



CAPITAL LINK FORUM- THE VOICE OF OUR YOUNG EXECUTIVES

INVESTOR ATTITUDES IN SHIPPING

My interest is focused in decoding the mind-set of the investors of the current era, beginning with a significant question:

What do investors think about when putting their money to work in the shipping space?

Public investors are a lot more skeptical and cautious currently, compared to the past. The main reason is that, the years before the end of 2019 brought fantastic returns to them. However, for 2020 the returns do not seem to be good.

Shipping is a highly volatile and cyclical business. Investors are interested in the strong performance of their assets and they are usually thinking about what can go wrong. However, they have to know that there are unexpected factors in business and sometimes things are not going exactly in accordance with the plan. The most recent and representative example is the destructive impact of the coronavirus in the market, that could not be predicted by anyone. So, what do investors really care about?

- They primarily care about the immediate returns and liquidity in their shares, taking advantage of the market gap and their volume
- Investors aim to identify correlation between high liquidity and a good valuation

Another important matter is the potential recovery from the negative impacts of the coronavirus. In my opinion, recovery will come when investors find a new reason to believe in. Currently stocks are at low price, so some analysts in the market propose that the investors should take the opportunity now and invest more, in order to benefit from the profit that may come up in the second half of the year.



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