Welcome and Introductions

2012 Rate Outlook Speakers

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Moderate (3%) GDP growth in 2011 on sluggish US recovery, 2012 outlook is similar.

Source: BSI analysis of EIU data
Notes: Nominal GDP, on a purchasing power parity basis.
Imports surged (15%, by value), exceeding 2008 levels; a weak dollar boosted exports even more.

US Merchandise Exports and Imports

Source: BSI analysis of EIU data
Notes: Imports on CIF, exports on FOB basis

US Dollar Exchange Rate
Overall container volume rose by about 7%; volume continued to shift to the East Coast.

**Percent Change in Loadings, 2010-2011**

- Long Beach
- Oakland
- Los Angeles
- New York
- Hampton Roads
- Charleston
- Savannah

-5% 0% 5% 10% 15% 20%

Outbound: Gray bars
Inbound: Dark gray bars

Source: BSI Analysis
Carriers are adding E-Types, but also laying up, slow steaming, and canceling orders.

Factors Affecting Effective Fleet Size

Source: BSI Analysis
Rates slid on overcapacity, but carriers propped them up to mitigate losses.

Source: BSI Analysis of JOC data
Fuel costs have swung; bunker adjustments dampen some noise, but both will rise in 2012.

Composite Fuel Price (Quarterly)

Bunker Fuel Price (Daily)*

Source: Bloomberg; Weighted Average 380cST Bunker Fuel Price (BUNKI380:IND)
Wait to negotiate. Index contracts. Think strategically.

Source: BSI Analysis of data from Alphaliner
Questions & Answers

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