

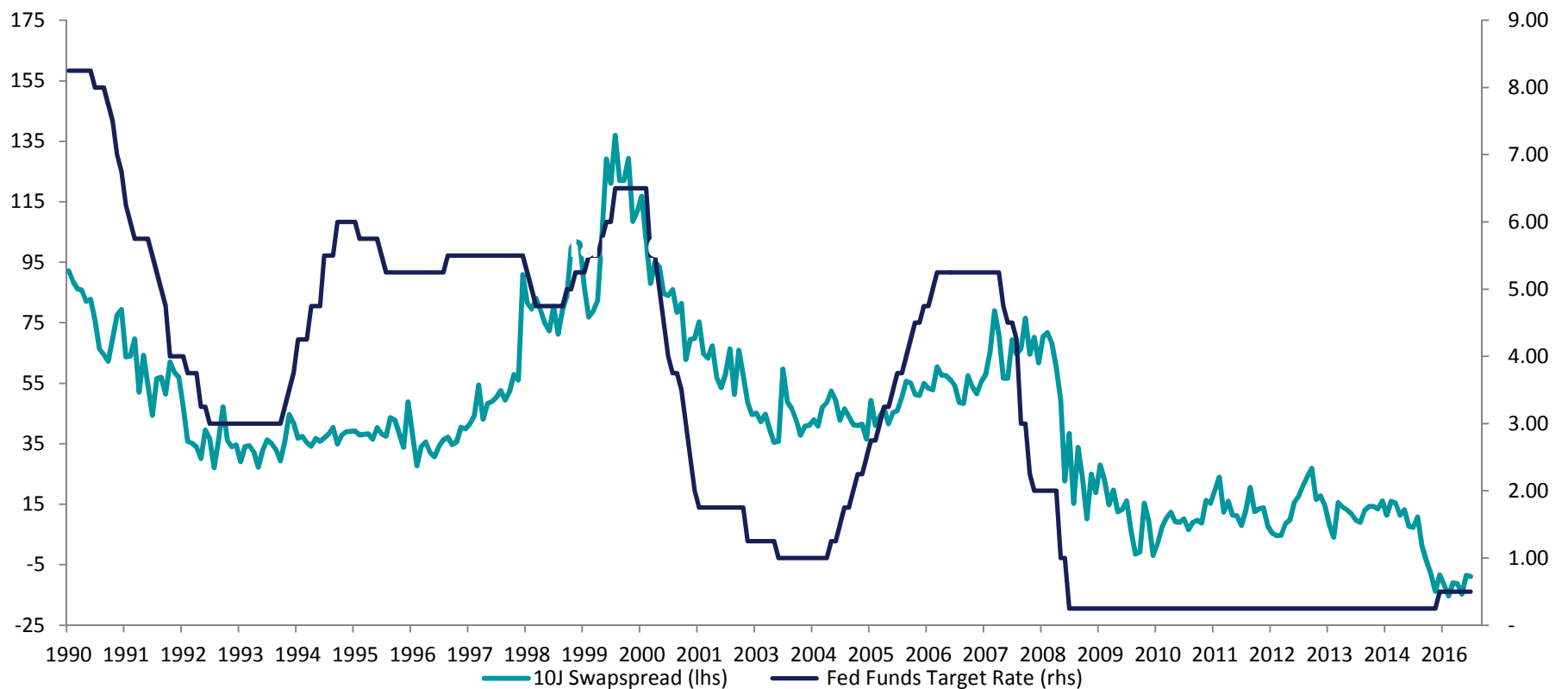


## **Mitigating risks through hedging in current markets**

***Panel discussion Mei Lin Goh, Rosemary Goh and Sebastian Heddergott***

## US rates: Mind the gap!

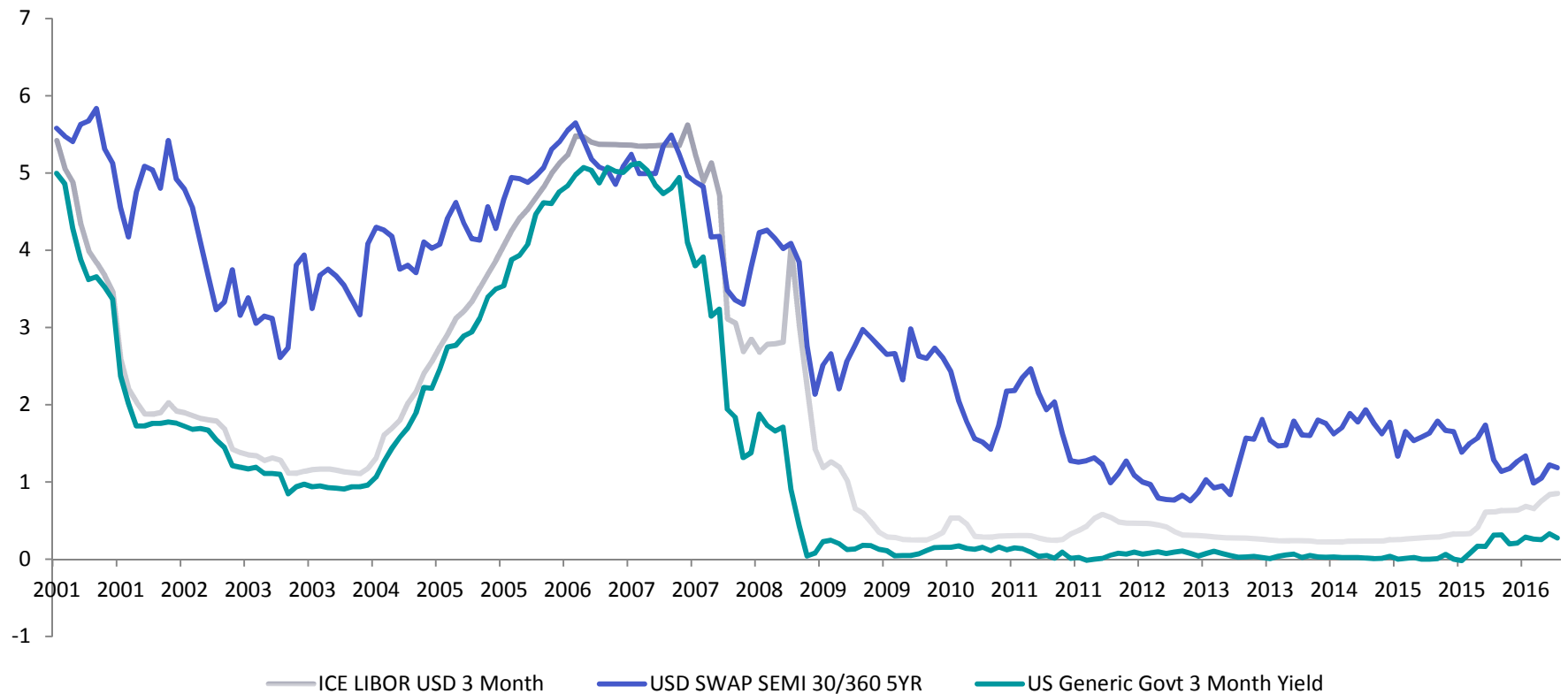
The spread between short and longterm interest rates is about to diminish



Quelle: Bloomberg, NORD/LB Economics

## US rates: Mind the gap!

**3M libor has sharply increased while swaprates were range trading over the last months**

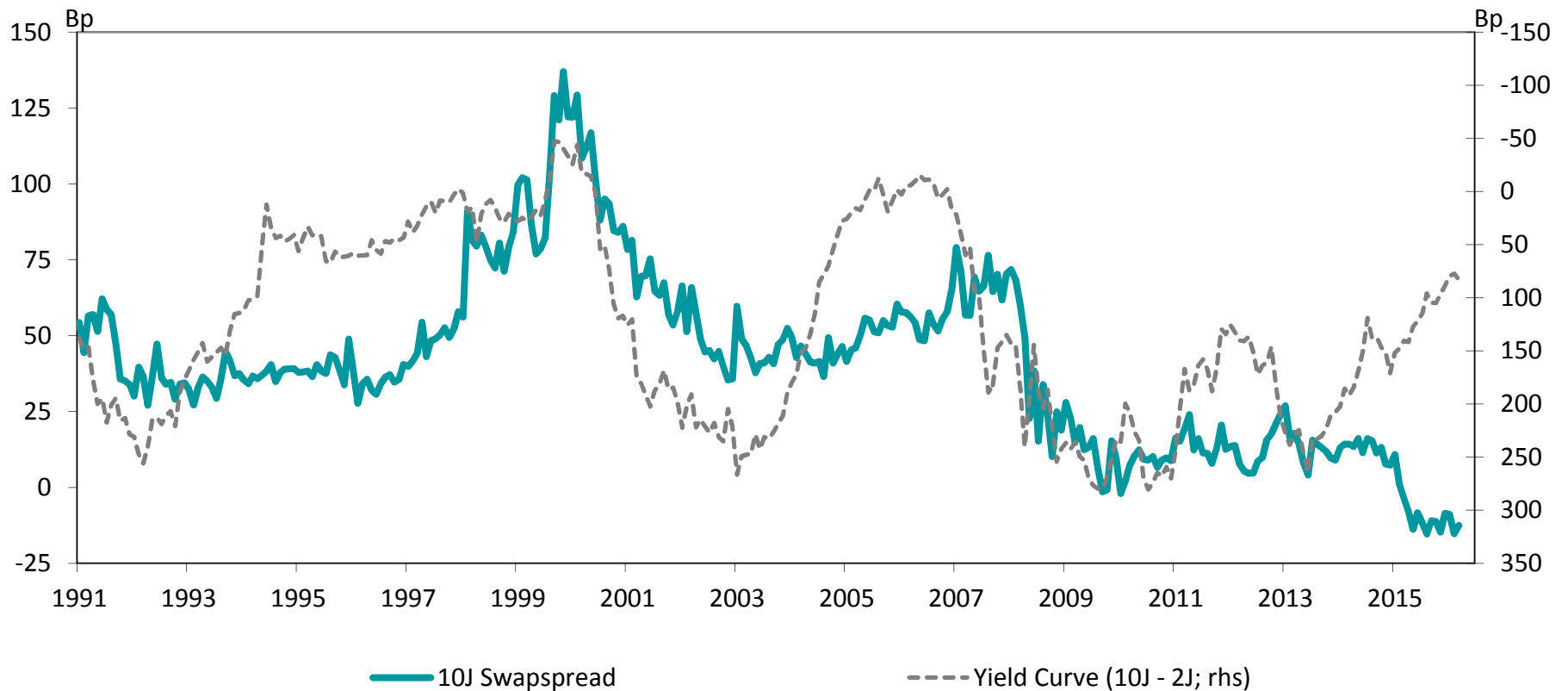


Source: Bloomberg, NORD/LB Economics

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## US rates: Mind the gap!

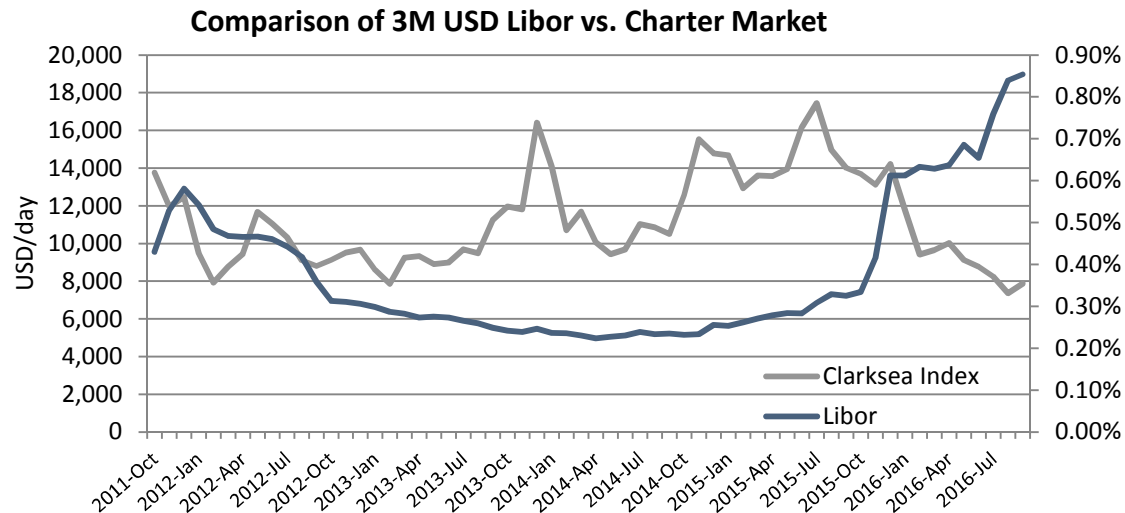
This results in the lowest swapspread for years



Source: Bloomberg, NORD/LB Economics

Quelle: Bloomberg, NORD/LB Economics

## Charter rates and interest rates show little correlation



- Correlation of 3 Month USD LIBOR and Clarksea Index amounts to -36%.
- Over a standard lending period of 5 years the impact of rising interest rates adds a big risk portion.
- Shipping is a global industry. Developments in China and Europe have substantial impact on the charter market.
- Since 2008 the shipping sector has change in many ways.



Thank you very much for your attention!