

Dry Bulk Shipping Market Overview & Outlook

Slower demand growth pressures freight rates



Supply/demand



Supply is forecast to grow 2.5% in 2025 and 2.6% in 2026. Recycling of older tonnage is expected to increase amid weaker market conditions.



Demand is forecast to fall 1% in 2025 and grow 2.5% in 2026 if ships fully return to the Red Sea in 2025. We expect low cargo demand growth over the next two years.

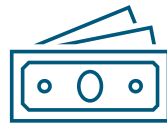


We expect a weakening of market conditions in 2025 and 2026 as supply grows faster than demand.



There is **high uncertainty regarding when ships can fully return to the Red Sea.** Upon their return, demand is expected to fall by 2%.

Demand



According to the IMF, **global GDP is forecast to grow by 3.2% in 2025 and 3.3% in 2026.** Without adequate stimulus, China's economic growth is expected to slow.



Iron ore shipments are estimated to grow 0.5% from 2024 to 2026. Weak Chinese steel demand and higher recycled steel production will limit growth in shipments.



Coal shipments are forecast to fall by 3.5% between 2024 and 2026. Higher electricity generation from renewables and higher mining in India and China are weakening the outlook.

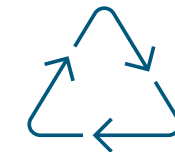


Between 2024 and 2026, grain shipments are forecast to increase by 1.5%. The global maize supply remains tight amid weaker volumes from Ukraine.

Supply



The fleet is expected to grow 5.2% between end 2024 and end 2026. Stable deliveries and increased recycling will slow fleet growth.



14.6m DWT are expected to be recycled between 2024 and 2026. It is expected to increase from a low baseline as freight rates weaken. In 2024, it was the lowest since 2007.



Sailing speed could slow by up to 1.0% in 2025 amid lower freight rates. There is an absence of new global regulations coming into effect, which would encourage slower speed.