



Baltic Indices	Today	Last Year
US\$/day	3 Jan 2025	3 Jan 2024
Capesize (BCI 180)	11,407	29,599
Panamax (BPI 82)	9,358	16,271
Supramax (BSI 63)	11,172	16,285
Handysize (BHSI 38)	9,884	13,417

... Happy New Year! ...

POINTS OF VIEW

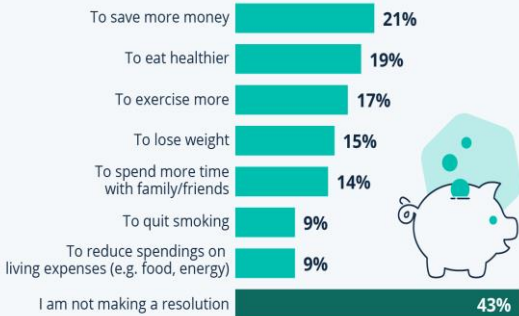
HSBC Global Economics takes a forward look at 2025 in “A Year of Promise” in which it states that the world is bracing for the impact of Trump’s proposed policy measures and waiting for action following China’s promises to loosen monetary policy and lift consumer spending. However, given ongoing geopolitical, fiscal and inflation uncertainty, many monetary policy challenges lie ahead. The US economy has done well since the November election on expectations of corporate tax cuts, a broad deregulatory agenda and a view that the worst outcomes for global trade will be avoided. Investors are hoping that the new administration will tread a little more cautiously than feared on fiscal, immigration and trade-related measures that could otherwise reignite inflation. Forecasts for US GDP growth in 2024, 2025 and 2026 are 2.8%, 2.2% and 1.8% while inflation is pitched at 2.9%, 2.8% and 2.7%. The slow drop in inflation is predicated upon the anticipated impact of tariffs and immigration policy on costs and prices. World trade export volume growth in 2025 is cut from 3.5% to 1.9% as global trade flows adjust to US tariffs and likely counter-measures. China, the main US trade target, is forecast to achieve GDP growth of 4.9% in 2024, 4.5% in 2025, and 4.4% in 2026 and inflation of 0.3%, 0.6% and 0.9% as it continues to tackle disinflationary forces. Bigger fiscal stimulus is expected in 2025 although Beijing’s policy support is expected to be steered towards consumption. Many firms are apparently fearful that higher US tariffs on China could result in more trade diversion towards Europe, Asia and elsewhere, potentially triggering further trade restrictions between third countries and an additional hit to world trade growth.

HSBC Asia Economics has penned a piece entitled “Let’s Go” as it looks forward to 2025. It states that it is easy to list the headwinds for growth in Asia for the Year of the Snake such as rising trade tensions and their drag on cross-border investment. But resilient local demand, and extra stimulus, should keep the region humming. The region is awaiting the specifics of US trade policy after a period of record shipments that invite an inevitable payback. For China, another rise in US import tariffs comes at an especially tricky time, with local demand far less robust than the first time around. HSBC reckons that this strengthens the case for further stimulus, though gradualism is likely to endure in 2025, with the focus more on growth stabilisation than a surge in activity. It goes on to say that, for ASEAN, US-China trade tensions were arguably helpful in the past, leading to export gains and more investment. However, the outlook is far more uncertain this time around, likely weighing on foreign investment in quarters to come. Fortunately, in much of Asia, consumer spending should stay resilient, even if it has cooled of late, including in India. But more stable prices, and gentle interest rate cuts outside of Japan, should help keep domestic demand on an even keel. ASEAN’s top forecast performer is Vietnam with GDP growth in 2024, 2025 and 2026 of 7.0%, 6.5% and 6.3% edging out India at 6.2%, 6.5% and 6.5%. 2024 was downgraded from 7.0% in the previous Q4 forecast.

The FT Person of the Year 2024 was none other than Donald Trump. After the most dramatic comeback in modern US history, the president-elect promises a new era of sweeping deregulation, tax and spending cuts and a profound shift to the cultural right.* Like so many politicians, business-people and businesses, previously critical of DJT, they now accept that opposing him rarely ends well. As the FT put it: “This year Trump is again the FT’s pick because of the remarkable nature of his return to power. It is no longer possible to dismiss Trump as a blip.” Abroad, Trump vows a new iconoclasm and some of his cabinet nominees betray an intent to follow a Project 2025 agenda.** He sees the world as a jungle in which the US has been taken for a ride by freeloading allies; the future of Nato is hanging by a thread. By the same token, his return may be the opportunity of a generation for the ‘axis of upheaval’: China, Russia, Iran and North Korea. From day one, he plans to start deporting undocumented migrants, mass pardons for Jan 6 rioters, a new era of oil drilling, free speech ordinances on US universities, ending wars, etc.. He has also vowed to purge the Pentagon of woke generals and investigate his investigators.^ As Anthony Scaramucci observed: “You could get the genial, joking, golfing Trump, or you could get his evil, vengeful twin. Maybe we’ll see both.” Shipping and trade participants will soon learn which one will take over the White House on Jan 20.

America’s Top New Year’s Resolutions for 2025

Share of U.S. adults who have made the following New Year’s resolutions for 2025



Multiple selection out of 15 answers possible
1,050 U.S. respondents (18 - 80 y/o) surveyed Oct. 24 - Nov. 03, 2024
Source: Statista Consumer Insights



Source : Statista

*The Department of Government Efficiency, run by Elon Musk and Vivek Ramaswamy, both billionaires, plan to deconstruct the administrative state.

**Trump has threatened to expropriate the Panama Canal, returned to Panama in 1999 under Jimmy Carter, and challenge Danish sovereignty over Greenland.

His aim is to thwart Chinese ambitions in Panama, controlling ports at each end, and to exploit Greenland’s mineral resources to narrow China’s strong lead.

Republicans have a 53-47 majority in the Senate that could still see defections in blocking confirmation of ‘inappropriate’ nominees (Patel, Gabbard & Hegseth).

^Susie Wiles, incoming White House chief of staff, said: “Trump’s retribution will be a strong economy. Over time a lot of the strong feelings have gone away.”

In contrast, Steve Bannon, former Trump strategist said: “Those who are worried that Trump is coming for them should be worried. It is what the base expects.”