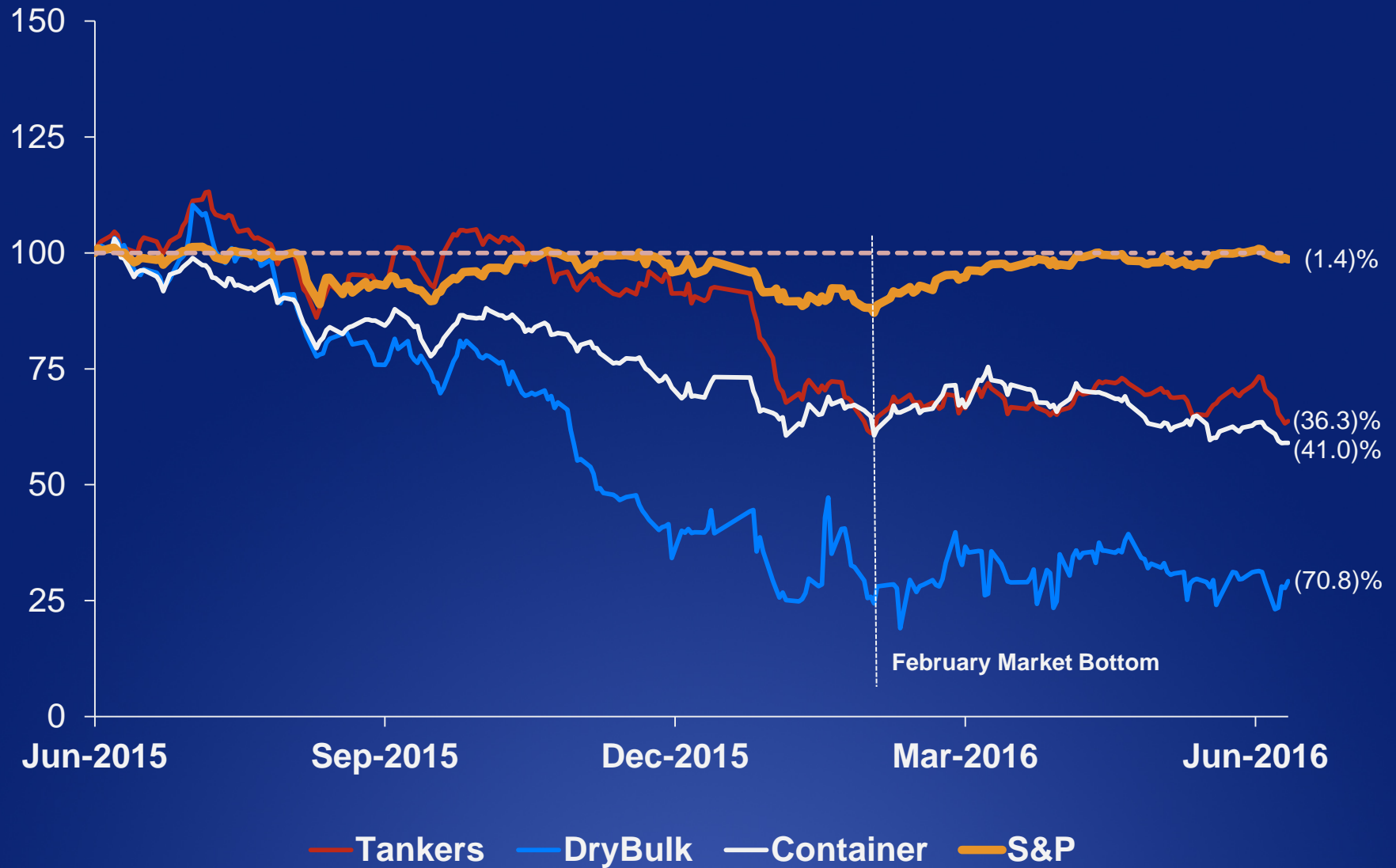
Source: Bloomberg.  
 Note: Statistics as of June 17, 2015 and June 17, 2016.

# Indexed Timecharter Rates



(1) Clarkson index based on \$/day per TEU; current month shows latest available end month data.  
Source: Clarksons.

# Rates Continue to Drive Share Price Performance



Source: Capital IQ.

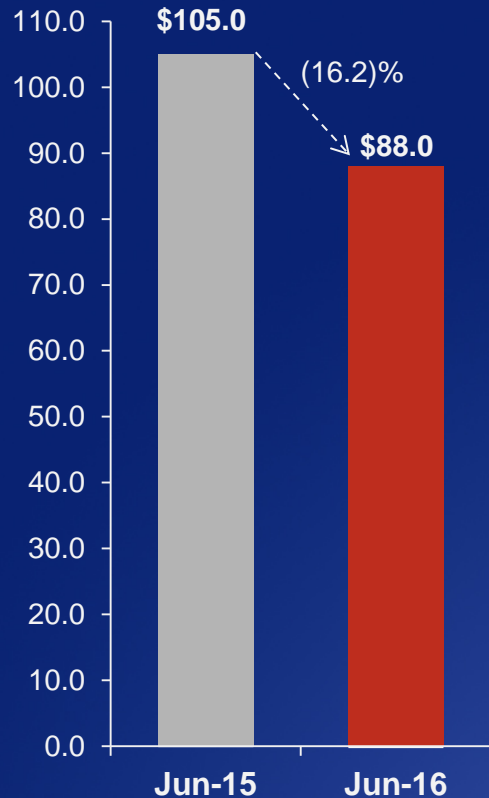
Note: Indexes are market capitalization weighted. "Tankers" represents Crude, Product, and Mixed Fleets. Share prices as of June 17, 2015 and June 17, 2016.



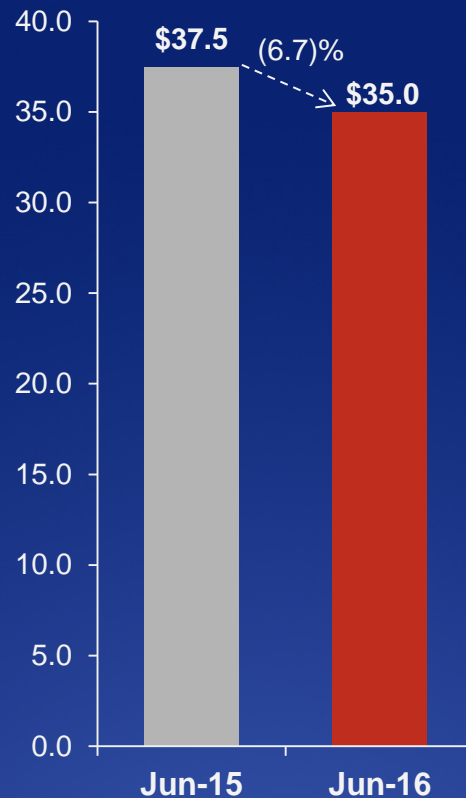
# Asset Values Sliding

(\$ millions)

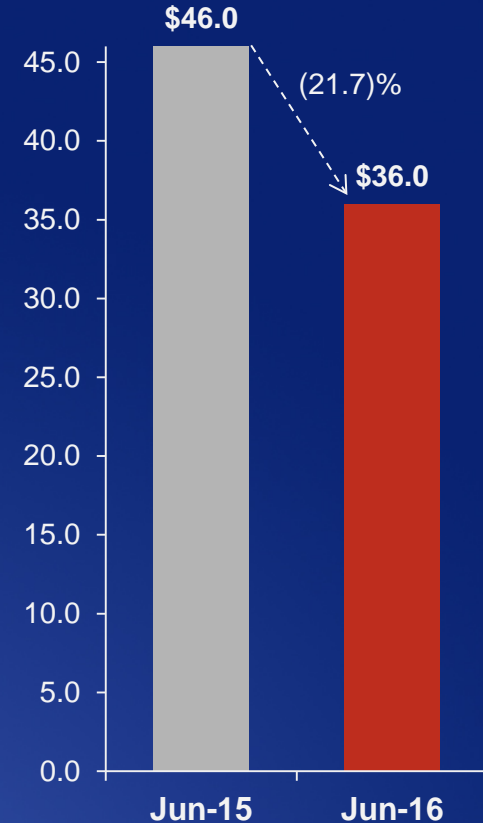
### VLCC Resale Prices



### MR Resale Prices



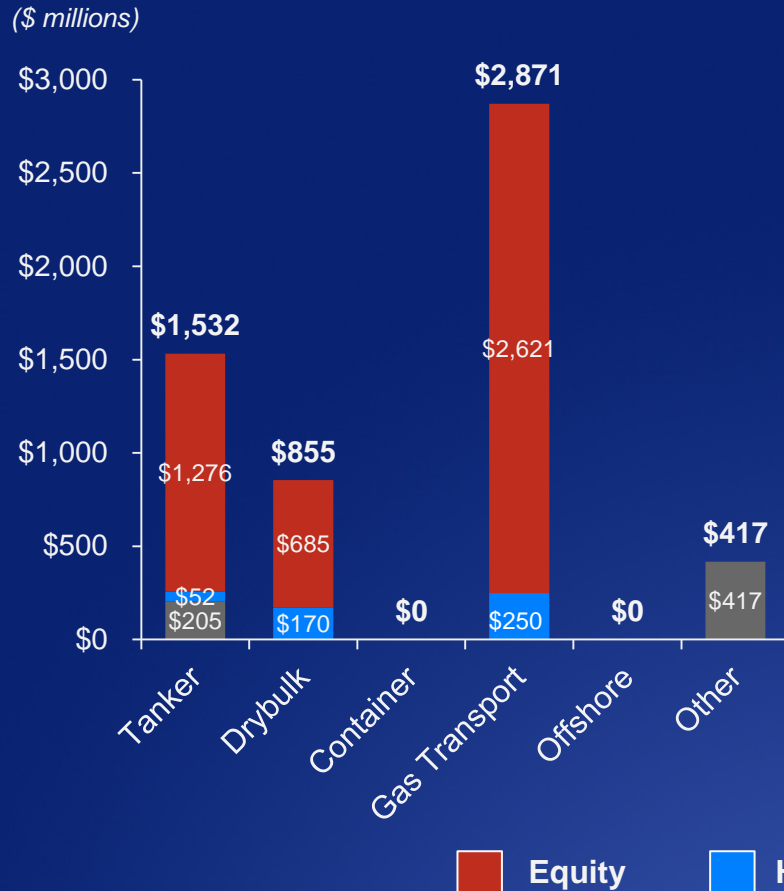
### Capesize Resale Prices



Source: Clarksons  
Note: Values as of June 19, 2015 and June 17, 2016.

# Shipping Capital Markets Activity Last 12 Months

Dollar Volume of Capital Raises  
July 2014 – June 2015



Total Number of Deals: 27  
Total Capital Raised: \$5.7 billion

Dollar Volume of Capital Raises  
July 2015 – June 2016



Total Number of Deals: 10  
Total Capital Raised: \$1.1 billion

# Recent Shipyard Woes

Date	Shipyard	Country	Status
Jun-16	Hyundai Merchant Marine Co.	South Korea	Lowered charter rates to get a debt-revamp plan
Jun-16	STX Offshore & Shipbuilding	South Korea	Court-led restructuring plan
May-16	Zhong Chuan Heavy Industry Shipbuilding	China	Declared bankrupt along with two affiliate companies Zhong Chuan Heavy Industry Equipment and Zhoushan Xuhua Metal Materials
Feb-16	Sainty Marine Co	China	Bankruptcy filing accepted
Jan-16	Wuzhou Shipbuilding	China	Filed for bankruptcy liquidation
Nov-15	ShinaSB	South Korea	Filed for bankruptcy
Jul-15	Mingde Heavy Industry	China	Declared bankruptcy
Apr-15	Zhuangji Shipbuilding	China	Filed for bankruptcy
Mar-15	Zhejiang Zhenghe Shipbuilding Co	China	Filed for restructuring at a district court
Mar-15	Jiangsu Eastern Heavy Industries shipyard	China	Filed an application for debt and liabilities restructuring
Mar-15	Dongfang Heavy Industry	China	Filed for bankruptcy

# Buying a Bargain or Catching a Falling Knife?



# The Journey is Long, but Well Worth It

