



# Monthly Newsletter

Year 2024  
February Edition

MISC Financial Calendar

4Q 2023  
1Q 2024  
2Q 2024

27 February 2024  
30 May 2024  
23 August 2024

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'Surprising' lack of Red Sea boost for VLCCs and suezmaxes, says Gibsons

FPSO market remains buoyant in Southeast Asia

Geopolitics help give 3,000bn boost to tonne miles in 2023, says Clarksons

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## Energy shipping fleet data

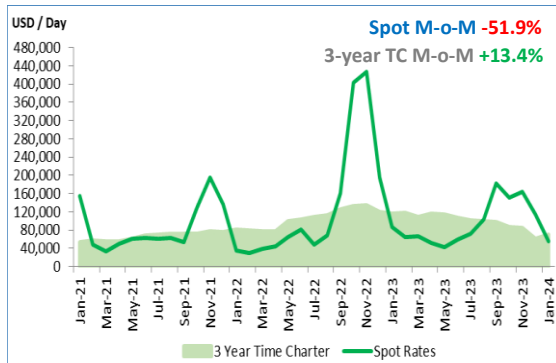
Freight Market

Asset Value

Fleet Development

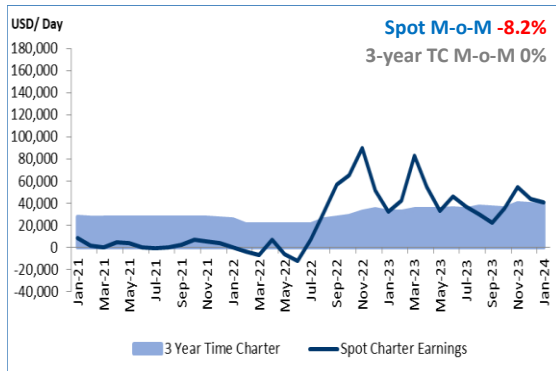
Deliveries & Demolitions

### LNG Carrier



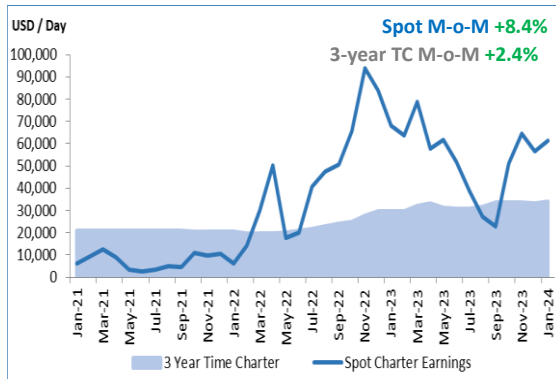
LNGC spot rates continued to fall in January as vessel availability remained ample due to seasonal weak demand and mild winters in Europe and Asia. The rates have yet to find support, despite the re-routes via the Cape of Good Hope.

### VLCC



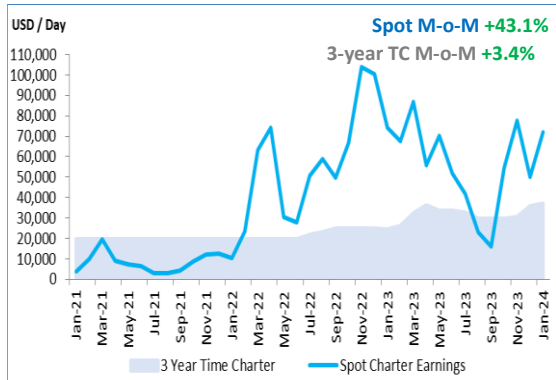
The VLCC rates moderated in January due to slow market demand in the US Gulf and the East resulting a long tonnage list that limits the upside of the rates.

### Suezmax



The suezmax rates have improved in February due to vessel rerouting as fewer vessels are willing to transit the Suez Canal, especially with the substantial increase in war risk premiums.

### Aframax



Similarly, the aframax rates rebounded higher than suezmax in January as more activities seen particularly in the Mediterranean and UK Continent markets, tightening the list and keeping the rates steady.

# Industry News Highlights

## GAS CARRIERS

### Charter rates for modern LNG carriers sink amid gloomy 2024 outlook

[TradeWinds](#)

Spot charter rates for LNG carriers have trended down to just above the \$50,000 per day mark as falls continue due to weak demand and low market sentiment. Term-charter rates have also fallen since the beginning of this year. According to Fearnley LNG, the pool of open tonnage continues to grow and about 20 ships were showing open on a spot basis despite the increase in tonne-miles recorded by vessels avoiding the Red Sea.

### Clarksons raises concern over LNG rates as 2024 newbuilding deliveries set to smash record

[TradeWinds](#)

A record number of LNG carrier newbuildings are poised to join the fleet, following an 'extremely firm' period of ordering since 2021, according to Clarksons Research. A total of 29.4m cbm, or 26% of the fleet, will be added this year and in 2025. Given the record volume of LNG carrier capacity due to be delivered in 2024, concerns have grown around the market outlook, as demonstrated by the fall in one-year time charter rates in recent months. However, about 90% of vessels on order are already committed to projects, and expectations remain high for rapid trade growth from 2025 to 2027 to absorb strong deliveries as the sector enters a major phase of expansion.

## OIL TANKERS

### Dirty freight rates rose in January

[OPEC](#)

Dirty freight rates rose in January due to trade flow disruptions that further increased tonnage mile demand. Suezmax rates on the USGC-to-Europe route increased by 34%, m-o-m, while Aframax rates around the Mediterranean rose by 26%, m-o-m, with gains reflecting tightening availability lists amid trade dislocations. Clean rates saw mixed movement. East-of-Suez rates surged by 45% as trade disruptions triggered some rebookings, while West-of-Suez rates fell by 10%..

### 'Surprising' lack of Red Sea boost for VLCCs and suezmaxes, says Gibsons

[TradeWinds](#)

With most crude tankers avoiding the Red Sea, it is perhaps 'surprising' that crude tanker rates have not spiked in the same way as for product carriers, particularly for the suezmaxes that dominate the Middle East Gulf to Europe trade, according to Gibsons. Fewer VLCCs and Suezmaxes are rerouting as compared to product tankers. Despite the lesser response in the crude tanker market so far, if the situation continues for a significant period, the impact of Cape of Good Hope routing will accumulate, offering more support to tanker rates.

## OFFSHORE OIL AND GAS

### FPSO market remains buoyant in Southeast Asia

*Upstream Online*

Southeast Asia's FPSO market remains buoyant with several tenders for FPSO vessels expected to commence this year. However, floater projects in the region could find themselves in competition with field developments elsewhere that also require FPSOs. The majority of the upcoming projects require leased floaters, either redeployed existing facilities or conversions. Oil majors like PETRONAS, ConocoPhillips, PTTEP and Inpex are already looking for FPSOs for their assets in the region.

## SHIPPING

### Geopolitics help give 3,000bn boost to tonne miles in 2023, says Clarksons

*TradeWinds*

Changing trade patterns brought on by geopolitics has helped drive one of the largest increases in annual tonne-mile trade growth in over a decade. Total tonne miles in 2023 hit 62.3 trillion, a y-o-y growth of 3,000 billion tonne miles or 5%, the fastest rate since 2017, according to Clarksons. Over one-third of it came from crude oil and iron ore. Due to the Russia-Ukraine war, Russian oil is now headed east i.e. India and China, over longer distances and European imports have pivoted away from Russian exports towards longer-haul suppliers. The disruption in the Red Sea region is also affecting trade distances as vessels re-route via the Cape of Good Hope.

### Insurers hike war risk rates following Red Sea attacks on US and Greek-owned ships

*TradeWinds*

Red Sea war risk rates could soon exceed 1% of hull value after the latest missile attacks by Houthi rebels on shipping, signaling that no vessel is safe in the region, according to brokers. In less troubled times, war risk rates in the region have been as low as 0.03%. However, rates are now reaching a level at which, for many ships, it makes financial sense to divert around the Cape of Good Hope instead of paying the additional war risk premium. Red Sea war risk rates are now getting closer to those reported in the Black Sea, where ships are navigating sea mines under the threat of Russian missile attack to load Ukrainian grain exports..

## FREIGHT MARKET

USD/Day	Dec 2023 Avg	Jan 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
<b>Modern Tonnage (155k - 165k cbm, DF/TF diesel electric)</b>						
Spot Rates	114,250	55,000	-51.9%	55,000	96,382	133,115
1 Year Time Charter	59,400	65,125	9.6%	65,125	112,085	131,744
3 Year Time Charter	61,820	70,075	13.4%	70,075	101,247	104,296
<b>Steam Engine (145k – 155k cbm, steam turbine)</b>						
Spot Rates	62,000	36,250	-41.5%	36,250	59,305	69,725
1 Year Time Charter	38,880	44,950	15.6%	44,950	69,729	69,029
3 Year Time Charter	38,240	43,375	13.4%	43,375	49,473	50,905
<b>PETROLEUM</b>						
<b>VLCC</b>						
Spot Charter Earnings <sup>1</sup>	43,983	40,365	-8.2%	40,365	42,743	23,329
1 Year Time Charter	45,250	45,250	-	45,250	41,165	25,438
3 Year Time Charter	39,000	39,000	-	39,000	35,495	24,745
<b>Suezmax</b>						
Spot Charter Earnings <sup>1</sup>	56,472	61,212	8.4%	61,212	53,564	43,319
1 Year Time Charter	43,250	44,000	1.7%	44,000	40,561	26,095
3 Year Time Charter	33,250	34,063	2.4%	34,063	31,866	22,533
<b>Aframax</b>						
Spot Charter Earnings <sup>1</sup>	50,208	71,866	43.1%	71,866	55,776	54,910
1 Year Time Charter	42,000	42,750	1.8%	42,750	41,777	24,807
3 Year Time Charter	35,800	37,000	3.4%	37,000	31,061	21,783
<b>MR2</b>						
1 Year Time Charter	26,300	27,063	2.9%	27,063	26,816	20,407

Notes: <sup>1</sup> Spot Charter Earnings are calculated by taking the total revenue net of commission, deducting bunker costs based on latest prices at representative regional bunker ports, estimated port costs (after currency adjustments) and then dividing the result by the number of voyage days.

## ASSET VALUE

USD 'Million	Dec 2023 Avg	Jan 2024 Avg	1-Month +/-%	2024 Avg	2023 Avg	2022 Avg
<b>LNG</b>						
Newbuild (174k cbm, MEGI)	265.0	265.0	-	265.0	259.4	233.2
<b>VLCC</b>						
Newbuild	128.0	128.0	-	128.0	124.8	117.8
5-Year	105.0	109.0	3.8%	109.0	99.8	81.0
<b>Suezmax</b>						
Newbuild	85.0	85.0	-	85.0	83.6	78.8
5-Year	78.0	83.0	6.4%	83.0	72.7	55.8
<b>Aframax</b>						
Newbuild	70.0	70.5	0.7%	70.5	67.0	61.1
5-Year	70.5	72.0	2.1%	72.0	64.9	51.6

## FLEET DEVELOPMENT

No. of Vessels	Current Fleet	2024	2025	2026	2027+	Total Orderbook	Orderbook as % of Fleet
<b>LNG</b>							
LNG Carriers	679	73	87	82	86	328	48%
<b>PETROLEUM</b>							
VLCC	908	1	5	11	6	23	3%
Suezmax	661	8	27	27	5	67	10%
Aframax	696	27	58	42	16	143	21%

## DELIVERIES & DEMOLITIONS

Deliveries	Dec-23	Jan-24	YTD	Demolitions	Dec-23	Jan-24	YTD
<b>LNG</b>							
LNG Carriers	4	3	3	LNG Carriers	0	0	0
<b>PETROLEUM</b>							
VLCC	0	1	1	VLCC	0	0	0
Suezmax	0	0	0	Suezmax	0	0	0
Aframax	1	3	3	Aframax	0	0	0

Sources: Clarkson and Affinity.

Notes: <sup>2</sup> Stainless Steel. <sup>3</sup> Coated.

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