

ING's Transport and Logistics outlook for a post-pandemic world

The post-pandemic outlook for the Transport and Logistics sector is unprecedentedly uneven. As world trade recovers, so too does shipping, road transport and logistics services. Aviation, however, is still in the midst of a shocking crisis and that will take years to recover.

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An uneven recovery following an extraordinary downturn

The global transport and logistics sector, ranging from land transport to shipping, aviation, and logistics services, has suffered significantly due to the pandemic and government restrictions. Global volume (value-added) dropped over 10% in 2020, reflecting a larger downturn than during the global financial crisis (-5%).

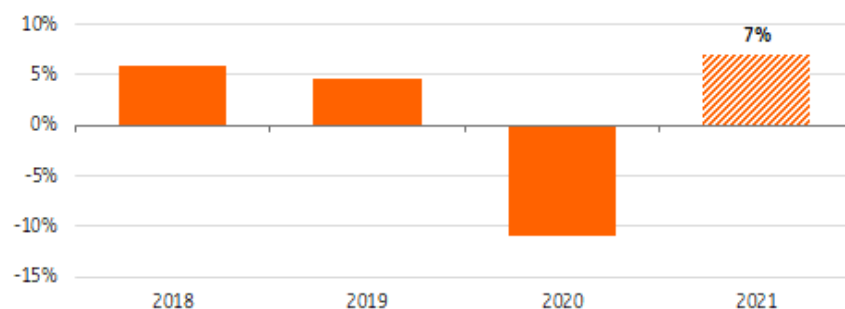
Due to social distancing measures, passenger traffic is much more affected than goods transportation this time around. Aviation and public transport are expected to start recovering in 2021; road transport, logistics and shipping benefit from the relatively strong bounce back in goods' consumption and world trade.

Although the new year started in the midst of ongoing uncertainty around re-openings, continued recovery on the goods side, as well as the prospect of vaccines and easing travel restrictions in the second half of the year, can in our view, lead to an expected rebound of 7% in 2021.

Nevertheless, we can't expect a global-scale full recovery before the end of 2022.

Global transport and logistics sector expected to rebound in 2021

Value added transport, logistics and storage sector



Source: ING Research based on Oxford Economics, IMF

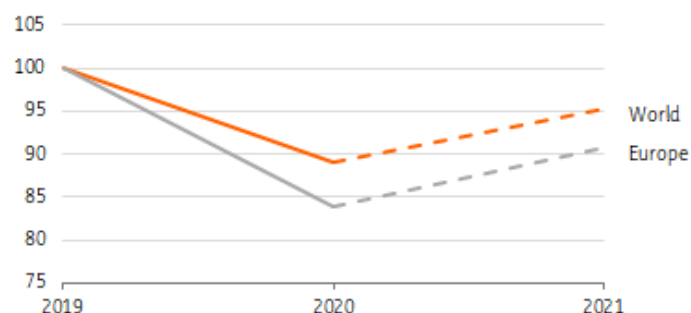
Europe lags in 2021 after a larger downturn

The transport & logistics sector is a widely operating service provider for clients and shippers in manufacturing, construction, wholesale and retail.

As [global GDP estimates](#) show, Europe has been more heavily impacted by the pandemic than the global average (including China, which even enjoyed slight growth). This resonates in a larger downturn in the European transport & logistics sectors as well, which for example came across in relatively weak seaport figures and deterioration in European airline traffic.

Global transport and logistics volume less impacted than European volume

Value added transport, logistics & storage sector* (index, 2019 = 100)



Source: ING Research based on Oxford Economics, IMF

Passenger transport suffering more than goods transport

Normally global demand for transport & logistics services is in line with the development of the global economy showing an almost similar and highly correlated global development in terms of growth. Typically goods transportation (some 70% of total volume) suffers the most in a severe recession but given the nature of the pandemic driven downturn, this time it's different.

The need for social distancing has had a devastating impact on passenger transportation (aviation, public transport) and pushed sector results south.

Recovery in aviation and public transport will take several years

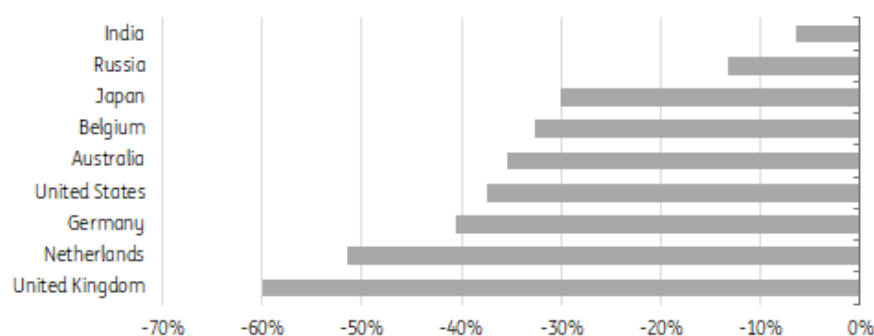
In the first quarter of 2021, international travel restrictions and working-from-home delayed the start of a recovery in most of the world. Consequently, we expect public transport (land transportation) and aviation to only start the long road to recovery in 2021. Full recovery is expected to take several years.

Although supply factors are responsible for most of the volume loss in passenger transport, demand is affected too. As commuter behaviour is expected to show structural changes and business travel will lag, volumes in public transport and passenger aviation are expected to remain well below 2019 levels even after economies fully re-open.

Read our section on aviation [here](#)

Public transport still significantly below normal levels

Change in public transport* trips 1 Feb. 2021 - 8 Mar. 2021 compared to pre-corona baseline



Source: Google mobility trends, ING Research *train, bus, tram, metro

Goods show the way to recovery as upward trend in world trade remains

World trade is the most relevant indicator of international goods logistics. As most international trade is transported by sea, shipping volume is particularly highly correlated with world trade. After a forecasted drop of just over 5% in 2020, we expect world trade to show an annualised growth of 6% in our base case for 2021 (assuming a gradually re-opening of economies in the second quarter).

World trade volumes have been relatively resilient, benefiting from recoveries in retail sales and industrial production, while other sectors (especially services) remain much harder hit by lockdowns and uncertainty. A similar pattern is likely to repeat itself for the second wave of lockdowns, although this is expected to cause a smaller hit to economic activity overall, with the most imports-intensive parts of the economy seeing fewer restrictions.

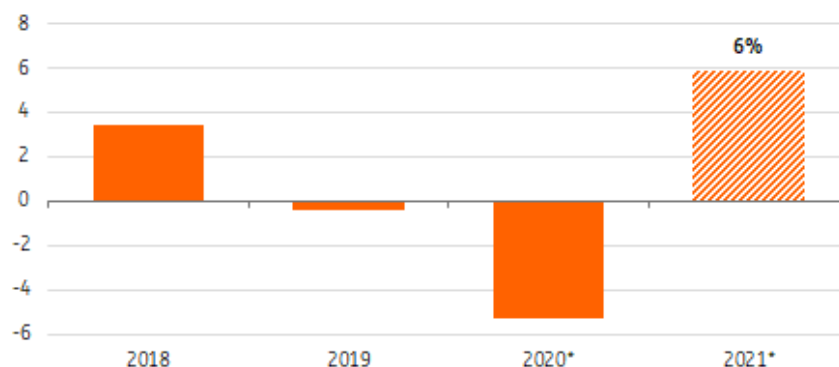
Read our section on shipping [here](#)

Trade tariffs and higher freight costs weigh on trade recovery

A full return to the pre-pandemic trend depends on the pace of the global recovery, and that's expected to be uneven around the globe. On the one hand, trade relations between countries are expected to be positive and focused on reforming the system, but higher trade war tariffs remain in place. And hidden trade costs, such as the effects of state subsidies to support industries during the pandemic and sharply higher freight costs, may also weigh on the recovery.

World trade volumes expected to fully recover in 2021

World trade volume growth, in percentage, year on year



Source: CPB, *ING Research

Pandemic to boosts e-logistics and create buffer stocks in 2021 and beyond

We see a couple of structural implications of the Covid-19 crisis for transport and logistics:

- Improved digital skills and experiences and a tendency to hybrid working will temper the return of passenger commuting and business travel.
- More e-commerce and e-logistics after the Covid-19 related acceleration are here to stay, although growth will continue at a slower pace. Parcel companies, such as DHL and UPS, profit from that and this also lead to the ongoing demand for logistics real estate (like Walmart starting e-commerce warehouses).
- Supply chain resilience is under review, leading to multiple sourcing (leading to more diverse supply chains, as shipper DSV noticed) and higher buffer stocks. Simultaneously, the comparative advantages of trade, resulting in lower prices still hold, keep supporting international trade.
- A trend gaining traction is container liners such as CMA CGM and Maersk seeking integration and diversification to take more control of supply chains as online-sales soar and retailers such as Amazon and Alibaba gain influence in logistics.

Authors

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

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Source: Shutterstock

Lined up aircrafts on the tarmac at Hong Kong International Airport amid the Covid-19 outbreak

Delayed recovery for airlines, cargo continued bright spot

The aviation sector has just had its worst year in history. The pandemic led to travel bans, and subsequently, airline volumes collapsed. So far, the prospects of easing travel restrictions and the introduction of digital vaccine passports have disappointed the industry.

However, the roll-out of vaccinations will help the sector restart in the second half of 2021. As most leisure travel demand remains on standby, we expect it to return as soon as restrictions are eased and travelling becomes safe again. Revenue passenger kilometres (RPK's) is expected to start rebounding this year and might end up at an average of 40-50% of pre-pandemic levels in 2021.

Full recovery of the aviation sector is unlikely to take place before 2024-2025

Full recovery will take several years, probably until 2024-2025. Domestic traffic in large countries like Russia and China is ahead of the curve as domestic travelling is easier particularly in China which has so far escaped a second wave. Due to ongoing capacity shortages and a positive outlook, air cargo is no longer an overlooked niche. Instead, it is expected to be a continued bright spot in 2021, with new players building up positions in the market.

Aviation sector starts 2021 at low levels after worst year in history

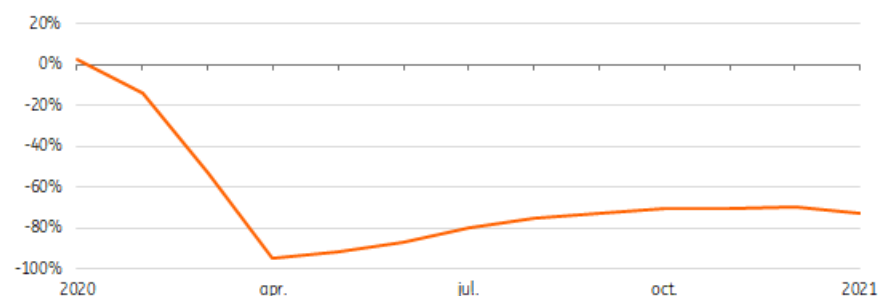
The year 2020 will echo for a long time in the aviation sector.

Following the global Covid-19 pandemic airline passenger volumes tumbled no less than 66% compared to 2019 and airlines across the world reduced staff, adapt their organizations and take on (government) emergency plans.

As a consequence, plummeting passenger levels inevitably increased inefficiencies which are reflected in the global average load factor falling to just 57.5% in FY20 whereas in a normal year it is around 80%.

Global airline passenger volume started 2021 relatively stable, but still 70% below pre-pandemic levels

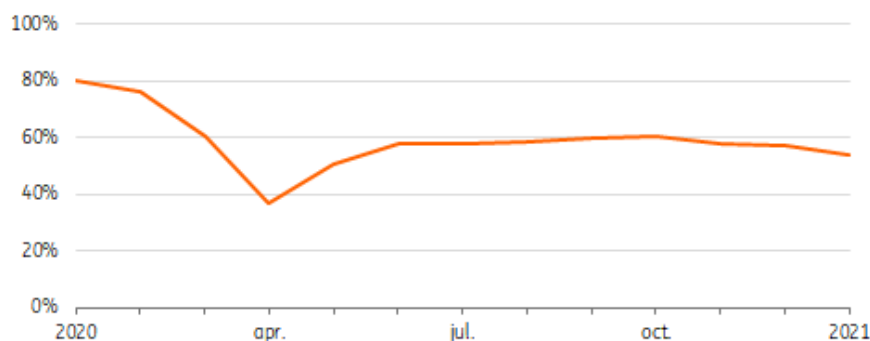
Development of global passenger revenue km (RPK), year on year



Source: IATA, ING Research

Efficiency has fallen too due to all the empty seats

Global load factor in % of total seat capacity (PLF)



Source: IATA, ING Research

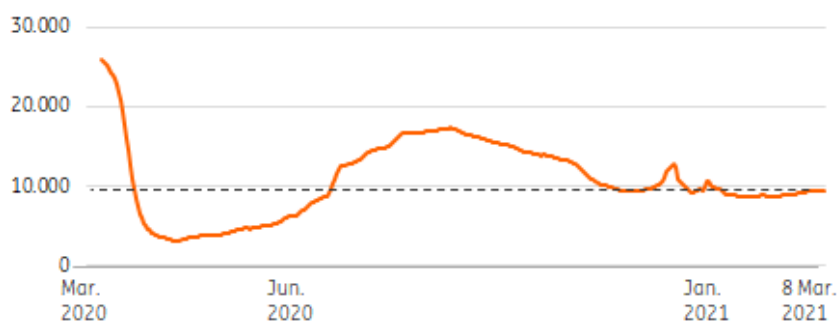
Recovery expected to start take off in 2021

As the pandemic rages on and travel restrictions remain in place, sustained recovery is only expected to take off from the second half of 2021, when widespread vaccinations and potential travel policy based on testing bring relief. The jury is still out on whether the sector will be able to benefit from the summer season.

If airline passenger traffic stays at February 2021 levels for the rest of the year, we might end up just below last year's average. All recovery from this point will turn into year on year growth. Depending on travel restrictions, IATA expects growth for 2021 to come in between 13% and 50% compared to 2020, just 40%-50% of pre-pandemic levels.

Current level of air traffic above first lockdown levels

Number of flights in Europe (7-day rolling average)



Source: Eurocontrol, BNEF, ING Research

Long haul to recovery and renewed growth

There is consensus among industry sources like IATA, Airbus and airport operators that a full recovery of sector volume is expected to take until 2024-2025.

Nevertheless, the general assumption is volume will ultimately return to its growth path in the long run, although the path will most likely be less steep than before. Boeing expects an average annual

revenue passenger kilometre (RPK) growth rate of 4% for 2020-2040, driven by strong growth from Asia, which is already the largest airline market.

This is 6% below pre-pandemic levels and [slightly less than the OECD pre-pandemic forecast of 4.5%](#), but this could still be on the optimistic side if business travel is structurally reduced and government taxation makes flying more expensive.

Low-cost and continental airlines expected to lead the recovery

Despite the international travel restrictions, domestic travel is recovering but there are significant differences.

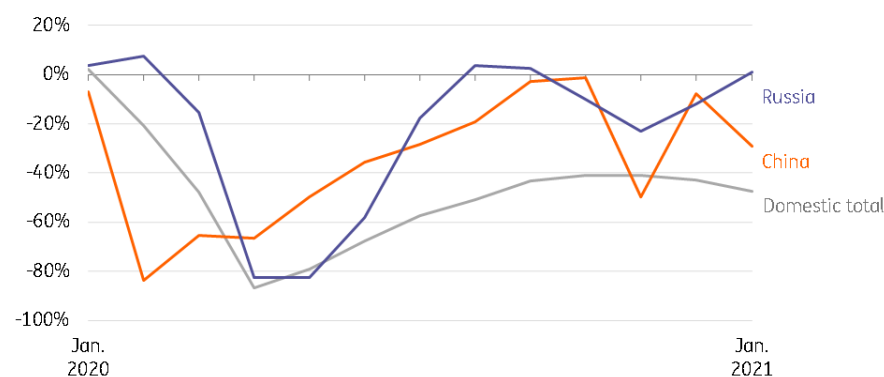
Large domestic markets like China and Russia are leading the way while this trend seems to be much less visible in the US or Europe.

This is reflected in operational results of continental active (low-cost carrier) airlines (e.g. Southwest Airlines, Easyjet). At least in the first half of 2021 this pattern is expected to last. Besides that we expect that leisure travelling and visiting friends and family (two-thirds of passenger volume at larger international airports in the EU) will be the first to recover when vaccination rates increase and restrictions are eased.

Business travelling is likely to return at a much slower pace as digital meetings, conferences and remote working will continue for some time. This means demand for business seats will continue to lag affecting profitability.

Domestic passenger aviation seems to be recovering

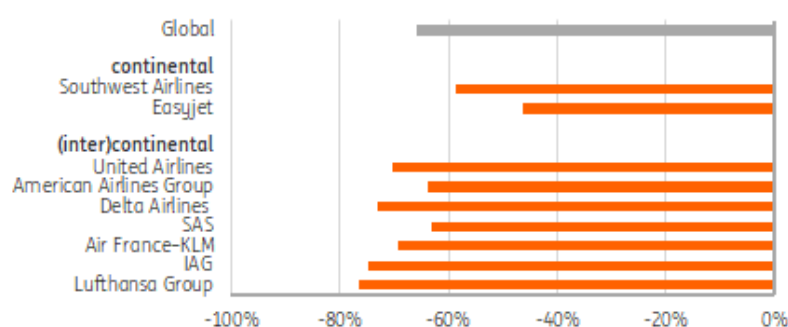
Development global passenger revenue km (RPK), year on year



Source: IATA, ING Research

Intercontinental airlines in Europe and US suffered the highest losses in 2020

Development of revenue passenger km (RPK) of a selection of airlines in 2020, year on year



Source: Annual results/reports, ING Research

Airlines did manage to secure additional liquidity into 2021

IAG, the company that controls British Airways, Iberia and Aer Lingus, said its revenues slumped by 69% in 2020, driven by a 76% decline in passenger revenue. Total group capacity, measured by available seat kilometres, was down by nearly 67% in 2020, with the passenger load factor down 20.8 percentage points to 63.8%. The company consumed cash during last year but finished 2020 with significant liquidity buffers of €5.9bn in cash, plus committed and undrawn general and aircraft facilities of €2.1bn. Accounting for additional liquidity of €2.2bn from the UK Export Finance agency, finalised after the end of the year, IAG has access to total liquidity of over €10bn.

Lufthansa reported a reduction in total revenue of 63% in full-year 2020. Passenger volumes declined by approximately 75% year-on-year, resulting in a load factor of approximately 63% (down 19.3 percentage points versus 2019). Freight kilometres sold were also down last year, but less dramatically, by 31%, while load factor increased by 8.4 percentage points to 69.7% and average yields rose by 55% due to supply shortages.

For 2021, Lufthansa expects capacity on offer to reach 40% to 50% of 2019 levels, with the ability to dial up capacity on offer to 70% of the pre-crisis level "in the short term" if the demand recovers more strongly. However, the group expects capacity to return to 90% of the pre-Covid-19 level only by the middle of the decade. In terms of liquidity, Lufthansa said it continued to consume cash at the rate of up to €300m per month during the first quarter of 2021 but that available liquidity was around €10.6bn at the end of last year (which included €5.7bn of unutilised government stabilisation funds). By the end of 2020, the group had utilised around €3.3bn of the government stabilisation funds, of which €1bn has now been repaid. Lufthansa also utilised bond and aircraft financing markets to raise €2.1bn in 2H20 and also issued bonds to the tune of €1.6bn earlier this year. Overall, the company commented that it believed it was presently "well financed beyond 2021".

Another financial risk for 2021: Higher fuel costs

Despite restructuring plans, government support and job cuts, airlines continue to burn cash and cost pressure remains high, given the recovery is delayed

In 2020 falling fuel prices provided some relief, but since then oil prices have rebounded significantly from the lows seen in the second half of 2020. We expect ongoing upward pressure on oil prices throughout 2021 which will result in higher kerosene prices, trading over 40% higher than last year's average by the end of February.

As airlines normally spend roughly 15-30% of their total expenses on jet fuel, this has a substantial cost impact. To manage fuel price risks, some airlines hedge fuel prices both completely and partially.

Cargo bright spot in 2020 and about to deliver in 2021 despite groundings

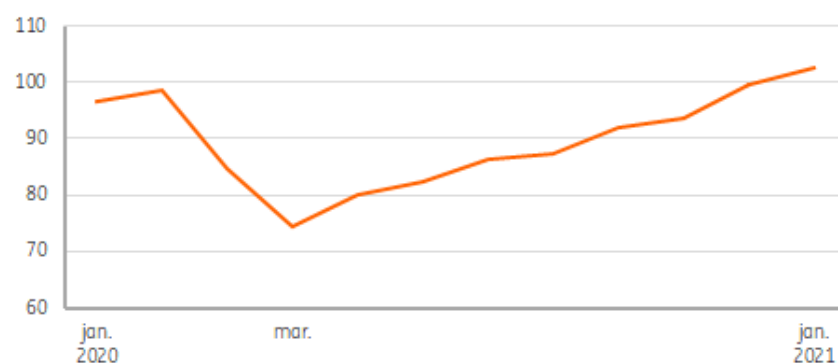
Capacity is expected to remain restricted in air cargo this year, as many intercontinental widebody aircraft carrying freight in their bellies (lower deck) are grounded. Roughly 50% of total airfreight is normally travelling in the belly. Extra freighters deployed still match only 60% of the missed belly capacity at the start of 2021, but load factors are on the rise.

Due to capacity scarcity, freight tariffs sky rocketed in the spring of 2020 and still are much higher than the normal average of around \$ 2-3 per kg. This resulted in higher revenues despite the lower volume. Higher are expected to last into 2021. After an 11% hit in 2020, showed a continued recovery (graph).

We expect global airfreight volumes to rebound by around 10% this year as trade picks up and volatility in supply chains continues. Surging international e-commerce volumes – still largely shipped through the air - and vaccine distribution will support volume growth in 2021. Nevertheless, reduced connectivity could still be a threat.

Global aircargo exceeds pre-pandemic levels at the start of 2021

Global aircargo volume in ton/km (CTK) (Index, 2019 = 100)



Source: IATA, ING Research

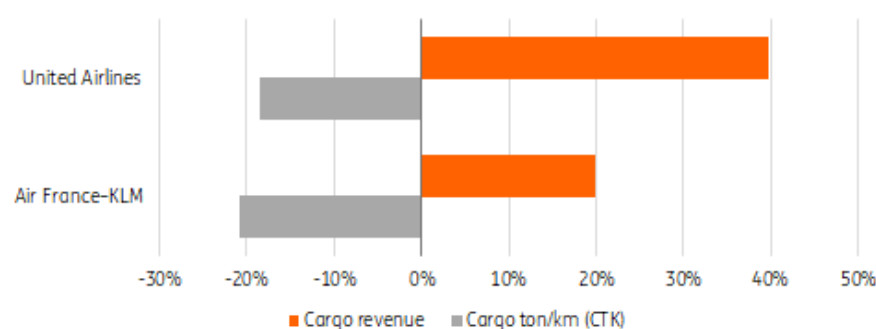
Aircargo revalued amidst pandemic

In the past, air cargo was considered a niche activity receiving little attention, but now airlines operating freighters are making use of high tariffs providing some counterweight to losses in passenger transport. Some flag carriers – like AirCanada – are now, therefore, growing their freighter fleets.

Airports heavily relying on belly freight – like London Heathrow – suffered from lack of belly capacity, whereas others like Frankfurt profit from an increase in freighters taken into operation.

Less freight, more income: two examples

Development of cargo ton/km (CTK) and cargo revenue in 2020 y.o.y.



New entrants in airfreight market: Welcome Amazon

The developments in the airfreight market and their role in international e-commerce is attracting new players.

Amazon is rapidly extending its fleet to control its logistics network with a fleet already around 70 freighters (mainly B767 and B737s) as is parcel logistics company DHL also grew its fleet and operations too.

But what is particularly remarkable is the entrance of container shipper CMA CGM into this market looking to diversify its logistics activities, and competitor Maersk seems to have similar ambitions too.

Will the recovery be green?

- On one hand, some airlines phased out old generation aircrafts like B747 and reconsidered their fleets. For example, Lufthansa's decision to examine grounding aircrafts older than 25 years permanently. But on the other hand replacements and orders have slowed.
- New generation aircraft like B787 dreamliner or narrow-body A320 neo can reduce fuel consumption by 10%-20% compared to the previous generation. However, not all airlines postponed their replacement schemes. For example, Ryanair remains committed to its new B737 aircraft orders– returning to the air in 2021 – which is expected to reduce fuel consumption by 16%.
- In most government support scheme's - like the US airline bailout fund - greening is

not conditional, but in some cases it is. The Dutch government's package for KLM required a biokerosene blending grade of 14% in 2030 while the French government asked AirFrance to scale down short distance national flights where it competes with high-speed rail services.

Authors

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

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Shipping markets navigate the trade rebound in 2021

After the initial disruption, last year ended better than expected for global shipping.

The industry will benefit from world trade recovery in 2021, with average seaborne trade volumes expected to end above pre-pandemic levels, yet underlying differences are significant. China is one of the driving forces behind the recovery, so shipping traffic through Asia leads to the uptake in several trades (like iron ore). Soaring freight rates in container shipping are expected to ease over the course of the year. However, with increased volumes meeting delays and stretched supply chains due to congestion, container shortage and reduced air freight capacity, rates will remain high.

Total world trade contraction remains limited to just over 5% in 2020, after the recovery in the second half of the year

Tariffs in the less eye-catching dry and liquid bulk markets – which together make up the largest part of shipping volumes – are not booming. In dry bulk, rates recovered significantly, but spot rates in tanker shipping hit 30-year lows in early 2021. Trades of liquid fuels are suffering due to the pandemic, with road and air traffic still at low levels. Volumes are expected to pick up in 2021 but won't return to pre-pandemic levels just yet. In terms of volume, cruise shipping is obviously the heaviest impacted shipping niche and is still operating far below normal levels this year.

While the shipping industry generally benefits from the trade recovery, bunker fuel bills surged as oil prices soared, leading to higher operational costs for shippers and/or shipping companies. As fuel spreads between high and low sulphur (compliant) fuels are on the rise, and in 2021, fuel efficiency and the trade-off between fuels will be in the spotlight again.

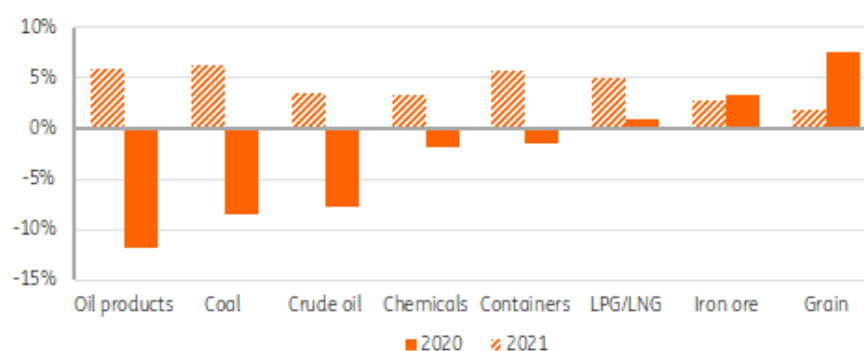
Oil-related shipping volume declined significantly

Over 80% of world trade volume is seaborne.

Due to supply and demand factors, world trade was initially impacted heavily by the pandemic. Ultimately total world trade contraction remains limited to just over 5% in 2020, after recovery in the second half of the year. Oil products suffering from significantly lower consumption from road traffic showed the largest decline, followed by coal due to lower usage for energy generation and phase-out effects.

Despite China's strong demand, even iron ore showed just moderate growth, even though steel production was in double-digits in both Europe and the US.

Seaborne trade flow forecast by (large) segment in 2020 in MT, in percentage, year on year



Source: Clarksons, ING research

Seaborne trade volumes to show a broad recovery in 2021

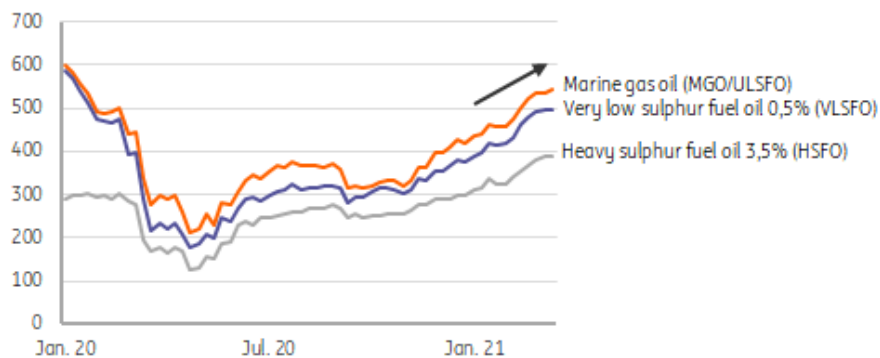
Although uncertainty remains, conditions supporting trade have improved.

In our base-case scenario, we expect volumes to rebound at an annual 6%, however, we see downside risks as we explained [here](#). The resilience of world trade volumes was backed by recoveries in retail sales as consumers shifted consumption from services to goods like electronic devices, home and garden furnishings and outdoor sports article - all of which are goods shipped in containers, and many are ordered online.

On the other hand, a significant recovery of industrial production drove the recovery, especially with swelling flows to and from Asia.

Bunker fuel costs expected to rise significantly in 2021

Bunker prices in \$ per ton



Source: Clarksons, ING research

Bunker costs expected to rise significantly in 2021

Rising fuel costs will attract attention in 2021 as the fuel bill is often the largest cost component for shipping companies. Shares in total cost run-up to 40-60% for the largest vessels.

After the implementation of IMO 2020-rules at the start of 2020, oil prices fell, concealing the higher price of very low sulphur fuel oil (VLSFO) for the majority of ships without an installed scrubber. But with oil prices now higher than their pre-pandemic levels and [further tightening expected](#), fuel costs will rise significantly.

Bunker costs were already 50% above the 2020 average by the end of February. Given the supply of high sulphur fuel oil (HSFO) is expected to rise, spreads between fuel grades are widening again (currently 20-25%).

Charterers to weigh fuel bills more actively

The majority of vessels are sailing on compliant fuel. It now depends on contractual agreements whether shipping companies pass the extra fuel costs directly to charterers.

Charterers paying the fuel bill might favour ships equipped with a scrubber and/or will increasingly focus on more fuel-efficient tonnage (younger vessels). Ship operators and charterers might also consider further reducing the speed to save fuel.

New capacity online will slow as orderbooks for new vessels reach lows

Worldwide shipping fleet capacity expanded in 2020 by 4% in terms of deadweight tonnage (DWT)/teu (3% for bulkers, 4% for tankers and 3% for containers). This affects the market balance negatively after a year of contraction. However, new deliveries are expected to slow in 2021 and 2022 as order books for new vessels reach their lowest levels since 2003.

Worldwide shipping fleet capacity expanded in 2020 by 4% in terms of deadweight tonnage

Given the background of energy transition and next-generation vessels, shipping companies tend to act conservatively, which is strikingly different from the time of the global financial crisis when shipyards had three times bigger backlog. Besides the fact that fleets are ageing and for example, average ages of very large crude carriers (VLCC) and Suezmax tankers reached 20-highs, which could push up scrapping in 2021 also given relatively high scrapping prices.

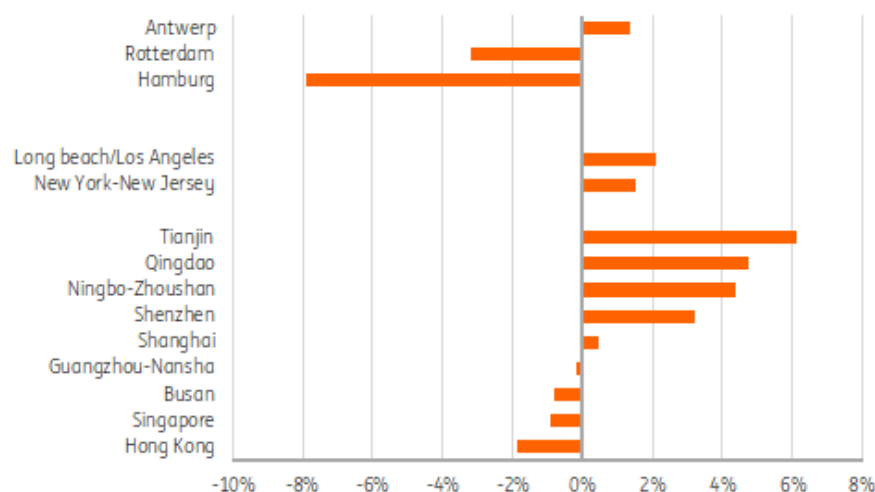
Major container ports in the US and China have started to recover in 2021

Strong recovery of world trade fueled the rebound of containerised good flows.

Strong uptake of Chinese net exports resulted in fairly stable annual container throughput in the world’s biggest ports Shanghai and Singapore, and even a small increase in Ningbo and Shenzhen. Figures indicate the positive trend continued at the start of 2021.

The largest European container ports seemed to suffer the most from the pandemic, and the port of Hamburg stands out in this regard. On average, traffic is expected to return to above-average growth in 2021. Consumers might shift some of their consumption back to services once travel restrictions ease and services reopen, but at the same time, savings are also at high levels.

Development of container throughput 2020 vs 2019, largest ports in Asia, North America and Europe



Source: Port authorities, ING Research

Pandemic-effect vs Global financial crisis-effect

In contrast to the downturn during the financial crisis, when tariffs dropped among excess capacity, container liners managed to reduce their capacity right from the start of the pandemic in 2020 by taking ships out of the loops ('blank sailings'). With the three big alliances - 2M, Ocean Alliance and The Alliance covering 80%-85% of the market - supply is less fragmented than a

decade ago.

Following the quick return of volumes in the second half of 2020, delays, congestion in the ports and lack of available containers at the right location, tariffs spiked. At the beginning of March, rates on the general East-West trade still quoted three times, which may be even more for specific ports and trades.

Container freight tariffs remain lifted as 1Q21 runs down

Development containerised freight rates (spot) Shanghai-Europe trade, \$ per TEU (20ft) (40 ft = *2)



Source: Clarksons, ING research

Container tariffs will remain high into 2021

Although production of new containers will catch up and more capacity is about to come online, incorporating higher prices in term contracts with forward indicative price levels will be lifted longer. The average time charter rate for container vessels doubled compared to last year.

At the same time, capacity pressure is not over yet as sailing schedules are disrupted and the efficiency of the fleet lower. On top of that, airfreight is often not an affordable option for higher valued shipments due to unusual high tariffs applicable here as well.

Performance of container liners sinks following a chaotic period

A striking figure illustrating the exceptional circumstances in container shipping is the ongoing deteriorating reliability of container liners at the start of 2021. Hardly one out of three global calls of container vessels were on time in January (source: SEA Intelligence), where this is normally more than two out of three.

This causes inefficiencies and congestion in ports, as well as delays in deliveries further down the line.

Container liners expect market conditions to remain strong

Hapag-Lloyd had a very positive start to 2021, with an “exceptionally strong” demand for container transportation services, leading to a significant increase in freight rate levels. The company expects one of its earnings parameters (EBITDA) to more than triple in 1Q21 from the comparable prior-year. The company expects the current “exceptional situation” to “normalise” over the rest of this year but that the full-year 2021 EBITDA will still be above

the prior-year levels and that, unlike in previous years, a large portion of this year’s earnings will already be generated in the first two quarters of the year.

Maersk believes the current “exceptional” situation where demand surge has led to bottlenecks in supply chains and equipment shortages, the first quarter of 2021 is expected to be even stronger than the final quarter of last year but that the market conditions will “normalise” throughout this year, starting in 2Q. Maersk’s consolidated EBITDA was up as much as 44% in 2020, also helped by lower bunker costs, while consolidated revenue was relatively flat (up approximately 2% year-on-year). In 2021, the company still expects an improvement in profitability, as measured by EBITDA, even after the strong growth in the prior year.

General recovery for dry bulk markets in 2021

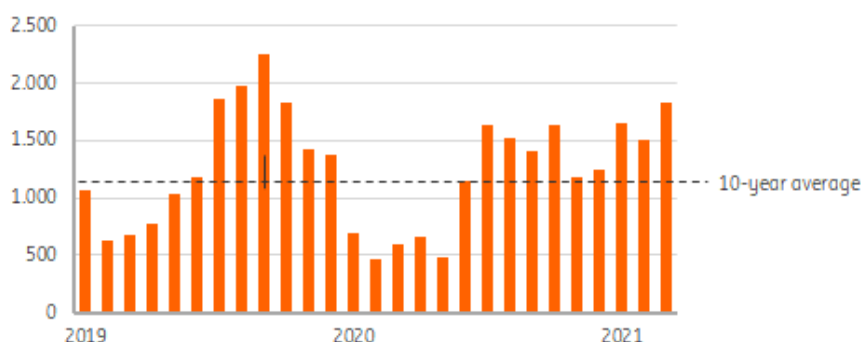
Dry bulk shipping markets show a mixed picture.

One of the big trade fractions coal (20-25% of total dry bulk volume) fell over 8% in full-year 2020. Simultaneously, iron ore (30% of total freight) refrained from a setback following strong demand uptake from China. On the agribulk side, trades remained solid. In specific breakbulk markets – like car transportation – however, volumes dropped significantly, impacting roll-on-roll-off ship activity.

In the second half of 2020, dry bulk rates recovered and exceeded 10-year averages. As the main industrial regions worldwide return to growth, 2021 is expected to offer widespread recovery in dry bulk markets.

Dry bulk rates recovered from last years lows

Baltic Dry index (supramax, panamax, capesize)



Source: Clarksons, ING research

From boom to gloom: Tanker market in a Covid-rollercoaster ride

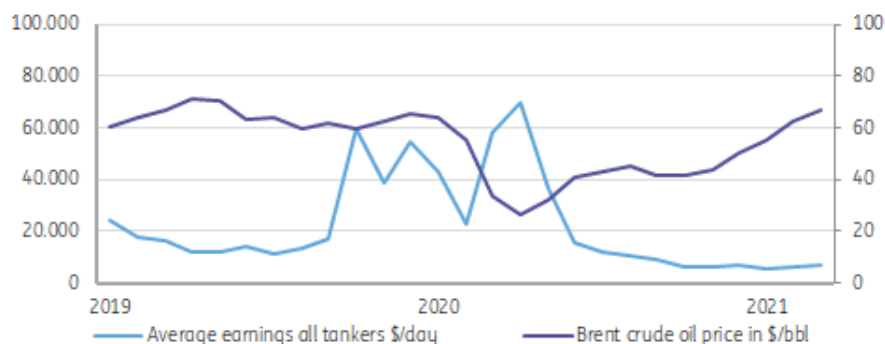
With the implementation of IMO 2020 rules pressing on capacity followed by the oil price collapse and massive speculative floating storage (reaching 11% of total fleet capacity in May 2020), tanker tariffs spiked in the first half of 2020, which resulted in a profitable year for many tanker shipping companies. However, after economic perspectives turned positive again and oil prices started to

recover in mid-2020, tanker rates started to slump.

In February 2021, tanker spot earnings even dropped to the lowest levels in decades. Nevertheless, one to five-year time charter rates for tankers like Aframax, Panamax and Suezmax size have been more resilient, revealing some future confidence.

Tanker spot rates plummeted after oil-prices started to recover

Average tanker earnings (spot) in \$ per day (LHS) and Crude oil price in \$ per bbl (Brent) (RHS)



Source: Clarksons, ING Research

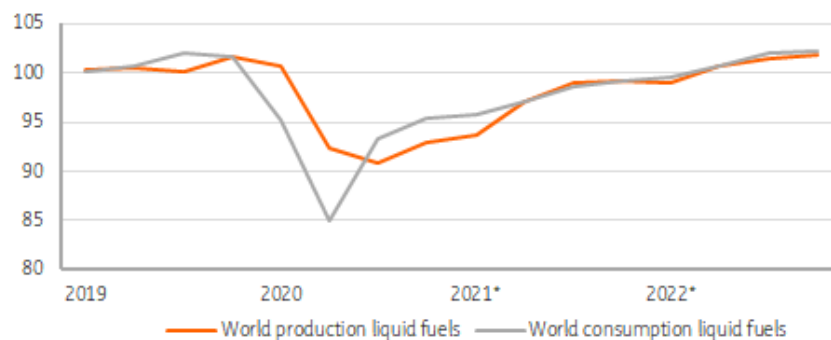
Weak oil product demand will keep tanker rates low in 2021

Due to less car driving and travel bans leading to the massive grounding of aircraft, global fuel consumption fell over 15% in the second quarter of 2020. At the same time, crude supply, as well as refining, were slashed.

Although industrial demand for oil products has picked up since fuel demand from transport is still low, consumption will gradually return. Given the forecast of relatively weak demand and gradual uptake in the second half of the year, tanker rates are expected to remain low for at least the first half of 2021.

Liquid fuel flows won't return to pre-pandemic levels before 2022

Worldwide production/consumption volume liquid fuels (mln. bbls per day)



Source: EIA *forecast EIA

Authors

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

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Authors

Rico Luman

Senior Sector Economist, Transport and Logistics

Rico.Luman@ing.com

Oleksiy Soroka, CFA

Senior High Yield Credit Strategist

oleksiy.soroka@ing.com

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